

CITY OF STONE MOUNTAIN, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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**CITY OF STONE MOUNTAIN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

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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, 2019, 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, 2019 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 12 and the Schedule of Changes in the Pension Liability and Related Ratios on pages 50 - 52 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, 2018, 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 2018 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 2018 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 2018 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 August 18, 2020 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
August 18, 2020

James A. 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, 2019. 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, 2019 by \$11,297,887. Of this amount unrestricted net position of \$3,747,447 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$1,485,256. Of this amount, an increase of \$1,481,025 was associated with governmental activities and an increase of \$4,231 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 \$4,342,331 an increase of \$1,581,104 in comparison with the prior year. Of this amount \$2,680,636 is unassigned; \$1,152,555 is restricted for various specified activities; \$504,442 is assigned for the 2020 budget and \$4,698 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 \$2,680,636 or 74.0% of the General Fund expenditures.
- The City of Stone Mountain's total debt obligations (including accrued compensated absences) increased by the net of \$35,982. Principal payments were made on outstanding capital leases of \$118,330. The City did implement GASB 68 during fiscal year 2015 which requires recognition of the City's "net pension liability/asset, which was a net pension asset of \$(91,613) at December 31, 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Stone Mountain's basic financial statements. The City of Stone Mountain's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Stone Mountain include governing body, general government, financial administration, government buildings, municipal court and police, highways and streets, culture and recreation, economic development, tourism and promotion, and cemetery. The business-type activities of the City are solid waste and stormwater activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Stone Mountain can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains two major governmental funds. The City's major governmental funds are the General Fund and 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 16.

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 2019 budget. The budgetary comparison statements begin on page 21.

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, 2019, the City's assets exceeded liabilities by \$11,297,887. The City's net position reflects its investment in capital assets of \$6,397,885 (56.6 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 \$11,297,887, \$1,152,555 (10.2 percent) is restricted for various specified activities and \$3,747,447 (33.2 percent) is unrestricted.

City of Stone Mountain's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 4,948,660	\$ 3,607,681	\$ 207,227	\$ 562,883	\$ 5,155,887	\$ 4,170,564
Capital assets	6,258,177	6,391,445	1,352,177	988,889	7,610,354	7,380,334
Deferred outflows	94,532	189,834	-	-	94,532	189,834
Total assets	11,301,369	10,188,960	1,559,404	1,551,772	12,860,773	11,740,732
Current liabilities	266,225	398,280	13,786	10,385	280,011	408,665
Long-term liabilities	1,236,247	1,200,266	-	-	1,236,247	1,200,266
Deferred inflows	46,628	319,170	-	-	46,628	319,170
Total liabilities	1,549,100	1,917,716	13,786	10,385	1,562,886	1,928,101
Net position:						
Net investment in capital assets	5,045,708	5,213,838	1,352,177	988,889	6,397,885	6,202,727
Restricted	1,152,555	567,232	-	-	1,152,555	567,232
Unrestricted	3,554,006	2,490,174	193,441	552,498	3,747,447	3,042,672
Total net position	\$ 9,752,269	\$ 8,271,244	\$ 1,545,618	\$ 1,541,387	\$ 11,297,887	\$ 9,812,631

A portion of the net position (10.2 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position (\$3,747,447) 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.

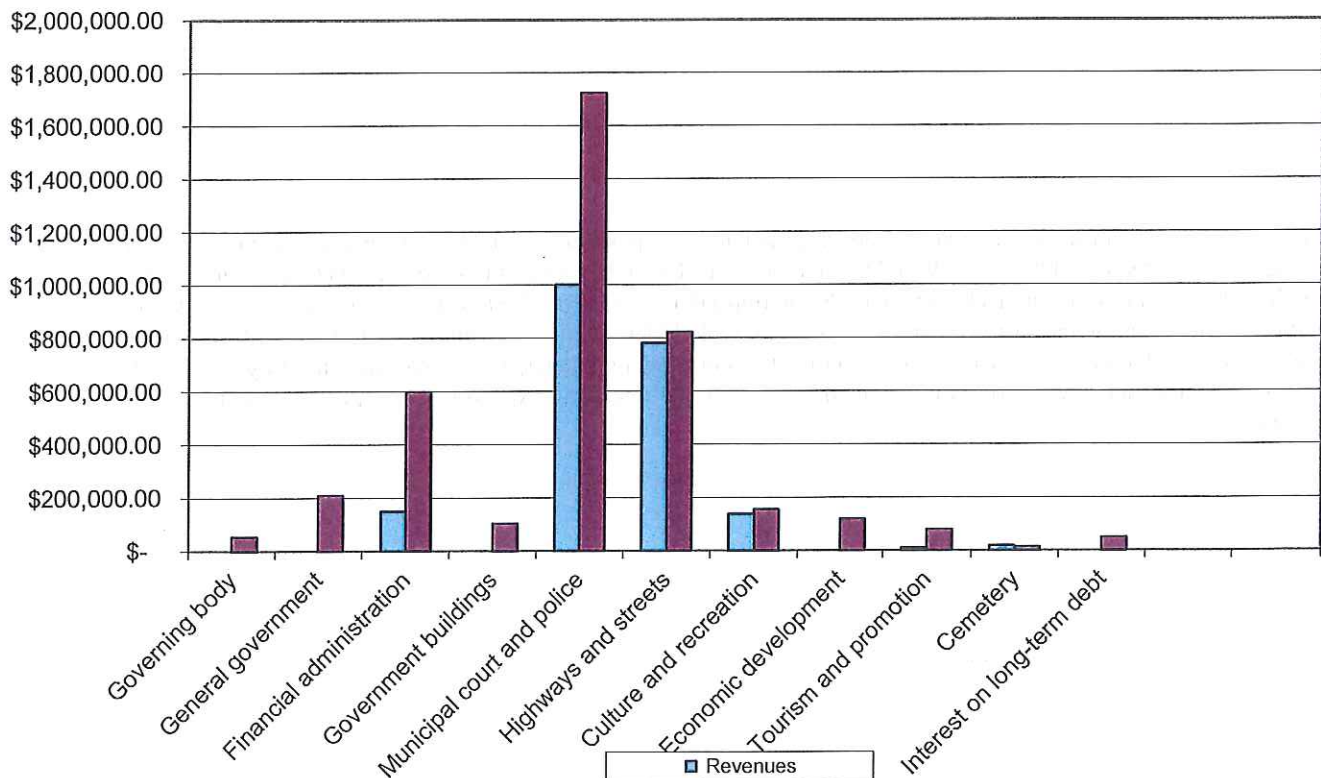
Governmental activities. Governmental activities increased the City's net position by \$1,481,025. Key elements of this increase are as follows:

**City of Stone Mountain's Change in Net Position
For The Years Ended December 31, 2019 and 2018**

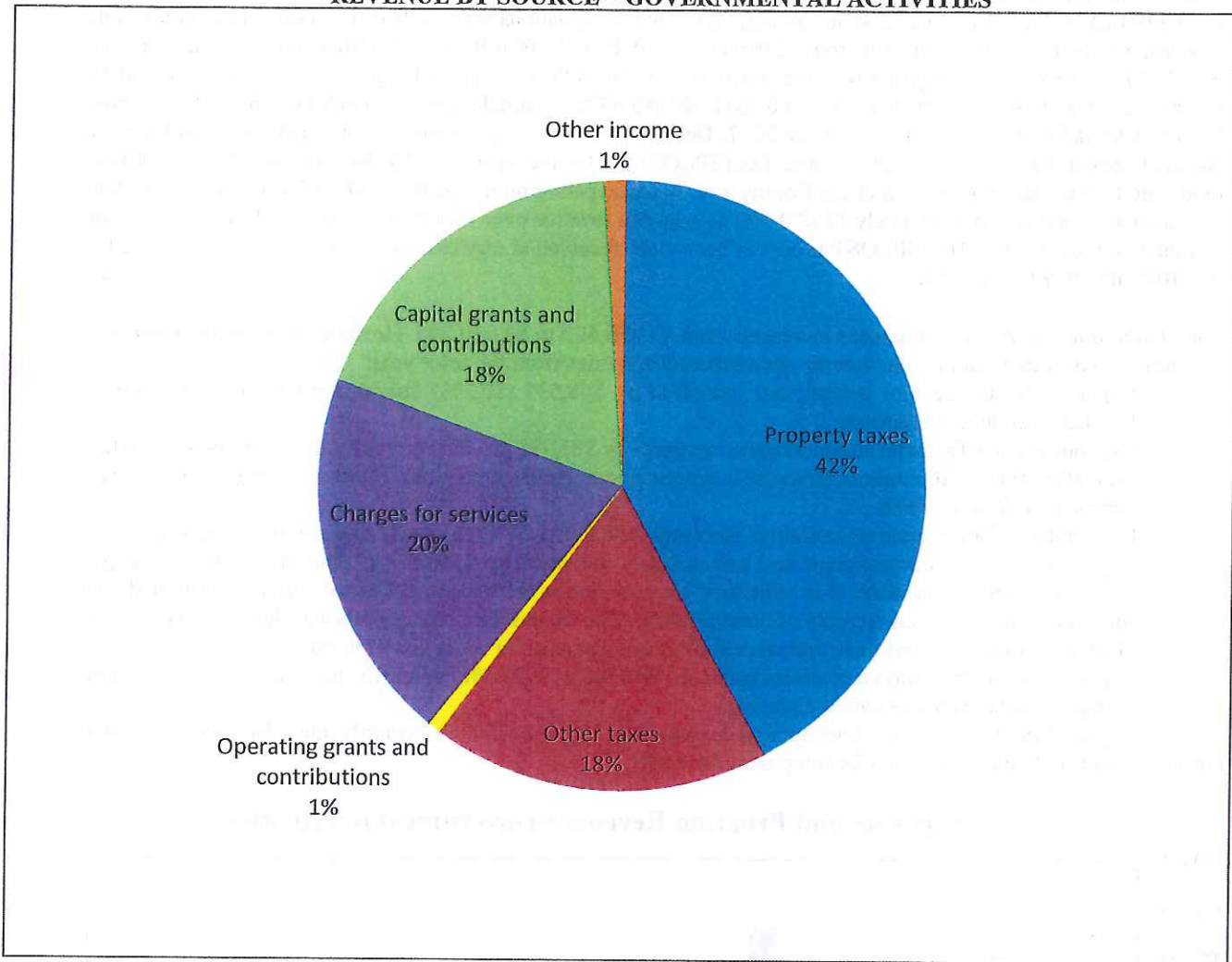
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues -						
Charges for services	\$ 1,071,144	\$ 1,134,590	\$ 148,542	\$ 682,917	\$ 1,219,686	\$ 1,817,507
Operating grants and contributions	38,304	20,635	-	-	38,304	20,635
Capital grants and contributions	985,620	953,218	-	-	985,620	953,218
General Revenues-						
Property taxes	2,265,515	2,051,176	-	-	2,265,515	2,051,176
Other taxes	969,174	933,902	-	-	969,174	933,902
Interest	4	4	-	-	4	4
Other	61,387	6,411	-	-	61,387	6,411
	<u>5,391,148</u>	<u>5,099,936</u>	<u>148,542</u>	<u>682,917</u>	<u>5,539,690</u>	<u>5,782,853</u>
Expenses:						
Governing body	52,882	45,360	-	-	52,882	45,360
General government	208,766	160,229	-	-	208,766	160,229
Financial administration	593,259	511,521	-	-	593,259	511,521
Government buildings	102,757	78,388	-	-	102,757	78,388
Municipal court and public safety	1,726,767	1,580,193	-	-	1,726,767	1,580,193
Highways and streets	823,531	683,472	-	-	823,531	683,472
Culture and recreation	155,072	167,074	-	-	155,072	167,074
Economic development	117,775	143,337	-	-	117,775	143,337
Tourism and promotion	78,576	35,658	-	-	78,576	35,658
Cemetery	13,291	17,052	-	-	13,291	17,052
Interest on long-term debt	47,529	54,338	-	-	47,529	54,338
Solid waste	-	-	15,909	534,595	15,909	534,595
Stormwater	-	-	118,320	104,121	118,320	104,121
	<u>3,920,205</u>	<u>3,476,622</u>	<u>134,229</u>	<u>638,716</u>	<u>4,054,434</u>	<u>4,115,338</u>
Increase (decrease) in net position before transfers	1,470,943	1,623,314	14,313	44,201	1,485,256	1,667,515
Transfers	<u>10,082</u>	<u>4,004</u>	<u>(10,082)</u>	<u>(4,004)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	1,481,025	1,627,318	4,231	40,197	1,485,256	1,667,515
Net position - beginning 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>
Net position - end of year	<u>\$ 9,752,269</u>	<u>\$ 8,271,244</u>	<u>\$ 1,545,618</u>	<u>\$ 1,541,387</u>	<u>\$ 11,297,887</u>	<u>\$ 9,812,631</u>

- Total Governmental Activity revenue increased by \$291,212 (5.71%). Total property tax revenue increased by \$214,339 (10.4%) due to an increase in the real property tax valuations for the 2019 tax year. The millage rate assessed was decreased by 1.000 mils from 22.000 mils in 2018 to 21.000 mils in 2019. Other Tax Revenue increased by \$35,272 (3.8%). Total program revenue decreased by \$13,375 (0.63%). Charges for services decreased by \$63,446 (5.59%). Operating grants increased by \$17,669 (85.63%). Capital grants and contributions increased from \$953,213 to 985,620 (3.4%). In November 2017, DeKalb County voters approved a referendum to implement a one-cent Special Purpose Local Option Sales Tax (SPLOST), effective April 1, 2018. 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 \$910,812 in revenue and interest received in 2019. SPLOST proceeds have been received at approximately 5% less than estimated for the 2018 and 2019 fiscal years.
- Total Governmental Activity expenses increased from \$3,476,622 to \$3,920,205. However there were significant increases and decreases among the various governmental activities from the prior year:
 - Expenditures for general government increased by \$48,537 (30.3%) due, primarily, to an increase in Purchased/contracted services.
 - Expenditures for financial administration increased by \$81,738 (16.0%) primarily due to an increase in full year allocation of the Administration/Communications Assistant and the Purchased/contracted services permit technician position.
 - Expenditures for government buildings increased \$24,369 (31.1%) primarily due to building repairs.
 - Expenditures for municipal court and public safety increased by \$146,574 (9.3%) due to the Municipal Court experiencing an increase in solicitors' expense due to the assignment of solicitors to additional and special calendars, and an increase of bond refunds. The increase in bond refunds was due to the collection of revenue from standard fines that were subject to suspension or reduction of bond.
 - Expenditures for highways and streets increased by \$140,059 (20.5%) primarily due to the 2019 acquisition of capital outlay vehicles and equipment.
 - Expenditures for economic development decreased by \$25,562 (17.8%) primarily due a decrease in General Fund contribution to the Downtown Development Authority.

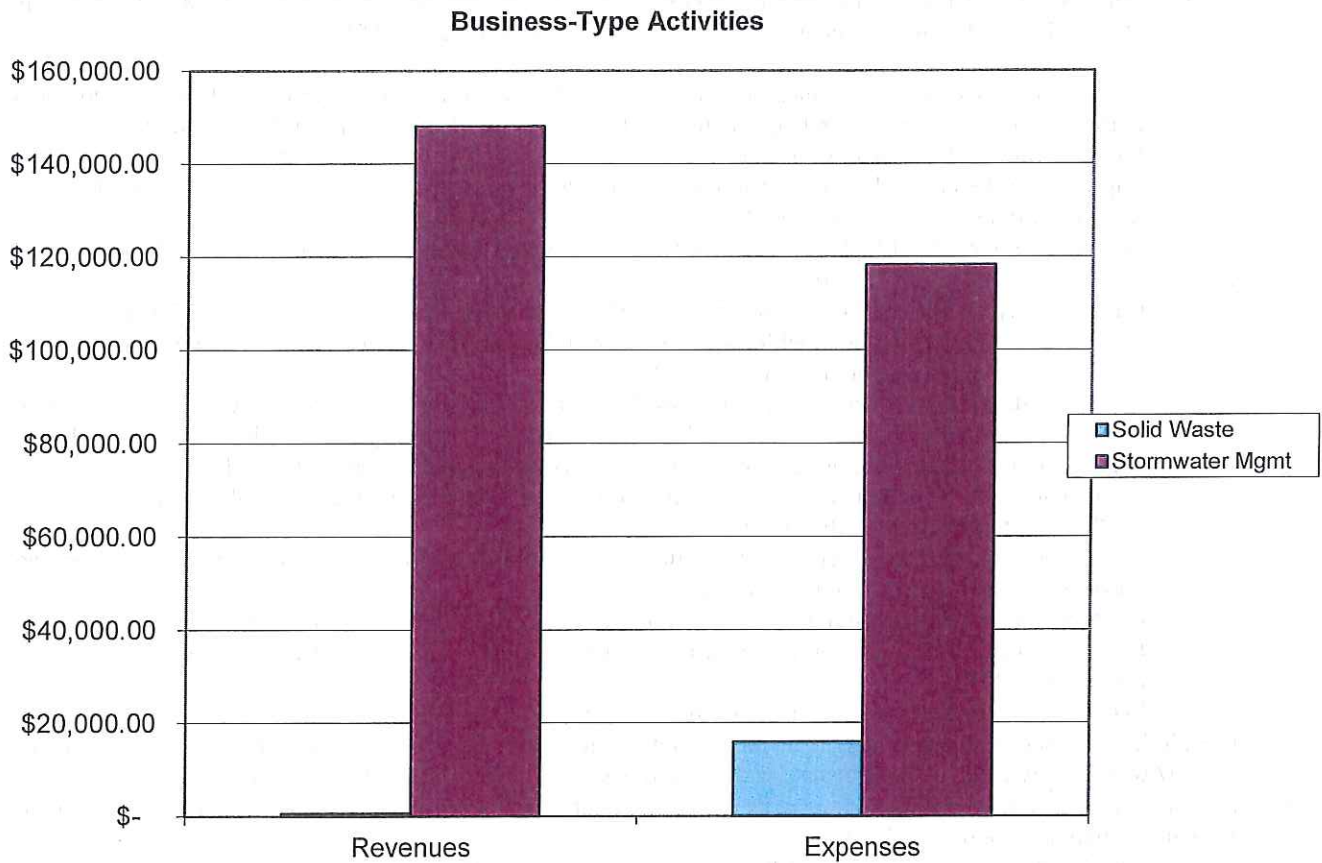
Expenses and Program Revenues-Governmental Activities



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type activities. Business type activities increased the City's net position by \$4,231. The net position of the Solid Waste Management Fund decreased by \$25,519 to \$2,346 after a transfer to the General Fund of \$10,082. 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 \$29,750 to \$1,543,272. The Storm Water fund reported revenues of \$148,070 and operating expenditures of \$118,320 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, 2019 the city's governmental funds reported a combined ending fund balance of \$4,342,331. Of this amount \$2,680,636 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because \$1,152,555 is restricted for specified activities, \$504,442 is assigned for the 2020 budget and \$4,698 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 \$2,680,636 while the total fund balance was \$3,189,776. Unassigned fund balance represents 74.0% of General Fund expenditures while total fund balance of \$3,189,776 represents 88.0% of General Fund expenditures.

During the current fiscal year, the fund balance of the City's general fund increased by \$995,781. Other notable changes for 2019 compared to 2018 were as follows:

- General Fund revenues of \$4,406,482 for FY 2019 increased over revenues of \$4,260,759 in FY 2018. However, there were significant increases and decreases among categories of General Fund revenue:
 - Property tax revenue increased by \$195,830 (9.43%), although the assessed millage rate was reduced 1.000 mils from 22.000 mils in 2018 to 21.000 mils in 2019. Property tax revenue increased due to an increase in real property tax valuations for the 2019 tax year.

- Municipal Court fines and forfeitures decreased \$55,745 (6.0%) from \$990,993 in 2018 to \$935,248 in 2019. Fines and forfeitures continue to surpass the historical average of \$851,121 experienced from 2006 through 2012.
- Business licenses and permits increased \$35,357 (37.5%). A thirty-four single-family home development in the Hearthstone Subdivision began in the third quarter of 2018 and continued through 2019.
- Intergovernmental revenue decreased by \$58,159 (43.4%). A rollover of 2017 Local Maintenance Improvement Grant funds to complete the Zachary Drive street project was necessary in 2018. No such rollover of funds was necessary in 2019.
- General Fund expenditures for FY 2019 were \$3,623,595. This was an increase of \$132,205 which is three and eight tenths percent (3.8%) over FY 2018.
 - Capital outlay for FY 2019 increased from \$99,205 to \$240,194, primarily due to the acquisition of police vehicles and equipment, and a public works vehicle and equipment. Minimal capital outlay was acquired in Highways and Streets (public works) in 2018.
 - Financial administration expenditures increased by \$113,407 (27.1%). The increase was primarily due an increase in building inspection expense, full year expense of a third-party permit technician, full year expense of the Admin/Communications position, and fourth quarter hire of the City Clerk position.
 - Municipal Court expenditures increased from \$260,254 to \$302,056 (16.1%) primarily due to an increase in Other Costs associated with Bond Refunds.
 - Public Safety expenditures increase by \$59,402 (5.0%) primarily due to an increase in Purchased/contracted services for vehicle repairs and maintenance .
 - Highways and Streets expenditures decreased by \$199,256 (33.9%) . A rollover of 2017 Local Maintenance Improvement Grant (LMIG) project expense was necessary in the 2018 fiscal year. No such rollover was necessary in 2019.
 - Economic Development expenditures decreased by 25,588 \$ (17.9%).
- The City's General Fund made principal payments on its capital leases long-term debt of \$118,330. Of this amount \$61,407 was for City Hall. Total debt service decreased from \$217,599 to \$168,884 (22.4%)
- Transfers to the general fund from other funds in 2019 amounted to a net of (\$33,920) compared to net transfers to the general fund in 2018 of (\$125,979).
- The amount of \$101,019 due to the Storm Water Fund from the General Fund in 2018 was reduced to \$21,538 in 2019. In an effort to reduce the balance due to the Storm Water Fund from the General Fund and to continue to provide General Fund subsidy towards the completion of outstanding storm water projects, a General Fund contribution of \$48,267 was allocated to the Storm Water Fund at FY2020 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 2020 fiscal year.
- Personnel expenses over the General Fund were increased from FY 2018. Expenditures were \$2,043,440 in FY 2019 compared to \$1,971,653 in FY 2018. Personnel expenses increased primarily due to an increase in Personal services and benefits in Financial Administration (\$58,887) due to the full-year expense for the Administrative Assistant/Communications Specialist position, fourth-quarter hire of the City Clerk position, and adjustment of compensation. The City Clerk position had been vacant since the 3rd^d quarter of 2018. Increase in Public Safety Personal services and benefits was also experienced due to salary grade increase for all non-administrative police personnel. Overall performance- based increases were experienced in most City departments.

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 \$34,577 second-quarter increase in the General Fund budget to account for revenue received over budget estimate for Electric Franchise fee.
- A \$233,499 third-quarter decrease in Unrestricted Revenue allocations for Historic Train Depot Renovations. The decrease in revenue allocations was offset by an increase in Real Property Tax.
- A \$48,640 fourth-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 and relative equipment. 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 \$50,000 fourth-quarter decrease in the General Fund Revenue allocations which eliminated funding for Professional Services within the SPLOST Fund 09. General Fund subsidy was not warranted to fund engineering for capital projects within the SPLOST fund
- A \$363,648 fourth-quarter decrease in the General Fund Reserve allocations. The decrease in revenue allocations was offset by increase in Sanitation Franchise, Intangibles Tax, Motor Vehicle Sales Tax, Insurance Premium Tax, a \$93,623 special item payment for return on a Deed to Secure Debt, a \$15,285 special item payment for reimbursement of natural disaster expenses relative to Hurricane Irma, and decreases in several General Fund expenditure line items.
- A \$324,164 fourth-quarter decrease in General Fund Reserve allocations. The decrease in revenue allocations was offset by a \$137,000 increase in Municipal Fines and Forfeitures and license fees received in excess of budgeted estimates and decreases in several General Fund expenditure line items.

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

Final results in actual revenue and expenditures varied from the 2019 budget in several areas most notably:

- Total actual revenue of \$4,406,482 was 98.89% of the final amended budget estimate for revenue.
- Intergovernmental revenue was \$75,752 (100.00%) of the final budget.
- Fines, Forfeitures and Court Cost revenue was \$935,248 (96.9%) of the amended budget.
- Total actual expenditures of \$3,623,595 were 99.8% of the final amended budget estimate for expenditures.
- Revenues exceeded expenditures by \$782,887.

Capital Asset and Debt Administration

Capital assets. The City’s investment in capital assets at December 31, 2019 amounts to \$7,610,354 (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 \$271,000 for five vehicles and related equipment and \$48,900 for a Vermeer chipper.

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 \$910,666 for 2019. The fund reported the following expenditures: \$91,618 for vehicles and related equipment acquisition; \$29,412 for fire facilities and equipment improvements; \$13,823 for park improvements and \$197,624 for street 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 \$1,236,248 in outstanding debt consisting of the following:

CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	<u>Balance</u>
Governmental Activities:	
Capital leases - equipment	\$ 151,035
Capital leases - facilities	1,061,433
Compensated absences	<u>23,780</u>
Total Governmental Activiites	1,236,248
Business-Type Activites:	
Capital leases	<u>-</u>
 Total Outstanding Debt	 <u>\$ 1,236,248</u>

The City’s total debt increased \$35,982 which was due to the City entering into two capital lease agreements amounting to \$153,191 for the purchase of vehicles and equipment. Additional information on the City’s long-term debt can be found in note 9 on page 39 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 \$11,200,000 which is significantly in excess of the City of Stone Mountain’s outstanding general obligation debt.

Status of the City of Stone Mountain's Economy

- 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 2019:
 - The unemployment rate for the United States was 3.5%.
 - The unemployment rate for the State of Georgia was 3.1%.
 - The unemployment rate for the twenty-eight county Metropolitan Statistical Area was 3.3%.
 - The unemployment rate for the ten county Atlanta Region was 3.4%.
 - The unemployment rate for DeKalb County as of December 2019 was 3.4% with the average Personal Income ranging at \$38,487 per year.
- According to the Bureau of Labor Statistics the consumer price index for all items increased 2.1% in the United States from December of 2018 to December of 2019 and annual average in Atlanta was up 3.3% from December of 2018 to December 2019.
- There were five (5) new single-family dwellings constructed in the City in 2019 with a valuation of \$728,00. No new commercial construction was performed in 2019.
- In light of the COVID-19 pandemic, the State of Georgia continues to see an increase in its unemployment rate, going from 3.1% in December 2019 to 12.6% in April 2020. It is anticipated that a decrease in household disposable income will impact sales tax collections, and subsequently effect the City's Special Purpose Local Option Sales Tax collections. To-date the City has experienced an estimated \$55,000 decrease in SPLOST revenue collected under estimated budget. A decrease in capital outlay funds may impact the general fund of current and future budget cycles, which can result in a reduction in spending equating to the non-completion of projects or in an increase in taxation to fund necessary projects. A continued loss of revenue may also make it necessary for the City to explore to option of furlough or layoff of members of the City's employee population. A decision to furlough or layoff employees may not only affect the local unemployment scenario but, may very well necessitate a decrease in services to the public. As of June 2020, the City estimated a decrease in adjusted revenue received under budget at approximately \$120,000.

These factors were considered in preparing the City of Stone Mountain's budget for FY 2020 and will be key in managing this fiscal year's budget and planning for future fiscal year's budget.

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and cash equivalents	\$ 2,955,771	\$ 157,102	\$ 3,112,873	\$ 168,085
Receivables (net of allowance for uncollectibles)				
Taxes	494,316	-	494,316	-
Fines	252,574	-	252,574	-
Intergovernmental	88,022	-	88,022	-
Accounts	9,808	28,587	38,395	-
Due from other funds	(21,538)	21,538	-	-
Due from component unit	-	-	-	-
Prepaid items	4,698	-	4,698	-
Deposits	-	-	-	31,400
Restricted assets -				
Cash	1,073,396	-	1,073,396	-
Net pension asset	91,613	-	91,613	-
Non-depreciable capital assets	611,800	-	611,800	144,621
Depreciable capital assets	5,646,377	1,352,177	6,998,554	412,404
Total Assets	<u>11,206,837</u>	<u>1,559,404</u>	<u>12,766,241</u>	<u>756,510</u>
Deferred Outflows				
Deferred pension outflows	94,532	-	94,532	-
Total Assets and Deferred Outflows	<u>11,301,369</u>	<u>1,559,404</u>	<u>12,860,773</u>	<u>756,510</u>

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Liabilities				
Accounts Payable				
Operating	\$ 96,485	\$ 12,849	\$ 109,334	\$ 12,627
Accrued Liabilities -				
Compensated absences	64,405	-	64,405	-
Wages	34,024	937	34,961	1,213
Customer deposits	5,284	-	5,284	-
Interest	37,914	-	37,914	13,497
Other	-	-	-	-
Unearned Revenue	28,113	-	28,113	-
Long-Term Liabilities -				
Due Within One Year	112,500		112,500	31,733
Due In More Than One Year	1,123,747	-	1,123,747	588,030
Total Liabilities	<u>1,502,472</u>	<u>13,786</u>	<u>1,516,258</u>	<u>647,100</u>
Deferred Inflows				
Deferred pension inflows	46,628	-	46,628	-
Total Liabilities and Deferred Inflows	<u>1,549,100</u>	<u>13,786</u>	<u>1,562,886</u>	<u>647,100</u>
Net Position				
Net investment in capital assets	5,045,708	1,352,177	6,397,885	(31,005)
Restricted for -				
Police activities	21,136	-	21,136	-
Cemetery up-keep	11,486	-	11,486	-
Tourism & promotion	1,397	-	1,397	-
Capital outlay	1,118,536	-	1,118,536	-
Unrestricted	3,554,006	193,441	3,747,447	140,415
Total Net Position	<u>\$ 9,752,269</u>	<u>\$ 1,545,618</u>	<u>\$ 11,297,887</u>	<u>\$ 109,410</u>

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

<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	\$ 52,882	\$ -	\$ 2,359	\$ 14,400
General Government	208,766	-	-	-
Financial Administration	593,259	132,053	-	-
Government Buildings	102,757	-	-	-
Municipal Court and Police	1,726,767	932,241	-	68,562
Highways and Streets	823,531	-	15,345	766,036
Culture and Recreation	155,072	900	-	136,622
Economic Development	117,775	-	-	-
Tourism and Promotion	78,576	-	9,000	-
Cemetery	13,291	5,950	11,600	-
Interest on Long-Term Debt	47,529	-	-	-
Total Governmental Activities	<u>3,920,205</u>	<u>1,071,144</u>	<u>38,304</u>	<u>985,620</u>
Business-Type Activities				
Solid Waste Management	15,909	472	-	-
Stormwater Management	118,320	148,070	-	-
Total Business-Type Activities	<u>134,229</u>	<u>148,542</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 4,054,434</u>	<u>\$ 1,219,686</u>	<u>\$ 38,304</u>	<u>\$ 985,620</u>
Component Unit:				
Downtown Development Authority	<u>\$ 139,799</u>	<u>\$ 13,873</u>	<u>\$ 117,889</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 Unit
Governmental Activities	Business- Type Activities	Total	Downtown Dev. Auth.
\$ (36,123)	\$ -	\$ (36,123)	\$ -
(208,766)	-	(208,766)	-
(461,206)	-	(461,206)	-
(102,757)	-	(102,757)	-
(725,964)	-	(725,964)	-
(42,150)	-	(42,150)	-
(17,550)	-	(17,550)	-
(117,775)	-	(117,775)	-
(69,576)	-	(69,576)	-
4,259	-	4,259	-
(47,529)	-	(47,529)	-
<u>(1,825,137)</u>	<u>-</u>	<u>(1,825,137)</u>	<u>-</u>
-	(15,437)	(15,437)	-
-	29,750	29,750	-
-	14,313	14,313	-
<u>(1,825,137)</u>	<u>\$ 14,313</u>	<u>(1,810,824)</u>	<u>-</u>
-	\$ -	-	(8,037)
2,265,515	-	2,265,515	-
275,271	-	275,271	-
41,388	-	41,388	-
100,121	-	100,121	-
-	-	-	-
444,322	-	444,322	-
16,055	-	16,055	-
13,399	-	13,399	-
78,618	-	78,618	-
4	-	4	-
21,644	-	21,644	17,303
39,743	-	39,743	-
<u>3,296,080</u>	<u>-</u>	<u>3,296,080</u>	<u>17,303</u>
10,082	(10,082)	-	-
<u>3,306,162</u>	<u>(10,082)</u>	<u>3,296,080</u>	<u>17,303</u>
1,481,025	4,231	1,485,256	9,266
8,271,244	1,541,387	9,812,631	100,144
<u>\$ 9,752,269</u>	<u>\$ 1,545,618</u>	<u>\$ 11,297,887</u>	<u>\$ 109,410</u>

**CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 2,955,771	\$ 1,044,374	\$ 29,022	\$ 4,029,167
Receivables - net of allowance for bad debt of \$430,000				
Taxes	493,286	-	1,030	494,316
Fines	252,574	-	-	252,574
Intergovernmental	-	88,022	-	88,022
Miscellaneous	9,808	-	-	9,808
Due from other funds	-	-	11,636	11,636
Due from component unit	-	-	-	-
Prepaid items	4,698	-	-	4,698
Deposits	-	-	-	-
Total assets	<u>\$ 3,716,137</u>	<u>\$ 1,132,396</u>	<u>\$ 41,688</u>	<u>\$ 4,890,221</u>
Liabilities				
Accounts payable	\$ 81,859	\$ 13,860	\$ 766	\$ 96,485
Accrued liabilities	103,563	-	150	103,713
Due to other funds	33,174	-	-	33,174
Unearned revenue	21,360	-	6,753	28,113
Total liabilities	<u>239,956</u>	<u>13,860</u>	<u>7,669</u>	<u>261,485</u>
Deferred Inflows of Resources				
Unavailable revenues	286,405	-	-	286,405
Fund Balance				
Nonspendable -				
Prepaid items	4,698	-	-	4,698
Restricted -				
Police services	-	-	21,136	21,136
Tourism and promotion	-	-	1,397	1,397
Cemetery up-keep	-	-	11,486	11,486
Capital outlay	-	1,118,536	-	1,118,536
Assigned - 2020 budget appropriations	504,442	-	-	504,442
Unassigned	2,680,636	-	-	2,680,636
Total fund balance (deficit)	<u>3,189,776</u>	<u>1,118,536</u>	<u>34,019</u>	<u>4,342,331</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 3,716,137</u>	<u>\$ 1,132,396</u>	<u>\$ 41,688</u>	<u>\$ 4,890,221</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, 2019

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

Total fund balances -- total governmental funds	\$ 4,342,331
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,258,177
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: Unavailable revenues	286,405
Deferred inflows and outflows related to the net pension liability is not a current asset or liability:	
Deferred outflows	94,532
Deferred inflows	(46,628)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(1,212,467)
Long-term portion of compensated absences	(23,780)
Accrued interest payable	(37,914)
Net pension asset (liability)	<u>91,613</u>
Net position of governmental activities	<u>\$ 9,752,269</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, 2019

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 3,227,344	\$ -	\$ 13,399	\$ 3,240,743
Business licenses and permits	129,750	-	-	129,750
Intergovernmental	75,752	910,666	-	986,418
Service fees	10,413	-	-	10,413
Fines and forfeitures	935,248	-	5,041	940,289
Interest	4	146	-	150
Rents	900	-	-	900
Miscellaneous	27,071	-	42,120	69,191
Total revenues	<u>4,406,482</u>	<u>910,812</u>	<u>60,560</u>	<u>5,377,854</u>
Expenditures:				
Current:				
Governing Body	53,273	-	-	53,273
General Government	290,609	-	-	290,609
Financial Administration	531,912	-	-	531,912
Government Buildings	106,895	-	-	106,895
Municipal Court	302,056	-	-	302,056
Public Safety	1,269,972	-	5,990	1,275,962
Highways and Streets	388,738	-	-	388,738
Culture and Recreation	153,328	-	-	153,328
Economic Development	117,775	-	-	117,775
Tourism and Promotion	-	-	78,577	78,577
Cemetery	-	-	10,830	10,830
Capital outlay	240,194	332,657	1,997	574,848
Debt service				
Principal	118,330	-	-	118,330
Interest	50,513	-	-	50,513
Debt issue costs	-	-	-	-
Total expenditures	<u>3,623,595</u>	<u>332,657</u>	<u>97,394</u>	<u>4,053,646</u>
Excess (deficiency) of Revenues over Expenditures	<u>782,887</u>	<u>578,155</u>	<u>(36,834)</u>	<u>1,324,208</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, 2019**

	General	SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Capital lease proceeds	\$ 153,191	\$ -	\$ -	\$ 153,191
Proceeds from disposition of assets	93,623	-	-	93,623
Transfers (net)	<u>(33,920)</u>	<u>-</u>	<u>44,002</u>	<u>10,082</u>
Total other financing sources (uses)	<u>212,894</u>	<u>-</u>	<u>44,002</u>	<u>256,896</u>
Net change in fund balance	995,781	578,155	7,168	1,581,104
Fund Balance-Beginning of Year	<u>2,193,995</u>	<u>540,381</u>	<u>26,851</u>	<u>2,761,227</u>
Fund Balance-End of Year	<u>\$ 3,189,776</u>	<u>\$ 1,118,536</u>	<u>\$ 34,019</u>	<u>\$ 4,342,331</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, 2019

Net change in fund balances -- total governmental funds \$ 1,581,104

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	353,263
Depreciation expense	(294,024)
Donated capital assets	14,400
Write-off of capital assets	(134,387)

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. (72,519)

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. (25,510)

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	(153,191)
Repayment of long term debt	118,330

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	2,984
Change in accrued compensated absences	(1,121)
Change in net pension obligation and related deferred items	91,696

Change in net position of governmental activities. \$ 1,481,025

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, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
Revenues:				
Taxes	\$ 2,890,118	\$ 3,257,910	\$ 3,227,344	\$ (30,566)
Business licenses and permits	69,075	128,870	129,750	880
Intergovernmental	60,407	75,752	75,752	-
Service fees	7,324	7,324	10,413	3,089
Fines and forfeitures	779,924	965,564	935,248	(30,316)
Interest	-	-	4	4
Rents	-	-	900	900
Miscellaneous	2,610	20,658	27,071	6,413
Total revenues	<u>3,809,458</u>	<u>4,456,078</u>	<u>4,406,482</u>	<u>(49,596)</u>
Expenditures:				
Current:				
Governing Body	45,221	55,619	53,273	2,346
General Government	307,980	288,831	290,609	(1,778)
Financial Administration	544,847	519,560	531,912	(12,352)
Government Buildings	111,160	109,861	106,895	2,966
Municipal Court	302,841	300,987	302,056	(1,069)
Public Safety	1,310,039	1,271,876	1,269,972	1,904
Highways and Streets	555,163	391,999	388,738	3,261
Culture and Recreation	175,172	160,854	153,328	7,526
Economic Development	117,889	117,889	117,775	114
Capital outlay	250,200	241,655	240,194	1,461
Debt service				
Principal	118,500	118,500	118,330	170
Interest	107,711	51,754	50,513	1,241
Total expenditures	<u>3,946,723</u>	<u>3,629,385</u>	<u>3,623,595</u>	<u>5,790</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, 2019

	BUDGET AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
Excess (deficiency) of Revenues over Expenditures	\$ (137,265)	\$ 826,693	\$ 782,887	\$ (43,806)
Other financing sources (uses)				
Capital Lease Proceeds	238,000	153,191	153,191	-
Proceeds from sale of capital assets	-	93,563	93,623	60
Transfers (net)	(239,636)	(168,822)	(33,920)	134,902
Total other financing sources (uses)	(1,636)	77,932	212,894	134,962
Net change in fund balance	(138,901)	904,625	995,781	91,156
Fund Balance-Beginning of Year	2,193,995	2,193,995	2,193,995	-
Fund Balance-End of Year	<u>\$ 2,055,094</u>	<u>\$ 3,098,620</u>	<u>\$ 3,189,776</u>	<u>\$ 91,156</u>

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
ASSETS			
Current assets			
Cash	\$ -	\$ 157,102	\$ 157,102
Receivables-			
Accounts	2,548	26,039	28,587
Due from other funds	-	21,538	21,538
Prepaid items	-	-	-
Total current assets	<u>2,548</u>	<u>204,679</u>	<u>207,227</u>
Noncurrent assets			
Capital assets			
Construction in progress	-	-	-
Autos and trucks	68,481	-	68,481
Machinery and equipment	23,130	-	23,130
Infrastructure	-	1,590,965	1,590,965
Accumulated depreciation	<u>(91,611)</u>	<u>(238,788)</u>	<u>(330,399)</u>
Capital assets (net of depreciation)	<u>-</u>	<u>1,352,177</u>	<u>1,352,177</u>
Total noncurrent assets	<u>-</u>	<u>1,352,177</u>	<u>1,352,177</u>
Total assets	<u>2,548</u>	<u>1,556,856</u>	<u>1,559,404</u>
LIABILITIES			
Current liabilities			
Accounts payable -			
Trade	-	12,849	12,849
Customer deposits	-	-	-
Unearned revenue	-	-	-
Accrued liabilities	202	735	937
Current portion of long-term debt	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>202</u>	<u>13,584</u>	<u>13,786</u>
Noncurrent liabilities			
Capital leases	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>202</u>	<u>13,584</u>	<u>13,786</u>
Net Position			
Investments in capital assets	-	1,352,177	1,352,177
Unrestricted	<u>2,346</u>	<u>191,095</u>	<u>193,441</u>
Total Net Position	<u>\$ 2,346</u>	<u>\$ 1,543,272</u>	<u>\$ 1,545,618</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, 2019

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
OPERATING REVENUES			
Refuse collection	\$ 472	\$ -	\$ 472
Dumpster collection	-	-	-
Stormwater fees	-	148,070	148,070
Miscellaneous	-	-	-
Total operating revenues	<u>472</u>	<u>148,070</u>	<u>148,542</u>
OPERATING EXPENSES			
Purchased products / services	3,037	-	3,037
Personal services and benefits	10,284	37,249	47,533
Purchased / contracted services	1,596	47,762	49,358
Supplies	606	-	606
Depreciation and amortization	386	33,309	33,695
Other	-	-	-
Total operating expenses	<u>15,909</u>	<u>118,320</u>	<u>134,229</u>
Operating income (loss)	<u>(15,437)</u>	<u>29,750</u>	<u>14,313</u>
Non-operating revenues and (expenses)			
Loss on sale of capital asset	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	(15,437)	29,750	14,313
Capital contributions	-	-	-
Transfers	<u>(10,082)</u>	<u>-</u>	<u>(10,082)</u>
CHANGE IN NET POSITION	(25,519)	29,750	4,231
NET POSITION - BEGINNING	<u>27,865</u>	<u>1,513,522</u>	<u>1,541,387</u>
NET POSITION - ENDING	<u>\$ 2,346</u>	<u>\$ 1,543,272</u>	<u>\$ 1,545,618</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, 2019**

	<u>Solid Waste Management</u>	<u>Stormwater Management</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 25,547	\$ 135,921	\$ 161,468
Cash paid to suppliers for goods	(7,782)	(47,427)	(55,209)
Cash paid to employees	(7,683)	(27,882)	(35,565)
Net cash provided from operating activities	<u>10,082</u>	<u>60,612</u>	<u>70,694</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	(10,082)	-	(10,082)
Change in due to/from other funds	-	79,481	79,481
Net cash flows from non-capital financing activities	<u>(10,082)</u>	<u>79,481</u>	<u>69,399</u>
Cash flows from capital financing activities:			
Purchases / construction of capital assets	-	(396,983)	(396,983)
Capital contributions	-	-	-
Principal payments on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Interest paid	-	-	-
Net cash flows from capital financing activities	<u>-</u>	<u>(396,983)</u>	<u>(396,983)</u>
Net cash flows	-	(256,890)	(256,890)
Cash and cash equivalents - beginning	<u>-</u>	<u>413,992</u>	<u>413,992</u>
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ 157,102</u>	<u>\$ 157,102</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)	\$ (15,437)	\$ 29,750	\$ 14,313
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	386	33,309	33,695
(Increase) decrease in -			
Accounts receivable	31,434	(12,149)	19,285
Prepays	-	-	-
Increase (Decrease) in -			
Accounts payable	-	9,488	9,488
Unearned revenues	(1,622)	-	(1,622)
Customer deposits	(4,737)	-	(4,737)
Accrued liabilities	58	214	272
Total adjustments	<u>25,519</u>	<u>30,862</u>	<u>56,381</u>
Net cash from operating activities	<u>\$ 10,082</u>	<u>\$ 60,612</u>	<u>\$ 70,694</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, 2019

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 it 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.

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. In December 2018, the City Council voted to allow DeKalb County to start providing sanitation services. 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.

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, 2019 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, 2019. 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, 2019 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 \$1,152,555 in restricted net position, of which \$1,139,672 is restricted by enabling legislation.

U. Fund Balance – Governmental Funds

As of December 31, 2019 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, 2019, fund balances are composed of the following:

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Nonspendable -				
Prepaid items	\$ 4,698	\$ -	\$ -	\$ 4,698
Restricted -				
Police activities	-	-	21,136	21,136
Tourism & promotion	-	-	1,397	1,397
Cemetery up-keep	-	-	11,486	11,486
Capital projects	-	1,118,536	-	1,118,536
Assigned - for 2020 budget appropriations	504,442	-	-	504,442
Unassigned	<u>2,680,636</u>	<u>-</u>	<u>-</u>	<u>2,680,636</u>
 Total	 <u>\$ 3,189,776</u>	 <u>\$ 1,118,536</u>	 <u>\$ 34,019</u>	 <u>\$ 4,342,331</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, 2019, \$4,016,102 of the government’s bank balance of 4,286,298 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>4,016,102</u>
Total	<u>\$ 4,016,102</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 2019, based upon the assessed value as of January 1, 2019, were levied on June 5, 2019. 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:

	<u>General</u>	<u>SPLOST</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 543,286	\$ -	\$ 1,030	\$ 544,316
Fines	632,574	-	-	632,574
Intergovernmental Accounts	<u>9,808</u>	<u>88,022</u>	<u>-</u>	<u>98,822</u>
Gross Receivables	1,185,668	88,022	1,030	1,274,720
Less: Allowance for Uncollectible	<u>(430,000)</u>	<u>-</u>	<u>-</u>	<u>(430,000)</u>
Net Total Receivables	<u>\$ 755,668</u>	<u>\$ 88,022</u>	<u>\$ 1,030</u>	<u>\$ 844,720</u>
Proprietary Funds				
	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>	
Accounts	\$ 22,548	\$ 36,039	\$ 58,587	
Intergovernmental Grants	<u>-</u>	<u>-</u>	<u>-</u>	
Gross Receivable	22,548	36,039	58,587	
Less: Allowance for Uncollectible	<u>(20,000)</u>	<u>(10,000)</u>	<u>\$ (30,000)</u>	
Net Total Receivables	<u>\$ 2,548</u>	<u>\$ 26,039</u>	<u>\$ 28,587</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, 2019 consist of the following:

State of Georgia, Dept of Transportation - Local Maintenance Improvement Grant (LMIG)	\$ 60,408
DeKalb Co. - SPLOST	910,666
FEMA	<u>15,344</u>
 Total Intergovernmental Revenue	 <u>\$ 986,418</u>

Intergovernmental receivables as of December 31, 2019 consist of the following:

DeKalb Co. - SPLOST	<u>\$ 88,022</u>
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6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2019 were as follows:

Payable From	Payable To			Total
	General Fund	Non Major	Stormwater Management	
General	\$ -	\$ 11,636	\$ 21,538	\$ 33,174
Nonmajor	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 11,636</u>	<u>\$ 21,538</u>	<u>\$ 33,174</u>

Individual interfund transfers for the year ended December 31, 2019 were as follows:

Transfer From	Transfers To			Total
	General	Capital Projects	Nonmajor	
General	\$ -	\$ -	\$ 44,002	\$ 44,002
Solid Waste	10,082	-	-	10,082
Total	<u>\$ 10,082</u>	<u>\$ -</u>	<u>\$ 44,002</u>	<u>\$ 54,084</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 one lawsuit and two ante litem notices filed against it as of December 31, 2019. 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, 2019 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	412,858	1,997	(414,855)	-
Total	<u>1,024,658</u>	<u>1,997</u>	<u>(414,855)</u>	<u>611,800</u>
Capital assets being depreciated:				
Buildings & improvements	2,493,384	294,290	(91,124)	2,696,550
Infrastructure	3,401,199	-	-	3,401,199
Vehicles, including related equipment	773,759	271,268	-	1,045,027
Furniture and other equipment	656,691	80,576	(221,751)	515,516
Total capital assets being depreciated	<u>7,325,033</u>	<u>646,134</u>	<u>(312,875)</u>	<u>7,658,292</u>
Less accumulated depreciation for:				
Buildings & improvements	472,490	69,211	(18,603)	523,098
Infrastructure	456,162	85,030	-	541,192
Vehicles, including related equipment	461,807	109,280	-	571,087
Furniture and other equipment	567,787	30,503	(221,752)	376,538
Total accumulated depreciation	<u>1,958,246</u>	<u>294,024</u>	<u>(240,355)</u>	<u>2,011,915</u>
Total capital assets being depreciated, net	<u>5,366,787</u>	<u>352,110</u>	<u>(72,520)</u>	<u>5,646,377</u>
Governmental capital assets, net	<u>\$ 6,391,445</u>	<u>\$ 354,107</u>	<u>\$ (487,375)</u>	<u>\$ 6,258,177</u>

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

Administrative	\$ 79,498
Police	107,541
Highways and Streets	102,781
Parks	1,744
Cemetery	<u>2,460</u>
Total depreciation expense	<u>\$ 294,024</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	1,178,132	412,833	-	1,590,965
Total capital assets being depreciated	<u>1,269,743</u>	<u>412,833</u>	<u>-</u>	<u>1,682,576</u>
Less accumulated depreciation for:				
Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	22,744	386	-	23,130
Infrastructure	205,479	33,309	-	238,788
Total accumulated depreciation	<u>296,704</u>	<u>33,695</u>	<u>-</u>	<u>330,399</u>
Business-Type Activities capital assets, net	<u>\$ 988,889</u>	<u>\$ 379,138</u>	<u>\$ (15,850)</u>	<u>\$ 1,352,177</u>

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

Solid Waste Management	\$ 386
Stormwater Management	<u>33,309</u>
Total depreciation expense	<u>\$ 33,695</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, 2019:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities					
Capital leases - equipment	\$ 49,424	\$ 153,191	\$ (51,580)	\$ 151,035	\$ 42,906
Capital leases - facilities	1,128,183	-	(66,750)	1,061,433	69,594
Accrued compensated absences	<u>22,659</u>	<u>66,510</u>	<u>(65,389)</u>	<u>23,780</u>	<u>-</u>
 Total Governmental Activities	 <u>\$ 1,200,266</u>	 <u>\$ 219,701</u>	 <u>\$ (183,719)</u>	 <u>\$ 1,236,248</u>	 <u>\$ 112,500</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.

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 \$204,039. Since the City intends to continue to abide by the terms of the lease agreements and eventually own the equipment, the equipment and the related liability were recorded at the present value of the future payments due under the lease. The interest rates under the terms of the lease agreements range between 3.55% and 4.68%.

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	
2020	\$ 42,906	\$ 5,061	\$ 69,594	\$ 45,217	\$ 162,778
2021	37,931	3,508	72,558	42,252	156,249
2022	39,443	1,996	75,649	39,161	156,249
2023	30,755	515	78,872	35,939	146,081
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>\$ 151,035</u>	<u>\$ 11,080</u>	<u>\$ 1,061,433</u>	<u>\$ 316,295</u>	<u>\$ 1,539,843</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 \$11,983 and accumulated depreciation as of December 31, 2019 was \$32,408.

10. UNAVAILABLE AND UNEARNED REVENUES

Unavailable revenues as of December 31, 2019, 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	\$ 112,896
Fines and Forfeitures	173,509
Total Unavailable Revenues	<u>\$ 286,405</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	\$ 21,360
Police forfeitures	6,753
Grants	-
Total Unearned Revenues	<u>\$ 28,113</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)	\$ 5,661,420
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 \$50,000

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, 2019, the City collected hotel/motel taxes in the amount of \$13,399 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, 2019 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	205,007	-	412,404
Total capital assets being depreciated	207,397	205,007	-	412,404
Less accumulated depreciation for:				
Buildings & improvements	-	-	-	-
Total accumulated depreciation	-	-	-	-
Total capital assets being depreciated, net	207,397	205,007	-	412,404
Governmental capital assets, net	<u>\$ 352,018</u>	<u>\$ 205,007</u>	<u>\$ -</u>	<u>\$ 557,025</u>

Long-Term Debt –

In July 2019 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, 2019 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Note payable	<u>\$ 650,000</u>	<u>\$ -</u>	<u>\$ (30,237)</u>	<u>\$ 619,763</u>	<u>\$ 31,733</u>

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:

F/Y/E Decembere 31,	Principal	Interest	Total
2020	\$ 31,733	\$ 29,923	\$ 61,656
2021	33,304	28,352	61,656
2022	34,952	26,704	61,656
2023	36,682	24,974	61,656
2024	38,498	23,158	61,656
2025 - 2029	223,032	85,250	308,282
2030 - 2033	221,562	25,063	246,625
	<u>\$ 619,763</u>	<u>\$ 243,426</u>	<u>\$ 863,189</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, 2019, the date of the most recent actuarial valuation, there were 86 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	16
Terminated vested participants not yet receiving benefits	37
Active employees - vested	21
Active employees - nonvested	<u>12</u>
Total	<u>86</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 2019, the actuarially determined contribution rate was 9.527% of covered payroll.

For fiscal year ended December 31, 2019, the City's recommended and actual contribution was \$115,324 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, 2019 and recognized as an expense in the Government-Wide Statement of Activity was \$14,018.

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

At December 31, 2019, the City reported an asset of \$91,613 for its net pension asset. The net pension asset was measured as of March 31, 2019 and was determined by an actuarial valuation as of July 1, 2019. The changes in the Net Pension (Asset) Liability for the year ended March 31, 2019 (the measurement date) were as follow:

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability
Balances at March 31, 2018	\$ 3,962,058	\$ 4,139,215	\$ (177,157)
Changes for the year-			
Service cost	69,797	-	69,797
Interest	298,038	-	298,038
Differences between expected and actual experience	(31,973)	-	(31,973)
Contributions - Employer	-	113,103	(113,103)
Net investment income	-	150,561	(150,561)
Benefit payments, including refunds of employee contributions	(116,023)	(116,023)	-
Administrative expense	-	(13,346)	13,346
Other	-	-	-
Net Changes	<u>219,839</u>	<u>134,295</u>	<u>85,544</u>
Balance at March 31, 2019	<u>\$ 4,181,897</u>	<u>\$ 4,273,510</u>	<u>\$ (91,613)</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, 2019, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	\$ 69,797
Interest on The Pension Liability (TPL)	298,038
Administrative expenses	13,346
Expected return on assets	(309,831)
Deferred Outflows -	
Contributions subsequent to the measurement date	-
Deferred Inflows -	
Expensed portion of current year period differences between expected and actual experience in TPL	(10,657)
Expensed portion of current year period assumption changes	-
Current year recognition of deferred inflows and outflows established in prior years	(78,529)
Expensed portion of current year period differences between projected and actual investment earnings	<u>31,854</u>
Total expense	<u>\$ 14,018</u>

\$86,493 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, 2019. 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
2020	\$ 13,446	\$ (35,970)
2021	(34,530)	(10,658)
2022	(2,731)	-
2023	<u>31,854</u>	<u>-</u>
	<u>\$ 8,039</u>	<u>\$ (46,628)</u>

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2019 are as follow:

	Outflows	Inflows
Contributions subsequent to the measurement date	\$ 86,493	\$ -
Demographic	-	(22,186)
Investment	8,039	-
Assumption change	<u>-</u>	<u>(24,442)</u>
Total	<u>\$ 94,532</u>	<u>\$ (46,628)</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, 2019 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, 2019 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, 2019 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	45.0%	6.40%
International equity	20.0%	7.40%
Global fixed income	5.0%	3.03%
Domestic fixed income	20.0%	1.75%
Real estate	10.0%	5.10%
Cash	0.0%	
Total	100.0%	

(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	Current Rate	1% Increase
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Net Pension Liability	\$ 455,656	\$ (91,613)	\$ (548,678)

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, 2019 the City had no short-term borrowings.

(See Independent Auditor’s Report)

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

18. CONDUIT DEBT OBLIGATIONS

In February 2018 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, 2018. 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, 2019, \$81,343 was outstanding under the loan agreement.

In November 2019 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, 2019, the loan balance was \$ -0- since the loan had not closed as of December 31, 2019.

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, 2019 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, 2019.
- 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. During 2019, the DDA decided not to pursue the tract of land and the security deposit was refunded to the Authority in 2020..

(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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Pension Liability										
Service cost	\$ 69,797	\$ 86,795	\$ 90,761	\$ 91,995	\$ 76,184					
Interest	298,038	288,743	274,600	256,210	229,805					
Differences between expected and actual experience	(31,973)	(2,609)	(70,721)	(22,681)	153,267					
Changes of assumptions	-	-	-	-	(44,184)					
Other	-	(73,327)	-	-	-					
Benefit payments	(116,023)	(126,522)	(97,779)	(78,686)	(70,025)					
Net changes in total pension liability	219,839	173,080	196,861	246,838	345,047					
Total pension liability - beginning	3,962,058	3,788,978	3,592,117	3,345,279	3,000,232					
Total pension liability - ending	\$ 4,181,897	\$ 3,962,058	\$ 3,788,978	\$ 3,592,117	\$ 3,345,279					
Plan Fiduciary Net Position										
Contributions - employer	\$ 113,103	\$ 127,087	\$ 129,669	\$ 121,965	\$ 131,821					
Net investment income	150,561	458,654	412,524	10,778	281,624					
Benefit payments	(116,023)	(126,522)	(97,779)	(78,686)	(70,025)					
Administrative expense	(13,346)	(13,123)	(13,373)	(9,268)	(8,478)					
Other	-	-	-	-	-					
Net change in fiduciary net position	134,295	446,096	431,041	44,789	334,942					
Plan fiduciary net position - beginning	4,139,215	3,693,119	3,262,078	3,217,289	2,882,347					
Plan fiduciary net position - ending	\$ 4,273,510	\$ 4,139,215	\$ 3,693,119	\$ 3,262,078	\$ 3,217,289					
Net Pension Liability										
Net pension (asset) liability	\$ (91,613)	\$ (177,157)	\$ 95,859	\$ 330,039	\$ 127,990					
Plan's fiduciary net position as a percentage of the total pension liability	102.19%	104.47%	97.47%	90.81%	96.17%					
Covered-employee payroll	\$ 1,444,349	\$ 1,194,474	\$ 1,277,871	\$ 1,402,082	\$ 1,454,796					
Net pension liability as a percentage of covered payroll	-6.34%	-14.83%	7.50%	23.54%	8.80%					

(Historical information prior to implementation of GASB 67/68 is not required)

(Historical information prior to implementation of GASB 67/68 is not required)

(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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contributions	115,324	125,176	127,724	130,318	119,180					
Contributions in relation to the actuarially determined contribution	(115,324)	(125,176)	(127,724)	(130,318)	(129,383)					
Contribution deficiency (excess)	-	-	-	-	(10,203)					
										(Historical information prior to implementation of GASB 67/68 is not required)
Covered-employee payroll	1,194,474	1,277,871	1,277,871	1,402,082	1,454,796					
Contributions as a percentage of covered-employee payroll	9.65%	9.80%	10.00%	9.29%	8.19%					

**CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1

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

Methods and assumptions used to determine contribution rates:

<p>Actuarial Cost Method Amortization Method Remaining Amortization Period Asset Valuation Method</p>	<p>Projected Unit Credit Closed level dollar for remaining unfunded liability N/A 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.</p>
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Actuarial Assumptions:

<p>Net Investment Rate of Return Projected Salary Increases Cost of Living Adjustments Mortality Rates - Healthy Disabled Plan Termination Basis</p>	<p>7.50% 2.75% plus service based merit increases 2.75% RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females RP-2000 Disabled Retiree Mortality Table - sex distinct rates 1994 Group Annuity Reserving Unisex Table</p>
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During 2018 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, 2019**

	<u>Special Revenue</u>				Total
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Capital Projects Fund	
Assets					
Cash	\$ -	\$ 28,019	\$ 1,003	\$ -	\$ 29,022
Receivable	-	-	-	-	-
Taxes	-	-	1,030	-	1,030
Miscellaneous	-	-	-	-	-
Grant receivable	-	-	-	-	-
Due from other funds	11,636	-	-	-	11,636
Due from component unit	-	-	-	-	-
Deposits	-	-	-	-	-
	<u>\$ 11,636</u>	<u>\$ 28,019</u>	<u>\$ 2,033</u>	<u>\$ -</u>	<u>\$ 41,688</u>
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ -	\$ 130	\$ 636	\$ -	\$ 766
Accrued liabilities	150	-	-	-	150
Unearned revenue	-	6,753	-	-	6,753
Total Liabilities	<u>150</u>	<u>6,883</u>	<u>636</u>	<u>-</u>	<u>7,669</u>
Fund Balance					
Restricted -					
Police Services	-	21,136	-	-	21,136
Tourism and promotion	-	-	1,397	-	1,397
Cemetery up-keep	11,486	-	-	-	11,486
Unassigned	-	-	-	-	-
Total fund balance	<u>11,486</u>	<u>21,136</u>	<u>1,397</u>	<u>-</u>	<u>34,019</u>
Total liabilities and fund balance	<u>\$ 11,636</u>	<u>\$ 28,019</u>	<u>\$ 2,033</u>	<u>\$ -</u>	<u>\$ 41,688</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, 2019**

	<u>Special Revenue</u>				Total
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Capital Projects Fund	
Revenues:					
Cemetery lot sales	\$ 5,950	\$ -	\$ -	\$ -	\$ 5,950
Taxes	-	-	13,399	-	13,399
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	5,041	-	-	5,041
Other	11,600	-	24,570	-	36,170
Total Revenue	<u>17,550</u>	<u>5,041</u>	<u>37,969</u>	<u>-</u>	<u>60,560</u>
Expenditures;					
Current:					
Salaries and benefits	7,495	-	45,877	-	53,372
Purchased/contracted services	3,335	849	11,088	-	15,272
Supplies	-	5,141	3,785	-	8,926
Other	-	-	16,947	-	16,947
Capital outlay	-	-	880	1,997	2,877
Total Expenditures	<u>10,830</u>	<u>5,990</u>	<u>78,577</u>	<u>1,997</u>	<u>97,394</u>
Excess (deficiency) of revenues over expenditures	6,720	(949)	(40,608)	(1,997)	(36,834)
Other financing sources (uses)					
Transfers in (out)	-	-	42,005	1,997	44,002
Net Change in Fund Balances	6,720	(949)	1,397	-	7,168
Fund Balance-Beginning of Year	4,766	22,085	-	-	26,851
Fund Balance-End of Year	<u>\$ 11,486</u>	<u>\$ 21,136</u>	<u>\$ 1,397</u>	<u>\$ -</u>	<u>\$ 34,019</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	2019	2018
Assets		
Cash	\$ 2,955,771	\$ 2,044,294
Receivables - net		
Property taxes	280,306	310,599
Franchise taxes	195,723	201,205
Other taxes	17,257	8,542
Fines	252,574	302,357
Intergovernmental	-	-
Miscellaneous	9,808	5,398
Due from other funds	-	48,873
Due from component unit	-	3,989
Prepaid expenses	4,698	30,038
Total assets	\$ 3,716,137	\$ 2,955,295
Liabilities		
Accounts payable	\$ 81,859	\$ 233,294
Accrued liabilities	103,563	87,649
Due to other funds	33,174	105,891
Unearned revenues	21,360	22,550
Total liabilities	239,956	449,384
Deferred Inflows of Resources		
Unavailable revenues	286,405	311,916
Fund Balance (Deficit)		
Nonspendable - prepaid items	4,698	30,038
Assigned - for next year's budget appropriations	504,442	138,901
Unassigned	2,680,636	2,025,056
Total fund balance (deficit)	3,189,776	2,193,995
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 3,716,137	\$ 2,955,295

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2019 and 2018

	2019	2018
Revenues:		
Taxes	\$ 3,227,344	\$ 3,016,892
Business licenses and permits	129,750	94,393
Intergovernmental	75,752	133,911
Service fees	10,413	10,510
Fines and forfeitures	935,248	990,993
Interest	4	4
Rents	900	1,200
Miscellaneous	27,071	12,856
Total revenues	4,406,482	4,260,759
Expenditures:		
Current-		
Governing Body	53,273	49,235
General Government	290,609	261,427
Financial Administration	531,912	418,505
Government Buildings	106,895	78,388
Municipal Court	302,056	260,254
Public Safety	1,269,972	1,210,570
Highways and Streets	388,738	587,994
Culture and Recreation	153,328	164,850
Economic Development	117,775	143,363
Capital Outlay	240,194	99,205
Debt service -		
Principal	118,330	160,803
Interest	50,513	56,796
Total expenditures	3,623,595	3,491,390
Excess (deficiency) of revenues over expenditures	782,887	769,369
Other financing sources (uses)		
Capital lease proceeds	153,191	-
Proceeds from disposition of capital assets	93,623	2,163
Transfers (net)	(33,920)	(125,979)
Total other financing sources (uses)	212,894	(123,816)
Net change in fund balance	995,781	645,553
Fund Balance-Beginning of Year	2,193,995	1,548,442
Fund Balance-End of Year	\$ 3,189,776	\$ 2,193,995

(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, 2019
(With comparative actual amounts for the year ended December 31, 2018)

	2019			2018 Actual
	Final Budget	Actual	Variance	
Revenues				
Taxes:				
Property	\$ 2,320,683	\$ 2,271,568	\$ (49,115)	\$ 2,075,738
Utility franchise	279,385	275,272	(4,113)	313,704
Host tax	-	-	-	24,177
Alcoholic beverage	17,711	16,055	(1,656)	15,719
Insurance premium	444,708	444,322	(386)	418,582
Motor vehicle	89,659	100,120	10,461	78,518
Intangible taxes	42,844	49,719	6,875	31,261
Business and occupational	36,250	41,388	5,138	40,156
Other taxes	26,670	28,900	2,230	19,037
Total taxes	<u>3,257,910</u>	<u>3,227,344</u>	<u>(30,566)</u>	<u>3,016,892</u>
Business Licenses and Permits	<u>128,870</u>	<u>129,750</u>	<u>880</u>	<u>94,393</u>
Intergovernmental	<u>75,752</u>	<u>75,752</u>	<u>-</u>	<u>133,911</u>
Service Fees				
Police services	7,000	8,110	1,110	9,324
Miscellaneous	324	2,303	1,979	1,186
Total service fees	<u>7,324</u>	<u>10,413</u>	<u>3,089</u>	<u>10,510</u>
Fines and Forfeitures	<u>965,564</u>	<u>935,248</u>	<u>(30,316)</u>	<u>990,993</u>
Interest Earned	<u>-</u>	<u>4</u>	<u>4</u>	<u>4</u>
Rents	<u>-</u>	<u>900</u>	<u>900</u>	<u>1,200</u>
Miscellaneous				
Other	20,658	27,071	6,413	12,856
Total	<u>20,658</u>	<u>27,071</u>	<u>6,413</u>	<u>12,856</u>
Total Revenues	<u>\$ 4,456,078</u>	<u>\$ 4,406,482</u>	<u>\$ (49,596)</u>	<u>\$ 4,260,759</u>

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative actual totals for the year ended December 31, 2018)

	2019			2018 Actual
	Final Budget	Actual	Variance	
Expenditures				
Governing Body				
Personal services and benefits	\$ 35,868	\$ 35,160	\$ 708	\$ 36,241
Purchased / contracted services	19,701	18,113	1,588	12,994
Supplies	<u>50</u>	<u>-</u>	<u>50</u>	<u>-</u>
Total operating	<u>55,619</u>	<u>53,273</u>	<u>2,346</u>	<u>49,235</u>
Total Governing Body	<u>55,619</u>	<u>53,273</u>	<u>2,346</u>	<u>49,235</u>
General Government				
Personal services and benefits	116,575	116,575	-	127,156
Purchased / contracted services	147,627	149,783	(2,156)	121,878
Supplies	24,629	24,251	378	7,493
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,900</u>
Total operating	<u>288,831</u>	<u>290,609</u>	<u>(1,778)</u>	<u>261,427</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,622</u>
Total General Government	<u>288,831</u>	<u>290,609</u>	<u>(1,778)</u>	<u>263,049</u>
Financial Administration				
Personal services and benefits	346,730	359,814	(13,084)	300,927
Purchased / contracted services	159,000	160,930	(1,930)	110,562
Supplies	13,830	11,168	2,662	7,016
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating	<u>519,560</u>	<u>531,912</u>	<u>(12,352)</u>	<u>418,505</u>
Capital outlay	<u>800</u>	<u>771</u>	<u>29</u>	<u>9,622</u>
Total Financial Administration	<u>520,360</u>	<u>532,683</u>	<u>(12,323)</u>	<u>428,127</u>

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative actual totals for the year ended December 31, 2018)

	2019			2018 Actual
	Final Budget	Actual	Variance	
Government Buildings				
Purchased / contracted services	\$ 67,463	\$ 66,898	\$ 565	\$ 45,489
Supplies	41,040	39,997	1,043	32,899
Other	1,358	-	1,358	-
Total operating	<u>109,861</u>	<u>106,895</u>	<u>2,966</u>	<u>78,388</u>
Capital outlay	<u>1,791</u>	<u>1,791</u>	<u>-</u>	<u>-</u>
Total Government Buildings	<u>111,652</u>	<u>108,686</u>	<u>2,966</u>	<u>78,388</u>
Municipal Court				
Personal services and benefits	159,906	161,347	(1,441)	156,385
Purchased / contracted services	93,164	93,140	24	79,131
Supplies	3,735	3,701	34	4,438
Other costs	44,182	43,868	314	20,300
Total operating	<u>300,987</u>	<u>302,056</u>	<u>(1,069)</u>	<u>260,254</u>
Capital outlay	<u>2,042</u>	<u>2,042</u>	<u>-</u>	<u>3,122</u>
Total Municipal Court	<u>303,029</u>	<u>304,098</u>	<u>(1,069)</u>	<u>263,376</u>
Public Safety				
Police				
Personal services and benefits	1,040,337	1,043,477	(3,140)	1,032,660
Purchased / contracted services	177,354	174,164	3,190	120,989
Supplies	54,185	52,331	1,854	56,921
Other costs	-	-	-	-
Total operating	<u>1,271,876</u>	<u>1,269,972</u>	<u>1,904</u>	<u>1,210,570</u>
Capital outlay	<u>147,022</u>	<u>146,686</u>	<u>336</u>	<u>83,874</u>
Total Public Safety	<u>1,418,898</u>	<u>1,416,658</u>	<u>2,240</u>	<u>1,294,444</u>

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative actual totals for the year ended December 31, 2018)

	2019			2018 Actual
	Final Budget	Actual	Variance	
Highways and Streets				
Personal services and benefits	\$ 199,571	\$ 202,656	\$ (3,085)	\$ 190,781
Purchased / contracted services	64,348	60,455	3,893	278,296
Supplies	127,749	125,627	2,122	118,917
Other costs	331	-	331	-
	<u>391,999</u>	<u>388,738</u>	<u>3,261</u>	<u>587,994</u>
Total operating				
Capital outlay	<u>90,000</u>	<u>88,904</u>	<u>1,096</u>	<u>965</u>
Total Highways and Streets	<u>481,999</u>	<u>477,642</u>	<u>4,357</u>	<u>588,959</u>
Culture and Recreation				
Personal services and benefits	126,629	124,411	2,218	127,503
Purchased / contracted services	25,134	24,359	775	32,043
Supplies	5,468	4,558	910	5,304
Other costs	3,623	-	3,623	-
	<u>160,854</u>	<u>153,328</u>	<u>7,526</u>	<u>164,850</u>
Total operating				
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Recreation	<u>160,854</u>	<u>153,328</u>	<u>7,526</u>	<u>164,850</u>

Continued

**CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative actual totals for the year ended December 31, 2018)**

	2019			2018 Actual
	Final Budget	Actual	Variance	
Economic Development				
Personal services and benefits	\$ -		\$ -	\$ -
Purchased / contracted services	117,889	117,775	114	143,363
Supplies	-	-	-	-
Total operating	<u>117,889</u>	<u>117,775</u>	<u>114</u>	<u>143,363</u>
Capital outlay	-	-	-	-
Total Economic Development	<u>117,889</u>	<u>117,775</u>	<u>114</u>	<u>143,363</u>
Debt Service				
Principal	118,500	118,330	170	160,803
Interest	<u>51,754</u>	<u>50,513</u>	<u>1,241</u>	<u>56,796</u>
Total Debt Service	<u>170,254</u>	<u>168,843</u>	<u>1,411</u>	<u>217,599</u>
Total Expenditures	<u>\$ 3,629,385</u>	<u>\$ 3,623,595</u>	<u>\$ 5,790</u>	<u>\$ 3,491,390</u>

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CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018

Assets	<u>2019</u>	<u>2018</u>
Due from other funds	\$ 11,636	\$ 4,872
Total Assets	<u>\$ 11,636</u>	<u>\$ 4,872</u>
Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	\$ 150	\$ 106
Total Liabilities	150	106
Fund balance		
Restricted for cemetery up-keep	<u>11,486</u>	<u>4,766</u>
Total Liabilities and Fund Balance	<u>\$ 11,636</u>	<u>\$ 4,872</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, 2019
(With comparative actual amounts for the year ended December 31, 2018)

	2019			2018 Actual
	Budget	Actual	Variance	
Revenues				
Cemetery lot sales	\$ 3,800	\$ 5,950	\$ 2,150	\$ 5,275
Contributions	<u>11,600</u>	<u>11,600</u>	<u>-</u>	<u>9,000</u>
Total Revenues	<u>15,400</u>	<u>17,550</u>	<u>2,150</u>	<u>14,275</u>
Expenditures				
Current				
Salaries and benefits	7,867	7,495	372	7,356
Purchased/contracted services	12,306	3,335	8,971	7,236
Other costs	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>20,173</u>	<u>10,830</u>	<u>9,343</u>	<u>14,592</u>
Excess of revenues over (under) expenditures	(4,773)	6,720	11,493	(317)
Other financing sources (uses)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,773)	6,720	11,493	(317)
Fund Balance-Beginning of Year	<u>4,766</u>	<u>4,766</u>	<u>-</u>	<u>5,083</u>
Fund Balance-End of Year	<u>\$ (7)</u>	<u>\$ 11,486</u>	<u>\$ 11,493</u>	<u>\$ 4,766</u>

**CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018**

Assets	<u>2019</u>	<u>2018</u>
Cash	\$ 28,019	\$ 24,705
Total assets	<u>\$ 28,019</u>	<u>\$ 24,705</u>
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 130	\$ -
Unearned Revenues	<u>6,753</u>	<u>2,620</u>
Total liabilities	<u>6,883</u>	<u>2,620</u>
Fund balance:		
Restricted for police budget enhancement	<u>21,136</u>	<u>22,085</u>
Total liabilities and fund balance	<u>\$ 28,019</u>	<u>\$ 24,705</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, 2019
(With comparative actual amounts for the year ended December 31, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Forfeitures	\$ 5,041	\$ 5,041	\$ -	\$ 5,418
Other	-	-	-	-
Total Revenues	<u>5,041</u>	<u>5,041</u>	<u>-</u>	<u>5,418</u>
Expenditures				
Current -				
Supplies	5,142	5,141	1	-
Purchased/contracted services	849	849	-	808
Other costs	21,135	-	21,135	-
Capital outlay-				
Machinery and equipment	-	-	-	-
Total Expenditures	<u>27,126</u>	<u>5,990</u>	<u>21,136</u>	<u>808</u>
Excess (deficiency) of Revenues over Expenditures	<u>(22,085)</u>	<u>(949)</u>	<u>21,136</u>	<u>4,610</u>
Other financing sources (uses) Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(22,085)	(949)	21,136	4,610
Fund Balance-Beginning of Year	<u>22,085</u>	<u>22,085</u>	<u>-</u>	<u>17,475</u>
Fund Balance-End of Year	<u>\$ -</u>	<u>\$ 21,136</u>	<u>\$ 21,136</u>	<u>\$ 22,085</u>

**CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018**

	2019	2018
Assets		
Cash	\$ 1,003	\$ 971
Receivables -	1,030	-
Taxes	-	5,376
Total Assets	\$ 2,033	\$ 6,347
Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	\$ 636	\$ 576
Due to other funds	-	5,771
Total Liabilities	636	6,347
Fund balance - Restricted for Tourism and Promotion	1,397	-
Total Liabilities and Equity	\$ 2,033	\$ 6,347

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, 2019
(With comparative actual amounts for the year ended December 31, 2018)

	2019			2018
	Budget	Actual	Variance	Actual
Revenues				
Hotel / Motel tax	\$ 12,418	\$ 13,399	\$ 981	\$ 14,485
Event revenue	3,475	3,961	486	3,000
Film permits	8,300	8,500	200	-
Contributions-private source	-	-	-	-
Miscellaneous	3,109	3,109	-	-
Contributions from SMMA	9,000	9,000	-	9,000
Total Revenues	<u>36,302</u>	<u>37,969</u>	<u>1,667</u>	<u>26,485</u>
Expenditures				
Current -				
Tourism and Promotion	80,099	78,577	1,522	35,658
Capital outlay	-	-	-	-
Total Expenditures	<u>80,099</u>	<u>78,577</u>	<u>1,522</u>	<u>35,658</u>
Excess (deficiency) of Revenues over Expenditures	(43,797)	(40,608)	3,189	(9,173)
Other financing sources (uses) Transfers in (out)	<u>43,797</u>	<u>42,005</u>	<u>(1,792)</u>	<u>9,173</u>
Net change in fund balance	-	1,397	1,397	-
Fund Balance-Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance-end of Year	<u>\$ -</u>	<u>\$ 1,397</u>	<u>\$ 1,397</u>	<u>\$ -</u>

CITY OF STONE MOUNTAIN, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	2019	2018
Assets		
Cash	\$ -	\$ -
Receivables -		
Other taxes	-	-
Grant	-	43,102
Due from other funds		
Total Assets	\$ -	\$ 43,102
 Liabilities		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	-
Due to other funds	-	43,102
Total Liabilities	-	43,102
 Deferred Inflows of Resources		
Unavailable revenues	-	-
 Fund balance -		
Restricted for capital outlay	-	-
Unassigned	-	-
Total Fund Balance	-	-
 Total Liabilities, Deferred Inflows of resources and Fund Balance	\$ -	\$ 43,102

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, 2019
(With comparative actual amounts for the year ended December 31, 2018)

	*Budget	2019 Actual	Variance	2018 Actual
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ 149,000
Interest	-	-	-	-
Taxes	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,000</u>
Expenditures				
Capital Outlay				
Highways and Streets	-	-	-	-
General Government Buildings	-	1,997	(1,997)	269,810
Debt Service				
Debt Issue Cost	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,997</u>	<u>(1,997)</u>	<u>269,810</u>
Excess (deficiency) of Revenues over Expenditures	-	(1,997)	(1,997)	(120,810)
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	-	-
Transfers	-	1,997	1,997	120,810
Net change in fund balance	-	-	-	-
Fund balance-Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance-end of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Management did not expect any significant transactions in this fund for 2019.

CITY OF STONE MOUNTAIN, GEORGIA
 SPLOST CAPITAL PROJECTS FUND
 BALANCE SHEET
 DECEMBER 31, 2019 AND 2018

ASSETS	2019	2018
Cash	\$ 1,044,374	\$ 465,668
Due from other governments	88,022	85,299
Due from other funds	-	-
Total assets	\$ 1,132,396	\$ 550,967
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 13,860	\$ 10,586
Due to other funds	-	-
	13,860	10,586
Deferred inflows of resources		
Unavailable revenues	-	-
Fund balance		
Reserved for specified purposes	1,118,536	540,381
Total fund balance	1,118,536	540,381
Total liabilities and fund balance	\$ 1,132,396	\$ 550,967

**CITY OF STONE MOUNTAIN, GEORGIA
SPLOST CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
REVENUES		
Intergovernmental	\$ 910,666	\$ 661,275
Interest	<u>146</u>	<u>32</u>
Total revenues	<u>910,812</u>	<u>661,307</u>
EXPENDITURES		
Capital Outlay -		
Street improvements	197,624	-
Police equipment	91,798	42,700
Fire facilities	29,412	22,059
Park improvements	13,823	-
Debt Service -		
Principal	-	56,067
Interest	<u>-</u>	<u>100</u>
Total expenditures	<u>332,657</u>	<u>120,926</u>
Excess of revenues over (under) expenditures	578,155	540,381
Other financing sources (uses)		
Transfers	<u>-</u>	<u>-</u>
Net change in fund balance	578,155	540,381
Fund Balance -		
Beginning	<u>540,381</u>	<u>-</u>
Ending	<u>\$ 1,118,536</u>	<u>\$ 540,381</u>

**CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

PROJECTS	ORIGINAL ESTIMATED COST	EXPENDITURES			ESTIMATED PERCENT COMPLETE
		BEGINNING OF YEAR	CURRENT YEAR	TO DATE	
Street Improvements	\$ 4,410,238	\$ -	\$ 197,624	\$ 197,624	4.5%
Police Equipment	252,048	98,867	91,798	190,665	75.6%
Fire Facilities and Equipment	176,472	22,059	29,412	51,471	29.2%
Park Improvements	<u>853,898</u>	<u>-</u>	<u>13,823</u>	<u>13,823</u>	1.6%
	<u>\$ 5,692,656</u>	<u>\$ 120,926</u>	<u>\$ 332,657</u>	<u>\$ 453,583</u>	

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CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2019 AND 2018

Assets	<u>2019</u>	<u>2018</u>
Current assets		
Accounts receivable		
Sanitation	\$ 2,548	\$ 33,982
Dumpsters	-	-
Due from General Fund	-	-
Prepaid items	-	-
Total current assets	<u>2,548</u>	<u>33,982</u>
Noncurrent assets		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	23,130	23,130
Accumulated depreciation	<u>(91,611)</u>	<u>(91,225)</u>
Capital assets (net of depreciation)	-	386
Total noncurrent assets	<u>-</u>	<u>386</u>
 Total assets	 <u>2,548</u>	 <u>34,368</u>
Liabilities		
Current liabilities		
Accounts payable	-	-
Accrued salaries	202	144
Customer deposits	-	4,737
Unearned revenue	-	1,622
Accrued liabilities	-	-
Current liabilities	<u>202</u>	<u>6,503</u>
Noncurrent liabilities		
Capital lease payable	<u>-</u>	<u>-</u>
Total noncurrent liabilities		
 Total liabilities	 <u>202</u>	 <u>6,503</u>
Net Position		
Investment in capital assets	-	386
Unrestricted	<u>2,346</u>	<u>27,479</u>
 Total net position	 <u>\$ 2,346</u>	 <u>\$ 27,865</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:		
Refuse collection	\$ 472	\$ 394,545
Dumpster collection	-	143,325
Miscellaneous	-	1,843
	<u>472</u>	<u>539,713</u>
Total operating revenues		
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	3,037	2,889
Dumpster collection	-	122,201
Sanitation expense	-	389,016
Personal services and benefits	10,284	15,218
Purchased / contracted services	1,596	1,596
Supplies	606	1,362
Depreciation	386	2,313
Bad debt expense	-	-
Other	-	-
	<u>15,909</u>	<u>534,595</u>
Total operating expenses		
Operating income	<u>(15,437)</u>	<u>5,118</u>
NONOPERATING INCOME/(EXPENSES)		
Loss on sale of capital assets	-	-
	<u>-</u>	<u>-</u>
Total nonoperating income/(expense)		
Income before transfers and capital contributions	(15,437)	5,118
Capital contributions	-	-
Transfers in/(out)	<u>(10,082)</u>	<u>(4,004)</u>
Change in net position	(25,519)	1,114
NET POSITION, BEGINNING OF YEAR	<u>27,865</u>	<u>26,751</u>
NET POSITION, END OF YEAR	<u>\$ 2,346</u>	<u>\$ 27,865</u>

**CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 25,547	\$ 536,284
Cash paid to suppliers	(7,782)	(519,615)
Cash paid to employees	<u>(7,683)</u>	<u>(12,665)</u>
Net cash provided by operating activities	<u>10,082</u>	<u>4,004</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>(10,082)</u>	<u>(4,004)</u>
Net cash provided by non-capital financing activities	<u>(10,082)</u>	<u>(4,004)</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>

**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>2019</u>	<u>2018</u>
Operating income (loss)	\$ (15,437)	\$ 5,118
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	386	2,313
(Increase) decrease in receivables	31,434	7,455
(Increase) decrease in prepaids	-	145
Increase (decrease) in accounts payable	-	-
Increase (decrease) in unearned revenues	(1,622)	(11,300)
Increase (decrease) in customer deposits	(4,737)	416
Increase (decrease) in accrued liabilities	<u>58</u>	<u>(143)</u>
Net cash provided by operating activities	<u>\$ 10,082</u>	<u>\$ 4,004</u>

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current assets		
Cash	\$ 157,102	\$ 413,992
Receivables, net -		
Accounts	26,039	13,890
Due from other funds	21,538	101,019
Total current assets	204,679	528,901
Non-Current Assets		
Capital assets -		
Construction in progress	-	15,850
Infrastructure	1,590,965	1,178,132
Accumulated depreciation	(238,788)	(205,479)
Capital assets, net of depreciation	1,352,177	988,503
Total non-current assets	1,352,177	988,503
Total Assets	1,556,856	1,517,404
LIABILITIES		
Current liabilities		
Accounts payable	12,849	3,361
Accrued liabilities	735	521
Total current liabilities	13,584	3,882
Noncurrent Liabilities	-	-
Total liabilities	13,584	3,882
NET POSITION		
Investment in capital assets	1,352,177	988,503
Unrestricted	191,095	525,019
Total Net Position	\$ 1,543,272	\$ 1,513,522

**CITY OF STONE MOUNTAIN, GEORGIA
 STORMWATER MANAGEMENT FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Charges for services	\$ 148,070	\$ 143,204
 Total operating revenues	 <u>148,070</u>	 <u>143,204</u>
OPERATING EXPENSES		
Personal services and benefits	37,249	36,498
Purchased/contracted services	47,762	38,708
Supplies	-	-
Depreciation	33,309	28,915
Bad debt	-	-
Other	-	-
Total operating expenses	<u>118,320</u>	<u>104,121</u>
 Operating income (loss)	 29,750	 39,083
Non-operating revenues and (expenses)		
Interest income	-	-
 Income before transfers and capital contributions	 29,750	 39,083
Capital contributions	-	-
Transfers	-	-
 Change in net position	 29,750	 39,083
 NET POSITION - BEGINNING	 <u>1,513,522</u>	 <u>1,474,439</u>
 NET POSITION - ENDING	 <u>\$ 1,543,272</u>	 <u>\$ 1,513,522</u>

**CITY OF STONE MOUNTAIN, GEORGIA
 STORMWATER MANAGEMENT FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Cash flows from operating activities:		
Cash received from customers and users	\$ 135,921	\$ 142,632
Cash paid to suppliers for goods	(47,427)	(59,129)
Cash paid to employees	(27,882)	(28,889)
Net cash provided from operating activities	60,612	54,614
Cash flows from investing activities:		
Interest income	-	-
Net cash from investing activities	-	-
Cash flows from non-capital financing activities:		
Change in due to/from other funds	79,481	87,019
Net cash flows from non-capital financing activities	79,481	87,019
Cash flows from capital financing activities:		
Proceeds from capital contributions	-	-
Purchase of capital assets	(396,983)	(75,809)
Net cash flows from capital financing activities	(396,983)	(75,809)
Net cash flows	(256,890)	65,824
Cash and cash equivalents - beginning	413,992	348,168
Cash and cash equivalents - ending	\$ 157,102	\$ 413,992

**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>2019</u>	<u>2018</u>
Operating income (loss)	\$ 29,750	\$ 39,083
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	33,309	28,915
(Increase) decrease in receivables	(12,149)	(572)
Increase (decrease) in accounts payable	9,488	(12,679)
Increase (decrease) in accrued liabilities	214	(133)
Total adjustments	<u>30,862</u>	<u>15,531</u>
Net cash from operating activities	\$ <u>60,612</u>	\$ <u>54,614</u>

**CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018**

Assets	2019	2018
Assets:		
Cash	\$ 168,085	\$ 389,633
Receivables		
Rents	-	-
Miscellaneous	-	4,932
Deposits	31,400	31,400
Total Assets	\$ 199,485	\$ 425,965
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	\$ 12,627	\$ 4,328
Due to primary government	-	9,365
Accrued liabilities	1,212	-
Total Liabilities	13,839	13,693
Fund equity:		
Fund Balance - Unassigned	185,646	412,272
Total Fund Equity	185,646	412,272
Total Liabilities and Fund Equity	\$ 199,485	\$ 425,965

**CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Revenues:		
Rents	\$ 6,000	\$ 16,160
Event fees	2,189	19,476
Contributions -		
City	117,889	143,363
Other	-	17,000
Miscellaneous	<u>5,686</u>	<u>810</u>
Total Revenues	<u>131,764</u>	<u>196,809</u>
Expenditures:		
Personal services and benefits	47,054	60,588
Purchased / contracted services	13,994	20,497
Supplies	3,971	1,817
Façade grants	4,366	1,618
Events	12,010	36,743
Other	3,109	34,074
Capital outlay	229,531	354,719
Debt service -		
Principal	30,237	-
Interest	<u>31,420</u>	<u>-</u>
Total Expenditures	<u>375,692</u>	<u>510,056</u>
Excess of revenues over (under) expenditures	(243,928)	(313,247)
Other financing sources (uses):		
Proceeds from note issue	-	650,000
Proceeds from sale of asset	17,303	-
Transfer (net)	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>17,303</u>	<u>650,000</u>
Net change in fund balance	(226,625)	336,753
Fund Balance - Beginning of year	<u>412,271</u>	<u>75,518</u>
Fund Balance - End of year	<u>\$ 185,646</u>	<u>\$ 412,271</u>