

CITY OF DUNWOODY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2020

Prepared by:
Finance Department

Submitted by:
Eric Linton
City Manager

CITY OF DUNWOODY, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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INTRODUCTORY SECTION



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May 18, 2021

The Honorable Lynn Deutsch, 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, 2020. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the City of Dunwoody, Georgia (the "City").

This report has been prepared in accordance with State statutes set forth in an Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved March 28, 1968 (p. 464), and as amended by an Act approved April 21, 1968 (GA Laws 1997, p. 883). Mauldin & Jenkins, LLC, has issued an unmodified (clean) opinion on the City of Dunwoody's financial statements for the year ended December 31, 2020. 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 going back for decades before incorporation.

The Dunwoody area was originally inhabited by a number of Cherokee tribes, all part of the Creek Indian Confederation. In 1822, a significant tract of land was obtained from the Creek Indians from which Georgia formed the counties: Monroe, Dooley, 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 d#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).

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Sharon Lowery, CMC City Clerk

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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. 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 more than 49,000 residents and an estimated daytime population of more than 120,000.

Profile of the Government

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

Three members are elected by voters in each of the three separate districts they represent; the other three, including the mayor, are elected by city voters at large. The terms for council members from District Local 1, District Local 2 and District Local 3 expire in January 2022, while terms for the council members from District 1 At Large, District 2 At Large and District 3 At Large, including the mayor, will expire in January 2024.

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 of which 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.

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Local Economy

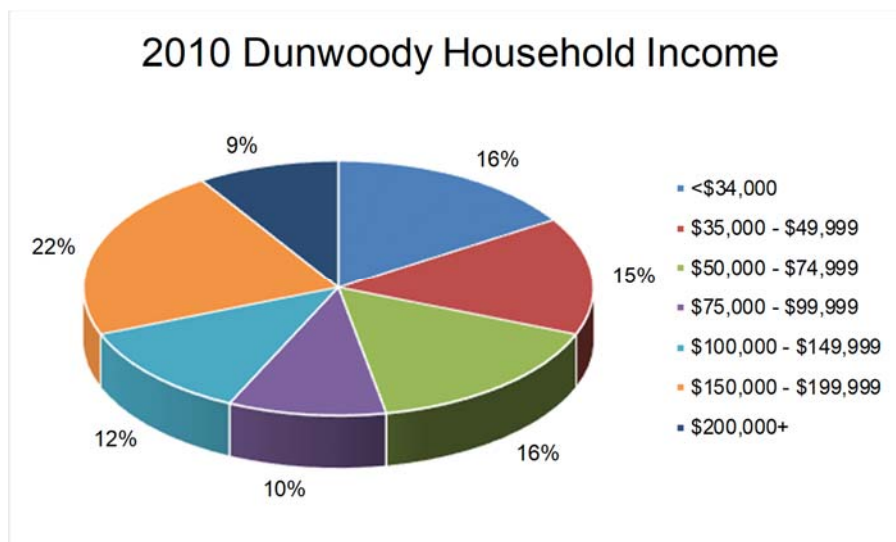
Dunwoody Population, Households, and Forecast: 2000 - 2030

	2000	2008	2010	2020	2025	2030
Population	38,699	43,322	46,267	49,465	51,323	53,019
Households	16,018	18,322	19,944	21,791	22,609	23,356
Avg. Household Size	2.38	2.30	2.31	2.27	2.27	2.27

Based on the 2010 US Census, in 2010 DeKalb County had a population of 691,893 people and stood as the third-most populous county in the 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 2,700 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.



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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 Southeast's second largest shopping mall. The City's commercial properties comprise more than 48% of the total tax digest by property value, ensuring a strong economic environment for the government.

National and Local Economy

Real GDP is projected to increase by 6.0 percent in 2021—up from the decrease of 5.0 percent in 2020 over 2019. COVID-19 has brought a tremendous amount of uncertainty to all economies throughout the world. Businesses and lives have been put on hold until the world can try to regain strength from the global pandemic. The Federal Reserve's monetary policy stance has lowered interest rates to zero to promote economic stability. Due to the impact of COVID-19, unemployment rates increased at the national, state, and county levels, while staying relatively stable at the local level:

	<u>Current</u>	<u>Previous</u>
United States	4.5%	3.5%
Georgia	4.5%	3.1%
DeKalb County	4.9%	2.7%
Dunwoody	2.3%	2.4%

Private sector wages and salaries increased 2.8 percent for the 12-month period ending in December 2020.

Several indicators show how Dunwoody's local economy was impacted by the ongoing pandemic in 2020. The City's property tax valuation decreased by 2.19% over 2019. Additionally, hotel revenue decreased 51% from 2019 to 2020, as both business and leisure travel was very slow due to COVID-19. The City is hopeful that we will start to see a rebound in travel during the second half of 2021. However, Dunwoody's effective and efficient structure established during recession years in the economy has continued to be advantageous, 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. 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's policy is to obtain and then maintain a minimum General Fund balance reserve equal to 33% of operating expenditures and a maximum of 50%. 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. The City's operating millage rate is 2.74 mills (and just 1.74 for homeowners).

The Finance Department administers 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.

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City Council Budget Priorities

The budget adopted by the Mayor and City Council 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 2020 was the twelfth full year of service. Major items implemented during this fiscal year include:

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

- Completed the new Motorola radio system transition successfully
- Maintained certification standards of the new 6th Edition Standards of the Georgia Association of Chiefs of Police
- Coordinated our COVID-19 response with DeKalb Emergency Management Agency including the acquisition and distribution of PPE
- Successfully implemented the Vulnerable Road User ordinance
- Successfully implemented our Silent Partners program to enhance our crime fighting efforts
- Developed and implemented a comprehensive LPR program as a crime fighting tool
- All sworn members of the department attended a Procedural Justice class
- Removed approximately 680 temporary signs
- Navigated COVID-19 pandemic to keep park amenities open and safe to use

Priority 2 - Promote responsible and balanced redevelopment.

- Continue to support IWORQ, the online citizen issue reporting portal
- Completed construction of Brook Run Park
- Updated Dunwoody's Economic Development Strategic Plan in coordination with the Dunwoody Development Authority

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- Held over 100 Business Retention and Expansion meetings with local Dunwoody Companies to create stronger relationships with our business community and engage them with our community partners
- Completed the City's Entertainment District including the Brewery

Priority 3 - Actively pursue comprehensive infrastructure improvements.

- Completed Mount Vernon Road at North Peachtree Road Crosswalk Improvements
- Completed Tilly Mill at Andover Drive Crosswalk Improvements
- Constructed shared use path on North Shallowford Road near Chamblee Dunwoody Road
- Completed utility relocation and began construction of intersection improvements at Spalding Drive and Chamblee Dunwoody Road
- Completed utility relocation and began sidewalk construction on Tilly Mill Road between North Peachtree Road and Womack Road
- Demolished the Austin Elementary School Site and buildings at Perimeter Center East and Waterford Property
- Completed 12 lane miles of pavement resurfacing

Priority 4 - Create an atmosphere in which businesses thrive.

- Place making
 - Managed the Public Art Implementation Plan
 - Coordinated the Gateway & Wayfinding Plan with Discover Dunwoody
- Created the Picnic Table Project to assist local restaurants expand outdoor seating options with the twist of adding Public Art in partnership with our non-profit community
- Coordinated the disbursement of CARES Act funding to the small business community
- Marketing Partnerships
 - Coordinated the partnership between the City, Chamber and CVB to publish the Atlanta Business Chronicle's Dunwoody Market Report that included 12 articles focused on Dunwoody's economy, housing and lifestyle
 - Worked with the Dunwoody and Sandy Springs Convention and Visitors Bureau to publish the "Central Perimeter Guide" highlighting the live, work, play assets of Dunwoody, Sandy Springs, and Brookhaven

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, 2019. 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

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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 2020 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 2021 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 dedicated services of the 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, including the Audit Committee and Internal Auditor. I would also like to thank 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,

A handwritten signature in blue ink, appearing to read "L Nabers".

Linda Nabers
Director of Finance

Lynn Deutsch Mayor
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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

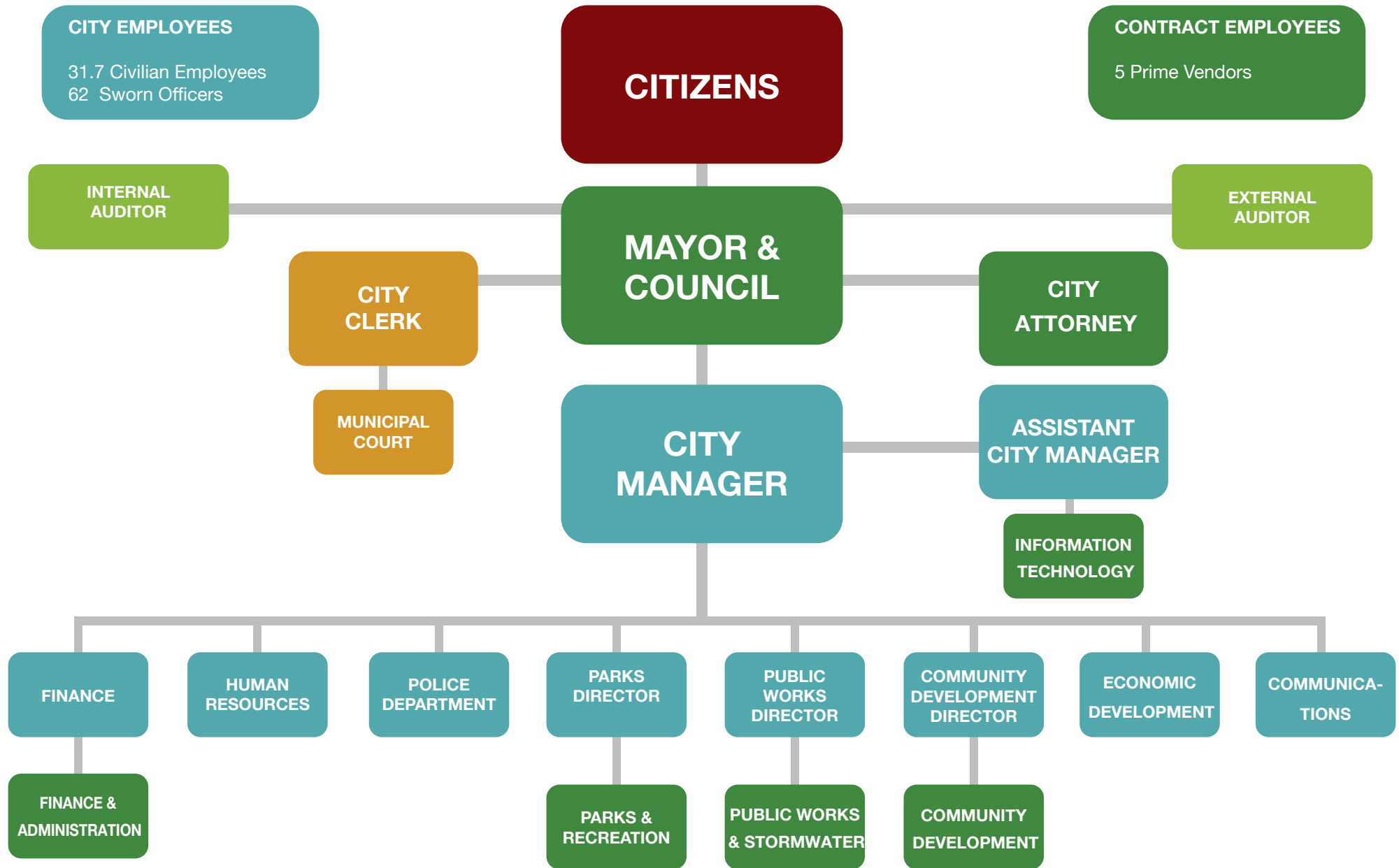
December 31, 2019

Christopher P. Morrell

Executive Director/CEO

ORGANIZATIONAL CHART

#3..



Listing of Elected Officials



JOE SECONDER

City Council Post 5

TOM LAMBERT

City Council Post 3

JOHN HENEGHAN

City Council Post 6

JIM RITICHER

City Council Post 2

PAM TALLMADGE

City Council Post 1

LYNN P. DEUTSCH

Mayor

STACEY HARRIS

City Council Post 4

Listing of Appointed Officials



City Manager

Eric Linton



City Clerk

Sharon Lowery

City Attorney – Riley McLendon, LLC

Internal Auditor – Mulcahy Consulting

External Auditor – Mauldin & Jenkins, LLC

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georgia (the "City") as of and for the year ended December 31, 2020, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georgia as of December 31, 2020, 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.

Emphasis of Matter

As discussed in Note 16, the City of Dunwoody, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, as of January 1, 2020. This standard significantly changed the accounting for the City's Municipal Court Fund. Our opinions are not modified with respect to this matter.

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), and Grants 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 of Dunwoody, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds (the "supplementary information") 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 supplementary information is 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 basic 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 May 18, 2021 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 solely 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 the effectiveness of the City's 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 18, 2021

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, 2020. 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, culture and 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 and liabilities with the difference between the two 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, culture and 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 11 and 12 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 nine 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, SPLOST, and capital projects funds, which are considered to be major funds. Data for the other five governmental funds (motor vehicle excise tax fund, Emergency 911 telephone service, confiscated assets fund, Hotel/Motel, and debt service fund) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 13 through 15 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. 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 16 through 18 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 maintains one type of fiduciary fund to account for the custodial activities of the City's Municipal Court.

The fiduciary fund financial statement can be found on pages 19 and 20 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 21 through 41 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, grants, SPLOST, 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 42 through 44 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 45 through 51 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

City of Dunwoody's Net Position

	Primary Government				Total	
	Governmental Activities		Business-type Activities			
	2020	2019	2020	2019	2020	2019
ASSETS						
Cash and cash equivalents	\$ 41,154,215	\$ 38,922,782	\$ 2,360,003	\$ 2,335,999	\$ 43,514,218	\$ 41,258,781
Accounts receivable	381,008	279,197	169,929	154,910	550,937	434,107
Taxes receivable	3,104,479	3,366,047	-	-	3,104,479	3,366,047
Due from other governments	820,953	974,905	-	-	820,953	974,905
Land held for resale	853,770	853,770	-	-	853,770	853,770
Prepaid items	2,248,529	2,086,215	-	-	2,248,529	2,086,215
Restricted cash	401,259	472,217	-	-	401,259	472,217
Capital assets:						
Nondepreciable	29,179,162	37,826,024	-	-	29,179,162	37,826,024
Depreciable, net of accumulated depreciation	85,831,769	76,353,641	1,413,734	995,024	87,245,503	77,348,665
TOTAL ASSETS	163,975,144	161,134,798	3,943,666	3,485,933	167,918,810	164,620,731
LIABILITIES						
Accounts payable	1,849,400	3,005,495	63,080	345,289	1,912,480	3,350,784
Accrued liabilities	789,580	1,541,913	-	-	789,580	1,541,913
Due to component unit	122,965	124,544	-	-	122,965	124,544
Unearned rent	1,251,264	1,310,848	-	-	1,251,264	1,310,848
Unearned revenue	404,501	-	-	-	404,501	-
Compensated absences due within one year	438,090	338,630	-	-	438,090	338,630
Compensated absences due in more than one year	77,310	59,758	-	-	77,310	59,758
Notes payable due within one year	432,872	386,691	-	-	432,872	386,691
Note payable due in more than one year	8,432,658	8,865,530	-	-	8,432,658	8,865,530
TOTAL LIABILITIES	13,798,640	15,633,409	63,080	345,289	13,861,720	15,978,698
NET POSITION						
Net investment in capital assets	106,145,401	104,927,444	1,413,734	995,024	107,559,135	105,922,468
Restricted for E911 operations	1,348,998	1,172,967	-	-	1,348,998	1,172,967
Restricted for public safety	134,002	-	-	-	134,002	-
Restricted for capital projects	5,915,241	8,261,692	-	-	5,915,241	8,261,692
Restricted for law enforcement activities	267,232	285,297	-	-	267,232	285,297
Restricted for tourism promotion	1,364,625	1,449,805	-	-	1,364,625	1,449,805
Unrestricted	35,001,005	29,404,184	2,466,852	2,145,620	37,467,857	31,549,804
TOTAL NET POSITION	\$ 150,176,504	\$ 145,501,389	\$ 3,880,586	\$ 3,140,644	\$ 154,057,090	\$ 148,642,033

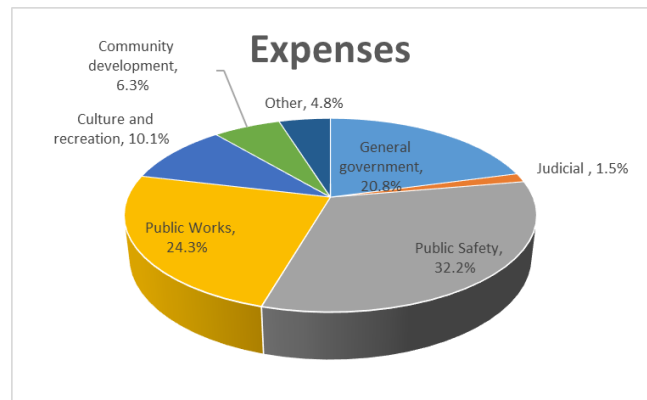
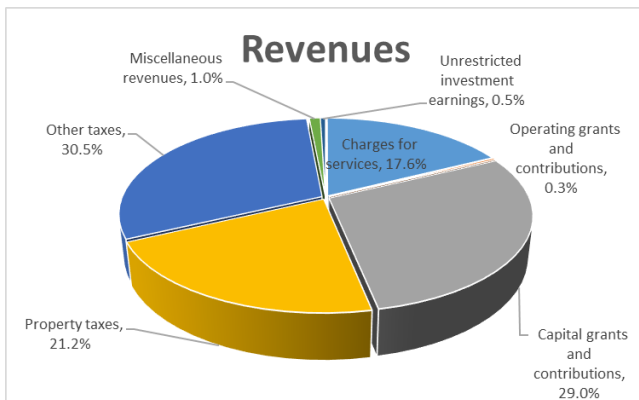
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the City of Dunwoody, assets exceeded liabilities by \$154,057,090.

The largest portion of the City's net position, \$107,559,135, 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 \$9,030,098 which consists of restricted SPLOST and capital projects funds to be used on capital projects, restricted seized funds to be used for public safety, restricted emergency 911 fees to be used for operation of the E911 center, and restricted funds to be used for law enforcement activities. The remaining portion of the City's net position represents net position of \$37,467,857 available to meet the ongoing obligations of the government. The City has current assets of \$51,494,145. These assets include \$43,514,218 of cash and cash equivalents. The City's capital assets are \$116,424,665. Long-term debt liabilities are \$8,432,658 with another \$432,872 due within a year for the 2016 financing for the City Hall facilities.

City of Dunwoody's Changes in Net Position

	Primary Government				Total	
	Governmental Activities		Business-type Activities			
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues:						
Charges for services	\$ 5,257,998	\$ 6,498,258	\$ 2,391,389	\$ 2,166,096	\$ 7,649,387	\$ 8,664,354
Operating grants and contributions	117,632	20,027	-	-	117,632	20,027
Capital grants and contributions	12,606,579	8,454,995	-	-	12,606,579	8,454,995
General revenues:						
Property taxes	9,214,017	9,088,509	-	-	9,214,017	9,088,509
Other taxes	13,284,100	15,909,367	-	-	13,284,100	15,909,367
Gain of sale of capital assets	-	3,301	-	-	-	3,301
Miscellaneous revenues	449,891	1,133,600	-	-	449,891	1,133,600
Unrestricted investment earnings	197,880	457,904	9,629	6,373	207,509	464,277
Total Revenues	41,128,097	41,565,961	2,401,018	2,172,469	43,529,115	43,738,430
EXPENSES						
General government	7,918,105	6,246,516	-	-	7,918,105	6,246,516
Judicial	569,381	510,478	-	-	569,381	510,478
Public Safety	12,287,202	10,598,867	-	-	12,287,202	10,598,867
Public Works	9,243,311	9,283,600	-	-	9,243,311	9,283,600
Housing and development	-	1,837,312	-	-	-	1,837,312
Culture and recreation	3,847,670	3,646,383	-	-	3,847,670	3,646,383
Community development	2,410,095	2,820,337	-	-	2,410,095	2,820,337
Interest on long-term debt	177,218	184,961	-	-	177,218	184,961
Stormwater	-	-	1,661,076	2,719,386	1,661,076	2,719,386
Total Expenses	36,452,982	35,128,454	1,661,076	2,719,386	38,114,058	37,847,840
Increase (decrease) in net position	4,675,115	6,437,507	739,942	(546,917)	5,415,057	5,890,590
Net position - beginning, restated	145,501,389	139,063,882	3,140,644	3,687,561	148,642,033	142,751,443
Net position - ending	\$ 150,176,504	\$ 145,501,389	\$ 3,880,586	\$ 3,140,644	\$ 154,057,090	\$ 148,642,033

City of Dunwoody – Governmental Activities



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 from 2019 to 2020 is due to a decrease in hotel/motel taxes. This decrease in revenues was accompanied by an increase in expenses related to SPLOST and capital projects for general government, public safety and public works, when compared to the prior year. Franchise taxes were \$3,677,345, business occupation taxes were \$3,211,015, and insurance premium taxes were \$3,728,621. The decrease in revenues was also due to a decrease in charges for services.

Our most sizable expenses during the year were \$12,287,202 and \$9,243,311 for the operation of the Dunwoody Police Department and the Public Works Department, respectively. Overall, expenses increased by \$1,324,528 from 2019. This is largely attributable to the increase in public safety and equipment as funded through SPLOST and culture and recreation as the City completed the build out the Brook Run Park and amenities.

Business-type activities. The increase in net position of \$739,942 is a result of an increase in revenue as well as a decrease in maintenance.

Stormwater assessment fees (computed based on a property's impervious surface area) were \$2,391,389; representing almost all of the revenues in the fund. Repairs to the system accounted for 62% of the operating expenses while depreciation on the assets accounted for 5% 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 \$43,601,102, an increase in fund balance of \$3,996,454. Of this balance, \$14,763,863 is restricted or assigned for capital projects, \$2,248,529 is non-spendable as prepaid items, \$3,318,351 is restricted or assigned for special purposes and \$23,270,359 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 \$25,670,646 representing an unassigned fund balance of \$23,270,359, restricted or assigned funds of \$254,639 for special purposes, and \$2,145,648 in non-spendable for prepaid items. Fund balance increased by \$6,463,612 from 2019 primarily as a result of CARES Act funding being available to offset increased costs related to the pandemic. 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 126% of total general fund expenditures, while total fund balance represents 139% of total general fund expenditures.

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 \$6,181,391 in intergovernmental revenues, with the majority of revenue being from CARES funding. After expenditures of \$6,177,344, the grants fund is reporting an increase in fund balance of \$27,661. The fund balance increase is created due to the timing of grant reimbursements.

SPLOST Fund. The SPLOST fund was set up to account for receipts of a sales tax levied in DeKalb County and related expenditures for road improvements and public safety projects in accordance with the voter-approved sales tax referendum. During the current year, a total of \$6,837,333 was recognized as revenues. After capital outlay expenditures of \$5,765,000, the SPLOST fund is reporting an increase in fund balance of \$1,091,379.

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 \$161,000 was transferred into the capital projects fund from the general fund. After expenditures of \$3,891,785 and other miscellaneous items, the capital projects fund had a decrease in fund balance of (\$3,658,984).

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 taken by resolution to the City Council for vote.

For fiscal 2020, the City's general fund had a favorable budget variance of \$6,463,612. There was an \$821,835 favorable budget variance for revenues as well as a \$5,680,261 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 attributable to an increase in property taxes, business taxes, and judicial court fines.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$115,010,931 (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, 2020 amounts to \$1,413,734. These assets reflect culverts and other stormwater management assets. The decrease in business-type capital assets results from the normal depreciation of the stormwater management system.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
CAPITAL ASSETS						
Land	\$ 25,647,288	\$ 25,647,288	\$	\$	\$ 25,647,288	\$ 25,647,288
Construction in progress	3,531,874	12,178,736			3,531,874	12,178,736
Buildings	13,371,811	13,926,409			13,371,811	13,926,409
Improvements	14,768,690	14,937,690			14,768,690	14,937,690
Machinery and equipment	2,447,936	1,846,072			2,447,936	1,846,072
Infrastructure	55,243,332	45,643,470	1,413,734	995,024	56,657,066	46,638,494
Total Capital Assets	\$ 115,010,931	\$ 114,179,665	\$ 1,413,734	\$ 995,024	\$ 116,424,665	\$ 115,174,689

Additional information on the City's capital assets can be found in note 6 on pages 33 and 34 of this report.

Long-term debt. At the end of fiscal year 2020, the City had total debt outstanding of \$8,865,530. The debt outstanding at December 31, 2020 represents debt issued in 2016 for the purchase of the 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 page 35 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 2021 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 3.04 mills is statutorily set and cannot be changed without a referendum. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provision of city services.

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

Economy impact – The local economy has been hit with the COVID-19 pandemic in early 2020. The City's property tax valuations show a 2% decrease, the City will consider these impacts on next year's budget. The City will continue with its conservative budgeting approach, reinforcing its effective and efficient structure established during recession years.

The City historically 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, 4800 Ashford Dunwoody Road, Dunwoody, GA 30338.

CITY OF DUNWOODY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Dunwoody Convention and Visitors Bureau
ASSETS				
Cash and cash equivalents	\$ 41,154,215	\$ 2,360,003	\$ 43,514,218	\$ 648,673
Accounts receivable	381,008	169,929	550,937	-
Taxes receivable	3,104,479	-	3,104,479	-
Due from other governments	820,953	-	820,953	-
Due from primary government	-	-	-	122,965
Land held for development	853,770	-	853,770	-
Prepays	2,248,529	-	2,248,529	255
Restricted cash	401,259	-	401,259	-
Capital assets:				
Nondepreciable	29,179,162	-	29,179,162	-
Depreciable, net of accumulated depreciation	85,831,769	1,413,734	87,245,503	-
Total assets	163,975,144	3,943,666	167,918,810	771,893
LIABILITIES				
Accounts payable	1,849,400	63,080	1,912,480	91,219
Accrued liabilities	789,580	-	789,580	-
Due to component unit	122,965	-	122,965	-
Unearned rent	1,251,264	-	1,251,264	-
Unearned revenue	404,501	-	404,501	-
Compensated absences due within one year	438,090	-	438,090	-
Compensated absences due in more than one year	77,310	-	77,310	-
Notes payable due within one year	432,872	-	432,872	-
Notes payable due in more than one year	8,432,658	-	8,432,658	-
Total liabilities	13,798,640	63,080	13,861,720	91,219
NET POSITION				
Net investment in capital assets	106,145,401	1,413,734	107,559,135	-
Restricted for E911 operations	1,348,998	-	1,348,998	-
Restricted for public safety	134,002	-	134,002	-
Restricted for capital projects	5,915,241	-	5,915,241	-
Restricted for law enforcement activities	267,232	-	267,232	-
Restricted for tourism promotion	1,364,625	-	1,364,625	680,674
Unrestricted	35,001,005	2,466,852	37,467,857	-
Total net position	\$ 150,176,504	\$ 3,880,586	\$ 154,057,090	\$ 680,674

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

CITY OF DUNWOODY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>
			<u>Contributions</u>	<u>Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 7,918,105	\$ 120	\$ 7,886	\$ -
Judicial	569,381	1,585,231	-	-
Public safety	12,287,202	1,535,965	-	6,107,871
Public works	9,243,311	501,719	-	6,498,708
Culture and recreation	3,847,670	26,445	-	-
Community development	2,410,095	1,608,518	109,746	-
Interest on long-term debt	177,218	-	-	-
Total governmental activities	<u>36,452,982</u>	<u>5,257,998</u>	<u>117,632</u>	<u>12,606,579</u>
Business-type activities:				
Stormwater	1,661,076	2,391,389	-	-
Total primary government	<u>\$ 38,114,058</u>	<u>\$ 7,649,387</u>	<u>\$ 117,632</u>	<u>\$ 12,606,579</u>
Component Unit:				
Dunwoody Convention and Visitors Bureau	\$ 1,193,244	\$ -	\$ 891,010	\$ -
	<u>\$ 1,193,244</u>	<u>\$ -</u>	<u>\$ 891,010</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Hotel/Motel taxes				
Franchise taxes				
Business taxes				
Alcohol & excise taxes				
Insurance premium				
Unrestricted investment earnings				
Miscellaneous revenues				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Dunwoody Convention and and Visitors Bureau
\$ (7,910,099)	\$ -	\$ (7,910,099)	\$ -
1,015,850	-	1,015,850	-
(4,643,366)	-	(4,643,366)	-
(2,242,884)	-	(2,242,884)	-
(3,821,225)	-	(3,821,225)	-
(691,831)	-	(691,831)	-
(177,218)	-	(177,218)	-
(18,470,773)	-	(18,470,773)	-
-	730,313	730,313	-
(18,470,773)	730,313	(17,740,460)	-
-	-	-	(302,234)
-	-	-	(302,234)
9,214,017	-	9,214,017	-
2,036,595	-	2,036,595	-
3,677,345	-	3,677,345	-
3,211,015	-	3,211,015	-
630,524	-	630,524	-
3,728,621	-	3,728,621	-
197,880	9,629	207,509	7,082
449,891	-	449,891	101,500
23,145,888	9,629	23,155,517	108,582
4,675,115	739,942	5,415,057	(193,652)
145,501,389	3,140,644	148,642,033	874,326
\$ 150,176,504	\$ 3,880,586	\$ 154,057,090	\$ 680,674

CITY OF DUNWOODY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Grants Fund	SPLOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 24,188,422	\$ 46,094	\$ 5,439,752	\$ 8,895,731	\$ 2,584,216	\$ 41,154,215
Accounts receivable	152,688	-	-	-	228,320	381,008
Taxes receivable, net	2,874,672	-	-	-	229,807	3,104,479
Intergovernmental receivable	74,511	30,341	716,101	-	-	820,953
Due from other funds	113,046	-	-	14,265	-	127,311
Prepaid items	2,145,648	-	-	-	102,881	2,248,529
Restricted assets:						
Cash and cash equivalents	134,002	-	-	-	267,257	401,259
Total assets	<u>\$ 29,682,989</u>	<u>\$ 76,435</u>	<u>\$ 6,155,853</u>	<u>\$ 8,909,996</u>	<u>\$ 3,412,481</u>	<u>\$ 48,237,754</u>
LIABILITIES						
Accounts payable	\$ 1,517,222	\$ -	\$ 286,724	\$ 35,577	\$ 9,877	\$ 1,849,400
Accrued liabilities	703,355	-	16,058	25,797	-	745,210
Unearned rent	1,251,264	-	-	-	-	1,251,264
Unearned revenue	404,501	-	-	-	-	404,501
Due to other funds	-	14,265	-	-	113,046	127,311
Due to component unit	-	-	-	-	122,965	122,965
Total liabilities	<u>3,876,342</u>	<u>14,265</u>	<u>302,782</u>	<u>61,374</u>	<u>245,888</u>	<u>4,500,651</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	130,787	-	-	-	-	130,787
Unavailable revenue - other	5,214	-	-	-	-	5,214
Total deferred inflows of resources	<u>136,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,001</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	2,145,648	-	-	-	102,881	2,248,529
Restricted:						
E911 operations	-	-	-	-	1,246,117	1,246,117
Public safety	134,002	-	-	-	-	134,002
Capital projects	-	62,170	5,853,071	-	-	5,915,241
Law enforcement activities	-	-	-	-	267,232	267,232
Tourism promotion	-	-	-	-	1,364,625	1,364,625
Assigned:						
General government	50,915	-	-	-	-	50,915
Public safety	17,972	-	-	-	-	17,972
Parks and recreation	3,415	-	-	-	-	3,415
Community development	15,950	-	-	-	-	15,950
Housing and development	32,385	-	-	-	-	32,385
Capital projects	-	-	-	8,848,622	-	8,848,622
Debt service	-	-	-	-	185,738	185,738
Unassigned	<u>23,270,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,270,359</u>
Total fund balances	<u>25,670,646</u>	<u>62,170</u>	<u>5,853,071</u>	<u>8,848,622</u>	<u>3,166,593</u>	<u>43,601,102</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,682,989</u>	<u>\$ 76,435</u>	<u>\$ 6,155,853</u>	<u>\$ 8,909,996</u>	<u>\$ 3,412,481</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.						115,010,931
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.						(9,425,300)
Some revenues are not available in the current period and, therefore, are not reported in the governmental funds.						136,001
Land held for development included as part of governmental activities are not financial resources and, therefore, are not reported in the governmental funds.						853,770
Net position of governmental activities						<u>\$ 150,176,504</u>

The accompanying notes are an integral part of these statements.

CITY OF DUNWOODY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Grants Fund	SPLOST Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 9,175,352	\$ -	\$ -	\$ -	\$ -	\$ 9,175,352
Hotel/Motel taxes	-	-	-	-	2,036,595	2,036,595
Franchise taxes	3,677,345	-	-	-	-	3,677,345
Alcohol excise taxes	541,358	-	-	-	-	541,358
Business taxes	3,211,015	-	-	-	-	3,211,015
Insurance premium taxes	3,728,621	-	-	-	-	3,728,621
Motor vehicle excise taxes	-	-	-	-	89,166	89,166
Licenses and permits	1,608,518	-	-	-	-	1,608,518
Intergovernmental	-	6,181,391	6,837,333	-	-	13,018,724
Charges for services	649,448	-	-	-	1,397,764	2,047,212
Fines and forfeitures	1,585,231	-	-	-	17,037	1,602,268
Contributions	7,886	23,614	17,853	9,527	109,746	168,626
Interest earned	89,606	-	1,193	62,274	6,282	159,355
Miscellaneous	449,891	-	-	-	-	449,891
Total revenues	<u>24,724,271</u>	<u>6,205,005</u>	<u>6,856,379</u>	<u>71,801</u>	<u>3,656,590</u>	<u>41,514,046</u>
Expenditures:						
Current:						
General government	6,193,469	-	31,746	-	891,010	7,116,225
Judicial	563,530	-	-	-	-	563,530
Public safety	3,649,549	5,620,498	1,524,122	-	1,262,291	12,056,460
Public works	2,571,098	556,846	4,209,132	-	370,794	7,707,870
Recreation	3,049,519	-	-	-	206,820	3,256,339
Community development	2,397,809	-	-	-	-	2,397,809
Capital outlay	-	-	-	3,891,785	-	3,891,785
Debt service:						
Principal	-	-	-	-	386,691	386,691
Interest	-	-	-	-	179,408	179,408
Total expenditures	<u>18,424,974</u>	<u>6,177,344</u>	<u>5,765,000</u>	<u>3,891,785</u>	<u>3,297,014</u>	<u>37,556,117</u>
Excess (deficiency) of revenues over expenditures	6,299,297	27,661	1,091,379	(3,819,984)	359,576	3,957,929
Other financing sources (uses):						
Proceeds from sale of capital assets	38,525	-	-	-	-	38,525
Transfers in	852,889	-	-	161,000	566,099	1,579,988
Transfers out	(727,099)	-	-	-	(852,889)	(1,579,988)
Total other financing sources (uses)	<u>164,315</u>	<u>-</u>	<u>-</u>	<u>161,000</u>	<u>(286,790)</u>	<u>38,525</u>
Net change in fund balances	6,463,612	27,661	1,091,379	(3,658,984)	72,786	3,996,454
Fund balances, beginning of year, as restated	<u>19,207,034</u>	<u>34,509</u>	<u>4,761,692</u>	<u>12,507,606</u>	<u>3,093,807</u>	<u>39,604,648</u>
Fund balances, end of year	<u>\$ 25,670,646</u>	<u>\$ 62,170</u>	<u>\$ 5,853,071</u>	<u>\$ 8,848,622</u>	<u>\$ 3,166,593</u>	<u>\$ 43,601,102</u>

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

CITY OF DUNWOODY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Net change in fund balances - total governmental funds	\$ 3,996,454
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.	1,201,610
The net book value of capital assets disposed of during the year.	(370,344)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(424,474)
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.	386,691
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.	(114,822)
Change in net position - governmental activities	<u>\$ 4,675,115</u>

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

CITY OF DUNWOODY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020

		Stormwater Fund
ASSETS		
CURRENT ASSETS		
Cash		\$ 2,360,003
Accounts receivable, net of allowance		169,929
Total current assets		2,529,932
NONCURRENT ASSETS		
Capital assets, depreciable		2,849,303
Accumulated depreciation		(1,435,569)
Total capital assets		1,413,734
Total assets		3,943,666
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		63,080
Total current liabilities		63,080
NET POSITION		
Investment in capital assets		1,413,734
Unrestricted		2,466,852
Total net position		\$ 3,880,586

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

CITY OF DUNWOODY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Stormwater Fund
OPERATING REVENUE	
Stormwater fees	\$ 2,391,389
Total operating revenues	2,391,389
OPERATING EXPENSES	
Cost of services	1,585,565
Depreciation	75,511
Total operating expenses	1,661,076
Operating income	730,313
NONOPERATING REVENUES	
Interest	9,629
Total nonoperating revenues	9,629
Change in net position	739,942
Total net position, beginning	3,140,644
Total net position, ending	\$ 3,880,586

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

CITY OF DUNWOODY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 2,376,370
Payments to suppliers	(1,867,774)
Net cash provided by operating activities	<u>508,596</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(494,221)
Interest received	9,629
Net cash used in investing activities	<u>(484,592)</u>
Net increase in cash	24,004
Cash, beginning of year	<u>2,335,999</u>
Cash, end of year	<u><u>\$ 2,360,003</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 730,313
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	75,511
Change in assets and liabilities:	
Increase in accounts receivable	(15,019)
Decrease in accounts payable	<u>(282,209)</u>
Net cash provided by operating activities	<u><u>\$ 508,596</u></u>

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

CITY OF DUNWOODY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUND DECEMBER 31, 2020

	Municipal Court Fund
ASSETS	
Cash	\$ 688,812
Total assets	688,812
LIABILITIES	
Due to others	230,945
Total liabilities	230,945
NET POSITION	
Restricted for individuals, organizations, and other governments	457,867
Total net position	\$ 457,867

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

CITY OF DUNWOODY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUND FOR THE YEAR ENDED DECEMBER 31, 2020

	Municipal Court Fund
ADDITIONS	
Fines and fees collected	\$ 2,371,836
Total additions	2,371,836
DEDUCTIONS	
Fines and fees disbursed	2,349,475
Total deductions	2,349,475
Change in net position	22,361
NET POSITION	
Beginning of year, as restated	435,506
End of year	\$ 457,867

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

CITY OF DUNWOODY, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Dunwoody, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

A. Reporting Entity

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

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

Discretely Presented Component Unit

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

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. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise fund are charges to customers for services provided. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Grants Fund** is a special revenue fund 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 **SPLOST Fund** is a capital projects fund used to account for proceeds of a special sales tax levied in DeKalb County and related expenditures for road improvements and public safety projects in accordance with the voter-approved sales tax referendum.

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

The City reports the following proprietary fund:

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

Additionally, the City reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as E911 revenues, hotel/motel tax revenues, and motor vehicle excise tax revenues, which are legally restricted or committed 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 **Custodial Fund** is used to account for assets held by the City's Municipal Court until they can be disbursed to other parties.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, and capital projects funds of the City. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted for the General Fund, each Special Revenue Fund, and the Debt Service Fund each fiscal year through passage of an annual budget ordinance and amended as required. The City adopts project length budgets for the Capital Projects Funds. During the fiscal year ended December 31, 2020, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

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

E. Cash, Cash Equivalents and Investments

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

F. Receivables

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

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds."

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has reported all infrastructure that it currently owns and has a responsibility for maintaining. Donated capital assets are recorded at estimated 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 are not capitalized.

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

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

J. Restricted Assets

Certain resources are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants, or other external legislation or restrictions. Applicable expenses are paid from restricted assets first.

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 one type that qualifies for reporting in this category. Unavailable revenue is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenues and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

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

M. Long-Term Obligations

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

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

N. Fund Equity

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

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

Fund balances are classified as follows:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

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

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

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

The City's policy is to obtain and then maintain a minimum fund balance reserve in the General Fund 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, and (3) Unassigned.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$9,425,300 difference are as follows:

Notes payable	\$ (8,865,530)
Accrued interest payable	(44,370)
Compensated absences (i.e., vacation)	<u>(515,400)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (9,425,300)</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$1,201,610 difference are as follows:

Capital outlay	\$ 5,470,642
Depreciation expense	<u>(4,269,032)</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ 1,201,610</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 \$386,691 difference are as follows:

Principal retirement of long-term debt	<u>\$ 386,691</u>
Net adjustment to increase <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u>\$ 386,691</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 \$114,822 difference are as follows:

Compensated absences	\$ (117,012)
Accrued interest	<u>2,190</u>
Net adjustment to decrease <i>net change in fund balances - total governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	<u><u>\$ (114,822)</u></u>

NOTE 3. LEGAL COMPLIANCE – BUDGETS

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk: 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 and City policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2020, the City had deposits with two (2) financial institutions collateralized by the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. Additionally, the City had deposits with one (1) financial institution that were collateralized by pledged securities, as defined above. As of December 31, 2020, the Dunwoody Convention and Visitors Bureau had deposits at a local financial institution that was uninsured and under-collateralized by \$429,758, as defined by State statutes.

NOTE 5. RECEIVABLES

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

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

Receivables at December 31, 2020, 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>SPLOST</u>	<u>Nonmajor Governmental</u>	<u>Stormwater</u>
Receivables:					
Accounts	\$ 152,688	\$ -	\$ -	\$ 228,320	\$ 274,310
Taxes	2,899,811	-	-	229,807	-
Intergovernmental	74,511	30,341	716,101	-	-
Total receivables	3,127,010	30,341	716,101	458,127	274,310
Less allowance for uncollectibles	(25,139)	-	-	-	(104,381)
Net total receivable	<u>\$ 3,101,871</u>	<u>\$ 30,341</u>	<u>\$ 716,101</u>	<u>\$ 458,127</u>	<u>\$ 169,929</u>

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended December 31, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 25,647,288	\$ -	\$ -	\$ -	\$ 25,647,288
Construction in progress	12,178,736	3,905,785	(355,378)	(12,197,269)	3,531,874
Total	<u>37,826,024</u>	<u>3,905,785</u>	<u>(355,378)</u>	<u>(12,197,269)</u>	<u>29,179,162</u>
Capital assets, being depreciated:					
Buildings	15,545,758	-	-	341,053	15,886,811
Improvements	18,953,438	348,418	-	236,177	19,538,033
Machinery and equipment	6,723,013	1,216,439	(275,448)	50,084	7,714,088
Infrastructure	60,204,009	-	-	11,569,955	71,773,964
Intangible assets	206,822	-	-	-	206,822
Total	<u>101,633,040</u>	<u>1,564,857</u>	<u>(275,448)</u>	<u>12,197,269</u>	<u>115,119,718</u>
Less accumulated depreciation					
Buildings	(1,619,349)	(895,651)	-	-	(2,515,000)
Improvements	(4,015,748)	(753,595)	-	-	(4,769,343)
Machinery and equipment	(4,876,941)	(649,693)	260,482	-	(5,266,152)
Infrastructure	(14,560,539)	(1,970,093)	-	-	(16,530,632)
Intangible assets	(206,822)	-	-	-	(206,822)
Total	<u>(25,279,399)</u>	<u>(4,269,032)</u>	<u>260,482</u>	<u>-</u>	<u>(29,287,949)</u>
Capital assets, net depreciation	<u>76,353,641</u>	<u>(2,704,175)</u>	<u>(14,966)</u>	<u>-</u>	<u>85,831,769</u>
Governmental activities capital assets, net	<u>\$ 114,179,665</u>	<u>\$ 1,201,610</u>	<u>\$ (370,344)</u>	<u>\$ -</u>	<u>\$ 115,010,931</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, being depreciated:				
Infrastructure	\$ 2,355,082	\$ 494,221	\$ -	\$ 2,849,303
Less accumulated depreciation:				
Infrastructure	(1,360,058)	(75,511)	-	(1,435,569)
Business-type activities capital assets, net	<u>\$ 995,024</u>	<u>\$ 418,710</u>	<u>\$ -</u>	<u>\$ 1,413,734</u>

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

Governmental activities:	
General government	\$ 819,607
Public safety	371,393
Public works	1,955,800
Culture and recreation	1,109,946
Community development	12,286
Total depreciation expense - governmental activities	<u>\$ 4,269,032</u>
Business-type activities:	
Stormwater	<u>\$ 75,511</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the City for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	\$ 9,252,221	\$ -	\$ (386,691)	\$ 8,865,530	\$ 432,872
Compensated absences	398,388	435,846	(318,834)	515,400	438,090
Governmental activity Long-term liabilities	<u>\$ 9,650,609</u>	<u>\$ 435,846</u>	<u>\$ (705,525)</u>	<u>\$ 9,380,930</u>	<u>\$ 870,962</u>

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

Notes Payable from Direct Borrowing

On August 31, 2016, the City entered into direct borrowing 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:

Fiscal year ending December 31,	Principal	Interest	Total
2021	\$ 432,872	\$ 173,619	\$ 606,491
2022	482,571	164,429	647,000
2023	536,035	154,203	690,238
2024	593,525	143,271	736,796
2025	655,323	130,326	785,649
2026-2030	4,376,477	415,296	4,791,773
2031	1,788,727	17,905	1,806,632
	<u>\$ 8,865,530</u>	<u>\$ 1,199,049</u>	<u>\$ 10,064,579</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2020 is as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 113,046
Capital Projects Fund	Grants Fund	14,265
		<u>\$ 127,311</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 units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component unit - Convention and Visitors Bureau	Primary government - Nonmajor governmental funds	\$ 122,965

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 852,889
Capital Projects Fund	General Fund	161,000
Nonmajor governmental funds	General Fund	566,099
		<u>\$ 1,579,988</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. COMMITMENTS AND CONTINGENT LIABILITIES

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

The City has entered several public/private contractual partnerships for outsourced services and operations. Through these contracts with private companies, an array of operational services are provided via outsourcing. These contracts are operating contracts for which the City is continually monitoring its outsourcing needs as compared to providing services in-house. Currently, these contracts approximate \$6 million annually. The contracts were bid for four annual service periods and run through the year ending December 31, 2025.

For the fiscal year ended December 31, 2020, construction commitments on uncompleted contracts were \$2,450,241.

The City employed encumbrance accounting during the period. There were \$83,300 of encumbrances outstanding at December 31, 2020.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The City of Dunwoody offers two retirement plans for City employees. The 401(a) plan is a defined contribution plan established and administered by the City 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 11% of each employee's compensation each pay period. Employees are eligible to participate on the first day of the month following 30 days of employment, and they are vested in the contributions after one year of service. At December 31, 2020, there were 85 employees participating in the plan with total contributions of \$982,753.

The City also contributes the Social Security withholding amount (6.2% for 2020) 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, 2020, there were 88 employees participating in the plan with total contributions of \$438,213.

City employees may also participate in an Internal Revenue Code Section 457 deferred compensation plan. If an employee contributes at least 8%, the City will also offer a 4% (all or nothing) 401a plan match to all full-time employees. At December 31, 2020, there were 77 employees participating in the plan with total contributions of \$663,157 for the year ended December 31, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. 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, 229 Peachtree Street, NE, Suite 100, Atlanta, Georgia 30303.

NOTE 12. HOTEL/MOTEL LODGING TAX

The City has levied a 8% 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 year ended December 31, 2020, the City received \$2,036,595 in hotel/motel taxes. Of this amount, \$891,010, or 43.75%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 13. 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, renovation, improvements, maintenance and equipping of pedestrian walkways, or the installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the year ended December 31, 2020, the City received \$89,166 in motor vehicle excise taxes. Of this amount, \$89,166, or 100%, was used for these purposes.

NOTE 14. 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 insurance through Travelers Insurance.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. RISK MANAGEMENT (CONTINUED)

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

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

NOTE 15. LAND SWAP

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 formerly 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, which includes the building of two new baseball fields. 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.

	Prepaid Rent	Unearned Income
City use of track and football field	\$ 1,519,560	\$ -
City maintenance of track and football field	-	306,264
DCSD use of baseball fields (2)	-	945,000
	<u>\$ 1,519,560</u>	<u>\$ 1,251,264</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 15. LAND SWAP (CONTINUED)

Amounts reported as prepaid related to the City's use of the track and football field will be amortized over the 25 year term and recognized in rental expense as follows:

Fiscal year ending December 31,

2021	\$ 72,360
2022	72,360
2023	72,360
2024	72,360
2025	72,360
2026-2030	361,800
2031-2035	361,800
2036-2040	361,800
2041	72,360
	<u>\$ 1,519,560</u>

Amounts reported as unearned rent related to DCSD's prepayment of maintenance of the track and football field and DCSD use of the baseball fields will be amortized over the 25 year term and recognized in rental income and against repairs and maintenance expense as follows:

Fiscal year ending December 31,

2021	\$ 59,584
2022	59,584
2023	59,584
2024	59,584
2025	59,584
2026-2030	297,920
2031-2035	297,920
2036-2040	297,920
2041	59,584
	<u>\$ 1,251,264</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENTS

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, the City is required to reevaluate the accounting treatment of fiduciary activities. The new standard required the City to determine if funds are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial fund.

	Municipal Court Fund
Net Position, fiduciary activities, as previously reported	\$ -
Recognition of the beginning net position of the Municipal Court as a custodial fund	435,506
Net position, fiduciary activities, as restated	<u>\$ 435,506</u>

As of December 31, 2020, the City determined that a restatement of beginning fund balance in the Confiscated Assets Fund, a nonmajor governmental fund, and beginning net position of governmental activities was required in order to correct errors in prior periods. The City had previously recorded a portion of its Confiscated Assets Fund cash deposits as amounts due to others, which totaled \$124,682 as of the prior year ended December 31, 2019. As asset confiscations and forfeitures are considered imposed non-exchange transactions, accounting principles generally accepted in the United States require that revenues be recorded in the same period that the assets are recognized. As a result, the City is required to restate beginning fund balance and net position as shown below:

	Confiscated Assets Fund
Fund balance, as previously reported:	\$ 160,615
Effect of restatement:	124,682
Beginning fund balance, as restated:	<u>\$ 285,297</u>

	Governmental Activities
Net position, as previously reported:	\$ 145,376,707
Effect of restatement:	124,682
Beginning net position, as restated:	<u>\$ 145,501,389</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DUNWOODY, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 8,913,036	\$ 8,913,036	\$ 9,175,352	\$ 262,316
Franchise taxes	3,900,000	3,900,000	3,677,345	(222,655)
Alcohol excise taxes	-	367,200	541,358	174,158
Business taxes	3,080,000	2,950,000	3,211,015	261,015
Insurance taxes	3,300,000	3,725,000	3,728,621	3,621
Licenses and permits	1,638,000	1,638,000	1,608,518	(29,482)
Charges for services	506,700	506,700	649,448	142,748
Fines and forfeitures	1,350,000	1,350,000	1,585,231	235,231
Contributions	5,000	5,000	7,886	2,886
Interest earned	180,000	180,000	89,606	(90,394)
Miscellaneous	367,500	367,500	449,891	82,391
Total revenues	23,240,236	23,902,436	24,724,271	821,835
Expenditures:				
Current:				
General government:				
Mayor and council	318,095	295,895	277,787	18,108
City manager	534,035	516,135	509,019	7,116
City clerk	222,343	217,243	198,039	19,204
Human resources	405,402	374,857	294,050	80,807
Finance	3,166,465	5,443,960	2,678,145	2,765,815
Information technology	1,395,726	1,757,491	1,599,036	158,455
Law	420,000	685,000	637,393	47,607
Total general government	6,462,066	9,290,581	6,193,469	3,097,112
Judicial	632,236	787,337	563,530	223,807
Public safety	9,300,105	3,996,200	3,649,549	346,651
Public works	2,683,791	2,610,791	2,571,098	39,693
Recreation	3,388,952	3,244,241	3,049,519	194,722
Community development	2,297,885	4,176,085	2,397,809	1,778,276
Total expenditures	24,765,035	24,105,235	18,424,974	5,680,261
Excess (deficiency) of revenues over expenditures	(1,524,799)	(202,799)	6,299,297	6,502,096

Continued

CITY OF DUNWOODY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Other financing sources (uses):				
Proceeds from the sale of capital assets	\$ -	\$ -	\$ 38,525	\$ 38,525
Transfers out	(825,951)	(730,951)	(727,099)	3,852
Transfers in	2,350,750	933,750	852,889	(80,861)
Total other financing sources (uses)	1,524,799	202,799	164,315	(38,484)
Net change in fund balance	-	-	6,463,612	6,463,612
Fund balance, beginning of year	19,207,034	19,207,034	19,207,034	-
Fund balance, end of year	<u>\$ 19,207,034</u>	<u>\$ 19,207,034</u>	<u>\$ 25,670,646</u>	<u>\$ 6,463,612</u>

CITY OF DUNWOODY, GEORGIA
GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 487,045	\$ 6,170,802	\$ 6,181,391	\$ 10,589
Contributions	-	23,614	23,614	-
Total revenues	487,045	6,194,416	6,205,005	10,589
Expenditures:				
Current:				
Public safety	-	5,637,371	5,620,498	16,873
Public works	487,045	557,045	556,846	199
Total expenditures	487,045	6,194,416	6,177,344	17,072
Net change in fund balances	-	-	27,661	27,661
Fund balances, beginning of year	34,509	34,509	34,509	-
Fund balances, end of year	<u>\$ 34,509</u>	<u>\$ 34,509</u>	<u>\$ 62,170</u>	<u>\$ 27,661</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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.

Hotel/Motel Tax Fund – To account for the 8% lodging tax levied in the City, which is restricted by State law.

DEBT SERVICE FUND

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

CITY OF DUNWOODY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Motor Vehicle Excise Tax Fund	E911 Fund	Confiscated Assets Fund	Hotel/Motel Fund	Debt Service Fund	
ASSETS						
Cash	\$ -	\$ 1,017,797	\$ -	\$ 1,380,681	\$ 185,738	\$ 2,584,216
Accounts receivable	-	228,320	-	-	-	228,320
Taxes receivable	7,647	-	-	222,160	-	229,807
Prepaid items	-	102,881	-	-	-	102,881
Restricted assets:						
Cash and cash equivalents	-	-	267,257	-	-	267,257
Total assets	\$ 7,647	\$ 1,348,998	\$ 267,257	\$ 1,602,841	\$ 185,738	\$ 3,412,481
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 25	\$ 9,852	\$ -	\$ 9,877
Due to other funds	7,647	-	-	105,399	-	113,046
Due to component unit	-	-	-	122,965	-	122,965
Total liabilities	7,647	-	25	238,216	-	245,888
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	-	102,881	-	-	-	102,881
Restricted:						
E911 operations	-	1,246,117	-	-	-	1,246,117
Law enforcement activities	-	-	267,232	-	-	267,232
Tourism promotion	-	-	-	1,364,625	-	1,364,625
Assigned:						
Debt service	-	-	-	-	185,738	185,738
Total fund balances	-	1,348,998	267,232	1,364,625	185,738	3,166,593
Total liabilities and fund balances	\$ 7,647	\$ 1,348,998	\$ 267,257	\$ 1,602,841	\$ 185,738	\$ 3,412,481

CITY OF DUNWOODY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Motor Vehicle Excise Tax Fund	E911 Fund	Confiscated Assets Fund	Hotel/Motel Fund	Debt Service Fund	
REVENUES						
Taxes	\$ 89,166	\$ -	\$ -	\$ 2,036,595	\$ -	\$ 2,125,761
Charges for services	-	1,397,764	-	-	-	1,397,764
Fines and forfeitures	-	-	17,037	-	-	17,037
Interest	-	5,380	76	826	-	6,282
Contributions	-	-	-	109,746	-	109,746
Total revenues	89,166	1,403,144	17,113	2,147,167	-	3,656,590
EXPENDITURES						
Current:						
General government	-	-	-	891,010	-	891,010
Public safety	-	1,227,113	35,178	-	-	1,262,291
Public works	-	-	-	370,794	-	370,794
Recreation	-	-	-	206,820	-	206,820
Debt service:						
Principal	-	-	-	-	386,691	386,691
Interest	-	-	-	-	179,408	179,408
Total expenditures	-	1,227,113	35,178	1,468,624	566,099	3,297,014
Excess (deficiency) of revenues over expenditures	89,166	176,031	(18,065)	678,543	(566,099)	359,576
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	566,099	566,099
Transfers out	(89,166)	-	-	(763,723)	-	(852,889)
Total other financing sources (uses)	(89,166)	-	-	(763,723)	566,099	(286,790)
Net change in fund balances	-	176,031	(18,065)	(85,180)	-	72,786
FUND BALANCES, beginning of year, as restated	-	1,172,967	285,297	1,449,805	185,738	3,093,807
FUND BALANCES, end of year	\$ -	\$ 1,348,998	\$ 267,232	\$ 1,364,625	\$ 185,738	\$ 3,166,593

CITY OF DUNWOODY, GEORGIA
MOTOR VEHICLE EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 105,000	\$ 105,000	\$ 89,166	\$ (15,834)
Total revenues	105,000	105,000	89,166	(15,834)
Other financing uses:				
Transfers out	(105,000)	(105,000)	(89,166)	15,834
Total other financing uses	(105,000)	(105,000)	(89,166)	15,834
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF DUNWOODY, GEORGIA

E911 FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,700,000	\$ 1,700,000	\$ 1,397,764	\$ (302,236)
Interest	-	-	5,380	5,380
Total revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,403,144</u>	<u>(296,856)</u>
Expenditures:				
Public safety	<u>1,398,616</u>	<u>1,398,616</u>	<u>1,227,113</u>	<u>171,503</u>
Total expenditures	<u>1,398,616</u>	<u>1,398,616</u>	<u>1,227,113</u>	<u>171,503</u>
Net change in fund balances	301,384	301,384	176,031	(125,353)
Fund balances, beginning of year	<u>1,172,967</u>	<u>1,172,967</u>	<u>1,172,967</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,474,351</u>	<u>\$ 1,474,351</u>	<u>\$ 1,348,998</u>	<u>\$ (125,353)</u>

CITY OF DUNWOODY, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 17,037	\$ 10,037
Interest	65	65	76	11
Total revenues	<u>7,065</u>	<u>7,065</u>	<u>17,113</u>	<u>10,048</u>
Expenditures:				
Current:				
Public safety	<u>41,000</u>	<u>41,000</u>	<u>35,178</u>	<u>5,822</u>
Total expenditures	<u>41,000</u>	<u>41,000</u>	<u>35,178</u>	<u>5,822</u>
Net change in fund balances	(33,935)	(33,935)	(18,065)	15,870
Fund balances, beginning of year, as restated	<u>285,297</u>	<u>285,297</u>	<u>285,297</u>	<u>-</u>
Fund balances, end of year	<u>\$ 251,362</u>	<u>\$ 251,362</u>	<u>\$ 267,232</u>	<u>\$ 15,870</u>

CITY OF DUNWOODY, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,210,000	\$ 2,210,000	\$ 2,036,595	\$ (173,405)
Interest	-	-	826	826
Contributions and donations	-	-	109,746	109,746
Total revenues	<u>4,210,000</u>	<u>2,210,000</u>	<u>2,147,167</u>	<u>(62,833)</u>
Expenditures:				
General Government	1,841,875	966,875	891,010	75,865
Public Works	789,375	850,000	370,794	479,206
Recreation	-	315,500	206,820	108,680
Total expenditures	<u>2,631,250</u>	<u>2,132,375</u>	<u>1,468,624</u>	<u>663,751</u>
Excess of revenues over expenditures	1,578,750	77,625	678,543	600,918
Other financing uses:				
Transfers out	(1,578,750)	(828,750)	(763,723)	65,027
Total other financing uses	<u>(1,578,750)</u>	<u>(828,750)</u>	<u>(763,723)</u>	<u>65,027</u>
Net change in fund balances	-	(751,125)	(85,180)	665,945
Fund balances, beginning of year	<u>1,449,805</u>	<u>1,449,805</u>	<u>1,449,805</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,449,805</u>	<u>\$ 698,680</u>	<u>\$ 1,364,625</u>	<u>\$ 665,945</u>

CITY OF DUNWOODY, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures:				
Debt service:				
Principal	\$ 386,691	\$ 386,691	\$ 386,691	\$ -
Interest	182,355	182,355	179,408	(2,947)
Total expenditures	<u>569,046</u>	<u>569,046</u>	<u>566,099</u>	<u>(2,947)</u>
Deficiency of revenues over expenditures	(569,046)	(569,046)	(566,099)	(2,947)
Other financing sources:				
Transfers in	625,951	569,951	566,099	3,852
Total other financing sources	<u>625,951</u>	<u>569,951</u>	<u>566,099</u>	<u>3,852</u>
Net change in fund balances	56,905	905	-	(905)
Fund balances, beginning of year	<u>185,738</u>	<u>185,738</u>	<u>185,738</u>	<u>-</u>
Fund balances, end of year	<u>\$ 242,643</u>	<u>\$ 186,643</u>	<u>\$ 185,738</u>	<u>\$ (905)</u>

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE YEAR ENDED DECEMBER 31, 2020

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
Transportation Improvements (1)	\$ 36,787,543	\$ 36,787,543	\$ 6,707,522	\$ 4,191,279	\$ 10,898,801	29.66%
Public Safety Facilities and Related Capital Equipment	6,000,000	6,000,000	544,670	1,524,122	\$ 2,068,792	34.31%
Repairs of Capital Outlay Projects	1,200,000	1,200,000	135,239	31,746	\$ 166,985	13.92%
TOTAL SPLOST	<u>\$ 43,987,543</u>	<u>\$ 43,987,543</u>	<u>\$ 7,387,431</u>	<u>5,747,147</u>	<u>\$ 13,134,578</u>	
Non-SPLOST expenditures funded with contributions				17,853		
Total SPLOST Fund expenditures				<u>\$ 5,765,000</u>		

(1) Transportation improvement projects including, but not limited to, Infrastructure Preservation (road resurfacing, rehabilitation and replacement of bridges and drainage systems); Pedestrian and Bicycle Path improvements (addition of sidewalks, streetscapes, bike lanes, and multi-use trails); Congestion Relief (intersection improvements, road widenings, traffic management, and signal upgrades); Safety and Operational Improvements (addition/extension of turn lanes, elimination of sight distance problems and other safety concerns, as well as widened lanes and shoulders).

COMPONENT UNIT

CITY OF DUNWOODY, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 648,673
Receivables	122,965
Prepaid items	<u>255</u>
Total assets	<u><u>\$ 771,893</u></u>

LIABILITIES AND FUND BALANCE**LIABILITIES**

Accounts payable	<u>\$ 91,219</u>
Total liabilities	<u>91,219</u>

FUND BALANCE

Nonspendable prepaid items	255
Restricted for promotion of tourism	<u>680,419</u>
Total fund balance	<u>680,674</u>
Total liabilities and fund balance	<u><u>\$ 771,893</u></u>

CITY OF DUNWOODY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
COMPONENT UNIT - DUNWOODY CONVENTION AND VISITORS BUREAU
FOR THE YEAR ENDED DECEMBER 31, 2020

REVENUES

Intergovernmental revenues	\$ 891,010
Interest	7,082
Miscellaneous revenue	<u>101,500</u>
Total revenues	<u>999,592</u>

EXPENDITURES

Current:	
Housing and development	<u>1,193,244</u>
Total expenditures	<u>1,193,244</u>
Net change in fund balances	(193,652)

FUND BALANCES, beginning of year	<u>874,326</u>
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FUND BALANCES, end of year	<u><u>\$ 680,674</u></u>
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STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends..... 55

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 61

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

Debt Capacity 66

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information..... 69

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

Operating Information 71

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.

CITY OF DUNWOODY, GEORGIA

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 106,145,401	\$ 104,927,444	\$ 98,243,118	\$ 89,548,797	\$ 72,367,890	\$ 72,022,101	\$ 64,639,987	\$ 60,390,921	\$ 54,940,675	\$ 55,691,197
Restricted for HOST capital projects	-	-	1,360,007	2,351,098	4,276,217	5,074,377	5,002,643	2,788,116	3,291,488	5,268,129
Restricted for SPLOST capital projects	-	4,761,692	1,957,500	-	-	-	-	-	-	-
Restricted for hotel/motel tax	1,364,625	1,449,805	723,522	-	-	-	-	-	-	-
Restricted for parks operation	-	-	-	-	473,356	473,356	-	-	-	-
Restricted for public safety	134,002	-	201,342	297,060	319,040	302,185	264,089	77,462	155,556	192,494
Restricted for E911 operations	1,348,998	1,172,967	730,253	171,979	-	60,184	153,934	59,443	42,793	148,234
Restricted for grant programs	-	-	-	-	-	-	-	-	6,040	-
Restricted for capital projects	5,915,241	3,500,000	3,072,923	3,580,123	4,436,388	3,668,989	-	-	-	-
Restricted for law enforcement activities	267,232	285,297	-	-	-	-	-	-	-	-
Unrestricted	35,001,005	29,404,184	32,775,217	32,741,924	30,223,377	27,992,800	26,890,499	21,931,336	19,666,351	10,525,337
Total governmental activities net assets	<u>\$ 150,176,504</u>	<u>\$ 145,501,389</u>	<u>\$ 139,063,882</u>	<u>\$ 128,690,981</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 1,413,734	\$ 995,024	\$ 1,080,739	\$ 1,172,174	\$ 1,266,023	\$ 1,362,655	\$ 1,462,686	\$ 1,606,488	\$ 1,753,477	\$ 1,734,347
Unrestricted	2,466,852	2,145,620	2,606,822	2,444,892	1,971,690	2,041,090	1,674,734	1,803,082	1,871,785	1,550,829
Total business-type activities net assets	<u>\$ 3,880,586</u>	<u>\$ 3,140,644</u>	<u>\$ 3,687,561</u>	<u>\$ 3,617,066</u>	<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>
Primary government:										
Net investment in capital assets	\$ 107,559,135	\$ 105,922,468	\$ 99,323,857	\$ 90,720,971	\$ 73,633,913	\$ 73,384,756	\$ 66,102,673	\$ 61,997,409	\$ 56,694,152	\$ 57,425,544
Restricted for HOST capital projects	-	-	1,360,007	2,351,098	4,276,217	5,074,377	5,002,643	2,788,116	3,291,488	5,268,129
Restricted for SPLOST capital projects	-	4,761,692	1,957,500	-	-	-	-	-	-	-
Restricted for hotel/motel tax	1,364,625	1,449,805	723,522	-	-	-	-	-	-	-
Restricted for parks operation	-	-	-	-	473,356	473,356	-	-	-	-
Restricted for public safety	134,002	-	201,342	297,060	319,040	302,185	264,089	77,462	155,556	192,494
Restricted for E911 operations	1,348,998	1,172,967	730,253	171,979	-	60,184	153,934	59,443	42,793	148,234
Restricted for grant programs	-	-	-	-	-	-	-	-	6,040	-
Restricted for capital projects	5,915,241	3,500,000	3,072,923	3,580,123	4,436,388	3,668,989	-	-	-	-
Restricted for law enforcement activities	267,232	285,297	-	-	-	-	-	-	-	-
Unrestricted	37,467,857	31,549,804	35,382,039	35,186,816	32,195,067	30,033,890	28,565,233	23,734,418	21,538,136	12,076,166
Total primary government net assets	<u>\$ 154,057,090</u>	<u>\$ 148,642,033</u>	<u>\$ 142,751,443</u>	<u>\$ 132,308,047</u>	<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>

CITY OF DUNWOODY, GEORGIA

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities:										
General government	\$ 7,918,105	\$ 6,246,516	\$ 5,781,192	\$ 5,470,420	\$ 5,472,183	\$ 4,900,861	\$ 4,423,918	\$ 4,617,699	\$ 5,021,924	\$ 4,492,327
Judicial	569,381	510,478	493,814	467,845	448,206	405,905	449,480	382,633	335,101	236,192
Public safety	12,287,202	10,598,867	10,012,037	9,412,704	8,784,310	7,895,867	7,334,076	7,203,617	6,705,729	5,979,082
Public works	9,243,311	9,283,600	8,561,008	8,405,211	11,768,593	6,803,121	4,960,165	6,182,605	4,096,589 (1)	5,323,795
Housing & development	-	1,837,312	1,707,639	1,103,613	1,067,674	1,019,881	970,170	819,221	739,888	811,560
Culture & recreation	3,847,670	3,646,383	3,049,535	2,607,956	2,481,726	1,760,061	1,457,055	1,231,199	1,268,147	914,096
Community development	2,410,095	2,820,337	2,858,795	3,875,067	2,242,840	4,119,821	2,412,288	2,463,310	2,374,141	2,105,107
Health & welfare	-	-	-	-	-	-	-	-	-	40,475
Interest on long-term debt	177,218	184,961	191,346	208,912	97,256	58,725	72,059	101,343	220,866	105,502
Total governmental activities expenses	36,452,982	35,128,454	32,655,366	31,551,728	32,362,788	26,964,242	22,079,211	23,001,627	20,762,385	20,008,136
Business-type activities:										
Stormwater	1,661,076	2,719,386	2,012,032	2,092,649	2,178,387	1,623,196	2,134,737	2,054,919	1,466,171	1,665,830
Total business-type activities expenses:	1,661,076	2,719,386	2,012,032	2,092,649	2,178,387	1,623,196	2,134,737	2,054,919	1,466,171	1,665,830
Total primary government expenses	38,114,058	37,847,840	34,667,398	33,644,377	34,541,175	28,587,438	24,213,948	25,056,546	22,228,556	21,673,966
Program revenues										
Governmental activities:										
Charges for services:										
General government	120	89,372	533,952	494,430	524,690	468,420	462,905	430,906	626,846	455,977
Judicial	1,585,231	1,620,975	1,363,921	1,337,590	1,231,785	1,255,293	1,461,499	1,345,044	1,129,040	1,094,345
Public safety	1,535,965	1,964,420	1,952,208	1,405,799	1,379,181	1,474,168	1,365,761	1,436,804	1,030,365 (2)	271,702
Public works	501,719	367,551	370,112	359,082	345,254	333,738	359,728	346,079	373,555	348,900
Culture & recreation	26,445	14,240	36,168	52,553	43,561	34,600	13,524	14,109	18,907	20,098
Community development	1,608,518	2,441,700	2,428,158	4,736,536	1,220,378	3,566,510	1,321,229	1,328,150	1,286,143	719,569
Operating grants and contributions	117,632	20,027	22,679	60,679	18,522	54,163	70,025	30,569	67,369	117,501
Capital grants and contributions	12,606,579	8,454,995	4,058,979	6,571,816	2,726,375	6,028,361	2,348,069	1,827,596	436,092	505,539
Total governmental activities program revenues	17,982,209	14,973,280	10,766,177	15,018,485	7,489,746	13,215,253	7,402,740	6,759,257	4,968,317	3,533,631
Business-type activities:										
Charges for services										
Stormwater	2,391,389	2,166,096	2,068,165	2,111,503	2,010,908	1,888,798	1,861,300	1,837,404	1,804,012 (3)	1,269,452
Capital grants and contributions	-	-	-	354,000	-	-	-	-	-	-
Total business-type activities program revenues	2,391,389	2,166,096	2,068,165	2,465,503	2,010,908	1,888,798	1,861,300	1,837,404	1,804,012	1,269,452
Net (expense) revenue:										
Governmental activities	(18,470,773)	(20,155,174)	(21,889,189)	(16,533,243)	(24,873,042)	(13,748,989)	(14,676,471)	(16,242,370)	(15,794,068)	(16,474,505)
Business-type activities	730,313	(553,290)	56,133	372,854	(167,479)	265,602	(273,437)	(217,515)	337,841	(396,378)
Total primary government net (expense) revenue	(17,740,460)	(20,708,464)	(21,833,056)	(16,160,389)	(25,040,521)	(13,483,387)	(14,949,908)	(16,459,885)	(15,456,227)	(16,870,883)

CITY OF DUNWOODY, GEORGIA

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 9,214,017	\$ 9,088,509	\$ 8,588,976	\$ 8,104,867	\$ 7,156,674	\$ 6,796,286	\$ 6,812,751	\$ 6,134,605	\$ 5,565,481	\$ 5,773,218
Sales taxes	-	-	6,567,340	5,955,748	6,398,673	5,375,676	6,596,344	5,584,893	5,261,307	6,112,167
Hotel/Motel taxes	2,036,595	4,178,837	3,860,604	2,751,845	2,669,184	2,549,701	2,425,426	2,048,049	1,849,719	1,714,271
Franchise taxes	3,677,345	3,770,111	3,966,742	3,956,705	3,743,942	3,893,061	3,880,550	3,643,706	3,659,533	3,726,300
Business taxes	3,211,015	3,149,816	3,045,041	2,924,993	2,798,629	2,675,191	2,702,392	2,673,994	2,601,628	2,312,374
Alcohol & excise taxes	630,524	1,288,542	778,595	775,886	764,303	730,988	731,096	721,942	682,867	649,441
Insurance premium taxes	3,728,621	3,522,061	3,317,260	3,075,880	2,887,902	2,665,983	2,495,238	2,386,636	2,305,027	2,170,117
Unrestricted investment earnings	197,880	457,904	218,419	102,819	498,323	707,404	444,439	122,967	32,829	17,007
Miscellaneous revenues	449,891	1,133,600	1,328,729	684,898	457,688	511,539	292,109	69,953	113,189	59,222
Gain on disposal of capital assets	-	3,301	590,384	4,794,315	-	-	-	-	2,980	-
Total governmental activities	23,145,888	26,592,681	32,262,090	33,127,956	27,375,318	25,905,829	26,380,345	23,386,745	22,074,560	22,534,117
Business-type activities:										
Unrestricted investment earnings	9,629	6,373	14,362	6,499	1,447	723	1,287	1,823	2,245	1,779
Total business-type activities	9,629	6,373	14,362	6,499	1,447	723	1,287	1,823	2,245	1,779
Total primary government net (expense) revenue	23,155,517	26,599,054	32,276,452	33,134,455	27,376,765	25,906,552	26,381,632	23,388,568	22,076,805	22,535,896
Change in Net Position										
Governmental activities	4,675,115	6,437,507	10,372,901	16,594,713	2,502,276	12,156,840	11,703,874	7,144,375	6,280,492	6,059,612
Business-type activities	739,942	(546,917)	70,495	379,353	(166,032)	266,325	(272,150)	(215,692)	340,086	(394,599)
Total primary government	\$ 5,415,057	\$ 5,890,590	\$ 10,443,396	\$ 16,974,066	\$ 2,336,244	\$ 12,423,165	\$ 11,431,724	\$ 6,928,683	\$ 6,620,578	\$ 5,665,013

(1) In 2011 the City's inventory of the stormwater system was complete and the City began significant repairs to the system.

(2) 2012 was the City's first full year of collecting E911 revenues.

(3) In 2012 the City approved a rate increase from \$49 per ERU to \$69 per ERU for the stormwater fee.

CITY OF DUNWOODY, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN 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
2011	\$ 5,773,218	\$ 6,112,167 (1)	\$ 1,714,271	\$ 3,726,300	\$ 2,312,374	\$ 649,441	\$ 2,170,117	\$ 22,457,888
2012	5,565,481	5,261,307	1,849,719	3,659,533	2,601,628	682,867	2,305,027	21,925,562
2013	6,134,605	5,584,893	2,048,049	3,643,706	2,673,994	721,942	2,386,636	23,193,825
2014	6,812,751	6,596,344	2,425,426	3,880,550	2,702,392	731,096	2,495,238	25,643,797
2015	6,796,286	5,375,676	2,549,701	3,893,061	2,675,191	730,988	2,665,983	24,686,886
2016	7,156,674	6,398,673	2,669,184	3,743,942	2,798,629	764,303	2,887,902	26,419,307
2017	8,104,867	5,955,748	2,751,845	3,956,705	2,924,993	775,886	3,075,880	27,545,924
2018	8,588,976	6,567,340	3,860,604 (2)	3,966,745	3,045,041	778,595	3,317,260	30,124,561
2019	9,088,509	- (3)	4,178,837	3,770,111	3,149,816	1,288,542	3,522,061	24,997,876
2020	9,214,017	-	2,036,595 (4)	3,677,345	3,211,015	630,524	3,728,621	22,498,117

(1) DeKalb County changed the capital factor used in calculating the HOST revenues due to the municipalities.

(2) In 2018 Hotel/Motel tax rate changed from 5% to 8%.

(3) Beginning in 2019, Sales Taxes received were recorded as Intergovernmental Revenue.

(4) In 2020 Hotel/Motel taxes saw a sharp decline due to COVID-19.

CITY OF DUNWOODY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 2,145,648	\$ 2,086,215	\$ 2,111,316	\$ 2,130,119	\$ 399,732	\$ 166,889	\$ 243,811	\$ 168,938	\$ 210,750	\$ 109,511
Restricted:										
HOST capital projects	-	-	-	-	-	-	- (1)	2,788,116	3,291,488	5,268,129
SPLOST capital projects	-	-	-	-	-	-	-	-	-	-
Public safety	134,002	-	-	-	-	-	264,089	77,462	155,556	192,484
Capital projects	-	-	-	-	-	-	-	-	-	-
Parks operation	-	-	-	-	473,355	473,355	-	-	-	-
Assigned										
General government	50,915	-	-	-	-	-	12,000	3,309	45,600	-
Finance and administration	-	-	40,000	-	-	-	-	-	-	-
Municipal Court	-	-	-	-	-	-	25,000	-	-	-
Police explorer program	-	-	3,151	428	1,080	3,670	4,522	7,281	11,257	-
Parks and recreation	3,415	11,600	-	-	-	-	-	-	-	-
Public works	-	-	125,000	-	-	-	5,000	56,850	4,550	-
Culture and recreation	-	-	-	-	-	-	-	74,267	-	-
Public safety	17,972	-	93,900	-	-	-	-	75,000	21,100	-
Housing and development	32,385	-	-	-	-	-	-	-	-	-
Community development	15,950	5,174	20,000	-	-	-	201,724	4,000	174,946	-
Unassigned	23,270,359	17,104,045	12,689,282	11,653,877	13,224,143	11,573,142	9,235,081	8,206,754	7,471,080	5,822,789
Total general fund	<u>\$ 25,670,646</u>	<u>\$ 19,207,034</u>	<u>\$ 15,082,649</u>	<u>\$ 13,784,424</u>	<u>\$ 14,098,310</u>	<u>\$ 12,217,056</u>	<u>\$ 9,991,227</u>	<u>\$ 11,461,977</u>	<u>\$ 11,386,327</u>	<u>\$ 11,392,913</u>
All Other Governmental Funds										
Nonspendable	\$ 102,881	\$ -	\$ -	\$ -	\$ 187,500	\$ 93,750	\$ 3,048	\$ 95,681	\$ 851,781	\$ 100,000
Restricted:										
Public safety	-	-	201,342	297,060	319,040	302,185	257,768	256,356	-	-
E911 operations	1,246,117	1,172,967	730,253	171,979	-	60,184	153,934	59,443	42,793	132,377
Grant projects	-	-	-	-	-	-	-	-	6,040	-
Capital projects	5,915,241	3,500,000	3,072,923	3,580,123	4,436,388	3,668,989	48,318	57,966	282,662	204,196
Hotel/motel fund	1,364,625	1,449,805	723,522	-	-	-	-	-	-	-
HOST capital projects	-	-	1,360,007	2,351,098	4,276,217	5,074,377	5,002,643 (1)	-	-	-
SPLOST capital projects	-	4,761,692	1,957,500	-	-	-	-	-	-	-
Law enforcement activities	267,232	285,297	-	-	-	-	-	-	-	-
Assigned:										
Promotion of tourism	-	-	-	-	-	-	-	-	-	-
E911 operations	-	-	-	-	-	-	-	-	-	-
Capital projects	8,848,622	9,042,115	16,997,329	17,806,015	14,898,839	14,029,833	14,191,240	9,696,507	7,746,679	4,704,074
Debt service	185,738	185,738	132,244	-	-	-	140,009	137,272	34,556	58,221
Unassigned	-	-	-	-	(126,417)	(78,980)	(884,201)	(86,555)	-	(7,198)
Total all other governmental funds	<u>\$ 17,930,456</u>	<u>\$ 20,397,614</u>	<u>\$ 25,175,120</u>	<u>\$ 24,206,275</u>	<u>\$ 23,991,567</u>	<u>\$ 23,150,338</u>	<u>\$ 18,912,759</u>	<u>\$ 10,216,670</u>	<u>\$ 8,964,511</u>	<u>\$ 5,191,670</u>

(1) During 2014 the City began reporting the HOST activity as a separate fund to comply with Georgia Law.

CITY OF DUNWOODY, GEORGIA

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 22,459,452	\$ 24,518,900	\$ 30,196,757	\$ 27,511,491	\$ 26,367,313	\$ 24,695,326	\$ 25,654,262	\$ 23,164,489	\$ 21,948,111	\$ 22,588,129
Licenses and permits	1,608,518	2,509,633	2,964,166	5,233,883	1,747,291	4,021,537	1,791,291	1,763,578	1,790,182	1,131,905
Intergovernmental	13,018,724	8,456,995	4,064,479	6,726,426	2,165,980	7,325,987	1,585,419	1,754,670	499,714	379,649
Charges for services	2,047,212	2,227,117	2,250,523	1,787,677	1,752,214	1,704,218	1,719,998	1,618,165	1,416,024 (1)	628,443
Fines and forfeitures	1,602,268	1,762,275	1,476,172	1,370,498	1,248,536	1,397,625	1,472,714	1,479,826	1,129,040	1,094,345
Contributions	168,626	18,527	13,956	24,591	68,522	29,069	58,869	10,900	10,945	12,674
Interest earned	159,355	457,904	218,419	102,819	35,082	51,767	16,499	27,672	32,829	17,007
Miscellaneous	449,891	1,133,600	1,328,729	684,898	457,696	497,497	301,104	73,350	259,903	95,668
Total revenues	41,514,046	41,084,951	42,513,201	43,442,283	33,842,634	39,723,026	32,600,156	29,892,650	27,086,748	25,947,820
Expenditures										
Current:										
General government	7,116,225	5,661,616	5,537,371	5,203,601	5,195,516	4,610,702	4,312,164	4,276,019	4,087,614	4,147,375
Judicial	563,530	508,040	495,978	466,244	447,802	404,464	450,868	382,673	332,862	235,916
Public safety	12,056,460	10,200,232	9,381,239	8,846,017	8,183,855	7,497,984	7,003,378	7,207,732	6,161,698	5,756,630
Public works	7,707,870	3,613,583	4,663,388	3,097,341	3,182,225	3,336,927	4,552,001	4,887,902	2,965,829	4,104,480
Housing and development	-	1,837,312	1,707,639	1,100,738	1,067,674	1,019,881	970,170	819,221	739,888	811,560
Culture and recreation	3,256,339	2,518,415	2,188,949	1,833,278	1,847,778	1,322,680	1,202,590	1,010,262	1,260,656	815,120
Community development	2,397,809	2,803,111	2,841,473	3,862,782	2,226,738	4,107,462	2,403,897	2,457,621	2,368,452	2,099,419
Health and welfare	-	-	-	-	-	-	-	-	-	40,475
Capital outlay	3,891,785	14,068,694	13,646,039	22,791,435	19,086,841	10,608,548	4,115,661	6,039,046	4,431,798	7,574,382
Debt service:										
Principal	386,691	343,799	303,980	1,456,467	802,344	1,403,500	1,240,393	1,639,339	1,227,308	679,960
Interest	179,408	186,427	192,867	221,412	38,696	60,588	73,695	140,035	141,851	84,216
Total expenditures	37,556,117	41,741,229	40,958,923	48,879,315	42,079,469	34,372,736	26,324,817	28,859,850	23,717,956	26,349,533
Excess of revenues over expenditures	3,957,929	(656,278)	1,554,278	(5,437,032)	(8,236,835)	5,350,290	6,275,339	1,032,800	3,368,792	(401,713)
Other Financing Sources (Uses)										
Proceeds from sale of asset	38,525	3,152	712,792	5,337,854	1,059,318	1,113,119	950,000	295,009	39,550	-
Issuance of long term debt	-	-	-	-	9,900,000	-	-	-	5,305,000	5,173,000
Payment to escrow agent	-	-	-	-	-	-	-	-	(4,947,097)	-
Transfers in	1,579,988	4,302,560	14,786,637	18,993,765	12,924,231	17,121,720	13,154,376	12,708,674	12,239,279	11,546,244
Transfers out	(1,579,988)	(4,302,560)	(14,786,637)	(18,993,765)	(12,924,231)	(17,121,720)	(13,154,376)	(12,708,674)	(12,239,279)	(11,546,244)
Total other financing sources (uses)	38,525	3,152	712,792	5,337,854	10,959,318	1,113,119	950,000	295,009	397,453	5,173,000
Net change in fund balances	\$ 3,996,454	\$ (653,126)	\$ 2,267,070	\$ (99,178)	\$ 2,722,483	\$ 6,463,409	\$ 7,225,339	\$ 1,327,809	\$ 3,766,245	\$ 4,771,287
Debt service as a percentage of noncapital expenditures	1.8%	1.7%	1.7%	5.6%	2.8%	5.7%	6.3%	7.9%	7.2%	4.2%

(1) 2012 was the first full year of E911 service collections.

CITY OF DUNWOODY, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN 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
2011	\$ 5,817,882	\$ 6,112,167 (1)	\$ 1,714,271	\$ 3,811,877	\$ 2,312,374	\$ 546,281	\$ 2,170,117	\$ 103,160	\$ 22,588,129
2012	5,588,030	5,261,307	1,849,719	3,659,533	2,601,628	584,429	2,305,027	98,437	21,948,110
2013	6,105,269	5,584,893	2,048,049	3,643,706	2,673,994	616,533	2,386,636	105,409	23,164,489
2014	6,823,216	6,596,344	2,425,426	3,880,550	2,702,392	616,358	2,495,238	114,738	25,654,262
2015	6,804,726	5,375,676	2,549,701	3,893,061	2,675,191	617,872	2,665,983	113,116	24,695,326
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
2017	8,070,434	5,955,748	2,751,845	3,956,705	2,924,993	667,124	3,075,880	108,762	27,511,491
2018	8,661,175	6,567,340	3,860,604 (2)	3,966,742	3,045,041	662,786	3,317,260	115,809	30,196,757
2019	9,032,933	- (3)	4,178,867	3,770,111	3,149,816	757,104	3,522,061	108,038	24,518,930
2020	9,175,352	-	2,036,595 (4)	3,677,345	3,211,015	541,358	3,728,621	89,166	22,459,452

(1) DeKalb County changed the capital factor used in calculating the HOST revenues due to the municipalities.

(2) In 2018 Hotel/Motel tax rate was changed from 5% to 8%.

(3) Beginning in 2019, sales taxes received were recorded as Intergovernmental Revenue.

(4) In 2020 Hotel/Motel taxes saw a sharp decline due to COVID-19.

CITY OF DUNWOODY, GEORGIA

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

Calendar Year	Real Property			Personal Property		Utility	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Motor Vehicles	Other						
2011	\$ 1,596,200,717	\$ 991,341,782	\$ 2,170,120	\$ 98,031,590	\$ 127,062,887	\$ 8,335,504	\$ 631,562,603 (1)	\$ 2,191,579,997	2.740	\$ 6,004,929,192	40%
2012	1,465,257,364	951,288,420	2,170,120	105,545,490	127,937,396	9,614,399	611,029,987	2,050,783,202	2.740	5,619,145,973	40%
2013	1,473,545,860	1,012,027,248	2,170,120	114,145,810	142,365,855	10,750,400	591,293,621	2,163,711,672	2.740	5,928,569,981	40%
2014	1,564,866,126	896,492,440	2,170,120	97,644,680	158,775,520	9,882,361	615,027,205	2,114,804,042	2.740	5,794,563,075	40%
2015	1,656,284,799	1,148,982,462	2,025,240	69,585,460	166,868,257	10,899,182	724,349,943	2,330,295,457	2.740	6,385,009,552	40%
2016	1,733,097,145	1,342,429,628	1,999,113	50,026,160	168,525,124	12,081,394	737,564,063	2,570,594,501	2.740	7,043,428,933	40%
2017	1,835,714,056	1,498,503,730	2,025,240	42,877,420	157,243,862	18,678,730	794,802,211	2,760,240,827	2.740	7,563,059,866	40%
2018	1,911,835,716	1,755,390,179	803,240	24,293,260	154,660,039	19,671,971	841,104,329	3,025,550,076	2.740	8,290,007,208	40%
2019	1,988,347,626	1,868,262,829	803,240	18,153,600	145,670,146	24,351,399	882,030,465	3,163,558,375	2.740	8,668,149,948	40%
2020	2,026,208,130	1,875,827,432	815,120	13,510,350	151,394,922	25,904,320	1,002,379,554	3,091,280,720	2.740	8,470,109,173	40%

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

(1) 2011 was the first year local exemptions (ie. homestead) were included.

CITY OF DUNWOODY, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

Calendar Year	Dunwoody	DeKalb County					Total School District Millage	State	Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage	Fire District Millage	Hospital Millage	Total County Millage			
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
2017	2.740	8.693	0.794	3.080	0.740	13.307	23.280	0.000	39.327
2018	2.740	9.638	0.733	2.687	0.726	13.784	23.180	0.000	39.704
2019	2.740	9.304	0.953	2.709	0.648	13.614	23.080	0.000	39.434
2020	2.740	9.366	0.909	2.792	0.642	13.709	23.080	0.000	39.529

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.

CITY OF DUNWOODY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT AND NINE YEARS AGO DECEMBER 31, 2020

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
PERIMETER MALL LLC	\$ 123,819,195	1	4.01 %	\$ 70,202,499	1	3.20 %
CORPORATE PROPERTIES TRUST II SPEC LLC	86,548,800	2	2.80	-	-	-
POP THREE RAVINIA LLC	61,686,671	3	2.00	40,243,760	3	1.84
350 PERIMETER CENTER NORTH ATL	41,313,041	4	1.34	-	-	-
BRE JEFFERSON ST ANDREWS OWNERS LLC	38,087,089	5	1.23	18,800,000	6	0.86
ML TERRACES LLC	37,420,000	6	1.21	49,703,880	2	2.27
SOF BD OWNER LP	36,903,348	7	1.19	-	-	-
GLL PERIMETER PLACE LP	36,861,444	8	1.19	-	-	-
BRICKS PERIMETER CENTER LLC	36,125,440	9	1.17	-	-	-
POINT AT PERIMETER LLC	35,413,640	10	1.15	-	-	-
PERIMETER ATLANTA SC LLC	-	-	-	22,120,000	4	1.01
METROPOLITAN III LLC	-	-	-	18,995,200	5	0.87
ACP/UTAH RAVINIA LLC	-	-	-	18,494,720	7	0.84
DUNWOODY PARK DEVELOPMENT LP	-	-	-	17,236,960	8	0.79
HINES VAF ONE RAVINIA LP	-	-	-	16,560,000	9	0.76
GC PROPERTIES	-	-	-	15,874,080	10	0.72
Totals	\$ 534,178,668		17.28 %	\$ 288,231,099		13.15 %

Source: DeKalb County Tax Commissioner

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

CITY OF DUNWOODY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Period Ended December 31,	Taxes Levied for the 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
2011	\$ 7,157,969	\$ 6,902,090	96.4 %	\$ 237,723	\$ 7,139,813	99.7 %
2012	7,387,484	7,095,624	96.0	282,059	7,377,683	99.9
2013	7,623,055	7,359,133	96.5	251,144	7,610,277	99.8
2014	8,138,519	8,043,508	98.8	85,457	8,128,965	99.9
2015	8,356,861	8,212,595	98.3	136,698	8,349,293	99.9
2016	9,146,512	8,716,581	95.3	422,047	9,138,628	99.9
2017	9,742,521	9,515,682	97.7	211,718	9,727,400	99.8
2018	10,202,502	9,920,268	97.2	268,985	10,189,253	99.9
2019	10,608,934	10,247,033	96.6	168,215	10,415,248	98.2
2020	10,852,337	10,575,103	97.4	N/A	10,575,103	97.4

Source: DeKalb County Tax Commissioner

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

CITY OF DUNWOODY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Period Ended December 31,	Governmental Activities			Percentage of Personal Income (1)	Per Capita (1)
	Bonds Payable	Notes Payable	Total		
2011	\$ -	\$ 7,285,232	\$ 7,285,232	0.36 %	\$ 155.64
2012	5,130,652	1,411,390	6,542,042	0.36	138.53
2013	4,902,703	-	4,902,703	0.23	103.02
2014	3,662,310	-	3,662,310	0.17	76.30
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
2017	-	9,900,000	9,900,000	0.43	205.70
2018	-	9,596,020	9,596,020	0.40	196.41
2019	-	9,252,221	9,252,221	0.36	187.07
2020	-	8,865,530	8,865,530	0.33	179.57

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

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

CITY OF DUNWOODY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct debt:			
Notes payable	\$ 8,865,530	100.00 %	\$ 8,865,530
Total direct debt	<u>\$ 8,865,530</u>		<u>\$ 8,865,530</u>
Overlapping debt:			
DeKalb County	\$ 122,605,000	10.07 %	\$ 12,346,324
Total overlapping debt	<u>\$ 122,605,000</u>		<u>\$ 12,346,324</u>
Total direct and overlapping debt	<u>\$ 131,470,530</u>		<u>\$ 21,211,854</u>

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

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

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

CITY OF DUNWOODY, GEORGIA

LEGAL DEBT MARGIN LAST NINE FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 409,366,027	\$ 404,558,884	\$ 386,785,497	\$ 355,504,304	\$ 330,236,647	\$ 305,464,540	\$ 272,983,125	\$ 275,500,529	\$ 266,181,319
Total net debt applicable to limit	-	-	-	-	1,456,467	2,258,811	3,662,310	4,866,400	5,096,096
Legal debt margin	<u>\$ 409,366,027</u>	<u>\$ 404,558,884</u>	<u>\$ 386,785,497</u>	<u>\$ 355,504,304</u>	<u>\$ 328,780,180</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	0%	0%	0%	0%	0%	1%	1%	2%	2%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	\$ 3,091,280,720
Add back: exempt real property	<u>1,002,379,554</u>
Total assessed value	4,093,660,274
Debt limit (10% of total assessed value)	409,366,027
Debt applicable to limit:	
General obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 409,366,027</u>

Note: The City had no bonds outstanding prior to fiscal year 2012.

CITY OF DUNWOODY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

Fiscal Period	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (1)
2011	46,809	\$ 2,038,802	\$ 43,556	35.7	11,425	5.9 %
2012	47,224	1,838,096	38,923	35.9	12,308	5.6
2013	47,591	2,113,085	44,401	36.6	11,728	5.3
2014	48,000	2,112,898	44,019	36.5	11,395	4.3
2015	48,000	2,137,008	44,521	36.6	12,101	3.6
2016	48,733	2,176,952	44,671	36.5	11,950	4.0
2017	48,128	2,298,641	47,761	36.8	11,872	3.6
2018	48,857	2,412,119	49,371	36.8	12,203	3.4
2019	49,459	2,572,313	52,009	36.6	12,580	2.4
2020	49,371	2,694,669	54,580	36.8	12,662	2.3

(1) Source: US Census Bureau - American Factfinder

(2) Source: DeKalb County Schools

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

CITY OF DUNWOODY, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2020			2011		
	Employees (3)	Rank	Percentage of Total City Employment (2)	Employees (1)	Rank	Percentage of Total City Employment (2)
INTERCONTINENTAL HOTELS GROUP (SIX CONTINENTS GROUP)	2,094	1	8.24 %	906	1	3.89 %
DEKALB COUNTY SCHOOL DISTRICT	720	2	2.83	-		-
CONVERGENT OUTSOURCING, INC	484	3	1.90	-		-
T MOBILE	475	4	1.87	-		-
UHS OF PEACHFORD LP	395	5	1.55	498	4	2.14
SOUTHEASTERN DATA COOPERA	359	6	1.41	-		-
MAGGIANO'S	336	7	1.32	-		-
NORDSTROM	320	8	1.26	-		-
MACY'S #20	320	9	1.26	371	7	1.59
WALMART SUPERCENTER #236	307	10	1.21	313	8	1.34
THE ATLANTA JOURNAL CONSTITUTION	-		-	607	3	2.60
WALDEN SECURITY	-		-	881	2	3.78
AUTOTRADER COM INC	-		-	441	5	1.89
ER SOLUTIONS INC	-		-	378	6	1.62
IHEALTH TECHNOLOGIES	-		-	310	9	1.33
COMPUTER GENERATED SOLUTIONS	-		-	292	10	1.25
Totals	5,810		22.87 %	4,997		21.44 %

(1) Source: 2011 individual employer's business license filings

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

(3) Source: 2020 individual employer's business license filings

CITY OF DUNWOODY, GEORGIA

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

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	7	6	6	6	6	5	3	4	4	3
Judicial	4	4	4	4	4	4	4	3	3	1
Public safety										
Officers	64	62	62	59	58	54	50	43	46	46
Civilians	14	14	14	13	10	10	9	8	8	8
Public works	1	1	1	1	1	1	1	-	-	-
Housing and development	1.7	1.7	1.7	1.7	1.7	-	-	-	-	-
Recreation	1	1	1	1	1	-	-	-	-	-
Community Development	1	1	1	1	1	-	-	-	-	-
Total	<u>93.7</u>	<u>90.7</u>	<u>90.7</u>	<u>86.7</u>	<u>82.7</u>	<u>74</u>	<u>67</u>	<u>58</u>	<u>61</u>	<u>58</u>

Source: City of Dunwoody Human Resources Department

Note: Indicators are not available for the Public Works and Community Development functions.

CITY OF DUNWOODY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Stations (1)	1	1	1	1	1	1	1	1	1	1
Patrol Units	51	51	46	47	46	45	45	43	39	41
Patrol Zones	4	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	146	146	143	143	143	143	145	143	143	150
Traffic Signals	62	62	60	60	57	57	57	56	56	56
Parks (acres)	192	192	185	182	175	175	180	172	172	172

Source: Various City departments

(1) Reflects building operating lease.

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

CITY OF DUNWOODY, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Arrests	1,496	2,201	1,976	2,254	2,300	2,130	2,433	1,578	1,487	1,840
Incidents	5,965	5,629	5,578	5,910	6,294	6,192	6,430	6,590	6,090	5,770
Citations	8,568	12,246	8,129	9,021	7,639	7,816	8,924	6,710	6,077	7,829
Public Works										
Potholes repaired	141	209	159	207	234	234	201	189	141	470
Storm drains cleaned/repared	194	229	188	197	180	101	237	359	293	386
Municipal Court										
Citations processed	9,204	10,659	8,901	10,033	8,787	8,821	9,497	9,578	7,788	8,066
Clients successfully completing probation	1,253	1,014	1,251	1,413	1,151	1,181	867	876	885	838
Community Development										
Permits issued	1,308	1,240	1,583	1,245	1,579	1,355	1,548	439	542	972
Inspections completed	4,151	4,694	4,408	3,877	6,737	5,214	4,923	4,580	4,861	6,358

Sources: Various government departments

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

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

CITY OF DUNWOODY, GEORGIA

**REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND
*GOVERNMENT AUDITING STANDARDS***

FOR THE YEAR ENDED DECEMBER 31, 2020

CITY OF DUNWOODY, GEORGIA**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Dunwoody, Georgia** (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 18, 2021. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statements No. 84, *Fiduciary Activities*.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-002.

City of Dunwoody's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and management's corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 18, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the **City of Dunwoody, Georgia's** (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Dunwoody, Georgia as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 18, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 18, 2021

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass- through Grantor Number	Total Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY			
Secret Service	N/A	N/A	\$ 1,500
Total U.S. Department of Homeland Security			<u>1,500</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Georgia Department of Transportation Highway Planning and Construction	20.205	PI#0015069	46,805
Total Highway Planning and Construction Cluster			<u>46,805</u>
Total U.S. Department of Transportation			<u>46,805</u>
Executive Office of the President			
Passed through United States Department of Justice - Drug Enforcement Administration High Intensity Drug Trafficking Area (HIDTA)	95.001	GA 0447100	9,311
Total Executive Office of the President			<u>9,311</u>
U.S. DEPARTMENT OF TREASURY			
Passed through DeKalb County, Georgia COVID-19 - Coronavirus Relief Fund	21.019	N/A	5,597,957
Total U.S. Department of Treasury			<u>5,597,957</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,655,573</u></u>

See note to schedule of expenditures of federal awards.

CITY OF DUNWOODY, GEORGIA**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Dunwoody, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City did not utilize the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

CITY OF DUNWOODY, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☒ yes ☐ no

Significant deficiency(ies) identified?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☒ yes ☐ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(ies) identified?

☐ yes ☒ none reported

Type of auditor's report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to reported in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major federal programs:

CFDA Number
21.019

Name of Federal Program or Cluster
COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 Revenue Recognition

Criteria: Internal controls should be in place to ensure that amounts reported as revenues are recognized in accordance with generally accepted accounting principles (GAAP). For imposed non-exchange transactions such as the receipt of forfeited or seized assets, generally accepted accounting principles require governmental funds to recognize revenues in the same period that the assets are recognized, unless the enabling legislation includes time requirements.

Condition: The City's financial statements for the year ended December 31, 2020 did not report these revenues in accordance with GAAP. While these revenues have been consistently reported in past years of the City's financial statements, a correction was needed to be consistent with GAAP which affected the current year and beginning equity amounts.

Context/Cause: During our testing of the Confiscated Asset Fund, we noted that the financial statements reported seized and forfeited funds as liabilities in the current year and past years of the City. Adjustments totaling approximately \$133,500 were required to properly recognize revenues for seized funds for the Confiscated Assets Fund and governmental activities for the year ended December 31, 2020, which included a restatement of approximately \$124,700 to beginning fund balance of the Confiscated Assets Fund and beginning net position of governmental activities, and a current year adjustment of approximately \$8,800 to revenues.

Effect: Adjustments related to revenue recognition within the Confiscated Assets Fund and governmental activities were required for approximately \$133,500.

Recommendation: While this has been corrected and should not repeat in future years, we recommend the City review all revenues to ensure proper recognition in accordance with GAAP.

Auditee's Response: We concur with the finding. The City of Dunwoody, from inception, set up the Confiscated Assets Fund platform and procedures using the method described above. This approach resulted in no findings until this audit. The funds were deposited into the cash account and a liability was recorded, as the funds were not the City's assets. The City will change the procedure to have the funds recorded as revenue and no longer be recorded as a liability. The City will also classify these funds as restricted fund balance in the Confiscated Assets Fund balance sheet.

CITY OF DUNWOODY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020-002 Collateralization of Public Deposits – City of Dunwoody Convention and Visitors Bureau

Criteria: Policies should be in place requiring all financial institutions holding cash deposits to be properly insured and, or collateralized at all times throughout the fiscal year. State statutes require all deposit and investment amounts (other than federal or state government instruments) that exceed standard depository insurance limits to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia at a rate of at least 110 percent of the deposit amount, or (2) participation in the State of Georgia Secure Deposit Program.

Condition: As of December 31, 2020, City of Dunwoody Convention and Visitors Bureau (CVB) had approximately \$430,000 in deposits that were not properly collateralized at 110% in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c).

Context/Cause: City of Dunwoody CVB's internal controls did not identify these accounts as public funds that should be collateralized and the financial institutions did not properly collateralize deposit amounts in excess of FDIC coverage.

Effects: The failure of the institution to fully collateralize or insure City of Dunwoody CVB's deposits could result in financial loss to City of Dunwoody CVB should the financial institution fail.

Recommendation: We recommend City of Dunwoody CVB monitor its deposits on an ongoing basis and correspond with the respective financial institutions to ensure that all deposits over the federal depository insurance coverage limit are properly collateralized in accordance with state statutes.

Auditee's Response: We concur with the finding. We discussed the matter with the financial institutions and have implemented a process whereby funds will be deposited in separate insured institutions with deposit amount below depository insurance thresholds and/or other funds will be collateralized.

SECTION II FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF DUNWOODY, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

None reported.



4800 Ashford Dunwoody Road
Dunwoody, Georgia 30338
dunwoodyga.gov | 678.382.6700

2020-001 Revenue Recognition – Confiscated Assets, City of Dunwoody

Name of the Contact Person Responsible for the Corrective Action Plan: Linda Nabers, Finance Director, City of Dunwoody

Corrective Action Plan: The deficiency noted above was identified during the month of May 2021. Once identified and communicated, the City of Dunwoody took immediate action to make this change in the procedures used while collecting confiscated assets. In accordance with Generally Accepted Accounting Principles (GAAP), for imposed non-exchange transactions such as the receipt of forfeited or seized assets, governmental funds should be recognized as revenues in the same period that the assets are received, unless the enabling legislation includes time requirements. The City did not realize that the funds should be recognized as revenues and they have been recognized as liabilities since the inception. This will ensure that the funds are properly recorded as revenues and that the Fund Balance is restricted for these purposes.

Anticipated Completion Date: May 4, 2021

2020-002 Collateralization of Public Deposits – City of Dunwoody Convention and Visitors Bureau

Name of the Contact Person Responsible for the Corrective Action Plan: Bill Baker, City of Dunwoody Convention and Visitors Bureau Treasurer

Corrective Action Plan: The deficiency noted was identified during the month of May 2021. Once identified and communicated, the City of Dunwoody Convention and Visitors Bureau Treasurer and staff took immediate action to place internal controls to ensure all bank deposits were collateralized at 110% in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c). The next day, the City of Dunwoody Convention and Visitors Bureau had secured collateralization through their current financial institution. This institution did not realize the funds were public funds and therefore did not include them in the pooled amount for public entities. The City of Dunwoody Convention and Visitors Bureau will report to the City of Dunwoody City Council on a quarterly basis, or immediately, if the funds are moved, from the institutions as well as collateralized funds held by those institutions. This will ensure that both the CVB as well as the City Council are aware of all funds as well as the collateralization of these funds.

Anticipated Completion Date: May 4, 2021

Lynn Deutsch Mayor
Eric Linton, ICMA-CM City Manager
Sharon Lowery, CMC City Clerk

Pam Tallmadge City Council Post 1
Jim Riticher City Council Post 2
Tom Lambert City Council Post 3

Stacey Harris City Council Post 4
Joe Seconder City Council Post 5
John Heneghan City Council Post 6



**Auditor's Discussion & Analysis
Financial & Compliance Audit Summary
December 31, 2020**

Presented by:



CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)***

December 31, 2020

PURPOSE OF ANNUAL AUDITOR DISCUSSION

- ◆ Engagement Team and Firm Information
- ◆ Overview of:
 - Audit Opinion
 - Financial Statements, Footnotes and Supplementary Information
 - Compliance Reports
- ◆ Required Communications under Government Auditing Standards
- ◆ Accounting Recommendations and Related Matters
- ◆ Other Items and Closing Thoughts
- ◆ Answer Questions



CITY OF DUNWOODY, GEORGIA

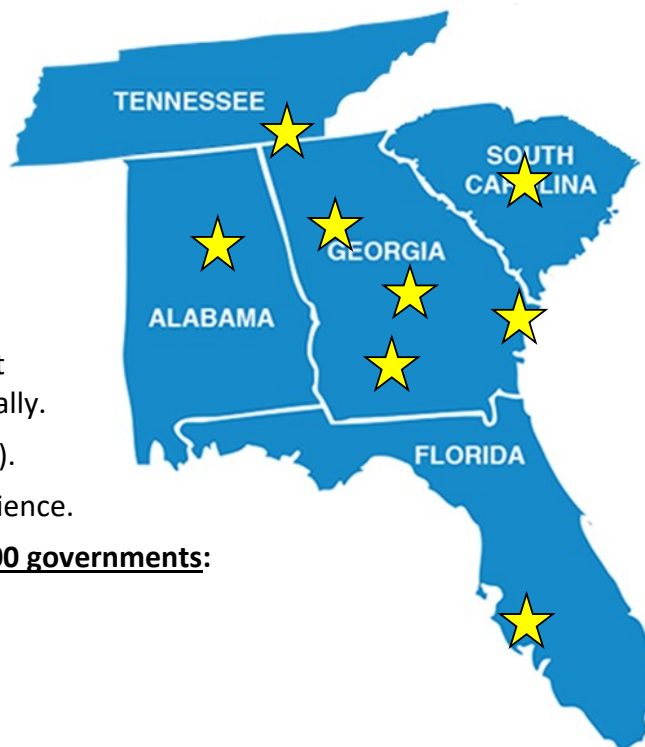
Auditor's Discussion & Analysis (AD&A)

December 31, 2020

MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

General Information:

- Founded in 1918. Approx. 300 personnel. Large regional Southeastern firm.
- Offices in Macon, Atlanta, Albany, Savannah, Bradenton, Sarasota, Chattanooga, Columbia and Birmingham.



Governmental Sector:

- Serve more governmental entities in the Southeast than any other firm with over 100,000 hours annually.
- Largest industry niche served by Firm (28% of Firm).
- Over 100 people with current governmental experience.
- **In past three (3) years, we have served approx. 500 governments:**
 - ✓ 126 cities;
 - ✓ 57 counties;
 - ✓ 62 school systems and 40 charter schools;
 - ✓ 48 state entities;
 - ✓ 48 state entities;
 - ✓ 130 special purpose entities (stand-alone entities including utility systems, development authorities, libraries, governmental pension plans, etc.); and
 - ✓ 131 governments receiving the GFOA's and/or ASBO's Certificate of Achievement for Excellence in Financial Reporting.
- Experience performing forensic audit services and information technology consultations.
- Experience performing municipal bond debt issuance attestation services serving approx. 50 clients with over \$11 billion in aggregate publicly issued debt instruments.
- Considered to be in the Top 20 total number of Single Audits conducted in U.S.A.

Engagement Team Leaders for City of Dunwoody, Georgia Include:

- Adam Fraley – Engagement Lead Partner – over 20 years of experience
- Doug Moses – Engagement Quality Control Partner – over 20 years of experience
- Christopher McKellar – Engagement Director – 16 years of experience
- Allison Whitworth – Engagement Senior – 5 years of experience

CITY OF DUNWOODY, GEORGIA

Auditor's Discussion & Analysis (AD&A)

December 31, 2020

MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities) • SEC Registrants • Wholesale Distribution • Agri-Businesses • Manufacturing • Professional Services • Employee Benefit Plans | <ul style="list-style-type: none"> • Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies) • Non-Profit Organizations • Retail Businesses • Long-term Healthcare • Construction & Development • Individuals, Estates and Trusts • Real Estate Management |
|---|--|

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Financial Audit/Review/Compilation • Compliance Audits & Single Audits • Agreed-Upon Procedures • Forensic Audits • Bond Issuance Services • Performance Audits • State Sales Tax Matters • International Tax Matters • Business & Strategic Planning • Profitability Consulting • Budgeting • Buy-Sell Agreements & Business Valuation Issues | <ul style="list-style-type: none"> • Income Tax Planning & Preparation • Multi-State Income Tax Issues • Information Systems Consulting • Cost Accounting Analysis • Healthcare Cost Reimbursement • Outsourced Billing Services • Fixed Asset Inventories • Succession & Exit Strategy Consulting • Estate Planning • Management Information Systems • Employee Benefit Plan Administration • Merger/Acquisition & Expansion Financing |
|---|---|

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****INDEPENDENT AUDITOR'S REPORT**

The independent auditor's report has specific significance to readers of the financial report.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of management.

Auditor's Responsibility

Our responsibility, as external auditors, is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinions

We have issued an unmodified audit report (i.e., "clean opinion"). The respective financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended December 31, 2020.

Other Matters

Certain required supplementary information and other information is included in the financial report, and as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

Single Audit Report - The second compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. relative to certain Federal grant programs and the respective expenditures. In accordance with the respective standards, we did provide an unmodified (or positive) opinion on the City's compliance based on our audit. However, we were not required to provide an opinion on the relevant internal controls, but to provide a form of negative assurance on such controls.

CITY OF DUNWOODY, GEORGIA

Auditor's Discussion & Analysis (AD&A)

December 31, 2020

REVIEW OF COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

General Information About the CAFR

A Comprehensive Annual Financial Report (CAFR) goes beyond the normal financial reporting required by accounting principles generally accepted in the United States. A CAFR includes at a minimum the following elements/sections:

- **Introductory Section:** general information on the City's structure and the services it provides.
 - Certificate of Achievement for Excellence in Financial Reporting
 - Letter of Transmittal
 - Organizational Chart
 - Listing of Elected Officials
 - Listing of Appointed Officials
- **Financial Section:** basic financial statements, footnotes and required supplementary information along with the auditor's report.
 - Independent Auditor's Report
 - Management Discussion & Analysis (MD&A)
 - Financial Statements and Footnotes
- **Statistical Section:** broad range of financial, demographic information useful in assessing the City's economic condition, and this information covers multiple years.
 - Financial Trends Information
 - Revenue Capacity Information
 - Debt Capacity Information
 - Operating Information

In the end, a CAFR goes far beyond the basic requirements of annual financial reporting, and the City should be commended for going beyond the minimum and providing such a report.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****REVIEW OF COMPREHENSIVE
ANNUAL FINANCIAL REPORT (CAFR)****Recognition and Award**

Once completed, the fiscal year 2019 CAFR was submitted to the Government Finance Officers Association (GFOA) for determination if the report would merit the GFOA's Certificate of Achievement for Excellence in Financial Reporting. We are happy to inform everyone that the GFOA did indeed review the CAFR and awarded the City with the sought after Certificate.

The GFOA Certificate has been made a part of the City's 2020 fiscal year CAFR, and is included in the Introductory Section. The City is one of the few municipalities in the State of Georgia that elects to report at such a high level to obtain this distinguished award.



CITY OF DUNWOODY, GEORGIA

Auditor's Discussion & Analysis (AD&A)

December 31, 2020

REVIEW OF FINANCIAL STATEMENTS AND FOOTNOTES

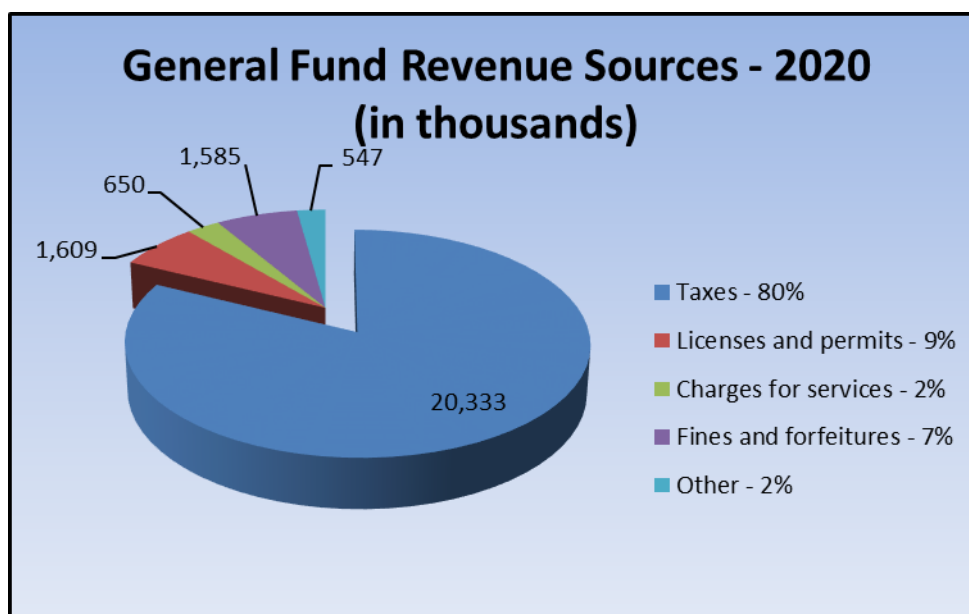
The City's basic financial statements include three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements.

The **government-wide financial statements** provide a broad overview of all of the City's funds, as well as its discretely presented component units. The *Statement of Net Position* presents information on all assets and liabilities of the City, with the difference between the two reported as net assets. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB issued Statement No. 34. All of the funds of the City can be divided into three categories: governmental funds, enterprise funds and fiduciary funds.

General Fund

Of primary interest to the City is the **General Fund**, which accounts for the majority of revenues received and funds expended in the operations of the City, including general government activities, judicial, public safety, public works, recreation, and community development. The following charts present the sources of revenues and the expenditures of the General Fund for the fiscal year ended December 31, 2020:

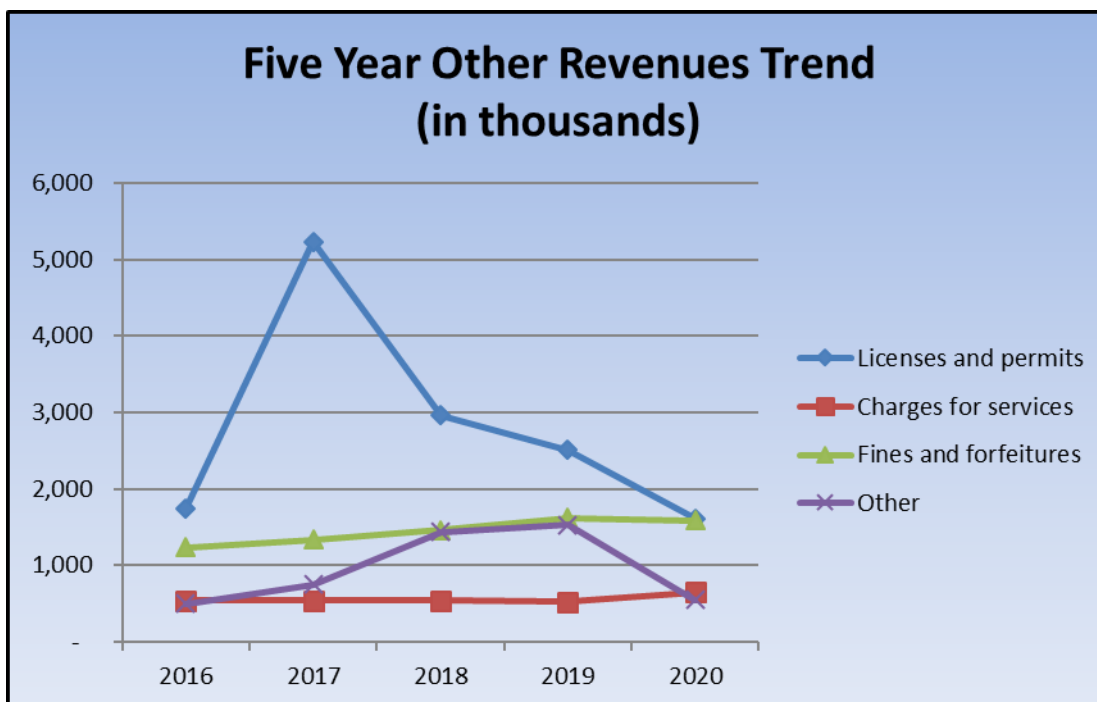
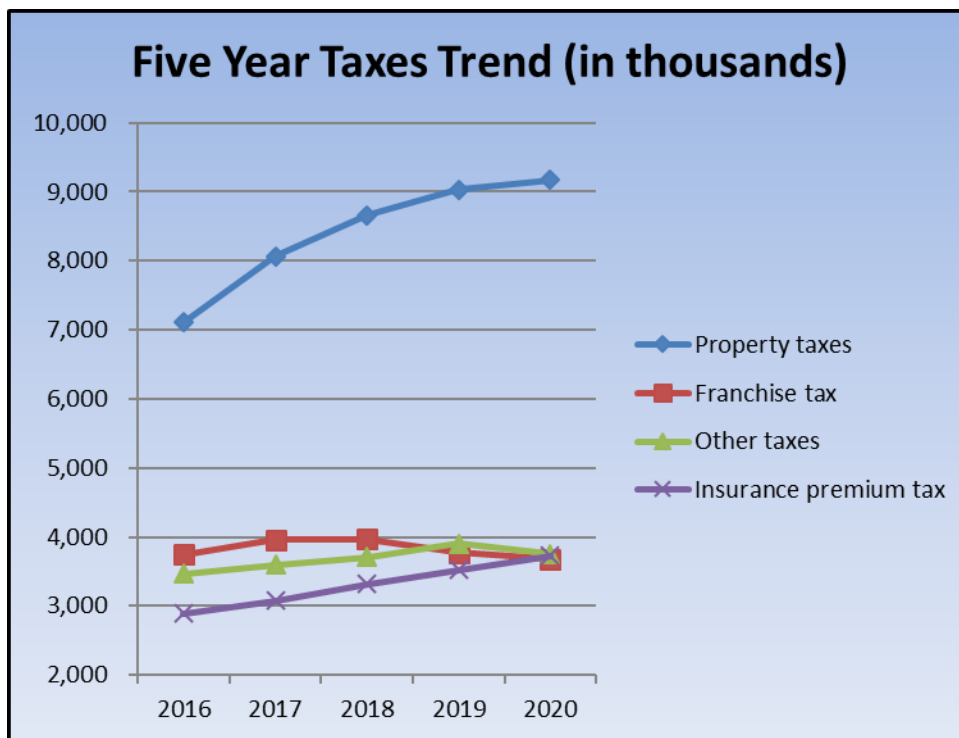


CITY OF DUNWOODY, GEORGIA

Auditor's Discussion & Analysis (AD&A)

December 31, 2020

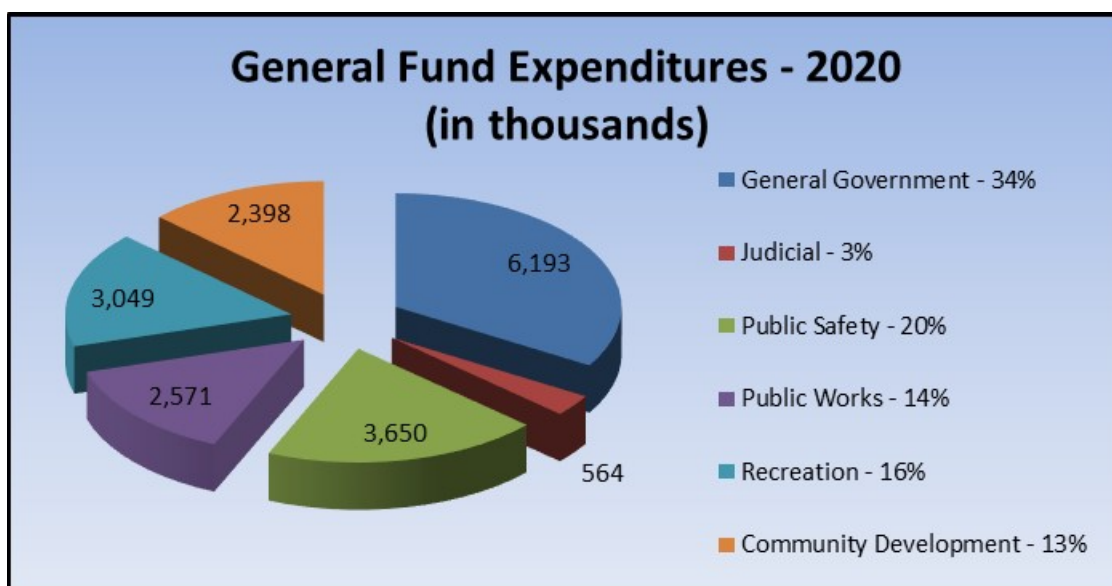
Total General Fund revenues (in thousands) for the fiscal year ended December 31, 2020 were \$24,724. Revenues of the prior year were \$26,415. The most significant variances were decreases in other taxes of \$155, licenses and permits of \$901, and other revenues of \$985. Below is a trending of the City's General Fund revenues over the past five (5) years.



CITY OF DUNWOODY, GEORGIA

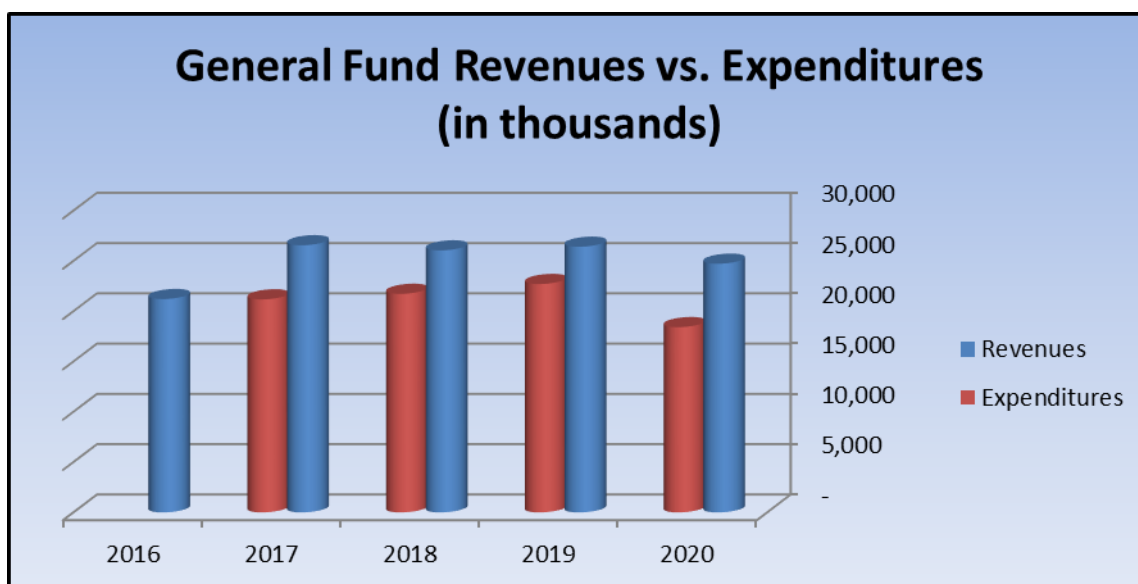
Auditor's Discussion & Analysis (AD&A)

December 31, 2020

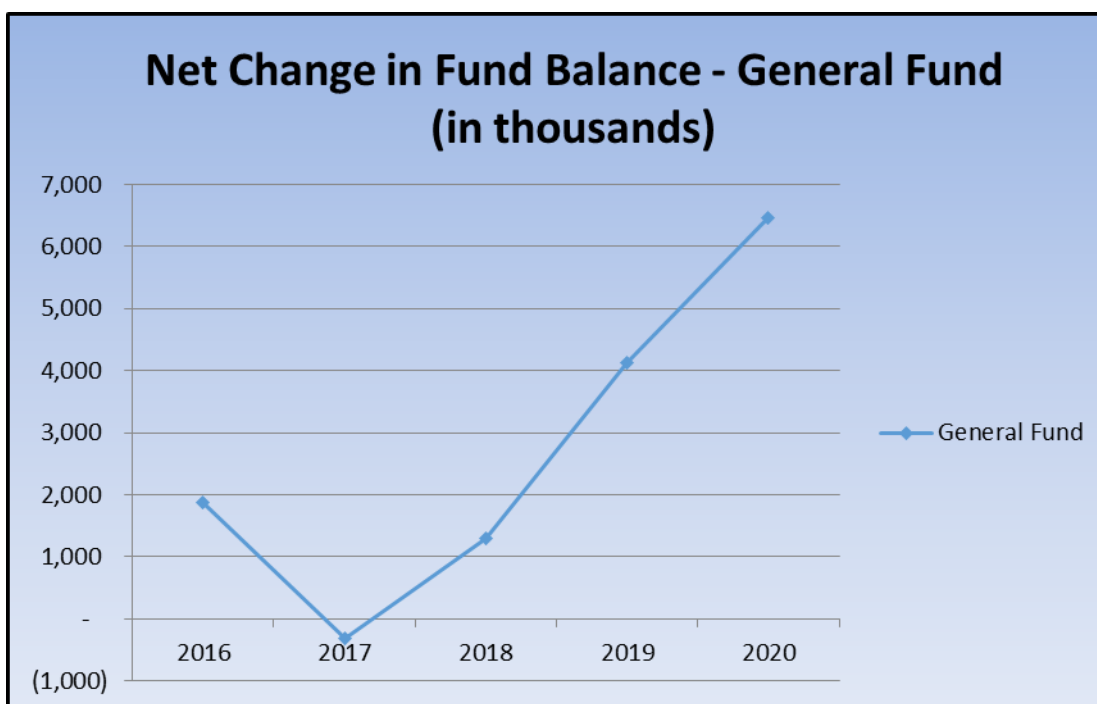


Total expenditures (in thousands) during the year ended December 31, 2020 were \$18,425. Expenditures of the prior year were \$22,707. This was a decrease of \$4,282.

More detailed explanations of variances can be found in the Management's Discussion and Analysis section of the financial statements. An analysis of General Fund revenues and expenditures for each of the last five fiscal years is as follows.



The following chart presents the annual net change in fund balance of the General Fund for the past six (6) fiscal years.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020**

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****Other Governmental Funds**

The City also maintains five (5) *special revenue funds*. These funds account for revenues derived from specific sources which are legally restricted to finance particular functions or activities. The City also maintains two (2) *Capital projects funds* to be used to account for revenues and expenditures related to the renovation and/or construction of major capital assets. The City also maintains two (2) *Debt service fund* to be used to account for the payment of general long-term debt principal, interest and agent's fees.

Statement of Net Position

This statement attempts to provide a reader of the financial statements with a full accrual perspective and reflects separately the governmental activities from the business-type activities. Both such columns are on the full accrual basis of accounting.

The City's governmental activities equity position increased from approximately \$145,501,000 to approximately \$150,177,000 while its business-type activities equity position increased from approximately \$3,141,000 to \$3,881,000. These changes are reconciled on the City's "Statement of Activities".

In reference to the City's net position, it is important to note that approximately \$106,145,000 and \$1,414,000 for governmental activities and business-type activities, respectively, of total net position is invested in capital assets (net of any related debt). While the City is reflecting total net position of approximately \$150,177,000 and \$3,881,000 for governmental activities and business-type activities, respectively, only \$35,001,000 and \$2,467,000 for governmental activities and business-type activities, respectively, is unrestricted and considered available for operations.

Statement of Activities

This statement reflects the net costs of providing governmental and business-type activities on the full accrual basis of accounting and reconciles to the statement of net position.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****Footnotes****Note 1 - Summary of Significant Accounting Policies**

This footnote discusses the overall organization of the City and the nature of its operations. This note also discloses pertinent information regarding the governing body of the City.

This footnote continues by sharing with a reader of the financial statements the significant accounting policies and principles utilized in the preparation of the financial statements.

Note 2 - Reconciliation of Government-wide Financial Statements and Fund Financial Statements

This footnote provides additional detailed information, that is not already shown within the financial statements themselves, on the differences between the City's fund level financial statements and its government-wide financial statements.

Note 3 - Legal Compliance - Budgets

This footnote discloses the City's procedures in establishing its annual budget and discloses the City's excesses of actual expenditures over appropriations for the year, if any.

Note 4 - Deposits and Investments

This disclosure addresses common deposit and investment risks related to credit risk, concentration of credit risk, and interest rate risk.

Note 5 - Receivables

This footnote discloses the City's property tax calendar and detailed information on various receivable (and allowances for doubtful receivables) balances.

Note 6 - Capital Assets

This footnote discloses the City's capital asset activity and its related accumulated depreciation for the year.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****Footnotes (Continued)****Note 7 - Long-Term Debt**

This footnote discloses the City's long-term debt activity for the year, and other information and maturities for this long-term debt.

Note 8 - Interfund Receivables, Payables, and Transfers

This footnote discloses detailed information on the City's interfund balances and transfers and the purpose for these balances and transactions.

Note 9 - Commitments and Contingent Liabilities

This footnote discloses the contingencies from potential litigation, claims, and assessments filed against the City and significant contractual commitments of the City at year-end.

Note 10 - Defined Contribution Pension Plan

This footnote discloses the details of the City's Defined Contribution Plans.

Note 11 - Joint Venture

These footnotes disclose the City's relationship with the Atlanta Regional Commission.

Note 12 - Hotel/Motel Lodging Tax

This footnote discloses the City's tax rate for hotel/motel taxes, along with the amounts and nature of these revenues and expenditures.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****Footnotes (Continued)****Note 13 - Motor Vehicle Excise Tax**

This footnote discloses the City's tax for motor vehicle excise taxes, along with the amounts and nature of these revenues and expenditures.

Note 14 - Risk Management

This footnote discloses the City's various risks of loss and the measures the City has taken to mitigate those potential losses.

Note 15 - Land Swap

This footnote discloses the City's land swap agreement entered into with DeKalb County School District.

Note 16 - Restatements

This footnote discloses the change in accounting principal for GASB issued Statement No. 84, *Fiduciary Activities*.



CITY OF DUNWOODY, GEORGIA

Auditor's Discussion & Analysis (AD&A)

December 31, 2020

COMPLIANCE REPORT

The financial report package contains two (2) compliance reports.

Yellow Book Report - The first compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. In accordance with the respective standards, the report is not intended to provide an opinion, but to provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations.

Single Audit Report - The second compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. relative to certain Federal grant programs and the respective expenditures. In accordance with the respective standards, we did provide an unqualified (or positive) opinion on the City's compliance based on our audit. However, we were not required to provide an opinion on the relevant internal controls, but to provide a form of negative assurance on such controls.

REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of the City of Dunwoody, Georgia (the "City") for the year ended December 31, 2020 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020**

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the City's internal control or compliance with laws and regulations.

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. There were no significant new accounting policies or standards implemented this year. There are new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the City's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The City's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We also considered this information and the qualitative aspect of management's calculations in evaluating the City's significant accounting estimates. Estimates significant to the financial statements include such items as the estimated allowance for uncollectible accounts receivable, and the estimated lives of capital assets.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part of our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****Audit Adjustments**

During our audit of the City's basic financial statements as of and for the year ended December 31, 2020, we recorded a number of audit adjustments. These audit adjustments have been delivered to and discussed with management. Additionally, we have provided these adjustments as an attachment to this document for your review and discussion.

Uncorrected Misstatements

We accumulated no uncorrected misstatements.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Independence

We are independent of the City, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

CITY OF DUNWOODY, GEORGIA***Auditor's Discussion & Analysis (AD&A)*****December 31, 2020****Other Information in Documents Containing Audited Financial Statements**

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the City.

ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS**Recommendations for Improvement**

During our audit of the financial statements as of and for the year ended December 31, 2020, we noted a few areas within the accounting and internal control systems that we believe can be improved. Further, we noted other matters which we wish to communicate to you in an effort to keep the City abreast of accounting matters that could present challenges in financial reporting in future periods. Our recommendation and proactive thoughts and communications are presented in the following paragraphs.

Material Weakness**2020-001 Revenue Recognition**

Internal controls should be in place to ensure that amounts reported as revenues are recognized in accordance with generally accepted accounting principles (GAAP). For imposed non-exchange transactions such as the receipt of forfeited or seized assets, generally accepted accounting principles require governmental funds to recognize revenues in the same period that the assets are recognized, unless the enabling legislation includes time requirements. The City's financial statements for the year ended December 31, 2020 did not report these revenues in accordance with GAAP. While these revenues have been consistently reported in past years of the City's financial statements, a correction was needed to be consistent with GAAP which affected the current year and beginning equity amounts. During our testing of the Confiscated Asset Fund, we noted that the financial statements reported seized and forfeited funds as liabilities in the current year and past years of the City. Adjustments totaling approximately \$133,500 were required to properly recognize revenues for seized funds for the Confiscated Assets Fund and governmental activities for the year ended December 31, 2020, which included a restatement of approximately \$124,700 to beginning fund balance of the Confiscated Assets Fund and beginning net position of governmental activities, and a current year adjustment of approximately \$8,800 to revenues. Adjustments related to revenue recognition within the Confiscated Assets Fund and governmental activities were required for approximately \$133,500. While this has been corrected and should not repeat in future years, we recommend the City review all revenues to ensure proper recognition in accordance with GAAP.

CITY OF DUNWOODY, GEORGIA

Auditor's Discussion & Analysis (AD&A)

December 31, 2020

Material Noncompliance

2020-002 Collateralization of Public Deposits – City of Dunwoody Convention and Visitors Bureau

Policies should be in place requiring all financial institutions holding cash deposits to be properly insured and, or collateralized at all times throughout the fiscal year. State statutes require all deposit and investment amounts (other than federal or state government instruments) that exceed standard depository insurance limits to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia at a rate of at least 110 percent of the deposit amount, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2020, City of Dunwoody Convention and Visitors Bureau (CVB) had approximately \$430,000 in deposits that were not properly collateralized at 110% in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c). City of Dunwoody CVB's internal controls did not identify these accounts as public funds that should be collateralized and the financial institutions did not properly collateralize deposit amounts in excess of FDIC coverage. The failure of the institution to fully collateralize or insure City of Dunwoody CVB's deposits could result in financial loss to City of Dunwoody CVB should the financial institution fail. We recommend City of Dunwoody CVB monitor its deposits on an ongoing basis and correspond with the respective financial institutions to ensure that all deposits over the federal depository insurance coverage limit are properly collateralized in accordance with state statutes.

Recommendations for Improvements (Management Point)

- 1) The Information Technology environment is characterized by rapid change. Thus, any risk assessment and control activities, as they relate to IT, need to be monitored and reviewed on a regular basis. During our review we noted the City of Dunwoody is utilizing an IT framework in evaluating its cybersecurity risk management. However, we recommend that the framework currently being used by management add a monitoring component as new IT risks can emerge, controls and other mitigations can lose effectiveness, and new procedures can be deployed to address changing risk. A regular review or monitoring component to an IT framework is a key part of an effective internal control framework and risk management process.

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- 2) During our testing of property taxes and stormwater fees the City discovered an error in the property tax and stormwater fee reports and confirmations from the DeKalb County Tax Commissioner's office did not properly reflect the ending property tax receivable balances. An adjustment was provided by the City to correct the property tax and stormwater fee receivable balance at December 31, 2020. We recommend that the City reconcile the reports and confirmations received for these receivables to determine the proper balance at year end.

Other Matters

During our audit of the financial statements as of and for the year ended December 31, 2020, we noted other matters which we wish to communicate to you in an effort to keep the City abreast of accounting matters that could present challenges in financial reporting in future periods. Our recommendations and proactive thoughts and communications are presented in the following paragraphs.

1) New Governmental Accounting Standards Board (GASB) Pronouncements



As has been the case for the past 10 years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

- a) **Statement No. 87, *Leases*** was issued in June 2017 and is effective for the first reporting period beginning after December 15, 2019. However, in light of the COVID-19 Pandemic, in May 2020 the GASB issued Statement No. 95 (*Postponement of the Effective Dates of Certain Authoritative Guidance*) which changed the effective date of Statement No. 87 to fiscal years beginning after June 15, 2021. This standard was implemented for the fiscal year ended December 31, 2020.

This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the principle that a lease is the financing of the right to use an underlying asset.

Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

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Definition of a Lease: A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this statement.

Lease Term: The lease term is defined as the period during which a lessee has a non-cancelable right to use an underlying asset, plus the following periods, if applicable:

- Periods covered by a lessee's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessee will exercise that option;
- Periods covered by a lessee's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessee will not exercise that option;
- Periods covered by a lessor's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessor will exercise that option; and
- Periods covered by a lessor's option to terminate the lease if it is reasonably certain, based on all relevant factors, that the lessor will not exercise that option.

A fiscal funding or cancellation clause should affect the lease term only when it is reasonably certain that the clause will be exercised. Lessees and lessors should reassess the lease term only if one or more of the following occur:

- The lessee or lessor elects to exercise an option even though it was previously determined that it was reasonably certain that the lessee or lessor would not exercise that option;
- The lessee or lessor elects not to exercise an option even though it was previously determined that it was reasonably certain that the lessee or lessor would exercise that option; and
- An event specified in the lease contract that requires an extension or termination of the lease takes place.

Short-Term Leases: A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract.

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Lessee Accounting: A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

Lessor Accounting: A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

Contracts with Multiple Components and Contract Combinations: Generally, a government should account for the lease and non-lease components of a lease as separate contracts. If a lease involves multiple underlying assets, lessees and lessors in certain cases should account for each underlying asset as a separate lease contract. To allocate the contract price to different components, lessees and lessors should use contract prices for individual components as long as they do not appear to be unreasonable based on professional judgment, or use professional judgment to determine their best estimate if there are no stated prices or if stated prices appear to be unreasonable. If determining a best estimate is not practicable, multiple components in a lease contract should be accounted for as a single lease unit. Contracts that are entered into at or near the same time with the same counterparty and that

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meet certain criteria should be considered part of the same lease contract and should be evaluated in accordance with the guidance for contracts with multiple components.

Lease Modifications and Terminations: An *amendment* to a lease contract should be considered a lease modification, unless the lessee's right to use the underlying asset decreases, in which case it would be a partial or full lease termination. A lease termination should be accounted for by reducing the carrying values of the lease liability and lease asset by a lessee, or the lease receivable and deferred inflows of resources by the lessor, with any difference being recognized as a gain or loss. A lease modification that does not qualify as a separate lease should be accounted for by re-measuring the lease liability and adjusting the related lease asset by a lessee and re-measuring the lease receivable and adjusting the related deferred inflows of resources by a lessor.

Subleases and Leaseback Transactions: Subleases should be treated as transactions separate from the original lease. The original lessee that becomes the lessor in a sublease should account for the original lease and the sublease as separate transactions, as a lessee and lessor, respectively.

A transaction qualifies for sale-leaseback accounting only if it includes a sale. Otherwise, it is a borrowing. The sale and lease portions of a transaction should be accounted for as separate sale and lease transactions, except that any difference between the carrying value of the capital asset that was sold and the net proceeds from the sale should be reported as a deferred inflow of resources or a deferred outflow of resources and recognized over the term of the lease.

A lease-leaseback transaction should be accounted for as a net transaction. The gross amounts of each portion of the transaction should be disclosed.

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- b) **Statement No. 90, *Majority Equity Interests – An Amendment of GASB's Statements No. 14 and 61*** was issued in August 2018, and is effective for reporting periods beginning after December 15, 2018 (meaning June 30, 2020). However, in light of the COVID-19 Pandemic, in May 2020 the GASB issued Statement No. 95 (*Postponement of the Effective Dates of Certain Authoritative Guidance*) which changed the effective date of Statement No. 90 to reporting periods beginning after December 15, 2019.

Under this standard, an equity interest is: a) a financial interest in a legally separate organization by the ownership shares of the organization's stock; or, b) by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if: a) the government has a present or future claim to the net resources of the entity, and b) the method for measuring the government's share of the entity's net resources is determinable.

If the interest is deemed to be an investment under GASB issued Statement No. 72, paragraph 64, then the interest should be reported as an investment and measured using the equity method. If the interest is held by a special-purpose government engaged in fiduciary activities, a fiduciary fund, or an endowment or permanent fund, then amount should be measured at fair value. If interest is 100% of entity, then it is a component unit. We do not expect this new standard to have a significant effect on the City.

- c) **Statement No. 91, *Conduit Debt Obligations*** was issued in May 2019 and is effective for the first reporting period beginning after December 15, 2020, meaning for those with year ends of December 31, 2021 and beyond. However, in light of the COVID-19 Pandemic, in May 2020 the GASB issued Statement No. 95 (*Postponement of the Effective Dates of Certain Authoritative Guidance*) which changed the effective date of Statement No. 91 to reporting periods beginning after December 15, 2021. This standard was implemented for the fiscal year ended December 31, 2020

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

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A conduit debt obligation is defined as a debt instrument meeting all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder (or a debt trustee);
- The issuer and the third-party obligor are not within the same financial reporting entity;
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer;
- The third-party obligor (or its agent), not the issuer, ultimately receives the proceeds from the debt issuance; and
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

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Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer should recognize the entire capital asset and a deferred inflow of resources at the inception of the arrangement. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

d) Statement No. 92, *Omnibus 2020* was issued in January 2020 and because it is an omnibus standard, contains several different effective dates as follows (as amended by Statement No. 95 issued in May 2020):

- For fiscal years beginning after June 15, 2021 relative to the requirements related to intra-entity transfers of assets and those related to the applicability of Statement Nos. 73 and 74.
- For reporting periods beginning after June 15, 2021 relative to the requirements related to application of Statement No. 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities.
- For government acquisitions occurring in reporting periods beginning after June 15, 2021. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition.
- Other items addressed by this omnibus statement (requirements related to Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments) were effective upon issuance.

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The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports.
 - Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
 - The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB issued Statement No. 68, and Amendments to Certain Provisions of GASB issued Statement Nos. 67 and 68, as amended, and Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits.
 - The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements.
 - Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
 - Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
 - Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
 - Terminology used to refer to derivative instruments.
- e) **Statement No. 93, *Replacement of Interbank Offered Rates*** was issued in March 2020 and contains two (2) different effective dates. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020.

As a result of global reference rate reform, the London Interbank Offered Rate ("LIBOR") is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

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The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment.
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate.
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable.
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap.
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- Clarifying the definition of reference rate, as it is used in Statement No. 53, as amended.

f) **Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*** was issued in March 2020 and is effective for fiscal years beginning after June 15, 2022 which means year ends of June 30, 2023 and following.

This statement was issued by the GASB to address a gap in generally accepted accounting principles: how do we account for these type arrangements that do not meet the definition of a service concession arrangement (SCA) covered by GASB issued Statement No. 60?

Statement No. 94 requires that Public-Private Partnerships and Public-Public Partnerships ("PPPs") that meet the definition of a lease apply the guidance in Statement No. 87, *Leases* if (a) existing assets of the transferor are the only underlying PPP assets, (b) improvements are not required to be made by the operator to those existing assets as part of the PPP arrangement, and (c) the PPP does not meet the definition of an SCA. All other PPPs that will not apply the guidance in Statement No. 87 will generally use the accounting guidance contained in Statement No. 60 which was superseded by this new Standard.

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Statement No. 94 also establishes accounting and financial reporting requirements for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. An APA that is related to designing, constructing, and financing a nonfinancial asset in which ownership of the asset transfers by the end of the contract should be accounted for by the government as a financed purchase of the underlying asset.

- g) Statement No. 96, *Subscription-Based Information Technology Arrangements*** was issued in May 2020 and is effective for fiscal years beginning after June 15, 2022 which means year ends of June 30, 2023 and following.

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option).

Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize

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amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

Activities associated with a SBITA, other than making subscription payments, should be grouped into the following three stages, and their costs should be accounted for accordingly:

- Preliminary Project Stage, including activities such as evaluating alternatives, determining needed technology, and selecting a SBITA vendor. Outlays in this stage should be expensed as incurred.
- Initial Implementation Stage, including all ancillary charges necessary to place the subscription asset into service. Outlays in this stage generally should be capitalized as an addition to the subscription asset.
- Operation and Additional Implementation Stage, including activities such as subsequent implementation activities, maintenance, and other activities for a government's ongoing operations related to a SBITA. Outlays in this stage should be expensed as incurred unless they meet specific capitalization criteria.

In classifying certain outlays into the appropriate stage, the nature of the activity should be the determining factor. Training costs should be expensed as incurred, regardless of the stage in which they are incurred.

h) Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* was issued in June 2020 and is effective for fiscal years beginning after June 15, 2021 (year ends of June 30, 2022 and following).

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the

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relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts.

This statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement No. 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

i) Other Pending or Current GASB Projects. As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

- **Re-Examination of the Financial Reporting Model.** GASB has added this project to its technical agenda to make improvements to the existing financial reporting model (established via GASB issued Statement No. 34). Improvements are meant to enhance the effectiveness of the model in providing information for decision-making and assessing a government's accountability. GASB anticipates a final standard expected in early 2022.
- **Conceptual Framework** is a constant matter being looked at by GASB. Current measurement focus statements (for governmental funds) to change to near-term financial resources measurement. May dictate a period (such as 60 days) for revenue and expenditure recognition. May expense things such as supplies and prepaid assets at acquisition. Will look into which balances (at all statement levels) are measured at acquisition and which need to be re-measured at year-end. Final standard is expected in 2022.

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- **Revenue and Expense Recognition** is another long-term project where the GASB is working to develop a comprehensive application model for recognition of revenues and expenses from non-exchange, exchange, and exchange-like transactions. The final standard is expected in 2023.
- **Compensated Absences** is technical topic being examined by the GASB currently due to significant changes in benefits offered by governmental employers. Current GAAP does not address certain items such as paid time off (PTO) and there is a wide divergence in practice. A final standard on this topic is expected towards the end of 2021.
- **Prior-Period Adjustments, Accounting Changes, and Error Corrections** is a technical topic being examined by the GASB due to a wide diversity in practice regarding required presentation on the face of the financial statements, disclosures, etc. A final standard on this topic is expected in early 2022.

Summations of Thoughts Noted Above

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.



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FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free continuing education (quarterly is the goal and objective) for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope City staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past few quarters include:

- Accounting for Debt Issuances
- Best Budgeting Practices, Policies and Processes
- CAFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Collateralization of Deposits and Investments
- Evaluating Financial and Non-Financial Health of a Local Government
- GASB No. 51, Intangible Assets
- GASB No. 54, Governmental Fund Balance (subject addressed twice)
- GASB No. 60, Service Concession Arrangements (webcast)
- GASB No. 61, the Financial Reporting Entity (webcast)
- GASB Nos. 63 & 65, Deferred Inflows and Outflows (webcast)
- GASB Nos. 67 & 68, New Pension Stds. (presented several occasions)
- GASB No. 72, Fair Value Measurement and Application
- GASB Nos. 74 & 75, OPEB
- GASB No. 77, Tax Abatement Disclosures
- GASB Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Information Technology Risk Management
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Segregation of Duties
- Single Audits for Auditees the Uniform Guidance for New Single Audits
- SPLOST Accounting, Reporting & Compliance

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Governmental Newsletters. We periodically produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are intended to keep you informed of current developments in the government finance environment.

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@micpa.com (send corresponding copy to afraley@micpa.com), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

CLOSING

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures. If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the City's management, and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve the City of Dunwoody, Georgia and look forward to serving the City in the future. Thank you.



Client: 0304751 - City of Dunwoody, Georgia
Engagement: 0304751 - City of Dunwoody, Georgia
Period Ending: 12/31/2020
Trial Balance: 0200.100 - General Fund Database
Workpaper: 0204.100 - General Fund Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
Immaterial entry to roll forward equity				
		PBC		
100-0000-134000-00	Fund Balance		10.00	
100-7500-531100-00	Supplies			10.00
Total			10.00	10.00
Adjusting Journal Entries JE # 2				
Closing entry				
		PBC		
100-0000-121101-00	Accrued Expense		5,000.00	
100-3200-523100-00	Property/Liability Insurance			5,000.00
Total			5,000.00	5,000.00
Adjusting Journal Entries JE # 3				
Public Works finished work for DeKalb for reimbursement				
		PBC		
100-0000-112700-00	Intergovernmental Receivable		11,071.48	
100-0000-389100-00	Miscellaneous Revenue			11,071.48
Total			11,071.48	11,071.48
Adjusting Journal Entries JE # 4				
Estimate for December 2020 Energy Excise Tax from DeKalb				
		PBC		
100-0000-112700-00	Intergovernmental Receivable		15,000.00	
100-0000-314500-00	Excise Tax on Energy			15,000.00
Total			15,000.00	15,000.00
Adjusting Journal Entries JE # 5				
Receivable from Tree Top Parks vendor for Oct, Nov, Dec 2020				
		PBC		
100-0000-111900-00	Accounts Receivable		12,004.24	
100-0000-381000-00	Rents and Royalties			12,004.24
Total			12,004.24	12,004.24
Adjusting Journal Entries JE # 6				
PBC accrual entry				
		PBC		
100-1535-523200-00	Communications		8,215.82	
100-0000-121101-00	Accrued Expense			8,215.82
Total			8,215.82	8,215.82
Adjusting Journal Entries JE # 7				
Entry to correct property taxes receivable and allowance.				
		PBC		
100-0000-111500-01	Taxes Rec-Real Estate		22,776.59	
100-0000-111500-02	Taxes Receivable-Personal Prop		44,224.94	
100-0000-111500-03	Taxes Receivable-Utilities		64.93	
100-0000-111510-01	Allowance for RE Tax Recvbl			22,841.52
100-0000-111510-02	Allowance for Pers Taxes Rec			44,224.94
Total			67,066.46	67,066.46

Client: 0304751 - City of Dunwoody, Georgia
 Engagement: 0304751 - City of Dunwoody, Georgia
 Period Ending: 12/31/2020
 Trial Balance: 0200.211 - Confiscated Assets Database
 Workpaper: 0204.211 - Confiscated Assets AJE Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
Immaterial entry to roll forward equity				
212-0000-134000-00	Fund balance		40.00	
212-3200-523700-00	Education & Training			40.00
Total			40.00	40.00
Adjusting Journal Entries JE # 2				
To restate prior year balances for seized funds payable and recognize the revenue through fund balance.				
211-0000-127101-00	Seized Funds Payable		1,167.00	
212-0000-127101-00	Seized Funds Payable		123,515.00	
211-0000-134161-00	Fund balance-Restricted Federa			1,167.00
212-0000-134000-00	Fund balance			123,515.00
Total			124,682.00	124,682.00
Adjusting Journal Entries JE # 3				
To reclassify the current year increase in seized funds payable to revenue.				
212-0000-127101-00	Seized Funds Payable		8,816.34	
212-0000-351320-00	Cash Confiscation			8,816.34
Total			8,816.34	8,816.34
Total Adjusting Journal Entries			133,538.34	133,538.34
Total All Journal Entries			133,538.34	133,538.34

Client: 0304751 - City of Dunwoody, Georgia
 Engagement: 0304751 - City of Dunwoody, Georgia
 Period Ending: 12/31/2020
 Trial Balance: 0200.215 - E911 Database
 Workpaper: 0204.215 - E911 Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To clear outstanding AR in E911 Fund				
215-0000-122500-00	Deferred Revenue		40,000.00	
215-0000-111900-00	Accounts Receivable			40,000.00
Total			40,000.00	40,000.00

Client: 0304751 - City of Dunwoody, Georgia
 Engagement: 0304751 - City of Dunwoody, Georgia
 Period Ending: 12/31/2020
 Trial Balance: 0200.250 - Grant Fund Database
 Workpaper: 0204.250 - Grants Fund Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To clear due to due from transfers for funds 320, 350, and 250				
250-0000-121900-01	Due to Other Funds		8,731.75	
250-0000-111100-00	Claim on Pooled Cash			8,731.75
Total			8,731.75	8,731.75

Client: 0304751 - City of Dunwoody, Georgia
 Engagement: 0304751 - City of Dunwoody, Georgia
 Period Ending: 12/31/2020
 Trial Balance: 0200.275 - Hotel/Motel Database
 Workpaper: 0204.275 - Hotel Motel Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
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Adjusting Journal Entries

Adjusting Journal Entries JE # 1

PBC accrual entry

275-4200-541400-00	Infrastructure		437.47	
275-6200-541200-00	Site Improvements		9,414.32	
275-0000-121101-00	Accrued Expense			9,851.79
Total			9,851.79	9,851.79
Total Adjusting Journal Entries			9,851.79	9,851.79
Total All Journal Entries			9,851.79	9,851.79

Client: 0304751 - City of Dunwoody, Georgia
Engagement: 0304751 - City of Dunwoody, Georgia
Period Ending: 12/31/2020
Trial Balance: 0200.320 - SPLOST Fund Database
Workpaper: 0204.320 - SPLOST Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
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Adjusting Journal Entries

Adjusting Journal Entries JE # 1

Closing entry to accrue invoice received in March 2021

320-3200-542000-00	Machinery & Equipment		10,324.49	
320-0000-121101-00	Accrued Expense			10,324.49
Total			10,324.49	10,324.49

Adjusting Journal Entries JE # 2

To clear due to due from transfers for Funds 320 and 350

320-0000-111100-00	Claim on Pooled Cash		8,731.75	
320-0000-113100-01	Due from Other Funds		404.25	
320-0000-121900-01	Due to Other Funds		350.00	
320-0000-111100-00	Claim on Pooled Cash			350.00
320-0000-111100-00	Claim on Pooled Cash			404.25
320-0000-113100-01	Due from Other Funds			8,731.75
Total			9,486.00	9,486.00

Adjusting Journal Entries JE # 3

PBC accrual entry

320-4200-541400-00	Infrastructure		5,500.00	
320-0000-121101-00	Accrued Expense			5,500.00
Total			5,500.00	5,500.00

Total Adjusting Journal Entries

Total All Journal Entries

25,310.49	25,310.49
25,310.49	25,310.49

Client: 0304751 - City of Dunwoody, Georgia
 Engagement: 0304751 - City of Dunwoody, Georgia
 Period Ending: 12/31/2020
 Trial Balance: 0200.350 - Capital Project Fund
 Workpaper: 0204.350 - Capital Projects Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
To clear due to due from transfers for funds 320 and 350				
350-0000-111100-00	Claim on Pooled Cash		350.00	
350-0000-111100-00	Claim on Pooled Cash		404.25	
350-0000-113100-03	Due from Other Funds			350.00
350-0000-121900-01	Due to Other Funds			404.25
Total			754.25	754.25

Client: 0304751 - City of Dunwoody, Georgia
 Engagement: 0304751 - City of Dunwoody, Georgia
 Period Ending: 12/31/2020
 Trial Balance: 0200.560 - Stormwater Database
 Workpaper: 0204.560 - Stormwater Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1				
The Dickerson Group Retainage		PBC		
560-4320-522200-00	Repairs & Maintenance		3,500.00	
560-0000-121700-00	Retainage Payable			3,500.00
Total			3,500.00	3,500.00
Adjusting Journal Entries JE # 2				
Entry to correct receivable and allowance.		PBC		
560-0000-111900-00	Accounts Receivable		150,145.66	
560-0000-344260-00	Stormwater Utility Charges		74,901.69	
560-0000-111910-00	Allowance for Stormwater A/R			74,901.69
560-0000-344260-00	Stormwater Utility Charges			150,145.66
Total			225,047.35	225,047.35

Client: 0304751 - City of Dunwoody, Georgia
Engagement: 0304751 - City of Dunwoody, Georgia
Period Ending: 12/31/2020
Trial Balance: 0200.745 - Court Services Database
Workpaper: 0204.745 - Court Services Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
GASB 84 Restatement				
745-0000-121500-01	Jail Bonds Payable	PBC	435,505.55	
745-0000-130000-00	Net Position			435,505.55
Total			435,505.55	435,505.55
Adjusting Journal Entries JE # 2				
GASB 84 - Entry to record revenue and expenditures.				
745-0000-511000-00	Jail Bond Payments	PBC	143,989.54	
745-0000-512000-00	Payments to General Fund		1,694,093.00	
745-0000-513000-00	Payments to State Agencies		533,753.22	
745-0000-310000-00	Fines and Fees			2,371,835.76
Total			2,371,835.76	2,371,835.76
Adjusting Journal Entries JE # 3				
Entry to remove Jail bonds payable and report in net position.				
745-0000-121500-01	Jail Bonds Payable	PBC	22,361.65	
745-0000-511000-00	Jail Bond Payments			22,361.65
Total			22,361.65	22,361.65
Total Adjusting Journal Entries			2,829,702.96	2,829,702.96
Total All Journal Entries			2,829,702.96	2,829,702.96

Client: **0304751 - City of Dunwoody, Georgia**
 Engagement: **0304751 - City of Dunwoody, Georgia**
 Period Ending: **12/31/2020**
 Trial Balance: **0200.950 - CVB Database**
 Workpaper: **0204.950 - CVB Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		PBC		
PBC entry to adjust transfers				
950-0000-389000-00	Other Revenue		100,000.00	
950-0000-391200-02	Transfer In			100,000.00
Total			100,000.00	100,000.00
Adjusting Journal Entries JE # 2		PBC		
Entry to reverse PBC entry #1.				
950-0000-391200-02	Transfer In		100,000.00	
950-0000-389000-00	Other Revenue			100,000.00
Total			100,000.00	100,000.00



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

In planning and performing our audit of the financial statements of the City of Dunwoody, Georgia (the “City”) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

However, during our audit we became aware of a particular matter that is an opportunity for strengthening internal controls and operating efficiency. This letter includes a suggestion with respect to that matter that came to our attention in connection with our audit of the financial statements of the City as of and for the year ended December 31, 2020. This letter does not affect our report dated May 18, 2021, on the financial statements of the City.

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

1. The Information Technology environment is characterized by rapid change. Thus, any risk assessment and control activities, as they relate to IT, need to be monitored and reviewed on a regular basis. During our review we noted the City of Dunwoody is utilizing an IT framework in evaluating its cybersecurity risk management. However, we recommend that the framework currently being used by management add a monitoring component as new IT risks can emerge, controls and other mitigations can lose effectiveness, and new procedures can be deployed to address changing risk. A regular review or monitoring component to an IT framework is a key part of an effective internal control framework and risk management process.
2. During our testing of property taxes and stormwater fees the City discovered an error in the property tax and stormwater fee reports and confirmations from the DeKalb County Tax Commissioner’s office that did not properly reflect the ending property tax receivable balances. An adjustment was provided by the City to correct the property tax and stormwater fee receivable balance at December 31, 2020. We recommend that the City reconcile the reports and confirmations received for these receivables to determine the proper balance during its year end close out process.

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 18, 2021