

CITY OF STONE MOUNTAIN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

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SNELLVILLE, GEORGIA 30078

**CITY OF STONE MOUNTAIN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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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, 2018, 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, 2018 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 Schedule of Changes in the Pension Liability and Related Ratios on pages 49 - 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stone Mountain, Georgia's basic financial statements. The combining nonmajor and individual fund financial statements and budget schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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, 2017, 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 2017 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 2017 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 2017 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 12, 2019 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.

Snellville, Georgia
June 12, 2019

James H. Whitaker, P.C.

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, 2018. 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, 2018 by \$9,812,631. Of this amount unrestricted net position of \$3,042,672 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$1,667,515. Of this amount, an increase of \$1,627,318 was associated with governmental activities and an increase of \$40,197 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 \$2,761,227 an increase of \$1,190,227 in comparison with the prior year. Of this amount \$2,025,056 is unassigned; \$567,232 is restricted for various specified activities; \$138,901 is assigned for the 2019 budget and \$30,038 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 \$2,025,056 or 58.0% of the General Fund expenditures.
- The City of Stone Mountain's total debt obligations (including accrued compensated absences) decreased by the net of \$308,412. Principal payments were made on outstanding capital leases of \$216,870. The City did implement GASB 68 during fiscal year 2015 which requires recognition of the City's "net pension liability, which was \$95,859 as of December 31, 2017 and a net pension asset of \$(177,157) at December 31, 2018.

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 three major governmental funds. The City's major governmental funds are the General Fund, Capital Projects Fund and a SPLOST 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 15.

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 2018 budget. The budgetary comparison statements begin on page 20.

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 26.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of a schedule of changes in pension liability and related ratios and combining and individual fund financial statements and schedules beginning on page 48.

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, 2018, the City's assets exceeded liabilities by \$9,812,631. The City's net position reflects its investment in capital assets (63.2 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 \$9,812,631, \$567,232 (5.8 percent) is restricted for various specified activities and \$3,042,672 (31.0 percent) is unrestricted.

City of Stone Mountain's Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 3,607,681	\$ 2,348,755	\$ 562,883	\$ 591,106	\$ 4,170,564	\$ 2,939,861
Capital assets	6,391,445	6,258,327	988,889	944,308	7,380,334	7,202,635
Deferred outflows	<u>189,834</u>	<u>239,721</u>	<u>-</u>	<u>-</u>	<u>189,834</u>	<u>239,721</u>
Total assets	<u>10,188,960</u>	<u>8,846,803</u>	<u>1,551,772</u>	<u>1,535,414</u>	<u>11,740,732</u>	<u>10,382,217</u>
Current liabilities	398,280	489,825	10,385	34,224	408,665	524,049
Long-term liabilities	1,200,266	1,508,678	-	-	1,200,266	1,508,678
Deferred inflows	<u>319,170</u>	<u>204,374</u>	<u>-</u>	<u>-</u>	<u>319,170</u>	<u>204,374</u>
Total liabilities	<u>1,917,716</u>	<u>2,202,877</u>	<u>10,385</u>	<u>34,224</u>	<u>1,928,101</u>	<u>2,237,101</u>
Net position:						
Net investment in capital assets	5,213,838	4,863,851	988,889	944,308	6,202,727	5,808,159
Restricted	567,232	22,558	-	-	567,232	22,558
Unrestricted	<u>2,490,174</u>	<u>1,757,517</u>	<u>552,498</u>	<u>556,882</u>	<u>3,042,672</u>	<u>2,314,399</u>
Total net position	<u>\$ 8,271,244</u>	<u>\$ 6,643,926</u>	<u>\$ 1,541,387</u>	<u>\$ 1,501,190</u>	<u>\$ 9,812,631</u>	<u>\$ 8,145,116</u>

A portion of the net position (5.8 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position (\$3,042,672) 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.

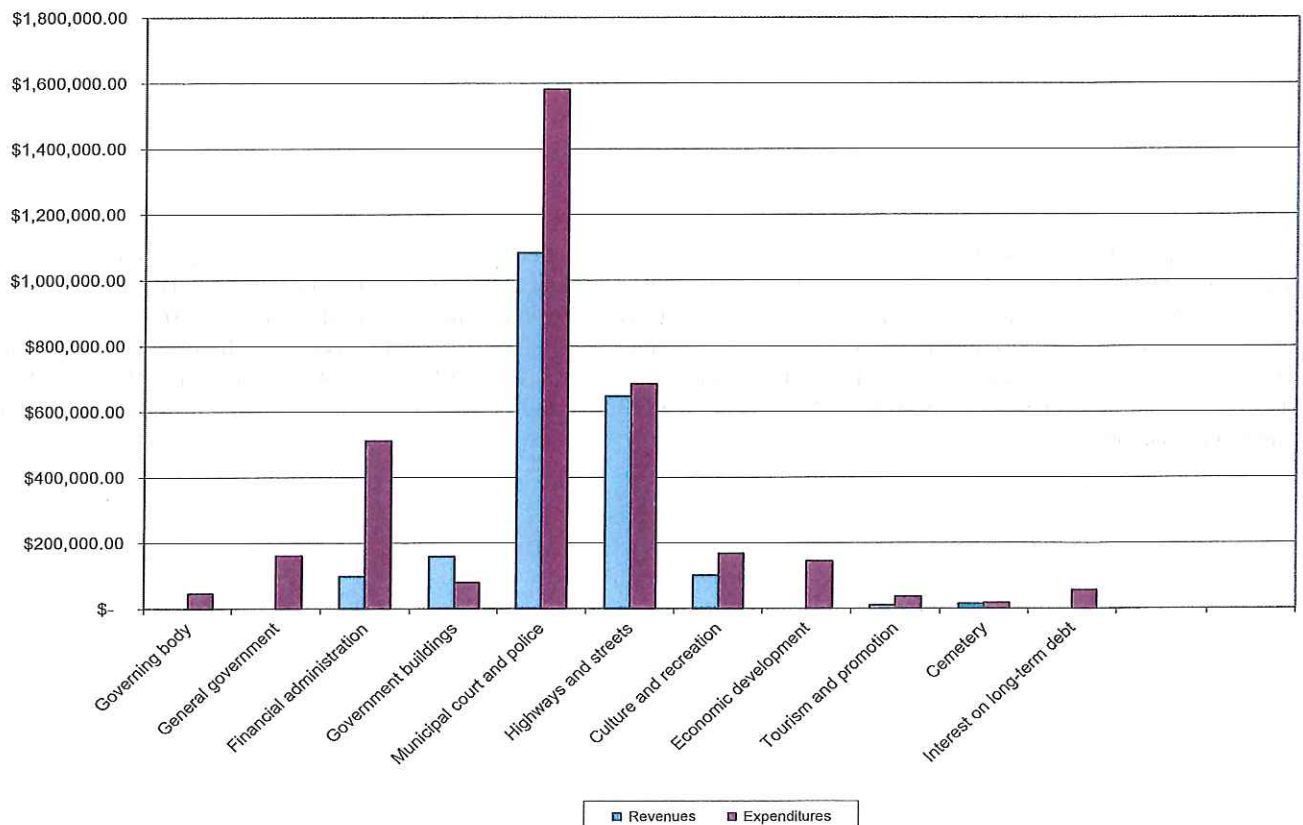
Governmental activities. Governmental activities increased the City's net position by \$1,627,318. Key elements of this increase are as follows:

**City of Stone Mountain's Change in Net Position
For The Years Ended December 31, 2018 and 2017**

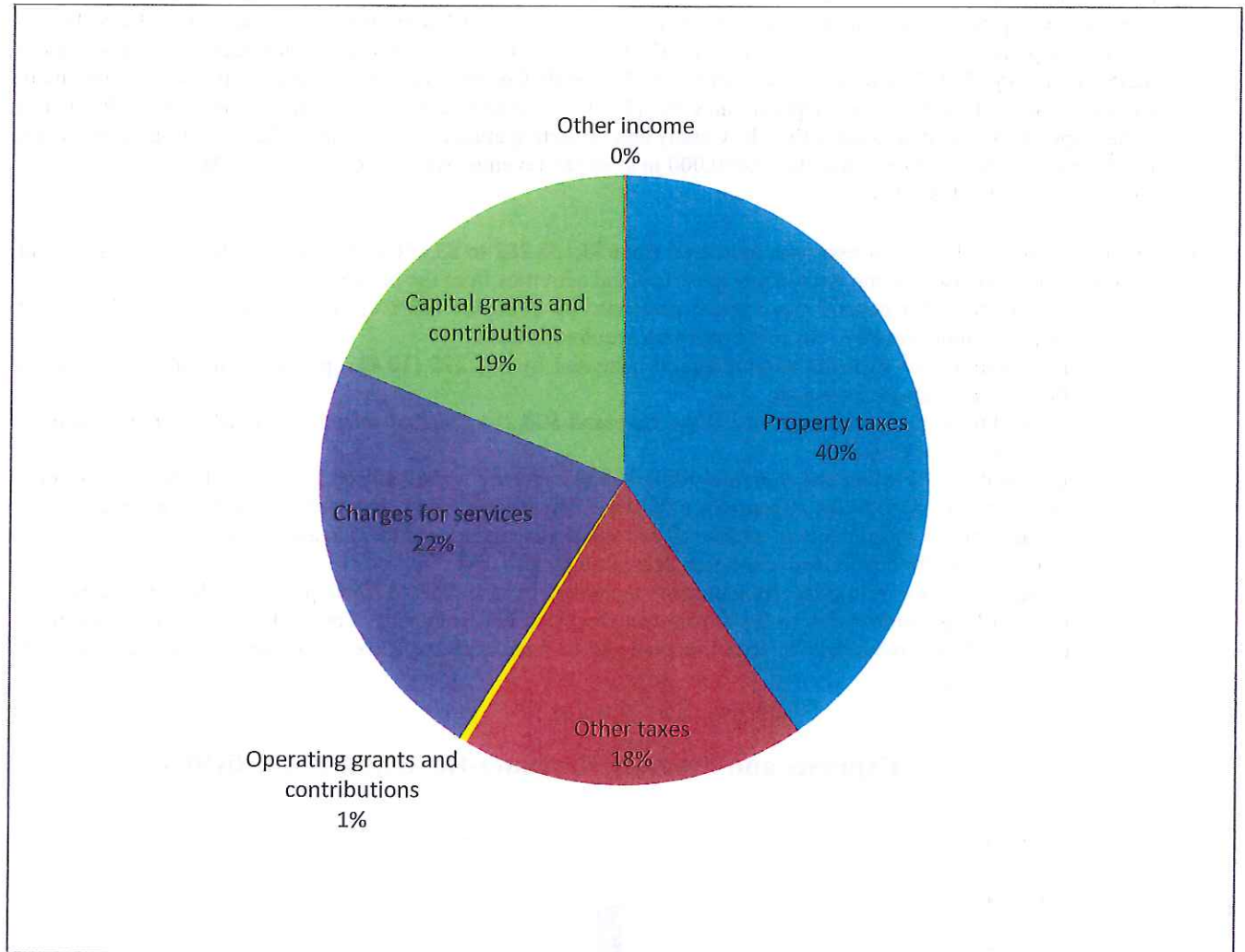
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues -						
Charges for services	\$ 1,134,590	\$ 916,497	\$ 682,917	\$ 695,515	\$ 1,817,507	\$ 1,612,012
Operating grants and contributions	20,635	55,427	-	-	20,635	55,427
Capital grants and contributions	953,218	235,956	-	-	953,218	235,956
General Revenues-						
Property taxes	2,051,176	1,942,467	-	-	2,051,176	1,942,467
Other taxes	933,902	960,942	-	-	933,902	960,942
Interest	4	7	-	-	4	7
Other	6,411	23,985	-	-	6,411	23,985
	<u>5,099,936</u>	<u>4,135,281</u>	<u>682,917</u>	<u>695,515</u>	<u>5,782,853</u>	<u>4,830,796</u>
Expenses:						
Governing body	45,360	36,042	-	-	45,360	36,042
General government	160,229	266,696	-	-	160,229	266,696
Financial administration	511,521	463,246	-	-	511,521	463,246
Government buildings	78,388	50,174	-	-	78,388	50,174
Municipal court and public safety	1,580,193	1,490,713	-	-	1,580,193	1,490,713
Highways and streets	683,472	474,136	-	-	683,472	474,136
Culture and recreation	167,074	168,123	-	-	167,074	168,123
Economic development	143,337	93,575	-	-	143,337	93,575
Tourism and promotion	35,658	39,023	-	-	35,658	39,023
Cemetery	17,052	17,358	-	-	17,052	17,358
Interest on long-term debt	54,338	59,196	-	-	54,338	59,196
Solid waste	-	-	534,595	539,361	534,595	539,361
Stormwater	-	-	104,121	104,448	104,121	104,448
	<u>3,476,622</u>	<u>3,158,282</u>	<u>638,716</u>	<u>643,809</u>	<u>4,115,338</u>	<u>3,802,091</u>
Increase (decrease) in net position before transfers	1,623,314	976,999	44,201	51,706	1,667,515	1,028,705
Transfers	<u>4,004</u>	<u>6,395</u>	<u>(4,004)</u>	<u>(6,395)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	1,627,318	983,394	40,197	45,311	1,667,515	1,028,705
Net position - beginning of year	<u>6,643,926</u>	<u>5,660,532</u>	<u>1,501,190</u>	<u>1,455,879</u>	<u>8,145,116</u>	<u>7,116,411</u>
Net position - end of year	<u>\$ 8,271,244</u>	<u>\$ 6,643,926</u>	<u>\$ 1,541,387</u>	<u>\$ 1,501,190</u>	<u>\$ 9,812,631</u>	<u>\$ 8,145,116</u>

- Total Governmental Activity revenue increased by \$964,655 (23.33%). Total property tax revenue increased by \$108,709 due to an increase in the real property tax valuations for the 2018 tax year. The millage rate assessed was decreased by 0.27 mils from 22.27 mils in 2017 to 22.00 mils in 2018. Other Tax Revenue decreased by \$27,040 (2.8%). Total program revenue increased by \$900,563 (74.56%). Charges for services increased by \$218,093 (23.8%). Operating grants decreased by \$34,792 (62.77%). Capital grants and contributions increased from \$235,956 to \$953,213 (303.98%). In November 2017, DeKalb County voters approved a referendum to implement a one-cent Special Purpose Local Option Sales Tax (SPLOST), effective April 1, 2019. The purpose of SPLOST is to fund specified capital projects within the County and its participating municipalities. The City of Stone Mountain is estimated to receive approximately \$5,690,000 in sales tax revenue over six (6) years, with \$661,307 in revenue and interest received in 2018.
- Total Governmental Activity expenses increased from \$3,158,282 to \$3,476,622. However there were significant increases and decreases among the various governmental activities from the prior year:
 - Expenditures for general government decreased by \$106,467 (39.9%) due, primarily, to a 2017 cost of acquisition of property. No real estate was acquired in 2018.
 - Expenditures for financial administration increased by \$48,275 (10.4%) primarily due to an increase in Purchased/contracted services.
 - Expenditures for government buildings increased \$28,214 (56.2%) primarily due to building repairs & maintenance of City Hall.
 - Expenditures for municipal court and public safety increased by \$89,480 (6.0%) due to the Municipal Court experiencing the full-year expense of a full-time deputy court clerk, increase in solicitors' expense due to the assignment of solicitors to additional and special calendars, and an increase of bond refunds.
 - Expenditures for culture and recreation decreased by \$1,049.
 - Expenditures for economic development increased by \$49,762 (53.2%) primarily due an increase in General Fund contribution to the Downtown Development Authority. The contribution was increased to offset budgeted reductions in rental income and to fund expected increases in personal services/benefits and legal expenses.

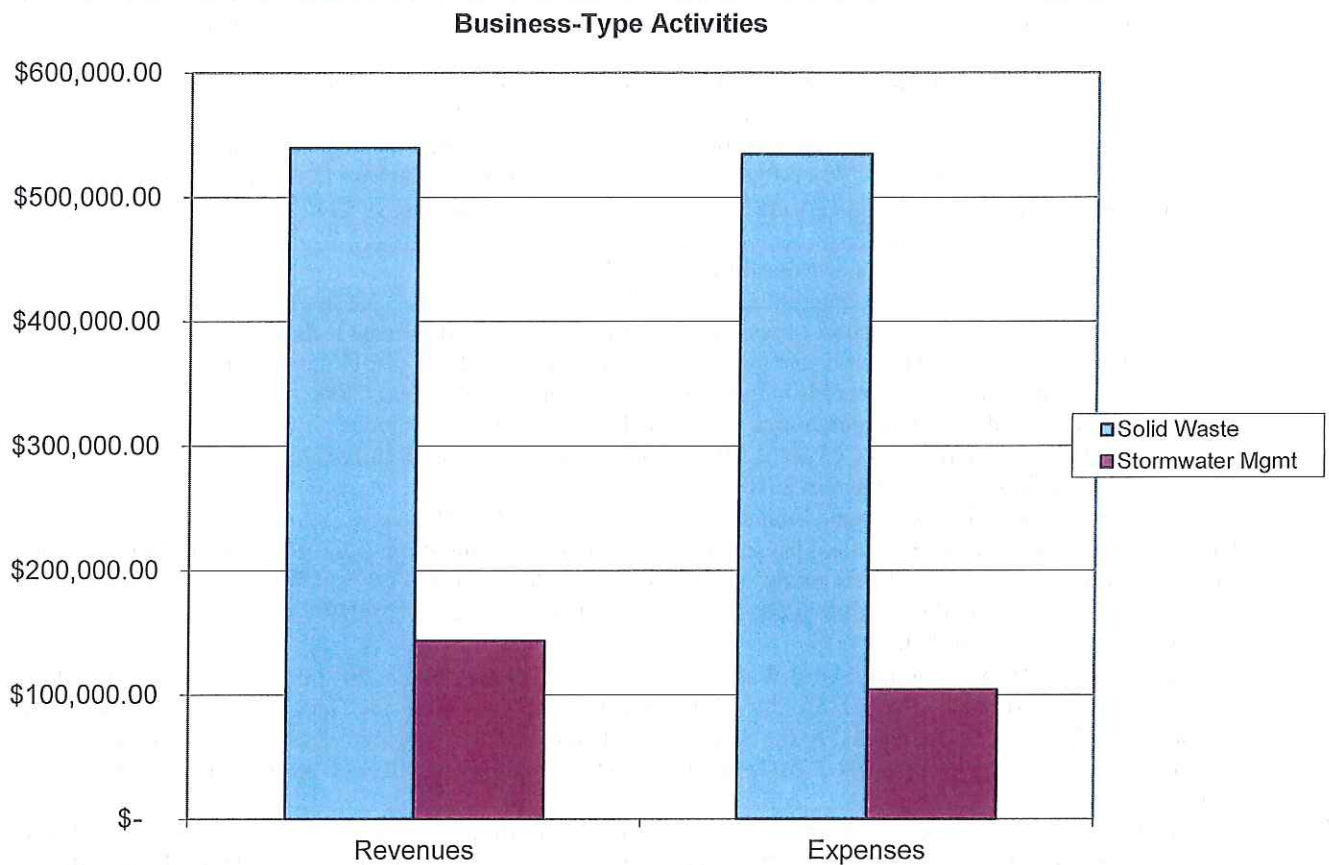
Expenses and Program Revenues-Governmental Activities



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type activities. Business type activities increased the City's net position by \$40,197. The net position of the Solid Waste Management Fund increased by \$1,114 to \$27,865 after a transfer to the General Fund of \$4,004. The City elected to contract with DeKalb County for the DeKalb County Sanitation Division to provide solid waste collection and recycling services within the City's municipal jurisdiction effective January 1, 2019. Under this contract, the City will not collect refuse and solid waste collection fees. The net position of the Storm Water Management Fund increased by \$39,083 to \$1,513,522. The Storm Water fund reported revenues of \$143,204 and operating expenditures of \$104,121 and the fund reported no bad debt.



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, 2018 the city's governmental funds reported a combined ending fund balance of \$2,761,227. Of this amount \$2,025,056 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because \$567,232 is restricted for specified activities, \$138,901 is assigned for the 2019 budget and \$30,038 is non-spendable and in the form of prepaid items.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was a balance of \$2,025,056 while the total fund balance was \$2,193,995. Unassigned fund balance represents 58.0% of General Fund expenditures while total fund balance of \$2,193,995 represents 62.8% of General Fund expenditures.

During the current fiscal year, the fund balance of the City's general fund increased by \$645,553. Other notable changes for 2018 compared to 2017 were as follows:

- General Fund revenues of \$4,260,759 for FY 2018 increased over revenues of \$3,865,784 in FY 2017. However, there were significant increases and decreases among categories of General Fund revenue:
 - Property tax revenue increased by \$108,709 (5.6%), although the assessed millage rate was reduced 0.27 mills from 22.27 mills in 2017 to 22.00 mills in 2018. Property tax revenue increased due to an increase in real property tax valuations for the 2018 tax year.

- Municipal Court fines and forfeitures increased \$146,590 (17.36%) from \$844,403 in 2017 to \$990,993 in 2018. Fines and forfeitures have surpassed the historical average of \$851,121 experienced from 2006 through 2012.
- Business licenses and permits increased \$16,778 (21.6%). A thirty-four single-family home development in the Hearthstone Subdivision began in the third quarter of 2018.
- Intergovernmental revenue increased by \$102,979 (332.9%) primarily due to a rollover of 2017 Local Maintenance Improvement Grant funds from 2017 to complete the Zachary Drive street project.
- General Fund expenditures for FY 2018 were \$3,491,390. This was an increase of \$147,322 which is four and four tenths percent (4.4%) over FY 2017.
 - Capital outlay for FY 2018 decreased from \$286,883 to \$99,205.
 - Financial administration expenditures increased by \$33,779 (8.8%). The increase was primarily due an increase in building inspection expense and the hire of a third-party permit technician.
 - Municipal Court expenditures increased from \$178,166 to \$260,254 (46.1%) primarily due to an increase in personal services and benefits with the hire of a second Deputy Court Clerk.
 - Highways and Streets expenditures increased by \$209,336 (44.2%) due to a rollover of 2017 Local Maintenance Improvement Grant (LMIG) project expense to the 2018 fiscal year. The Zachary Drive LMIG project was completed in 2018.
 - Economic Development expenditures increased by \$49,762 (53.2%).
- The City's General Fund made principal payments on its capital leases long-term debt of \$160,803. Of this amount \$61,407 was for City Hall. Total debt service decreased from \$228,436 to \$217,599 (4.7%)
- Transfers to the general fund from other funds in 2018 amounted to a net of (\$125,979) compared to net transfers to the general fund in 2017 of (\$201,753).
- The amount of \$188,038 due to the Storm Water Fund from the General Fund in 2017 was reduced to \$101,019 in 2018. In an effort to reduce the balance due to the Storm Water Fund from the General Fund, a General Fund contribution of \$85,242 was allocated to the Storm Water Fund at FY2018 budget adoption. It is anticipated that the amount due to the city's storm water infrastructure from the general fund will be reduced to \$0 in the 2019 fiscal year.
- Personnel expenses over the General Fund were decreased slightly from FY 2017. Expenditures were \$1,971,653 in FY 2018 compared to \$1,985,097 in FY 2017. Personnel expenses remained relatively unchanged primarily due to an offset of decreased expenditure experienced in Public Safety - Police (\$46,829 - one vacant police position was not filled until the end of the fourth quarter 2018) and increase in personnel expenses was experienced in Municipal Court (\$39,855 - due the full-year expense of a full-time deputy court clerk position which had historically been a part-time position and an overlap of the Court Clerk position during transition).

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 \$38,569 second-quarter increase in the General Fund budget to transfer funds from the General Fund to the Capital Projects Fund for professional engineering and building interior renovations within Phase II of the Historic Train Depot Renovation Project. The expenditure was subsequently funded from General Fund Reserve.
- A \$45,693 second-quarter increase in the General Fund budget for municipal fines and forfeitures revenue due to the increase in actual revenue collected over revenue estimates. This increase was used to fund: one (1) police vehicle; two (2) computers for Code Compliance and Administrative Officer vehicles; and increased expenditure expectations within Municipal Court. Continued implementation of strict adherence to activity reporting by the City's police patrol unit, and administrative management of duties performed within the Public Safety department (specifically the patrol division) are noted as cause for increased fine and forfeiture revenue.
- A \$47,651 third-quarter increase in the General Fund budget to transfer funds from the General Fund to the Capital Projects Fund for the amount of project bid award in excess of budgeted expense for Phase II Historic Train Depot Renovations. The expenditure was funded from General Fund Reserve.
- A \$128,485 third-quarter decrease in the General Fund Reserve allocations. The decrease in revenue allocations was offset by increase in Real Property Tax, HOST tax, and Business Property Tax revenue allocations due to an increase of property tax valuations reported during the adoption of the 2018 millage rate.
- A \$198,919 fourth-quarter decrease in General Fund Reserve allocations. The decrease in revenue allocations was offset by increase in Intangible Tax, Motor Vehicle Sales Tax, Insurance Premium Tax, Building Structure Permit

fees, Municipal Fines and Forfeitures, Hotel/Motel Tax, and Cemetery Fees received in excess of budgeted estimates.

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

Final results in actual revenue and expenditures varied from the 2018 budget in several areas most notably:

- Total actual revenue of \$4,260,759 was 103.36% of the final amended budget estimate for revenue.
- Intergovernmental revenue was \$64,033 (91.6%) more than the final budget.
- Fines, Forfeitures and Court Cost revenue was \$54,004 (5.8%) more than the amended budget.
- Total actual expenditures of \$3,491,390 were 97.77% of the final amended budget estimate for expenditures.
- Revenues exceeded expenditures by \$769,369.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2018 amounts to \$7,380,334 (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 \$107,800 for two police cars and related equipment and \$269,800 for completion of phase II of the Historic Train Depot Renovation Project. Revenue of \$149,000 was received from Community Development Block Grant funding for completion of the phase II renovations of the Depot.

Of the \$5,690,000 estimated to be received in Special Purpose Local Option Sales Tax (SPLOST) Revenue Funds over a six (6) year term, the City's SPLOST Capital Projects Fund reported revenue received in the amount of \$661,307 for 2018. The fund reported the following expenditures: \$98,867 for police vehicle equipment acquisition and for the payment of related debt; and \$22,059 for fire facilities and equipment improvements. Projects for the six-year term are scheduled as follows: \$4,410,238 (Street Improvements); \$252,048 (Police Equipment), \$176,472 (Fire Facilities and Equipment), and \$853,898 (Park Improvements).

Long-term debt. At the end of the current fiscal year, the City had \$1,200,266 in outstanding debt consisting of the following:

CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	<u>Balance</u>
Governmental Activities:	
Capital leases - equipment	\$ 49,424
Capital leases - facilities	1,128,183
Net pension liability	-
Compensated absences	<u>22,659</u>
Total Governmental Activities	1,200,266
Business-Type Activities:	
Capital leases	<u>-</u>
Total Outstanding Debt	<u>\$ 1,200,266</u>

The City's total debt decreased \$308,412. Additional information on the City's long-term debt can be found in note 9 on page 38 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 \$10,260,000 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

- No reliable estimate of unemployment is available for the City. It is assumed that the unemployment rate is within the range of rates for surrounding areas as reported by the Georgia Department of Labor for December 2018:
 - The unemployment rate for the United States was 3.9%.
 - The unemployment rate for the State of Georgia was 3.7%.
 - The unemployment rate for the twenty-eight county Metropolitan Statistical Area was 3.5%.
 - The unemployment rate for the ten county Atlanta Region was 3.6%.
 - The unemployment rate for DeKalb County as of December 2018 was 3.8%
- Inflationary trends in the region compare favorably to national indices. According to the Bureau of Labor Statistics the consumer price index for all items increased 1.8% in the United States from December of 2017 to December of 2018 and annual average in Atlanta was up 1.4% from December of 2017 to December 2018.
- There were seven (7) new single-family dwellings constructed in the City in 2018 with a valuation of \$898,438. No new commercial construction was performed in 2018.

All of these factors were considered in preparing the City of Stone Mountain's budget for FY 2019.

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
875 Main Street
Stone Mountain, GA 30083

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CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government			Component Unit
	Governmental	Business-Type		Downtown
	Activities	Activities	Total	Dev. Auth.
Assets				
Cash and cash equivalents	\$ 2,044,294	\$ 413,992	\$ 2,458,286	\$ 389,633
Receivables (net of allowance for uncollectibles)				
Taxes	521,317	-	521,317	-
Fines	302,357	-	302,357	-
Intergovernmental	128,401	-	128,401	-
Accounts	5,398	47,872	53,270	4,932
Due from other funds	(101,019)	101,019	-	-
Due from component unit	9,365	-	9,365	(9,365)
Prepaid items	30,038	-	30,038	-
Deposits	-	-	-	31,400
Restricted assets -				
Cash	490,373	-	490,373	-
Net pension asset	177,157	-	177,157	-
Non-depreciable capital assets	1,024,658	15,850	1,040,508	144,621
Depreciable capital assets	5,366,787	973,039	6,339,826	207,397
Total Assets	<u>9,999,126</u>	<u>1,551,772</u>	<u>11,550,898</u>	<u>768,618</u>
Deferred Outflows				
Deferred pension outflows	<u>189,834</u>	<u>-</u>	<u>189,834</u>	<u>-</u>
Total Assets and Deferred Outflows	<u>10,188,960</u>	<u>1,551,772</u>	<u>11,740,732</u>	<u>768,618</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Liabilities				
Accounts Payable				
Operating	\$ 243,880	\$ 3,361	\$ 247,241	\$ 4,321
Accrued Liabilities -				
Compensated absences	53,747	-	53,747	-
Wages	28,838	665	29,503	-
Customer deposits	-	4,737	4,737	-
Interest	40,899	-	40,899	14,153
Other	5,746	1,622	7,368	-
Unearned Revenue	25,170		25,170	-
Long-Term Liabilities -				
Due Within One Year	109,768	-	109,768	14,936
Due In More Than One Year	1,090,498	-	1,090,498	635,064
Total Liabilities	<u>1,598,546</u>	<u>10,385</u>	<u>1,608,931</u>	<u>668,474</u>
Deferred Inflows				
Deferred pension inflows	<u>319,170</u>	<u>-</u>	<u>319,170</u>	<u>-</u>
Total Liabilities and Deferred Inflows	<u>1,917,716</u>	<u>10,385</u>	<u>1,928,101</u>	<u>668,474</u>
Net Position				
Net investment in capital assets	5,213,838	988,889	6,202,727	(283,046)
Restricted for -				
Police activities	22,085	-	22,085	-
Cemetery up-keep	4,766	-	4,766	-
Capital outlay	540,381	-	540,381	-
Unrestricted	<u>2,490,174</u>	<u>552,498</u>	<u>3,042,672</u>	<u>383,190</u>
Total Net Position	<u>\$ 8,271,244</u>	<u>\$ 1,541,387</u>	<u>\$ 9,812,631</u>	<u>\$ 100,144</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
Governing Body	\$ 45,360	\$ -	\$ -	\$ -
General Government	160,229	-	-	-
Financial Administration	511,521	95,579	2,610	-
Government Buildings	78,388	-	-	158,000
Municipal Court and Police	1,580,193	1,032,561	-	49,781
Highways and Streets	683,472	-	-	646,241
Culture and Recreation	167,074	1,200	-	99,196
Economic Development	143,337	-	-	-
Tourism and Promotion	35,658	-	9,000	-
Cemetery	17,052	5,250	9,025	-
Interest on Long-Term Debt	54,338	-	-	-
Total Governmental Activities	<u>3,476,622</u>	<u>1,134,590</u>	<u>20,635</u>	<u>953,218</u>
Business-Type Activities				
Solid Waste Management	534,595	539,713	-	-
Stormwater Management	104,121	143,204	-	-
Total Business-Type Activities	<u>638,716</u>	<u>682,917</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 4,115,338</u>	<u>\$ 1,817,507</u>	<u>\$ 20,635</u>	<u>\$ 953,218</u>
Component Unit:				
Downtown Development Authority	<u>\$ 172,183</u>	<u>\$ 36,446</u>	<u>\$ 160,363</u>	<u>\$ -</u>

General Revenues:

Taxes:
Property
Franchise
Occupational
Motor vehicle
Host tax
Insurance premium
Alcohol beverage
Hotel / Motel
Other
Interest Earnings
Gain on disposition of capital asset
Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

See accompanying notes to the basic financial statements.

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

Primary Government			Component
Governmental	Business-		Unit
Activities	Type	Total	Downtown
	Activities		Dev. Auth.
\$ (45,360)	\$ -	\$ (45,360)	\$ -
(160,229)	-	(160,229)	-
(413,332)	-	(413,332)	-
79,612	-	79,612	-
(497,851)	-	(497,851)	-
(37,231)	-	(37,231)	-
(66,678)	-	(66,678)	-
(143,337)	-	(143,337)	-
(26,658)	-	(26,658)	-
(2,777)	-	(2,777)	-
(54,338)	-	(54,338)	-
(1,368,179)	-	(1,368,179)	-
-	5,118	5,118	-
-	39,083	39,083	-
-	44,201	44,201	-
(1,368,179)	\$ 44,201	(1,323,978)	-
-	\$ -	-	24,626
2,051,176	-	2,051,176	-
291,967	-	291,967	-
40,126	-	40,126	-
78,518	-	78,518	-
24,161	-	24,161	-
418,582	-	418,582	-
15,718	-	15,718	-
14,485	-	14,485	-
50,345	-	50,345	-
4	-	4	-
2,163	-	2,163	-
4,248	-	4,248	-
2,991,493	-	2,991,493	-
4,004	(4,004)	-	-
2,995,497	(4,004)	2,991,493	-
1,627,318	40,197	1,667,515	24,626
6,643,926	1,501,190	8,145,116	75,518
\$ 8,271,244	\$ 1,541,387	\$ 9,812,631	\$ 100,144

CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Capital Projects	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 2,044,294	\$ -	\$ 465,668	\$ 24,705	\$ 2,534,667
Receivables - net of allowance for bad debt of \$491,000					
Taxes	520,346	-	-	971	521,317
Fines	302,357	-	-	-	302,357
Intergovernmental	-	43,102	85,299	-	128,401
Miscellaneous	5,398	-	-	-	5,398
Due from other funds	48,873	-	-	4,872	53,745
Due from component unit	3,989	-	-	5,376	9,365
Prepaid items	30,038	-	-	-	30,038
Deposits	-	-	-	-	-
Total assets	<u>\$ 2,955,295</u>	<u>\$ 43,102</u>	<u>\$ 550,967</u>	<u>\$ 35,924</u>	<u>\$ 3,585,288</u>
Liabilities					
Accounts payable	\$ 233,294	\$ -	\$ 10,586	\$ -	\$ 243,880
Accrued liabilities	87,649	-	-	682	88,331
Due to other funds	105,891	43,102	-	5,771	154,764
Unearned revenue	22,550	-	-	2,620	25,170
Total liabilities	<u>449,384</u>	<u>43,102</u>	<u>10,586</u>	<u>9,073</u>	<u>512,145</u>
Deferred Inflows of Resources					
Unavailable revenues	<u>311,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,916</u>
Fund Balance					
Nonspendable -					
Prepaid items	30,038	-	-	-	30,038
Restricted -					
Police services	-	-	-	22,085	22,085
Cemetery up-keep	-	-	-	4,766	4,766
Capital outlay	-	-	540,381	-	540,381
Assigned - 2019 budget appropriations	138,901	-	-	-	138,901
Unassigned	2,025,056	-	-	-	2,025,056
Total fund balance (deficit)	<u>2,193,995</u>	<u>-</u>	<u>540,381</u>	<u>26,851</u>	<u>2,761,227</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 2,955,295</u>	<u>\$ 43,102</u>	<u>\$ 550,967</u>	<u>\$ 35,924</u>	<u>\$ 3,585,288</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, 2018

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

Total fund balances -- total governmental funds	\$ 2,761,227
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,391,445
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: Unavailable revenues	311,915
Deferred inflows and outflows related to the net pension liability is not a current asset or liability:	
Deferred outflows	189,834
Deferred inflows	(319,170)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(1,177,606)
Long-term portion of compensated absences	(22,659)
Accrued interest payable	(40,899)
Net pension asset (liability)	<u>177,157</u>
Net position of governmental activities	<u>\$ 8,271,244</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, 2018

	General	Capital Projects	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 3,016,892	\$ -	\$ -	\$ 14,485	\$ 3,031,377
Business licenses and permits	94,393	-	-	-	94,393
Intergovernmental	133,911	149,000	661,275	-	944,186
Service fees	10,510	-	-	5,275	15,785
Fines and forfeitures	990,993	-	-	5,418	996,411
Interest	4	-	32	-	36
Rents	1,200	-	-	-	1,200
Miscellaneous	12,856	-	-	21,000	33,856
Total revenues	<u>4,260,759</u>	<u>149,000</u>	<u>661,307</u>	<u>46,178</u>	<u>5,117,244</u>
Expenditures:					
Current:					
Governing Body	49,235	-	-	-	49,235
General Government	261,427	-	-	-	261,427
Financial Administration	418,505	-	-	-	418,505
Government Buildings	78,388	269,810	-	-	348,198
Municipal Court	260,254	-	-	-	260,254
Public Safety	1,210,570	-	-	808	1,211,378
Highways and Streets	587,994	-	-	-	587,994
Culture and Recreation	164,850	-	-	-	164,850
Economic Development	143,363	-	-	-	143,363
Tourism and Promotion	-	-	-	35,658	35,658
Cemetery	-	-	-	14,592	14,592
Capital outlay	99,205	-	64,759	-	163,964
Debt service					
Principal	160,803	-	56,067	-	216,870
Interest	56,796	-	100	-	56,896
Debt issue costs	-	-	-	-	-
Total expenditures	<u>3,491,390</u>	<u>269,810</u>	<u>120,926</u>	<u>51,058</u>	<u>3,933,184</u>
Excess (deficiency) of Revenues over Expenditures	<u>769,369</u>	<u>(120,810)</u>	<u>540,381</u>	<u>(4,880)</u>	<u>1,184,060</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, 2018**

	General	Capital Projects	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)					
Capital lease proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from disposition of assets	2,163	-	-	-	2,163
Transfers (net)	<u>(125,979)</u>	<u>120,810</u>	<u>-</u>	<u>9,173</u>	<u>4,004</u>
Total other financing sources (uses)	<u>(123,816)</u>	<u>120,810</u>	<u>-</u>	<u>9,173</u>	<u>6,167</u>
Net change in fund balance	645,553	-	540,381	4,293	1,190,227
Fund Balance-Beginning of Year	<u>1,548,442</u>	<u>-</u>	<u>-</u>	<u>22,558</u>	<u>1,571,000</u>
Fund Balance-End of Year	<u>\$ 2,193,995</u>	<u>\$ -</u>	<u>\$ 540,381</u>	<u>\$ 26,851</u>	<u>\$ 2,761,227</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, 2018

Net change in fund balances -- total governmental funds \$ 1,190,227

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	386,326
Depreciation expense	(253,208)

The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. This is the amount of net book value of assets sold during the current period.

-

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances in the current period.

(19,473)

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 position. 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	216,870

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	2,559
Change in accrued compensated absences	(4,316)
Change in net pension obligation and related deferred items	<u>108,333</u>

Change in net position of governmental activities. \$ 1,627,318

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, 2018

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Taxes	\$ 2,783,183	\$ 2,989,773	\$ 3,016,892	\$ 27,119
Business licenses and permits	61,695	87,786	94,393	6,607
Intergovernmental	69,878	69,878	133,911	64,033
Service fees	8,000	8,744	10,510	1,766
Fines and forfeitures	650,322	936,989	990,993	54,004
Interest	-	-	4	4
Rents	-	-	1,200	1,200
Miscellaneous	2,495	28,910	12,856	(16,054)
Total revenues	<u>3,575,573</u>	<u>4,122,080</u>	<u>4,260,759</u>	<u>138,679</u>
Expenditures:				
Current:				
Governing Body	43,561	50,290	49,235	1,055
General Government	286,423	271,951	261,427	10,524
Financial Administration	424,243	427,098	418,505	8,593
Government Buildings	89,970	89,996	78,388	11,608
Municipal Court	213,389	263,332	260,254	3,078
Public Safety	1,330,594	1,234,378	1,210,570	23,808
Highways and Streets	629,046	597,371	587,994	9,377
Culture and Recreation	183,346	173,340	164,850	8,490
Economic Development	142,791	142,791	143,363	(572)
Capital outlay	103,641	109,274	99,205	10,069
Debt service				
Principal	161,701	158,118	160,803	(2,685)
Interest	59,536	56,665	56,796	(131)
Total expenditures	<u>3,668,241</u>	<u>3,574,604</u>	<u>3,491,390</u>	<u>83,214</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, 2018

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Excess (deficiency) of Revenues over Expenditures	\$ (92,668)	\$ 547,476	\$ 769,369	\$ 221,893
Other financing sources (uses)				
Capital Lease Proceeds	45,900	-	-	-
Proceeds from sale of capital assets	-	2,163	2,163	-
Transfers (net)	45,768	(243,464)	(125,979)	117,485
Total other financing sources (uses)	91,668	(241,301)	(123,816)	117,485
Net change in fund balance	(1,000)	306,175	645,553	339,378
Fund Balance-Beginning of Year	1,548,442	1,548,442	1,548,442	-
Fund Balance-End of Year	\$ 1,547,442	\$ 1,854,617	\$ 2,193,995	\$ 339,378

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
ASSETS			
Current assets			
Cash	\$ -	\$ 413,992	\$ 413,992
Receivables-			
Accounts	33,982	13,890	47,872
Due from other funds	-	101,019	101,019
Prepaid items	-	-	-
Total current assets	<u>33,982</u>	<u>528,901</u>	<u>562,883</u>
Noncurrent assets			
Capital assets			
Construction in progress	-	15,850	15,850
Autos and trucks	68,481	-	68,481
Machinery and equipment	23,130	-	23,130
Infrastructure	-	1,178,132	1,178,132
Accumulated depreciation	<u>(91,225)</u>	<u>(205,479)</u>	<u>(296,704)</u>
Capital assets (net of depreciation)	<u>386</u>	<u>988,503</u>	<u>988,889</u>
Total noncurrent assets	<u>386</u>	<u>988,503</u>	<u>988,889</u>
Total assets	<u>34,368</u>	<u>1,517,404</u>	<u>1,551,772</u>
LIABILITIES			
Current liabilities			
Accounts payable -			
Trade	-	3,361	3,361
Customer deposits	4,737	-	4,737
Unearned revenue	1,622	-	1,622
Accrued liabilities	144	521	665
Current portion of long-term debt	-	-	-
Total current liabilities	<u>6,503</u>	<u>3,882</u>	<u>10,385</u>
Noncurrent liabilities			
Capital leases	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,503</u>	<u>3,882</u>	<u>10,385</u>
Net Position			
Investments in capital assets	386	988,503	988,889
Unrestricted	<u>27,479</u>	<u>525,019</u>	<u>552,498</u>
Total Net Position	<u>\$ 27,865</u>	<u>\$ 1,513,522</u>	<u>\$ 1,541,387</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, 2018

	Solid Waste Management	Stormwater Management	Total
OPERATING REVENUES			
Refuse collection	\$ 394,545	\$ -	\$ 394,545
Dumpster collection	143,325	-	143,325
Stormwater fees	-	143,204	143,204
Miscellaneous	1,843	-	1,843
Total operating revenues	<u>539,713</u>	<u>143,204</u>	<u>682,917</u>
OPERATING EXPENSES			
Purchased products / services	514,106	-	514,106
Personal services and benefits	15,218	36,498	51,716
Purchased / contracted services	1,596	38,708	40,304
Supplies	1,362	-	1,362
Depreciation and amortization	2,313	28,915	31,228
Other	-	-	-
Total operating expenses	<u>534,595</u>	<u>104,121</u>	<u>638,716</u>
Operating income (loss)	<u>5,118</u>	<u>39,083</u>	<u>44,201</u>
Non-operating revenues and (expenses)			
Loss on sale of capital asset	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	5,118	39,083	44,201
Capital contributions	-	-	-
Transfers	<u>(4,004)</u>	<u>-</u>	<u>(4,004)</u>
CHANGE IN NET POSITION	1,114	39,083	40,197
NET POSITION - BEGINNING	<u>26,751</u>	<u>1,474,439</u>	<u>1,501,190</u>
NET POSITION - ENDING	<u><u>\$ 27,865</u></u>	<u><u>\$ 1,513,522</u></u>	<u><u>\$ 1,541,387</u></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, 2018

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 536,284	\$ 142,632	\$ 678,916
Cash paid to suppliers for goods	(519,615)	(59,129)	(578,744)
Cash paid to employees	(12,665)	(28,889)	(41,554)
Net cash provided from operating activities	<u>4,004</u>	<u>54,614</u>	<u>58,618</u>
Cash flows from investing activities:			
Interest received	-	-	-
(Purchase) / redemption of investments	-	-	-
Net cash from investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from non-capital financing activities:			
Transfers	(4,004)	-	(4,004)
Change in due to/from other funds	-	87,019	87,019
Net cash flows from non-capital financing activities	<u>(4,004)</u>	<u>87,019</u>	<u>83,015</u>
Cash flows from capital financing activities:			
Purchases / construction of capital assets	-	-	-
Capital contributions	-	-	-
Principal payments on long-term debt	-	-	-
Proceeds from sale of capital assets	-	(75,809)	(75,809)
Interest paid	-	-	-
Net cash flows from capital financing activities	<u>-</u>	<u>(75,809)</u>	<u>(75,809)</u>
Net cash flows	-	65,824	65,824
Cash and cash equivalents - beginning	<u>-</u>	<u>348,168</u>	<u>348,168</u>
Cash and cash equivalents - ending	<u><u>\$ -</u></u>	<u><u>\$ 413,992</u></u>	<u><u>\$ 413,992</u></u>

See accompanying notes to the basic financial statements.

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

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

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
Operating income (loss)	<u>\$ 5,118</u>	<u>\$ 39,083</u>	<u>\$ 44,201</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	2,313	28,915	31,228
(Increase) decrease in -			
Accounts receivable	7,455	(572)	6,883
Prepays	145	-	145
Increase (Decrease) in -			
Accounts payable	-	(12,679)	(12,679)
Unearned revenues	(11,300)	-	(11,300)
Customer deposits	416	-	416
Accrued liabilities	(143)	(133)	(276)
Total adjustments	<u>(1,114)</u>	<u>15,531</u>	<u>14,417</u>
Net cash from operating activities	<u>\$ 4,004</u>	<u>\$ 54,614</u>	<u>\$ 58,618</u>
Non-cash transactions -			
Increase (decrease) in fair value of investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 organizations 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.

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.

(See Independent Auditor's Report)

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

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

C. Basic Financial Statements—Government-Wide Statements

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

The government-wide Statement of Net 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 is 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.

SPLOST Fund – The SPLOST Fund is used by the City to account for acquisition and construction of major capital facilities and equipment that were approved by the voters of DeKalb County, Georgia through the special purpose local option sales tax referendum.

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, 2018 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, 2018. 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 City has one item that qualifies for reporting in this category as of December 31, 2018 which is deferred pension outflows recognized in the Statement of Net Position.

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. In addition, the City recognizes deferred pension inflows in its Statement of Net Position under governmental activities.

T. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets 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 \$567,232 in restricted net position, of which \$562,466 is restricted by enabling legislation.

U. Fund Balance – Governmental Funds

As of December 31, 2018 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, 2018, fund balances are composed of the following:

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable -				
Prepaid items	\$ 30,038	\$ -	\$ -	\$ 30,038
Restricted -				
Police activities	-	-	22,085	22,085
Cemetery up-keep	-	-	4,766	4,766
Capital projects	-	540,381	-	540,381
Assigned - for 2019 budget appropriations	138,901	-	-	138,901
Unassigned	<u>2,025,056</u>	<u>-</u>	<u>-</u>	<u>2,025,056</u>
 Total	 <u>\$ 2,193,995</u>	 <u>\$ 540,381</u>	 <u>\$ 26,851</u>	 <u>\$ 2,761,227</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.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Stone Mountain Retirement Plan (SMRP) and additions to/deductions from SMRP's fiduciary net position have been determined on the same basis as they are reported in the SMRP. For this purpose, benefit payments (including refunds of employee contributions, if applicable) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(See Independent Auditor's Report)

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

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, 2018, \$2,755,042 of the government's bank balance of 3,026,042 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's agent in the City's name	<u>2,755,042</u>
Total	<u>\$ 2,755,042</u>

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

3. PROPERTY TAX

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for fiscal year 2018, based upon the assessed value as of January 1, 2018, were levied on June 5, 2018. 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>SPLOST</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 556,346	\$ -	\$ -	\$ 971	\$ 557,317
Fines	757,357	-	-	-	757,357
Intergovernmental	-	43,102	85,299	-	128,401
Accounts	<u>5,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,398</u>
Gross Receivables	1,319,101	43,102	85,299	971	1,448,473
Less: Allowance for Uncollectible	<u>(491,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(491,000)</u>
Net Total Receivables	<u>\$ 828,101</u>	<u>\$ 43,102</u>	<u>\$ 85,299</u>	<u>\$ 971</u>	<u>\$ 957,473</u>

Proprietary Funds

	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Accounts	\$ 53,982	\$ 23,890	\$ 77,872
Intergovernmental Grants	-	-	-
Gross Receivable	53,982	23,890	77,872
Less: Allowance for Uncollectible	<u>(20,000)</u>	<u>(10,000)</u>	<u>\$ (30,000)</u>
Net Total Receivables	<u>\$ 33,982</u>	<u>\$ 13,890</u>	<u>\$ 47,872</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, 2018 consist of the following:

State of Georgia, Dept of Transportation - Local Maintenance Improvement Grant (LMIG)	\$	133,911
DeKalb Co. - SPLOST		661,275
DeKalb Co. - CDBG		149,000
		<hr/>
Total Intergovernmental Revenue	\$	944,186

Intergovernmental receivables as of December 31, 2018 consist of the following:

DeKalb Co. - SPLOST	\$	85,299
DeKalb Co. - CDBG		43,102
		<hr/>
Total Intergovernmental Receivable	\$	128,401

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2018 were as follows:

Payable From	Payable To			
	General Fund	Non Major	Stormwater Management	Total
General	\$ -	\$ 4,872	\$ 101,019	\$ 105,891
Capital Projects	43,102	-	-	43,102
Nonmajor	5,771	-	-	5,771
Total	<u>\$ 48,873</u>	<u>\$ 4,872</u>	<u>\$ 101,019</u>	<u>\$ 154,764</u>

Individual interfund transfers for the year ended December 31, 2018 were as follows:

Transfer From	Transfers To			
	General	Capital Projects	Nonmajor	Total
General	\$ -	\$ 120,810	\$ 9,173	\$ 129,983
Capital Projects	-	-	-	-
Solid Waste	4,004	-	-	4,004
Total	<u>\$ 4,004</u>	<u>\$ 120,810</u>	<u>\$ 9,173</u>	<u>\$ 133,987</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.

(See Independent Auditor's Report)

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

7. COMMITMENTS AND CONTINGENCIES

The City has two ante litem notices filed against it as of December 31, 2018. Although the outcome of these matters is 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.

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 611,800	\$ -	\$ -	\$ 611,800
Construction in progress	143,048	269,810	-	412,858
Total	<u>754,848</u>	<u>269,810</u>	<u>-</u>	<u>1,024,658</u>
Capital assets being depreciated:				
Buildings & improvements	2,493,384	-	-	2,493,384
Infrastructure	3,401,199	-	-	3,401,199
Vehicles, including related equipment	666,013	107,746	-	773,759
Furniture and other equipment	647,921	8,770	-	656,691
Total capital assets being depreciated	<u>7,208,517</u>	<u>116,516</u>	<u>-</u>	<u>7,325,033</u>
Less accumulated depreciation for:				
Buildings & improvements	409,728	62,762	-	472,490
Infrastructure	371,132	85,030	-	456,162
Vehicles, including related equipment	388,258	73,549	-	461,807
Furniture and other equipment	535,920	31,867	-	567,787
Total accumulated depreciation	<u>1,705,038</u>	<u>253,208</u>	<u>-</u>	<u>1,958,246</u>
Total capital assets being depreciated, net	<u>5,503,479</u>	<u>(136,692)</u>	<u>-</u>	<u>5,366,787</u>
Governmental capital assets, net	<u>\$ 6,258,327</u>	<u>\$ 133,118</u>	<u>\$ -</u>	<u>\$ 6,391,445</u>

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

Administrative	\$ 79,643
Police	74,564
Highways and Streets	94,342
Parks	2,198
Cemetery	<u>2,461</u>
Total depreciation expense	<u>\$ 253,208</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>
Business-Type Activities				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 15,850	\$ -	\$ 15,850
 Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	23,130	-	-	23,130
Infrastructure	1,118,173	59,959	-	1,178,132
Total capital assets being depreciated	1,209,784	59,959	-	1,269,743
 Less accumulated depreciation for:				
Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	20,431	2,313	-	22,744
Infrastructure	176,564	28,915	-	205,479
Total accumulated depreciation	265,476	31,228	-	296,704
 Business-Type Activities capital assets, net	\$ 944,308	\$ 44,581	\$ -	\$ 988,889

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

Solid Waste Management	\$ 2,313
Stormwater Management	28,915
Total depreciation expense	<u>\$ 31,228</u>

(See Independent Auditor's Report)

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

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, 2018:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities					
Capital leases - equipment	\$ 202,270	\$ -	\$ (152,846)	\$ 49,424	\$ 43,018
Capital leases - facilities	1,192,206	-	(64,023)	1,128,183	66,750
Net pension liability	95,859	-	(95,859)	-	-
Accrued compensated absences	18,343	4,316	-	22,659	-
	<u>18,343</u>	<u>4,316</u>	<u>-</u>	<u>22,659</u>	<u>-</u>
Total Governmental Activities	<u>\$ 1,508,678</u>	<u>\$ 4,316</u>	<u>\$ (312,728)</u>	<u>\$ 1,200,266</u>	<u>\$ 109,768</u>

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.

In prior years the City had 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 \$217,903. 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 2.87% and 3.60%.

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.

(See Independent Auditor's Report)

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

9. LONG-TERM DEBT, (Continued)

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	
2019	43,018	914	66,750	48,061	158,743
2020	6,406	118	69,594	45,217	121,335
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	-	-	110,119	4,691	114,810
	<u>\$ 49,424</u>	<u>\$ 1,032</u>	<u>\$ 1,128,183</u>	<u>\$ 364,356</u>	<u>\$ 1,542,995</u>

Assets purchased under capital lease obligations are capitalized and depreciated in accordance with the City's capitalization policy. Depreciation expense for the year for assets under capital lease obligations amounted to \$26,037 and accumulated depreciation as of December 31, 2018 was \$86,363.

10. UNAVAILABLE AND UNEARNED REVENUES

Unavailable revenues as of December 31, 2018, 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	\$ 118,949
Fines and Forfeitures	192,967
Franchise Taxes	-
Total Unavailable Revenues	<u>\$ 311,916</u>

Amounts received but not yet earned as of

December 31, 2018:

Reported in Governmental Fund's balance sheet and Statement of Net Position:	
Occupational Taxes and Licenses	\$ 22,550
Police forfeitures	2,620
Grants	-
Total Unearned Revenues	<u>\$ 25,170</u>

(See Independent Auditor's Report)

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

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)	\$ 5,637,183
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	\$ 1,000,000
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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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, 2018, the City collected hotel/motel taxes in the amount of \$14,485 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 commission (RC) 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 RC. Separate financial statements may be obtained from:

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

(See Independent Auditor's Report)

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

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 – DISCLOSURES

Capital Assets –

Capital asset activity for the year ended December 31, 2018 for the Authority was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ -	\$ 144,621	\$ -	\$ 144,621
Capital assets being depreciated:				
Buildings & improvements	-	207,397	-	207,397
Total capital assets being depreciated	-	207,397	-	207,397
Less accumulated depreciation for:				
Buildings & improvements	-	-	-	-
Total accumulated depreciation	-	-	-	-
Total capital assets being depreciated, net	-	207,397	-	207,397
Governmental capital assets, net	<u>\$ -</u>	<u>\$ 352,018</u>	<u>\$ -</u>	<u>\$ 352,018</u>

Long-Term Debt –

In July 2018 the Downtown Development Authority borrowed \$650,000 from a bank to purchase and improve the Old Post Office property located at 5379 East Mountain Street, Stone Mountain, GA. The note bears interest at 4.89% and is due in equal installments in January and July of each year. A summary of changes in long-term debt for the Authority for the year ended December 31, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Note payable	\$ -	\$ 650,000	\$ -	\$ 650,000	\$ 14,936

The City and the DDA have entered into an Intergovernmental Contract whereby the City has agreed to make payments to the Authority in amounts sufficient to enable the Authority to pay the principal and interest on the Note when due, and to levy an annual ad valorem tax on all taxable property located within the territorial limits of the City, if and as may be necessary to produce in each year revenues that are sufficient to fulfill the City's obligation under the Intergovernmental Contract. However, management of the City and the Authority do not anticipate the future need for the City's financial assistance in this matter.

(See Independent Auditor's Report)

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

15. DOWNTOWN DEVELOPMENT AUTHORITY – DISCLOSURES, (Continued)

Annual repayment requirements under the note payable agreement are as follows:

<u>F/Y/E</u> <u>Decembere 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 14,936	\$ 15,892	\$ 30,828
2020	17,784	46,939	64,723
2021	34,960	29,763	64,723
2022	36,691	28,032	64,723
2023	38,507	26,217	64,724
2024 - 2028	223,083	100,532	323,615
2029 - 2033	284,039	39,579	323,618
	<u>\$ 650,000</u>	<u>\$ 286,954</u>	<u>\$ 936,954</u>

16. EMPLOYEE BENEFIT PLANS

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Stone Mountain Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by State law, benefit provisions for Participants in GMEBS are established and amended by the respective employers. As authorized by the City Council, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate immediately upon hiring. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 1.50% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he or she has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Ten years of service is required for nonservice related disability benefits. Disability benefits are paid out at 20% of an employee's current salary. Death benefits are calculated using an actuarial reserve.

At July 1, 2018, the date of the most recent actuarial valuation, there were 78 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	15
Terminated vested participants not yet receiving benefits	34
Active employees - vested	20
Active employees - nonvested	9
Total	<u>78</u>

(See Independent Auditor's Report)

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

16. EMPLOYEE BENEFIT PLANS, (Continued)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2018, the actuarially determined contribution rate was 9.647% of covered payroll.

For fiscal year ended December 31, 2018, the City's recommended and actual contribution was \$125,176 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report date July 1, 2018 and recognized as an expense in the Government-Wide Statement of Activity was \$16,843.

**Pension Liabilities, Pension Expense, and Deferred Outflows and
Deferred Outflows of Resources Related to Pensions**

At December 31, 2018, the City reported an asset of \$177,157 for its net pension asset. The net pension asset was measured as of March 31, 2018 and was determined by an actuarial valuation as of July 1, 2018. The changes in the Net Pension (Asset) Liability for the year ended March 31, 2018 (the measurement date) were as follow:

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability
Balances at March 31, 2017	\$ 3,788,978	\$ 3,693,119	\$ 95,859
Changes for the year-			
Service cost	86,795	-	86,795
Interest	288,743	-	288,743
Differences between expected and actual experience	(2,609)	-	(2,609)
Contributions - Employer	-	127,087	(127,087)
Net investment income	-	458,654	(458,654)
Benefit payments, including refunds of employee contributions	(126,522)	(126,522)	-
Administrative expense	-	(13,123)	13,123
Other	(73,327)	-	(73,327)
Net Changes	173,080	446,096	(273,016)
Balance at March 31, 2018	<u>\$ 3,962,058</u>	<u>\$ 4,139,215</u>	<u>\$ (177,157)</u>

Effective July 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits. As a result of this change, all Employees are now included in the valuation. This change has minimal impact on the Plan's liability / asset.

(See Independent Auditor's Report)

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

16. EMPLOYEE BENEFIT PLANS, (Continued)

For the year ended December 31, 2018, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	\$ 86,795
Interest on The Pension Liability (TPL)	288,743
Administrative expenses	13,123
Expected return on assets	(285,730)
Deferred Outflows -	
Contributions subsequent to the measurement date	-
Deferred Inflows -	
Expensed portion of current year period differences	
between expected and actual experience in TPL	(869)
Expensed portion of current year period assumption changes	(24,443)
Current year recognition of deferred inflows and outflows	
established in prior years	(26,192)
Expensed portion of current year period differences between	
projected and actual investment earnings	(34,584)
Total expense	<u>\$ 16,843</u>

\$93,882 reported as deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

F/Y/E December 31,	Deferred Outflows	Deferred Inflows
2019	\$ 47,976	\$ (126,505)
2020	47,976	(91,696)
2021	-	(66,384)
2022	-	(34,585)
	<u>\$ 95,952</u>	<u>\$ (319,170)</u>

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2018 are as follow:

	Outflows	Inflows
Contributions subsequent to the measurement date	\$ 93,882	\$ -
Demographic	-	(25,314)
Investment	95,952	(244,972)
Assumption change	-	(48,884)
Total	<u>\$ 189,834</u>	<u>\$ (319,170)</u>

(See Independent Auditor's Report)

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

16. EMPLOYEE BENEFITS PLAN, (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	2.75%
Mortality Rates -	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - sex distinct rates
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.00%	6.71%
International equity	20.00%	7.71%
Global fixed income	5.00%	3.36%
Domestic fixed income	20.00%	2.11%
Real estate	10.00%	5.21%
Cash	0.00%	
Total	100.00%	

(See Independent Auditor's Report)

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

16. EMPLOYEE BENEFITS PLAN, (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability
 To Changes in the Discount Rate*

The following presents the City's net pension liability calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>6.50%</u>	Current Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Net Pension Liability	\$ 351,940	\$ (177,157)	\$ (618,235)

Pension Plan Net Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued City of Stone Mountain Retirement Plan financial report.

17. SHORT TERM BORROWINGS

During the year ended December 31, 2018 the City entered into a tax anticipation note obligation for operating purposes of \$357,000 at a local financial institution with actual drawdowns under the agreement of \$357,000. The borrowing, with an interest rate of 4.15%, matured on December 31, 2018. Total short-term borrowings interest incurred and expended for the year ended December 31, 2018 was \$4,900. Loan cost for this borrowing amounted to \$7,000.

The following is a summary of the City's short-term borrowings for the year ended December 31, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance
Tax anticipation note	\$ -	\$ 357,000	\$ (357,000)	\$ -

(See Independent Auditor's Report)

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

18. CONDUIT DEBT OBLIGATIONS

In February 2017 the Downtown Development Authority of the City of Stone Mountain, Georgia issued \$100,000 principal amount of a loan from the Georgia Department of Community Affairs. Proceeds from the loan were loaned to Economy Properties, LLC in accordance with the terms of the loan agreement dated March 13, 2017. The proceeds will be used for the purpose of helping to finance renovations of a building at 1054 Main Street in downtown Stone Mountain. The loan does not constitute a debt, moral obligation, liability, or a loan, or credit or pledge of full faith and credit of the taxpayers of the City of Stone Mountain. Accordingly, the loan has not been reported as a liability in the accompanying financial statements. As of December 31, 2018, \$90,311 was outstanding under the loan agreement.

In November 2018 the Authority contracted to issued \$126,124 principal amount of a loan with the Georgia Department of Community Affairs under the same type of terms as above. The proceeds will be used for the purpose of helping to finance renovations of a building at 5368 East Mountain Street also located in downtown Stone Mountain. The proceeds were loaned to East Mountain Development Group, LLC. The loan does not constitute a debt or other liability to the City of Stone Mountain and has not been reported as a liability in the accompanying financial statements. As of December 31, 2018, none of the loan proceeds had been distributed.

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. Deficit fund balances or net position balances of individual funds – As of December 31, 2018 no fund of the City had a deficit fund balance
- B. Excess of expenditures over appropriations in individual funds – None of the City's funds had departments that incurred material excesses (if over 5 percent and greater than \$5,000) of expenditures over appropriations at the department level (the legal level of control).
- C. The City has created a Tax Allocation District #1 (TAD) which centers on the City's Main Street commercial core, select commercial and residential areas and a 50-acre tract of newly incorporated, underdeveloped land. As taxable property is redeveloped and therefore improved, any property tax revenue increase above the base year value within the TAD is deposited into a special fund to pay for redevelopment costs within the TAD. The 2008 base year taxable value within the TAD was \$9,681,680. Subsequent years' taxable values inside the TAD have decreased. Therefore, no taxes were realized that were required to be deposited into a special fund as of December 31, 2018.
- D. The City Council voted to allow DeKalb County to start providing sanitation services to the residence and commercial entities of the City beginning January 1, 2019. The County will also bill and collect fees for such services. Therefore, the City will not recognize revenues from sanitation nor provide sanitation services beginning January 1, 2019.
- E. In October 2018 the Downtown Development Authority placed a bid for a tract of land owned by the Metropolitan Atlanta Regional Transit Authority (MARTA). The DDA placed a security deposit of \$31,400 on the land purchase. As of June 12, 2019, the DDA is in the due diligence phase of the purchase.

(See Independent Auditor's Report)

CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS

	Fiscal Year End									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Pension Liability										
Service cost	\$ 86,795	\$ 90,761	\$ 91,995	\$ 76,184						
Interest	288,743	274,600	256,210	229,805						
Differences between expected and actual experience	(2,609)	(70,721)	(22,681)	153,267						
Changes of assumptions	-	-	-	(44,184)						
Other	(73,327)	-	-	-						
Benefit payments	(126,522)	(97,779)	(78,686)	(70,025)						
Net changes in total pension liability	173,080	196,861	246,838	345,047						
Total pension liability - beginning	3,788,978	3,592,117	3,345,279	3,000,232						
Total pension liability - ending	<u>\$ 3,962,058</u>	<u>\$ 3,788,978</u>	<u>\$ 3,592,117</u>	<u>\$ 3,345,279</u>						
(Historical information prior to implementation of GASB 67/68 is not required)										
Plan Fiduciary Net Position										
Contributions - employer	\$ 127,087	\$ 129,669	\$ 121,965	\$ 131,821						
Net investment income	458,654	412,524	10,778	281,624						
Benefit payments	(126,522)	(97,779)	(78,686)	(70,025)						
Administrative expense	(13,123)	(13,373)	(9,268)	(8,478)						
Other	-	-	-	-						
Net change in fiduciary net position	446,096	431,041	44,789	334,942						
Plan fiduciary net position - beginning	3,693,119	3,262,078	3,217,289	2,882,347						
Plan fiduciary net position - ending	<u>\$ 4,139,215</u>	<u>\$ 3,693,119</u>	<u>\$ 3,262,078</u>	<u>\$ 3,217,289</u>						
(Historical information prior to implementation of GASB 67/68 is not required)										
Net Pension Liability										
Net pension (asset) liability	\$ (177,157)	\$ 95,859	\$ 330,039	\$ 127,990						
Plan's fiduciary net position as a percentage of the total pension liability	104.47%	97.47%	90.81%	96.17%						
Covered-employee payroll	\$ 1,194,474	\$ 1,277,871	\$ 1,402,082	\$ 1,454,796						
Net pension liability as a percentage of covered payroll	-14.83%	7.50%	23.54%	8.80%						
(Historical information prior to implementation of GASB 67/68 is not required)										

CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	Fiscal Year End									
	2018	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contributions										
Contributions in relation to the actuarially										
determined contribution	125,176	127,724	130,318	119,180						
Contribution deficiency (excess)	(125,176)	(127,724)	(130,318)	(129,383)						
	-	-	-	(10,203)						
										(Historical information prior to implementation of GASB 67/68 is not required)
Covered-employee payroll	1,277,871	1,277,871	1,402,082	1,454,796						
Contributions as a percentage of covered-	9.80%	10.00%	9.29%	8.19%						
employee payroll										

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

Note 1

Significant methods and assumptions used in calculating the actuarially determined calculations are as follow:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	2.75%
Mortality Rates - Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - sex distinct rates
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

During 20018 the following factors changed that significantly affected trends in the amounts reported as follows:

- The investment return assumption was decreased from 7.75% to 7.50%.
- The inflation assumption was decreased from 3.25% to 2.75%.
- The cost-of-living assumption was decreased from 3.25% to 2.75%

There were no changes in benefit provisions in the last two years.

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**CITY OF STONE MOUNTAIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

		Special Revenue		
		Cemetery	Police Asset Forfeiture	Hotel / Motel
		Fund	Fund	Fund
				Total
Assets				
Cash		\$ -	\$ 24,705	\$ -
Receivable		-	-	-
Taxes		-	-	971
Miscellaneous		-	-	-
Grant receivable		-	-	-
Due from other funds		4,872	-	-
Due from component unit		-	-	5,376
Deposits		-	-	-
		<u>\$ 4,872</u>	<u>\$ 24,705</u>	<u>\$ 6,347</u>
				<u>\$ 35,924</u>
Liabilities and Fund Equity				
Liabilities:				
Unearned revenue		\$ -	\$ 2,620	\$ -
Accrued liabilities		106	-	576
Due to other funds		-	-	5,771
		<u>106</u>	<u>2,620</u>	<u>6,347</u>
Total Liabilities		<u>106</u>	<u>2,620</u>	<u>6,347</u>
Fund Balance				
Restricted -				
Police Services		-	22,085	-
Cemetery up-keep		4,766	-	-
Unassigned		-	-	-
		<u>4,766</u>	<u>22,085</u>	<u>-</u>
Total fund balance		<u>4,766</u>	<u>22,085</u>	<u>-</u>
Total liabilities and fund balance		<u>\$ 4,872</u>	<u>\$ 24,705</u>	<u>\$ 6,347</u>
				<u>\$ 35,924</u>

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Special Revenue</u>			
	Cemetery	Police Asset Forfeiture	Hotel / Motel	Total
Revenues:	Fund	Fund	Fund	
Cemetery lot sales	\$ 5,275	\$ -	\$ -	\$ 5,275
Taxes	-	-	14,485	14,485
Intergovernmental	-	-	-	-
Fines and forfeitures	-	5,418	-	5,418
Other	9,000	-	12,000	21,000
Total Revenue	<u>14,275</u>	<u>5,418</u>	<u>26,485</u>	<u>46,178</u>
Expenditures;				
Current:				
Salaries and benefits	7,356	-	30,580	37,936
Purchased/contracted services	7,236	808	3,552	11,596
Supplies	-	-	1,526	1,526
Other	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>14,592</u>	<u>808</u>	<u>35,658</u>	<u>51,058</u>
Excess (deficiency) of revenues over expenditures	(317)	4,610	(9,173)	(4,880)
Other financing sources (uses)				
Transfers in (out)	-	-	9,173	9,173
Net Change in Fund Balances	(317)	4,610	-	4,293
Fund Balance-Beginning of Year	<u>5,083</u>	<u>17,475</u>	<u>-</u>	<u>22,558</u>
Fund Balance-End of Year	<u>\$ 4,766</u>	<u>\$ 22,085</u>	<u>\$ -</u>	<u>\$ 26,851</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 2,044,294	\$ 1,601,089
Receivables - net		
Property taxes	310,599	325,767
Franchise taxes	201,205	185,817
Other taxes	8,542	39,316
Fines	302,357	268,406
Intergovernmental	-	-
Miscellaneous	5,398	2,786
Due from other funds	48,873	37,004
Due from component unit	3,989	541
Prepaid expenses	30,038	56,691
Total assets	<u>\$ 2,955,295</u>	<u>\$ 2,517,417</u>
Liabilities		
Accounts payable	\$ 233,294	\$ 208,077
Accrued liabilities	87,649	81,997
Due to other funds	105,891	193,261
Unearned revenues	22,550	154,251
Total liabilities	<u>449,384</u>	<u>637,586</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>311,916</u>	<u>331,389</u>
Fund Balance (Deficit)		
Nonspendable - prepaid items	30,038	56,691
Assigned - for next year's budget appropriations	138,901	204,381
Unassigned	2,025,056	1,287,370
Total fund balance (deficit)	<u>2,193,995</u>	<u>1,548,442</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 2,955,295</u>	<u>\$ 2,517,417</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2018 and 2017

	2018	2017
Revenues:		
Taxes	\$ 3,016,892	\$ 2,879,686
Business licenses and permits	94,393	77,615
Intergovernmental	133,911	30,932
Service fees	10,510	11,567
Fines and forfeitures	990,993	844,403
Interest	4	7
Rents	1,200	650
Miscellaneous	12,856	20,924
Total revenues	<u>4,260,759</u>	<u>3,865,784</u>
Expenditures:		
Current-		
Governing Body	49,235	39,918
General Government	261,427	258,445
Financial Administration	418,505	384,726
Government Buildings	78,388	50,174
Municipal Court	260,254	178,166
Public Safety	1,210,570	1,247,799
Highways and Streets	587,994	410,021
Culture and Recreation	164,850	165,925
Economic Development	143,363	93,575
Capital Outlay	99,205	286,883
Debt service -		
Principal	160,803	167,935
Interest	56,796	60,501
Total expenditures	<u>3,491,390</u>	<u>3,344,068</u>
Excess (deficiency) of revenues over expenditures	<u>769,369</u>	<u>521,716</u>
Other financing sources (uses)		
Capital lease proceeds	-	104,537
Proceeds from disposition of capital assets	2,163	6,770
Transfers (net)	(125,979)	(201,753)
Total other financing sources (uses)	<u>(123,816)</u>	<u>(90,446)</u>
Net change in fund balance	645,553	431,270
Fund Balance-Beginning of Year	1,548,442	1,117,172
Fund Balance-End of Year	<u>\$ 2,193,995</u>	<u>\$ 1,548,442</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, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Property	\$ 2,056,322	\$ 2,075,738	\$ 19,416	\$ 1,953,733
Utility franchise	283,634	313,704	30,070	258,746
Host tax	24,161	24,177	16	96,245
Alcoholic beverage	17,296	15,719	(1,577)	15,353
Insurance premium	418,582	418,582	-	387,800
Motor vehicle	87,520	78,518	(9,002)	73,298
Intangible taxes	28,166	31,261	3,095	25,593
Business and occupational	46,684	40,156	(6,528)	39,601
Other taxes	27,408	19,037	(8,371)	29,317
Total taxes	<u>2,989,773</u>	<u>3,016,892</u>	<u>27,119</u>	<u>2,879,686</u>
Business Licenses and Permits	<u>87,786</u>	<u>94,393</u>	<u>6,607</u>	<u>77,615</u>
Intergovernmental	<u>69,878</u>	<u>133,911</u>	<u>64,033</u>	<u>30,932</u>
Service Fees				
Police services	8,744	9,324	580	10,141
Miscellaneous	-	1,186	1,186	1,426
Total service fees	<u>8,744</u>	<u>10,510</u>	<u>1,766</u>	<u>11,567</u>
Fines and Forfeitures	<u>936,989</u>	<u>990,993</u>	<u>54,004</u>	<u>844,403</u>
Interest Earned	<u>-</u>	<u>4</u>	<u>4</u>	<u>7</u>
Rents	<u>-</u>	<u>1,200</u>	<u>1,200</u>	<u>650</u>
Miscellaneous				
Other	28,910	12,856	(16,054)	20,924
Total	<u>28,910</u>	<u>12,856</u>	<u>(16,054)</u>	<u>20,924</u>
Total Revenues	<u>\$ 4,122,080</u>	<u>\$ 4,260,759</u>	<u>\$ 138,679</u>	<u>\$ 3,865,784</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative actual totals for the year ended December 31, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Expenditures				
Governing Body				
Personal services and benefits	\$ 36,191	\$ 36,241	\$ (50)	\$ 36,119
Purchased / contracted services	14,049	12,994	1,055	3,799
Supplies	50	-	50	-
Total operating	50,290	49,235	1,055	39,918
Total Governing Body	50,290	49,235	1,055	39,918
General Government				
Personal services and benefits	127,156	127,156	-	127,711
Purchased / contracted services	130,120	121,878	8,242	110,799
Supplies	8,242	7,493	749	8,693
Other	6,433	4,900	1,533	11,242
Total operating	271,951	261,427	10,524	258,445
Capital outlay	2,000	1,622	378	140,626
Total General Government	273,951	263,049	10,902	399,071
Financial Administration				
Personal services and benefits	313,021	300,927	12,094	304,913
Purchased / contracted services	103,617	110,562	(6,945)	74,911
Supplies	9,826	7,016	2,810	4,902
Other	634	-	634	-
Total operating	427,098	418,505	8,593	384,726
Capital outlay	9,621	9,622	(1)	1,698
Total Financial Administration	436,719	428,127	8,592	386,424

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative actual totals for the year ended December 31, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Government Buildings				
Purchased / contracted services	\$ 48,511	\$ 45,489	\$ 3,022	\$ 20,521
Supplies	38,894	32,899	5,995	29,653
Other	2,591	-	2,591	-
Total operating	89,996	78,388	11,608	50,174
Capital outlay	-	-	-	7,697
Total Government Buildings	89,996	78,388	11,608	57,871
Municipal Court				
Personal services and benefits	156,308	156,385	(77)	116,530
Purchased / contracted services	81,777	79,131	2,646	52,321
Supplies	4,847	4,438	409	3,082
Other costs	20,400	20,300	100	6,233
Total operating	263,332	260,254	3,078	178,166
Capital outlay	7,463	3,122	4,341	590
Total Municipal Court	270,795	263,376	7,419	178,756
Public Safety				
Police				
Personal services and benefits	1,040,024	1,032,660	7,364	1,079,489
Purchased / contracted services	133,569	120,989	12,580	109,564
Supplies	60,400	56,921	3,479	58,746
Other costs	385	-	385	-
Total operating	1,234,378	1,210,570	23,808	1,247,799
Capital outlay	85,190	83,874	1,316	128,273
Total Public Safety	1,319,568	1,294,444	25,124	1,376,072

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative actual totals for the year ended December 31, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Highways and Streets				
Personal services and benefits	\$ 209,469	\$ 190,781	\$ 18,688	\$ 193,176
Purchased / contracted services	258,749	278,296	(19,547)	101,046
Supplies	126,718	118,917	7,801	115,799
Other costs	2,435	-	2,435	-
Total operating	597,371	587,994	9,377	410,021
Capital outlay	5,000	965	4,035	7,999
Total Highways and Streets	602,371	588,959	13,412	418,020
Culture and Recreation				
Personal services and benefits	127,051	127,503	(452)	127,159
Purchased / contracted services	34,347	32,043	2,304	33,785
Supplies	7,219	5,304	1,915	4,981
Other costs	4,723	-	4,723	-
Total operating	173,340	164,850	8,490	165,925
Capital outlay	-	-	-	-
Total Recreation	173,340	164,850	8,490	165,925

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2018
(With comparative actual totals for the year ended December 31, 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Economic Development				
Personal services and benefits	\$ -		\$ -	\$ -
Purchased / contracted services	142,791	143,363	(572)	93,575
Supplies	-	-	-	-
Total operating	142,791	143,363	(572)	93,575
Capital outlay	-	-	-	-
Total Economic Development	142,791	143,363	(572)	93,575
Debt Service				
Principal	158,118	160,803	(2,685)	167,935
Interest	56,665	56,796	(131)	60,501
Total Debt Service	214,783	217,599	(2,816)	228,436
Total Expenditures	\$ 3,574,604	\$ 3,491,390	\$ 83,214	\$ 3,344,068

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**CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2018 AND 2017**

Assets	<u>2018</u>	<u>2017</u>
Due from other funds	\$ 4,872	\$ 5,223
Total Assets	<u>\$ 4,872</u>	<u>\$ 5,223</u>
Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	\$ 106	\$ 140
Total Liabilities	106	140
Fund balance		
Restricted for cemetery up-keep	4,766	5,083
Total Liabilities and Fund Balance	<u>\$ 4,872</u>	<u>\$ 5,223</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, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Cemetery lot sales	\$ 5,250	\$ 5,275	\$ 25	\$ 1,150
Contributions	9,000	9,000	-	8,000
Total Revenues	14,250	14,275	25	9,150
Expenditures				
Current				
Salaries and benefits	7,577	7,356	221	9,041
Purchased/contracted services	8,888	7,236	1,652	5,020
Other costs	836	-	836	835
Capital outlay	-	-	-	-
Total Expenditures	17,301	14,592	2,709	14,896
Excess of revenues over (under) expenditures	(3,051)	(317)	2,734	(5,746)
Other financing sources (uses)				
Transfers	3,051	-	(3,051)	-
Net change in fund balance	-	(317)	(317)	(5,746)
Fund Balance-Beginning of Year	5,083	5,083	-	10,829
Fund Balance-End of Year	\$ 5,083	\$ 4,766	\$ (317)	\$ 5,083

**CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2018 AND 2017**

Assets	<u>2018</u>	<u>2017</u>
Cash	\$ 24,705	\$ 18,901
Total assets	<u>\$ 24,705</u>	<u>\$ 18,901</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ -	\$ -
Unearned Revenues	2,620	1,426
Total liabilities	<u>2,620</u>	<u>1,426</u>
Fund balance:		
Restricted for police budget enhancement	<u>22,085</u>	<u>17,475</u>
Total liabilities and fund balance	<u>\$ 24,705</u>	<u>\$ 18,901</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, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Forfeitures	\$ 3,992	\$ 5,418	\$ 1,426	\$ 19,712
Other	-	-	-	-
Total Revenues	<u>3,992</u>	<u>5,418</u>	<u>1,426</u>	<u>19,712</u>
Expenditures				
Current -				
Supplies	-	-	-	2,902
Purchased/contracted services	3,992	808	3,184	162
Other costs	-	-	-	1,972
Capital outlay-				
Machinery and equipment	-	-	-	-
Total Expenditures	<u>3,992</u>	<u>808</u>	<u>3,184</u>	<u>5,036</u>
Excess (deficiency) of				
Revenues over Expenditures	-	4,610	4,610	14,676
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Net change in fund balance	-	4,610	4,610	14,676
Fund Balance-Beginning				
of Year	<u>17,475</u>	<u>17,475</u>	<u>-</u>	<u>2,799</u>
Fund Balance-End of Year	<u>\$ 17,475</u>	<u>\$ 22,085</u>	<u>\$ 4,610</u>	<u>\$ 17,475</u>

CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Receivables -		
Taxes	\$ 971	\$ 1,107
Miscellaneous	-	-
Due from component unit	<u>5,376</u>	<u>5,376</u>
Total Assets	<u>\$ 6,347</u>	<u>\$ 6,483</u>
 Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	\$ 576	\$ 475
Due to other funds	<u>5,771</u>	<u>6,008</u>
Total Liabilities	6,347	6,483
Fund balance - Restricted for Tourism and Promotion	<u>-</u>	<u>-</u>
Total Liabilities and Equity	<u>\$ 6,347</u>	<u>\$ 6,483</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, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Hotel / Motel tax	\$ 14,608	\$ 14,485	\$ (123)	\$ 13,251
Event revenue	3,000	3,000	-	2,918
Intergovernmental	5,000	-	(5,000)	5,000
Contributions-private source	-	-	-	-
Contributions from MSSM	-	-	-	-
Contributions from SMMA	9,000	9,000	-	9,000
Total Revenues	31,608	26,485	(5,123)	30,169
Expenditures				
Current -				
Tourism and Promotion	43,374	35,658	7,716	39,023
Capital outlay	-	-	-	-
Total Expenditures	43,374	35,658	7,716	39,023
Excess (deficiency) of Revenues over Expenditures	(11,766)	(9,173)	2,593	(8,854)
Other financing sources (uses)				
Transfers in (out)	11,766	9,173	(2,593)	8,854
Net change in fund balance	-	-	-	-
Fund Balance-Beginning of Year	-	-	-	-
Fund balance-end of Year	\$ -	\$ -	\$ -	\$ -

CITY OF STONE MOUNTAIN, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ -	\$ -
Receivables -		
Other taxes	-	-
Grant	43,102	30,996
Due from other funds		
Total Assets	<u>\$ 43,102</u>	<u>\$ 30,996</u>
Liabilities		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	-
Due to other funds	<u>43,102</u>	<u>30,996</u>
Total Liabilities	<u>43,102</u>	<u>30,996</u>
Deferred Inflows of Resources		
Unavailable revenues	<u>-</u>	<u>-</u>
Fund balance -		
Restricted for capital outlay	-	-
Unassigned	<u>-</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of resources and Fund Balance	<u>\$ 43,102</u>	<u>\$ 30,996</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, 2018
(With comparative actual amounts for the year ended December 31, 2017)

	Budget	2018 Actual	Variance	2017 Actual
Revenues				
Intergovernmental	\$ 149,000	\$ 149,000	\$ -	\$ 466,135
Interest	-	-	-	-
Taxes	-	-	-	-
Total Revenues	<u>149,000</u>	<u>149,000</u>	<u>-</u>	<u>466,135</u>
Expenditures				
Capital Outlay				
Highways and Streets	-	-	-	420,195
General Government Buildings	269,810	269,810	-	3,060
Debt Service				
Debt Issue Cost	-	-	-	-
Total Expenditures	<u>269,810</u>	<u>269,810</u>	<u>-</u>	<u>423,255</u>
Excess (deficiency) of				
Revenues over				
Expenditures	(120,810)	(120,810)	-	42,880
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	-	-
Transfers	120,810	120,810	-	199,294
Net change in fund balance	-	-	-	242,174
Fund balance-Beginning				
 of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(242,174)</u>
Fund balance-end of				
 Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF STONE MOUNTAIN, GEORGIA
SPLOST CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2018

ASSETS	2018
Cash	\$ 465,668
Due from other governments	85,299
Due from other funds	<u>-</u>
Total assets	\$ 550,967
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 10,586
Due to other funds	<u>-</u>
	<u>10,586</u>
Deferred inflows of resources	
Unavailable revenues	<u>-</u>
Fund balance	
Reserved for specified purposes	<u>540,381</u>
Total fund balance	<u>540,381</u>
Total liabilities and fund balance	\$ 550,967

**CITY OF STONE MOUNTAIN, GEORGIA
SPLOST CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018</u>
REVENUES	
Intergovernmental	\$ 661,275
Interest	<u>32</u>
Total revenues	<u>661,307</u>
EXPENDITURES	
Capital Outlay -	
Street improvements	-
Police equipment	42,700
Fire facilities	22,059
Park improvements	-
Debt Service -	
Principal	56,067
Interest	<u>100</u>
Total expenditures	<u>120,926</u>
Excess of revenues over (under) expenditures	540,381
Other financing sources (uses)	
Transfers	<u>-</u>
Net change in fund balance	540,381
Fund Balance -	
Beginning	<u>-</u>
Ending	<u>\$ 540,381</u>

**CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

PROJECTS	ORIGINAL ESTIMATED COST	EXPENDITURES			ESTIMATED PERCENT COMPLETE
		BEGINNING OF YEAR	CURRENT YEAR	TO DATE	
Street Improvements	\$ 4,410,238	\$ -	\$ -	\$ -	0.0%
Police Equipment	252,048	-	98,867	98,867	39.2%
Fire Facilities and Equipment	176,472	-	22,059	22,059	12.5%
Park Improvements	<u>853,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	0.0%
	<u>\$ 5,692,656</u>	<u>\$ -</u>	<u>\$ 120,926</u>	<u>\$ 120,926</u>	

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CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2018 AND 2017

Assets	<u>2018</u>	<u>2017</u>
Current assets		
Accounts receivable		
Sanitation	\$ 22,846	\$ 26,782
Dumpsters	11,136	14,655
Due from General Fund	-	-
Prepaid items	-	145
Total current assets	<u>33,982</u>	<u>41,582</u>
Noncurrent assets		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	23,130	23,130
Accumulated depreciation	<u>(91,225)</u>	<u>(88,912)</u>
Capital assets (net of depreciation)	386	2,699
Total noncurrent assets	<u>386</u>	<u>2,699</u>
 Total assets	 <u>34,368</u>	 <u>44,281</u>
Liabilities		
Current liabilities		
Accounts payable	-	-
Accrued salaries	144	287
Customer deposits	4,737	4,321
Unearned revenue	1,622	12,922
Accrued liabilities	-	-
Current liabilities	<u>6,503</u>	<u>17,530</u>
 Noncurrent liabilities		
Capital lease payable	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>
 Total liabilities	 <u>6,503</u>	 <u>17,530</u>
Net Position		
Investment in capital assets	386	2,699
Unrestricted	<u>27,479</u>	<u>24,052</u>
 Total net position	 <u>\$ 27,865</u>	 <u>\$ 26,751</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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
Refuse collection	\$ 394,545	\$ 394,882
Dumpster collection	143,325	145,512
Miscellaneous	<u>1,843</u>	<u>2,266</u>
Total operating revenues	<u>539,713</u>	<u>542,660</u>
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	2,889	4,247
Dumpster collection	122,201	123,445
Sanitation expense	389,016	388,938
Personal services and benefits	15,218	15,240
Purchased / contracted services	1,596	1,592
Supplies	1,362	1,586
Depreciation	2,313	2,313
Bad debt expense	-	2,000
Other	<u>-</u>	<u>-</u>
Total operating expenses	<u>534,595</u>	<u>539,361</u>
Operating income	<u>5,118</u>	<u>3,299</u>
NONOPERATING INCOME/(EXPENSES)		
Loss on sale of capital assets	<u>-</u>	<u>-</u>
Total nonoperating income/(expense)	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	5,118	3,299
Capital contributions	-	-
Transfers in/(out)	<u>(4,004)</u>	<u>(6,395)</u>
Change in net position	1,114	(3,096)
NET POSITION, BEGINNING OF YEAR	<u>26,751</u>	<u>29,847</u>
NET POSITION, END OF YEAR	<u>\$ 27,865</u>	<u>\$ 26,751</u>

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 536,284	\$ 543,473
Cash paid to suppliers	(519,615)	(524,417)
Cash paid to employees	<u>(12,665)</u>	<u>(12,661)</u>
Net cash provided by operating activities	<u>4,004</u>	<u>6,395</u>
Cash flows from capital financing activities:		
Proceeds from sales of capital assets	-	-
Purchase of capital assets	-	-
Principal paid on capital debt	<u>-</u>	<u>-</u>
Net cash provided by capital financing activities	<u>-</u>	<u>-</u>
Cash flows from non-capital financing activities:		
Transfers	<u>(4,004)</u>	<u>(6,395)</u>
Net cash provided by non-capital financing activities	<u>(4,004)</u>	<u>(6,395)</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents - Beginning of Year	<u>-</u>	<u>-</u>
Cash and cash equivalents - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

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

	<u>2018</u>	<u>2017</u>
Operating income (loss)	\$ 5,118	\$ 3,299
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,313	2,313
(Increase) decrease in receivables	7,455	(442)
(Increase) decrease in prepaids	145	-
Increase (decrease) in accounts payable	-	-
Increase (decrease) in unearned revenues	(11,300)	1,102
Increase (decrease) in customer deposits	416	153
Increase (decrease) in accrued liabilities	<u>(143)</u>	<u>(30)</u>
Net cash provided by operating activities	<u>\$ 4,004</u>	<u>\$ 6,395</u>

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash	\$ 413,992	\$ 348,168
Receivables, net -		
Accounts	13,890	13,318
Due from other funds	<u>101,019</u>	<u>188,038</u>
Total current assets	<u>528,901</u>	<u>549,524</u>
Non-Current Assets		
Capital assets -		
Construction in progress	15,850	-
Infrastructure	1,178,132	1,118,173
Accumulated depreciation	<u>(205,479)</u>	<u>(176,564)</u>
Capital assets, net of depreciation	<u>988,503</u>	<u>941,609</u>
Total non-current assets	<u>988,503</u>	<u>941,609</u>
Total Assets	<u>1,517,404</u>	<u>1,491,133</u>
LIABILITIES		
Current liabilities		
Accounts payable	3,361	16,040
Accrued liabilities	<u>521</u>	<u>654</u>
Total current liabilities	<u>3,882</u>	<u>16,694</u>
Noncurrent Liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>3,882</u>	<u>16,694</u>
NET POSITION		
Investment in capital assets	988,503	941,609
Unrestricted	<u>525,019</u>	<u>532,830</u>
Total Net Position	<u>\$ 1,513,522</u>	<u>\$ 1,474,439</u>

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Charges for services	\$ 143,204	\$ 152,855
Total operating revenues	<u>143,204</u>	<u>152,855</u>
OPERATING EXPENSES		
Personal services and benefits	36,498	36,239
Purchased/contracted services	38,708	42,047
Supplies	-	-
Depreciation	28,915	26,123
Bad debt	-	-
Other	-	39
Total operating expenses	<u>104,121</u>	<u>104,448</u>
Operating income (loss)	39,083	48,407
Non-operating revenues and (expenses)		
Interest income	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	39,083	48,407
Capital contributions	-	-
Transfers	<u>-</u>	<u>-</u>
Change in net position	39,083	48,407
NET POSITION - BEGINNING	<u>1,474,439</u>	<u>1,426,032</u>
NET POSITION - ENDING	<u>\$ 1,513,522</u>	<u>\$ 1,474,439</u>

**CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 142,632	\$ 148,738
Cash paid to suppliers for goods	(59,129)	(34,534)
Cash paid to employees	<u>(28,889)</u>	<u>(28,875)</u>
Net cash provided from operating activities	<u>54,614</u>	<u>85,329</u>
Cash flows from investing activities:		
Interest income	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from non-capital financing activities:		
Change in due to/from other funds	<u>87,019</u>	<u>223,941</u>
Net cash flows from non-capital financing activities	<u>87,019</u>	<u>223,941</u>
Cash flows from capital financing activities:		
Proceeds from capital contributions	-	-
Purchase of capital assets	<u>(75,809)</u>	<u>(109,901)</u>
Net cash flows from capital financing activities	<u>(75,809)</u>	<u>(109,901)</u>
Net cash flows	65,824	199,369
Cash and cash equivalents - beginning	<u>348,168</u>	<u>148,799</u>
Cash and cash equivalents - ending	<u><u>\$ 413,992</u></u>	<u><u>\$ 348,168</u></u>

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

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

	<u>2018</u>	<u>2017</u>
Operating income (loss)	<u>\$ 39,083</u>	<u>\$ 48,407</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	28,915	26,123
(Increase) decrease in receivables	(572)	(4,117)
Increase (decrease) in accounts payable	(12,679)	14,990
Increase (decrease) in accrued liabilities	<u>(133)</u>	<u>(74)</u>
Total adjustments	<u>15,531</u>	<u>36,922</u>
Net cash from operating activities	<u><u>\$ 54,614</u></u>	<u><u>\$ 85,329</u></u>

**CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2018 AND 2017**

Assets	2018	2017
Assets:		
Cash	\$ 389,633	\$ 82,882
Receivables		
Rents	-	500
Miscellaneous	4,932	-
Deposits	31,400	-
	<hr/>	<hr/>
Total Assets	\$ 425,965	\$ 83,382
	<hr/>	<hr/>
 Liabilities and Fund Equity		
Liabilities:		
Accounts payable	\$ 4,328	\$ 940
Due to primary government	9,365	5,917
Accrued liabilities	-	1,007
	<hr/>	<hr/>
Total Liabilities	13,693	7,864
	<hr/>	<hr/>
Fund equity:		
Fund Balance - Unassigned	412,272	75,518
	<hr/>	<hr/>
Total Fund Equity	412,272	75,518
	<hr/>	<hr/>
Total Liabilities and Fund Equity	\$ 425,965	\$ 83,382
	<hr/>	<hr/>

**CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Revenues:		
Rents	\$ 16,160	\$ 14,400
Event fees	19,476	14,435
Contributions -		
City	143,363	93,575
Other	17,000	-
Miscellaneous	<u>810</u>	<u>111</u>
 Total Revenues	 <u>196,809</u>	 <u>122,521</u>
 Expenditures:		
Personal services and benefits	60,588	50,310
Purchased / contracted services	20,497	9,896
Supplies	1,817	6,161
Façade grants	1,618	700
Events	36,743	11,792
Other	34,074	-
Capital outlay	354,718	-
Debt service -		
Principal	-	-
Interest	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>510,055</u>	 <u>78,859</u>
 Excess of revenues over (under) expenditures	 (313,246)	 43,662
 Other financing sources (uses):		
Proceeds from note issue	650,000	-
Proceeds from sale of asset	-	-
Transfer (net)	<u>-</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>650,000</u>	 <u>-</u>
 Net change in fund balance	 336,754	 43,662
 Fund Balance - Beginning of year	 <u>75,518</u>	 <u>31,856</u>
 Fund Balance - End of year	 <u>\$ 412,272</u>	 <u>\$ 75,518</u>

