



CITY OF STONE MOUNTAIN, GEORGIA

Comprehensive Annual Financial Report

For The Fiscal Year Ended December 31, 2011

Prepared by Barry G. Amos, City Manager

**CITY OF STONE MOUNTAIN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
Organizational Chart	vii
List of Elected and Appointed Officials	viii
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Fund Balance in Governmental Funds to the Statement of Net Assets	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	19
Statement of Net Assets - Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Notes to the Financial Statements	25
Required Supplementary Information:	
Analysis of Pension Plan Funding Progress	45
Non-major Funds:	
Combining Balance Sheet-Non-major Governmental Funds	46
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance-Non-major Governmental Funds	47
Individual Fund Statements:	
General Fund -	
Comparative Balance Sheet	48
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	49
Schedule of Revenues - Budget and Actual	51
Schedule of Expenditures - Budget and Actual	52

**CITY OF STONE MOUNTAIN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

	<u>PAGE</u>
Individual Fund Financial Statements (Continued):	
Cemetery Fund -	
Comparative Balance Sheet	56
Schedule of Revenues, Expenditures	
and Changes in Fund Balances - Budget and Actual	57
Police Asset Forfeiture Fund -	
Comparative Balance Sheet	58
Schedule of Revenues, Expenditures	
and Changes in Fund Balances - Budget and Actual	59
Hotel / Motel Tax Fund	
Comparative Balance Sheet	60
Schedule of Revenues, Expenditures	
and Changes in Fund Balances - Budget and Actual	61
Artists Microenterprise Fund	
Balance Sheet	62
Schedule of Revenues, Expenditures	
and Changes in Fund Balances - Budget and Actual	63
Capital Projects Fund -	
Comparative Balance Sheet	64
Schedule of Revenues, Expenditures	
and Changes in Fund Balances - Budget and Actual	65
Solid Waste Management Fund -	
Comparative Statement of Net Assets	66
Comparative Statement of Revenue, Expenses, and	
Changes in Net Assets	67
Comparative Statement of Cash Flows	68
Stormwater Management Fund -	
Comparative Statement of Net Assets	70
Comparative Statement of Revenue, Expenses, and	
Changes in Net Assets	71
Comparative Statement of Cash Flows	72
STATISTICAL SECTION	
Financial Trends -	
Net Assets by Component	74
Changes in Net Assets	75
Governmental Tax Revenues By Source	77
Fund Balances of Governmental Funds	78
Changes in Fund Balances of Governmental Funds	79
General Governmental Tax Revenues By Source	80
Revenue Capacity -	
Assessed Value of Taxable Property	81
Property Tax Rates	82
Property Tax Levies and Collections	83
Principal Property Taxpayers	84
Solid Waste Revenues and Customers	85

**CITY OF STONE MOUNTAIN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011**

	<u>PAGE</u>
STATISTICAL SECTION (Continued)	
Debt Capacity -	
Ratio of Outstanding Debt By Type	86
Legal Debt Margin Information	87
Demographic and Economic Information -	
Demographic and Economic Statistics	88
Principal Employers	89
Operating Information -	
Full-Time Equivalent City Government Employees by Function	90
Operating Indicators by Function	91
Capital Assets Statistics by Function / Program	92

INTRODUCTORY SECTION

City of Stone Mountain

922 Main Street

Stone Mountain, Georgia 30083



June, 15, 2012

To the Honorable Mayor, Distinguished Members of City Council
and the Citizens of the City of Stone Mountain:

Ladies and Gentlemen:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Stone Mountain, Georgia for the fiscal year that ended December 31, 2011.

This report consists of management's representations concerning the finances of the City of Stone Mountain, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Stone Mountain has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Stone Mountain's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Stone Mountain's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Stone Mountain's financial statements have been audited by James L. Whitaker, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Stone Mountain for the fiscal year that ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded there was a reasonable basis for rendering an unqualified opinion that the City of Stone Mountain's financial statements for the fiscal year that ended December 31, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Government Auditing Standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This report is available under a separate cover.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Stone Mountain for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the third year that Stone Mountain has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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 to determine its eligibility for another certificate.

Profile of the Government

The City of Stone Mountain was founded in 1790 and was incorporated as a City in 1839. Stone Mountain is located in the eastern part of DeKalb County, Georgia, and is approximately 16 miles from the state capital. The City is a municipal corporation created under the laws of the State of Georgia and has its corporate name as "City of Stone Mountain, Georgia." The affairs of the City are conducted by a Mayor and a six member City Council. The Mayor and City Council members are elected at large. This elected body is responsible for the active coordination of community resources, to anticipate problems and meet community needs.

The City Manager, who is appointed by the Mayor and City Council, oversees the day-to-day operations of the City and insures the smooth and efficient delivery of City services. All activities and functions of the City are administered by the City Manager and City Clerk and are under the jurisdiction of the Mayor and City Council, as set forth in State and local law. In November 2009 the voters ratified a referendum that changed the charter of the City from a strong Mayor form of government to a Council/Manager form of government. This change became effective on January 1, 2010.

The City provides a full range of services to approximately 5,801 residents. These services are either provided in whole by the City or through contractual agreements with DeKalb County. These services include public safety (police and fire), community development, highways and streets, water, sewer, sanitation, public improvements, and general administrative services. The City is one of 10 incorporated municipalities within DeKalb County and is not included in DeKalb County's reporting entity.

The Downtown Development Authority of City of Stone Mountain was created by the City's elected officials to provide for assistance in the development/redevelopment of downtown Stone Mountain. To complement the activities of the DDA the City has also created a Tax Allocation District that encompasses most of the downtown area. During the past year the DDA purchased a foreclosed commercial building, renovated the building and has now leased the entire building. In addition to these activities, the City is a certified Main Street City. The activities of Main Street Stone Mountain are supported by the City through an annual contract for services.

The annual budget serves as the foundation for the City of Stone Mountain's financial planning and control. All funds and departments of the City are required to submit requests for appropriation to the City Manager in August of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review in October. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31, the close of the City of Stone Mountain's fiscal year. The appropriated budget is prepared by fund and department. Department supervisors may request for transfers of appropriations within a department. Transfers of appropriations between departments require the special approval of the governing council. Budget to actual comparisons are provided in this report for the general fund. These comparisons are presented beginning on page 19 of the basic financial statements.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Stone Mountain operates.

Local Economy

The economic slowdown that has affected the entire country has also caused a downturn in our area. However, Stone Mountain has been impacted to a greater extent than other parts of the County. Stone

Mountain did not experience a residential construction upturn that was prevalent in other portions of the area. With the tightening of the financial market the City's limited residential growth came to an end. Two residential projects were delayed for lack of financing and one residential project suspended construction prior to the issuance of building permits. The City's commercial growth was similarly affected. The City's existing commercial developments have also been impacted by the economic slowdown resulting in many empty storefronts.

The City has been fortunate to secure several grants from the State of Georgia to provide improvements to the downtown infrastructure. These grants are part of the Georgia Department of Transportation Transportation Enhancement Activities program. The City has also received a Streetscape grant under the Livable Center Initiative program. Construction on Phase I of these grant projects was completed in 2011. Additional phases are under design with an anticipated construction date in 2013. These downtown revitalization projects are intended to boost the desirability of the downtown area. While these projects have not been directly affected by the slowdown in the economy, they have been impacted by the reorganization of the state's transportation department.

There are currently five (5) projects in different stages that the City has received grants from the Georgia Department of Transportation.

LCI – Streetscape Phase II – Sidewalks and Streetscape	\$ 1,368,000
TEE – Old Depot – Renovations to City Hall building	\$ 235,000
TEE – East Mountain Street – Sidewalk Project	\$ 267,028
TEE – Streetscape Phase III – Main to Second	\$ 160,000
TEE – Streetscape Phase IV – Second Street Promenade	\$ 235,000

In addition to the grant projects the City constructed a new municipal building in 2011. This building houses the City's administrative offices, court system, and police department. Construction began in February 2011 and was completed in February 2012. The total costs for this building was approximately \$1,900,000 funded largely through the Georgia Municipal Association's bricks and mortar program.

Long-Term Financial Planning

The Mayor and City Council of the City of Stone Mountain are very diligent with budgeting and planning for the future. With the Comprehensive Development Plan, the Short Term Work Program, and the Livable Center Initiative, we have planned for growth and the development of infrastructure in the City. These plans also address population, economic development, natural resources, and historic preservation throughout the city.

The City was proactive in forming its own Storm Water Utility in 2005. This program is funded by a fee charged to property owners based on the square footage of impervious area. This fee is billed on the county tax bill and collected by the county. It is remitted to the City as collected. These funds are being spent on storm drains, street cleaning, permitting, as well educating the public regarding the importance of stormwater management.

The Future

The downtown streetscape project in conjunction with the activities of the DDA and Main Street Stone Mountain are a vital part of the City's future. While it will take several years for the construction to be completed the energy from these projects is expected to spread throughout downtown Stone Mountain. The Mayor and Council are working hard to bring quality development to our citizens. With the prediction that more people are interested in mixed-use communities, an environment where affordable real estate and amenities such as schools, libraries, churches, retail and parks are all within walking distance, Stone Mountain is well equipped to meet this growing demand.

The City is also expecting to benefit from a joint partnership with DeKalb County in developing an Art Microenterprise Project. This project will provide financial and educational assistance to eight (8) "artists" wanting to start their own business for a period of two (2) years. The artist will be selected by a panel of art experts. The selected artists will be placed in empty buildings in the downtown area with the hope that most if not all will become successful businesses.

While the City continues to monitor all services provided to our citizens, public safety is always of concern. Recently the City has made some changes to the operational efficiencies of the police force that has resulted in more visibility to our citizens. This has fostered a closer working relationship between the police department and our citizens. These activities assist the City in maintaining a safe and secure community.

With the temporary slowdown in the economy as well as a decrease in growth there will be many challenges for the City. The Mayor and Council are working to have quality growth within the City and at the same time keep the expenditures in line with the revenues to avoid an increase in property taxes. They feel this can be achieved by continued good management practices within our City government.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested in demand deposits and certificates of deposit. Earnings on the City's investments depend on the amount of the investment and the length of maturity. The City reported investment income of \$648.00 on cash and investments for the fiscal year ended December 31, 2011, less than one sixth of the income realized in 2010. This decrease in investment income is a direct result of the historically low interest rates caused by the collapse of the housing industry and economic downturn. Investment income includes changes in the fair value of investments.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the Federal Reserve Bank or a third party bank in the City's name.

In 2009 the Mayor and City Council adopted an ethics and honesty policy governing the finances of the City. The purpose of this policy is to reduce the risk of fraud, including unproductive employees, by taking proactive steps to create the right kind of climate to reduce its occurrence that have success in preventing fraud. This policy has improved the City's internal controls resulting in increased efficiencies by employees and more department head accountability.

Risk Management

In 2010 the City of Stone Mountain changed insurance carriers for auto liability, general liability, errors and omissions, property damage/loss, and other lines of insurance from GIRMA to Trident Insurance Services. The City has \$1,000,000 worth of coverage on each of these lines with the exception of property which is covered at 100% of the value of City holdings.

Workers' Compensation Insurance is now provided through Key Risk. This is a commercial company specializing in workers compensation insurance. Changing from GIRMA to Key Risk resulted in significant savings to the City.

Pension Benefit Plan

The City contributes to the Georgia Municipal Employee's Benefit System, an agent multiple/employer public employee retirement system administered by the Georgia Municipal Association. All full time City employees are eligible to participate in the system. The employee becomes fully vested after ten years of service. The City employee's participation is non-contributory; however, the City is subject to the minimum funding standards for the Public Retirement System Standard law. The policy set by the City, for contributing the annual pension expenses, exceeds the minimum requirements of this law. The Georgia Municipal Employee's Benefit System is actuarially sound with all indications that this will continue.


Management Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Stone Mountain's MD&A can be found immediately following the report of the independent auditors.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

We also thank the Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,


Barry G. Amos, City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Stone Mountain
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Davidson

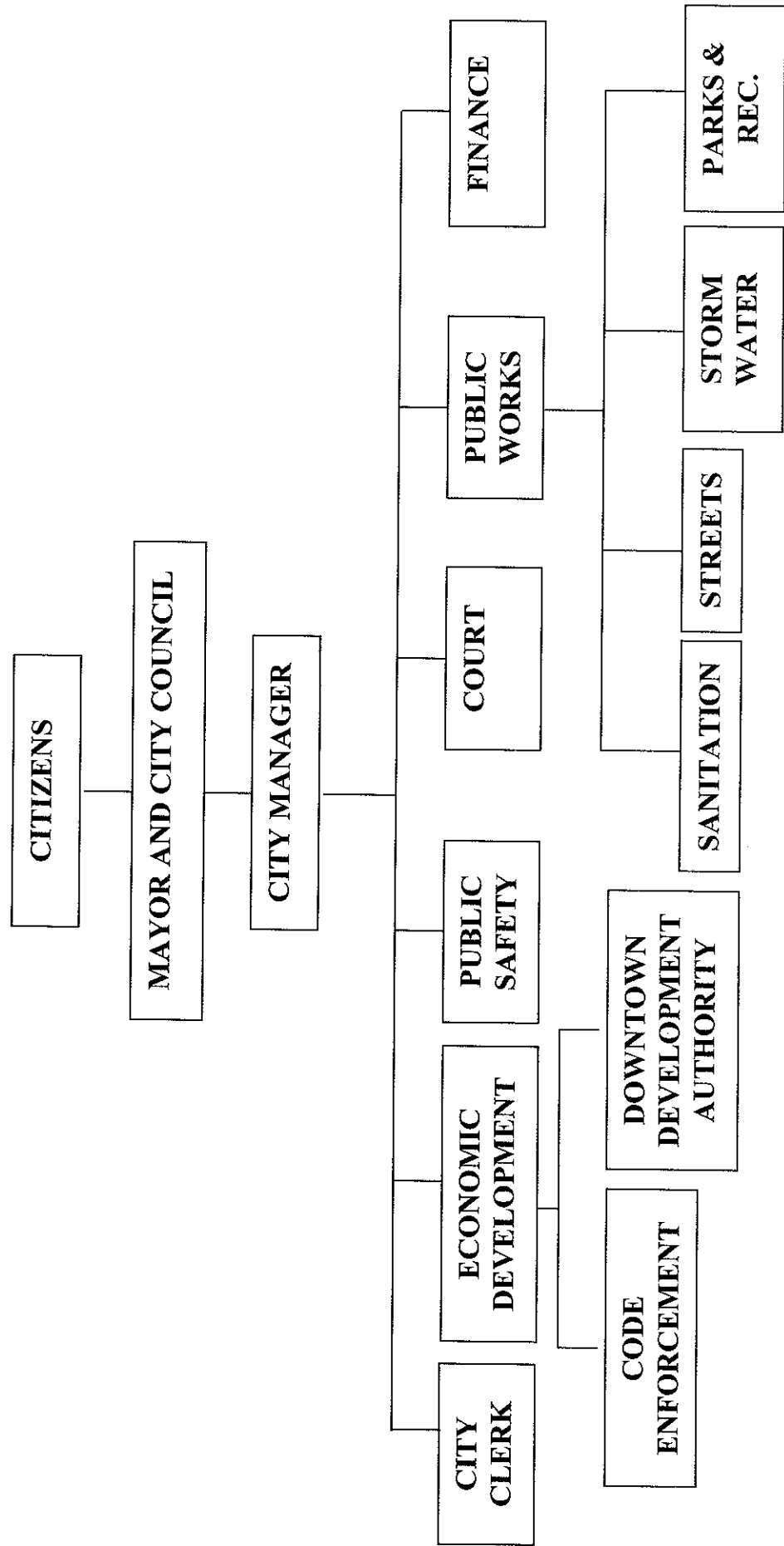
President

Jeffrey R. Enen

Executive Director

CITY OF STONE MOUNTAIN

ORGANIZATIONAL CHART



OFFICIALS OF THE CITY OF STONE MOUNTAIN

LEGISLATIVE BRANCH

CITY COUNCIL

Patricia Wheeler	Mayor
Chakira Sallee	Mayor Pro Tem
Susan Coletti	Council Member
Steve Higgins	Council Member
Cyril Mungal	Council Member
Nan Nash	Council Member
Richard Mailman	Council Member

ADMINISTRATIVE PERSONNEL

Barry G. Amos	City Manager
Chancey Troutman	Chief of police
Jim Tavenner	Public Works Director
Joe Fowler	City Attorney
Denise Hicks	City Clerk
Warren Hoffman	Municipal Court Judge
Mark Gaffney	Municipal Court Judge
Latisha Dear	Municipal Court Judge
Emily Sanders	Municipal Court Clerk
Loreen Cooper	Municipal Court Clerk

FINANCIAL SECTION

JAMES L. WHITAKER, P.C.

**Certified Public Accountant
2295 Henry Clower Blvd., Suite 205
Snellville, Georgia 30078
Telephone: 678-205-4438
Fax: 678-205-4449**

**Member of
The American Institute of
Certified Public Accountants**

**Member of
Georgia Society of
Certified Public Accountants**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Stone Mountain, Georgia

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 City of Stone Mountain, Georgia (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. 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. We believe that our audit provides a reasonable basis for our 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 Stone Mountain, Georgia, as of December 31, 2011 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 15, 2012 on our consideration of City of Stone Mountain's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulation, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 and the Historical Pension Information on page 45 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stone Mountain, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules listed in the table of contents and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

James L. Whitaker, P.C.

Snellville, Georgia
June 15, 2012

CITY OF STONE MOUNTAIN MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Stone Mountain, we offer readers of the City of Stone Mountain's financial statements this narrative overview and analysis of the financial activities of the City of Stone Mountain for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented in this analysis with their review of the financial statements.

Financial Highlights

- The assets of the City of Stone Mountain exceeded its liabilities at December 31, 2011 by \$5,332,010. Of this amount unrestricted net assets of \$856,280 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets decreased by \$292,766. Of this amount a decrease of \$463,439 was associated with governmental activities and an increase of \$170,673 was associated with business-type activities.
- As of the close of the current fiscal year, the City of Stone Mountain's governmental funds reported combined ending fund balances of \$152,747 a decrease of \$411,272 in comparison with the prior year. Of this amount a deficit of \$19,008 is unassigned; \$155,667 is restricted for various specified activities; and \$16,088 is non-spendable and in the form of prepaid items.
- At the end of the current year, unassigned fund balance for the general fund was a deficit of \$2,935.
- The City of Stone Mountain's total debt obligations (including accrued compensated absences) increased by the net of \$1,552,074. The City obtained a capital lease for the purchase of three police vehicle of \$77,367 and also obtained a capital lease for the construction of a new City Administrative Facility in the amount of \$1,525,000. Principal payments were made on outstanding capital leases of \$57,910.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Stone Mountain's basic financial statements. The City of Stone Mountain's basic financial statements are comprised of 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.

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

The statement of net assets presents information on all of the city's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes (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 of Stone Mountain include governing body, general government, financial administration, government buildings, municipal court and police, highways and streets, culture and recreation, economic development, tourism and promotion, and cemetery. The business-type activities of the City are solid waste and stormwater activities.

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 of Stone Mountain can be divided into two categories: governmental funds and proprietary 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 a government'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 government'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 the two.

The City maintains two major governmental funds. The City's major governmental funds are the General Fund and Capital Projects Fund. 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 major funds and a combined total column for the nonmajor governmental funds. The governmental funds financial statements begin on page 14.

The City of Stone Mountain adopts an annual budget for its General fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the FY 2011 budget. The budgetary comparison statements begin on page 19.

Proprietary funds. The City of Stone Mountain maintains two enterprise funds (a component of proprietary funds) to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Solid Waste and its Stormwater activities.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Solid Waste Management and Stormwater Management Funds, which are both considered to be major funds of the City of Stone Mountain.

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 begin on page 25.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of a pension funding analysis and combining and individual fund financial statements and schedules beginning on page 45.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At December 31, 2011, the City's assets exceeded liabilities by \$5,332,010. The City's net assets reflect its investment in capital assets (81.0 percent) less related debt, if any. Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net assets of \$5,332,010, \$155,667 (2.9 percent) is restricted for various specified activities and \$856,280 (16.1 percent) is unrestricted.

City of Stone Mountain's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 1,492,825	\$ 2,108,223	\$ 450,100	\$ 448,447	\$ 1,942,925	\$ 2,556,670
Capital assets	<u>5,198,503</u>	<u>3,279,817</u>	<u>770,062</u>	<u>642,072</u>	<u>5,968,565</u>	<u>3,921,889</u>
Total assets	<u>6,691,328</u>	<u>5,388,040</u>	<u>1,220,162</u>	<u>1,090,519</u>	<u>7,911,490</u>	<u>6,478,559</u>
Current liabilities	853,070	638,417	11,898	52,928	864,968	691,345
Long-term liabilities	<u>1,714,512</u>	<u>162,438</u>	<u>-</u>	<u>-</u>	<u>1,714,512</u>	<u>162,438</u>
Total liabilities	<u>2,567,582</u>	<u>800,855</u>	<u>11,898</u>	<u>52,928</u>	<u>2,579,480</u>	<u>853,783</u>
Net assets:						
Invested in capital assets, net of related debt	3,550,001	3,175,772	770,062	642,072	4,320,063	3,817,844
Restricted	155,667	25,491	-	-	155,667	25,491
Unrestricted	<u>418,078</u>	<u>1,385,922</u>	<u>438,202</u>	<u>395,519</u>	<u>856,280</u>	<u>1,781,441</u>
Total net assets	<u>\$ 4,123,746</u>	<u>\$ 4,587,185</u>	<u>\$ 1,208,264</u>	<u>\$ 1,037,591</u>	<u>\$ 5,332,010</u>	<u>\$ 5,624,776</u>

A portion of the net assets (2.9 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets (\$856,280) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Stone Mountain is able to report positive balances in all three categories of net assets. The same held true for the prior fiscal year.

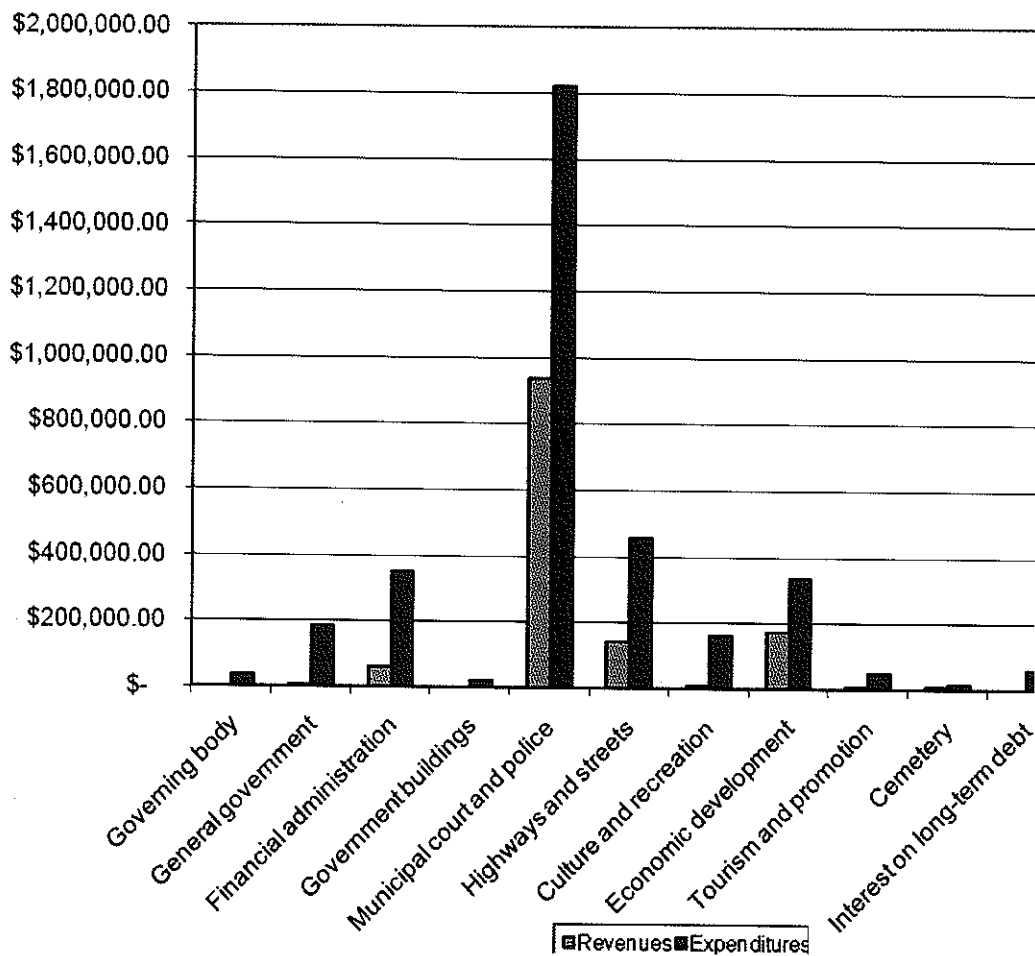
Governmental activities. Governmental activities decreased the City's net assets by \$463,439. Key elements of this decrease are as follows:

**City of Stone Mountain's Change in Net Assets
For The Years Ended December 31, 2011 and 2010**

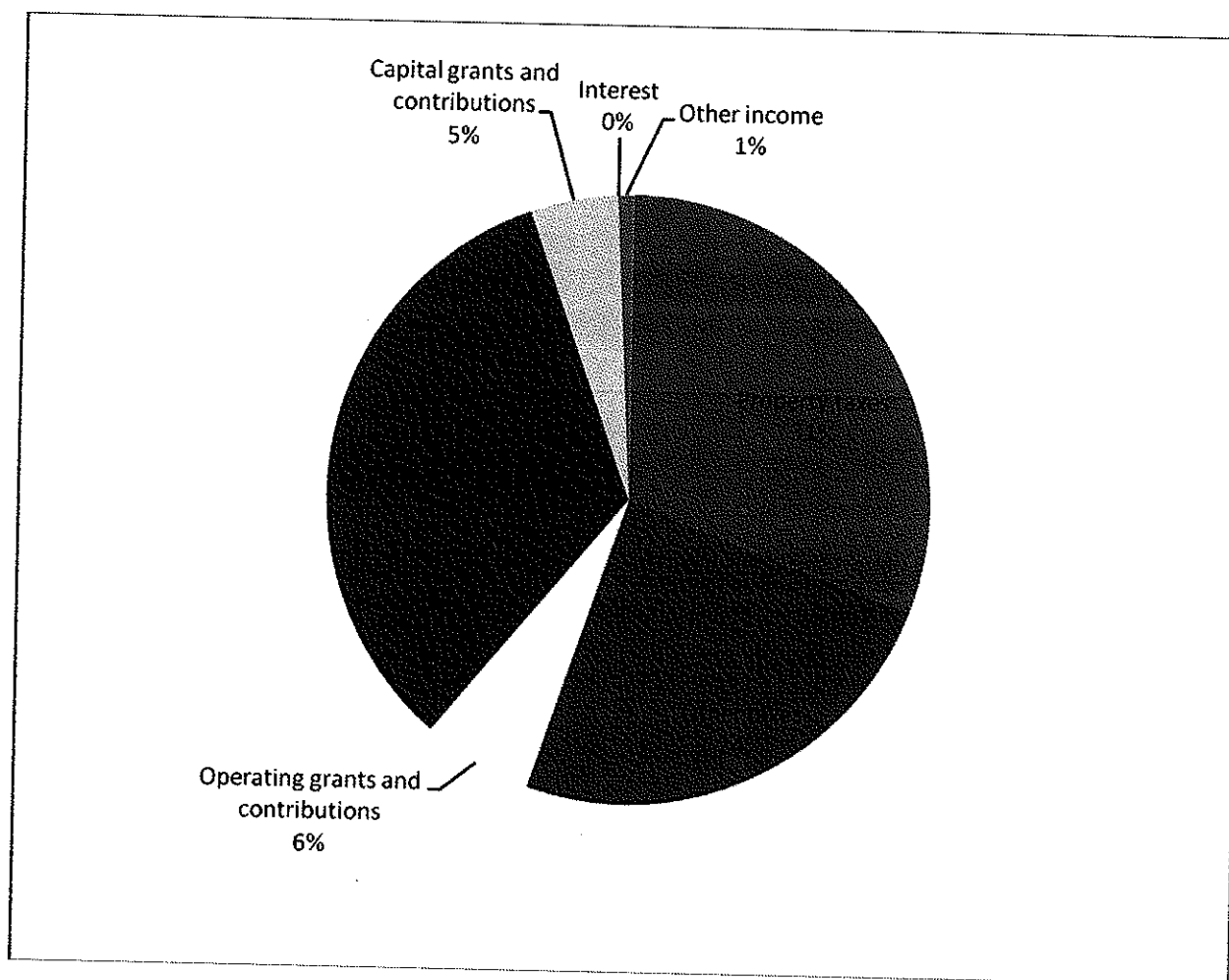
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues -						
Charges for services	\$ 1,022,945	\$ 1,106,787	\$ 643,968	\$ 642,477	\$ 1,666,913	\$ 1,749,264
Operating grants and contributions	180,461	77,840	-	-	180,461	77,840
Capital grants and contributions	142,434	1,679,455	50,423	-	192,857	1,679,455
General Revenues-						
Property taxes	941,831	966,385	-	-	941,831	966,385
Other taxes	749,998	768,248	-	-	749,998	768,248
Interest	1,866	4,169	-	-	1,866	4,169
Other	25,135	13,228	-	-	25,135	13,228
	<u>3,064,670</u>	<u>4,616,112</u>	<u>694,391</u>	<u>642,477</u>	<u>3,759,061</u>	<u>5,258,589</u>
Expenses:						
Governing body	38,895	71,578	-	-	38,895	71,578
General government	185,915	70,037	-	-	185,915	70,037
Financial administration	351,386	322,323	-	-	351,386	322,323
Government buildings	19,518	16,254	-	-	19,518	16,254
Municipal court and public safety	1,823,293	1,956,058	-	-	1,823,293	1,956,058
Highways and streets	457,886	474,881	-	-	457,886	474,881
Culture and recreation	160,823	188,945	-	-	160,823	188,945
Economic development	336,258	238,727	-	-	336,258	238,727
Tourism and promotion	48,130	56,000	-	-	48,130	56,000
Cemetery	17,246	15,361	-	-	17,246	15,361
Interest on long-term debt	60,963	4,593	-	-	60,963	4,593
Solid waste	-	-	495,428	492,831	495,428	492,831
Stormwater	-	-	56,086	65,854	56,086	65,854
	<u>3,500,313</u>	<u>3,414,757</u>	<u>551,514</u>	<u>558,685</u>	<u>4,051,827</u>	<u>3,973,442</u>
Increase (decrease) in net assets before transfers	(435,643)	1,201,355	142,877	83,792	(292,766)	1,285,147
Transfers	(27,796)	54,260	27,796	(54,260)	-	-
Increase (decrease) in net assets	(463,439)	1,255,615	170,673	29,532	(292,766)	1,285,147
Net assets - beginning of year	4,587,185	3,331,570	1,037,591	1,008,059	5,624,776	4,339,629
Net assets - end of year	<u>\$ 4,123,746</u>	<u>\$ 4,587,185</u>	<u>\$ 1,208,264</u>	<u>\$ 1,037,591</u>	<u>\$ 5,332,010</u>	<u>\$ 5,624,776</u>

- Governmental Activity revenue decreased by \$1,551,442 (33.6%) primarily due to a decrease in capital grant and contribution revenue. Property taxes stayed essentially flat (\$941,831 in 2011 verses \$966,385 in 2010); insurance premium tax decreased by \$112,490 (29.2%); interest decreased by \$2,303 (55.2%). In Stone Mountain the property digests for the City decreased by 27.8% because of the large number of foreclosures and the resulting decrease in assessed property values. In 2011 the decrease in insurance premium tax reflected the 2010 census figures. The continued depressed economic climate resulted in lower interest rates being available for investments. All these decreases factored into the City's decrease in net assets.
- Governmental Activity expenses increased by \$85,556 (2.5%). This increase in expenses is mainly due to the increase in economic development. In 2011 City's Art Micro-Enterprise project became more active resulting in an increase in expenditures.
- Other notable changes in Governmental Activity expenditures:
 - In 2011 interest on long term debt increased significantly due to the financing of the new municipal building.

Expenses and Program Revenues-Governmental Activities



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



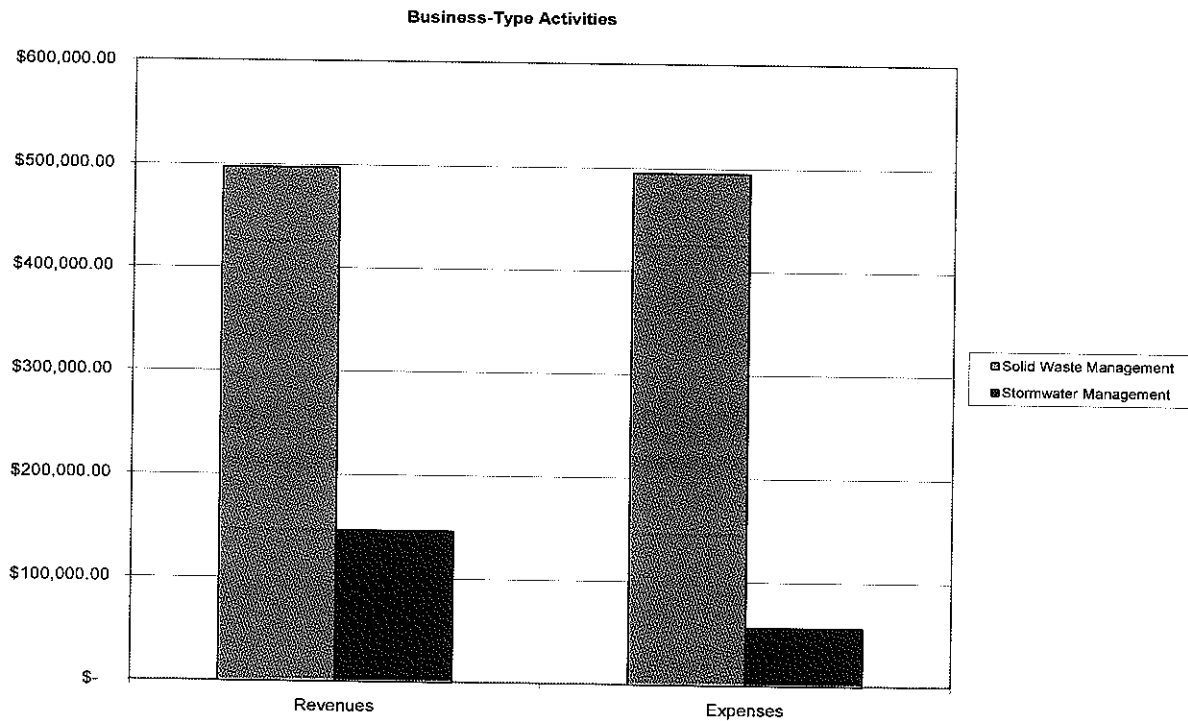
Business-type activities. Business type activities increased the City's net assets by \$170,673. The Solid Waste Management Fund had an increase in net assets of \$29,917 while the Stormwater Management Fund had an increase in net assets of \$140,756. The Solid Waste Management Fund increase is attributed to transfers from the General Fund in the amount of \$27,796 while the increase in Stormwater Management Fund is attributed to capital improvements to the infrastructure that occurred in 2011.

Other notable changes in Business Type Activity revenue:

- Revenue from solid waste residential was virtually unchanged from 2010 indicating a stable residential customer base.
- Revenue from solid waste commercial customers decreased by \$5,263 attributed to the economic conditions resulting in fewer businesses being located in the City.

Other notable changes in Business Type Activity expenditures:

- In 2010 the City negotiated a contract extension with the current solid waste hauler extending the contract for an additional five (5) years. Under this new contract in 2011 the City began receiving sanitation services at City facilities at no cost.



Financial Analysis of the Government's Funds

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

Governmental Funds. The purpose of the City's governmental fund financial statements 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 a government's net resources available for spending at the end of the fiscal year.

At December 31, 2011 the city's governmental funds reported combined ending fund balances of \$152,747. Of this amount a deficit of \$19,008 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because \$155,667 is restricted for specified activities and \$16,088 is non-spendable and in the form of prepaid items.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was a deficit of \$2,935 while the total fund balance was \$13,153. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance is a deficit and therefore represents no reserves that are available for future budget purposes. Total fund balance represents .4 percent of General Fund expenditures. The City with funding assistance from the Georgia Department of Transportation began construction in 2011 on several transportation enhancement projects in the downtown area. These projects have a total estimated cost of \$2,500,000. In 2010 the City successfully requested funding assistance from the Metropolitan Atlanta Rapid Transit Authority in the amount of \$1,250,000 to off set the local funding commitment on three TEE/LCI projects.

During the current fiscal year the fund balance of the City's general fund decreased by \$679,157. Other notable changes for 2011 compared to 2010 were as follows:

- The General Fund revenues for FY 2011 were \$2,747,732. This was a decrease of \$94,858 or 3.3% over FY 2010. The majority of the decrease was in a tax which is directly related to the decrease in the tax digest and fines and forfeitures for the City.
- The General Fund expenditures for FY 2011 were \$3,152,159. This was a decrease of \$205,621 or 6.1% from FY 2010. This decrease in expenditures is generally attributed to a reduction in emphasis on culture and recreation and improved court efficiencies.
- Capital outlay for FY 2011 was \$77,368. This was a decrease of \$52,617 (40.5%) from FY 2010. This reduction was directed by management for budgetary control.
- The City's General Fund made principal payments on its capital leases long-term debt of \$57,509 essentially the same as in 2010.
- Transfers from the general fund to other funds in 2011 amounted to \$352,097 an increase of 85.7% over 2010 transfers with the majority being for capital projects.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

The budget was amended several times during the year with the most significant amendments being:

- A \$49,850 decrease in the General Fund budget reflecting the effectiveness of management spending controls..

No department had expenditures that materially exceeded the corresponding department's appropriations.

The final 2011 budget varied from the original 2011 budget in several areas most notably:

- As previously noted the City experienced a 27.8% decrease in the tax digest due to the depressed housing market resulting in a \$26,417 decrease in property tax revenue from 2010.
- Fines and forfeitures revenue received was \$108,768 less than the original budget because of the Public Safety Department reduced activity levels. This slow down in activity is attributed to supervisory deficiencies.
- Public Safety budget increased by \$38,400 due to increased overtime activity in 2011.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2011 amounts to \$ 5,968,565 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. Purchases of capital assets during the year include construction costs for a new city hall of \$1,612,275; new office equipment for the new city hall of \$79,269; and three fully equipped police vehicles. The City spent \$184,879 on streetscape and other street improvements and \$51,000 on stormwater improvements. Additional information on the City's capital assets can be found in Note 8 on page 36 of this report.

Long-term debt. At the end of the current fiscal year, the City had \$1,714,512 in outstanding debt consisting of the following:

CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	<u>Balance</u>
Governmental Activities:	
Capital leases - equipment	\$ 123,502
Capital leases - facilities	\$ 1,525,000
Compensated absences	<u>66,010</u>
Total Governmental Activities	1,714,512
Business-Type Activities:	
Capital leases	<u>-</u>
 Total Outstanding Debt	 <u>\$ 1,714,512</u>

The City's total debt increased by \$1,552,074. Additional information on the City's long-term debt can be found in note 9 on page 37 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Stone Mountain is approximately \$7,200,000, which is significantly in excess of the City of Stone Mountain's outstanding general obligation debt.

Status of the City of Stone Mountain's Economy

- The unemployment rate for the City of Stone Mountain is currently estimated at 10.2%, comparable to the state of Georgia rate of 9.9%. (Georgia Department of Labor).
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate for properties in the central business district remained at a constant level in 2011
- There was no new residential or commercial construction in the City in 2011 as the real estate market continued to decline nationally and regionally.

All of these factors were considered in preparing the City of Stone Mountain's budget for F/Y 2012.

Requests for Information

This financial report is designed to provide a general overview of the City of Stone Mountain's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 498-8984 or at the following address:

City of Stone Mountain
922 Main Street
Stone Mountain, GA 30083

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BASIC FINANCIAL STATEMENTS

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and cash equivalents	\$ 523,191	\$ -	\$ 523,191	\$ 10,964
Receivables (net of allowance for uncollectibles)				
Taxes	298,008	-	298,008	-
Fines	226,568	-	226,568	-
Intergovernmental	460,571	-	460,571	-
Accounts	13,347	73,335	86,682	12,750
Due from other funds	(376,765)	376,765	-	-
Prepaid items	16,088	-	16,088	-
Deposits	10,040	-	10,040	-
Restricted assets -				
Cash	302,065	-	302,065	-
Debt issue cost, net	19,712	-	19,712	6,353
Non-depreciable capital assets	2,521,979	-	2,521,979	18,242
Depreciable capital assets	2,676,524	770,062	3,446,586	150,471
Total Assets	6,691,328	1,220,162	7,911,490	198,780
Liabilities				
Accounts Payable				
Operating	361,538	-	361,538	2,043
Capital	326,396	-	326,396	-
Accrued Liabilities -				
Compensated absences	49,494	-	49,494	-
Wages	52,866	-	52,866	-
Customer deposits	-	-	-	2,150
Other	55,176	-	55,176	10,277
Unearned Revenue	7,600	11,898	19,498	-
Long-Term Liabilities -				
Due Within One Year	111,586	-	111,586	8,560
Due In More Than One Year	1,602,926	-	1,602,926	191,440
Total Liabilities	2,567,582	11,898	2,579,480	214,470
Net Assets				
Invested in Capital Assets, Net of				
Related Debt	3,550,001	770,062	4,320,063	(31,287)
Restricted for -				
Police activities	3,886	-	3,886	-
Capital projects	151,781	-	151,781	-
Unrestricted	418,078	438,202	856,280	15,597
Total Net Assets	\$ 4,123,746	\$ 1,208,264	\$ 5,332,010	\$ (15,690)

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
Governing Body	\$ 38,895	\$ -	\$ -	\$ -
General Government	185,915	-	4,450	-
Financial Administration	351,386	63,094	-	-
Government Buildings	19,518	-	-	-
Municipal Court and Police	1,823,293	934,376	-	-
Highways and Streets	457,886	-	-	142,434
Culture and Recreation	160,823	9,875	-	-
Economic Development	336,258	12,750	161,711	-
Tourism and Promotion	48,130	-	9,000	-
Cemetery	17,246	2,850	5,300	-
Interest on Long-Term Debt	60,963	-	-	-
Total Governmental Activities	<u>3,500,313</u>	<u>1,022,945</u>	<u>180,461</u>	<u>142,434</u>
Business-Type Activities				
Solid Waste Management	495,428	497,549	-	-
Stormwater Management	56,086	146,419	-	50,423
Total Business-Type Activities	<u>551,514</u>	<u>643,968</u>	<u>-</u>	<u>50,423</u>
Total Primary Government	<u>\$ 4,051,827</u>	<u>\$ 1,666,913</u>	<u>\$ 180,461</u>	<u>\$ 192,857</u>
Component Unit:				
Downtown Development Authority	<u>\$ 39,750</u>	<u>\$ 24,060</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:
 Property
 Franchise
 Occupational
 Motor vehicle
 Host tax
 Insurance premium
 Alcohol beverage
 Hotel / Motel
 Other
 Interest Earnings
 Other
 Total General Revenues
 Transfers
 Total General Revenues and Transfers
 Change in Net Assets
 Net Assets - Beginning of Year
 Net Assets - End of Year

See accompanying notes to the basic financial statements.

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government			Component
Governmental	Business-		Unit
Activities	Type	Total	Downtown
	Activities		Dev. Auth.
\$ (38,895)	\$ -	\$ (38,895)	\$ -
(181,465)	-	(181,465)	-
(288,292)	-	(288,292)	-
(19,518)	-	(19,518)	-
(888,917)	-	(888,917)	-
(315,452)	-	(315,452)	-
(150,948)	-	(150,948)	-
(161,797)	-	(161,797)	-
(39,130)	-	(39,130)	-
(9,096)	-	(9,096)	-
(60,963)	-	(60,963)	-
(2,154,473)	-	(2,154,473)	-
-	2,121	2,121	-
-	140,756	140,756	-
-	142,877	142,877	-
(2,154,473)	142,877	(2,011,596)	-
(15,690)	-	(15,690)	(15,690)
941,831	-	941,831	-
255,459	-	255,459	-
54,469	-	54,469	-
59,680	-	59,680	-
65,215	-	65,215	-
272,138	-	272,138	-
29,632	-	29,632	-
1,002	-	1,002	-
12,403	-	12,403	-
1,866	-	1,866	-
25,135	-	25,135	-
1,718,830	-	1,718,830	-
(27,796)	27,796	-	-
1,691,034	27,796	1,718,830	-
(463,439)	170,673	(292,766)	(15,690)
4,587,185	1,037,591	5,624,776	-
\$ 4,123,746	\$ 1,208,264	\$ 5,332,010	\$ (15,690)

CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

Assets	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash	\$ 521,746	\$ 298,178	\$ 5,332	\$ 825,256
Receivables -				
Taxes	298,008	-	-	298,008
Fines, net of allowance for bad debts of \$386,000	226,568	-	-	226,568
Intergovernmental	-	435,691	24,880	460,571
Miscellaneous	13,347	-	-	13,347
Prepaid items	16,088	-	-	16,088
Deposits	-	-	10,040	10,040
Total assets	<u>\$ 1,075,757</u>	<u>\$ 733,869</u>	<u>\$ 40,252</u>	<u>\$ 1,849,878</u>
 Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 333,979	\$ 326,396	\$ 27,559	\$ 687,934
Accrued liabilities	102,360	-	-	102,360
Due to other funds	376,765	-	-	376,765
Deferred revenue	<u>249,500</u>	<u>255,692</u>	<u>24,880</u>	<u>530,072</u>
Total liabilities	<u>1,062,604</u>	<u>582,088</u>	<u>52,439</u>	<u>1,697,131</u>
 Fund Balance				
Nonspendable -				
Prepaid items	16,088	-	-	16,088
Restricted -				
Police services	-	-	3,886	3,886
Capital projects	-	151,781	-	151,781
Unassigned	<u>(2,935)</u>	<u>-</u>	<u>(16,073)</u>	<u>(19,008)</u>
Total fund balance	<u>13,153</u>	<u>151,781</u>	<u>(12,187)</u>	<u>152,747</u>
Total liabilities and fund balance	<u>\$ 1,075,757</u>	<u>\$ 733,869</u>	<u>\$ 40,252</u>	<u>\$ 1,849,878</u>

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

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

Total fund balances -- total governmental funds	\$ 152,747
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,198,503
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: Deferred revenues	522,472
Debt issuance cost are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the statement of net assets.	19,712
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: Capital leases	(1,648,502)
Long-term portion of compensated absences	(66,010)
Accrued interest payable	<u>(55,176)</u>
Net assets of governmental activities	<u>\$ 4,123,746</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the year ended December 31, 2011

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	1,698,667	-	1,003	\$ 1,699,670
Business licenses and permits	60,090	-	-	60,090
Intergovernmental	-	510,655	157,480	668,135
Service fees	10,934	-	-	10,934
Fines and forfeitures	937,332	-	-	937,332
Interest	648	1,217	-	1,865
Rents	10,475	-	-	10,475
Miscellaneous	29,586	-	29,900	59,486
Total revenues	<u>2,747,732</u>	<u>511,872</u>	<u>188,383</u>	<u>3,447,987</u>
Expenditures:				
Current:				
Governing Body	38,898	-	-	38,898
General Government	185,833	-	-	185,833
Financial Administration	331,208	-	-	331,208
Government Buildings	19,518	-	-	19,518
Municipal Court	384,083	-	-	384,083
Public Safety	1,353,583	-	-	1,353,583
Highways and Streets	389,026	-	-	389,026
Culture and Recreation	159,765	-	-	159,765
Economic Development	97,396	-	214,377	311,773
Community Development	52,643	-	-	52,643
Tourism and Promotion	-	-	19,971	19,971
Cemetery	-	-	14,785	14,785
Capital outlay	77,368	2,011,969	-	2,089,337
Debt service				
Principal	57,910	-	-	57,910
Interest	4,928	-	-	4,928
Debt issue costs	-	20,569	-	20,569
Total expenditures	<u>3,152,159</u>	<u>2,032,538</u>	<u>249,133</u>	<u>5,433,830</u>
Excess (deficiency) of Revenues over Expenditures	<u>(404,427)</u>	<u>(1,520,666)</u>	<u>(60,750)</u>	<u>(1,985,843)</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the year ended December 31, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses)				
Capital lease proceeds	\$ 77,367	\$ 1,525,000	\$ -	\$ 1,602,367
Proceeds from disposition of assets	-	-	-	-
Transfers (net)	<u>(352,097)</u>	<u>301,229</u>	<u>23,072</u>	<u>(27,796)</u>
Total other financing sources (uses)	<u>(274,730)</u>	<u>1,826,229</u>	<u>23,072</u>	<u>1,574,571</u>
Net change in fund balance	(679,157)	305,563	(37,678)	(411,272)
Fund Balance-Beginning of Year	<u>692,310</u>	<u>(153,782)</u>	<u>25,491</u>	<u>564,019</u>
Fund Balance-End of Year	<u>\$ 13,153</u>	<u>\$ 151,781</u>	<u>\$ (12,187)</u>	<u>\$ 152,747</u>

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

Net change in fund balances -- total governmental funds	\$ (411,272)
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 (\$2,069,582) exceeded depreciation expense (\$150,894) in the current period.	1,918,688
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. This is the amount of net book value of assets sold during the current period.	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances in the current period.	(383,317)
Debt issuance cost are considered deferred cost in the statement of net assets and are amortized over the life of the related debt while they are considered other expenditures in governmental funds in the year they are incurred. This is the amount by which bond issue cost (\$20,569) exceeded amortization (\$857).	19,712
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Long-term debt proceeds	(1,602,368)
Repayment of long term debt	57,910
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.	
Change in accrued interest payable	(55,176)
Change in accrued compensated absences	(7,616)
Change in net assets of governmental activities.	<u>\$ (463,439)</u>

See accompanying notes to the basic financial statements.

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CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Taxes	\$ 1,923,237	\$ 1,797,961	\$ 1,698,667	\$ (99,294)
Business licenses and permits	31,300	31,300	60,090	28,790
Intergovernmental	-	-	-	
Service fees	19,749	19,749	10,934	(8,815)
Fines and forfeitures	1,046,100	1,046,100	937,332	(108,768)
Interest	4,500	4,500	648	(3,852)
Rents	16,350	16,350	10,475	(5,875)
Miscellaneous	200	200	29,586	29,386
Total revenues	<u>3,041,436</u>	<u>2,916,160</u>	<u>2,747,732</u>	<u>(168,428)</u>
Expenditures:				
Current:				
Governing Body	51,499	51,499	38,898	12,601
General Government	161,245	186,938	185,833	1,105
Financial Administration	361,785	342,456	331,208	11,248
Government Buildings	20,520	20,356	19,518	838
Municipal Court	413,270	412,870	384,083	28,787
Public Safety	1,296,187	1,334,587	1,353,583	(18,996)
Highways and Streets	461,967	411,147	389,026	22,121
Culture and Recreation	181,920	162,390	159,765	2,625
Economic Development	132,050	122,230	97,396	24,834
Community Development	63,115	61,235	52,643	8,592
Capital outlay	84,500	77,500	77,368	132
Debt service				
Principal	182,315	177,315	57,910	119,405
Interest	5,000	5,000	4,928	72
Total expenditures	<u>3,415,373</u>	<u>3,365,523</u>	<u>3,152,159</u>	<u>213,364</u>

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>BUDGET AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Excess (deficiency) of Revenues over Expenditures	\$ (373,937)	\$ (449,363)	\$ (404,427)	\$ 44,936
Other financing sources (uses)				
Capital Lease Proceeds	81,000	81,000	77,367	(3,633)
Proceeds from sale of capital assets	6,000	6,000	-	(6,000)
Transfers (net)	<u>286,937</u>	<u>357,363</u>	<u>(352,097)</u>	<u>(709,460)</u>
Total other financing sources (uses)	<u>373,937</u>	<u>444,363</u>	<u>(274,730)</u>	<u>(719,093)</u>
Net change in fund balance	-	(5,000)	(679,157)	(674,157)
Fund Balance-Beginning of Year	<u>692,310</u>	<u>692,310</u>	<u>692,310</u>	<u>-</u>
Fund Balance-End of Year	<u>\$ 692,310</u>	<u>\$ 687,310</u>	<u>\$ 13,153</u>	<u>\$ (674,157)</u>

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

ASSETS	Solid Waste Management	Stormwater Management	Total
Current assets			
Receivables-			
Accounts	\$ 45,891	\$ 27,444	\$ 73,335
Due from other governments	-	-	-
Due from other funds	-	376,765	376,765
Total current assets	<u>45,891</u>	<u>404,209</u>	<u>450,100</u>
Noncurrent assets			
Capital assets			
Autos and trucks	68,481	-	68,481
Machinery and equipment	46,716	-	46,716
Infrastructure	-	766,441	766,441
Accumulated depreciation	(70,532)	(41,044)	(111,576)
Capital assets (net of depreciation)	<u>44,665</u>	<u>725,397</u>	<u>770,062</u>
Total noncurrent assets	<u>44,665</u>	<u>725,397</u>	<u>770,062</u>
Total assets	<u>90,556</u>	<u>1,129,606</u>	<u>1,220,162</u>
LIABILITIES			
Current liabilities			
Accounts payable -			
Trade	-	-	-
Deferred revenue	11,898	-	11,898
Customer deposits	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>11,898</u>	<u>-</u>	<u>11,898</u>
Noncurrent liabilities			
Capital leases	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>11,898</u>	<u>-</u>	<u>11,898</u>
Net Assets			
Investments in capital assets	44,665	725,397	770,062
Unrestricted	<u>33,993</u>	<u>404,209</u>	<u>438,202</u>
Total Net Assets	<u>\$ 78,658</u>	<u>\$ 1,129,606</u>	<u>\$ 1,208,264</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Solid Waste Management	Stormwater Management	Total
OPERATING REVENUES			
Refuse collection	\$ 362,132	\$ -	\$ 362,132
Dumpster collection	135,417	-	135,417
Stormwater fees	-	146,419	146,419
Miscellaneous	-	-	-
Total operating revenues	<u>497,549</u>	<u>146,419</u>	<u>643,968</u>
OPERATING EXPENSES			
Purchased products / services	460,485	-	460,485
Personal services and benefits	17,908	-	17,908
Purchased / contracted services	1,536	32,035	33,571
Supplies	1,053	-	1,053
Depreciation and amortization	12,446	17,008	29,454
Bad debt expense	2,000	-	2,000
Other	-	7,043	7,043
Total operating expenses	<u>495,428</u>	<u>56,086</u>	<u>551,514</u>
Operating income (loss)	<u>2,121</u>	<u>90,333</u>	<u>92,454</u>
Non-operating revenues and (expenses)			
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	2,121	90,333	92,454
Capital contributions	-	50,423	50,423
Transfers	<u>27,796</u>	<u>-</u>	<u>27,796</u>
CHANGE IN NET ASSETS	29,917	140,756	170,673
NET ASSETS - BEGINNING	<u>48,741</u>	<u>988,850</u>	<u>1,037,591</u>
NET ASSETS - ENDING	<u>\$ 78,658</u>	<u>\$ 1,129,606</u>	<u>\$ 1,208,264</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 493,237	\$ 143,594	\$ 636,831
Cash paid to suppliers for goods	(508,303)	(39,078)	(547,381)
Cash paid to employees	(12,730)	-	(12,730)
Net cash provided from operating activities	<u>(27,796)</u>	<u>104,516</u>	<u>76,720</u>
Cash flows from investing activities:			
Interest received	-	-	-
(Purchase) / redemption of investments	-	-	-
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from non-capital financing activities:			
Transfers	27,796	-	27,796
Change in due to/from other funds	-	(29,363)	(29,363)
Net cash flows from non-capital financing activities	<u>27,796</u>	<u>(29,363)</u>	<u>(1,567)</u>
Cash flows from capital financing activities:			
Purchases / construction of capital assets	-	(157,444)	(157,444)
Capital contributions	-	82,291	82,291
Principal payments on long-term debt	-	-	-
Proceeds from long-term debt	-	-	-
Interest paid	-	-	-
Net cash flows from capital financing activities	<u>-</u>	<u>(75,153)</u>	<u>(75,153)</u>
Net cash flows	-	-	-
Cash and cash equivalents - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED
BY OPERATING ACTIVITIES**

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
Operating income (loss)	\$ 2,121	\$ 90,333	\$ 92,454
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	12,446	17,008	29,454
(Increase) decrease in -			
Accounts receivable	(1,333)	(2,825)	(4,158)
Increase (Decrease) in -			
Accounts payable	(38,051)	-	(38,051)
Deferred revenues	860	-	860
Customer deposits	(3,839)	-	(3,839)
Accrued liabilities	-	-	-
Total adjustments	<u>(29,917)</u>	<u>14,183</u>	<u>(15,734)</u>
Net cash from operating activities	<u>\$ (27,796)</u>	<u>\$ 104,516</u>	<u>\$ 76,720</u>
Non-cash transactions -			
Increase (decrease) in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities, if applicable, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

The City of Stone Mountain, Georgia (the "City") operates under a mayor / council form of government and provides the following services: police, highways and streets, sanitation, stormwater, parks and recreation, promotion and development and general and administrative services. Governmental Accounting Standards Board Statement No. 14 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. Using the above criteria the City of Stone Mountain Downtown Development Authority is a component unit of the City because of the significance of its operational and financial relationship with the City and is therefore included in the City's reporting entity. The City Council appoints all members of the Development Authority's Board of Directors and pays from the City's budget operational expenditures related to the Authority.

Discretely Presented Component Unit –

The component unit column in the Government-Wide Financial Statements includes the financial data of City of Stone Mountain, Georgia Downtown Development Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the City. The City of Stone Mountain, Georgia Downtown Development Authority was organized to develop and promote commerce, industry and general welfare within the City. The City appoints the Authority's board members and provides significant funding for the Authority's operational expenditures within the City's budget.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Assets, presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenues (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The various funds are grouped, in the financial statements in this report, into the following fund types:

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements-Fund Financial Statements – (Continued)

Governmental Fund Types – Governmental fund are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund – This fund is used to account for the acquisition and construction of major capital assets, other than those financed by proprietary funds, that are financed with state and federal financial assistance.

Proprietary Fund Type – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary fund is classified as an enterprise fund. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's major enterprise funds are as follows:

Solid Waste Management Enterprise Fund - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

Stormwater Management Fund – This fund was created during the fiscal year ended December 31, 2005, to account for revenues generated from the charges for stormwater services provided to the citizens of Stone Mountain.

The City applies all applicable FASB pronouncements issued on or before November 30, 1989, in accounting and reporting for its proprietary funds.

E. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of government-wide financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

E. Measurement Focus – Continued

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

G. Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

H. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2011 are recorded as prepaid items and are expensed during the period benefited.

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during fiscal year ended December 31, 2011. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	30-40 years
Furniture and equipment	7-10 years
Vehicles	5-10 years
Infrastructure	40-50 years

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

L. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

M. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

N. Compensated Absences

The City accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

O. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

P. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

Q. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City's government-wide statement of net assets reports \$155,667 in restricted net assets, of which \$3,886 is restricted by enabling legislation.

T. Fund Balance – Governmental Funds

As of December 31, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Stone Mountain's Council. Stone Mountain's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of December 31, 2011, fund balances are composed of the following:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable -				
Prepaid items	\$ 16,088	\$ -	\$ -	\$ 16,088
Restricted -				
Police activities	-	-	3,886	3,886
Capital projects	-	151,781	-	151,781
Unassigned	<u>(2,935)</u>	<u>-</u>	<u>(16,073)</u>	<u>(19,008)</u>
Total	<u>\$ 13,153</u>	<u>\$ 151,781</u>	<u>\$ (12,187)</u>	<u>\$ 152,747</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

U. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all governmental fund types. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of an ordinance. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's financial policies require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of December 31, 2011, \$273,775 of the government's bank balance of \$875,430 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's agent in the City's name	273,775
Total	<u>\$ 273,775</u>

In accordance with state law, the City of Stone mountain can invest in: 1. Obligations issued by the U.S. Government, any state, any political subdivision of the State of Georgia, or Local Government Investment Pool established by state law; 2. Prime bankers' acceptances; and 3. Repurchase agreements.

3. PROPERTY TAX

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2011, based upon the assessed value as of January 1, 2011, were levied on July 5, 2011. Taxes are due in equal installments on July 1 and October 1 of each year. Tax liens may be issued on March 1 or after the due date, whichever occurs later. The City of Stone Mountain uses the services of the DeKalb County Tax Commissioner to bill and collect its property taxes.

(See Independent Auditor's Report).

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

4. RECEIVABLES

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 298,008	\$ -	\$ -	\$ 298,008
Fines	612,568	-	-	612,568
Intergovernmental	-	435,691	24,880	460,571
Accounts	<u>13,347</u>	<u>-</u>	<u>-</u>	<u>13,347</u>
Gross Receivables	923,923	435,691	24,880	1,384,494
Less: Allowance for Uncollectibles	<u>(386,000)</u>	<u>-</u>	<u>-</u>	<u>(386,000)</u>
Net Total Receivables	<u>\$ 537,923</u>	<u>\$ 435,691</u>	<u>\$ 24,880</u>	<u>\$ 998,494</u>

Proprietary Funds

	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Accounts	\$ 61,891	\$ 27,444	\$ 89,335
Intergovernmental Grants	<u>-</u>	<u>-</u>	<u>-</u>
Gross Receivable	61,891	27,444	89,335
Less: Allowance for Uncollectibles	<u>(16,000)</u>	<u>-</u>	<u>\$ (16,000)</u>
Net Total Receivables	<u>\$ 45,891</u>	<u>\$ 27,444</u>	<u>\$ 73,335</u>

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Governmental Funds –

Intergovernmental revenues for the year ended December 31, 2011 consist of the following:

State of Georgia, Dept of Transportation - Transportation improvements	\$ 180,000
MARTA - Transportation improvements	330,655
DeKalb County - Economic development	157,480
Total Intergovernmental Revenue	<u>\$ 668,135</u>

Intergovernmental receivables as of December 31, 2011 consist of the following:

State of Georgia, Dept of Transportation - Transportation improvements	\$ 180,000
MARTA - Transportation improvements	255,691
DeKalb County - Economic development	24,880
Total Intergovernmental Receivable	<u>\$ 460,571</u>

Proprietary Funds –

In September 2009 North Georgia received torrential rains amounting to approximately 15 to 18 inches in a one to two day period. The severe rain lead to massive flooding and resulted in the loss of many homes and other buildings and significant damage to infrastructure, i.e. roads, bridges, utility systems etc...

The City of Stone Mountain did incur a significant amount of damage to its roads, streets and drainage facilities. The total cost of the damage to the City amounted to approximately \$475,000. The Federal Emergency Management Agency and the Georgia Emergency Management Agency has provided financial assistance to the City to help finance the cost of the damages. The City has requested reimbursements of \$393,728 and has received \$386,685 as of December 31, 2011. No additional amounts are due from FEMA and GEMA as of December 31, 2011

During 2011, the City received \$50,423 from the U. S. Department of Agriculture, Natural Resources Conservation Services, for stream bank restoration and debris and sedimentation removal due to damage also caused by the 2009 flood..

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2011 were as follows:

Payable From	Payable To		
	General	Stormwater Management	Total
General	\$ -	\$ 376,765	\$ 376,765
Nonmajor	-	-	-
Total	<u>\$ -</u>	<u>\$ 376,765</u>	<u>\$ 376,765</u>

Individual interfund transfers for the year ended December 31, 2011 were as follows:

Transfer From	Solid Waste	Capital Projects	Nonmajor	Total
General	\$ 27,796	\$ 301,229	\$ 23,072	\$ 352,097
Solid Waste	-	-	-	-
Total	<u>\$ 27,796</u>	<u>\$ 301,229</u>	<u>\$ 23,072</u>	<u>\$ 352,097</u>

The City uses only one operating bank account for all the City's deposits and disbursements purposes. All monies collected for other funds and all expenditures for other funds are made through the General Fund operating bank account. The net amount for each fund is recorded as either a transfer in or out or a due to or from the General Fund. The transfers from the General Fund to the other funds are made to supplement the operations of the other funds. The amount payable to the Stormwater Fund from the General Fund is due to the net cash flows of the Stormwater Fund and is expected to be repaid to the Stormwater Fund in future years.

7. COMMITMENTS AND CONTINGENCIES

The City is a defendant in several lawsuits. Although the outcomes of these matters are not presently determinable, in the opinion of the City attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has several significant transportation improvement project in progress as of December 31, 2011. The projects consist of streetscapes, sidewalks, traffic signals and other street improvements. Total cost of the project is expected to be approximately \$2,450,000. The projects are to be financed through Transportation Enhancement Grants and contributions from the Metro Atlanta Rapid Transit Authority (MARTA). Cost incurred through December 31, 2011 for these projects total approximately \$155,000. The City is also beginning to make improvements to the old train depot. Total estimated cost for this project is \$294,000. The City is financing this project through grants and \$58,000 from other City sources.

The City is also in the process of constructing a new City Hall. Total cost, including land purchases, is expected to be approximately \$2,000,000. Cost incurred through December 31, 2011 for this project is approximately \$1,733,000. This project is to be financed by a capital lease obligation through the Georgia Municipal Association in the amount of \$1,525,000 with the remaining amount to come from the General Fund..

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 471,774	\$ -	\$ -	\$ 471,774
Construction in progress	<u>2,036,128</u>	<u>1,821,822</u>	<u>(1,807,745)</u>	<u>2,050,205</u>
Total	<u>2,507,902</u>	<u>1,821,822</u>	<u>(1,807,745)</u>	<u>2,521,979</u>
Capital assets being depreciated:				
Buildings & improvements	196,844	91,123	-	287,967
Infrastructure	257,919	1,807,745	-	2,065,664
Vehicles, including related equipment	540,680	77,368	-	618,048
Furniture and other equipment	<u>729,015</u>	<u>79,268</u>	<u>-</u>	<u>808,283</u>
Total capital assets being depreciated	<u>1,724,458</u>	<u>2,055,504</u>	<u>-</u>	<u>3,779,962</u>
Less accumulated depreciation for:				
Buildings & improvements	75,435	7,390	-	82,825
Infrastructure	25,912	29,045	-	54,957
Vehicles, including related equipment	358,537	66,170	-	424,707
Furniture and other equipment	<u>492,660</u>	<u>48,289</u>	<u>-</u>	<u>540,949</u>
Total accumulated depreciation	<u>952,544</u>	<u>150,894</u>	<u>-</u>	<u>1,103,438</u>
Total capital assets being depreciated, net	<u>771,914</u>	<u>1,904,610</u>	<u>-</u>	<u>2,676,524</u>
Governmental capital assets, net	<u>\$ 3,279,816</u>	<u>\$ 3,726,432</u>	<u>\$ (1,807,745)</u>	<u>\$ 5,198,503</u>

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

Administrative	\$ 13,425
Police	90,172
Highways and Streets	43,779
Parks	1,058
Cemetery	<u>2,460</u>
Total depreciation expense	<u>\$ 150,894</u>

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Vehicles, including related equipment	\$ 68,481	\$ -	\$ -	\$ 68,481
Machinery and equipment	46,716	-	-	46,716
Infrastructure	608,997	157,444	-	766,441
Total capital assets being depreciated	724,194	157,444	-	881,638
Less accumulated depreciation for:				
Vehicles, including related equipment	45,787	7,775	-	53,562
Machinery and equipment	12,300	4,671	-	16,971
Infrastructure	24,035	17,008	-	41,043
Total accumulated depreciation	82,122	29,454	-	111,576
Business-Type Activities capital assets, net	\$ 642,072	\$ 127,990	\$ -	\$ 770,062

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

Solid Waste Management	\$ 12,446
Stormwater Management	17,008
Total depreciation expense	\$ 29,454

9. LONG-TERM DEBT

Changes in General Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2011:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Capital leases - equipment	\$ 104,045	\$ 77,367	\$ (57,910)	\$ 123,502	\$ 51,741
Capital leases - facilities	-	1,525,000	-	1,525,000	49,845
Accrued compensated absences	58,393	123,254	(115,637)	66,010	10,000
Total Governmental Activities	\$ 162,438	\$ 1,725,621	\$ (173,547)	\$ 1,714,512	\$ 111,586

(See Independent Auditor's Report

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

9. LONG-TERM DEBT, (Continued)

The General Fund is used to liquidate all governmental activity long-term debt.

The Solid Waste Management Fund is used to liquidate all business-type activity long-term debt.

The City has entered into various lease-purchase and security agreements with a private corporation for vehicles and related equipment and machinery and equipment with an original cost of \$191,807 and \$57,583 respectively. Since the City intends to continue to abide by the terms of the lease agreements and eventually own the equipment, the equipment and the related liability were recorded at the present value of the future payments due under the lease. The interest rates under the terms of the lease agreements range between 3.03% and 4.86%.

In February 2011 the City entered into a lease purchase agreement with the Georgia Municipal Association to construct a building to be used as the new City administration facilities. The total obligation under the capital lease agreement amounted to \$1,525,000 with interest at 4.26%. The land and building are securing the debt.

Annual repayment requirements under the capital lease agreements are as follows:

F/Y/E December 31	Capital Leases - Equipment		Capital Leases - Facilities		Total
	Principal	Interest	Principal	Interest	
2012	\$ 51,741	\$ 3,316	\$ 49,845	\$ 64,965	\$ 169,867
2013	40,146	1,799	51,969	62,842	156,756
2014	26,485	582	54,183	60,628	141,878
2015	5,130	27	56,491	58,319	119,967
2016	-	-	58,898	55,913	114,811
2017	-	-	61,407	53,404	114,811
2018	-	-	64,023	50,788	114,811
2019	-	-	66,750	48,061	114,811
2020	-	-	69,594	45,217	114,811
2021	-	-	72,558	42,252	114,810
2022	-	-	75,649	39,161	114,810
2023	-	-	78,872	35,939	114,811
2024	-	-	82,232	32,579	114,811
2025	-	-	85,735	29,076	114,811
2026	-	-	89,387	25,423	114,810
2027	-	-	93,195	21,615	114,810
2028	-	-	97,165	17,645	114,810
2029	-	-	101,306	13,506	114,812
2030	-	-	105,621	9,191	114,812
2031	-	-	110,120	4,691	114,811
	<u>\$ 123,502</u>	<u>\$ 5,724</u>	<u>\$ 1,525,000</u>	<u>\$ 771,215</u>	<u>\$ 2,425,441</u>

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

10. DEFERRED REVENUES

Deferred revenues as of December 31, 2011, reported in the Governmental Fund's balance sheet, consisted of the following revenue items which had been earned and were measurable but were not received within 60 days after year end and therefore were not considered available:

Property Taxes	\$ 62,028
Grants	280,572
Fines and Forfeitures	179,872

Amounts received but not yet earned as of

December 31, 2010:

Reported in Governmental Fund's balance
sheet and Statement of Net Assets
Occupation Taxes

7,600

Total

\$ 530,072

11. RISK MANAGEMENT

The City of Stone Mountain is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. The City did not experience any significant reductions in insurance coverage from the prior year. The City did not experience any settlements which exceeded insurance coverage for its past three fiscal years..

Coverages are as follow:

Coverage Description - Property:

Buildings and contents - (Blanket)

\$ 3,117,833

Automobile physical damage

Per application

Coverage Description - Casualty:

Comprehensive general liability

\$ 2,000,000

Automobile liability

\$ 2,000,000

Errors and omissions (Public Officials)

\$ 2,000,000

Employee benefits liability

\$ 2,000,000

Law enforcement liability

\$ 2,000,000

Coverage Description - Crime:

Blanket bond - employees required to be bonded

\$ 500,000

Blanket bond - all other employees

\$ 500,000

Depositors forgery

\$ 500,000

Money and securities - loss inside and outside premises

\$ 250,000

Deductible:

All coverages are subject to a per occurrence deductible of

\$1,000 to \$2,500

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

12. HOTEL / MOTEL TAX

The City levies a 5% hotel/motel tax in accordance with the provisions of OCGA 48-13-51. In order to comply with the expenditures provisions of this code section, the City expends 40% of monies collected under this provision for tourism and promotional purposes by contracting with the Stone Mountain Visitor's Center. During the year ended December 31, 2011, the City collected hotel/motel taxes in the amount of \$1,003 and expended 100% for tourism under the Visitor's Center contract.

13. JOINT VENTURE

Under Georgia law, the city, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in a regional development center (RDC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and 15 citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RDC. Separate financial statements may be obtained from:

Atlanta Regional Commission
3715 Northside Parkway
Building 200, Suite 300
Atlanta, Georgia 30327

14. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all employees, permits deferral of a portion of their salary until future years. Participation is optional. These plans are not reported in the City's Agency Fund.

15. DOWNTOWN DEVELOPMENT AUTHORITY – NOTE PAYABLE

In December 2010 the City's General Fund loaned the Downtown Development Authority \$175,000 for the purpose of purchasing a building located in the downtown area. The land and building cost approximately \$156,700 and is being used by the Authority as its operating facility and is also renting a portion of the building to local businesses.

In February 2011 the Downtown Development Authority borrowed \$200,000 from a financial institution. The loan proceeds were used to refinance the City's General Fund loan of \$175,000 and to pay loan closing costs. The loan has interest at 6.05% and is due in equal annual installments of \$20,660 until February 2026. The land and building are security under the note agreement. As part of the loan agreement, the City has covenanted to levy an annual tax (not exceeding three mills per dollar upon the assessed value of the taxable property of the City) beginning with the calendar year 2011, and from year to year thereafter, on all taxable property located within the boundaries of the City, to produce in each calendar year revenues sufficient to fulfill the City's obligations hereunder, from which revenues there shall be appropriated sums sufficient to pay in full when due all of the obligations herein contracted to be paid by the City.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

15. DOWNTOWN DEVELOPMENT AUTHORITY – NOTE PAYABLE, (Continued)

Annual repayment requirements under the debt agreement are as follow:

<u>F/Y/E</u>			
<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	
2012	8,560	12,100	
2013	9,078	11,582	
2014	9,627	11,033	
2015	10,209	10,450	
2016	10,827	9,833	
2017	11,482	9,178	
2018	12,177	8,483	
2019	12,913	7,746	
2020	13,695	6,965	
2021	14,523	6,139	
2022	15,402	5,258	
2023	16,334	4,326	
2024	17,322	3,338	
2025	18,370	2,290	
2026	19,481	1,179	
2027	-	-	
2028	-	-	
2029	-	-	
2030	-	-	
2031	-	-	
	<u>\$ 200,000</u>	<u>\$ 109,900</u>	

16. EMPLOYEE BENEFIT PLANS

A. Plan Description

The City's defined benefit pension plan, City of Stone Mountain's Retirement Plan (SRP), provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by the City Council. SRP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303.

B. Funding Policy

SRP members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 9.50% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

16. EMPLOYEE BENEFIT PLANS-(Continued)

C. Annual Pension Cost

For the fiscal year, the City's annual pension cost of \$138,350 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases of 3.5% plus age and service based merit increases per year. Both (a) and (b) included an inflation component of 3.5%. The actuarial of SRP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. SRP's unfunded actuarial accrued liability is being amortized (closed level dollar method) over a 30-year period from 1981 and current changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20-years for plan provision and 30 years for actuarial assumptions and cost methods. The remaining amortization period at December 31, 2011 was 4 years. Those amortization periods, if applicable, are closed for this plan year. The actuarial accrued liability as of July 1, 2010 was \$1,831,012. Plan provisions and actuarial assumptions are the same as those used in previous valuations.

D. Trend Information

Annual trend information required by generally accepted accounting principles is present on page 41 and reveals the progress made in accumulating sufficient assets to pay benefits when due.

Three-Year Trend Information for SRP

Actuarial Report Date	Calendar Year Expense	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
7/1/2010	2011	\$ 138,350	100.0%	\$ -
10/1/2009	2010	\$ 152,346	100.0%	\$ -
11/1/2008	2009	\$ 122,338	100.0%	\$ -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	\$ 2,134,840	\$ 2,044,402	\$ (90,438)	104.4%	\$ 1,334,568	-6.8%
7/1/2010	\$ 1,908,589	\$ 1,831,012	\$ (77,577)	104.2%	\$ 1,431,481	-5.4%
10/1/2009	\$ 1,710,744	\$ 1,926,004	\$ 215,260	88.8%	\$ 1,431,979	15.0%

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

17. DEFERRED COST

Deferred cost as of December 31, 2011, consists of the following:

Debt issuance cost, net of accumulated amortization of \$857	<u>\$ 19,712</u>
-----------------------------------------------------------------	------------------

Debt issuance costs are considered a part of debt service expenditures in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the Statement of Net Assets. Debt issuance costs are being amortized using the straight line method over the life of the related debt issue.

18. SHORT TERM BORROWINGS

In June 2011 the City entered into a tax anticipation note obligation for operating purposes of \$450,000 at a local financial institution. The borrowing, with a variable interest rate equal to 30-day LIBOR plus 1.9%, matured on December 31, 2011. Total short-term borrowings interest incurred and expensed for the year ended December 31, 2011 was \$4,228.

The following is a summary of the City's short-term borrowings for the year ended December 31, 2011:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Tax anticipation note	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ (450,000)</u>	<u>\$ -</u>

19. SUBSEQUENT EVENTS

In April 2012, the City issued a tax anticipation note for operating purposes of \$675,000 at a local financial institution. The borrowing, with a variable interest rate of LIBOR plus 1.9%, matures on December 31, 2012.

20. RECURRING FINANCIAL DEFICITS

The City has suffered significant losses in its General Fund over the last five years. Total losses over the last five years have amounted to \$2,281,713. This situation has resulted in the City's General Fund having a fund balance of \$13,153, including an unassigned fund balance deficit of \$2,935. As a result the City has incurred significant cash flow problems.

Management is working within a balanced budget for 2012 and will be striving to increase the General Fund's reserves in future years through increase revenues and reductions in expenditures.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

21. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

- A. Deficit fund balances or net assets balances of individual funds – As of December 31, 2011 the Artist Micro Enterprise Fund of the City had a deficit fund balance of \$16,073. This deficit will be funded by future grant payments that were deferred as of December 31, 2011.
- B. Excess of expenditures over appropriations in individual funds – The City had one fund that incurred material excesses (if over 5 percent and greater than \$5,000) of expenditures over appropriations at the department level (the legal level of control) as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Hotel / Motel Tax Fund			
Tourism and Promotion	\$ <u>14,000</u>	\$ <u>19,971</u>	\$ <u>(5,971)</u>

- C. The City has created a Tax Allocation District #1 (TAD) which centers on the City's Main Street commercial core, select commercial and residential areas and a 50-acre tract of newly incorporated, underdeveloped land. As taxable property is redeveloped and therefore improved, any property tax revenue increase above the base year value within the TAD is deposited into a special fund to pay for redevelopment costs within the TAD. The 2008 base year taxable value within the TAD was \$9,681,680. Subsequent years' taxable values inside the TAD have decreased. Therefore, no taxes were realized that were required to be deposited into a special fund as of December 31, 2011.

(See Independent Auditor's Report)

**CITY OF STONE MOUNTAIN, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF PENSION PLAN FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2011	\$ 2,134,840	\$ 2,044,402	\$ (90,438)	104.4%	\$ 1,334,568	-6.8%
7/1/2010	\$ 1,908,589	\$ 1,831,012	\$ (77,577)	104.2%	\$ 1,431,481	-5.4%
10/1/2009	\$ 1,710,744	\$ 1,926,004	\$ 215,260	88.8%	\$ 1,431,979	15.0%
11/1/2008	\$ 1,643,577	\$ 1,738,906	\$ 95,329	94.5%	\$ 1,287,889	7.4%
11/1/2007	\$ 1,493,518	\$ 1,488,626	\$ (4,892)	100.3%	\$ 1,149,047	-0.4%
11/1/2006	\$ 1,344,920	\$ 1,261,157	\$ (83,763)	106.6%	\$ 1,052,073	-8.0%
11/1/2005	\$ 1,229,705	\$ 1,135,767	\$ (93,938)	108.3%	\$ 771,160	-12.2%
11/1/2004	\$ 1,120,801	\$ 1,082,080	\$ (38,721)	103.6%	\$ 944,923	-4.1%
11/1/2003	\$ 1,024,228	\$ 1,007,232	\$ (16,996)	101.7%	\$ 831,880	-2.0%
11/1/2002	\$ 934,965	\$ 975,200	\$ 40,235	95.9%	\$ 807,121	5.0%

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NONMAJOR FUNDS

**CITY OF STONE MOUNTAIN, GEORGIA
DECEMBER 31, 2011
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Cemetery Fund - The Cemetery Fund is used to account for revenues from cemetery related services and contributions.

Police Asset Forfeiture Fund - To account for the assets confiscated from investigations into illegal drug activities. These assets are legally restricted to expenditures for law enforcement purposes.

Hotel / Motel Tax Fund - This fund is used by the City to account for proceeds from the City's Hotel / Motel Tax and the required 40% payment to a non-profit organization for promotional services.

Artists Micro-Enterprise Fund - To account for the proceeds from grants and other specific sources related to the Micro-Enterprise Program sponsored by the City to enhance economic development.

**CITY OF STONE MOUNTAIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Special Revenue				Total
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Artists Micro- Enterprise Fund	
Assets					
Cash	\$ -	\$ 3,886	\$ -	\$ 1,446	\$ 5,332
Taxes receivable	-	-	-	-	-
Grant receivable	-	-	-	24,880	24,880
Deposits	-	-	-	10,040	10,040
	<u>\$ -</u>	<u>\$ 3,886</u>	<u>\$ -</u>	<u>\$ 36,366</u>	<u>\$ 40,252</u>
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 27,559	\$ 27,559
Due to other funds	-	-	-	-	-
Deferred revenues	-	-	-	24,880	24,880
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,439</u>	<u>52,439</u>
Fund Equity					
Restricted for Police Service	-	3,886	-	-	3,886
Unassigned	-	-	-	(16,073)	(16,073)
Total Equity	<u>-</u>	<u>3,886</u>	<u>-</u>	<u>(16,073)</u>	<u>(12,187)</u>
Total Liabilities and Fund Equity	<u>\$ -</u>	<u>\$ 3,886</u>	<u>\$ -</u>	<u>\$ 36,366</u>	<u>\$ 40,252</u>

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue				
	Cemetery	Police	Hotel /	Artists	
	Fund	Asset	Motel	Micro-	
	Fund	Forfeiture	Fund	Enterprise	Total
Revenues:					
Cemetery lot sales	\$ 2,850	\$ -	\$ -	\$ -	\$ 2,850
Taxes	-	-	1,003	-	1,003
Intergovernmental	-	-	-	157,480	157,480
Fines and forfeitures	-	-	-	-	-
Other	5,300	-	9,000	12,750	27,050
Total Revenue	8,150	-	10,003	170,230	188,383
Expenditures;					
Current:					
Purchased/contracted services	14,785	-	19,971	184,050	218,806
Supplies	-	-	-	30,327	30,327
Total Expenditures	14,785	-	19,971	214,377	249,133
Excess (deficiency) of					
revenues over expenditures	(6,635)	-	(9,968)	(44,147)	(60,750)
Other financing sources (uses)					
Transfers in (out)	6,635	-	8,618	7,819	23,072
Net Change in Fund Balances	-	-	(1,350)	(36,328)	(37,678)
Fund Balance-Beginning					
of Year	-	3,886	1,350	20,255	25,491
Fund Balance-End of Year	\$ -	\$ 3,886	\$ -	\$ (16,073)	\$ (12,187)

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010

Assets

	<u>2011</u>	<u>2010</u>
Cash	\$ 521,746	\$ 770,657
Receivables -		
Property taxes	78,461	126,928
Franchise taxes	178,286	167,092
Other taxes	41,261	6,273
Fines, net of allowance for bad debts of \$386,000 in 2011 and 410,000 in 2010	226,568	241,269
Intergovernmental	-	-
Miscellaneous	13,347	28,836
Due from other funds	-	684
Due from DDA	-	175,000
Prepaid expenses	16,088	49,704
Restricted assets		
Cash	-	-
 Total assets	 <u>\$ 1,075,757</u>	 <u>\$ 1,566,443</u>

Liabilities and Fund Equity

Liabilities

Accounts payable	\$ 333,979	\$ 63,569
Accrued liabilities	102,360	174,721
Due to other funds	376,765	347,402
Deferred revenue	<u>249,500</u>	<u>288,441</u>
 Total liabilities	 <u>1,062,604</u>	 <u>874,133</u>

Fund Balance

Fund balance:		
Nonspendable - prepaid items	16,088	49,704
Unassigned	<u>(2,935)</u>	<u>642,606</u>
 Total fund balance	 <u>13,153</u>	 <u>692,310</u>
 Total liabilities and fund balance	 <u>\$ 1,075,757</u>	 <u>\$ 1,566,443</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2011 and 2010

	2011	2010
Revenues:		
Taxes	\$ 1,698,667	\$ 1,723,020
Business licenses and permits	60,090	51,242
Intergovernmental	-	-
Service fees	10,934	12,588
Fines and forfeitures	937,332	1,027,823
Interest	648	4,169
Rents	10,475	8,350
Miscellaneous	29,586	15,398
Total revenues	<u>2,747,732</u>	<u>2,842,590</u>
Expenditures:		
Current:		
Governing Body	38,898	36,382
General Government	185,833	149,389
Financial Administration	331,208	316,017
Government Buildings	19,518	16,253
Municipal Court	384,083	430,585
Public Safety	1,353,583	1,367,919
Highways and Streets	389,026	459,996
Culture and Recreation	159,765	187,887
Economic Development	97,396	132,202
Community Development	52,643	69,063
Total current expenditures	<u>3,011,953</u>	<u>3,165,693</u>
Capital Outlay		
General Government	-	-
Government Buildings	-	83,206
Municipal Court	-	1,011
Public Safety	77,368	45,768
Highway and Streets	-	-
Culture and Recreation	-	-
Total capital expenditures	<u>77,368</u>	<u>129,985</u>
Debt service		
Principal	57,910	57,509
Interest	4,928	4,593
Total debt service	<u>62,838</u>	<u>62,102</u>
Total expenditures	<u>3,152,159</u>	<u>3,357,780</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(404,427)</u>	\$ <u>(515,190)</u>
Other financing sources (uses)		
Capital lease proceeds	77,367	25,667
Sale of capital assets	-	400
Transfers (net)	<u>(352,097)</u>	<u>(174,056)</u>
Total other financing sources (uses)	<u>(274,730)</u>	<u>(147,989)</u>
Net change in fund balance	(679,157)	(663,179)
Fund Balance-Beginning of Year	<u>692,310</u>	<u>1,355,489</u>
Fund Balance-End of Year	<u>\$ 13,153</u>	<u>\$ 692,310</u>

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULES OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual amounts for the year ended December 31, 2010)

	2011			2010
	Final Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Property	\$ 1,148,837	\$ 949,696	\$ (199,141)	\$ 950,749
Utility franchise	232,800	255,459	22,659	246,090
Host tax	-	65,215	65,215	-
Alcoholic beverage	15,000	29,632	14,632	16,917
Insurance premium	282,724	272,138	(10,586)	384,628
Motor vehicle	58,400	59,680	1,280	56,328
Intangible taxes	7,000	10,249	3,249	7,679
Business and occupational	51,200	54,446	3,246	56,637
Other taxes	2,000	2,152	152	3,992
Total taxes	<u>1,797,961</u>	<u>1,698,667</u>	<u>(99,294)</u>	<u>1,723,020</u>
Business Licenses and Permits	<u>31,300</u>	<u>60,090</u>	<u>28,790</u>	<u>51,242</u>
Service Fees				
Police services	8,500	8,529	29	9,417
Miscellaneous	<u>11,249</u>	<u>2,405</u>	<u>(8,844)</u>	<u>3,171</u>
Total service fees	<u>19,749</u>	<u>10,934</u>	<u>(8,815)</u>	<u>12,588</u>
Fines and Forfeitures	<u>1,046,100</u>	<u>937,332</u>	<u>(108,768)</u>	<u>1,027,823</u>
Rents	<u>16,350</u>	<u>10,475</u>	<u>(5,875)</u>	<u>8,350</u>
Interest Earned	<u>4,500</u>	<u>648</u>	<u>(3,852)</u>	<u>4,169</u>
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Other	<u>200</u>	<u>29,586</u>	<u>29,386</u>	<u>15,398</u>
Total	<u>200</u>	<u>29,586</u>	<u>29,386</u>	<u>15,398</u>
Total Revenues	<u>\$ 2,916,160</u>	<u>\$ 2,747,732</u>	<u>\$ (168,428)</u>	<u>\$ 2,842,590</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual totals for the year ended December 31, 2010)

	2011			2010
	Final Budget	Actual	Variance	Actual
Expenditures				
Governing Body				
Personal services and benefits	\$ 36,266	\$ 35,218	\$ 1,048	\$ 33,479
Purchased / contracted services	14,328	3,232	11,096	2,634
Supplies	905	448	457	269
Total operating	51,499	38,898	12,601	36,382
Total Governing Body	51,499	38,898	12,601	36,382
General Government				
Personal services and benefits	5,700	3,256	2,444	-
Purchased / contracted services	145,465	150,537	(5,072)	138,602
Supplies	16,210	12,048	4,162	2,270
Other	19,563	19,992	(429)	8,517
Total operating	186,938	185,833	1,105	149,389
Capital outlay	-	-	-	-
Total General Government	186,938	185,833	1,105	149,389
Financial Administration				
Personal services and benefits	283,750	277,195	6,555	260,652
Purchased / contracted services	47,401	45,653	1,748	43,618
Supplies	11,305	8,360	2,945	11,747
Total operating	342,456	331,208	11,248	316,017
Capital outlay	-	-	-	-
Total Financial Administration	342,456	331,208	11,248	316,017

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual totals for the year ended December 31, 2010)

	2011			2010
	Final Budget	Actual	Variance	Actual
Government Buildings				
Purchased / contracted services	\$ 7,366	\$ 8,118	\$ (752)	\$ 5,927
Supplies	12,990	11,400	1,590	10,326
Total operating	20,356	19,518	838	16,253
Capital outlay	-	-	-	83,206
Total Government Buildings	20,356	19,518	838	99,459
Municipal Court				
Personal services and benefits	142,095	134,338	7,757	155,195
Purchased / contracted services	53,455	48,651	4,804	51,368
Supplies	2,610	2,182	428	2,234
Payments to others	214,710	198,912	15,798	221,788
Total operating	412,870	384,083	28,787	430,585
Capital outlay	-	-	-	1,011
Total Municipal Court	412,870	384,083	28,787	431,596
Public Safety				
Police				
Personal services and benefits	1,167,442	1,177,678	(10,236)	1,214,912
Purchased / contracted services	91,105	102,048	(10,943)	87,542
Supplies	76,040	73,857	2,183	65,465
Total operating	1,334,587	1,353,583	(18,996)	1,367,919
Capital outlay	77,500	77,368	132	45,768
Total Public Safety	1,412,087	1,430,951	(18,864)	1,413,687

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual totals for the year ended December 31, 2010)

	2011			2010
	Final Budget	Actual	Variance	Actual
Highways and Streets				
Personal services and benefits	\$ 230,135	\$ 222,375	\$ 7,760	\$ 279,449
Purchased / contracted services	40,653	36,927	3,726	75,862
Supplies	140,359	129,724	10,635	104,685
Total operating	411,147	389,026	22,121	459,996
Capital outlay	-	-	-	-
Total Highways and Streets	411,147	389,026	22,121	459,996
Culture and Recreation				
Personal services and benefits	134,000	134,227	(227)	159,094
Purchased / contracted services	19,200	17,773	1,427	22,939
Supplies	9,190	7,765	1,425	5,854
Total operating	162,390	159,765	2,625	187,887
Capital outlay	-	-	-	-
Total Recreation	162,390	159,765	2,625	187,887

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual totals for the year ended December 31, 2010)

	2011			2010
	Final Budget	Actual	Variance	Actual
Economic Development				
Personal services and benefits	\$ 56,240	\$ 57,257	\$ (1,017)	\$ 57,189
Purchased / contracted services	62,439	37,320	25,119	72,091
Supplies	3,551	2,819	732	2,922
Total operating	122,230	97,396	24,834	132,202
Capital outlay	-	-	-	-
Total Economic Development	122,230	97,396	24,834	132,202
Community Development				
Personal services and benefits	57,735	52,442	5,293	55,973
Purchased / contracted services	3,500	201	3,299	13,090
Total Community Development	61,235	52,643	8,592	69,063
Debt Service				
Principal	177,315	57,910	119,405	57,509
Interest	5,000	4,928	72	4,593
Total Debt Service	182,315	62,838	119,477	62,102
Total Expenditures	\$ 3,365,523	\$ 3,152,159	\$ 213,364	\$ 3,357,780

SPECIAL REVENUE FUNDS

Cemetery Fund - The Cemetery Fund is used to account for revenues from cemetery related services and contributions.

Police Asset Forfeiture Fund - To account for the assets confiscated from investigations into illegal drug activities. These assets are legally restricted to expenditures for law enforcement purposes.

Hotel / Motel Tax Fund - This fund is used by the City to account for proceeds from the City's Hotel / Motel Tax and the required 40% payment to a non-profit organization for promotional services.

Artists Micro-Enterprise Fund - This fund is used to account for the proceeds from grants and other specific sources related to the Micro-Enterprise Program sponsored by the City to enhance economic development.

**CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010**

Assets	<u>2011</u>	<u>2010</u>
Due from other funds	\$ -	\$ -
Total Assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund balance		
Restricted for cemetery up-keep	-	-
Total fund balance	<u>\$ -</u>	<u>\$ -</u>

CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual amounts for the year ended December 31, 2010)

	2011			2010
	Budget	Actual	Variance	Actual
Revenues				
Cemetery lot sales	\$ 1,500	\$ 2,850	\$ 1,350	\$ 1,900
Gifts	5,000	5,300	300	5,200
Total Revenues	<u>6,500</u>	<u>8,150</u>	<u>1,650</u>	<u>7,100</u>
Expenditures				
Current				
Salaries and benefits	-	-	-	-
Purchased/contracted services	15,700	14,785	915	12,900
Capital outlay	-	-	-	-
Total Expenditures	<u>15,700</u>	<u>14,785</u>	<u>915</u>	<u>12,900</u>
Excess of revenues over (under) expenditures	(9,200)	(6,635)	2,565	(5,800)
Other financing sources (uses)				
Transfers	9,200	6,635	(2,565)	5,800
Net change in fund balance	-	-	-	-
Fund Balance-Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance-End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010**

Assets	<u>2011</u>	<u>2010</u>
Cash	\$ <u>3,886</u>	\$ <u>4,570</u>
Total assets	\$ <u><u>3,886</u></u>	\$ <u><u>4,570</u></u>
 Liabilities and Fund Balance		
Liabilities		
Due to other funds	<u>-</u>	<u>684</u>
Fund balance:		
Restricted for police budget enhancement	<u>3,886</u>	<u>3,886</u>
Total liabilities and fund balance	\$ <u><u>3,886</u></u>	\$ <u><u>4,570</u></u>

CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual amounts for the year ended December 31, 2010)

	2011			2010
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Forfeitures	\$ 4,000	\$ -	\$ (4,000)	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>
Expenditures				
Current -				
Supplies	800	-	800	684
Capital outlay-				
Machinery and equipment	<u>3,200</u>	<u>-</u>	<u>3,200</u>	<u>-</u>
Total Expenditures	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>684</u>
Excess (deficiency) of				
Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(684)</u>
Other financing sources (uses)				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	(684)
Fund Balance-Beginning				
of Year	<u>3,886</u>	<u>3,886</u>	<u>-</u>	<u>4,570</u>
Fund Balance-End of Year	<u>\$ 3,886</u>	<u>\$ 3,886</u>	<u>\$ -</u>	<u>\$ 3,886</u>

**CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Assets		
Taxes receivable	\$ -	\$ 1,350
Total Assets	<u>\$ -</u>	<u>\$ 1,350</u>
Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund balance - Restricted for Tourism and Promotion	-	1,350
Total Liabilities and Equity	<u>\$ -</u>	<u>\$ 1,350</u>

CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual amounts for the year ended December 31, 2010)

	2011			2010
	Budget	Actual	Variance	Actual
Revenues				
Hotel / Motel tax	\$ 1,500	\$ 1,003	\$ (497)	\$ 2,131
Contributions from SMMA	9,000	9,000	-	9,000
Total Revenues	10,500	10,003	(497)	11,131
Expenditures				
Current -				
Tourism and Promotion	14,000	19,971	(5,971)	14,307
Total Expenditures	14,000	19,971	(5,971)	14,307
Excess (deficiency) of Revenues over Expenditures	(3,500)	(9,968)	(6,468)	(3,176)
Other financing sources (uses)				
Transfers in (out)	3,500	8,618	5,118	3,500
Net change in fund balance	-	(1,350)	(1,350)	324
Fund Balance-Beginning of Year	1,350	1,350	-	1,026
Fund balance-end of Year	\$ 1,350	\$ -	\$ (1,350)	\$ 1,350

**CITY OF STONE MOUNTAIN, GEORGIA
ARTISTS MICROENTERPRISE FUND
BALANCE SHEET
DECEMBER 31, 2011**

Assets	<u>2011</u>	<u>2010</u>
Cash	\$ 1,446	\$ 4,833
Grant receivable	24,880	36,018
Deposits	<u>10,040</u>	<u>9,740</u>
Total Assets	<u>\$ 36,366</u>	<u>\$ 50,591</u>
 Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 27,559	\$ 9,687
Deferred revenues	<u>24,880</u>	<u>20,649</u>
Total Liabilities	<u>52,439</u>	<u>30,336</u>
Fund Balance - unassigned	<u>(16,073)</u>	<u>20,255</u>
Total Liabilities and Fund Balance	<u>\$ 36,366</u>	<u>\$ 50,591</u>

CITY OF STONE MOUNTAIN, GEORGIA
ARTISTS MICROENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual amounts for the year ended December 31, 2010)

	2011			2010
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 256,460	\$ 157,480	\$ (98,980)	\$ 43,191
Rents	4,200	2,875	(1,325)	600
Commissions	3,000	9,170	6,170	849
Miscellaneous	-	705	705	85
			-	
Total Revenues	<u>263,660</u>	<u>170,230</u>	<u>(93,430)</u>	<u>44,725</u>
Expenditures				
Current -				
Purchased / Contracted Services	208,554	184,050	24,504	61,353
Supplies	<u>55,106</u>	<u>30,327</u>	<u>24,779</u>	<u>6,717</u>
Total Expenditures	<u>263,660</u>	<u>214,377</u>	<u>49,283</u>	<u>68,070</u>
Excess (deficiency) of Revenues over Expenditures	-	(44,147)	(44,147)	(23,345)
Other Financing Sources (Uses)				
Transfers	<u>-</u>	<u>7,819</u>	<u>7,819</u>	<u>43,600</u>
Net change in fund balance	-	(36,328)	(36,328)	20,255
Fund balance-Beginning of Year	<u>20,255</u>	<u>20,255</u>	<u>-</u>	<u>-</u>
Fund balance-end of Year	<u>\$ 20,255</u>	<u>\$ (16,073)</u>	<u>\$ (36,328)</u>	<u>\$ 20,255</u>

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Capital Project Funds

Capital Projects Fund - This fund is used to account for the acquisition and construction of capital facilities and equipment, other than those financed by proprietary funds, that are financed with state and federal financial assistance.

**CITY OF STONE MOUNTAIN, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010**

Assets	<u>2011</u>	<u>2010</u>
Cash	\$ 298,178	\$ -
Grant receivable	<u>435,691</u>	<u>833,355</u>
Total Assets	<u>\$ 733,869</u>	<u>\$ 833,355</u>
 Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 326,396	\$ 363,225
Deferred revenues	<u>255,692</u>	<u>623,912</u>
Total Liabilities	<u>582,088</u>	<u>987,137</u>
Fund balance -		
Restricted for capital outlay	151,781	-
Unassigned	<u>-</u>	<u>(153,782)</u>
Total Fund Balance	<u>151,781</u>	<u>(153,782)</u>
Total Liabilities and Fund Balance	<u>\$ 733,869</u>	<u>\$ 833,355</u>

CITY OF STONE MOUNTAIN, GEORGIA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2011
(With comparative actual amounts for the year ended December 31, 2010)

	2011			2010
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	\$ 2,122,085	\$ 510,655	\$ (1,611,430)	\$ 1,142,653
Interest	-	1,217	1,217	-
Contributions	-	-	-	30,500
Total Revenues	<u>2,122,085</u>	<u>511,872</u>	<u>(1,610,213)</u>	<u>1,173,153</u>
Expenditures				
Capital Outlay				
Highways and Streets	1,879,785	204,552	1,675,233	1,502,351
General Government Buildings	2,382,125	1,807,417	574,708	-
Debt Service				
Debt Issue Cost	-	20,569	(20,569)	-
Total Expenditures	<u>4,261,910</u>	<u>2,032,538</u>	<u>2,229,372</u>	<u>1,502,351</u>
Excess (deficiency) of				
Revenues over				
Expenditures	(2,139,825)	(1,520,666)	619,159	(329,198)
Other Financing Sources (Uses)				
Capital Lease Proceeds	1,500,000	1,525,000	25,000	
Transfers	646,825	301,229	(345,596)	175,416
Net change in fund balance	<u>7,000</u>	<u>305,563</u>	<u>298,563</u>	<u>(153,782)</u>
Fund balance-Beginning of Year	<u>(153,782)</u>	<u>(153,782)</u>	<u>-</u>	<u>-</u>
Fund balance-end of Year	<u>\$ (146,782)</u>	<u>\$ 151,781</u>	<u>\$ 298,563</u>	<u>\$ (153,782)</u>

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ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

The Solid Waste Fund is used to account for activities connected with the collection and disposal of solid waste within the City of Stone Mountain. The fund was created in order to comply with the State of Georgia Financial Reporting requirements.

The Stormwater Management Fund is used to account for activities related to solving existing flooding problems and prevent future flood damage, maintaining and improving the system of stormwater management infrastructure and preserving and protecting the beneficial functions of natural drainage systems.

**CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010**

Assets

	<u>2011</u>	<u>2010</u>
Current assets		
Accounts receivable		
Sanitation	\$ 33,818	\$ 31,316
Dumpsters	12,073	13,242
Grant	-	-
Total current assets	<u>45,891</u>	<u>44,558</u>
Noncurrent assets		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	46,716	46,716
Accumulated depreciation	<u>(70,532)</u>	<u>(58,086)</u>
Capital assets (net of depreciation)	<u>44,665</u>	<u>57,111</u>
Total noncurrent assets	<u>44,665</u>	<u>57,111</u>
 Total assets	 <u>90,556</u>	 <u>101,669</u>

Liabilities

Current liabilities		
Accounts payable	-	38,051
Deferred revenue	11,898	11,038
Accrued liabilities	-	-
Customer deposits	-	3,839
Current portion of long term debt	-	-
Current liabilities	<u>11,898</u>	<u>52,928</u>
 Noncurrent liabilities		
Capital lease payable	<u>-</u>	<u>-</u>
Total noncurrent liabilities		
 Total liabilities	 <u>11,898</u>	 <u>52,928</u>

Net Assets

Invested in capital assets	44,665	57,111
Unrestricted	<u>33,993</u>	<u>(8,370)</u>
 Total net assets	 <u>\$ 78,658</u>	 <u>\$ 48,741</u>

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSE AND CHANGES IN NET ASSETS
For the years ended December 31, 2011 and 2010

	2011	2010
OPERATING REVENUES:		
Refuse collection	\$ 362,132	\$ 358,323
Dumpster collection	135,417	131,345
Miscellaneous	-	7,637
	<u>497,549</u>	<u>497,305</u>
Total operating revenues		
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	1,681	2,443
Dumpster collection	120,209	118,216
Sanitation expense	338,595	337,931
Personal services and benefits	17,908	15,131
Purchased / contracted services	1,536	1,536
Supplies	1,053	1,072
Depreciation	12,446	12,446
Bad debt expense	2,000	4,000
Other	-	-
	<u>495,428</u>	<u>492,775</u>
Total operating expenses		
Operating income	<u>2,121</u>	<u>4,530</u>
NONOPERATING INCOME/(EXPENSES)		
Interest expense	-	(56)
	<u>-</u>	<u>(56)</u>
Total nonoperating income/(expense)		
Income before transfers and capital contributions	2,121	4,474
Capital contributions	-	-
Transfers in/(out)	<u>27,796</u>	<u>(54,260)</u>
Change in net assets	29,917	(49,786)
NET ASSETS, BEGINNING OF YEAR	<u>48,741</u>	<u>98,527</u>
NET ASSETS, END OF YEAR	<u>\$ 78,658</u>	<u>\$ 48,741</u>

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 493,237	\$ 500,207
Cash paid to suppliers	(508,303)	(431,164)
Cash paid to employees	<u>(12,730)</u>	<u>(11,289)</u>
Net cash provided by operating activities	<u>(27,796)</u>	<u>57,754</u>
Cash flows from capital financing activities:		
Interest expense	-	(56)
Purchase of capital assets	-	-
Principal paid on capital debt	<u>-</u>	<u>(3,438)</u>
Net cash provided by capital financing activities	<u>-</u>	<u>(3,494)</u>
Cash flows from non-capital financing activities:		
Transfers	<u>27,796</u>	<u>(54,260)</u>
Net cash provided by non-capital financing activities	<u>27,796</u>	<u>(54,260)</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents - Beginning of Year	<u>-</u>	<u>-</u>
Cash and cash equivalents - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS**

	<u>2011</u>	<u>2010</u>
Operating income (loss)	\$ 2,121	\$ 4,530
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12,446	12,446
(Increase) decrease in receivables	(1,333)	3,499
Increase (decrease) in accounts payable	(38,051)	37,876
Increase (decrease) in deferred revenues	860	(597)
Increase (decrease) in customer deposits	(3,839)	-
Increase (decrease) in accrued liabilities	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ (27,796)</u>	<u>\$ 57,754</u>

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Receivables, net -		
Accounts	\$ 27,444	\$ 24,619
Due from FEMA	-	31,868
Due from other funds	376,765	347,402
Total current assets	<u>404,209</u>	<u>403,889</u>
Non-Current Assets		
Capital assets -		
Infrastructure	766,441	608,997
Accumulated depreciation	(41,044)	(24,036)
Capital assets, net of depreciation	<u>725,397</u>	<u>584,961</u>
Total non-current assets	<u>725,397</u>	<u>584,961</u>
Total Assets	<u>1,129,606</u>	<u>988,850</u>
LIABILITIES		
Current liabilities		
Accounts payable	-	-
Total current liabilities	<u>-</u>	<u>-</u>
Noncurrent Liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
NET ASSETS		
Investment in capital assets	725,397	584,961
Unrestricted	<u>404,209</u>	<u>403,889</u>
Total Net Assets	<u>\$ 1,129,606</u>	<u>\$ 988,850</u>

**CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
OPERATING REVENUES		
Charges for services	\$ 146,419	\$ 145,172
Total operating revenues	<u>146,419</u>	<u>145,172</u>
OPERATING EXPENSES		
Purchased/contracted services	32,035	51,304
Supplies	-	-
Depreciation	17,008	14,550
Other	<u>7,043</u>	<u>-</u>
Total operating expenses	<u>56,086</u>	<u>65,854</u>
Operating income (loss)	90,333	79,318
Non-operating revenues and (expenses)		
Interest income	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	90,333	79,318
Capital contributions	50,423	-
Transfers	<u>-</u>	<u>-</u>
Change in net assets	140,756	79,318
NET ASSETS - BEGINNING	<u>988,850</u>	<u>909,532</u>
NET ASSETS - ENDING	<u>\$ 1,129,606</u>	<u>\$ 988,850</u>

**CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 143,594	\$ 141,668
Cash paid to suppliers for goods	(39,078)	(52,173)
Cash paid to employees	<u>-</u>	<u>-</u>
Net cash provided from operating activities	<u>104,516</u>	<u>89,495</u>
Cash flows from investing activities:		
Interest income	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from non-capital financing activities:		
Change in due to/from accounts	<u>(29,363)</u>	<u>(238,104)</u>
Net cash flows from non-capital financing activities	<u>(29,363)</u>	<u>(238,104)</u>
Cash flows from capital financing activities:		
Proceeds from capital contributions	82,291	184,600
Purchase of capital assets	<u>(157,444)</u>	<u>(35,991)</u>
Net cash flows from capital financing activities	<u>(75,153)</u>	<u>148,609</u>
Net cash flows	<u>-</u>	<u>-</u>
Cash and cash equivalents - beginning	<u>-</u>	<u>-</u>
Cash and cash equivalents - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENTS OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED
BY OPERATING ACTIVITIES**

	<u>2011</u>	<u>2010</u>
Operating income (loss)	<u>\$ 90,333</u>	<u>\$ 79,318</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	17,008	14,550
(Increase) decrease in receivables	(2,825)	(3,504)
Increase (decrease) in accounts payable	-	(869)
Total adjustments	<u>14,183</u>	<u>10,177</u>
Net cash from operating activities	<u>\$ 104,516</u>	<u>\$ 89,495</u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Stone Mountain'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.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	74-79
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	80-85
Debt Capacity	
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.	86-87
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	88-89
Operating Information	
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.	90-92

Except where noted, the information in these schedules is derived from the City of Stone Mountain's comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning that year.

City of Stone Mountain, Georgia

Net Assets by Component

Last Eight Fiscal Years

(Accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 664,436	\$ 895,393	\$ 1,020,735	\$ 1,475,486	\$ 1,585,454	\$ 1,609,454	\$ 3,175,772	\$ 3,550,001
Restricted	124,885	15,557	12,142	2,745	2,721	5,596	25,491	155,667
Unrestricted	2,015,042	2,427,274	2,880,389	2,472,384	2,127,081	1,716,520	1,385,922	418,078
Total governmental activities net assets	<u>\$ 2,804,363</u>	<u>\$ 3,338,224</u>	<u>\$ 3,913,266</u>	<u>\$ 3,950,615</u>	<u>\$ 3,715,256</u>	<u>\$ 3,331,570</u>	<u>\$ 4,587,185</u>	<u>\$ 4,123,746</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 3,922	\$ 10,319	\$ 43,204	\$ 177,947	\$ 173,958	\$ 629,640	\$ 642,072	\$ 770,062
Restricted	-	-	-	-	-	-	-	-
Unrestricted	25,572	168,757	265,378	220,738	320,417	378,419	395,519	438,202
Total business-type activities net assets	<u>\$ 29,494</u>	<u>\$ 179,076</u>	<u>\$ 308,582</u>	<u>\$ 398,705</u>	<u>\$ 494,375</u>	<u>\$ 1,008,059</u>	<u>\$ 1,037,591</u>	<u>\$ 1,208,264</u>
Primary government								
Invested in capital assets, net of related debt	\$ 668,358	\$ 905,712	\$ 1,063,939	\$ 1,653,433	\$ 1,759,412	\$ 2,239,094	\$ 3,817,844	\$ 4,320,063
Restricted	124,885	15,557	12,142	2,745	2,721	5,596	25,491	155,667
Unrestricted	2,040,614	2,596,031	3,145,767	2,693,142	2,447,498	2,094,939	1,781,441	856,280
Total primary government net assets	<u>\$ 2,833,857</u>	<u>\$ 3,517,300</u>	<u>\$ 4,221,848</u>	<u>\$ 4,349,320</u>	<u>\$ 4,209,631</u>	<u>\$ 4,339,629</u>	<u>\$ 5,624,776</u>	<u>\$ 5,332,010</u>

City of Stone Mountain, Georgia
Changes in Net Assets
Last Eight Fiscal Years
(Accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses								
Governmental activities:								
Governing body	\$ 25,082	\$ 24,106	\$ 36,700	\$ 25,574	\$ 50,737	\$ 42,733	\$ 71,578	\$ 38,895
General government	229,935	300,505	274,729	220,707	208,332	133,168	70,037	185,915
Financial administration	224,925	208,087	214,228	229,686	308,902	354,633	322,323	351,386
Government buildings	49,766	8,728	22,473	15,858	14,594	21,219	16,254	19,518
Municipal court and public safety	1,312,449	1,317,783	1,410,659	1,673,233	1,674,628	1,764,742	1,956,058	1,823,293
Highways and streets	461,212	428,504	430,845	529,165	524,708	431,402	474,881	457,886
Culture and recreation	29,992	44,399	72,144	39,669	42,249	182,347	188,945	160,823
Community development	108,667	37,526	109,580	153,147	166,143	143,104	238,727	336,258
Tourism and promotion	14,000	14,443	15,334	70,266	66,556	64,058	56,000	48,130
Cemetery	15,000	22,162	16,122	16,673	7,547	22,996	15,361	17,246
Interest on long-term debt	2,709	3,580	7,304	8,370	7,547	6,640	4,593	60,963
Total governmental activities expenses	<u>2,473,737</u>	<u>2,409,823</u>	<u>2,610,118</u>	<u>2,982,348</u>	<u>3,080,513</u>	<u>3,167,042</u>	<u>3,414,757</u>	<u>3,500,313</u>
Business-type activities:								
Solid waste	404,227	419,538	485,940	484,495	501,735	496,873	492,831	495,428
Stormwater management	-	3,163	16,503	93,753	29,160	55,348	65,854	56,086
Total business-type activities expenses	<u>404,227</u>	<u>422,701</u>	<u>502,443</u>	<u>578,248</u>	<u>530,895</u>	<u>552,221</u>	<u>558,685</u>	<u>551,514</u>
Total primary government expenses	<u>\$ 2,877,964</u>	<u>\$ 2,832,524</u>	<u>\$ 3,112,561</u>	<u>\$ 3,560,596</u>	<u>\$ 3,611,408</u>	<u>\$ 3,719,263</u>	<u>\$ 3,973,442</u>	<u>\$ 4,051,827</u>
Program Revenues								
Governmental activities:								
Charges for services:								
Governing body	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General government	-	-	-	-	-	-	-	-
Financial administration	53,974	39,906	78,676	71,471	63,105	70,625	63,294	63,094
Government buildings	-	-	-	-	-	-	-	-
Municipal court and public safety	892,141	897,746	899,938	826,236	737,127	866,900	1,031,744	934,376
Highways and streets	1,500	-	-	-	-	-	-	-
Culture and recreation	2,300	21,134	20,118	8,800	8,325	8,638	8,400	9,875
Community development	-	-	-	-	-	-	1,449	12,750
Tourism and promotion	-	2,201	2,531	-	-	-	-	-
Cemetery	14,200	11,899	1,050	4,500	3,600	17,200	1,900	2,850
Operating grants and contributions	32,208	9,000	39,000	22,336	19,000	9,000	77,840	180,461
Capital grants and contributions	102,183	171,266	71,683	67,357	4,318	50,593	1,679,455	142,434
Total governmental activities program revenues	<u>1,098,506</u>	<u>1,153,152</u>	<u>1,112,996</u>	<u>1,000,700</u>	<u>835,475</u>	<u>1,022,956</u>	<u>2,864,082</u>	<u>1,345,840</u>
Business-type activities:								
Charges for services:								
Solid waste	455,334	465,341	473,556	504,539	493,338	505,396	497,305	497,549
Stormwater management	-	136,401	142,128	142,224	146,746	146,232	145,172	146,419
Operating grants and contributions	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	25,000	-	393,728	-	50,423
Total business-type activities program revenues	<u>455,334</u>	<u>601,742</u>	<u>615,684</u>	<u>671,763</u>	<u>640,084</u>	<u>1,045,356</u>	<u>642,477</u>	<u>694,391</u>
Total primary government program revenues	<u>\$ 1,553,840</u>	<u>\$ 1,754,894</u>	<u>\$ 1,728,680</u>	<u>\$ 1,672,463</u>	<u>\$ 1,475,559</u>	<u>\$ 2,068,312</u>	<u>\$ 3,506,559</u>	<u>\$ 2,040,231</u>

City of Stone Mountain, Georgia

**Changes in Net Assets
Last Eight Fiscal Years
(Accrual basis of accounting)**

	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense)/revenue								
Governmental activities	\$ (1,375,231)	\$ (1,256,671)	\$ (1,497,122)	\$ (1,981,648)	\$ (2,245,038)	\$ (2,144,086)	\$ (550,675)	\$ (2,154,473)
Business-type activities	51,107	179,041	113,241	93,515	109,189	493,135	83,792	142,877
Total primary government net expense	<u>\$ (1,324,124)</u>	<u>\$ (1,077,630)</u>	<u>\$ (1,383,881)</u>	<u>\$ (1,888,133)</u>	<u>\$ (2,135,849)</u>	<u>\$ (1,650,951)</u>	<u>\$ (466,883)</u>	<u>\$ (2,011,596)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes	\$ 963,693	\$ 930,427	\$ 1,216,288	\$ 1,113,066	\$ 1,137,501	\$ 994,644	\$ 966,385	\$ 941,831
Property	197,451	214,465	218,383	218,050	225,309	217,444	246,090	255,459
Franchise	63,859	60,746	58,730	61,103	48,182	44,949	50,587	54,469
Occupational	54,195	61,377	54,812	60,148	71,938	57,809	56,328	59,680
Motor vehicle	-	-	-	-	-	-	-	65,215
Host	39,978	43,941	31,881	23,938	14,589	13,426	7,679	10,249
Intangible	332,612	357,846	374,397	390,538	399,893	396,141	384,628	272,138
Insurance premium	32,872	33,394	43,126	43,000	31,810	17,484	16,917	29,632
Alcohol beverage	4,942	4,357	5,448	2,804	5,319	3,860	2,131	1,002
Hotel/motel	7,662	9,314	8,807	5,478	6,603	10,835	3,888	2,154
Real estate transfer	-	-	-	-	-	-	-	-
Other	6,478	1,875	-	14,924	5,919	-	-	-
Gain (loss) on disposition of capital assets	(8,800)	43,324	76,557	75,655	39,020	18,415	4,169	1,866
Investment earnings	16,233	-	-	-	-	-	-	-
SPLOST bond proceeds from the County	-	-	-	-	-	-	-	-
Rental income	21,944	-	-	-	-	-	-	-
Other	-	7	-	6,901	10,077	5,942	13,228	25,135
Transfers	41,571	29,459	(16,265)	3,392	13,519	(20,549)	54,260	(27,796)
Total governmental activities	<u>1,774,690</u>	<u>1,790,532</u>	<u>2,072,164</u>	<u>2,018,997</u>	<u>2,009,679</u>	<u>1,760,400</u>	<u>1,806,290</u>	<u>1,691,034</u>
Business-type activities	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Gain (loss) on disposition of capital assets	-	-	-	-	-	-	-	-
Transfers	(41,571)	(29,459)	16,265	(3,392)	(13,519)	20,549	(54,260)	27,796
Total business-type activities	<u>(41,571)</u>	<u>(29,459)</u>	<u>16,265</u>	<u>(3,392)</u>	<u>(13,519)</u>	<u>20,549</u>	<u>(54,260)</u>	<u>27,796</u>
Total primary government	<u>\$ 1,733,119</u>	<u>\$ 1,761,073</u>	<u>\$ 2,088,429</u>	<u>\$ 2,015,605</u>	<u>\$ 1,996,160</u>	<u>\$ 1,780,949</u>	<u>\$ 1,752,030</u>	<u>\$ 1,718,830</u>
Changes in Net Assets								
Governmental activities	\$ 399,459	\$ 533,861	\$ 575,042	\$ 37,349	\$ (235,359)	\$ (383,686)	\$ 1,255,615	\$ (463,439)
Business-type activities	9,536	149,582	129,506	90,123	95,670	513,684	29,532	170,673
Total primary government	<u>\$ 408,995</u>	<u>\$ 683,443</u>	<u>\$ 704,548</u>	<u>\$ 127,472</u>	<u>\$ (139,689)</u>	<u>\$ 129,998</u>	<u>\$ 1,285,147</u>	<u>\$ (292,766)</u>

City of Stone Mountain, Georgia
Governmental Activities Tax Revenues by Source
Last Eight Fiscal Years
(Accrual basis of accounting)

Fiscal Year	Property Tax	Franchise Tax	Occupation Tax	Motor Vehicle Tax	HOST	Intangible Tax	Insurance Premium Tax	Alcohol Beverage Tax	Other Tax	Total
2004	\$ 963,693	\$ 197,451	\$ 63,859	\$ 54,195	\$ -	\$ 39,978	\$ 332,612	\$ 32,872	\$ 19,082	\$ 1,703,742
2005	930,427	214,465	60,746	61,377	-	43,941	357,846	33,394	13,671	1,715,867
2006	1,216,288	218,383	58,730	54,812	-	31,881	374,397	43,126	14,255	2,011,872
2007	1,113,066	218,050	61,103	60,148	-	23,938	390,538	43,000	8,282	1,918,125
2008	1,137,501	225,309	48,182	71,938	-	14,589	399,893	31,810	11,922	1,941,144
2009	994,644	217,444	44,949	57,809	-	13,426	396,141	17,484	14,695	1,756,592
2010	966,385	246,090	50,587	56,328	-	7,679	384,628	16,917	6,019	1,734,633
2011	941,831	255,459	54,469	59,680	65,215	10,249	272,138	29,632	3,156	1,691,829

City of Stone Mountain, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Years									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Non-spendable	\$ -	\$ 55,925	\$ 60,609	\$ 56,578	\$ 59,936	\$ 50,687	\$ 78,498	\$ 58,766	\$ 49,704	\$ 16,088
Assigned - next year's budget										
Unassigned	1,209,417	1,384,904	1,591,290	1,944,452	2,234,930	1,983,177	1,530,840	1,296,723	642,606	(2,935)
Total general fund	\$ 1,209,417	\$ 1,440,829	\$ 1,651,899	\$ 2,001,030	\$ 2,294,866	\$ 2,033,864	\$ 1,609,338	\$ 1,355,489	\$ 692,310	\$ 13,153
All other governmental funds										
Restricted	\$ 25,221	\$ 79,680	\$ 59,722	\$ 15,557	\$ 12,142	\$ 2,745	\$ 2,721	\$ 5,596	\$ 25,491	\$ 155,667
Unassigned, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	(18,539)	-	-	-	(153,782)	(16,073)
Total all other governmental funds	\$ 25,221	\$ 79,680	\$ 59,722	\$ 15,557	\$ (6,397)	\$ 2,745	\$ 2,721	\$ 5,596	\$ (128,291)	\$ 139,594
	\$ 1,234,638	\$ 1,520,509	\$ 1,711,621	\$ 2,016,587	\$ 2,288,469	\$ 2,036,609	\$ 1,612,059	\$ 1,361,085	\$ 564,019	\$ 152,747

City of Stone Mountain, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	1,715,654	1,594,559	1,692,797	1,697,906	1,945,793	1,998,572	\$ 1,835,338	\$ 1,872,264	\$ 1,725,151	\$ 1,699,670
Licenses and permits	42,220	33,267	40,013	35,915	61,808	64,074	55,306	55,650	51,242	60,090
Intergovernmental	184,624	94,098	70,357	208,589	29,000	29,018	9,821	15,378	1,185,844	668,135
Charges for services	321,888	294,430	307,839	302,866	93,930	40,841	19,306	29,181	12,588	10,934
Fines and forfeitures	515,213	452,819	547,029	567,785	750,905	851,826	714,706	929,456	1,027,823	937,332
Investment earnings	10,255	11,389	16,233	43,324	76,557	75,655	39,020	18,415	4,169	1,865
Rental income	364	0	21,944	21,134	20,119	8,525	8,300	8,537	8,350	10,475
Miscellaneous	97,906	47,039	24,530	15,638	40,093	16,493	25,323	18,960	63,532	59,486
Total revenues	2,888,124	2,527,601	2,720,742	2,893,157	3,009,205	3,085,004	2,707,120	2,947,841	4,078,699	3,447,987
Expenditures										
Governing body	12,927	19,682	25,083	26,126	38,728	27,509	50,737	45,150	36,382	38,898
General government	-	-	229,935	297,905	247,924	237,390	244,506	155,513	149,389	185,833
Financial administration	329,783	342,523	185,669	193,109	199,744	214,359	299,794	332,255	316,017	331,208
Government buildings	9,268	12,392	49,766	28,651	12,472	12,138	14,149	27,360	16,253	19,518
Municipal court	248,067	203,438	252,556	275,886	302,370	403,499	355,469	378,154	430,585	384,083
Public safety	1,129,210	1,016,585	986,154	969,731	1,031,404	1,142,248	1,179,235	1,275,744	1,368,603	1,353,583
Highways and streets	299,959	354,929	393,765	413,268	435,734	495,089	499,605	409,556	459,996	389,026
Culture and recreation	33,854	28,832	28,558	45,590	68,960	35,675	40,386	181,230	187,887	159,765
Economic development	63,313	88,304	108,666	38,719	110,878	143,318	135,861	116,906	200,272	311,773
Community development	-	4,965	-	-	-	63,830	73,429	76,199	69,063	52,643
Tourism and promotion	-	-	14,000	13,250	14,000	16,267	16,556	14,058	14,307	19,971
Cemetery	14,256	15,000	15,000	16,010	14,119	14,327	13,656	20,535	12,900	14,785
Capital outlay	176,306	116,638	310,276	366,106	299,602	563,949	153,767	148,754	1,632,336	2,089,337
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	106,939	83,313	49,647	46,216	93,657	111,127	105,777	80,392	57,509	57,910
Interest	9,693	4,329	2,709	3,580	7,304	8,370	7,547	6,640	4,593	4,928
Debt issue costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	2,443,268	2,290,930	2,651,784	2,734,147	2,876,896	3,489,095	3,190,474	3,268,446	4,956,092	5,433,830
Excess of revenues over (under) expenditures	444,856	236,671	68,958	159,010	132,309	(404,091)	(483,354)	(320,605)	(877,393)	(1,985,843)
Other financing sources (uses)										
Settlement proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds from debt issues	-	-	103,011	103,520	135,634	140,915	21,244	87,829	25,667	1,602,367
Transfers	73,500	29,242	41,572	29,459	(16,265)	3,392	13,519	(20,549)	54,260	(27,796)
Sale of capital assets	-	-	8,631	1,875	20,204	7,924	24,041	2,351	400	-
Other	28,035	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	101,535	29,242	153,214	134,854	139,573	152,231	58,804	69,631	80,327	1,574,571
Net change in fund balances	\$ 546,391	\$ 265,913	\$ 222,172	\$ 293,864	\$ 271,882	\$ (251,860)	\$ (424,550)	\$ (250,974)	\$ (797,066)	\$ (411,272)
Debt service as a percent of non-capital expenditures	5.4%	4.0%	2.2%	2.0%	3.8%	3.9%	3.7%	2.8%	1.8%	1.9%

City of Stone Mountain, Georgia
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(Modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property</u>	<u>Motor Vehicle</u>	<u>Alcohol Beverage</u>	<u>Intangible</u>	<u>Franchise</u>	<u>Business Occupation</u>	<u>Insurance Premium</u>	<u>HOST</u>	<u>Other Tax</u>	<u>Total</u>
2002	\$ 1,032,886	\$ 58,575	\$ 32,233	\$ 37,246	\$ 203,357	\$ 54,249	\$ 284,770	\$ -	\$ 12,338	\$ 1,715,654
2003	878,869	62,369	33,685	43,333	201,643	50,119	306,914	-	17,627	1,594,559
2004	959,126	54,195	32,872	39,978	197,451	63,859	332,612	-	12,704	1,692,797
2005	912,466	61,377	33,394	43,941	214,465	60,746	357,846	-	13,671	1,697,906
2006	1,150,209	54,811	43,126	31,881	218,383	58,730	374,397	-	14,256	1,945,793
2007	1,185,763	60,148	43,000	23,938	218,050	68,853	390,538	-	8,282	1,998,572
2008	1,026,745	71,938	31,810	14,589	225,309	53,132	399,893	-	11,922	1,835,338
2009	1,104,311	57,809	17,483	13,426	217,444	50,955	396,141	-	14,695	1,872,264
2010	950,749	56,328	16,917	7,679	246,090	56,637	384,628	-	6,123	1,725,151
2011	949,696	59,680	29,632	10,249	255,459	54,446	272,138	65,215	3,155	1,699,670

City of Stone Mountain, Georgia
Assessed Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

<u>Tax Year</u>	<u>Real and Personal Property</u>	<u>Motor Vehicle</u>	<u>Exemptions</u>	<u>Total Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>
2002	90,924,164	7,923,080	1,291,000	97,556,244	10.00
2003	91,980,628	7,221,610	1,375	99,200,863	9.00
2004	107,853,831	6,205,870	1,466,520	112,593,181	8.00
2005	118,628,417	6,086,220	2,141,960	122,572,677	8.00
2006	123,585,164	6,760,050	1,355,000	128,990,214	10.00
2007	117,173,512	6,814,590	1,285,467	122,702,635	10.00
2008	116,141,917	6,510,110	1,444,754	121,207,273	10.00
2009	102,732,611	6,667,830	1,859,151	107,541,290	10.00
2010	97,052,662	5,667,510	2,060,566	100,659,606	10.00
2011	67,919,249	5,558,380	1,546,458	71,931,171	14.35

Notes:

(1) Assessed Value is Calculated at 40% of Estimated Actual Value

Source: DeKalb County Tax Commissioner

City of Stone Mountain, Georgia
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years (1)

Tax/Fiscal Years	City M&O	County	School M&O	Hospital	State	Total
2002	10.00	13.68	21.98	1.05	0.25	46.96
2003	9.00	14.66	22.98	0.92	0.25	47.81
2004	9.00	13.39	22.98	0.88	0.25	46.50
2005	8.00	12.82	22.98	0.98	0.25	45.03
2006	10.00	13.60	22.98	0.83	0.25	47.66
2007	10.00	12.82	22.98	0.89	0.25	46.94
2008	10.00	12.62	22.98	0.84	0.25	46.69
2009	10.00	15.49	22.98	0.96	0.25	49.68
2010	10.00	12.62	22.98	0.96	0.25	46.81
2011	14.30	13.55	22.98	0.88	0.25	51.96

Notes:

(1) All tax rates are per \$1,000 assessed valuation, less exemptions

Source: DeKalb County Tax Commissioner

City of Stone Mountain, Georgia
Property Tax Levies and Collections
Last Nine Fiscal Years

Tax Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	868,497	823,119	94.78%	44,557	867,676	99.91%
2004	946,744	900,605	95.13%	46,030	946,635	99.99%
2005	926,301	853,903	92.18%	72,069	925,972	99.96%
2006	1,206,067	1,070,902	88.79%	134,584	1,205,486	99.95%
2007	1,112,805	1,046,894	94.08%	64,672	1,111,566	99.89%
2008	1,140,163	1,055,143	92.54%	83,454	1,138,597	99.86%
2009	996,633	886,554	88.95%	107,037	993,591	99.69%
2010	960,255	855,186	89.06%	94,061	949,247	98.85%
2011	939,792	823,871	87.67%	-	823,871	87.67%

Notes:

- (1) Includes only real and personal property. Does not include motor vehicle assessments
- (2) Information prior to 2003 is not available

City of Stone Mountain, Georgia

Principal Property Taxpayers

December 31, 2011

(Amounts expressed in thousands)

Taxpayer	2011			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
The Lakes at Stone Mountain LLC	\$ 3,179	1	4.8%	\$ 3,637	1	4.1%
Mountain Springs I Inc.	1,200	2	1.8%	1,293	2	1.4%
Southern Oaks Apartments, Inc.	1,088	3	1.6%	1,200	3	1.3%
Inman Holdings LLC	707	4	1.1%	725	4	0.8%
Trinity Investment Enterprises LLC	390	5	0.6%	-	-	0.0%
TMTH LL	364	6	0.5%	-	-	0.0%
Wages & Sons Funeral Home	300	7	0.5%	229	7	0.3%
IB Property Holdings, LLC	297	8	0.4%	-	-	0.0%
Bayview Loan Servicing LLC	276	9	0.4%	-	-	0.0%
Friese Hilde M	272	10	0.4%	204	9	0.2%
Shelter Properties, Inc.	-	-	0.0%	506	5	0.6%
Westgate Management Co.	-	-	0.0%	260	6	0.3%
Turnbull Associates LLP	-	-	0.0%	224	8	0.2%
Suntrust Banki - Corp Real Estate	-	-	0.0%	179	10	0.2%
Totals	\$ 8,073		12.2%	\$ 8,457		9.4%

Source: DeKalb County Tax Commissioner

City of Stone Mountain, Georgia
Summary of Sanitation Revenues by Customer Category
Last Ten Years

Year	Revenues			# of Customers			
			Total				
	Residential	Commercial			Other		
2002	293,079	119,162	1,260	413,501	59	1,646	1,705
2003	309,591	121,650	14,016	445,257	60	1,739	1,799
2004	323,136	127,140	5,058	455,334	68	1,815	1,883
2005	331,227	127,559	6,555	465,341	69	1,860	1,929
2006	339,336	124,949	9,271	473,556	60	1,906	1,966
2007	368,599	124,103	11,837	504,539	61	1,971	2,032
2008	353,737	126,177	13,424	493,338	59	2,020	2,079
2009	358,958	136,608	9,830	505,396	56	2,078	2,134
2010	358,323	131,345	7,637	497,305	61	1,958	2,019
2011	362,132	135,417	-	497,549	53	1,927	1,980

Source: City of Stone Mountain Sanitation Billing Staff

City of Stone Mountain, Georgia
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities (1)		Business-Type Activities		Total Primary Government	Per Capita (2)	Outstanding Debt to Personal Income
	Capital Leases		Capital Leases				
2002	113,862		-		113,862	15.91	0.28%
2003	30,549		-		30,549	4.27	0.07%
2004	83,913		39,425		123,338	17.19	0.30%
2005	141,217		28,015		169,232	23.57	0.40%
2006	183,193		35,772		218,965	30.45	0.51%
2007	212,982		18,501		231,483	32.19	0.53%
2008	128,449		9,110		137,559	19.11	0.32%
2009	135,886		3,438		139,324	19.34	0.32%
2010	104,045		-		104,045	17.93	0.23%
2011	1,648,502		-		1,648,502	284.13	2.92%

Notes:

(1) Details regarding the City's outstanding debt can be found in Note 9 of the current financial statements.

(2) See Page 84 for population data for the City.

City of Stone Mountain, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Years									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Approximated Assessed Valuation	\$ 97,560,066	\$ 99,200,863	\$ 112,593,181	\$ 122,572,677	\$ 128,990,214	\$ 122,702,635	\$ 121,207,273	\$ 121,207,273	\$ 100,659,606	\$ 71,931,171
Debt Limit: 10% of Assessed Value	\$ 9,756,007	\$ 9,920,086	\$ 11,259,318	\$ 12,257,268	\$ 12,899,021	\$ 12,270,264	\$ 12,120,727	\$ 12,120,727	\$ 10,065,961	\$ 7,193,117
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 9,756,007	\$ 9,920,086	\$ 11,259,318	\$ 12,257,268	\$ 12,899,021	\$ 12,270,264	\$ 12,120,727	\$ 12,120,727	\$ 10,065,961	\$ 7,193,117

Note:

- (1) The City has no general obligation debt that is subject to the debt limitation.
- (2) By State law, Stone Mountain's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

City of Stone Mountain, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(4) Population	(2) in 000's Personal Income	(2) Per Capita Income	(2) Median Age	(1) School Enrollment	(3) Unemployment Rate
2002	7,155	40,147	16,775	32	2,234	5.7%
2003	7,162	40,919	17,098	33	2,234	4.5%
2004	7,175	41,691	17,420	35	2,234	5.2%
2005	7,181	42,463	17,743	38	2,234	6.1%
2006	7,190	43,235	18,065	41	2,234	5.0%
2007	7,192	44,007	18,388	44	2,234	4.7%
2008	7,199	42,885	17,919	47	2,234	8.9%
2009	7,205	43,657	17,919	46	2,234	8.6%
2010	* 5,802	44,990	18,442	33	2,234	9.8%
2011	* 5802	56,364.00	23,104	33	2,234	10.2%

Sources:

- (1) DeKalb County Board of Education
- (2) U.S. Census and local estimate
- (3) Department of Labor
- (4) Atlanta Regional Commission and local estimate
- * 2010 Census

City of Stone Mountain, Georgia
Principal Employers
Current Year and Four Years Ago

	<u>2011</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
City of Stone Mountain	35	1	38	1
New South Associates	31	2	36	2
Classic Community Support	26	3	N/A	N/A
Childtime Childcare	18	4	N/A	N/A
Alternative Solutions (ASAP Inc.)	12	5	N/A	N/A
Georgia Air Contractors, Ina.	12	6	N/A	N/A
The Basket Bakery DBA The Village Corner	9	7	18	4
Weeyums Philly Style	8	8	N/A	N/A
Landmark Insurance Associates, LLC	8	9	8	7
Suntrust Bank	6	10	6	10
Wages & Sons Funeral Home	6	6	12	5
ART Station	8	8	8	8
The Lakes at Stone Mountain, LLC	6	9	6	9
BBC Creations DBA The Sycamore Grill	N/A	N/A	20	3
Little Mama's Inc. DBA Mama Mia's	N/A	N/A	12	6
Total Employees	<u>185</u>		<u>164</u>	

Note:

(1) Total employment inside the City is not available.

(2) 2007 is the first year available for employer statistics

Source: City of Stone Mountain Administrative Staff

City of Stone Mountain, Georgia
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Executive	0	0	0	0	0	0	1	1	1	1
Administration	3	3	3	3	3	3	3	3	3	3
Municipal Court	2	2	2	2	2	2	2	2	2	2
Code Enforcement	1	1	1	1	1	1	1	1	1	1
Public Works	7	7	7	7	7	6	6	6	6	6
Public Safety	19	19	19	19	19	19	19	19	19	18
Total	32	32	32	32	32	31	32	32	32	31

Note:

Elected and appointed officials are not included in the above.

Source: Finance Department

City of Stone Mountain, Georgia
Operating Indicators by Function
Last Nine Years

Function / Program	2003	2004	2005	2006	2007	2008	2009	2010	2011
Code Enforcement									
Complaints	Unavailable	19	112	141	148	192	216	326	297
Tickets	Unavailable	32	142	228	239	275	316	302	288
Fines	Unavailable	3,649	18,461	23,619	31,811	29,139	24,484	21,709	23,497
Visitor's Center									
Number of visitors	3,480	3,803	4,704	3,414	3,395	3,211	4,844	5,238	3,574
Occupational Tax									
Business licenses issued -									
Original issue	200	214	225	211	218	200	189	183	176
New	46	84	62	79	83	60	49	61	54
Highways and Streets (Miles)									
Street resurfacing	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90
	2.00	2.00	2.00	2.00	2.00	2.00	-	4.00	2.00
Police									
# of tickets issued	Unavailable	Unavailable	3,319	3,239	3,537	2,920	4,483	4,452	3,540
Fine revenue	452,619	547,029	567,785	750,905	851,826	714,706	624,532	575,241	483,836

Source:

City of Stone Mountain Administrative Staff.

Information not available prior to 2003

City of Stone Mountain, Georgia
Capital Assets Statistics by Function/Program
Last Ten Years

Function / Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public works										
City limit area (square miles)	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.71	1.71
Paved roads (miles)	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90
Number of streetlights	444	444	447	450	455	456	459	459	492	492
Sanitation										
Collection trucks (Note 1)	-	-	-	-	-	-	-	-	-	-
Small collection vehicles	1	1	1	1	1	1	1	1	1	1
Customers	175	1,799	1,883	1,929	1,966	2,032	2,079	2,134	2,008	1,980
Recreation and culture										
Number of parks	4	4	4	4	4	4	4	4	4	4
Visitor's Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Cemeteries	2	2	2	2	2	2	2	2	2	2

Source:

City of Stone Mountain Administrative Staff.

Note:

(1) The City uses an outside contractor for its sanitation service

