

**CITY OF STONE MOUNTAIN, GEORGIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**TOGETHER WITH**

**INDEPENDENT AUDITOR'S REPORT**

**JAMES L. WHITAKER, P.C.**

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078



**CITY OF STONE MOUNTAIN, GEORGIA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Stone Mountain, Georgia (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stone Mountain, Georgia, as of December 31, 2013 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.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 and the Historical Pension Information on page 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Stone Mountain, Georgia's basic financial statements for the year ended December 31, 2012, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information. That 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 as a whole. The individual fund financial statements related to the 2012 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2012 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated June 9, 2014 on our consideration of City of Stone Mountain, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 in considering City of Stone Mountain, Georgia's internal control over financial reporting and compliance.

*James L. Whitaker, P.C.*

Snellville, Georgia  
June 9, 2014

## **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, 2013. 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, 2013 by \$5,428,326. Of this amount unrestricted net position of \$881,134 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$431,301. Of this amount an increase of \$344,969 was associated with governmental activities and an increase of \$86,332 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 balance of \$203,337 an increase of \$443,502 in comparison with the prior year. Of this amount 18,684 is unassigned; \$52,229 is restricted for various specified activities; \$121,479 is assigned for the 2014 budget and \$10,945 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 18,684 or .6% of the General Fund expenditures.
- The City of Stone Mountain's total debt obligations (including accrued compensated absences) decreased by the net of \$110,088. Principal payments were made on outstanding capital leases of \$110,241.

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

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

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 2013 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 position may serve over time as a useful indicator of a government's financial position. At December 31, 2013, the City's assets exceeded liabilities by \$5,428,326. The City's net position reflects its investment in capital assets (82.8 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 position of \$5,428,326, \$52,229 (1.0 percent) is restricted for various specified activities and \$881,134 (16.2 percent) is unrestricted.



City of Stone Mountain's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 707,227	\$ 460,806	\$ 539,502	\$ 486,829	\$ 1,246,729	\$ 947,635
Capital assets	<u>5,196,337</u>	<u>5,390,588</u>	<u>819,555</u>	<u>803,055</u>	<u>6,015,892</u>	<u>6,193,643</u>
Total assets	<u>5,903,564</u>	<u>5,851,394</u>	<u>1,359,057</u>	<u>1,289,884</u>	<u>7,262,621</u>	<u>7,141,278</u>
Current liabilities	238,151	420,862	10,516	27,675	248,667	448,537
Long-term liabilities	<u>1,585,628</u>	<u>1,695,716</u>	<u>-</u>	<u>-</u>	<u>1,585,628</u>	<u>1,695,716</u>
Total liabilities	<u>1,823,779</u>	<u>2,116,578</u>	<u>10,516</u>	<u>27,675</u>	<u>1,834,295</u>	<u>2,144,253</u>
Net position:						
Net invested in capital assets	3,675,408	3,694,872	819,555	803,055	4,494,963	4,497,927
Restricted	52,229	17,914	-	-	52,229	17,914
Unrestricted	<u>352,148</u>	<u>22,030</u>	<u>528,986</u>	<u>459,154</u>	<u>881,134</u>	<u>481,184</u>
Total net position	<u>\$ 4,079,785</u>	<u>\$ 3,734,816</u>	<u>\$ 1,348,541</u>	<u>\$ 1,262,209</u>	<u>\$ 5,428,326</u>	<u>\$ 4,997,025</u>

A portion of the net position (1.0 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position (\$881,134) 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 position. The same held true for the prior fiscal year.

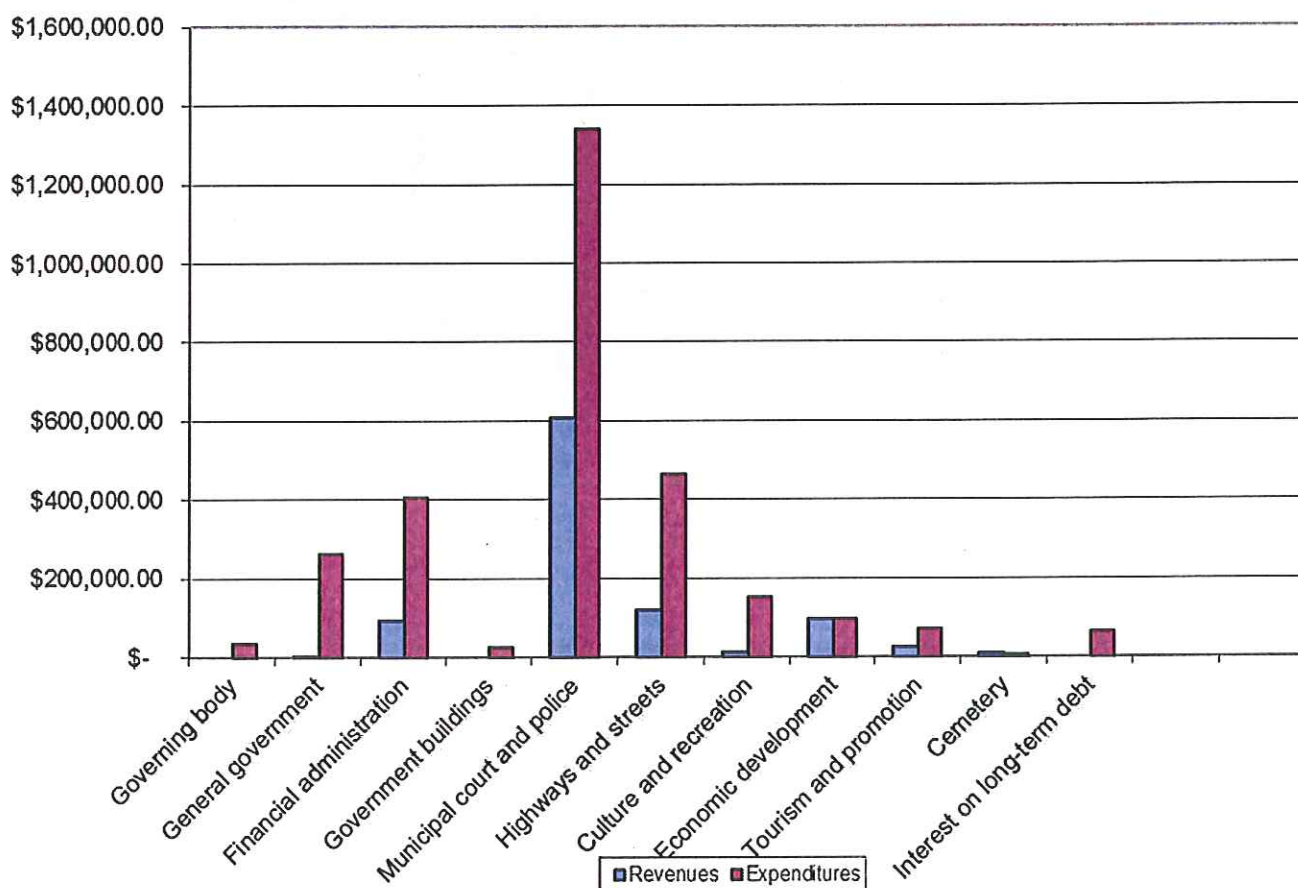
**Governmental activities.** Governmental activities increased the City's net position by \$344,969. Key elements of this decrease are as follows:

**City of Stone Mountain's Change in Net Position  
For The Years Ended December 31, 2013 and 2012**

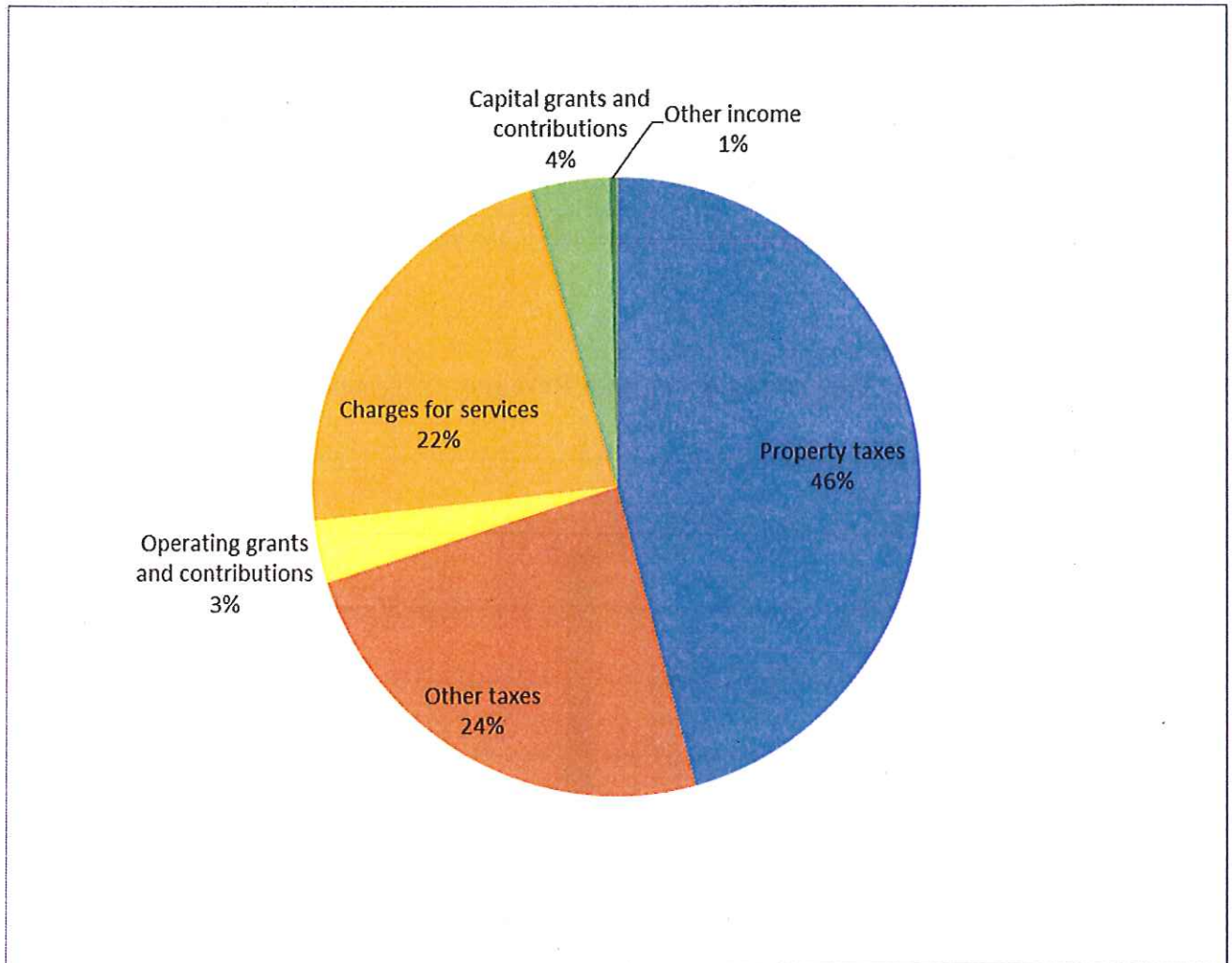
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues -						
Charges for services	\$ 722,305	\$ 858,274	\$ 671,730	\$ 665,338	\$ 1,394,035	\$ 1,523,612
Operating grants and contributions	107,093	242,163	-	-	107,093	242,163
Capital grants and contributions	135,126	4,133	-	6,723	135,126	10,856
General Revenues-						
Property taxes	1,493,424	1,172,998	-	-	1,493,424	1,172,998
Other taxes	788,562	788,132	-	-	788,562	788,132
Interest	9	217	-	-	9	217
Other	14,455	7,275	-	-	14,455	7,275
	<u>3,260,974</u>	<u>3,073,192</u>	<u>671,730</u>	<u>672,061</u>	<u>3,932,704</u>	<u>3,745,253</u>
Expenses:						
Governing body	36,435	37,791	-	-	36,435	37,791
General government	262,334	235,196	-	-	262,334	235,196
Financial administration	406,702	364,009	-	-	406,702	364,009
Government buildings	25,871	28,150	-	-	25,871	28,150
Municipal court and public safety	1,338,959	1,694,631	-	-	1,338,959	1,694,631
Highways and streets	465,243	512,476	-	-	465,243	512,476
Culture and recreation	151,735	164,795	-	-	151,735	164,795
Economic development	97,432	250,703	-	-	97,432	250,703
Tourism and promotion	69,954	75,537	-	-	69,954	75,537
Cemetery	6,373	12,080	-	-	6,373	12,080
Interest on long-term debt	64,986	68,692	-	-	64,986	68,692
Solid waste	-	-	516,946	547,513	516,946	547,513
Stormwater	-	-	58,433	68,953	58,433	68,953
	<u>2,926,024</u>	<u>3,444,060</u>	<u>575,379</u>	<u>616,466</u>	<u>3,501,403</u>	<u>4,060,526</u>
Increase (decrease) in net assets before transfers	334,950	(370,868)	96,351	55,595	431,301	(315,273)
Transfers	<u>10,019</u>	<u>1,650</u>	<u>(10,019)</u>	<u>(1,650)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	344,969	(369,218)	86,332	53,945	431,301	(315,273)
Net position - beginning of year	<u>3,734,816</u>	<u>4,104,034</u>	<u>1,262,209</u>	<u>1,208,264</u>	<u>4,997,025</u>	<u>5,312,298</u>
Net position - end of year	<u>\$ 4,079,785</u>	<u>\$ 3,734,816</u>	<u>\$ 1,348,541</u>	<u>\$ 1,262,209</u>	<u>\$ 5,428,326</u>	<u>\$ 4,997,025</u>

- Total Governmental Activity revenue increased by \$187,782 (6.1%). Property tax revenue increased by \$320,426 due to an increase in the ad valorem tax rate from 18.8 mills to 28.0 mills (48.9%). Program revenue decreased by \$140,046 (12.7%) due to a decrease in Municipal Court & Police fines and fees of \$148,724 (19.7%). The real property tax digest declined for the sixth year in a row by 16.4%. Other Tax Revenue was unchanged from 2013. Operating grants decreased by \$135,070 (55.8%) due to the conclusion of the ART Microenterprise Program through a Community Development Block Grant. Capital grants and contributions increased \$130,993 from \$4,133 to \$135,126 due to Local Maintenance Improvement Grants for highways and roads (\$88,887) and a grant from the Georgia Department of Tourism (\$15,000).
- Governmental Activity expenses decreased \$518,036 (15.0%) from \$3,444,060 to \$2,926,024. This decrease was primarily due to a reduction in operating costs in the Municipal Courts and Public Safety Departments in the amount of \$355,672 (21.0%), the Highways and Streets Department in the amount of \$47,233 (9.2%) and the Department of Economic Development due to the conclusion of the ART Microenterprise Program. The increase in Financial Administration of \$42,693 (11.7%) was due to the transfer of Code Enforcement from Economic Development.

### Expenses and Program Revenues-Governmental Activities

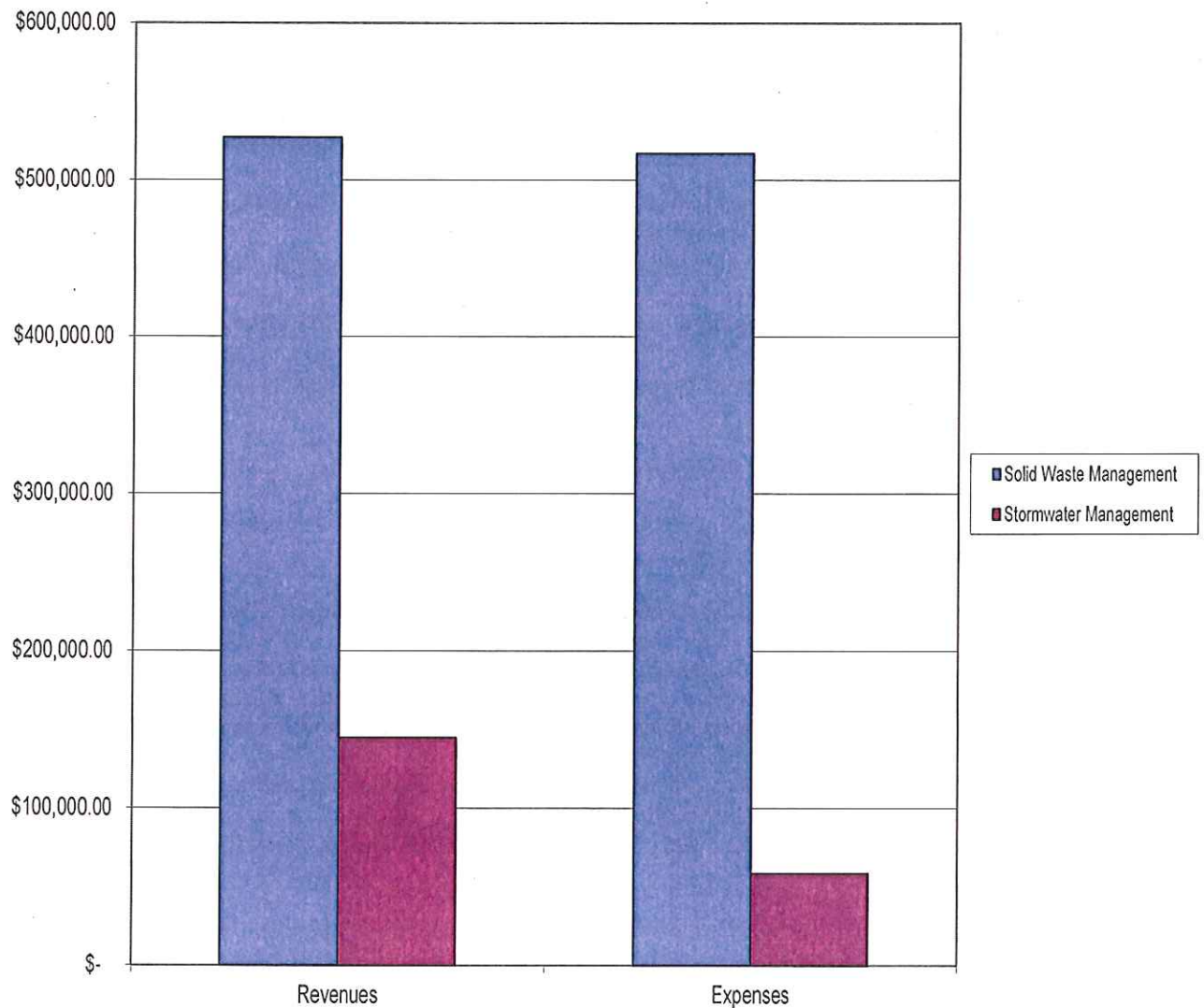


## REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



**Business-type activities.** Business type activities increased the City's net position by \$86,332. The net position of the Solid Waste Management Fund has a slight change from \$47,557 to \$47,711. The Storm Water Management Fund had an increase in net position of \$86,178. Infrastructure improvements were made in the amount of \$46,414. There were no notable changes in Business Type Activity revenues or expenditures..

### Business-Type Activities



### 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, 2013 the city's governmental funds reported a combined ending fund balance of \$203,337. Of this amount 18,684 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because \$52,229 is restricted for specified activities, \$121,479 is assigned for the 2014 budget and \$10,945 is non-spendable and in the form of prepaid items.

- The General Fund revenues for FY 2013 were \$2,993,504. This was an increase of \$177,377 or 6.3% over FY 2012. An increase in Property Taxes of \$337,777 due to an increased tax rate from 18.8 mils to 28.0 mils was offset by a decrease in Court Fines and Forfeitures in the amount of \$167,338. In 2012 HOST sales tax revenue of \$65,909 was reported in the General Fund. In 2013 HOST sales tax revenue of \$44,458 was reported in the Capital Projects Fund due to approval the approval of the Mayor and Council to use HOST funds as matching funds for grant projects.
- The General Fund expenditures for FY 2013 were \$2,713,829. This was a decrease of \$355,655 or 11.6% from FY 2012. This decrease in expenditures is generally attributed to a reduction in Public Safety operations in the amount of \$257,970 and a reduction in payments to the beneficiaries of state mandated additions to court fines in the amount of \$48,466.
- Capital outlay for FY 2013 was \$3,686 for replacements of computer hardware in the Municipal Court and Police Departments and camera equipment for the Criminal Investigations Division.
- The City's General Fund made principal payments on its capital leases long-term debt of \$110,242. Of this amount \$51,969 was for City Hall.
- Transfers to the general fund to other funds in 2013 amounted to a net of \$111,708 compared to net transfers from the general fund in 2012 of \$17,875.
- Personnel expenses were reduced by approximately \$90,100 by scheduling sixteen days of unpaid leave in 2013 for all full time employees.

**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 \$350,811 mid-year increase in the General Fund budget for property tax revenue reflecting the increase in the ad valorem mil rate from the budget estimate of 19.8 mils to the actual adopted rate of 28.0 mils. The tax increase was in response to the 2012 audit report of a General Fund deficit of \$258,079 and a projected shortfall in Fine, Forfeiture and Court Costs revenue of \$186,000.
- A \$76,500 mid-year decrease in the General Fund budget for both revenue and expenditures reflecting the decision to postpone the purchase of two new police patrol cars.
- A \$38,829 increase in the General Fund budget reflecting the award of a Local Maintenance Improvement Grant from the State of Georgia.

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

Final results in actual revenue and expenditures varied from the 2013 budget in several areas most notably:

- Fines, Forfeitures and Court Cost revenue was \$54,652 (8.7%) less than the amended budget. Although the budget was amended mid-year, a shortfall was experienced due to the continued suspension of speed control devices by the Georgia Department of Public Safety. The suspension was lifted on November 25, 2013.
- Revenues from Licenses and Permits exceeded estimates by \$31,781 (61.8%) due primarily to an increase in building activity. Building permits exceeded estimates by \$17,823 (85.7%).

#### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets at December 31, 2013 amounts to \$6,015,892 (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 \$30,000 for signage for the ART Microenterprise Program. Additional information on the City's capital assets can be found in Note 8 beginning on page 36 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had \$1,585,628 in outstanding debt consisting of the following:

#### CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	Balance
<b>Governmental Activities:</b>	
Capital leases - equipment	\$ 97,744
Capital leases - facilities	1,423,185
Compensated absences	64,699
Total Governmental Activities	1,585,628
<b>Business-Type Activities:</b>	
Capital leases	-
Total Outstanding Debt	<u>\$ 1,585,628</u>

The City's total debt decreased by \$110,088. 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 \$6,100,000, 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 State of Georgia as of December 2013 was 7.4% as reported by the Georgia Department of Labor. According to the U. S. Census Bureau's American Fact Finder estimate, the unemployment rate for the City of Stone Mountain is between 8.1% and 22.4%. This range of variability is too wide to be of reliable use. A recent study by the DeKalb County Economic Development Authority estimated unemployment in DeKalb County at 8.4% as of October of 2013.
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate for properties in the central business district declined slightly in 2013.
- There was no new residential or commercial construction in the City in 2013 as the real estate market continued to stagnate regionally.

All of these factors were considered in preparing the City of Stone Mountain's budget for F/Y 2014.

#### **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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**CITY OF STONE MOUNTAIN, GEORGIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
<b>Assets</b>				
Cash and cash equivalents	\$ 603,777	\$ -	\$ 603,777	\$ 34,535
Receivables (net of allowance for uncollectibles)				
Taxes	314,408	-	314,408	-
Fines	229,409	-	229,409	-
Intergovernmental	-	-	-	-
Accounts	-	83,817	83,817	1,735
Due from other funds	(455,540)	455,540	-	-
Prepaid items	10,945	145	11,090	-
Deposits	-	-	-	-
Restricted assets -				
Cash	4,228	-	4,228	-
Non-depreciable capital assets	1,020,867	-	1,020,867	18,242
Depreciable capital assets	4,175,470	819,555	4,995,025	142,760
<b>Total Assets</b>	<b>5,903,564</b>	<b>1,359,057</b>	<b>7,262,621</b>	<b>197,272</b>
<b>Liabilities</b>				
Accounts Payable				
Operating	90,537	-	90,537	-
Accrued Liabilities -				
Compensated absences	33,505	-	33,505	-
Wages	-	-	-	-
Customer deposits	-	-	-	1,025
Other	57,753	-	57,753	9,370
Unearned Revenue	56,356	10,516	66,872	-
Long-Term Liabilities -				
Due Within One Year	99,308	-	99,308	9,627
Due In More Than One Year	1,486,320	-	1,486,320	172,743
<b>Total Liabilities</b>	<b>1,823,779</b>	<b>10,516</b>	<b>1,834,295</b>	<b>192,765</b>
<b>Net Position</b>				
Net investment in capital assets	3,675,408	819,555	4,494,963	(21,368)
Restricted for -				
Police activities	3,684	-	3,684	-
Economic development	-	-	-	-
Cemetery up-keep	4,087	-	4,087	-
Capital outlay	44,458	-	44,458	-
Unrestricted	352,148	528,986	881,134	25,875
<b>Total Net Position</b>	<b>\$ 4,079,785</b>	<b>\$ 1,348,541</b>	<b>\$ 5,428,326</b>	<b>\$ 4,507</b>

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Governing Body	\$ 36,435	\$ -	\$ -	\$ -
General Government	262,334	-	1,500	-
Financial Administration	406,702	90,017	3,537	-
Government Buildings	25,871	-	-	-
Municipal Court and Police	1,338,959	608,073	-	-
Highways and Streets	465,243	-	-	120,126
Culture and Recreation	151,735	13,675	-	-
Economic Development	97,432	8,540	87,056	-
Tourism and Promotion	69,954	-	9,000	15,000
Cemetery	6,373	2,000	6,000	-
Interest on Long-Term Debt	64,986	-	-	-
Total Governmental Activities	<u>2,926,024</u>	<u>722,305</u>	<u>107,093</u>	<u>135,126</u>
<b>Business-Type Activities</b>				
Solid Waste Management	516,946	527,119	-	-
Stormwater Management	58,433	144,611	-	-
Total Business-Type Activities	<u>575,379</u>	<u>671,730</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 3,501,403</u>	<u>\$ 1,394,035</u>	<u>\$ 107,093</u>	<u>\$ 135,126</u>
<b>Component Unit:</b>				
Downtown Development Authority	\$ 19,210	\$ 30,262	\$ -	\$ -

**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 Position

Net Position - Beginning of Year, Adjusted

Net Position - End of Year

See accompanying notes to the basic financial statements.

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

<b>Primary Government</b>			<b>Component</b>
<b>Governmental</b>	<b>Business-</b>		<b>Unit</b>
<b>Activities</b>	<b>Type</b>	<b>Total</b>	<b>Downtown</b>
	<b>Activities</b>		<b>Dev. Auth.</b>
\$ (36,435)	\$ -	\$ (36,435)	\$ -
(260,834)	-	(260,834)	-
(313,148)	-	(313,148)	-
(25,871)	-	(25,871)	-
(730,886)	-	(730,886)	-
(345,117)	-	(345,117)	-
(138,060)	-	(138,060)	-
(1,836)	-	(1,836)	-
(45,954)	-	(45,954)	-
1,627	-	1,627	-
(64,986)	-	(64,986)	-
(1,961,500)	-	(1,961,500)	-
-	10,173	10,173	-
-	86,178	86,178	-
-	96,351	96,351	-
(1,961,500)	96,351	(1,865,149)	-
-	-	-	11,052
1,493,424	-	1,493,424	-
239,955	-	239,955	-
42,930	-	42,930	-
94,472	-	94,472	-
44,458	-	44,458	-
299,290	-	299,290	-
34,176	-	34,176	-
993	-	993	-
32,288	-	32,288	-
9	-	9	-
14,455	-	14,455	-
2,296,450	-	2,296,450	-
10,019	(10,019)	-	-
2,306,469	(10,019)	2,296,450	-
344,969	86,332	431,301	11,052
3,734,816	1,262,209	4,997,025	(6,545)
\$ 4,079,785	\$ 1,348,541	\$ 5,428,326	\$ 4,507

**CITY OF STONE MOUNTAIN, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 603,777	\$ -	\$ 4,228	\$ 608,005
Receivables -				
Taxes	295,432	18,976	-	314,408
Fines, net of allowance for bad debts of \$344,114	229,409	-	-	229,409
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Due from other funds	-	25,482	4,087	29,569
Prepaid items	10,945	-	-	10,945
Deposits	-	-	-	-
Total assets	<u>\$ 1,139,563</u>	<u>\$ 44,458</u>	<u>\$ 8,315</u>	<u>\$ 1,192,336</u>
<b>Liabilities</b>				
Accounts payable	\$ 89,993	\$ -	\$ 544	\$ 90,537
Accrued liabilities	39,677	-	-	39,677
Due to other funds	485,109	-	-	485,109
Unearned revenue	56,356	-	-	56,356
Total liabilities	<u>671,135</u>	<u>-</u>	<u>544</u>	<u>671,679</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	<u>317,320</u>	<u>-</u>	<u>-</u>	<u>317,320</u>
<b>Fund Balance</b>				
Nonspendable -				
Prepaid items	10,945	-	-	10,945
Restricted -				
Police services	-	-	3,684	3,684
Economic development	-	-	-	-
Cemetery up-keep	-	-	4,087	4,087
Capital outlay	-	44,458	-	44,458
Assigned - 2014 budget appropriations	121,479	-	-	121,479
Unassigned	18,684	-	-	18,684
Total fund balance (deficit)	<u>151,108</u>	<u>44,458</u>	<u>7,771</u>	<u>203,337</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 1,139,563</u>	<u>\$ 44,458</u>	<u>\$ 8,315</u>	<u>\$ 1,192,336</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 POSITION  
DECEMBER 31, 2013**

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

Total fund balances -- total governmental funds	\$ 203,337
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,196,338
Other long-term assets are not available to pay for current- period expenditures and, therefore, are deferred in the funds: Unavailable revenues	317,320
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: Capital leases	(1,520,929)
Long-term portion of compensated absences	(64,699)
Accrued interest payable	<u>(51,582)</u>
Net position of governmental activities	<u>\$ 4,079,785</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, 2013**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 2,218,803	\$ 44,458	\$ 993	\$ 2,264,254
Business licenses and permits	87,473	-	-	87,473
Intergovernmental	68,429	107,411	102,056	277,896
Service fees	7,999	-	-	7,999
Fines and forfeitures	580,368	-	1,634	582,002
Interest	9	-	-	9
Rents	14,275	-	-	14,275
Miscellaneous	16,148	-	25,540	41,688
<b>Total revenues</b>	<u>2,993,504</u>	<u>151,869</u>	<u>130,223</u>	<u>3,275,596</u>
<b>Expenditures:</b>				
Current:				
Governing Body	36,919	-	-	36,919
General Government	261,068	-	-	261,068
Financial Administration	326,337	-	-	326,337
Government Buildings	25,871	-	-	25,871
Municipal Court	259,463	-	-	259,463
Public Safety	1,014,694	-	-	1,014,694
Highways and Streets	396,366	-	-	396,366
Culture and Recreation	150,677	-	-	150,677
Economic Development	59,542	-	94,624	154,166
Community Development	2,015	-	-	2,015
Tourism and Promotion	-	-	10,766	10,766
Cemetery	-	-	3,913	3,913
Capital outlay	3,686	4,949	31,836	40,471
Debt service				
Principal	110,242	-	-	110,242
Interest	66,949	-	-	66,949
Debt issue costs	-	-	-	-
<b>Total expenditures</b>	<u>2,713,829</u>	<u>4,949</u>	<u>141,139</u>	<u>2,859,917</u>
<b>Excess (deficiency) of Revenues over Expenditures</b>	<u>279,675</u>	<u>146,920</u>	<u>(10,916)</u>	<u>415,679</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, 2013**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Capital lease proceeds	\$ -	\$ -	\$ -	\$ -
Proceeds from disposition of assets	17,804	-	-	17,804
Transfers (net)	<u>111,708</u>	<u>(102,462)</u>	<u>773</u>	<u>10,019</u>
Total other financing sources (uses)	<u>129,512</u>	<u>(102,462)</u>	<u>773</u>	<u>27,823</u>
Net change in fund balance	409,187	44,458	(10,143)	443,502
Fund Balance-Beginning of Year	<u>(258,079)</u>	<u>-</u>	<u>17,914</u>	<u>(240,165)</u>
Fund Balance-End of Year	<u>\$ 151,108</u>	<u>\$ 44,458</u>	<u>\$ 7,771</u>	<u>\$ 203,337</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, 2013**

Net change in fund balances -- total governmental funds	\$	443,502
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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.

Capital outlays		30,000
Depreciation expense		(207,869)

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.		(16,382)
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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.		(16,334)
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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		-
Repayment of long term debt		110,242

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		1,963
Change in accrued compensated absences		(153)

Change in net position of governmental activities.	\$	<u>344,969</u>
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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, 2013**

	<u>BUDGET AMOUNTS</u>			
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Revenues:</b>				
Taxes	\$ 1,936,828	\$ 2,291,639	\$ 2,218,803	\$ (72,836)
Business licenses and permits	51,400	51,400	87,473	36,073
Intergovernmental	-	68,429	68,429	
Service fees	16,684	16,684	7,999	(8,685)
Fines and forfeitures	818,000	631,300	580,368	(50,932)
Interest	100	100	9	(91)
Rents	1,200	1,200	14,275	13,075
Miscellaneous	11,600	10,004	16,148	6,144
<b>Total revenues</b>	<u>2,835,812</u>	<u>3,070,756</u>	<u>2,993,504</u>	<u>(77,252)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Governing Body	30,335	38,491	36,919	1,572
General Government	173,079	516,403	261,068	255,335
Financial Administration	367,046	335,956	326,337	9,619
Government Buildings	24,271	26,455	25,871	584
Municipal Court	379,334	304,374	259,463	44,911
Public Safety	1,059,150	1,024,569	1,014,694	9,875
Highways and Streets	397,798	432,717	396,366	36,351
Culture and Recreation	158,290	150,170	150,677	(507)
Economic Development	60,169	60,169	59,542	627
Community Development	22,300	13,550	2,015	11,535
Capital outlay	78,300	5,250	3,686	1,564
<b>Debt service</b>				
Principal	118,373	113,193	110,242	2,951
Interest	68,161	66,859	66,949	(90)
<b>Total expenditures</b>	<u>2,936,606</u>	<u>3,088,156</u>	<u>2,713,829</u>	<u>374,327</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, 2013**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Excess (deficiency) of Revenues over Expenditures	\$ (100,794)	\$ (17,400)	\$ 279,675	\$ 297,075
Other financing sources (uses)				
Capital Lease Proceeds	76,500	-	-	-
Proceeds from sale of capital assets	6,000	17,400	17,804	404
Transfers (net)	-	-	111,708	111,708
Total other financing sources (uses)	82,500	17,400	129,512	112,112
Net change in fund balance	(18,294)	-	409,187	409,187
Fund Balance-Beginning of Year	(258,079)	(258,079)	(258,079)	-
Fund Balance-End of Year	\$ (276,373)	\$ (258,079)	\$ 151,108	\$ 409,187

(See accompanying notes to the financial statements.)

**CITY OF STONE MOUNTAIN, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2013**

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Receivables-			
Accounts	\$ 44,960	\$ 38,857	\$ 83,817
Due from other governments	-	-	-
Due from other funds		455,540	455,540
Prepaid items	145	-	145
Total current assets	<u>45,105</u>	<u>494,397</u>	<u>539,502</u>
<b>Noncurrent assets</b>			
Capital assets			
Autos and trucks	68,481	-	68,481
Machinery and equipment	23,130	-	23,130
Infrastructure	-	889,511	889,511
Accumulated depreciation	<u>(78,489)</u>	<u>(83,078)</u>	<u>(161,567)</u>
Capital assets (net of depreciation)	<u>13,122</u>	<u>806,433</u>	<u>819,555</u>
Total noncurrent assets	<u>13,122</u>	<u>806,433</u>	<u>819,555</u>
<b>Total assets</b>	<u>58,227</u>	<u>1,300,830</u>	<u>1,359,057</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable -			
Trade	-	-	-
Unearned revenue	10,516	-	10,516
Accrued liabilities	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>10,516</u>	<u>-</u>	<u>10,516</u>
<b>Noncurrent liabilities</b>			
Capital leases	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>10,516</u>	<u>-</u>	<u>10,516</u>
<b>Net Position</b>			
Investments in capital assets	13,122	806,433	819,555
Unrestricted	<u>34,589</u>	<u>494,397</u>	<u>528,986</u>
Total Net Position	<u>\$ 47,711</u>	<u>\$ 1,300,830</u>	<u>\$ 1,348,541</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 POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Refuse collection	\$ 381,960	\$ -	\$ 381,960
Dumpster collection	145,159	-	145,159
Stormwater fees	-	144,611	144,611
Miscellaneous	-	-	-
Total operating revenues	<u>527,119</u>	<u>144,611</u>	<u>671,730</u>
<b>OPERATING EXPENSES</b>			
Purchased products / services	484,635	-	484,635
Personal services and benefits	19,094	-	19,094
Purchased / contracted services	1,536	36,805	38,341
Supplies	1,195	-	1,195
Depreciation and amortization	8,286	21,628	29,914
Bad debt expense	2,200	-	2,200
Other	-	-	-
Total operating expenses	<u>516,946</u>	<u>58,433</u>	<u>575,379</u>
Operating income (loss)	<u>10,173</u>	<u>86,178</u>	<u>96,351</u>
<b>Non-operating revenues and (expenses)</b>			
Loss on sale of capital asset	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	10,173	86,178	96,351
Capital contributions	-	-	-
Transfers	<u>(10,019)</u>	<u>-</u>	<u>(10,019)</u>
CHANGE IN NET POSITION	154	86,178	86,332
NET POSITION - BEGINNING	<u>47,557</u>	<u>1,214,652</u>	<u>1,262,209</u>
NET POSITION - ENDING	<u>\$ 47,711</u>	<u>\$ 1,300,830</u>	<u>\$ 1,348,541</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, 2013**

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers and users	\$ 532,359	\$ 141,865	\$ 674,224
Cash paid to suppliers for goods	(507,473)	(36,805)	(544,278)
Cash paid to employees	(14,867)	-	(14,867)
Net cash provided from operating activities	<u>10,019</u>	<u>105,060</u>	<u>115,079</u>
<b>Cash flows from investing activities:</b>			
Interest received	-	-	-
(Purchase) / redemption of investments	-	-	-
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers	(10,019)	-	(10,019)
Change in due to/from other funds	-	(58,646)	(58,646)
Net cash flows from non-capital financing activities	<u>(10,019)</u>	<u>(58,646)</u>	<u>(68,665)</u>
<b>Cash flows from capital financing activities:</b>			
Purchases / construction of capital assets	-	(46,414)	(46,414)
Capital contributions	-	-	-
Principal payments on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Interest paid	-	-	-
Net cash flows from capital financing activities	<u>-</u>	<u>(46,414)</u>	<u>(46,414)</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>

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>
<b>Operating income (loss)</b>	<u>\$ 10,173</u>	<u>\$ 86,178</u>	<u>\$ 96,351</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	8,286	21,628	29,914
(Increase) decrease in -			
Accounts receivable	8,864	(2,746)	6,118
Prepays	(145)	-	(145)
Increase (Decrease) in -			
Accounts payable	(13,236)	-	(13,236)
Unearned revenues	(3,624)	-	(3,624)
Customer deposits	-	-	-
Accrued liabilities	(299)	-	(299)
<b>Total adjustments</b>	<u>(154)</u>	<u>18,882</u>	<u>18,728</u>
<b>Net cash from operating activities</b>	<u>\$ 10,019</u>	<u>\$ 105,060</u>	<u>\$ 115,079</u>
<b>Non-cash transactions -</b>			
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, 2013**

**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). 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") is a municipal corporation governed by an elected mayor and a six member council. The City provides the following services: police, highways and streets, sanitation, stormwater, parks and recreation, promotion and development and general and administrative services. The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable.

Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in primary government's financial statements. Inclusion is based on organization's for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. 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 regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government. 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.

(See Independent Auditor's Report)



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

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

**Discretely Presented Component Unit –**

The component unit column in the Government – Wide Financial Statement includes the financial data of the 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 budget. The Authority does not issue separate financial statements.

**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 Position, 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 position are reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. 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 position 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 position, 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.

**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 position.

**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 net position. The statement of changes in revenues, expenses, and changes in net position 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 unavailable 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, 2013 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 position 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 position 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, 2013. 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)**

**1. 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. Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The government has no items that qualify for reporting in this category as of December 31, 2013.

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

**T. Net Position**

Net position represents the difference between assets and liabilities. Net position 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 position 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 position reports \$52,229 in restricted net position, of which \$48,142 is restricted by enabling legislation.

**U. Fund Balance – Governmental Funds**

As of December 31, 2013, 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 approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

**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 through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.

**Unassigned** – all other spendable amounts.

(See Independent Auditor's Report)

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

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

**U. Fund Balance – Governmental Funds, (Continued)**

As of December 31, 2013, fund balances are composed of the following:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable -				
Prepaid items	\$ 10,945	\$ -	\$ -	\$ 10,945
Restricted -				
Police activities	-	-	3,684	3,684
Economic development	-	-	-	-
Cemetery up-keep	-	-	4,087	4,087
Capital projects	-	44,458	-	44,458
Assigned - for 2014 budget appropriations	121,479	-	-	121,479
Unassigned	18,684	-	-	18,684
 Total	 <u>\$ 151,108</u>	 <u>\$ 44,458</u>	 <u>\$ 7,771</u>	 <u>\$ 203,337</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.

**V. 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, 2013, \$319,667 of the government's bank balance of \$573,896 was exposed to custodial credit risk as follows:

(See Independent Auditor's Report).

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

**2. CASH AND INVESTMENTS, (Continued)**

Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's agent in the City's name	<u>319,667</u>
Total	<u>\$ 319,667</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 1<sup>st</sup> each year. Property taxes for fiscal year 2013, based upon the assessed value as of January 1, 2013, were levied on July 2, 2013. 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.

**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	\$ 295,432	\$ 18,976	\$ -	\$ 314,408
Fines	573,523	-	-	573,523
Intergovernmental Accounts	-	-	-	-
Gross Receivables	868,955	18,976	-	887,931
Less: Allowance for Uncollectible	<u>(344,114)</u>	<u>-</u>	<u>-</u>	<u>(344,114)</u>
Net Total Receivables	<u>\$ 524,841</u>	<u>\$ 18,976</u>	<u>\$ -</u>	<u>\$ 543,817</u>

**Proprietary Funds**

	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Accounts	\$ 64,560	\$ 38,857	\$ 103,417
Intergovernmental Grants	-	-	-
Gross Receivable	64,560	38,857	103,417
Less: Allowance for Uncollectible	<u>(19,600)</u>	<u>-</u>	<u>\$ (19,600)</u>
Net Total Receivables	<u>\$ 44,960</u>	<u>\$ 38,857</u>	<u>\$ 83,817</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, 2013 consist of the following:

State of Georgia, Dept of Transportation - Local Maintenance Improvement Grant (LMIG)	\$ 38,829
Atlanta Regional Commission - LCI Update	29,600
State of Georgia, Dept of Transportation -Transportation improvements	45,747
MARTA - Transportation improvements	61,664
Georgia Council for the Arts - Tourism Product Development Grant	15,000
DeKalb County - Economic development	87,056
Total Intergovernmental Revenue	<u>\$ 277,896</u>

There were no intergovernmental receivables as of December 31, 2013.

(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, 2013 were as follows:

Payable From	Payable To			
	Capital Projects	Non Major	Stormwater Management	Total
General	\$ 25,482	\$ 4,087	\$ 455,540	\$ 485,109
Nonmajor	-	-	-	-
Total	<u>\$ 25,482</u>	<u>\$ 4,087</u>	<u>\$ 455,540</u>	<u>\$ 485,109</u>

Individual interfund transfers for the year ended December 31, 2013 were as follows:

Transfer From	Transfers To			
	General	Capital Projects	Nonmajor	Total
General	\$ -	\$ -	\$ 773	\$ 773
Nonmajor	102,462	-	-	102,462
Solid Waste	10,019	-	-	10,019
Total	<u>\$ 112,481</u>	<u>\$ -</u>	<u>\$ 773</u>	<u>\$ 113,254</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 projects in progress as of December 31, 2013. 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, 2013 for these projects total approximately \$290,000. 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.

(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, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 471,774	\$ -	\$ -	\$ 471,774
Construction in progress	549,093	-	-	549,093
Total	<u>1,020,867</u>	<u>-</u>	<u>-</u>	<u>1,020,867</u>
Capital assets being depreciated:				
Buildings & improvements	2,107,528	30,000	-	2,137,528
Infrastructure	2,091,049	-	-	2,091,049
Vehicles, including related equipment	618,048	-	(156,223)	461,825
Furniture and other equipment	868,068	-	-	868,068
Total capital assets being depreciated	<u>5,684,693</u>	<u>30,000</u>	<u>(156,223)</u>	<u>5,558,470</u>
Less accumulated depreciation for:				
Buildings & improvements	116,987	53,554	-	170,541
Infrastructure	107,022	52,276	-	159,298
Vehicles, including related equipment	485,474	38,816	(139,841)	384,449
Furniture and other equipment	605,489	63,223	-	668,712
Total accumulated depreciation	<u>1,314,972</u>	<u>207,869</u>	<u>(139,841)</u>	<u>1,383,000</u>
Total capital assets being depreciated, net	<u>4,369,721</u>	<u>(177,869)</u>	<u>(16,382)</u>	<u>4,175,470</u>
Governmental capital assets, net	<u>\$ 5,390,588</u>	<u>\$ (177,869)</u>	<u>\$ (16,382)</u>	<u>\$ 5,196,337</u>

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

Administrative	\$ 75,368
Police	63,154
Highways and Streets	65,391
Economic Development	437
Parks	1,058
Cemetery	<u>2,461</u>
Total depreciation expense	<u>\$ 207,869</u>

(See Independent Auditor's Report)

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

**8. PROPERTY, PLANT AND EQUIPMENT, (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Vehicles, including related equipment	\$ 68,481	\$ -	\$ -	\$ 68,481
Machinery and equipment	23,130	-	-	23,130
Infrastructure	843,097	46,414	-	889,511
Total capital assets being depreciated	<u>934,708</u>	<u>46,414</u>	<u>-</u>	<u>981,122</u>
Less accumulated depreciation for:				
Vehicles, including related equipment	61,337	5,973	-	67,310
Machinery and equipment	8,867	2,313	-	11,180
Infrastructure	61,449	21,628	-	83,077
Total accumulated depreciation	<u>131,653</u>	<u>29,914</u>	<u>-</u>	<u>161,567</u>
Business-Type Activities capital assets, net	<u>\$ 803,055</u>	<u>\$ 16,500</u>	<u>\$ -</u>	<u>\$ 819,555</u>

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

Solid Waste Management	\$ 8,286
Stormwater Management	<u>21,628</u>
Total depreciation expense	<u>\$ 29,914</u>

**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, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Governmental Activities</b>					
Capital leases - equipment	\$ 156,016	\$ -	\$ (58,272)	\$ 97,744	\$ 45,126
Capital leases - facilities	1,475,154	-	(51,969)	1,423,185	54,182
Accrued compensated absences	64,546	50,578	(50,425)	64,699	-
Total Governmental Activities	<u>\$ 1,695,716</u>	<u>\$ 50,578</u>	<u>\$ (160,666)</u>	<u>\$ 1,585,628</u>	<u>\$ 99,308</u>

(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 \$103,035 and \$42,761 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 2.95% and 3.81%.

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	
2014	\$ 45,126	\$ 2,326	\$ 54,182	\$ 60,628	\$ 162,262
2015	25,363	1,185	56,491	58,319	141,358
2016	20,854	536	58,898	55,913	136,201
2017	6,401	38	61,407	53,404	121,250
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>\$ 97,744</u>	<u>\$ 4,085</u>	<u>\$ 1,423,185</u>	<u>\$ 643,408</u>	<u>\$ 2,168,422</u>

(See Independent Auditor's Report)

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

**10. UNAVAILABLE AND UNEARNED REVENUES**

Unavailable revenues as of December 31, 2013, 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	\$ 114,842
Fines and Forfeitures	202,478
Total Unavailable Revenues	<u>\$ 317,320</u>

Amounts received but not yet earned as of

December 31, 2013:

Reported in Governmental Fund's balance  
sheet and Statement of Net Position:

Franchise Taxes	\$ 14,257
Grants	42,059
Occupation Taxes and Business Licenses	40
Total Unearned Revenues	<u>\$ 56,356</u>

**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)	\$ 5,605,585
Automobile physical damage	Per application

Coverage Description - Casualty:

Comprehensive general liability	\$ 2,000,000
Automobile liability	\$ 1,000,000
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 \$5,000
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(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, 2013, the City collected hotel/motel taxes in the amount of \$993 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 2010 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>
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	19,489	1,179
	<u>\$ 182,370</u>	<u>\$ 86,218</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 8.98% 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 \$136,830 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2012 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, 2013 was 2 years. Those amortization periods, if applicable, are closed for this plan year. The actuarial accrued liability as of July 1, 2012 was \$2,329,492. 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**

<u>Actuarial Report Date</u>	<u>Calendar Year Expense</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
7/1/2012	2013	\$ 136,830	100.0%	\$ -
7/1/2011	2012	\$ 131,575	100.0%	\$ -
7/1/2010	2011	\$ 138,350	100.0%	\$ -
10/1/2009	2010	\$ 152,346	100.0%	\$ -

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll ( c )</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2013	\$ 2,642,589	\$ 2,500,419	\$ (142,170)	105.7%	\$ 1,283,925	-11.1%
7/1/2012	\$ 2,366,590	\$ 2,329,492	\$ (37,098)	101.6%	\$ 1,497,599	-2.5%
7/1/2011	\$ 2,134,840	\$ 2,044,402	\$ (90,438)	104.4%	\$ 1,334,568	-6.8%

(See Independent Auditor's Report)

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

**17. SHORT TERM BORROWINGS**

During the year ended December 31, 2013 the City entered into two tax anticipation note obligations for operating purposes of \$975,000 at a local financial institution. The borrowing, with a variable interest rate equal to 30-day LIBOR plus 1.59%, matured on December 31, 2013. Total short-term borrowings interest incurred and expended for the year ended December 31, 2012 was \$6,550.

The following is a summary of the City's short-term borrowings for the year ended December 31, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Tax anticipation note	<u>\$ -</u>	<u>\$ 891,869</u>	<u>\$ (891,869)</u>	<u>\$ -</u>

**18. SUBSEQUENT EVENTS**

In January 2014, the City issued a tax anticipation note for operating purposes of \$850,000 at a local financial institution. The note is actually a line of credit and the balance as of June 9, 2014 amounted to \$194,837. The borrowing, with a variable interest rate of LIBOR plus 2.25% times 65%, matures on December 31, 2014.

See Independent Auditor's Report)

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

**19. 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. Excess of expenditures over appropriations in individual funds – The City had no funds that incurred material excesses (if over 5 percent and greater than \$5,000) of expenditures over appropriations.
- B. 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, 2013.

(See Independent Auditor's Report)

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

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c )</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
7/1/2013	\$ 2,642,589	\$ 2,500,419	\$ (142,170)	105.7%	\$ 1,283,925	-11.1%
7/1/2012	\$ 2,366,590	\$ 2,329,492	\$ (37,098)	101.6%	\$ 1,497,599	-2.5%
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%

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## **NONMAJOR FUNDS**

**CITY OF STONE MOUNTAIN, GEORGIA  
DECEMBER 31, 2013  
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, 2013**

	Special Revenue				
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Artists Micro- Enterprise Fund	Total
<b>Assets</b>					
Cash	\$ -	\$ 4,228	\$ -	\$ -	\$ 4,228
Taxes receivable	-	-	-	-	-
Grant receivable	-	-	-	-	-
Due from other funds	4,087	-	-	-	4,087
Deposits	-	-	-	-	-
	<u>\$ 4,087</u>	<u>\$ 4,228</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,315</u>
<b>Liabilities and Fund Equity</b>					
Liabilities:					
Accounts payable	\$ -	\$ 544	\$ -	\$ -	\$ 544
Due to other funds	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>544</u>	<u>-</u>	<u>-</u>	<u>544</u>
Fund Balance					
Restricted -					
Police Services	-	3,684	-	-	3,684
Economic Development	-	-	-	-	-
Cemetery up-keep	4,087	-	-	-	4,087
Unassigned	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>4,087</u>	<u>3,684</u>	<u>-</u>	<u>-</u>	<u>7,771</u>
Total liabilities and fund balance	\$ 4,087	\$ 4,228	\$ -	\$ -	\$ 8,315



**CITY OF STONE MOUNTAIN, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Special Revenue				
	Cemetery	Police Asset Forfeiture	Hotel / Motel	Artists Micro- Enterprise	Total
	Fund	Fund	Fund	Fund	
Revenues:					
Cemetery lot sales	\$ 2,000	\$ -	\$ -	\$ -	\$ 2,000
Taxes	-	-	993	-	993
Intergovernmental	-	-	-	102,056	102,056
Fines and forfeitures	-	1,634	-	-	1,634
Other	6,000	-	9,000	8,540	23,540
Total Revenue	8,000	1,634	9,993	110,596	130,223
Expenditures;					
Current:					
Salaries and benefits	2,428	-	-	-	2,428
Purchased/contracted services	1,485	-	10,766	81,079	93,330
Supplies	-	-	-	13,545	13,545
Capital outlay	-	1,836	-	30,000	31,836
Total Expenditures	3,913	1,836	10,766	124,624	141,139
Excess (deficiency) of revenues over expenditures	4,087	(202)	(773)	(14,028)	(10,916)
Other financing sources (uses)					
Transfers in (out)	-	-	773	-	773
Net Change in Fund Balances	4,087	(202)	-	(14,028)	(10,143)
Fund Balance-Beginning of Year	-	3,886	-	14,028	17,914
Fund Balance-End of Year	\$ 4,087	\$ 3,684	\$ -	\$ -	\$ 7,771

## **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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash	\$ 603,777	\$ 108,588
Receivables -		
Property taxes	138,752	204,204
Franchise taxes	152,504	170,925
Other taxes	4,176	40,852
Fines, net of allowance for bad debts of \$344,114 in 2013 and 306,000 in 2012	229,409	204,040
Intergovernmental	-	9,966
Miscellaneous	-	13,347
Due from other funds	-	-
Due from DDA	-	-
Prepaid expenses	10,945	14,667
Total assets	<u>\$ 1,139,563</u>	<u>\$ 766,589</u>
 <b>Liabilities</b>		
Accounts payable	\$ 89,993	\$ 228,275
Accrued liabilities	39,677	96,753
Due to other funds	485,109	396,894
Unearned revenues	56,356	14,840
Total liabilities	<u>671,135</u>	<u>736,762</u>
 <b>Deferred Inflows of Resources</b>		
Unavailable revenues	<u>317,320</u>	<u>287,906</u>
 <b>Fund Balance (Deficit)</b>		
Nonspendable - prepaid items	10,945	14,667
Assigned - for 2014 budget appropriations	121,479	-
Unassigned	18,684	(272,746)
Total fund balance (deficit)	<u>151,108</u>	<u>(258,079)</u>
 Total liabilities, deferred inflows of resources and fund balance (deficit)	 <u>\$ 1,139,563</u>	 <u>\$ 766,589</u>

**CITY OF STONE MOUNTAIN, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
For the years ended December 31, 2013 and 2012

	2013	2012
<b>Revenues:</b>		
Taxes	\$ 2,218,803	\$ 1,925,902
Business licenses and permits	87,473	71,306
Intergovernmental	68,429	34,400
Service fees	7,999	8,739
Fines and forfeitures	580,368	747,706
Interest	9	164
Rents	14,275	9,800
Miscellaneous	16,148	18,110
<b>Total revenues</b>	<u>2,993,504</u>	<u>2,816,127</u>
<b>Expenditures:</b>		
Current-		
Governing Body	36,919	37,791
General Government	261,068	227,912
Financial Administration	326,337	307,659
Government Buildings	25,871	28,150
Municipal Court	259,463	338,564
Public Safety	1,014,694	1,272,664
Highways and Streets	396,366	375,022
Culture and Recreation	150,677	163,738
Economic Development	59,542	122,303
Community Development	2,015	8,902
Capital Outlay	3,686	-
Debt service -		
Principal	110,242	116,455
Interest	66,949	70,324
<b>Total expenditures</b>	<u>2,713,829</u>	<u>3,069,484</u>
Excess (deficiency) of revenues over expenditures	<u>279,675</u>	<u>(253,357)</u>
Other financing sources (uses)		
Capital lease proceeds	-	-
Proceeds from sale of capital assets	17,804	-
Transfers (net)	111,708	(17,875)
<b>Total other financing sources (uses)</b>	<u>129,512</u>	<u>(17,875)</u>
Net change in fund balance	409,187	(271,232)
Fund Balance-Beginning of Year	(258,079)	13,153
Fund Balance-End of Year	<u>\$ 151,108</u>	<u>\$ (258,079)</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, 2013**  
**(With comparative actual amounts for the year ended December 31, 2012)**

	2013			2012
	Final Budget	Actual	Variance	Actual
<b>Revenues</b>				
<b>Taxes:</b>				
Property	\$ 1,581,118	\$ 1,475,693	\$ (105,425)	\$ 1,137,916
Utility franchise	243,800	239,955	(3,845)	244,972
Host tax	-	-	-	65,909
Alcoholic beverage	28,900	34,176	5,276	35,452
Insurance premium	289,056	299,290	10,234	289,056
Motor vehicle	92,415	88,881	(3,534)	84,983
Intangible taxes	11,000	25,496	14,496	19,380
Business and occupational	43,850	42,930	(920)	46,333
Other taxes	1,500	12,382	10,882	1,901
Total taxes	<u>2,291,639</u>	<u>2,218,803</u>	<u>(72,836)</u>	<u>1,925,902</u>
<b>Business Licenses and Permits</b>	<u>51,400</u>	<u>87,473</u>	<u>36,073</u>	<u>71,306</u>
<b>Service Fees</b>				
Police services	7,400	6,056	(1,344)	8,134
Miscellaneous	9,284	1,943	(7,341)	605
Total service fees	<u>16,684</u>	<u>7,999</u>	<u>(8,685)</u>	<u>8,739</u>
<b>Fines and Forfeitures</b>	<u>631,300</u>	<u>580,368</u>	<u>(50,932)</u>	<u>747,706</u>
<b>Rents</b>	<u>1,200</u>	<u>14,275</u>	<u>13,075</u>	<u>9,800</u>
<b>Interest Earned</b>	<u>100</u>	<u>9</u>	<u>(91)</u>	<u>164</u>
<b>Intergovernmental</b>	<u>68,429</u>	<u>68,429</u>	<u>-</u>	<u>34,400</u>
<b>Miscellaneous</b>				
Other	10,004	16,148	6,144	18,110
Total	<u>10,004</u>	<u>16,148</u>	<u>6,144</u>	<u>18,110</u>
<b>Total Revenues</b>	<u>\$ 3,070,756</u>	<u>\$ 2,993,504</u>	<u>\$ (77,252)</u>	<u>\$ 2,816,127</u>

**CITY OF STONE MOUNTAIN, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2013**  
**(With comparative actual totals for the year ended December 31, 2012)**

	2013			2012
	Final Budget	Actual	Variance	Actual
<b>Expenditures</b>				
<b>Governing Body</b>				
Personal services and benefits	\$ 36,191	\$ 36,085	\$ 106	\$ 35,900
Purchased / contracted services	2,200	715	1,485	1,218
Supplies	100	119	(19)	673
Total operating	38,491	36,919	1,572	37,791
Total Governing Body	38,491	36,919	1,572	37,791
<b>General Government</b>				
Personal services and benefits	148,630	143,598	5,032	13,359
Purchased / contracted services	105,389	89,958	15,431	179,506
Supplies	7,000	4,371	2,629	7,042
Other	255,384	23,141	232,243	28,005
Total operating	516,403	261,068	255,335	227,912
Capital outlay	-	-	-	-
Total General Government	516,403	261,068	255,335	227,912
<b>Financial Administration</b>				
Personal services and benefits	249,776	242,708	7,068	249,745
Purchased / contracted services	73,180	71,751	1,429	47,414
Supplies	13,000	11,878	1,122	10,500
Total operating	335,956	326,337	9,619	307,659
Capital outlay	-	-	-	-
Total Financial Administration	335,956	326,337	9,619	307,659

Continued

**CITY OF STONE MOUNTAIN, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2013**  
**(With comparative actual totals for the year ended December 31, 2012)**

	2013			2012
	Final Budget	Actual	Variance	Actual
<b>Government Buildings</b>				
Purchased / contracted services	\$ 14,995	\$ 15,780	\$ (785)	\$ 13,081
Supplies	11,460	10,091	1,369	15,069
Other	-	-	-	-
Total operating	26,455	25,871	584	28,150
Capital outlay	-	-	-	-
Total Government Buildings	26,455	25,871	584	28,150
<b>Municipal Court</b>				
Personal services and benefits	125,579	113,313	12,266	140,829
Purchased / contracted services	49,385	43,755	5,630	42,901
Supplies	2,610	1,394	1,216	1,247
Other Costs	126,800	101,001	25,799	153,587
Total operating	304,374	259,463	44,911	338,564
Capital outlay	1,400	1,340	60	-
Total Municipal Court	305,774	260,803	44,971	338,564
<b>Public Safety</b>				
Police				
Personal services and benefits	878,276	871,617	6,659	1,112,029
Purchased / contracted services	75,143	73,733	1,410	84,906
Supplies	71,150	69,344	1,806	75,729
Total operating	1,024,569	1,014,694	9,875	1,272,664
Capital outlay	3,850	2,346	1,504	-
Total Public Safety	1,028,419	1,017,040	11,379	1,272,664

Continued

**CITY OF STONE MOUNTAIN, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2013**  
**(With comparative actual totals for the year ended December 31, 2012)**

	2013			2012
	Final Budget	Actual	Variance	Actual
<b>Highways and Streets</b>				
Personal services and benefits	\$ 198,141	\$ 193,525	\$ 4,616	\$ 237,254
Purchased / contracted services	98,429	87,841	10,588	15,291
Supplies	<u>136,147</u>	<u>115,000</u>	<u>21,147</u>	<u>122,477</u>
Total operating	<u>432,717</u>	<u>396,366</u>	<u>36,351</u>	<u>375,022</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Highways and Streets	<u>432,717</u>	<u>396,366</u>	<u>36,351</u>	<u>375,022</u>
<b>Culture and Recreation</b>				
Personal services and benefits	115,370	127,807	(12,437)	141,373
Purchased / contracted services	23,400	16,178	7,222	16,614
Supplies	11,400	6,692	4,708	5,751
Other costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating	<u>150,170</u>	<u>150,677</u>	<u>(507)</u>	<u>163,738</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation	<u>150,170</u>	<u>150,677</u>	<u>(507)</u>	<u>163,738</u>

Continued



**CITY OF STONE MOUNTAIN, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the year ended December 31, 2013**  
**(With comparative actual totals for the year ended December 31, 2012)**

	2013			2012
	Final Budget	Actual	Variance	Actual
<b>Economic Development</b>				
Personal services and benefits	\$ -	\$ -	\$ -	\$ 56,076
Purchased / contracted services	60,069	59,542	527	63,392
Supplies	100	-	100	2,835
Total operating	60,169	59,542	627	122,303
Capital outlay	-	-	-	-
Total Economic Development	60,169	59,542	627	122,303
<b>Community Development</b>				
Personal services and benefits	-	2,015	(2,015)	8,406
Purchased / contracted services	10,500	-	10,500	496
Other costs	3,050	-	3,050	-
Total Community Development	13,550	2,015	11,535	8,902
<b>Debt Service</b>				
Principal	113,193	110,242	2,951	116,455
Interest	66,859	66,949	(90)	70,324
Total Debt Service	180,052	177,191	2,861	186,779
Total Expenditures	\$ 3,088,156	\$ 2,713,829	\$ 374,327	\$ 3,069,484

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## **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, 2013 AND 2012**

<b>Assets</b>	<u>2013</u>	<u>2012</u>
Due from other funds	\$ 4,087	\$ -
Total Assets	<u>\$ 4,087</u>	<u>\$ -</u>
<b>Liabilities and Fund Balance</b>		
Liabilities	\$ -	\$ -
Fund balance		
Restricted for cemetery up-keep	<u>4,087</u>	<u>-</u>
Total fund balance	<u>\$ 4,087</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, 2013**  
**(With comparative actual amounts for the year ended December 31, 2012)**

	2013			2012
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Cemetery lot sales	\$ 2,000	\$ 2,000	\$ -	\$ 6,200
Gifts	5,000	6,000	1,000	5,000
Total Revenues	7,000	8,000	1,000	11,200
<b>Expenditures</b>				
Current				
Salaries and benefits	4,150	2,428	1,722	2,396
Purchased/contracted services	2,850	1,485	1,365	7,222
Capital outlay	-	-	-	-
Total Expenditures	7,000	3,913	3,087	9,618
Excess of revenues over (under) expenditures	-	4,087	4,087	1,582
Other financing sources (uses)				
Transfers	-	-	-	(1,582)
Net change in fund balance	-	4,087	4,087	-
Fund Balance-Beginning of Year	-	-	-	-
Fund Balance-End of Year	\$ -	\$ 4,087	\$ 4,087	\$ -

**CITY OF STONE MOUNTAIN, GEORGIA  
POLICE ASSET FORFEITURE FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2013 AND 2012**

<b>Assets</b>	<u>2013</u>	<u>2012</u>
Cash	\$ 4,228	\$ 3,886
Total assets	<u>\$ 4,228</u>	<u>\$ 3,886</u>
<b>Liabilities and Fund Balance</b>		
Liabilities		
Accounts Payable	<u>544</u>	<u>-</u>
Fund balance:		
Restricted for police budget enhancement	<u>3,684</u>	<u>3,886</u>
Total liabilities and fund balance	<u>\$ 4,228</u>	<u>\$ 3,886</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, 2013**  
**(With comparative actual amounts for the year ended December 31, 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Revenues</b>				
Forfeitures	\$ 3,800	\$ 1,634	\$ (2,166)	\$ -
Other	<u>200</u>	<u>-</u>	<u>(200)</u>	<u>-</u>
Total Revenues	<u>4,000</u>	<u>1,634</u>	<u>(2,366)</u>	<u>-</u>
<b>Expenditures</b>				
Current -				
Supplies	800	-	800	-
Capital outlay-				
Machinery and equipment	<u>3,200</u>	<u>1,836</u>	<u>1,364</u>	<u>-</u>
Total Expenditures	<u>4,000</u>	<u>1,836</u>	<u>2,164</u>	<u>-</u>
Excess (deficiency) of				
Revenues over Expenditures	<u>-</u>	<u>(202)</u>	<u>(202)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(202)	(202)	-
Fund Balance-Beginning				
of Year	<u>3,886</u>	<u>3,886</u>	<u>-</u>	<u>3,886</u>
Fund Balance-End of Year	<u>\$ 3,886</u>	<u>\$ 3,684</u>	<u>\$ (202)</u>	<u>\$ 3,886</u>

**CITY OF STONE MOUNTAIN, GEORGIA  
HOTEL / MOTEL TAX FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Taxes receivable	\$ -	\$ -
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balance</b>		
Liabilities	\$ -	\$ -
Fund balance - Restricted for Tourism and Promotion	-	-
<b>Total Liabilities and Equity</b>	<u>\$ -</u>	<u>\$ -</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, 2013**  
**(With comparative actual amounts for the year ended December 31, 2012)**

	2013			2012
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Hotel / Motel tax	\$ 150	\$ 993	\$ 843	\$ 146
Contributions from SMMA	9,000	9,000	-	9,000
Total Revenues	9,150	9,993	843	9,146
<b>Expenditures</b>				
Current -				
Tourism and Promotion	10,400	10,766	(366)	13,731
Total Expenditures	10,400	10,766	(366)	13,731
Excess (deficiency) of Revenues over Expenditures	(1,250)	(773)	477	(4,585)
Other financing sources (uses)				
Transfers in (out)	1,250	773	(477)	4,585
Net change in fund balance	-	-	-	-
Fund Balance-Beginning of Year	-	-	-	-
Fund balance-end of Year	\$ -	\$ -	\$ -	\$ -

**CITY OF STONE MOUNTAIN, GEORGIA  
ARTISTS MICROENTERPRISE FUND  
BALANCE SHEET  
DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash	\$ -	\$ 13,928
Grant receivable	-	17,510
Deposits	<u>-</u>	<u>10,040</u>
Total Assets	<u>\$ -</u>	<u>\$ 41,478</u>
 <b>Liabilities</b>		
Accounts payable	\$ -	\$ 27,450
Accrued liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>27,450</u>
 <b>Deferred Inflows of Resources</b>		
Unavailable revenues	<u>-</u>	<u>-</u>
 <b>Fund Balance -</b>		
Unassigned	<u>-</u>	<u>14,028</u>
Total liabilities, deferred inflows of revenues and fund balance	<u>\$ -</u>	<u>\$ 41,478</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, 2013**  
**(With comparative actual amounts for the year ended December 31, 2012)**

	2013			2012
	Budget	Actual	Variance	Actual
<b>Revenues</b>				
Intergovernmental	\$ 114,425	\$ 102,056	\$ (12,369)	\$ 197,841
Rents	1,800	1,950	150	3,700
Commissions	4,200	6,123	1,923	9,094
Miscellaneous	-	467	467	772
			-	
Total Revenues	<u>120,425</u>	<u>110,596</u>	<u>(9,829)</u>	<u>211,407</u>
<b>Expenditures</b>				
Current -				
Purchased / Contracted Services	83,532	81,079	2,453	144,052
Supplies	12,550	13,545	(995)	37,254
Capital outlay -				
General Government Buildings	<u>29,843</u>	<u>30,000</u>	<u>(157)</u>	<u>-</u>
Total Expenditures	<u>125,925</u>	<u>124,624</u>	<u>1,301</u>	<u>181,306</u>
Excess (deficiency) of Revenues over Expenditures	(5,500)	(14,028)	(8,528)	30,101
Other Financing Sources (Uses)				
Transfers	<u>5,500</u>	<u>-</u>	<u>(5,500)</u>	<u>-</u>
Net change in fund balance	-	(14,028)	(14,028)	30,101
Fund balance - beginning	<u>14,028</u>	<u>14,028</u>	<u>-</u>	<u>(16,073)</u>
Fund balance - ending	<u>\$ 14,028</u>	<u>\$ -</u>	<u>\$ (14,028)</u>	<u>\$ 14,028</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.

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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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Cash	\$ -	\$ -
Receivables -		
Other taxes	18,976	
Grant	-	45,747
Due from other funds	<u>25,482</u>	<u>-</u>
 Total Assets	 <u>\$ 44,458</u>	 <u>\$ 45,747</u>
 <b>Liabilities</b>		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	-
Due to other funds	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>
 <b>Deferred Inflows of Resources</b>		
Unavailable revenues	<u>-</u>	<u>45,747</u>
 <b>Fund balance -</b>		
Restricted for capital outlay	44,458	-
Unassigned	<u>-</u>	<u>-</u>
 Total Fund Balance	 <u>44,458</u>	 <u>-</u>
 <b>Total Liabilities, Deferred Inflows of resources and Fund Balance</b>	 <u>\$ 44,458</u>	 <u>\$ -</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, 2013**  
**(With comparative actual amounts for the year ended December 31, 2012)**

	Budget	2013 Actual	Variance	2012 Actual
<b>Revenues</b>				
Intergovernmental	\$ 927,628	\$ 107,411	\$ (820,217)	\$ 156,292
Interest	-	-	-	55
Taxes	<u>36,572</u>	<u>44,458</u>	<u>7,886</u>	<u>-</u>
Total Revenues	<u>964,200</u>	<u>151,869</u>	<u>(812,331)</u>	<u>156,347</u>
<b>Expenditures</b>				
Capital Outlay				
Highways and Streets	954,000	3,970	950,030	172,722
General Government Buildings	15,600	979	14,621	251,051
Debt Service				
Debt Issue Cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>969,600</u>	<u>4,949</u>	<u>964,651</u>	<u>423,773</u>
Excess (deficiency) of Revenues over Expenditures	(5,400)	146,920	152,320	(267,426)
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	-	99,123
Transfers	<u>5,400</u>	<u>(102,462)</u>	<u>(107,862)</u>	<u>16,522</u>
Net change in fund balance	-	44,458	44,458	(151,781)
Fund balance-Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,781</u>
Fund balance-end of Year	<u>\$ -</u>	<u>\$ 44,458</u>	<u>\$ 44,458</u>	<u>\$ -</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 POSITION  
DECEMBER 31, 2013 AND 2012**

<b>Assets</b>	<u>2013</u>	<u>2012</u>
<b>Current assets</b>		
Accounts receivable		
Sanitation	\$ 38,723	\$ 47,321
Dumpsters	6,237	6,503
Prepaid items	145	-
Total current assets	<u>45,105</u>	<u>53,824</u>
<b>Noncurrent assets</b>		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	23,130	23,130
Accumulated depreciation	<u>(78,489)</u>	<u>(70,203)</u>
Capital assets (net of depreciation)	<u>13,122</u>	<u>21,408</u>
Total noncurrent assets	<u>13,122</u>	<u>21,408</u>
 Total assets	 <u>58,227</u>	 <u>75,232</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	-	13,236
Unearned revenue	10,516	14,140
Accrued liabilities	<u>-</u>	<u>299</u>
Current liabilities	<u>10,516</u>	<u>27,675</u>
Noncurrent liabilities		
Capital lease payable	<u>-</u>	<u>-</u>
Total noncurrent liabilities		
 Total liabilities	 <u>10,516</u>	 <u>27,675</u>
<b>Net Position</b>		
Investment in capital assets	13,122	21,408
Unrestricted	<u>34,589</u>	<u>26,149</u>
 Total net position	 <u>\$ 47,711</u>	 <u>\$ 47,557</u>

**CITY OF STONE MOUNTAIN, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the years ended December 31, 2013 and 2012

	2013	2012
OPERATING REVENUES:		
Refuse collection	\$ 381,960	\$ 379,170
Dumpster collection	145,159	138,892
Miscellaneous	-	-
	<u>527,119</u>	<u>518,062</u>
Total operating revenues		
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	693	716
Dumpster collection	131,688	128,195
Sanitation expense	352,254	351,583
Personal services and benefits	19,094	15,664
Purchased / contracted services	1,536	1,536
Supplies	1,195	1,277
Depreciation	8,286	11,955
Bad debt expense	2,200	1,400
Other	-	25,085
	<u>516,946</u>	<u>537,411</u>
Total operating expenses		
Operating income	<u>10,173</u>	<u>(19,349)</u>
NONOPERATING INCOME/(EXPENSES)		
Loss on sale of capital assets	-	(10,102)
	<u>-</u>	<u>(10,102)</u>
Total nonoperating income/(expense)		
Income before transfers and capital contributions	10,173	(29,451)
Capital contributions	-	-
Transfers in/(out)	<u>(10,019)</u>	<u>(1,650)</u>
Change in net position	154	(31,101)
NET POSITION, BEGINNING OF YEAR	<u>47,557</u>	<u>78,658</u>
NET POSITION, END OF YEAR	<u>\$ 47,711</u>	<u>\$ 47,557</u>

**CITY OF STONE MOUNTAIN, GEORGIA**  
**SOLID WASTE ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 532,359	\$ 512,371
Cash paid to suppliers	(507,473)	(500,212)
Cash paid to employees	(14,867)	(11,709)
	<u>10,019</u>	<u>450</u>
Net cash provided by operating activities		
Cash flows from capital financing activities:		
Proceeds from sales of capital assets	-	1,200
Purchase of capital assets	-	-
Principal paid on capital debt	-	-
	<u>-</u>	<u>1,200</u>
Net cash provided by capital financing activities		
Cash flows from non-capital financing activities:		
Transfers	(10,019)	(1,650)
	<u>(10,019)</u>	<u>(1,650)</u>
Net cash provided by non-capital financing activities		
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>

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

	<u>2013</u>	<u>2012</u>
Operating income (loss)	\$ 10,173	\$ (19,349)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,286	11,955
(Increase) decrease in receivables	8,864	(7,933)
(Increase) decrease in prepaids	(145)	-
Increase (decrease) in accounts payable	(13,236)	13,236
Increase (decrease) in unearned revenues	(3,624)	2,242
Increase (decrease) in customer deposits	-	-
Increase (decrease) in accrued liabilities	<u>(299)</u>	<u>299</u>
Net cash provided by operating activities	<u>\$ 10,019</u>	<u>\$ 450</u>

**CITY OF STONE MOUNTAIN, GEORGIA**  
**STORMWATER MANAGEMENT FUND**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables, net -		
Accounts	\$ 38,857	\$ 36,111
Due from FEMA	-	-
Due from other funds	<u>455,540</u>	<u>396,894</u>
Total current assets	<u>494,397</u>	<u>433,005</u>
<b>Non-Current Assets</b>		
Capital assets -		
Infrastructure	889,511	843,097
Accumulated depreciation	<u>(83,078)</u>	<u>(61,450)</u>
Capital assets, net of depreciation	<u>806,433</u>	<u>781,647</u>
Total non-current assets	<u>806,433</u>	<u>781,647</u>
<b>Total Assets</b>	<u>1,300,830</u>	<u>1,214,652</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	<u>-</u>	<u>-</u>
Total current liabilities	<u>-</u>	<u>-</u>
<b>Noncurrent Liabilities</b>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Investment in capital assets	806,433	781,647
Unrestricted	<u>494,397</u>	<u>433,005</u>
<b>Total Net Position</b>	<u>\$ 1,300,830</u>	<u>\$ 1,214,652</u>



**CITY OF STONE MOUNTAIN, GEORGIA  
STORMWATER MANAGEMENT FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 144,611	\$ 147,276
Total operating revenues	<u>144,611</u>	<u>147,276</u>
<b>OPERATING EXPENSES</b>		
Purchased/contracted services	36,805	48,547
Supplies	-	-
Depreciation	21,628	20,406
Other	<u>-</u>	<u>-</u>
Total operating expenses	<u>58,433</u>	<u>68,953</u>
Operating income (loss)	86,178	78,323
<b>Non-operating revenues and (expenses)</b>		
Interest income	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	86,178	78,323
Capital contributions	-	6,723
Transfers	<u>-</u>	<u>-</u>
Change in net position	86,178	85,046
NET POSITION - BEGINNING	<u>1,214,652</u>	<u>1,129,606</u>
NET POSITION - ENDING	<u>\$ 1,300,830</u>	<u>\$ 1,214,652</u>

**CITY OF STONE MOUNTAIN, GEORGIA  
STORMWATER MANAGEMENT FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 141,865	\$ 138,609
Cash paid to suppliers for goods	(36,805)	(48,547)
Cash paid to employees	<u>-</u>	<u>-</u>
Net cash provided from operating activities	<u>105,060</u>	<u>90,062</u>
<b>Cash flows from investing activities:</b>		
Interest income	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>		
Change in due to/from other funds	<u>(58,646)</u>	<u>(20,129)</u>
Net cash flows from non-capital financing activities	<u>(58,646)</u>	<u>(20,129)</u>
<b>Cash flows from capital financing activities:</b>		
Proceeds from capital contributions	-	6,723
Purchase of capital assets	<u>(46,414)</u>	<u>(76,656)</u>
Net cash flows from capital financing activities	<u>(46,414)</u>	<u>(69,933)</u>
Net cash flows	-	-
Cash and cash equivalents - beginning	<u>-</u>	<u>-</u>
Cash and cash equivalents - ending	<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>2013</u>	<u>2012</u>
<b>Operating income (loss)</b>	<b>\$ 86,178</b>	<b>\$ 78,323</b>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	21,628	20,406
(Increase) decrease in receivables	(2,746)	(8,667)
Increase (decrease) in accounts payable	-	-
Total adjustments	<u>18,882</u>	<u>11,739</u>
<b>Net cash from operating activities</b>	<b>\$ 105,060</b>	<b>\$ 90,062</b>

**CITY OF STONE MOUNTAIN, GEORGIA  
STORMWATER MANAGEMENT FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 141,865	\$ 138,609
Cash paid to suppliers for goods	(36,805)	(48,547)
Cash paid to employees	<u>-</u>	<u>-</u>
Net cash provided from operating activities	<u>105,060</u>	<u>90,062</u>
<b>Cash flows from investing activities:</b>		
Interest income	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>		
Change in due to/from other funds	<u>(58,646)</u>	<u>(20,129)</u>
Net cash flows from non-capital financing activities	<u>(58,646)</u>	<u>(20,129)</u>
<b>Cash flows from capital financing activities:</b>		
Proceeds from capital contributions	-	6,723
Purchase of capital assets	<u>(46,414)</u>	<u>(76,656)</u>
Net cash flows from capital financing activities	<u>(46,414)</u>	<u>(69,933)</u>
Net cash flows	-	-
Cash and cash equivalents - beginning	<u>-</u>	<u>-</u>
Cash and cash equivalents - ending	<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>2013</u>	<u>2012</u>
<b>Operating income (loss)</b>	<b>\$ 86,178</b>	<b>\$ 78,323</b>
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Total adjustments	<u>18,882</u>	<u>11,739</u>
<b>Net cash from operating activities</b>	<b>\$ <u>105,060</u></b>	<b>\$ <u>90,062</u></b>

**CITY OF STONE MOUNTAIN, GEORGIA  
DOWNTOWN DEVELOPMENT AUTHORITY  
BALANCE SHEET  
DECEMBER 31, 2013**

	<u>2013</u>
<b>Assets</b>	
Assets:	
Cash	\$ 34,535
Rents receivable	<u>1,735</u>
Total Assets	<u>\$ 36,270</u>
 <b>Liabilities and Fund Equity</b>	
Liabilities:	
Tenant deposits	\$ <u>1,025</u>
Total Liabilities	<u>1,025</u>
 Fund equity:	
Fund Balance - Unassigned	<u>35,245</u>
Total Fund Equity	<u>35,245</u>
Total Liabilities and Fund Equity	<u>\$ 36,270</u>

**CITY OF STONE MOUNTAIN, GEORGIA  
DOWNTOWN DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u>
Revenues:	
Rents	\$ 30,263
Miscellaneous	<u>-</u>
Total Revenues	<u>30,263</u>
Expenditures:	
Purchased / contracted services	1,798
Supplies	2,474
Debt service -	
Principal	9,078
Interest	<u>11,582</u>
Total Expenditures	<u>24,932</u>
Excess of revenues over (under) expenditures	5,331
Other financing sources (uses):	
Proceeds from note issue	-
Proceeds from sale of asset	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>
Net change in fund balance	5,331
Fund Balance - Beginning of year	<u>29,914</u>
Fund Balance - End of year	<u><u>\$ 35,245</u></u>

