

Dunwoody*



**CITY OF DUNWOODY, GEORGIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For The Year Ended DECEMBER 31, 2016**





CITY OF DUNWOODY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2016

Prepared by:

Chris Pike, CPA
Finance Director

Submitted by:

Eric Linton
City Manager

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**INTRODUCTORY
SECTION**

Dunwoody*



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June 19th, 2017

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

Ladies and Gentlemen

State law and local ordinances require that every general-purpose local government publish a complete set of audited financial statements each fiscal year. This report is published to fulfill that requirement for the year ended December 31, 2016. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City of Dunwoody, Georgia (the City).

This report has been prepared in accordance with State statutes set forth in an Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved March 28, 1968 (p. 464), and as amended by an Act approved April 21, 1968 (GA Laws 1997, p. 883). Warren Averett, LLC, have issued an unmodified (clean) opinion on the City of Dunwoody's financial statements for the year ended December 31, 2016. 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).



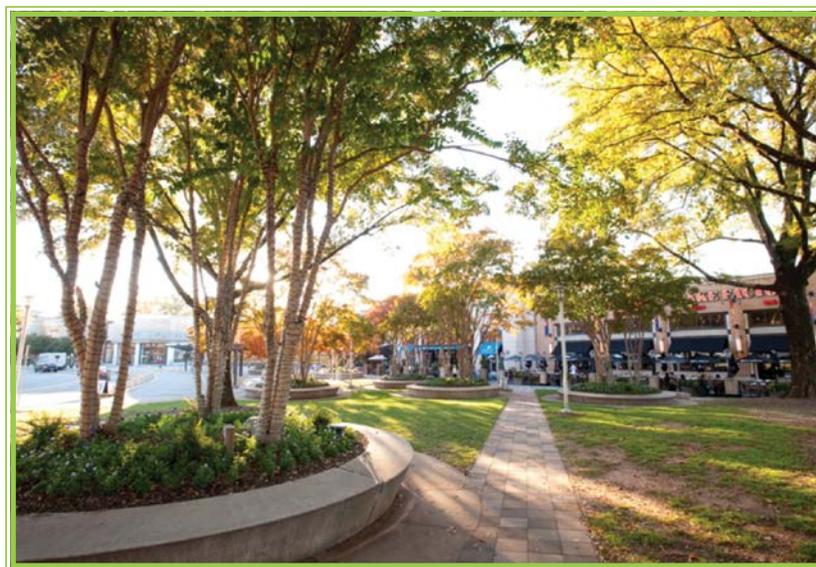
"Old Buck" Circ. 1918

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. Dunwoody was voted into cityhood by an overwhelming 81% majority. The City of Dunwoody is approximately 13.2 square miles with an estimated population of over 46,000 residents and an estimated daytime population of over 120,000.





City Council

Profile of the Government

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

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

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

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

Local Economy

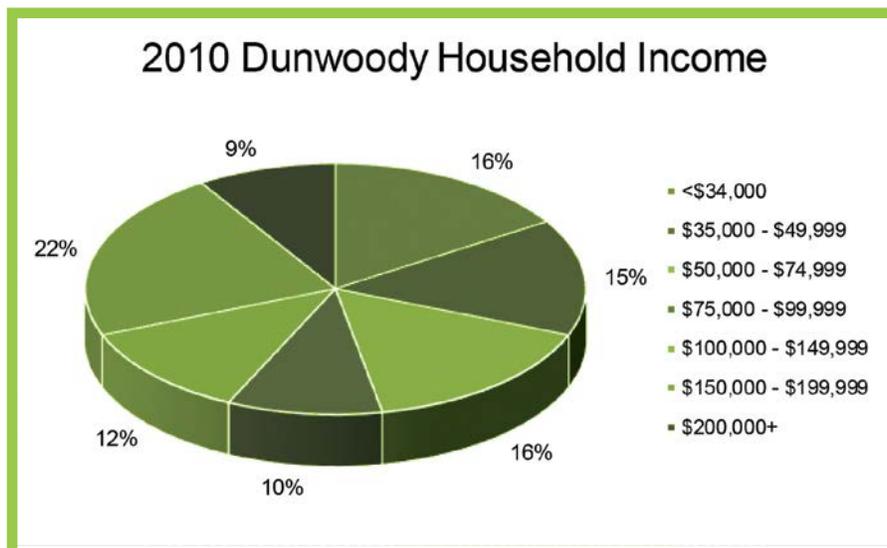
Dunwoody Population, Households, and Forecast: 2000-2030

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

Based on the 2010 US Census, in 2010 DeKalb County had a population of 691,893 people and stood as the third most populous county in the Atlanta Regional Commission (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 Metropolitan Atlanta Rapid Transit Authorities (MARTA) 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 city limits, there are approximately 2,300 licensed businesses.

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



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

National and Local Economy

The U.S. and local economy continues to strengthen, finally surpassing pre-recession levels from 2008. This includes real estate values where existing home prices rose and 4% over last year’s level after rising 5.75% in 2015 over 2014’s levels. This marked the 58th consecutive month of year-over-year gains. Overall construction spending increased 4.7% from a year ago. The employment statistics are another piece of good economic news that reinforces the notion that the U.S. economy has stabilized and now modestly growing. Employers continue to add jobs with the unemployment rates improving at the national, state, county and local levels:

	Current Year	Prior Year
United States	4.7%	4.9%
Georgia	5.5%	5.4%
DeKalb County	5.3%	5.5%
Dunwoody	4.0%	3.8%

Wages also rose over last year, though at a modest 2.4% slightly beating last year’s growth. Though modest, wages did barely increase above last year’s inflation rate of just 2.1%. During 2015, the Federal Reserve, worried about rapid growth, chose to increase interest rates for the first time in nine years. However, even there, the vote was a close call as some members were concerned inflation was too low. At the time, projections for 2016 indicated inflation would be less than 2%. Having confirmed their concerns, the Federal Reserve left rates the same for most of 2016 until increasing the rate by 0.75% in December, 2016.

Several indicators show Dunwoody’s local economy is strong. The City’s property tax valuation increased slightly, but enough to bring it above the property digest value at the time of incorporation in 2008. Revenues among the City’s six hotels increased with three new hotels planned for 2016. Dunwoody’s effective and efficient structure established during recession years in the economy has continued to be advantageous during the recovery period, illustrating the benefits of a diverse revenue stream and an efficiently managed service culture. Additionally, the City has avoided unmanageable health care costs and pension liabilities experienced by other municipalities by utilizing the Split Contract Service model that provides the City with highly trained staff for a fixed fee cost.

Long-term Financial Planning

Dunwoody is well-positioned for future economic success. Dunwoody saw new business licenses issued and continued to attract several corporate headquarters. The City’s diverse revenue base provides a variety of additional revenues to the millage rate of only 2.74 mills from a variety of sources from groups of local businesses, residents and visitors to the area. The City continues to focus on keeping taxes low and making public investments in services and infrastructure. The City invested heavily in infrastructure and put in place several catalytic plans which will create a positive impact well into the future. The City’s policy is to obtain

and then maintain a minimum General Fund balance reserve equal to 33% of operating expenditures and a maximum of 67%. Excess fund balances over reserve requirements will be used in subsequent periods for pay-as-you-go capital projects and one-time non-recurring expenditures. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provision of city services. The City's operating millage rate is 2.74 mills.

Throughout the year, the Finance Department administered the approved financial policies within which the government's finances are maintained. These policies address fund balances, the use of one-time revenues, issuance of debt, purchasing and procurement, cash and investment management, and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. The Finance Department also engaged an independent auditor to evaluate the City's internal control structure and recommend improvements to our structure.

City Council Budget Priorities

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

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

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

Fiscal Year 2016 was the eighth full year of service. Major items implemented during this fiscal year include:

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

- Initialized a split shift unit assigned to the Patrol Division to install an overlapping time frame for both the Day and Night Shifts to target high crime PCID areas
- Implemented a detective position specifically targeting vice crimes within the city, dismantling prostitution organizations and actively investigating similar crimes
- Initiated an assertive training program for all staff regarding critical incidents (active shooter incident) and the complexities of responding to and managing these types of calls for service
- Initiated the Citizen on Patrol program designed to train and engage citizens with the department to reduce crime and enhance the positive image of the City

Priority 2 - Promote responsible and balanced redevelopment

- Conducted extensive support efforts to help State Farm complete its first 600,000 square foot building at Park Center
- Helped usher in the new 130-room Hampton Inn & Suites which opened in the Spring of 2016

- Updated Livable City Initiatives for Georgetown and Dunwoody Village Overlay updated
- Planned the adoption of PCID Overlay and Zoning provisions

Priority 3 - Actively pursue comprehensive infrastructure improvements

- Completed over 18 lane miles of pavement resurfacing. The City has now completed paving on over 30% of the total lane miles in the city.
- Completed sidewalk project on Peachford Road which now has sidewalks on both sides for the full length of the road
- Completed a sidewalk project on Village Creek Drive to provide a safer walking route to Dunwoody Elementary School
- Completed a streambank restoration project at the Bunky Way culvert
- Received an award for the City's stormwater utility from the Georgia Association of Water Professionals
- Secured \$950,000 in state and federal grants for the Westside Connector design, Chamblee Dunwoody-Village corridor improvements and safety improvements on Chamblee Dunwoody Road at Redfield Drive

Priority 4 - Create an atmosphere in which businesses thrive

- Coordinated the partnership between the City, Chamber and Convention and Visitors Bureau (CVB) to publish the Atlanta Business Chronicle's Dunwoody Market Report that included 12 articles focused on Dunwoody's economy, housing, and lifestyle.
- Collected more than \$2.6 million in occupation taxes and \$1.5 million in hotel/motel taxes.
- Maintained a collaborative relationship with the Code Enforcement Department to track down those businesses that have failed to pay their occupation taxes.
- Maintained a collaborative relationship with the Chamber of Commerce to communicate any pertinent information to our Dunwoody businesses.
- Continued focus on retaining existing businesses by participating in over 120 business retention and expansion meetings with local Dunwoody companies.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 2015. This program recognizes those governments that go beyond the minimum requirements of generally accepted accounting principles to prepare CAFRs 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 2016 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 2017 budget continues to conform to program requirements and have submitted it to the 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





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

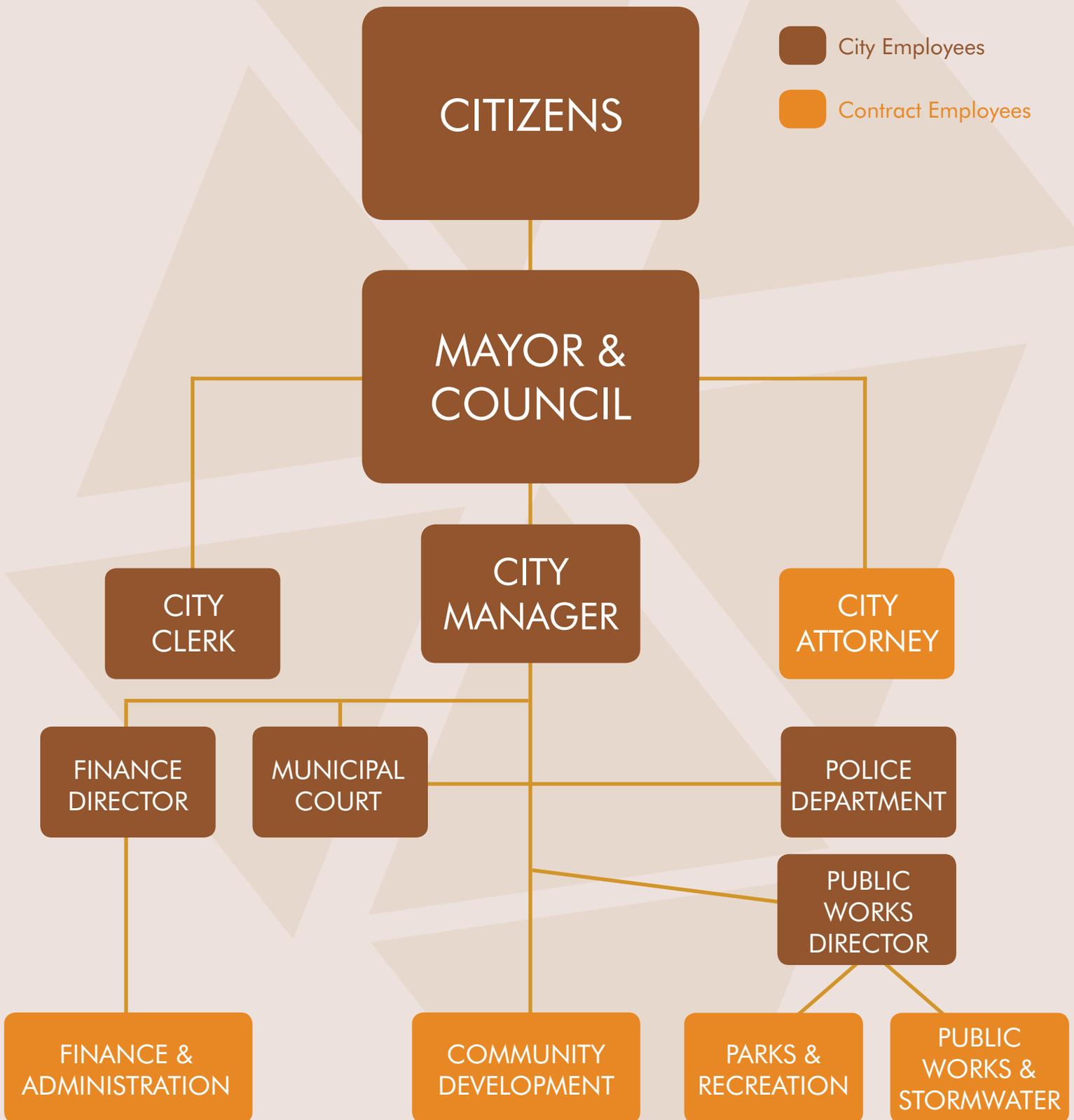
**City of Dunwoody
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

ORGANIZATIONAL CHART



Listing of Elected Officials DECEMBER 31, 2016



Mayor
Denis Shortal



City Council Post 1
Pam Tallmadge



City Council Post 2
Jim Riticher



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 Appointed Officials



City Manager
Eric Linton



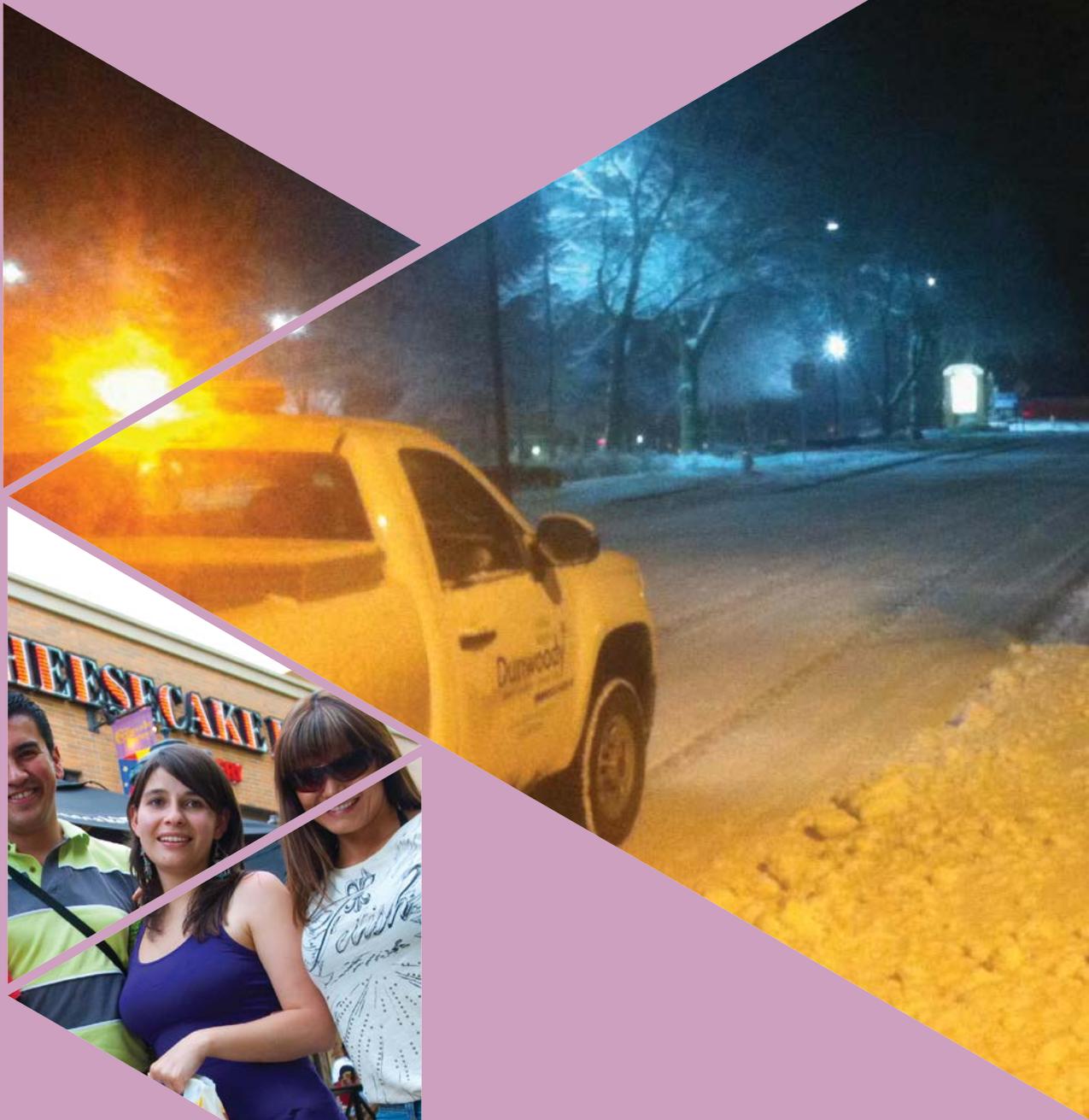
City Clerk
Sharon Lowery

as of DECEMBER 31,
2016



**FINANCIAL
SECTION**

Dunwoody*





AUDITOR'S LETTER



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georgia, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), Grant Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) and HOST Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Warren Averett, LLC

Atlanta, Georgia
June 19th, 2017

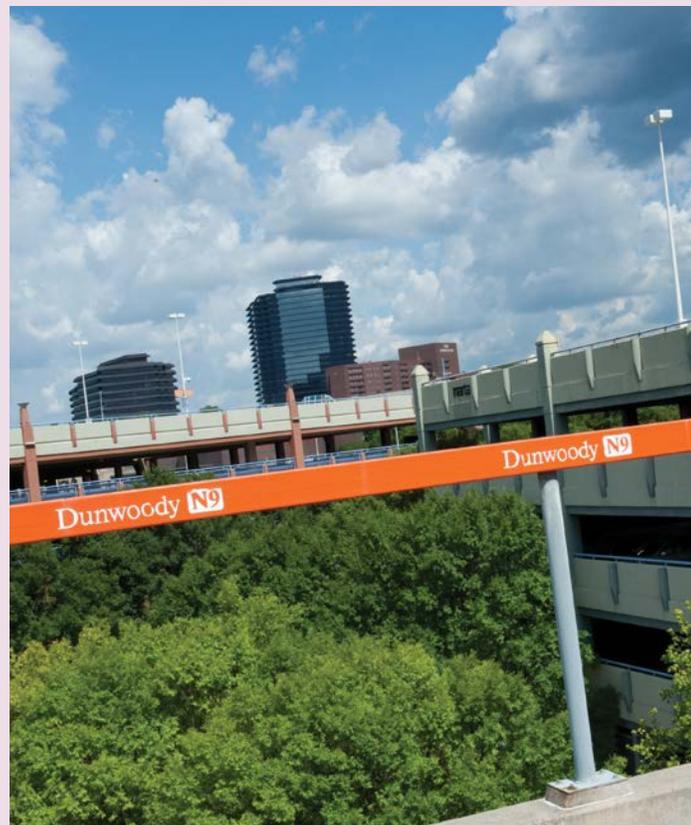


MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the City of Dunwoody, GA (the City) provides an introduction to the basic financial statements for the fiscal year ended December 31, 2016. Management prepared this discussion that should be read in conjunction with the basic financial statements, footnotes, and supplementary information found in this report. This information taken collectively is designed to provide readers with an understanding of the City's finances.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, recreation and community development. The business-type activities of the City include the 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 ten 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, grants, HOST and capital projects funds, which are considered to be major funds. Data for the other six governmental funds (motor vehicle excise tax fund, hotel/motel fund, debt service fund, confiscated assets fund, urban redevelopment agency fund and Emergency 911 telephone service) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 20 through 22 of this report.



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

The proprietary fund financial statements can be found on pages 23 through 25 of this report.

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

The fiduciary fund financial statement can be found on page 26 of this report.

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

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

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



GOVERNMENT-WIDE FINANCIAL ANALYSIS

CITY OF DUNWOODY'S NET POSITION

	Governmental Activities		Primary Government Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS						
Cash and cash equivalents	\$ 31,525,885	\$ 29,824,096	\$ 1,994,143	\$ 2,292,302	\$ 33,520,028	\$ 32,116,398
Investments	-	239,886	-	-	-	239,886
Accounts receivable	4,066,905	2,001,147	31,130	46,960	4,098,035	2,048,107
Taxes receivable	3,075,734	3,230,307	-	-	3,075,734	3,230,307
Due from other governments	403,843	270,668	-	-	403,843	270,668
Land held for resale	3,534,542	4,093,645	-	-	3,534,542	4,093,645
Prepays	587,232	260,639	-	-	587,232	260,639
Restricted cash	504,400	457,643	-	-	504,400	457,643
Capital assets:						
Nondepreciable	29,861,961	25,880,862	-	-	29,861,961	25,880,862
Depreciable, net of accumulated depreciation	53,862,396	48,400,050	1,266,023	1,362,655	55,128,419	49,762,705
TOTAL ASSETS	127,422,898	114,658,943	3,291,296	3,701,917	130,714,194	118,360,860
LIABILITIES						
Accounts payable	2,220,954	1,568,398	50,670	298,172	2,271,624	1,866,570
Accrued liabilities	1,075,885	473,144	2,913	-	1,078,798	473,144
Due to component unit	70,931	62,744	-	-	70,931	62,744
Unearned rent	346,744	475,663	-	-	346,744	475,663
Compensated absences due within one year	217,722	192,845	-	-	217,722	192,845
Compensated absences due in more than one year	37,927	33,346	-	-	37,927	33,346
Bonds payable due within one year	1,456,467	274,302	-	-	1,456,467	274,302
Note payable due in more than one year	9,900,000	1,984,509	-	-	9,900,000	1,984,509
TOTAL LIABILITIES	15,326,630	5,064,951	53,583	298,172	15,380,213	5,363,123
NET POSITION						
Net investment in capital assets	72,367,890	72,022,101	1,266,023	1,362,655	73,633,913	73,384,756
Restricted for HOST capital projects	4,276,217	5,074,377	-	-	4,276,217	5,074,377
Restricted for parks operation	473,356	473,356	-	-	473,356	473,356
Restricted for public safety	319,040	302,185	-	-	319,040	302,185
Restricted for E911 operations	-	60,184	-	-	-	60,184
Restricted for capital projects	4,436,388	3,668,989	-	-	4,436,388	3,668,989
Unrestricted	30,223,377	27,992,800	1,971,690	2,041,090	32,195,067	30,033,890
TOTAL NET POSITION	\$ 112,096,268	\$ 109,593,992	\$ 3,237,713	\$ 3,403,745	\$ 115,333,981	\$ 112,997,737

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 \$115,333,981.

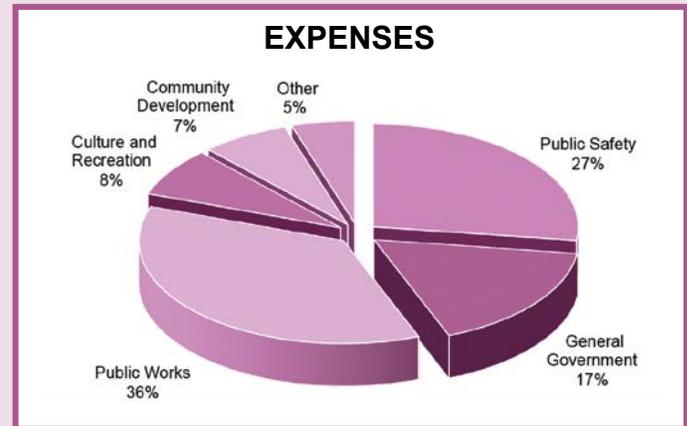
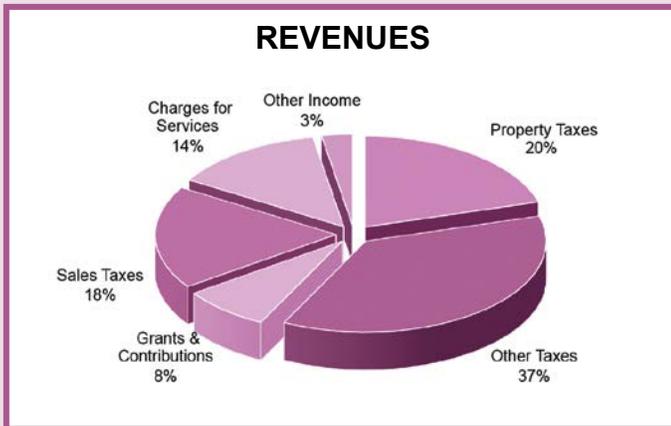
The largest portion of the City's net position, \$73,633,913, reflects its investment in capital assets (e.g., buildings, machinery and equipment, roadways, sidewalks, culverts, equipment and signals); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City reports restricted net position of

\$9,505,001, which consists of restricted HOST funds to be used on capital projects, restricted funds for land held for sale, restricted seized funds to be used for public safety, and restricted emergency 911 fees to be used for operation of the E911 center. The remaining portion of the City's net position represents net position of \$32,195,067 available to meet the ongoing obligations of the government. The City has current assets of \$45,723,814. These assets include \$34,024,428 of cash and cash equivalents. The City's capital assets are \$84,990,380. Debt liabilities are \$9,900,000 with another \$1,456,467 due within a year for land purchased in 2011 that has been refinanced and land purchased in 2012 in addition to 2016 financing for the new City Hall facilities.

CITY OF DUNWOODY'S CHANGES IN NET POSITION

	Governmental Activities		Primary Government Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
<i>Program revenues:</i>						
Charges for services	\$ 4,744,849	\$ 7,132,729	\$ 2,010,908	\$ 1,888,798	\$ 6,755,757	\$ 9,021,527
Operating grants and contributions	18,522	540,163	-	-	18,522	540,163
Capital grants and contributions	2,726,375	6,028,361	-	-	2,726,375	6,028,361
<i>General revenues:</i>						
Property taxes	7,156,674	6,796,286	-	-	7,156,674	6,796,286
Sales taxes	6,398,673	5,375,676	-	-	6,398,673	5,375,676
Other taxes	12,863,960	12,514,924	-	-	12,863,960	12,514,924
Miscellaneous revenues	457,688	511,539	-	-	457,688	511,539
Unrestricted investment earnings	498,323	707,404	1,447	723	499,770	708,127
Total revenues	34,865,064	39,607,082	2,012,355	1,889,521	36,877,419	41,496,603
EXPENSES						
General government	5,472,183	4,900,861	-	-	5,472,183	4,900,861
Judicial	448,206	405,905	-	-	448,206	405,905
Public safety	8,784,310	7,895,867	-	-	8,784,310	7,895,867
Public works	11,768,593	6,803,121	-	-	11,768,593	6,803,121
Housing and development	1,067,674	1,019,881	-	-	1,067,674	1,019,881
Culture and recreation	2,481,726	1,760,061	-	-	2,481,726	1,760,061
Community development	2,242,840	4,119,821	-	-	2,242,840	4,119,821
Interest on long-term debt	97,256	58,725	-	-	97,256	58,725
Stormwater	-	-	2,178,387	1,623,196	2,178,387	1,623,196
Total expenses	32,362,788	26,964,242	2,178,387	1,623,196	34,541,175	28,587,438
Increase (decrease) in net position	2,502,276	12,642,840	(166,032)	266,325	2,336,244	12,909,165
Net position - beginning	109,593,992	96,951,152	3,403,745	3,137,420	112,997,737	100,088,572
Net position - ending	\$ 112,096,268	\$ 109,593,992	\$ 3,237,713	\$ 3,403,745	\$ 115,333,981	\$ 112,997,737

CITY OF DUNWOODY - TOTAL PRIMARY GOVERNMENT





Governmental activities. The increase in net position is due to the City maintaining its efficient model of government to control expenses. The decrease in revenues is due to a decrease in business permits due to delays in anticipated construction projects; however, this decrease in revenues was offset by a decrease in expenses related to business permits. Franchise taxes were \$3,743,942, business occupation taxes were \$2,798,629, and insurance premium taxes were \$2,887,902.

Our most apparent and sizable expenses during the year were \$8,784,310 and \$11,768,593 for the operation of the Dunwoody Police Department and the Public Works Department, respectively. Overall, expenses increased \$5,953,737 from 2015. This is largely attributable to the increase in public works and parks capital outlay for infrastructure construction and maintenance efforts.

Business-type activities. The decrease in net position of \$166,032 is primarily the result of prior year projects that were delayed due to easement acquisition and coordination with DeKalb County. These projects were completed in early 2016.

Stormwater assessment fees (computed based on a property's impervious surface area) were \$2,010,908; representing virtually all of the revenues in the fund. Repairs to the system accounted for 80% of the operating expenses while depreciation on the assets accounted for 4% of the operating expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$38,089,877 and increase in fund balance of \$2,722,483. Of this balance, \$23,611,444 is restricted or assigned for capital projects, \$587,232 is nonspendable for prepaids, \$793,475 is restricted or assigned for special purposes and \$13,097,726 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 \$14,098,310 representing an unassigned fund balance of \$13,224,143, restricted or assigned funds of \$474,435 and \$399,732 in nonspendable prepaids. Fund balance increased by \$1,881,254 over 2015 primarily as a result of an increase in revenues greater than the increase in expenditures. As a measure of the liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 70% of total general fund expenditures, while total fund balance represents 75% 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 \$1,548,313 and \$7,198,673 was transferred into the capital projects fund from the general fund and HOST fund, respectively. After expenditures of \$18,614,008 and other miscellaneous items, the capital projects fund had an increase in fund balance of \$869,006.

Grants Fund. The grants fund was set up to account for federally and state funded projects managed by the

City. During the current year, the City received a total of \$1,395,457 in intergovernmental revenues and has outstanding deferred inflows of resources of \$118,522. After expenditures of \$1,427,373, the grants fund is reporting a decrease in fund balance of \$31,916. The fund's overall fund balance deficit of \$110,896 is partially created by the unavailable grant revenues of \$118,522, which will be recognized in future periods.

HOST Fund. The HOST fund was set up to account for receipts of Homestead Option Sales Tax revenues. During the current year, a total of \$6,400,513 was recognized as revenues. The fund transferred \$7,198,673 to the capital projects fund, and ended the year with a decrease to fund balance of \$798,160.

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 2016, the City's general fund had a favorable budget variance of \$3,546,621. There was a \$1,470,742 favorable budget variance for revenues as well as a \$2,406,983 favorable budget variance for expenditures. The City's actual activity was more favorable than budgeted for most line items due to a conservative budget approach. The favorable revenue variance is primarily attributable to the recovering property tax digest and increase in franchise fee revenue, and insurance premium taxes. Unused contingency funds account for approximately 13% of the favorable expenditure variance. The remaining variance is mainly attributable to effective management of police department staff resulting in less than budgeted overtime as well as less than anticipated street maintenance expenditures.

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

	Primary Government					
			Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 18,057,715	\$ 17,922,164	\$ -	\$ -	\$ 18,057,715	\$ 17,922,164
Construction in progress	11,804,246	7,958,698	-	-	11,804,246	7,958,698
Intangible	93,369	34,175	-	-	93,369	34,175
Buildings	688,157	330,791	-	-	688,157	330,791
Improvements	9,045,340	5,273,685	-	-	9,045,340	5,273,685
Machinery and equipment	2,477,168	2,701,400	-	-	2,477,168	2,701,400
Infrastructure	41,558,362	40,059,999	1,266,023	1,362,655	42,824,385	41,422,654
Total	\$ 83,724,357	\$ 74,280,912	\$ 1,266,023	\$ 1,362,655	\$ 84,990,380	\$ 75,643,567

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$83,724,357 (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, 2016 amounts to \$1,266,023. These assets reflect culverts and other stormwater management assets. The decrease in business-type capital assets results from the normal depreciation of the stormwater management system.

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 2016, the City had total debt outstanding of \$11,356,467. The debt outstanding at December 31, 2016 represents refinancing of debt issued in 2011 for the purchase of the Project Renaissance property and the 2016 purchase of the new property for City Hall. All debt is backed by the full faith and credit of the City.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

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

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

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

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



REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

DECEMBER 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Dunwoody Convention Visitors Bureau
ASSETS				
Cash and cash equivalents	\$ 31,525,885	\$ 1,994,143	\$ 33,520,028	\$ 539,995
Accounts receivable	4,066,905	31,130	4,098,035	-
Taxes receivable	3,075,734	-	3,075,734	-
Due from other governments	403,843	-	403,843	-
Due from primary government	-	-	-	70,931
Land held for resale	3,534,542	-	3,534,542	-
Prepays	587,232	-	587,232	8,836
Restricted cash	504,400	-	504,400	-
Capital assets:				
Nondepreciable	29,861,961	-	29,861,961	-
Depreciable, net of accumulated depreciation	53,862,396	1,266,023	55,128,419	5,432
TOTAL ASSETS	127,422,898	3,291,296	130,714,194	625,194
LIABILITIES				
Accounts payable	2,220,954	50,670	2,271,624	38,947
Accrued liabilities	1,075,885	2,913	1,078,798	-
Due to component unit	70,931	-	70,931	-
Unearned rent	346,744	-	346,744	-
Compensated absences due within one year	217,722	-	217,722	-
Compensated absences due in more than one year	37,927	-	37,927	-
Bonds payable due within one year	1,456,467	-	1,456,467	-
Note payable due in more than one year	9,900,000	-	9,900,000	-
TOTAL LIABILITIES	15,326,630	53,583	15,380,213	38,947
NET POSITION				
Net investment in capital assets	72,367,890	1,266,023	73,633,913	5,432
Restricted for HOST capital projects	4,276,217	-	4,276,217	-
Restricted for parks operation	473,356	-	473,356	-
Restricted for public safety	319,040	-	319,040	-
Restricted for capital projects	4,436,388	-	4,436,388	-
Restricted for promotion of tourism	-	-	-	580,815
Unrestricted	30,223,377	1,971,690	32,195,067	-
TOTAL NET POSITION	\$ 112,096,268	\$ 3,237,713	\$ 115,333,981	\$ 586,247

BASIC FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Net (Expenses) Revenues & Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Dunwoody Convention and Visitors Bureau
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 5,472,183	\$ 524,690	\$ -	\$ -	\$ (4,947,493)	\$ -	\$ (4,947,493)	\$ -
Judicial	448,206	1,231,785	-	-	783,579	-	783,579	-
Public safety	8,784,310	1,379,181	10,900	-	(7,394,229)	-	(7,394,229)	-
Public works	11,768,593	345,254	-	2,726,375	(8,696,964)	-	(8,696,964)	-
Housing and development	1,067,674	-	-	-	(1,067,674)	-	(1,067,674)	-
Culture and recreation	2,481,726	43,561	7,622	-	(2,430,543)	-	(2,430,543)	-
Community development	2,242,840	1,220,378	-	-	(1,022,462)	-	(1,022,462)	-
Interest on long-term debt	97,256	-	-	-	(97,256)	-	(97,256)	-
Total governmental activities	<u>32,362,788</u>	<u>4,744,849</u>	<u>18,522</u>	<u>2,726,375</u>	<u>(24,873,042)</u>	<u>-</u>	<u>(24,873,042)</u>	<u>-</u>
Business-type activities:								
Stormwater	2,178,387	2,010,908	-	-	-	(167,479)	(167,479)	-
TOTAL PRIMARY GOVERNMENT	<u>\$ 34,541,175</u>	<u>\$ 6,755,757</u>	<u>\$ 18,522</u>	<u>\$ 2,726,375</u>	<u>(24,873,042)</u>	<u>(167,479)</u>	<u>(25,040,521)</u>	<u>-</u>
COMPONENT UNIT:								
Dunwoody Convention and Visitors Bureau	\$ 1,109,140	\$ -	\$ 1,082,967	\$ -	-	-	-	(26,173)
	<u>\$ 1,109,140</u>	<u>\$ -</u>	<u>\$ 1,082,967</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,173)</u>
General revenues:								
Property taxes					7,156,674	-	7,156,674	-
Sales taxes					6,398,673	-	6,398,673	-
Hotel/Motel taxes					2,669,184	-	2,669,184	-
Franchise taxes					3,743,942	-	3,743,942	-
Business taxes					2,798,629	-	2,798,629	-
Alcohol excise taxes					764,303	-	764,303	-
Insurance premium taxes					2,887,902	-	2,887,902	-
Unrestricted investment earnings					498,323	1,447	499,770	3,076
Miscellaneous revenues					457,688	-	457,688	-
Total general revenues					<u>27,375,318</u>	<u>1,447</u>	<u>27,376,765</u>	<u>3,076</u>
Change in net position					2,502,276	(166,032)	2,336,244	(23,097)
Net position, beginning of year					<u>109,593,992</u>	<u>3,403,745</u>	<u>112,997,737</u>	<u>609,344</u>
Net position, end of year					<u>\$ 112,096,268</u>	<u>\$ 3,237,713</u>	<u>\$ 115,333,981</u>	<u>\$ 586,247</u>

BASIC FINANCIAL STATEMENTS

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2016

	General Fund	Grants Fund	HOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 7,794,690	\$ -	\$ 6,289,680	\$ 16,394,505	\$ 1,047,010	\$ 31,525,885
Accounts receivable	4,683	-	1,435,210	2,434,379	192,633	4,066,905
Taxes receivable	2,894,253	-	-	-	181,481	3,075,734
Intergovernmental receivable	-	403,843	-	-	-	403,843
Due from other funds	4,037,419	-	-	-	1,579	4,038,998
Land held for resale	-	-	-	1,826,064	-	1,826,064
Prepays	399,732	-	-	-	187,500	587,232
Restricted assets:						
Cash and cash equivalents	140,301	-	-	-	364,099	504,400
TOTAL ASSETS	15,271,078	403,843	7,724,890	20,654,948	1,974,302	46,029,061
LIABILITIES						
Accounts payable	289,324	93,565	-	1,821,990	16,075	2,220,954
Accrued liabilities	447,500	-	-	434,119	132,216	1,013,835
Unearned rent	346,744	-	-	-	-	346,744
Due to other funds	-	302,652	3,448,673	-	287,673	4,038,998
Due to component unit	-	-	-	-	70,931	70,931
TOTAL LIABILITIES	1,083,568	396,217	3,448,673	2,256,109	506,895	7,691,462
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	74,257	-	-	-	-	74,257
Unavailable revenue - other	14,943	118,522	-	-	40,000	173,465
TOTAL DEFERRED INFLOWS OF RESOURCES	89,200	118,522	-	-	40,000	247,722
FUND BALANCES						
Nonspendable:						
Prepays	399,732	-	-	-	187,500	587,232
Restricted:						
E911 operations	-	-	-	-	-	-
HOST capital projects	-	-	4,276,217	-	-	4,276,217
Capital projects	-	-	-	3,500,000	936,388	4,436,388
Law enforcement activities	-	-	-	-	319,040	319,040
Parks operation	473,355	-	-	-	-	473,355
Assigned:						
Police explorer program	1,080	-	-	-	-	1,080
Capital projects	-	-	-	14,898,839	-	14,898,839
Debt service	-	-	-	-	-	-
Unassigned	13,224,143	(110,896)	-	-	(15,521)	13,097,726
TOTAL FUND BALANCES	14,098,310	(110,896)	4,276,217	18,398,839	1,427,407	38,089,877
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 15,271,078	\$ 403,843	\$ 7,724,890	\$ 20,654,948	\$ 1,974,302	
Amounts reported for governmental activities in the statement of net position are different and not reported in the funds because:						
Capital assets used in governmental activities are not financial resources						83,724,357
Long-term liabilities are not due and payable in the current period						(11,674,166)
Some revenues are not available in the current period						247,722
Land held for resale investments included as part of governmental activities are not financial resources						1,708,478
NET POSITION OF GOVERNMENT ACTIVITIES						\$ 112,096,268

BASIC FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Grants Fund	HOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Property taxes	\$ 7,104,680	\$ -	\$ -	\$ -	\$ -	\$ 7,104,680
Sales taxes	-	-	6,398,673	-	-	6,398,673
Hotel/Motel taxes	-	-	-	-	2,669,184	2,669,184
Franchise taxes	3,743,942	-	-	-	-	3,743,942
Alcohol excise taxes	665,173	-	-	-	-	665,173
Business taxes	2,798,629	-	-	-	-	2,798,629
Insurance premium taxes	2,887,902	-	-	-	-	2,887,902
Motor vehicle excise taxes	-	-	-	-	99,130	99,130
Licenses and permits	1,747,291	-	-	-	-	1,747,291
Intergovernmental	-	1,395,457	-	770,523	-	2,165,980
Charges for services	536,600	-	-	-	1,215,614	1,752,214
Fines and forfeitures	1,231,786	-	-	-	16,750	1,248,536
Contributions	18,522	-	-	50,000	-	68,522
Interest earned	17,521	-	1,840	15,505	216	35,082
Miscellaneous	457,696	-	-	-	-	457,696
TOTAL REVENUES	21,209,742	1,395,457	6,400,513	836,028	4,000,894	33,842,634
EXPENDITURES:						
Current:						
General government	5,195,516	-	-	-	-	5,195,516
Judicial	447,802	-	-	-	-	447,802
Public safety	6,987,710	-	-	-	1,196,145	8,183,855
Public works	2,226,009	956,216	-	-	-	3,182,225
Housing and development	-	-	-	-	1,067,674	1,067,674
Recreation	1,847,778	-	-	-	-	1,847,778
Community development	2,226,738	-	-	-	-	2,226,738
Capital outlay	-	471,157	-	18,614,008	1,676	19,086,841
Debt service:						
Principal	-	-	-	-	802,344	802,344
Interest	-	-	-	-	38,696	38,696
TOTAL EXPENDITURES	18,931,553	1,427,373	-	18,614,008	3,106,535	42,079,469
Excess (deficiency) of revenues over expenditures	2,278,189	(31,916)	6,400,513	(17,777,980)	894,359	(8,236,835)
OTHER FINANCING SOURCES (USES):						
Proceeds from issuance of long term debt	-	-	-	9,900,000	-	9,900,000
Proceeds from sale of assets	1,059,092	-	-	-	226	1,059,318
Transfers in	1,700,653	-	-	8,746,986	2,476,592	12,924,231
Transfers out	(3,156,680)	-	(7,198,673)	-	(2,568,878)	(12,924,231)
TOTAL OTHER FINANCING SOURCES (USES)	(396,935)	-	(7,198,673)	18,646,986	(92,060)	10,959,318
NET CHANGE IN FUND BALANCES	1,881,254	(31,916)	(798,160)	869,006	802,299	2,722,483
FUND BALANCES (DEFICIT) AT						
BEGINNING OF YEAR	12,217,056	(78,980)	5,074,377	17,529,833	625,108	35,367,394
END OF YEAR	\$ 14,098,310	\$ (110,896)	\$ 4,276,217	\$ 18,398,839	\$ 1,427,407	\$ 38,089,877
The accompanying notes are an integral part of these financial statements.						

BASIC 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, 2016

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 2,722,483
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.	9,001,287
Contributed capital assets reported in government-wide statements.	476,892
In the statement of activities, only the gain on the sale of land for resale is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net effect of the cost of land purchased and proceeds from land sold.	(596,077)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	81,159
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt.	(9,097,656)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(85,812)</u>
Change in net position - governmental activities	<u>\$ 2,502,276</u>
The accompanying notes are an integral part of these financial statements.	

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION - PROPRIETARY FUND

DECEMBER 31, 2016

	Stormwater Fund
ASSETS	
CURRENT ASSETS	
Cash	\$ 1,994,143
Accounts receivable, net of allowance	31,130
Total current assets	2,025,273
NONCURRENT ASSETS	
Capital assets, depreciable	2,355,082
Accumulated depreciation	(1,089,059)
Total capital assets	1,266,023
TOTAL ASSETS	3,291,296
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	50,670
Accrued expenses	2,913
TOTAL CURRENT LIABILITIES	53,583
NET POSITION	
Investment in capital assets	1,266,023
Unrestricted	1,971,690
TOTAL NET POSITION	\$ 3,237,713

BASIC FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2016

	Stormwater Fund
OPERATING REVENUES	
Stormwater fees	\$ 2,010,908
Total operating revenues	2,010,908
OPERATING EXPENSES	
Cost of services	2,081,755
Depreciation	96,632
Total operating expenses	2,178,387
Operating income	(167,479)
NONOPERATING REVENUES	
Interest	1,447
Total nonoperating revenues	1,447
Change in net position	(166,032)
Total net position, beginning	3,403,745
Total net position, ending	<u>\$ 3,237,713</u>

BASIC FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

FOR THE YEAR ENDED DECEMBER 31, 2016

	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,026,738
Payments to suppliers	(2,252,320)
Payments to employees	(74,024)
Net cash provided by operating activities	(299,606)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,447
Net cash provided by investing activities	1,447
NET INCREASE IN CASH	(298,159)
CASH, BEGINNING OF YEAR	2,292,302
CASH, END OF YEAR	\$ 1,994,143
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ (167,479)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	96,632
Change in assets and liabilities:	
Increase in accounts receivable	15,830
Decrease in accounts payable and accrued expenses	(244,589)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (299,606)

BASIC FINANCIAL STATEMENTS

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND

DECEMBER 31, 2016

	Municipal Court Fund
ASSETS	
Cash	\$ 457,356
TOTAL ASSETS	<u>\$ 457,356</u>
LIABILITIES	
Due to others	\$ 457,356
TOTAL LIABILITIES	<u>\$ 457,356</u>

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

CITY OF DUNWOODY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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 (Bureau) has been included as a discretely presented component unit in the accompanying financial statements. The 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 Bureau are not prepared.

Blended Component Unit

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

NOTES TO FINANCIAL STATEMENTS

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

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

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

The City reports the following proprietary fund:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fund types:

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

The **Debt Service Fund** is 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.

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, 2016, 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 include 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."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2016, 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. The City has reported all infrastructure that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated acquisition 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
Intangible assets	2-4 years

J. Restricted Assets

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

K. Deferred Outflows / Inflows of Resources

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

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

M. Long-Term Obligations

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

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

N. Fund Equity

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

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

Fund balances are classified as follows:

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

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

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.

NOTES TO FINANCIAL STATEMENTS

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, the City Manager, to assign fund balance for particular purposes.

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

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

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

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 \$11,674,166 difference are as follows:

Long term debt	\$ (9,900,000)
Bonds payable	(1,456,467)
Accrued interest payable	(62,050)
Compensated absences (i.e., vacation)	<u>(255,649)</u>
Net adjustment to reduce fund balance – total government funds to arrive at net position – government activities	<u>\$ (11,674,166)</u>

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 \$9,001,287 difference are as follows:

Capital outlay	\$ 11,952,408
Depreciation expense	<u>(2,951,121)</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net position – governmental activities	<u>\$ 9,001,287</u>

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$9,097,656 difference are as follows:

Proceeds from long-term debt	\$ 9,900,000
Principal retirement of long-term debt	<u>802,344</u>
Net adjustment to decrease net change in fund balances – total governmental funds to arrive at change in net position – governmental activities	<u>\$ 9,097,656</u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$85,812 difference are as follows:

Compensated absences	\$	27,252
Accrued interest		58,560
Net adjustment to decrease net change in fund balances – total governmental funds to arrive at change in net position – governmental activities		\$ 85,812

NOTE 3. LEGAL COMPLIANCE – BUDGETS

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

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

Deficit Fund Equity

The Grants Fund had a deficit fund balance at December 31, 2016. The fund deficits will be reduced through anticipated revenues, recognition of unavailable revenues, and General Fund appropriations, as needed.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2016, all of the City's bank balances were insured and collateralized as defined by state statutes and GASB.

NOTE 5. RECEIVABLES

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

Receivables at December 31, 2016, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Grants</u>	<u>HOST</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Stormwater</u>
Receivables:						
Accounts	\$ 4,683	\$ -	\$1,435,210	\$2,434,379	\$ 192,633	\$ 86,608
Taxes	2,938,334	-	-	-	181,481	-
Intergovernmental	-	403,843	-	-	-	-
Total receivables	2,943,017	403,843	1,435,210		374,114	86,608
Less allowance for uncollectibles	(44,081)	-	-	-	-	(55,478)
Net total receivables	<u>\$2,898,936</u>	<u>\$ 403,843</u>	<u>\$1,435,210</u>	<u>\$ -</u>	<u>\$ 374,114</u>	<u>\$ 31,130</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the period ended December 31, 2016 is as follows:

	Balance	Increases	Decreases	Transfers	Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 17,922,164	\$ 135,551	\$ -	\$ -	\$ 18,057,715
Construction in progress	7,958,698	11,745,819	(555,267)	(7,345,004)	11,804,246
Total	<u>25,880,862</u>	<u>11,881,370</u>	<u>(555,267)</u>	<u>(7,345,004)</u>	<u>29,861,961</u>
Capital assets, being depreciated:					
Buildings	748,999	-	-	466,990	1,215,989
Improvements	7,232,735	26,552	-	4,406,167	11,665,454
Machinery and equipment	5,756,166	502,580	(335,424)	85,502	6,008,824
Infrastructure	48,462,090	472,000	-	2,386,345	51,320,435
Intangible assets	235,270	97,429	-	-	332,699
Total	<u>62,435,260</u>	<u>1,098,561</u>	<u>(335,424)</u>	<u>7,345,004</u>	<u>70,543,401</u>
Less accumulated depreciation for:					
Buildings	(418,208)	(109,624)	-	-	(527,832)
Improvements	(1,959,050)	(661,064)	-	-	(2,620,114)
Machinery and equipment	(3,054,766)	(782,216)	305,326	-	(3,531,656)
Infrastructure	(8,402,091)	(1,359,982)	-	-	(9,762,073)
Intangible assets	(201,095)	(38,235)	-	-	(239,330)
Total	<u>(14,035,210)</u>	<u>(2,951,121)</u>	<u>305,326</u>	<u>-</u>	<u>(16,681,005)</u>
Capital assets, net of accumulated depreciation	<u>48,400,050</u>	<u>(1,852,560)</u>	<u>(30,098)</u>	<u>7,345,004</u>	<u>53,862,396</u>
Governmental activities capital assets, net	<u>\$ 74,280,912</u>	<u>\$ 10,028,810</u>	<u>\$ (585,365)</u>	<u>\$ -</u>	<u>\$ 83,724,357</u>
Business-type activities:					
Capital assets, being depreciated:					
Infrastructure	\$ 2,355,082	\$ -	\$ -	\$ -	\$ 2,355,082
Less accumulated depreciation for:					
Infrastructure	(992,427)	(96,632)	-	-	(1,089,059)
Business-type activities capital assets, net	<u>\$ 1,362,655</u>	<u>\$ (96,632)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,266,023</u>

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

Governmental activities:	
General government	\$ 274,568
Public safety	564,696
Public works	1,461,807
Culture and recreation	633,948
Community development	16,102
Total depreciation expense – governmental activities	<u>\$ 2,951,121</u>
Business-type activities:	
Stormwater	<u>\$ 96,632</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (Continued)

Dunwoody Convention and Visitors Bureau

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 21,950	\$ -	\$ -	\$ 21,950
Less accumulated depreciation for:				
Machinery and equipment	(14,655)	(1,863)	-	(16,518)
Capital assets, net	<u>\$ 7,295</u>	<u>\$ (1,863)</u>	<u>\$ -</u>	<u>\$ 5,432</u>

NOTE 7. LONG-TERM DEBT

Bonds Payable

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

	Principal	Interest	Total
Fiscal year ending December 31, 2017	\$ 1,456,467	\$ 19,110	\$ 1,475,577
	<u>\$ 1,456,467</u>	<u>\$ 19,110</u>	<u>\$ 1,475,577</u>

During July 2012, the City Urban Redevelopment Agency issued \$3,520,000 of Series 2012B general obligation bonds. The 2012B bonds were issued to repay the principal balance outstanding on a note payable, which was being utilized to finance the purchase of 16.86 acres of land. Monthly payments began September 1, 2012 and will continue through August 2019. The bonds are variable interest bonds, where the interest is calculated at the Daily LIBOR rate plus 135 basis 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, 2016, the interest rate was 1.5110%. These bonds were repaid in 2016.

Note Payable

On August 31, 2016, the City entered into an agreement through a financial institution to borrow \$9,900,000 from the Georgia Municipal Association for a city hall project. Annual principal payments ranging from \$303,980 to 1,788,727 and semi-annual interest payments, at a rate of 1.98% began in April 2017 and will continue through April 2031. The debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal year ending December 31,			
2017	\$ -	\$ 217,256	\$ 217,256
2018	303,980	193,011	496,991
2019	343,799	186,598	530,397
2020	386,691	179,366	566,057
2021-2025	2,700,326	755,027	3,455,353
2026-2030	4,376,477	409,474	4,785,951
2031	1,788,727	35,417	1,824,144
	<u>\$ 9,900,000</u>	<u>\$ 1,976,149</u>	<u>\$ 11,876,149</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the period ended DECEMBER 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 2,258,811	\$ -	\$ (802,344)	\$ 1,456,467	\$ 1,456,467
Notes payable	-	9,900,000	-	9,900,000	-
Compensated absences	226,191	319,267	(289,809)	255,649	217,722
Governmental activity Long-term liabilities	<u>\$ 2,485,002</u>	<u>\$ 10,219,267</u>	<u>\$ (1,092,153)</u>	<u>\$ 11,612,116</u>	<u>\$ 1,674,189</u>

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

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2016 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 287,673
General Fund	HOST Fund	3,448,673
General Fund	Grants Fund	301,073
Nonmajor governmental funds	Grants Fund	1,579
		<u>\$ 4,038,998</u>

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

Due to/from primary government and component unit:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component Unit	Hotel/Motel Tax Fund	<u>\$ 70,931</u>

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental fund	\$ 1,700,653
Capital Projects Fund	General Fund	1,548,313
Capital Projects Fund	Nonmajor governmental fund	7,198,673
Nonmajor governmental fund	General Fund	1,608,367
Component Unit	Nonmajor governmental fund	841,040
Nonmajor governmental fund	Component Unit	27,185
		<u>\$ 12,924,231</u>

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

NOTES TO FINANCIAL STATEMENTS

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, 2016.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 544,692
2018	557,002
2019	187,004
	<u>\$ 1,288,698</u>

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 into several public/private contractual partnerships for outsourced services and operations. Through these contracts with private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, these contracts range from approximately \$4,048,000 to \$4,358,000 annually. The contracts were bid for five annual service periods and run through the year ending December 31, 2020.

At December 31, 2016, construction commitments on uncompleted contracts totaled approximately \$3.1 million.

The City employed encumbrance accounting during the period; however, there were no encumbrances outstanding at December 31, 2016.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. *DEFINED CONTRIBUTION PENSION PLAN*

The City of Dunwoody provides two retirement plans for City employees. The 401(a) plan is a defined contribution plan established and administered by Dunwoody for all full-time employees. City Council has the authority to establish and amend the plan provisions as well as the contribution for the plan. The City contributes 10% of each employee's eligible compensation each pay period. Employees are eligible to participate on the first day of the month following 30 days of employment, and they are vested in the contributions after one year of service. Forfeitures are distributed among remaining participants and not reflected/included in the City's pension expense. At December 31, 2016, there were 81 employees participating in the plan. The pension expense recognized by the City included total contributions of \$506,344 for the year ended December 31, 2016. All required contributions were made during the plan year prior to December 31, 2016.

The City also contributes the Social Security withholding amount (6.2% for 2016) to a social security replacement plan for each eligible employee. All participants are fully vested in their social security replacement plan at all times. At December 31, 2016, there were 92 employees participating in the plan. The pension expense recognized by the City included total contributions of \$322,073 for the year ended December 31, 2016. All required contributions were made during the plan year prior to December 31, 2016.

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, 2016, the City received \$2,669,184 in hotel/motel taxes. Of this amount, \$1,082,967, or 41%, was used for the promotion of tourism, conventions, or trade shows.

NOTES TO FINANCIAL STATEMENTS

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, 2016, the City received \$99,130 in motor vehicle excise taxes. Of this amount, \$99,130, or 100%, was used for these purposes.

NOTE 15. RISK MANAGEMENT

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

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the Fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the Fund being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund.

The Fund is to defend and protect the members of the Fund against liability or loss as prescribed in the member 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.

NOTE 16.

TAX ABATEMENT

Pursuant to the Development Authority Law (OCGA 36-62-1) granted the General Assembly by Article IX, Section VI, Paragraph III of the Georgia Constitution, the City formed the Dunwoody Development Authority on January 26, 2009 (Ordinance 2009-01-11) to provide bond-financed sale-leaseback structures for property tax savings. The abatements may be granted to any business located with or promising to relocate to the City meeting the eligibility criteria to “develop and promote trade, commerce, industry, and employment opportunities for the public good and general welfare and to promote the general welfare of the state” (OCGA 36-62-9). The abatements are provided through a direct reduction of the business’ property tax bill. The Georgia law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill its commitment, however, a memorandum of understanding is issued for each abatement outlining the terms in which a recapture would apply. The City has active tax abatement agreements with three entities as of December 31, 2016.

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year
Corporate Headquarters Relocation	32% of Personal Property	\$ 1,154
Office Building Renovation	58% of Real Property	18,263
Office Building Renovation	58% of Real Property	35,006

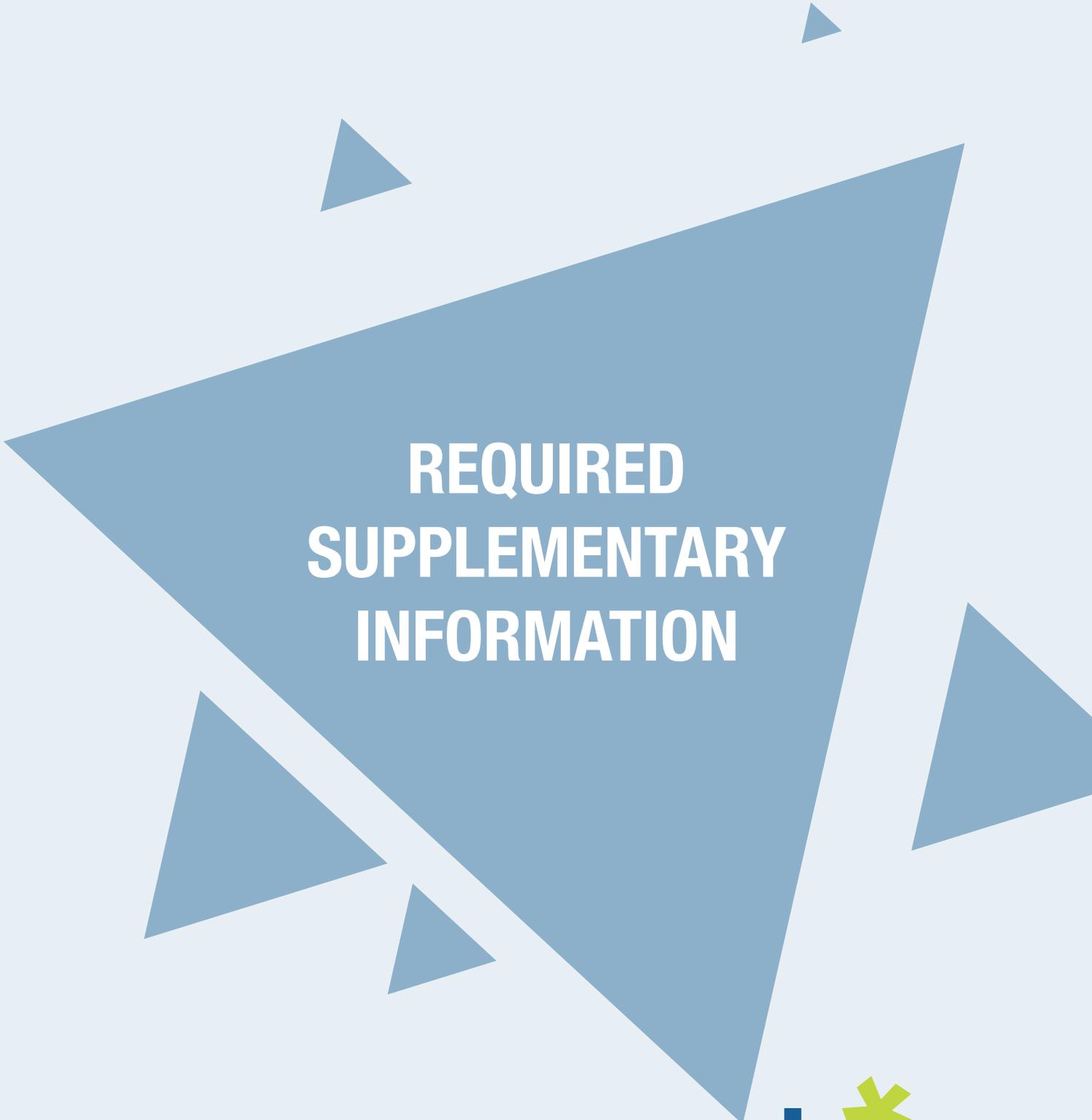
The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not currently subject to any tax abatement agreements entered into by other governmental entities.

NOTE 17.

SUBSEQUENT EVENT

On November 15, 2016, the City entered into an Intergovernmental Agreement with the DeKalb County School District (DCSD). The DCSD purchased approximately 10 acres of the Dunwoody Park property for construction of a new school complex. The City purchased approximately 18 acres of property currently occupied by the Austin Elementary School and Peachtree Middle School. Additional consideration was given for both operational agreements and capital improvements to the properties involved in the transaction. The DCSD will pay the City to make certain capital improvements to three ball field sites. After closing, the DCSD will lease Austin Elementary School from the City until the school construction is completed. School construction will start after the two new baseball fields are ready for use. The City and DCSD will cooperatively share the fields for 25 years.





**REQUIRED
SUPPLEMENTARY
INFORMATION**

Dunwoody*

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 6,791,000	\$ 6,630,000	\$ 7,104,680	\$ 474,680
Sales taxes	-	-	-	-
Franchise taxes	3,500,000	3,500,000	3,743,942	243,942
Alcohol excise taxes	620,000	620,000	665,173	45,173
Business taxes	2,755,000	2,755,000	2,798,629	43,629
Insurance premium taxes	2,500,000	2,500,000	2,887,902	387,902
Licenses and permits	1,997,500	1,847,500	1,747,291	(100,209)
Intergovernmental	-	-	-	-
Charges for services	426,000	426,000	536,600	110,600
Fines and forfeitures	1,350,000	1,200,000	1,231,786	31,786
Contributions	5,000	5,000	18,522	13,522
Interest earned	5,000	5,000	17,521	12,521
Miscellaneous	250,500	250,500	457,696	207,196
TOTAL REVENUES	<u>20,200,000</u>	<u>19,739,000</u>	<u>21,209,742</u>	<u>1,470,742</u>
EXPENDITURES				
Current:				
General government:				
Mayor and council	259,592	259,592	215,685	43,907
City manager	404,347	404,347	385,927	18,420
City clerk	190,316	190,316	181,253	9,063
Human Resources	356,492	351,892	255,363	96,529
Finance	3,526,919	3,876,744	3,646,151	230,593
Law	370,000	620,000	511,137	108,863
Contingency	300,000	300,000	-	300,000
Total general government	<u>5,407,666</u>	<u>6,002,891</u>	<u>5,195,516</u>	<u>807,375</u>
Judicial	<u>568,717</u>	<u>568,717</u>	<u>447,802</u>	<u>120,915</u>
Public safety	<u>7,738,671</u>	<u>7,486,777</u>	<u>6,987,710</u>	<u>499,067</u>
Public works	<u>2,224,363</u>	<u>2,354,605</u>	<u>2,226,009</u>	<u>128,596</u>
Recreation	<u>1,776,341</u>	<u>2,233,682</u>	<u>1,847,778</u>	<u>385,904</u>
Community development	<u>2,134,954</u>	<u>2,691,864</u>	<u>2,226,738</u>	<u>465,126</u>
TOTAL EXPENDITURES	<u>19,850,712</u>	<u>21,338,536</u>	<u>18,931,553</u>	<u>2,406,983</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>349,288</u>	<u>(1,599,536)</u>	<u>2,278,189</u>	<u>3,877,725</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from the sale of property	1,500,000	1,500,000	1,059,092	(440,908)
Transfers in	1,720,000	1,720,000	1,700,653	(19,347)
Transfers out	(4,428,902)	(3,285,831)	(3,156,680)	129,151
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,208,902)</u>	<u>(65,831)</u>	<u>(396,935)</u>	<u>(331,104)</u>
NET CHANGE IN FUND BALANCE	(859,614)	(1,665,367)	1,881,254	3,546,621
FUND BALANCE, BEGINNING OF YEAR	<u>12,217,056</u>	<u>12,217,056</u>	<u>12,217,056</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 11,357,442</u>	<u>\$ 10,551,689</u>	<u>\$ 14,098,310</u>	<u>\$ 3,546,621</u>

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,317,000	\$ 1,317,000	\$ 1,395,457	\$ 78,457
TOTAL REVENUES	<u>1,317,000</u>	<u>1,317,000</u>	<u>1,395,457</u>	<u>78,457</u>
EXPENDITURES:				
Current:				
Public safety	17,000	17,000	-	(17,000)
Public works	1,300,000	1,300,000	956,216	(343,784)
Recreation	-	-	-	-
Capital outlay	-	-	471,157	471,157
TOTAL EXPENDITURES	<u>1,317,000</u>	<u>1,317,000</u>	<u>1,427,373</u>	<u>110,373</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(31,916)	(31,916)
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	(31,916)	(31,916)
FUND BALANCES (DEFICIT), AT				
BEGINNING OF YEAR	<u>(884,201)</u>	<u>(884,201)</u>	<u>(78,980)</u>	<u>805,221</u>
END OF YEAR	<u>\$ (884,201)</u>	<u>\$ (884,201)</u>	<u>\$ (110,896)</u>	<u>\$ 773,305</u>

HOST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Sales taxes	\$ 4,500,000	\$ 6,398,673	\$ 6,398,673	\$ -
Interest	4,500	4,500	1,840	(2,660)
TOTAL REVENUES	<u>4,504,500</u>	<u>6,403,173</u>	<u>6,400,513</u>	<u>(2,660)</u>
EXCESS OF REVENUES OVER EXPENDITURES	4,504,500	6,403,173	6,400,513	(2,660)
OTHER FINANCING USES:				
Transfers out	(5,000,000)	(7,198,673)	(7,198,673)	-
TOTAL OTHER FINANCING USES	<u>(5,000,000)</u>	<u>(7,198,673)</u>	<u>(7,198,673)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(495,500)	(795,500)	(798,160)	(2,660)
FUND BALANCES (DEFICIT), AT				
BEGINNING OF YEAR	<u>5,007,143</u>	<u>5,007,143</u>	<u>5,074,377</u>	<u>67,234</u>
END OF YEAR	<u>\$ 4,511,643</u>	<u>\$ 4,211,643</u>	<u>\$ 4,276,217</u>	<u>\$ 64,574</u>

NONMAJOR GOVERNMENTAL FUNDS

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

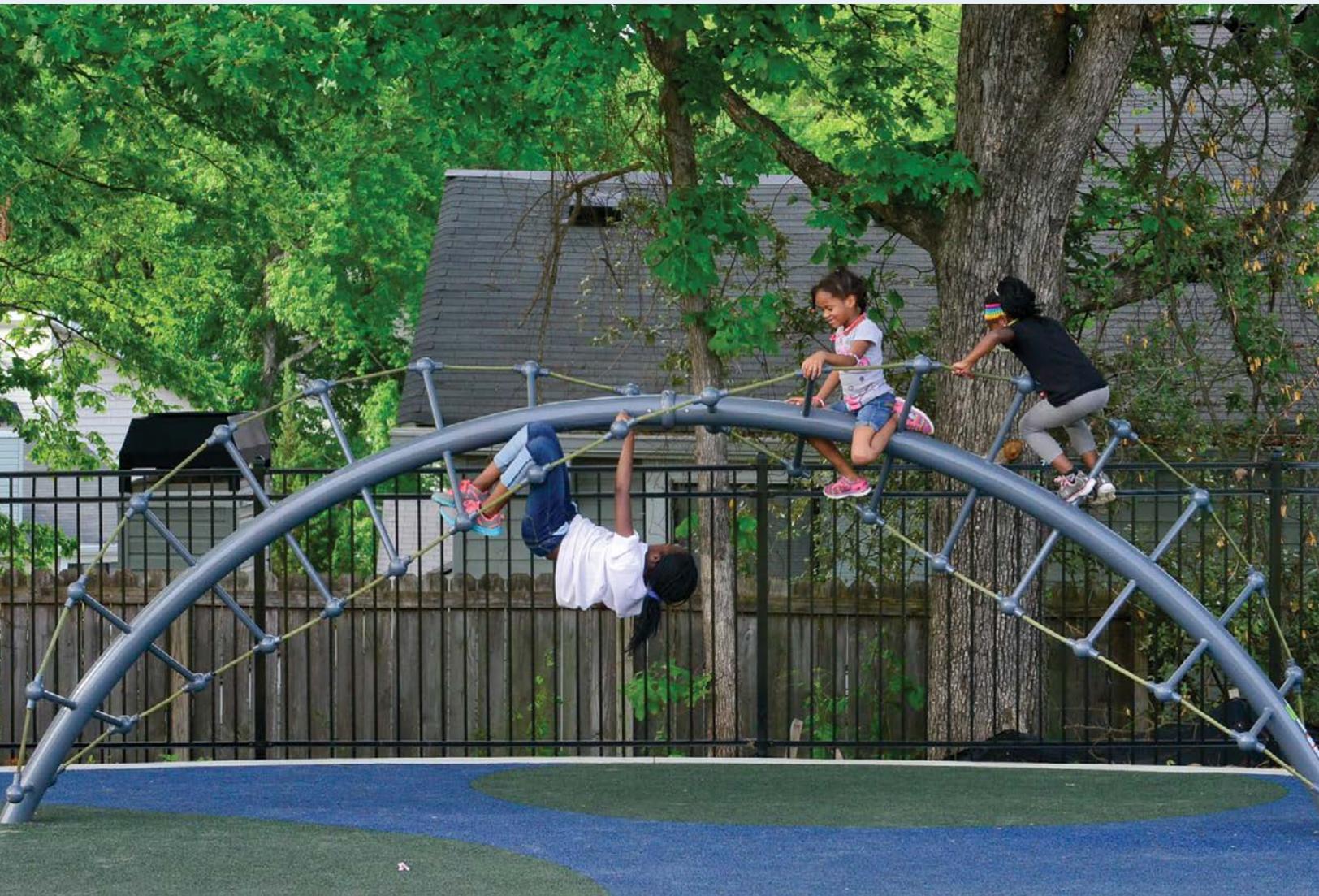
Motor Vehicle Excise Tax Fund – To account for the revenues and expenditures related to the excise taxes collected on motor vehicles, which is restricted by State law.

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

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

Urban Redevelopment 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, 2016

	Special Revenue Funds			Debt Service Funds			Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Motor Vehicle Excise Tax Fund	E911 Fund	Confiscated Assets Fund	Urban Redevelopment Agency Fund	Debt Service Fund	
ASSETS							
Cash	\$ -	\$ 24,880	\$ -	\$ 85,742	\$ 40,350	\$ 896,038	\$ 1,047,010
Accounts receivable	-	-	192,633	-	-	-	192,633
Taxes receivable	173,695	7,786	-	-	-	-	181,481
Due from other funds	-	-	-	1,579	-	-	1,579
Prepays	-	-	187,500	-	-	-	187,500
Restricted assets:							
Cash and cash equivalents	-	-	-	364,099	-	-	364,099
TOTAL ASSETS	\$ 173,695	\$ 32,666	\$ 380,133	\$ 451,420	\$ 40,350	\$ 896,038	\$ 1,974,302
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 16,075	\$ -	\$ -	\$ -	\$ 16,075
Accrued liabilities	-	-	-	132,216	-	-	132,216
Due to other funds	102,764	32,666	152,079	164	-	-	287,673
Due to component unit	70,931	-	-	-	-	-	70,931
TOTAL LIABILITIES	173,695	32,666	168,154	132,380	-	-	506,895
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - other	-	-	40,000	-	-	-	40,000
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	40,000	-	-	-	40,000
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepays	-	-	187,500	-	-	-	187,500
Restricted:							
E911 operations	-	-	-	-	-	-	-
Capital projects	-	-	-	-	40,350	896,038	936,388
Law enforcement activities	-	-	-	319,040	-	-	319,040
Assigned:							
Debt service	-	-	-	-	-	-	-
Unassigned	-	-	(15,521)	-	-	-	(15,521)
Total fund balances	-	-	171,979	319,040	40,350	896,038	1,427,407
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 173,695	\$ 32,666	\$ 380,133	\$ 451,420	\$ 40,350	\$ 896,038	\$ 1,974,302

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds			Debt Service Funds			Total Nonmajor Governmental Funds
	Hotel/Motel Tax Fund	Motor Vehicle Excise Tax Fund	E911 Fund	Confiscated Assets Fund	Urban Redevelopment Agency Fund	Debt Service Fund	
REVENUES							
Taxes	\$ 2,669,184	\$ 99,130	\$ -	\$ -	\$ -	\$ -	\$ 2,768,314
Charges for services	-	-	1,215,614	-	-	-	1,215,614
Fines and forfeitures	-	-	-	16,750	-	-	16,750
Interest	13	-	-	131	72	-	216
Miscellaneous	-	-	-	-	-	-	-
TOTAL REVENUES	2,669,197	99,130	1,215,614	16,881	72	-	4,000,894
EXPENDITURES							
Current:							
Public safety	-	-	1,195,893	252	-	-	1,196,145
Housing and development	1,067,674	-	-	-	-	-	1,067,674
Recreation	-	-	-	-	-	-	-
Capital outlay	-	-	1,676	-	-	-	1,676
Debt service:							
Principal	-	-	-	-	802,344	-	802,344
Interest	-	-	-	-	38,696	-	38,696
TOTAL EXPENDITURES	1,067,674	-	1,197,569	252	841,040	-	3,106,535
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,601,523	99,130	18,045	39,878	(840,968)	-	894,359
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of assets	-	-	-	226	-	-	226
Transfers in	-	-	-	-	841,040	1,635,552	2,476,592
Transfers out	(1,601,523)	(99,130)	-	-	(27,185)	(841,040)	(2,568,878)
TOTAL OTHER FINANCING SOURCES (USES)	(1,601,523)	(99,130)	-	226	813,855	794,512	(92,060)
NET CHANGE IN FUND BALANCES	-	-	18,045	16,855	(27,113)	794,512	802,299
FUND BALANCES AT							
BEGINNING OF YEAR	-	-	153,934	302,185	67,463	101,526	625,108
END OF YEAR	\$ -	\$ -	\$ 171,979	\$ 319,040	\$ 40,350	\$ 896,038	\$ 1,427,407

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 2,700,000	\$ 2,700,000	\$ 2,669,184	\$ (30,816)
Interest	-	-	13	13
TOTAL REVENUES	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,669,197</u>	<u>(30,803)</u>
EXPENDITURES:				
Housing and development	1,620,000	1,620,000	1,067,674	(552,326)
TOTAL EXPENDITURES	<u>1,620,000</u>	<u>1,620,000</u>	<u>1,067,674</u>	<u>(552,326)</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,080,000	1,080,000	1,601,523	521,523
OTHER FINANCING USES:				
Transfers out	(1,080,000)	(1,080,000)	(1,601,523)	(521,523)
TOTAL OTHER FINANCING USES	<u>(1,080,000)</u>	<u>(1,080,000)</u>	<u>(1,601,523)</u>	<u>(521,523)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUNDS BALANCES AT				
BEGINNING OF YEAR	-	-	-	-
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 100,000	\$ 100,000	\$ 99,130	\$ (870)
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>99,130</u>	<u>(870)</u>
OTHER FINANCING USES:				
Transfers out	(100,000)	(100,000)	(99,130)	870
TOTAL OTHER FINANCING USES	<u>(100,000)</u>	<u>(100,000)</u>	<u>(99,130)</u>	<u>870</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUNDS BALANCES AT				
BEGINNING OF YEAR	-	-	-	-
END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 1,100,000	\$ 1,100,000	\$ 1,215,614	\$ 115,614
TOTAL REVENUES	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,215,614</u>	<u>115,614</u>
EXPENDITURES:				
Public safety	1,251,640	1,251,640	1,195,893	55,747
Capital outlay	-	-	1,676	(1,676)
TOTAL EXPENDITURES	<u>1,251,640</u>	<u>1,251,640</u>	<u>1,197,569</u>	<u>54,071</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(151,640)</u>	<u>(151,640)</u>	<u>18,045</u>	<u>169,685</u>
OTHER FINANCING SOURCES:				
Transfers in	151,640	151,640	-	(151,640)
TOTAL OTHER FINANCING SOURCES	<u>151,640</u>	<u>151,640</u>	<u>-</u>	<u>(151,640)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>18,045</u>	<u>18,045</u>
FUNDS BALANCES AT				
BEGINNING OF YEAR	<u>153,934</u>	<u>153,934</u>	<u>153,934</u>	<u>-</u>
END OF YEAR	<u>\$ 153,934</u>	<u>\$ 153,934</u>	<u>\$ 171,979</u>	<u>\$ 18,045</u>

CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ 16,750	\$ 16,750	\$ -
Interest	-	131	131	-
TOTAL REVENUES	<u>-</u>	<u>16,881</u>	<u>16,881</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public safety	-	17,107	252	(16,855)
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>17,107</u>	<u>252</u>	<u>(16,855)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(226)</u>	<u>16,629</u>	<u>16,855</u>
OTHER FINANCING SOURCES:				
Proceeds from sale of assets	-	226	226	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>226</u>	<u>226</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>16,855</u>	<u>16,855</u>
FUNDS BALANCES AT				
BEGINNING OF YEAR	<u>257,768</u>	<u>257,768</u>	<u>302,185</u>	<u>44,417</u>
END OF YEAR	<u>\$ 257,768</u>	<u>\$ 257,768</u>	<u>\$ 319,040</u>	<u>\$ 61,272</u>

URBAN REDEVELOPMENT AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES:				
Interest	-	72	72	-
TOTAL REVENUES	<u>-</u>	<u>72</u>	<u>72</u>	<u>-</u>
EXPENDITURES:				
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	1,646,508	802,344	802,344	-
Interest	61,858	38,696	38,696	-
TOTAL EXPENDITURES	<u>1,708,366</u>	<u>841,040</u>	<u>841,040</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,708,366)	(840,968)	(840,968)	-
OTHER FINANCING SOURCES:				
Transfers in	1,708,366	841,040	841,040	-
Transfers out	-	(27,185)	(27,185)	-
TOTAL OTHER FINANCING SOURCES	<u>1,708,366</u>	<u>813,855</u>	<u>813,855</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(27,113)	(27,113)	-
FUNDS BALANCES AT				
BEGINNING OF YEAR	<u>67,463</u>	<u>67,463</u>	<u>67,463</u>	<u>-</u>
END OF YEAR	<u>67,463</u>	<u>40,350</u>	<u>40,350</u>	<u>-</u>

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Transfers in	1,608,367	1,608,367	1,635,552	27,185
Transfers out	(1,708,367)	(1,708,367)	(841,040)	867,327
TOTAL OTHER FINANCING SOURCES (USES)	<u>(100,000)</u>	<u>(100,000)</u>	<u>794,512</u>	<u>894,512</u>
NET CHANGE IN FUND BALANCES	(100,000)	(100,000)	794,512	894,512
FUNDS BALANCES AT				
BEGINNING OF YEAR	<u>101,256</u>	<u>101,256</u>	<u>101,256</u>	<u>-</u>
END OF YEAR	<u>1,256</u>	<u>1,256</u>	<u>895,768</u>	<u>894,512</u>



PURPLE HEART CITY

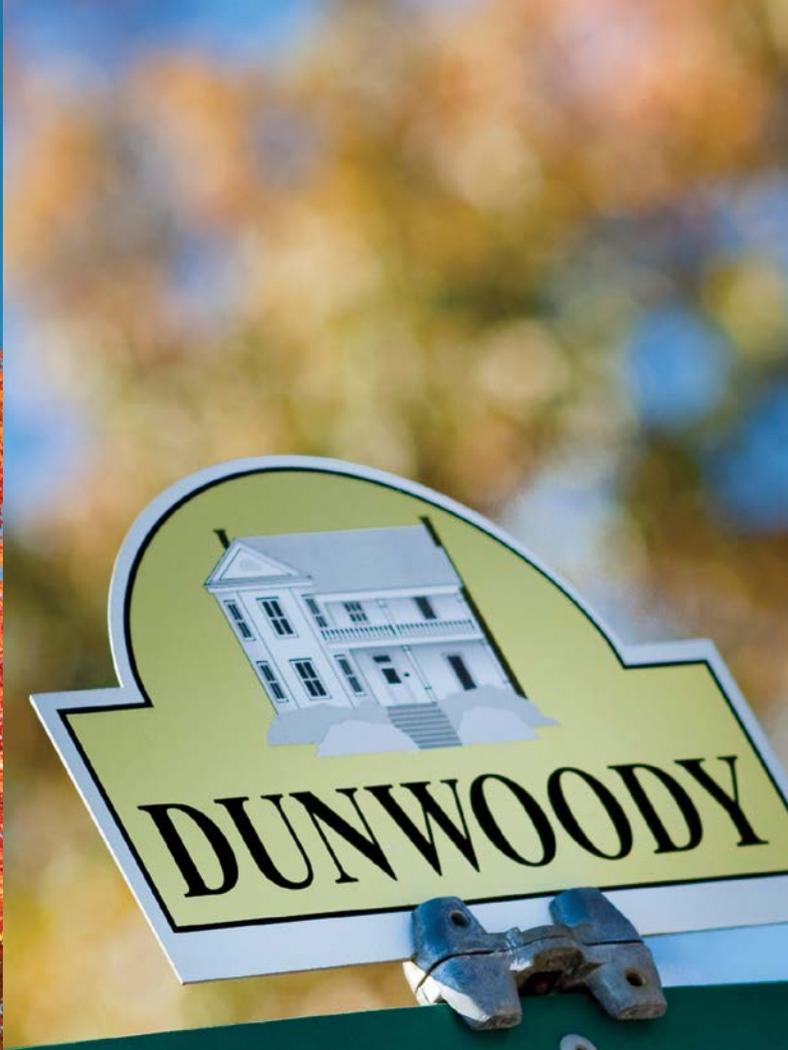




AGENCY FUND

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, 2016

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
MUNICIPAL COURT FUND				
Assets:				
Cash	\$ 506,093	\$ 4,587,849	\$ 4,636,586	\$ 457,356
Liabilities:				
Due to others	\$ 506,093	\$ 2,103,672	\$ 2,152,410	\$ 457,356



BALANCE SHEET
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
 DECEMBER 31, 2016

ASSETS	
CURRENT ASSETS	
Cash	\$ 539,995
Receivables	70,931
Prepays	<u>8,836</u>
TOTAL ASSETS	<u>\$ 619,762</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ 38,947</u>
TOTAL LIABILITIES	38,947
FUND BALANCE	
Nonspendable prepaids	8,836
Restricted for promotion of tourism	<u>571,979</u>
TOTAL FUND BALANCE	<u>580,815</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 619,762</u>

**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES**
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
 FOR THE YEAR ENDED DECEMBER 31, 2016

REVENUES	
Intergovernmental revenues	\$ 1,082,967
Interest	<u>3,076</u>
Total revenues	1,086,043
EXPENDITURES	
Current:	
Housing and development	1,107,277
Capital outlay	<u>-</u>
TOTAL EXPENDITURES	1,107,277
NET CHANGE IN FUND BALANCES	<u>(21,234)</u>
FUND BALANCES AT	
BEGINNING OF YEAR	<u>602,049</u>
END OF YEAR	<u>\$ 580,815</u>





**STATISTICAL
INFORMATION**

Dunwoody*

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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:								
Net investment in capital assets	\$ 72,367,890	\$ 72,022,101	\$ 64,639,987	\$ 60,390,921	\$ 54,940,675	\$ 55,691,197	\$ 54,385,026	\$ 41,895,527
Restricted for HOST capital projects	4,276,217	5,074,377	5,002,643	2,788,116	3,291,488	5,268,129	4,673,161	2,637,621
Restricted for parks operation	473,356	473,356	-	-	-	-	-	-
Restricted for public safety	319,040	302,185	264,089	77,462	155,556	192,494	-	-
Restricted for E911 operations	-	60,184	153,934	59,443	42,793	148,234	-	-
Restricted for grant programs	-	-	-	-	6,040	-	-	-
Restricted for capital projects	4,436,388	3,668,989	-	-	-	-	-	-
Unrestricted	30,223,377	27,992,800	26,890,499	21,931,336	19,666,351	10,525,337	6,707,592	1,265,017
Total governmental activities net position	<u>\$ 112,096,268</u>	<u>\$ 109,593,992</u>	<u>\$ 96,951,152</u>	<u>\$ 85,247,278</u>	<u>\$ 78,102,903</u>	<u>\$ 71,825,391</u>	<u>\$ 65,765,779</u>	<u>\$ 45,798,165</u>
Business-type activities:								
Net investment in capital assets	\$ 1,266,023	\$ 1,362,655	\$ 1,462,686	\$ 1,606,488	\$ 1,753,477	\$ 1,734,347	\$ 2,085,064	\$ 2,343,069
Unrestricted	1,971,690	2,041,090	1,674,734	1,803,082	1,871,785	1,550,829	1,594,711	1,044,752
Total business-type activities net position	<u>\$ 3,237,713</u>	<u>\$ 3,403,745</u>	<u>\$ 3,137,420</u>	<u>\$ 3,409,570</u>	<u>\$ 3,625,262</u>	<u>\$ 3,285,176</u>	<u>\$ 3,679,775</u>	<u>\$ 3,387,821</u>
Primary government:								
Net investment in capital assets	\$ 73,633,913	\$ 73,384,756	\$ 66,102,673	\$ 61,997,409	\$ 56,694,152	\$ 57,425,544	\$ 56,470,090	\$ 44,238,616
Restricted for HOST capital projects	4,276,217	5,074,377	5,002,643	2,788,116	3,291,488	5,268,129	4,673,161	2,637,621
Restricted for parks operation	473,356	473,356	-	-	-	-	-	-
Restricted for public safety	319,040	302,185	264,089	77,462	155,556	192,494	-	-
Restricted for E911 operations	-	60,184	153,934	59,443	42,793	148,234	-	-
Restricted for grant programs	-	-	-	-	6,040	-	-	-
Restricted for capital projects	4,436,388	3,668,989	-	-	-	-	-	-
Unrestricted	32,195,067	30,033,890	28,565,233	23,734,418	21,538,136	12,076,166	8,302,303	1,265,017
Total primary government net position	<u>\$ 115,333,981</u>	<u>\$ 112,997,737</u>	<u>\$ 100,088,572</u>	<u>\$ 88,656,848</u>	<u>\$ 81,728,165</u>	<u>\$ 75,110,567</u>	<u>\$ 69,445,554</u>	<u>\$ 48,141,254</u>

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

	2016	2015	2014	2013	2012	2011	2010	2009
Expenses								
Governmental activities:								
General government	\$ 5,472,183	\$ 4,900,861	\$ 4,423,918	\$ 4,617,699	\$ 5,021,924	\$ 5,178,035	\$ 4,810,795	\$ 4,804,898
Judicial	448,206	405,905	449,480	382,633	335,101	236,192	215,094	197,718
Public safety	8,784,310	7,895,867	7,334,076	7,203,617	6,705,729	5,979,082	4,975,421	5,981,437
Public works	11,768,593	6,803,121	4,960,165	6,182,605	4,096,589 (4)	5,323,795	3,073,849	2,809,840
Housing and development	1,067,674	1,019,881	970,170	819,221	739,888	125,852	-	-
Culture and recreation	2,481,726	1,760,061	1,457,055	1,231,199	1,268,147	914,096 (1)	509,941	-
Community development	2,242,840	4,119,821	2,412,288	2,463,310	2,374,141	2,105,107	2,053,868	1,724,838
Health and welfare	-	-	-	-	-	40,475	-	-
Interest on long-term debt	97,256	58,725	72,059	101,343	220,866	105,502	93,486	128,561
Total governmental activities expenses	32,362,788	26,964,242	22,079,211	23,001,627	20,762,385	20,008,136	15,732,454	15,647,292
Business-type activities:								
Stormwater	2,178,387	1,623,196	2,134,737	2,054,919	1,466,171	1,665,830	1,161,348	408,449
Total business-type activities expenses	2,178,387	1,623,196	2,134,737	2,054,919	1,466,171	1,665,830	1,161,348	408,449
Total primary government expenses	34,541,175	28,587,438	24,213,948	25,056,546	22,228,556	21,673,966	16,893,802	16,055,741
Program revenues								
Governmental activities:								
Charges for services:								
General government	524,690	468,420	462,905	430,906	626,846	455,977	408,091	20,498
Judicial	1,231,785	1,255,293	1,461,499	1,345,044	1,129,040	1,094,345 (2)	1,150,792	655,483
Public safety	1,379,181	1,474,168	1,365,761	1,436,804 (5)	1,030,365	271,702	53,507	14,025
Public works	345,254	333,738	359,728	346,079	373,555	348,900	322,073	294,860
Culture and recreation	43,561	34,600	13,524	14,109	18,907	20,098	17,119	-
Community development	1,220,378	3,566,510	1,321,229	1,328,150	1,286,143	719,569	559,356	439,410
Operating grants and contributions	18,522	54,163	70,025	30,569	67,369	117,501	64,072	73,889
Capital grants and contributions	2,726,375	6,028,361	2,348,069	1,827,596	436,092	505,539	13,311,910	-
Total governmental activities program revenues	7,489,746	13,701,253	7,402,740	6,759,257	4,968,317	3,533,631	15,886,920	1,498,165
Business-type activities:								
Charges for services:								
Stormwater	2,010,908	1,888,798	1,861,300	1,837,404 (6)	1,804,012	1,269,452	1,272,341	1,259,683
Capital grants and contributions	-	-	-	-	-	-	178,449	-
Total business-type activities program revenues	2,010,908	1,888,798	1,861,300	1,837,404	1,804,012	1,269,452	1,450,790	1,259,683
Net (expense) revenue:								
Governmental activities	(24,873,042)	(13,262,989)	(14,676,471)	(16,242,370)	(15,794,068)	(16,474,505)	154,466	(14,149,127)
Business-type activities	(167,479)	265,602	(273,437)	(217,515)	337,841	(396,378)	289,442	851,234
Total primary government net (expense) revenue	\$ (25,040,521)	\$ (12,997,387)	\$ (14,949,908)	\$ (16,459,885)	\$ (15,456,227)	\$ (16,870,883)	\$ 443,908	\$ (13,297,893)

(continued)

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

	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	\$ 7,156,674	\$ 6,796,286	\$ 6,812,751	\$ 6,134,605	\$ 5,565,481	\$ 5,773,218	\$ 6,418,837	\$ 6,528,839
Sales taxes	6,398,673	5,375,676	6,596,344	5,584,893	5,261,307	6,112,167	2,441,840	2,635,738
Hotel/Motel taxes	2,669,184	2,549,701	2,425,426	2,048,049	1,849,719	1,714,271	1,788,624	1,856,613
Franchise taxes	3,743,942	3,893,061	3,880,550	3,643,706	3,659,533	3,726,300	3,473,461	3,085,419
Business taxes	2,798,629	2,675,191	2,702,392	2,673,994	2,601,628	2,312,374	2,532,106	2,158,910
Alcohol excise taxes	764,303	730,988	731,096	721,942	682,867	649,441	675,535	1,383,171
Insurance premium taxes	2,887,902	2,665,983	2,495,238	2,386,636	2,305,027	2,170,117 (3)	2,064,127	-
Unrestricted investment earnings	498,323	707,404	444,439	122,967	32,829	17,007	16,062	8,943
Miscellaneous revenues	457,688	511,539	292,109	69,953	113,189	59,222	24,581	1,630
Contributed capital assets	-	-	-	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-	-	2,980	-
Total governmental activities	27,375,318	25,905,829	26,380,345	23,386,745	22,071,580	22,534,117	19,438,153	17,659,263
Business-type activities:								
Unrestricted investment earnings	1,447	723	1,287	1,823	2,245	1,779	2,492	-
Special item - donation of infrastructure at incorporation	-	-	-	-	-	-	-	2,536,607
Total business-type activities	1,447	723	1,287	1,823	2,245	1,779	2,492	2,536,607
Total primary government net (expense) revenue	27,376,765	25,906,552	26,381,632	23,388,568	22,073,825	22,535,896	19,440,645	20,195,870
Change in Net Position								
Governmental activities	2,502,276	12,642,840	11,703,874	7,144,376	6,277,512	6,059,612	19,592,619	3,510,136
Business-type activities	(166,032)	266,325	(272,150)	(215,692)	340,086	(394,599)	291,934	3,387,841
Total primary government	\$ 2,336,244	\$ 12,909,165	\$ 11,431,724	\$ 6,928,684	\$ 6,617,598	\$ 5,665,013	\$ 19,884,553	\$ 6,897,977
(1) In 2010 the City took ownership of the parks within the City limits from DeKalb County. (2) 2010 was the first full year of operations for the Court. (3) 2010 was the first year the City was eligible to receive insurance premium tax revenue. (4) In 2011 the City's inventory of the stormwater system was complete and the City began significant repairs to the system. (5) 2012 was the City's first full year of collecting E911 revenues. (6) In 2012 the City approved a rate increase from \$49 per ERU to \$69 per ERU for the stormwater fee.								

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST EIGHT FISCAL YEARS
 (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	\$ 6,528,839	\$ 2,635,738	\$ 1,858,613	\$ 3,085,419	\$ 2,158,910	\$ 1,383,171 (1)	\$ -	\$ 17,650,690
2010	6,418,837	2,441,840	1,788,624	3,473,461	2,532,106	675,535	2,064,127 (2)	19,394,530
2011	5,565,481	5,261,307 (3)	1,849,719	3,659,533	2,601,628	682,867	2,305,027	21,925,562
2012	6,134,605	5,584,893	2,048,049	3,643,706	2,673,994	721,942	2,386,636	23,193,825
2013	6,134,605	5,584,893	2,048,049	3,643,706	2,673,994	721,942	2,386,636	23,193,825
2014	6,812,751	6,596,344	2,425,426	3,880,550	2,702,392	731,096	2,495,238	25,643,797
2015	6,796,286	5,375,676	2,425,426	3,880,550	2,702,392	731,096	2,495,238	25,643,797
2016	7,156,674	6,398,673	2,669,184	3,743,942	2,798,629	764,303	2,887,902	26,419,307

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

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

	2016	2015	2014	2013	2012	2011	2010	2009
General Fund								
Nonspendable	\$ 399,732	\$ 166,889	\$ 243,811	\$ 168,938	\$ 210,750	\$ 109,511	\$ 158,114	\$ 135,373
Restricted:								
HOST capital projects	-	-	- (1)	2,788,116	3,291,488	5,268,129	4,673,161	2,637,621
Public safety	-	-	264,089	77,462	155,555	192,484	-	-
Capital projects	-	-	-	-	-	-	-	-
Parks operation	473,355	473,355	-	-	-	-	-	-
Assigned:								
General government	-	-	12,000	3,309	45,600	-	619,740	-
Municipal Court	-	-	25,000	-	-	-	-	-
Police explorer program	1,080	3,670	4,522	7,281	11,257	-	-	-
Public works	-	-	5,000	56,850	4,550	-	-	-
Culture and recreation	-	-	-	74,267	-	-	-	-
Public safety	-	-	-	75,000	21,100	-	-	-
Community development	-	-	201,724	4,000	174,946	-	-	-
Unassigned	13,224,143	11,573,142	9,235,081	8,206,754	7,471,080	5,822,789	5,460,937	601,632
Total general fund	\$ 14,098,310	\$ 12,217,056	\$ 9,991,227	\$ 11,461,977	\$ 11,386,326	\$ 11,392,913	\$ 10,911,952	\$ 3,374,626
All Other Governmental Funds								
Nonspendable	\$ 187,500	\$ 93,750	\$ 3,048	\$ 95,681	\$ 851,780	\$ 100,000	\$ -	\$ -
Restricted:								
Public Safety	319,040	302,185	257,768	256,356	-	-	-	-
E911 operations	-	60,184	153,934	59,443	42,793	132,377	-	-
Grant projects	-	-	-	-	6,040	-	-	-
Capital projects	4,436,388	3,668,989	48,318	57,966	282,662	204,196	306,150	755,934
HOST capital projects	4,276,217	5,074,377	5,002,643 (1)	-	-	-	-	-
Assigned:								
Promotion of tourism	-	-	-	-	-	-	-	975
Capital projects	14,898,839	14,029,833	14,191,240	9,696,507	7,746,680	4,704,074	562,907	191,256
Debt service	-	-	140,009	137,272	34,556	58,221	32,297	540,944
Unassigned	(110,896)	(78,980)	(884,201)	(86,555)	-	(7,198)	-	-
Total all other governmental funds	\$ 24,007,088	\$ 23,150,338	\$ 18,912,759	\$ 10,216,670	\$ 8,964,511	\$ 5,191,670	\$ 901,354	\$ 1,489,109

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

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST EIGHT FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013	2012	2011	2010	2009
Revenues								
Taxes	\$ 26,367,313	\$ 24,695,326	\$ 25,654,262	\$ 23,164,489	\$ 21,948,111	\$ 22,588,129	\$ 19,259,382 (1)	\$ 17,622,712
Licenses and permits	1,747,291	4,021,537	1,791,291	1,763,578	1,790,182	1,131,905	944,671	439,410
Intergovernmental	2,165,980	7,325,987	1,585,419	1,754,670	499,714	379,649	62,345	-
Charges for services	1,752,214	1,704,218	1,719,998	1,618,165	1,416,024 (3)	628,443	393,119	327,366
Fines and forfeitures	1,248,536	1,397,625	1,472,714	1,479,826	1,129,040	1,094,345	1,150,792 (2)	655,483
Contributions	68,522	29,069	58,869	10,900	10,945	12,674	46,424	73,889
Interest earned	35,082	51,767	16,499	27,672	32,829	17,007	16,062	8,943
Miscellaneous	457,696	497,497	301,104	73,350	259,903	95,668	59,536	3,647
Total revenues	<u>33,842,634</u>	<u>39,723,026</u>	<u>32,600,156</u>	<u>29,892,650</u>	<u>27,086,748</u>	<u>25,947,820</u>	<u>21,932,331</u>	<u>19,131,450</u>
Expenditures								
Current:								
General government	5,195,516	4,610,702	4,312,164	4,276,019	4,087,614	4,833,084	4,627,391	6,345,057
Judicial	447,802	404,464	450,868	382,673	332,862	235,916	218,953	194,533
Public safety	8,183,855	7,497,984	7,003,378	7,207,732	6,161,698	5,756,630	4,517,442	7,613,487
Public works	3,182,225	3,336,927	4,552,001	4,887,902	2,825,749	4,104,480	1,896,421	1,803,788
Housing and development	1,067,674	1,019,881	970,170	819,221	739,888	125,852	-	-
Culture and recreation	1,847,778	1,322,880	1,202,590	1,010,262	1,287,398	815,120	385,865	-
Community development	2,226,738	4,107,462	2,403,897	2,457,621	2,368,452	2,099,419	2,093,686	1,724,838
Health and welfare	-	-	-	-	-	40,475	-	-
Capital outlay	19,086,841	10,608,548	4,115,661	6,039,046	4,545,136	7,574,382	845,729	-
Debt service:								
Principal	802,344	1,403,500	1,240,393	1,639,339	1,227,507	679,960	662,073	45,736
Interest	38,696	60,588	73,695	140,035	141,652	84,216	110,195	40,276
Total expenditures	<u>42,079,469</u>	<u>34,372,736</u>	<u>26,324,817</u>	<u>28,859,850</u>	<u>23,717,956</u>	<u>26,349,533</u>	<u>15,357,755</u>	<u>17,767,715</u>
Excess of revenues over expenditures	<u>(8,236,835)</u>	<u>5,350,290</u>	<u>6,275,339</u>	<u>1,032,800</u>	<u>3,368,792</u>	<u>(401,713)</u>	<u>6,574,576</u>	<u>1,363,735</u>
Other Financing Sources (Uses)								
Proceeds from issuance of long term debt	9,900,000	-	-	-	-	-	-	-
Proceeds from the sale of assets	1,059,318	1,113,119	950,000	295,009	39,550	-	-	-
Issuance of long-term debt	-	-	-	-	5,305,000	5,173,000	-	3,500,000
Payments to escrow agent	-	-	-	-	(4,947,097)	-	-	-
Transfers in	12,924,231	17,121,720	13,154,376	12,708,674	12,239,279	11,546,244	2,285,986	2,417,437
Transfers out	(12,924,231)	(17,121,720)	(13,154,376)	(12,708,674)	(12,239,279)	(11,546,244)	(2,285,986)	(2,417,437)
Total other financing sources (uses)	<u>10,959,318</u>	<u>11,130,119</u>	<u>950,000</u>	<u>295,009</u>	<u>397,453</u>	<u>5,173,000</u>	<u>-</u>	<u>3,500,000</u>
Net change in fund balances	<u>\$ 2,722,483</u>	<u>\$ 6,463,409</u>	<u>\$ 7,225,339</u>	<u>\$ 1,327,809</u>	<u>\$ 3,766,245</u>	<u>\$ 4,771,287</u>	<u>\$ 6,574,576</u>	<u>\$ 4,863,735</u>
Debt service as a percentage of noncapital expenditures	2.8%	5.7%	6.3%	7.9%	7.2%	4.2%	5.4%	0.6%

(1) 2010 was the first year the City was eligible to receive insurance premium tax revenue.
(2) 2010 was the first full year of operations for the Court.
(3) 2012 was the first full year of E911 service collections.

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

LAST EIGHT FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Taxes	Sales Taxes	Hotel/Motel Taxes	Franchise Taxes	Business Taxes	Alcohol Excise Taxes	Insurance Premium Taxes	Motor Vehicle Taxes	Total
2009	\$ 6,500,861	\$ 2,635,738	\$ 1,858,613	\$ 3,085,419	\$ 2,158,910	\$ 1,383,171 (1)	\$ -	\$ -	\$ 17,622,712
2010	6,283,689	2,441,840	1,788,624	3,473,461	2,532,106	675,535	2,064,127 (2)	-	19,259,382
2011	5,817,882	6,112,167 (3)	1,714,271	3,811,877	2,312,374	546,281	2,170,117	103,160	22,588,129
2012	5,588,030	5,261,307	1,849,719	3,659,533	2,601,628	584,429	2,305,027	98,437	21,948,110
2013	6,105,269	5,584,893	2,048,049	3,643,706	2,673,994	616,533	2,386,636	105,409	23,164,489
2014	6,823,216	6,596,344	2,425,426	3,880,550	2,702,392	616,358	2,495,238	114,738	25,654,262
2015	6,804,726	5,375,676	2,549,701	3,880,550	2,702,392	616,358	2,495,238	114,738	25,654,262
2016	7,104,680	6,398,673	2,669,184	3,743,942	2,798,629	665,173	2,887,902	99,130	26,367,313

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



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

Calendar Year	Real Property			Personal Property				Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Vehicles	Motor	Other	Utility					
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	19,836,600	(1)	91,787,922	138,853,175	-	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	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	2,050,783,202	2.740	5,619,145,973	40%
2013	1,473,545,860	1,012,027,248	2,170,120		114,145,810	142,365,855		10,750,400	591,293,621	2.740	5,928,569,981	40%
2014	1,564,866,126	896,492,440	2,170,120		97,644,880	158,775,520		9,882,361	615,927,205	2.740	5,794,563,075	40%
2015	1,656,284,799	1,148,982,462	2,025,240		69,585,460	166,868,257		10,899,182	724,349,943	2.740	6,385,009,552	40%
2016	1,733,097,145	1,342,429,628	1,999,113		50,026,160	168,525,124		12,081,394	737,564,063	2.740	7,043,428,933	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 (i.e. homestead) were included.

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

Calendar Year	DeKalb County						Total School District Millage	State	Total Direct & Overlapping Rates
	Dunwoody (1)	Operating Millage	Debt Service Millage	Fire District Millage	Hospital Millage	Total County Millage			
2009	2.740	8.000	1.940	2.460	0.960	13.360	22.980	0.250	39.330
2010	2.740	8.000	1.940	2.460	0.960	13.360	22.980	0.250	39.330
2011	2.740	15.820	1.810	2.700	0.880	21.210	22.980	0.250	47.180
2012	2.740	14.560	2.420	3.290	0.940	21.210	23.980	0.200	48.130
2013	2.740	15.670	1.920	2.820	0.800	21.210	23.980	0.150	48.080
2014	2.740	16.660	1.680	2.870	0.000	21.210	23.980	0.100	48.030
2015	2.740	10.390	0.640	2.750	0.890	14.670	23.730	0.050	41.190
2016	2.740	8.760	0.490	2.570	0.740	12.560	23.380	0.000	38.680

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 SEVEN YEARS AGO
DECEMBER 31, 2016**

Taxpayer	2016			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
PERIMETER MALL LLC	\$ 73,402,838	1	2.86 %	\$ 71,498,626	1	2.37 %
SPUS6 THREE RAVINIA LP	43,435,200	2	1.69			
ML TERRACE LLC	41,212,920	3	1.61			
ML TERRACES LLC	39,936,640	4	1.56			
350 PERIMETER CENTER NORTH ATL	38,236,000	5	1.49			
302 PERIMETER CENTER LLC	36,125,440	6	1.41			
SOF BD OWNER	30,344,920	7	1.18			
SHF I ALEXANDER PC LLC	28,060,280	8	1.09			
MASSACHUSETTS MUTUAL LIFE	27,998,120	9	1.09	22,020,800	8	0.73
FAIRFIELD PERIMETER LLC	27,646,299	10	1.08	22,307,400	7	0.74
RB TERRACES LLC	-		-	60,914,842	2	2.02
KOGER RAVINIA LLC	-		-	36,000,000	3	1.19
GLL PERIMETER PLACE LP	-		-	29,452,962	4	0.98
SPUS6 THREE RAVINIA LP	-		-	27,003,148	5	0.89
JEFFERSON AT PERIMETER LP	-		-	22,528,462	6	0.75
PERIMETER ATLANTA SC LLC	-		-	20,059,966	9	0.66
METROPOLITAN LLC	-		-	18,800,000	10	0.62
Totals	\$ 386,398,657		15.05 %	\$ 330,586,206		10.95 %

Source: DeKalb County Tax Commissioner

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

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

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT FISCAL YEARS**

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 7,767,913	\$ 6,047,464	77.9 %	\$ 1,710,012	\$ 7,757,476	99.9 %
2010	7,510,439	5,735,897	76.4	1,757,789	7,493,686	99.8
2011	7,158,008	6,902,090	96.4	234,066	7,136,156	99.7
2012	7,388,395	7,095,624	96.0	277,644	7,373,268	99.8
2013	7,596,754	7,359,133	96.9	241,211	7,600,344	100.0
2014	8,138,896	8,043,508	98.8	77,115	8,120,623	99.8
2015	8,349,099	8,212,595	98.6	115,082	8,327,677	98.6
2016	8,908,249	8,716,581	97.8	N/A	8,716,581	97.8

Source: DeKalb County Tax Commissioner

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

RATIOS OF OUTSTANDING DEBT BY TYPE LAST EIGHT FISCAL YEARS

Fiscal Year Ended December 31,	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Total		
2009	\$ -	\$ 3,500,000	\$ 3,500,000	0.14 %	\$ 80.79
2010	-	2,792,191	2,792,191	0.12	60.35
2011	-	7,285,232	7,285,232	0.36	157.46
2012	5,130,652	1,411,390	6,542,042	0.36	138.53
2013	4,902,703	-	4,902,703	0.23	103.82
2014	3,662,310	-	3,662,310	0.17	76.95
2015	2,258,811	-	2,258,811	0.11	47.06
2016	1,456,467	9,900,000	11,356,467	0.52	233.03

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, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct debt			
Notes payable	\$ 11,356,467	100.00 %	\$ 11,356,467
Total direct debt	<u>\$ 11,356,467</u>		<u>\$ 11,356,467</u>
Overlapping debt			
DeKalb County	\$ 240,573,000	10.14% %	\$ 243,823
Total overlapping debt	<u>\$ 240,573,000</u>		<u>\$ 243,823</u>
Total direct and overlapping debt	<u>\$ 251,929,467</u>		<u>\$ 11,600,290</u>

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

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

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

LEGAL DEBT MARGIN

LAST FIVE YEARS

AS OF DECEMBER 31, 2016

	2016	2015	2014	2013	2012
Debt limit	\$ 330,236,647	\$ 305,464,540	\$ 272,983,125	\$ 275,500,529	\$ 266,181,319
Total net debt applicable to limit	<u>11,356,467</u>	<u>2,258,811</u>	<u>3,662,310</u>	<u>4,866,400</u>	<u>5,096,096</u>
Legal debt margin	<u>\$ 318,880,180</u>	<u>\$ 303,205,729</u>	<u>\$ 269,320,815</u>	<u>\$ 270,634,129</u>	<u>\$ 261,085,223</u>
Total net debt applicable to the limit as a percentage of debt limit	3%	1%	1%	2%	2%
Legal Debt Margin Calculation for Fiscal Year 2016					
Assessed value	\$ 2,563,854,685				
Add back: exempt real property	<u>738,511,783</u>				
Total assessed value	3,302,366,468				
Debt limit (10% of total assessed value)	330,236,647				
Debt applicable to limit:					
General obligation debt	<u>11,356,467</u>				
Total net debt applicable to limit	<u>11,356,467</u>				
Legal debt margin	<u>\$ 318,880,180</u>				

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST EIGHT FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income (amounts expressed in thousands) ⁽¹⁾	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽¹⁾
2009	43,322	\$ 2,437,036	\$ 56,254	38.4	5,798	7.1 %
2010	46,267	2,239,878	48,412	38.0	6,003	6.9
2011	46,809	2,038,802	44,066	35.7	11,425	5.9
2012	47,224	1,838,096	39,268	35.9	12,308	5.6
2013	47,591	2,113,085	44,746	36.6	11,728	5.3
2014	48,000	2,112,898	44,397	36.5	11,395	4.3
2015	48,000	2,137,008	44,521	36.6	6,570	3.6
2016	48,733	2,176,952	44,671	36.5	6,734	4.0

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

PRINCIPAL EMPLOYERS CURRENT YEAR AND SEVEN YEARS AGO DECEMBER 31, 2016

Employer	2016			2009		
	Employees (3)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
SIX CONTINENTS HOTELS	1,523	1	6.05 %	967	1	3.89 %
CONVERGENT OUTSOURCING, INC	553	2	2.20	-		0.00
UHS OF PEACHFORD LP	406	3	1.61	453	6	1.82
NORDSTROM	402	4	1.60			
ABB ENTERPRISE, INC	384	5	1.53			0.00
MACY'S #20	376	6	1.49	412	9	1.66
T MOBILE	360	7	1.43	767	3	3.09
COMPUTER GENERATED SOLUTIONS	336	8	1.33	420	8	1.69
CONTIVITI DOMESTIC HOLDING	336	9	1.33			0.00
WAL MART SUPERCENTER #236	286	10	1.14			0.00
MACY'S CORPORATE	-		-	785	2	3.16
WALDEN SECURITY	-		-	606	4	2.44
PHILIPS HEALTHCARE	-		-	492	5	1.98
AUTOTRADER COM INC	-		-		7	1.75
ER SOLUTIONS INC	-		-	400	10	1.61
Totals	4,962		19.72 %	5,302		24.70 %

(1) Source: 2009 individual employer's business license filings.
(2) Source: U.S. Bureau of Labor Statistics
(3) Source: 2015 individual employer's business license filings.

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

Function	2016	2015	2014	2013	2012	2011	2010	2009
General government	6	5	3	4	4	3	3	3
Judicial	4	4	4	3	3	1	1	1
Public safety:								
Officers	58	54	50	43	46	46	40	40
Civilians	10	10	9	8	8	8	8	8
Public Works	1	1	1					
Housing and Development	1.7	-	-	-	-	-	-	-
Recreation	1	-	-	-	-	-	-	-
Community Development	1	-	-	-	-	-	-	-
Total	82.7	74	67	58	61	58	52	52



CAPITAL ASSET STATISTICS BY FUNCTION LAST EIGHT FISCAL YEARS

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety:								
Stations	1	1	1	1	1	1	1	1
Patrol Units	46	45	45	43	39	41	41	40
Patrol Zones	3	3	3	3	3	3	3	3
Public Works:								
Streets (miles)	143	143	145	143	143	150	150	150
Traffic Signals	57	57	57	56	56	56	56	56
Recreation								
Parks (acres)	182	182	180	172	172	172	156	-

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

OPERATING INDICATORS BY FUNCTION LAST EIGHT FISCAL YEARS

Function	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety:								
Arrests	2,300	2,130	2,433	1,578	1,487	1,840	1,966	1,287
Incidents	6,294	6,192	6,430	6,590	6,090	5,770	5,338	3,834
Citations	7,639	7,816	8,924	6,710	6,077	7,829	7,396	6,318
Public Works:								
Pavement repairs	234	234	201	189	141	470	610	477
Storm drains cleaned/repared	180	101	237	359	293	386	402	321
Municipal Court:								
Citations adjudicated	8,787	8,821	9,497	9,578	7,788	8,066	7,469	8,475
Clients successfully completing probation	1,151	1,181	867	876	885	838	1,171	297
Community Development:								
Permits issued	1,579	1,355	1,548	439	542	972	942	302
Inspections completed	6,737	5,214	4,923	4,580	4,861	6,358	5,900	6,070

Sources: Various government departments
Note: Indicators are not available for the general government function.
Note: Municipal Court processed citations issued by DeKalb County for the first part of 2009 fiscal year.
Note: Community Development began tracking over the counter permits issued in 2012.





Dunwoody*

