

CITY OF STONE MOUNTAIN, GEORGIA

Comprehensive Annual Financial Report
For The Fiscal Year Ended December 31, 2010



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Comprehensive Annual Financial Report

For The Fiscal Year Ended December 31, 2010

Prepared by Barry G. Amos, City Manager

CITY OF STONE MOUNTAIN, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

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INTRODUCTORY SECTION

City of Stone Mountain

922 Main Street
Stone Mountain, Georgia 30083

June 23, 2011

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

Ladies and Gentlemen:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Stone Mountain, Georgia for the fiscal year that ended December 31, 2010.

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

The City of Stone Mountain's financial statements have been audited by James L. Whitaker, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Stone Mountain for the fiscal year that ended December 31, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded there was a reasonable basis for rendering an unqualified opinion that the City of Stone Mountain's financial statements for the fiscal year that ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Stone Mountain for its comprehensive annual financial report for the fiscal year ended December 31, 2009. This was the second year that Stone Mountain has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City has been fortunate to secure several grants from the State of Georgia to provide improvements to the downtown infrastructure. These grants are part of the Georgia Department of Transportation Transportation Enhancement Activities program. The City has also received a Streetscape grant under the Livable Center Initiative program. Construction on Phase I of these grant projects begin in late 2009 and construction continued through 2010. These downtown revitalization projects are intended to boost the desirability of the downtown area. While these projects have not been directly affected by the slowdown in the economy, they have been impacted by the reorganization of the state's transportation department.

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

TEE – Streetscape Phase I – Sidewalks and Streetscape	$ 900,000
LCI – Streetscape Phase II – Sidewalks and Streetscape	$ 110,000
TEE – Old Depot – Renovations to City Hall building	$ 235,000
TEE – East Mountain Street – Sidewalk Project	$ 267,000
CMAQ – 5-way Intersection – Intersection Improvement	$1,600,000

Long-Term Financial Planning

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

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

The Future

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

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

While the City continues to monitor all services provided to our citizens, public safety is always of concern. Recently the City has made some changes to the operational efficiencies of the police force that has resulted

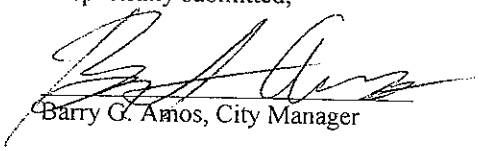
Management Discussion and Analysis

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

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

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

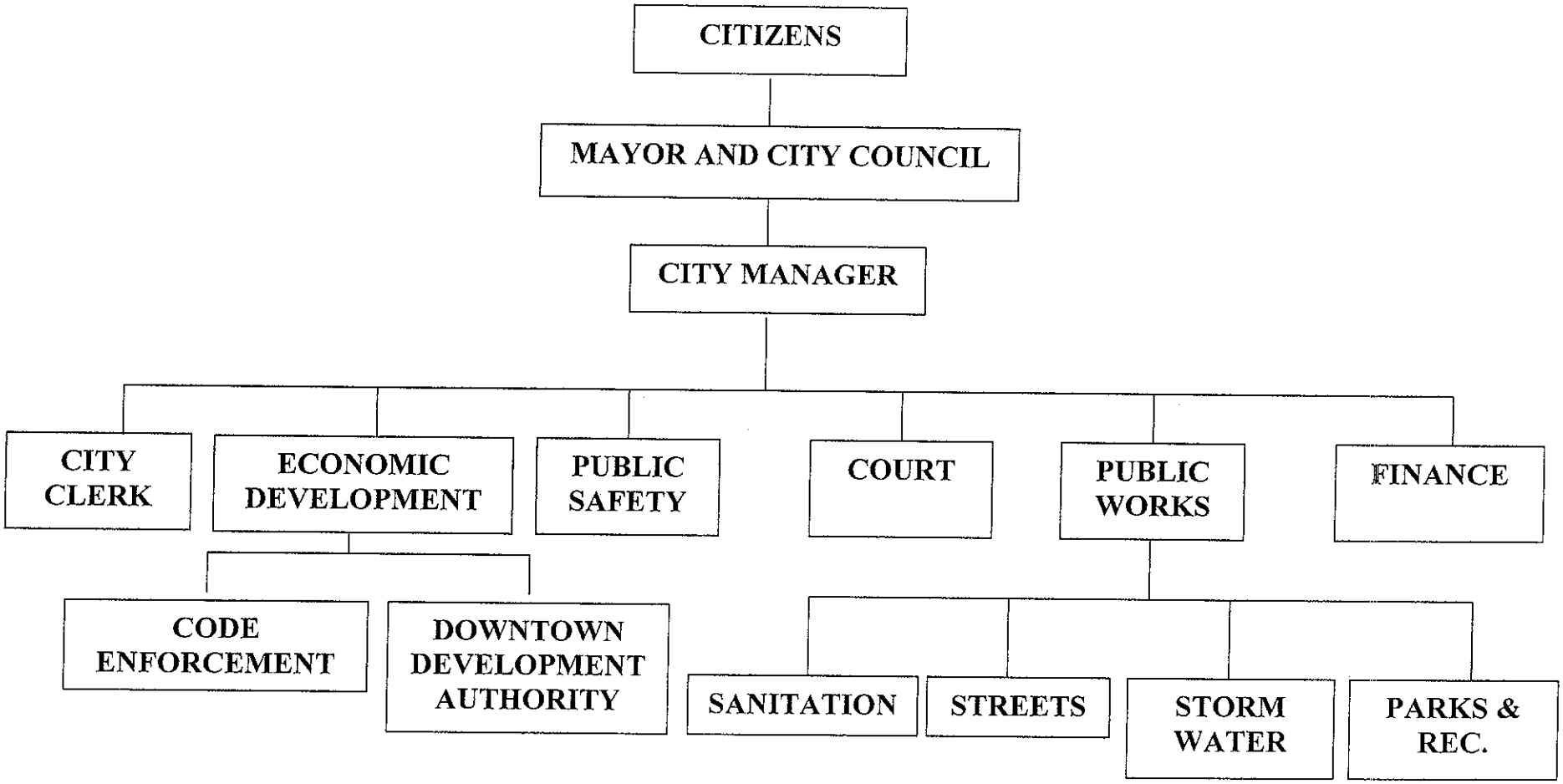
Respectfully submitted,



Barry G. Amos, City Manager

CITY OF STONE MOUNTAIN

ORGANIZATIONAL CHART



FINANCIAL SECTION

Member of
The American Institute of
Certified Public Accountants

JAMES L. WHITAKER, P.C.
Certified Public Accountant
2295 Henry Clower Blvd., Suite 205
Snellville. Georgia 30078
Telephone: 678-205-4438
Fax: 678-205-4449

Member of
Georgia Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Stone Mountain, Georgia (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly , in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stone Mountain, Georgia, as of December 31, 2010 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 22, 2011 on our consideration of City of Stone Mountain's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulation, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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, 2010. 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, 2010 by $5,624,776. Of this amount unrestricted net assets of $1,781,441 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net assets increased by $1,285,147. Of this amount an increase of $1,255,615 was associated with governmental activities and an increase of $29,532 was associated with business-type activities.

- As of the close of the current fiscal year, the City of Stone Mountain's governmental funds reported combined ending fund balances of $564,019 a decrease of $797,066 in comparison with the prior year. Of this amount $488,824 is unreserved and available for spending; $25,491 is reserved for various specified activities; and $49,704 is reserved for prepaid items.

- At the end of the current year, unreserved fund balance for the general fund was $642,606 or 19.1 percent of total General Fund expenditures.

- The City of Stone Mountain's total debt obligations (including accrued compensated absences) decreased by the net of $4,109. The city obtained a capital lease for the purchase of a police vehicle of $25,668 and made principal payments on outstanding capital leases of $60,947.

Overview of the Financial Statements

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

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

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

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

City of Stone Mountain's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$ 2,108,223	$ 1,988,890	$ 448,447	$ 394,937	$ 2,556,670	$ 2,383,827
Capital assets	3,279,817	1,745,340	642,072	633,078	3,921,889	2,378,418
Total assets	5,388,040	3,734,230	1,090,519	1,028,015	6,478,559	4,762,245
Current liabilities	638,417	239,551	52,928	16,518	691,345	256,069
Long-term liabilities	162,438	163,109	-	3,438	162,438	166,547
Total liabilities	800,855	402,660	52,928	19,956	853,783	422,616
Net assets:						
Invested in capital assets, net of related debt	3,175,772	1,609,454	642,072	629,640	3,817,844	2,239,094
Restricted	25,491	5,596	-	-	25,491	5,596
Unrestricted	1,385,922	1,716,520	395,519	378,419	1,781,441	2,094,939
Total net assets	$ 4,587,185	$ 3,331,570	$ 1,037,591	$ 1,008,059	$ 5,624,776	$ 4,339,629

A portion of the net assets (.4 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets ($1,781,441) may be used to meet the government's ongoing obligations to citizens and creditors.

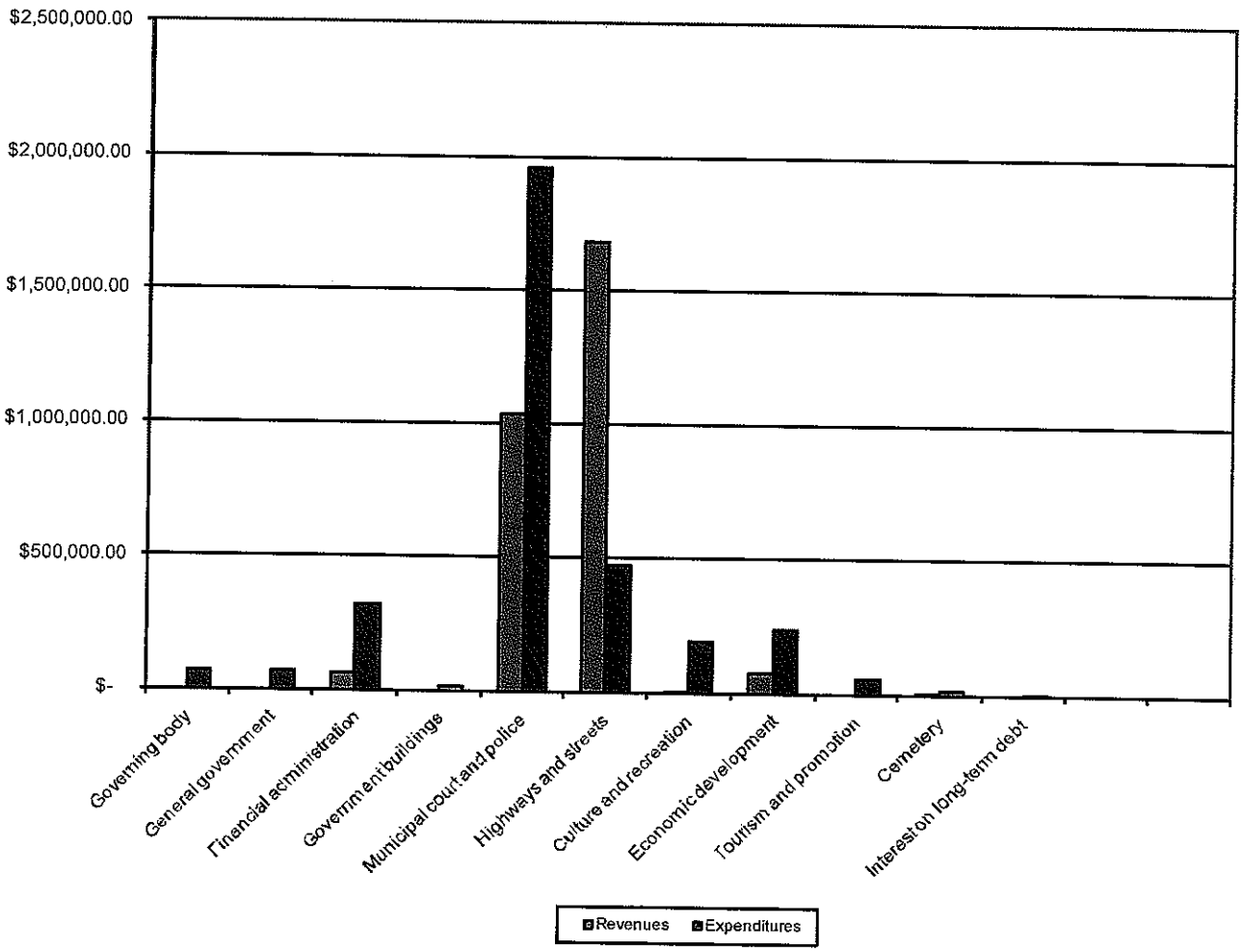
At the end of the current fiscal year, the City of Stone Mountain is able to report positive balances in all three categories of net assets. The same held true for the prior fiscal year.

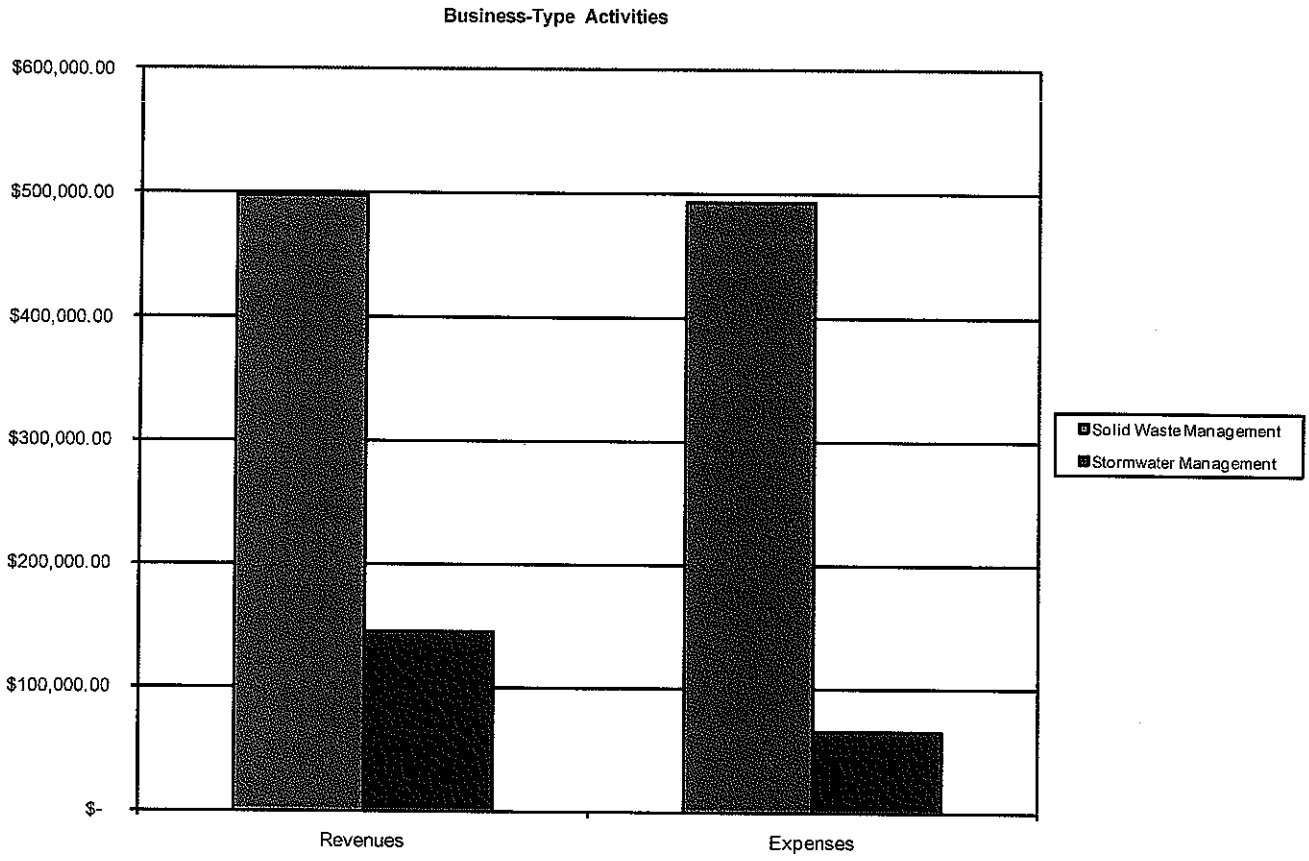
- Governmental Activity revenue increased by $1,812,207 (64.6%) primarily due to a significant increase in all categories of program revenues. Property taxes decreased by $28,259 (2.9%); other taxes increased by $6,300; interest decreased by $14,246. In Stone Mountain the property digests for the City decreased by 7.9% because of the large number of foreclosures and the resulting decrease in assessed property values. The continued depressed economic climate resulted in lower interest rates being available for investments However, the decrease in general revenue was offset in part by an increase in charge for services, an increase of $143,424 (14.8%) and an increase in capital grant and contributions of $1,628,862 (3,219.5%). The increase in charges for service is a direct result of the City being at full staff in the Public Safety Department. The City was also fortunate in 2010 to be able to take advantage of grant opportunities made available through the American Recovery and Reinvestment Act, Transportation Enhancement Activity grants awarded by the Georgia Department of Transportation, and grant assistance from the Metropolitan Atlanta Rapid Transit Authority (MARTA).

- Governmental Activity expenses increased by $247,715 (7.8%). This increase in expenses is mainly due to the increase in the Public Safety Department. In 2010 the Public Safety Department upgraded its computer capabilities replacing one-half of the in-car computers and adding equipment to begin an e-ticket system.

- Other notable changes in Governmental Activity expenditures:
  - In 2010 the City significantly increased its expenditures for economic development over 2009 expenditure level (67%). This increase is attributed to the City securing a grant from DeKalb County to begin a Micro-Enterprise Program to assist artist start a small business in the City. .

Expenses and Program Revenues-Governmental Activities





Financial Analysis of the Government's Funds

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

Governmental Funds. The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unreserved 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, 2010 the city's governmental funds reported combined ending fund balances of $564,019. Of this amount, $488,824 (86.7 percent) is unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because $25,491 is reserved for specified activities and $49,704 is reserved for prepaid items.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was $642,606 while the total fund balance was $692,310. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19.1 percent of the total general fund expenditures, while total fund balance represents 20.6 percent of that same amount. The City with funding assistance from the Georgia Department of Transportation began construction in 2010 on several transportation enhancement projects in the downtown area. These projects have a total estimated cost of $2,500,000. In 2009 the City successfully requested funding assistance from the Metropolitan Atlanta Rapid Transit Authority in the amount of $1,250,000 to off set the local funding commitment on three TEE/LCI projects.

Long-term debt. At the end of the current fiscal year, the City had $162,438 in outstanding debt consisting of the following:

CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	Balance
Governmental Activities:	
Capital leases	$ 104,045
Compensated absences	58,393
Total Governmental Activiites	162,438
Business-Type Activites:	
Capital leases	-
Total Outstanding Debt	$ 162,438

The City's total debt decreased by $4,109. Additional information on the City's long-term debt can be found in note 9 on page 36 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Stone Mountain is approximately $6,748,000, which is significantly in excess of the City of Stone Mountain's outstanding general obligation debt.

Status of the City of Stone Mountain's Economy

- The unemployment rate for the City of Stone Mountain is currently estimated at 9.8%, comparable to the state of Georgia rate of 9.9%. (Georgia Department of Labor).
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate for properties in the central business district remained at a constant level in 2010
- There was no new residential or commercial construction in the City in 2010 as the real estate market continued to decline nationally and regionally.

All of these factors were considered in preparing the City of Stone Mountain's budget for F/Y 2011.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and Cash Equivalents	$ 780,060	$ -	$ 780,060	$ 18,273
Receivables (net of allowance for uncollectibles)				
Taxes	301,643	-	301,643	-
Fines	241,269	-	241,269	-
Intergovernmental	869,373	31,868	901,241	-
Accounts	28,836	69,177	98,013	-
Due from DDA	175,000	-	175,000	-
Due from other funds	(347,402)	347,402	-	-
Prepaid Items	49,704	-	49,704	-
Deposits	9,740	-	9,740	-
Non-Depreciable Capital Assets	2,507,902	-	2,507,902	18,242
Depreciable Capital Assets, Net	771,915	642,072	1,413,987	138,485
Total Assets	5,388,040	1,090,519	6,478,559	175,000
Liabilities				
Accounts Payable				
Operating	73,256	38,051	111,307	-
Capital	363,225	-	363,225	-
Accrued Liabilities -				
Compensated absences	59,253	-	59,253	-
Wages	53,706	-	53,706	-
Customer deposits	-	3,839	3,839	-
Other	61,762	-	61,762	-
Unearned Revenue	27,215	11,038	38,253	-
Due to Primary Government	-	-	-	175,000
Long-Term Liabilities -				
Due Within One Year	51,297	-	51,297	-
Due In More Than One Year	111,141	-	111,141	-
Total Liabilities	800,855	52,928	853,783	175,000
Net Assets				
Invested in Capital Assets, Net of Related Debt	3,175,772	642,072	3,817,844	-
Restricted for -				
Tourism and Promotion	1,350	-	1,350	-
Economic Development	20,255	-	20,255	-
Police Activities	3,886	-	3,886	-
Unrestricted	1,385,922	395,519	1,781,441	-
Total Net Assets	$ 4,587,185	$ 1,037,591	$ 5,624,776	$ -

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
Governing Body	$ 71,578	$ -	$ -	$ -
General Government	70,037	-	-	-
Financial Administration	322,323	63,294	-	-
Government Buildings	16,254	-		-
Municipal Court and Police	1,956,058	1,031,744	-	-
Highways and Streets	474,881	-	-	1,679,455
Culture and Recreation	188,945	8,400	-	-
Economic Development	238,727	1,449	72,840	-
Tourism and Promotion	56,000	-	-	-
Cemetery	15,361	1,900	5,000	-
Interest on Long-Term Debt	4,593	-	-	-
Total Governmental Activities	3,414,757	1,106,787	77,840	1,679,455
Business-Type Activities				
Solid Waste Management	492,831	497,305	-	-
Stormwater Management	65,854	145,172	-	-
Total Business-Type Activities	558,685	642,477	-	-
Total Primary Government	$ 3,973,442	$ 1,749,264	$ 77,840	$ 1,679,455
Component Unit:				
Downtown Development Authority	$ -	$ -	$ -	$ -

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

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
$ (71,578)	$ -	$ (71,578)	$ -
(70,037)	-	(70,037)	-
(259,029)	-	(259,029)	-
(16,254)	-	(16,254)	-
(924,314)	-	(924,314)	-
1,204,574	-	1,204,574	-
(180,545)	-	(180,545)	-
(164,438)	-	(164,438)	-
(56,000)	-	(56,000)	-
(8,461)	-	(8,461)	-
(4,593)	-	(4,593)	-
(550,675)	-	(550,675)	-
-	4,474	4,474	-
-	79,318	79,318	-
-	83,792	83,792	-
(550,675)	83,792	(466,883)	-
-	-	-	-
966,385	-	966,385	-
246,090	-	246,090	-
50,587	-	50,587	-
56,328	-	56,328	-
7,679	-	7,679	-
384,628	-	384,628	-
16,917	-	16,917	-
2,131	-	2,131	-
3,888	-	3,888	-
4,169	-	4,169	-
13,228	-	13,228	-
1,752,030	-	1,752,030	-
54,260	(54,260)	-	-
1,806,290	(54,260)	1,752,030	-
1,255,615	29,532	1,285,147	-
3,331,570	1,008,059	4,339,629	-
$ 4,587,185	$ 1,037,591	$ 5,624,776	$ -

CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 770,657	$ -	$ 9,403	$ 780,060
Receivables -				
Taxes	300,293	-	1,350	301,643
Fines, net of allowance for bad debts of $410,000	241,269	-	-	241,269
Intergovernmental	-	833,355	36,018	869,373
Miscellaneous	28,836	-	-	28,836
Due from DDA	175,000	-	-	175,000
Due from other funds	684	-	-	684
Prepaid items	49,704	-	-	49,704
Deposits	-	-	9,740	9,740
Total assets	$ 1,566,443	$ 833,355	$ 56,511	$ 2,456,309
Liabilities and Fund Equity				
Liabilities				
Accounts payable	$ 63,569	$ 363,225	$ 9,687	$ 436,481
Accrued liabilities	174,721	-	-	174,721
Due to other funds	347,402	-	684	348,086
Deferred revenue	288,441	623,912	20,649	933,002
Total liabilities	874,133	987,137	31,020	1,892,290
Fund Balance				
Reserved for -				
Police services	-	-	3,886	3,886
Tourism and promotion	-	-	1,350	1,350
Economic development	-	-	20,255	20,255
Prepaid items	49,704	-	-	49,704
Unreserved	642,606	(153,782)	-	488,824
Total fund balance	692,310	(153,782)	25,491	564,019
Total liabilities and fund balance	$ 1,566,443	$ 833,355	$ 56,511	$ 2,456,309

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances -- total governmental funds	$ 564,019
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,279,817
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred revenues	905,787
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(104,045)
Long-term portion of compensated absences	(58,393)
Net assets of governmental activities	$ 4,587,185

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, 2010

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 1,723,020	-	$ 2,131	$ 1,725,151
Business licenses and permits	51,242	-	-	51,242
Intergovernmental	-	1,142,653	43,191	1,185,844
Service fees	12,588	-	-	12,588
Fines and forfeitures	1,027,823	-	-	1,027,823
Interest	4,169	-	-	4,169
Rents	8,350	-	-	8,350
Miscellaneous	15,398	30,500	17,634	63,532
Total revenues	2,842,590	1,173,153	62,956	4,078,699
Expenditures:				
Current:				
Governing Body	36,382	-	-	36,382
General Government	149,389	-	-	149,389
Financial Administration	316,017	-	-	316,017
Government Buildings	16,253	-	-	16,253
Municipal Court	430,585	-	-	430,585
Public Safety	1,367,919	-	684	1,368,603
Highways and Streets	459,996	-	-	459,996
Culture and Recreation	187,887	-	-	187,887
Economic Development	132,202	-	68,070	200,272
Community Development	69,063	-	-	69,063
Tourism and Promotion	-	-	14,307	14,307
Cemetery	-	-	12,900	12,900
Capital outlay	129,985	1,502,351	-	1,632,336
Debt service				
Principal	57,509	-	-	57,509
Interest	4,593	-	-	4,593
Total expenditures	3,357,780	1,502,351	95,961	4,956,092
Excess (deficiency) of Revenues over Expenditures	(515,190)	(329,198)	(33,005)	(877,393)

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, 2010

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Capital lease proceeds	$ 25,667	$ -	$ -	$ 25,667
Proceeds from disposition of assets	400	-	-	400
Transfers (net)	(174,056)	175,416	52,900	54,260
Total other financing sources (uses)	(147,989)	175,416	52,900	80,327
Net change in fund balance	(663,179)	(153,782)	19,895	(797,066)
Fund Balance-Beginning of Year	1,355,489	-	5,596	1,361,085
Fund Balance-End of Year	$ 692,310	$ (153,782)	$ 25,491	$ 564,019

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, 2010

Net change in fund balances -- total governmental funds		$ (797,066)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($1,653,349) exceeded depreciation expense ($118,873) in the current period.		1,534,476
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. This is the amount of net book value of assets sold during the current period.		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances in the current period.		517,534
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
	Long-term debt proceeds	(25,667)
	Repayment of long term debt	57,509
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. This is the change in the long term portion of accrued compensated absences.		(31,171)
Change in net assets of governmental activities.		$ 1,255,615

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, 2010

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Taxes	$ 1,826,474	$ 1,834,474	$ 1,723,020	$ (111,454)
Business licenses and permits	41,650	41,650	51,242	9,592
Intergovernmental	-	-	-	
Service fees	12,200	12,200	12,588	388
Fines and forfeitures	897,100	897,100	1,027,823	130,723
Interest	15,000	15,000	4,169	(10,831)
Rents	8,150	8,150	8,350	200
Miscellaneous	9,324	9,324	15,398	6,074
Total revenues	2,809,898	2,817,898	2,842,590	24,692
Expenditures:				
Current:				
Governing Body	48,062	39,839	36,382	3,457
General Government	187,825	164,220	149,389	14,831
Financial Administration	341,333	326,406	316,017	10,389
Government Buildings	19,420	17,965	16,253	1,712
Municipal Court	404,361	437,423	430,585	6,838
Public Safety	1,287,661	1,347,477	1,367,919	(20,442)
Highways and Streets	460,737	472,354	459,996	12,358
Culture and Recreation	184,674	188,497	187,887	610
Economic Development	125,796	150,333	132,202	18,131
Community Development	69,538	72,551	69,063	3,488
Capital outlay	83,995	141,895	129,985	11,910
Debt service				
Principal	97,598	58,538	57,509	1,029
Interest	6,871	6,871	4,593	2,278
Total expenditures	3,317,871	3,424,369	3,357,780	66,589

(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, 2010

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Excess (deficiency) of Revenues over Expenditures	$ (507,973)	$ (606,471)	$ (515,190)	$ 91,281
Other financing sources (uses)				
Capital Lease Proceeds	74,845	74,845	25,667	(49,178)
Proceeds from sale of capital assets	6,000	6,000	400	(5,600)
Operating transfers (net)	-	-	(174,056)	(174,056)
Total other financing sources (uses)	80,845	80,845	(147,989)	(228,834)
Net change in fund balance	(427,128)	(525,626)	(663,179)	(137,553)
Fund Balance-Beginning of Year	1,355,489	1,355,489	1,355,489	-
Fund Balance-End of Year	$ 928,361	$ 829,863	$ 692,310	$ (137,553)

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	Solid Waste Management	Stormwater Management	Total
ASSETS			
Current assets			
Receivables-			
Accounts	$ 44,558	$ 24,619	$ 69,177
Due from other governments	-	31,868	31,868
Due from other funds	-	347,402	347,402
Total current assets	44,558	403,889	448,447
Noncurrent assets			
Capital assets			
Autos and trucks	68,481	-	68,481
Machinery and equipment	46,716	-	46,716
Infrastructure	-	608,997	608,997
Accumulated depreciation	(58,086)	(24,036)	(82,122)
Capital assets (net of depreciation)	57,111	584,961	642,072
Total noncurrent assets	57,111	584,961	642,072
Total assets	101,669	988,850	1,090,519
LIABILITIES			
Current liabilities			
Accounts payable -			
Trade	38,051	-	38,051
Deferred revenue	11,038	-	11,038
Customer deposits	3,839	-	3,839
Current portion of long-term debt	-	-	-
Total current liabilities	52,928	-	52,928
Noncurrent liabilities			
Capital leases	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	52,928	-	52,928
Net Assets			
Investments in capital assets, net of related debt	57,111	584,961	642,072
Unrestricted	(8,370)	403,889	395,519
Total Net Assets	$ 48,741	$ 988,850	$ 1,037,591

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Solid Waste Management	Stormwater Management	Total
OPERATING REVENUES			
Refuse collection	$ 358,323	$ -	$ 358,323
Dumpster collection	131,345	-	131,345
Stormwater fees	-	145,172	145,172
Miscellaneous	7,637	-	7,637
Total operating revenues	497,305	145,172	642,477
OPERATING EXPENSES			
Purchased products / services	458,590	-	458,590
Personal services and benefits	15,131	-	15,131
Purchased / contracted services	1,536	51,304	52,840
Supplies	1,072	-	1,072
Depreciation and amortization	12,446	14,550	26,996
Bad debt expense	4,000	-	4,000
Other	-	-	-
Total operating expenses	492,775	65,854	558,629
Operating income (loss)	4,530	79,318	83,848
Non-operating revenues and (expenses)			
Interest expense	(56)	-	(56)
Total non-operating revenues (expenses)	(56)	-	(56)
Income before transfers and capital contributions	4,474	79,318	83,792
Capital contributions	-	-	-
Transfers	(54,260)	-	(54,260)
CHANGE IN NET ASSETS	(49,786)	79,318	29,532
NET ASSETS - BEGINNING	98,527	909,532	1,008,059
NET ASSETS - ENDING	$ 48,741	$ 988,850	$ 1,037,591

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, 2010

	Solid Waste Management	Stormwater Management	Total
Cash flows from operating activities:			
Cash received from customers and users	$ 500,207	$ 141,668	$ 641,875
Cash paid to suppliers for goods	(431,164)	(52,173)	(483,337)
Cash paid to employees	(11,289)	-	(11,289)
Net cash provided from operating activities	57,754	89,495	147,249
Cash flows from investing activities:			
Interest received	-	-	-
(Purchase) / redemption of investments	-	-	-
Net cash from investing activities	-	-	-
Cash flows from non-capital financing activities:			
Transfers	(54,260)	-	(54,260)
Change in due to/from other funds	-	(238,104)	(238,104)
Net cash flows from non-capital financing activities	(54,260)	(238,104)	(292,364)
Cash flows from capital financing activities:			
Purchases / construction of capital assets	-	(35,991)	(35,991)
Capital contributions	-	184,600	184,600
Principal payments on long-term debt	(3,438)	-	(3,438)
Proceeds from long-term debt	-	-	-
Interest paid	(56)	-	(56)
Net cash flows from capital financing activities	(3,494)	148,609	145,115
Net cash flows	-	-	-
Cash and cash equivalents - beginning	-	-	-
Cash and cash equivalents - ending	$ -	$ -	$ -

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

	Solid Waste Management	Stormwater Management	Total
Operating income (loss)	$ 4,530	$ 79,318	$ 83,848
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	12,446	14,550	26,996
(Increase) decrease in -			
Accounts receivable	3,499	(3,504)	(5)
Increase (Decrease) in -			
Accounts payable	37,876	(869)	37,007
Deferred revenues	(597)	-	(597)
Customer deposits	-	-	-
Accrued liabilities	-	-	-
Total adjustments	53,224	10,177	63,401
Net cash from operating activities	$ 57,754	$ 89,495	$ 147,249
Non-cash transactions -			
Increase (decrease) in fair value of investments	$ -	$ -	$ -

See accompanying notes to the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

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

B. The Reporting Entity

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

Discretely Presented Component Unit –

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

(See Independent Auditor's Report)

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

C. Basic Financial Statements—Government-Wide Statements

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

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

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

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

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

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises 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)

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

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

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

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
Capital Projects Fund – This fund is used to account for the acquisition and construction of major capital assets, other than those financed by proprietary funds, that are financed with state and federal financial assistance.

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

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

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

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

E. Measurement Focus

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

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

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

(See Independent Auditor's Report)

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

E. Measurement Focus – Continued

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

F. Basis of Accounting

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

1. **Accrual**

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

2. **Modified Accrual:**

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

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

G. Cash and Cash Equivalents

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

H. Inventory

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

(See Independent Auditor's Report)

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

I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2010 are recorded as prepaid items and are expensed during the period benefited.

J. Capital Assets

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

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during fiscal year ended December 31, 2010. 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)

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.

Q. 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.

(See Independent Auditor's Report)

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

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City's government-wide statement of net assets reports $25,491 in restricted net assets, of which $5,236 is restricted by enabling legislation.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted net assets are available.

S. 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.

T. 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.

U. Budgets and Budgetary Accounting

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

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

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

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's financial policies require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of December 31, 2010, $369,278 of the government's bank balance of $873,848 was exposed to custodial credit risk as follows:

(See Independent Auditor's Report)

2. CASH AND INVESTMENTS, (Continued)

Uninsured and uncollateralized	$ -
Uninsured and collateral held by pledging bank's agent in the City's name	369,278
Total	$ 369,278

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 2010, based upon the assessed value as of January 1, 2010, were levied on June 15, 2010. Taxes are due in equal installments on July 1 and October 1 of each year. Tax liens may be issued on March 1 or after the due date, whichever occurs later. The City of Stone Mountain uses the services of the Dekalb County Tax Commissioner to bill and collect its property taxes.

4. RECEIVABLES

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

Governmental Funds

	General	Capital Projects	Nonmajor Funds	Total
Taxes	$ 300,293	$ -	$ 1,350	$ 301,643
Fines	651,269	-	-	651,269
Intergovernmental	-	833,355	36,018	869,373
Accounts	28,836	-	-	28,836
Interest	-	-	-	-
Gross Receivables	980,398	833,355	37,368	1,851,121
Less: Allowance for Uncollectibles	(410,000)	-	-	(410,000)
Net Total Receivables	$ 570,398	$ 833,355	$ 37,368	$ 1,441,121

(See Independent Auditor's Report).

4. RECEIVABLES, (Continued)

Proprietary Funds

	Solid Waste	Stormwater	Total
Accounts	$ 58,558	$ 24,619	$ 83,177
Intergovernmental Grants	-	31,868	31,868
Gross Receivable	58,558	56,487	115,045
Less: Allowance for Uncollectibles	(14,000)	-	$ (14,000)
Net Total Receivables	$ 44,558	$ 56,487	$ 101,045

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Governmental Funds –

Intergovernmental revenues for the year ended December 31, 2010 consist of the following:

State of Georgia, Dept of Transportation - Transportation improvements	$ 762,252
MARTA - Transportation improvements	313,053
DeKalb County - Drainage improvements	67,348
DeKalb County - Economic development	43,191
Total Intergovernmental Revenue	$ 1,185,844

Intergovernmental receivables as of December 31, 2010 consist of the following:

State of Georgia, Dept of Transportation - Transportation improvements	$ 399,504
MARTA - Transportation improvements	433,851
DeKalb County - Economic development	36,018
Total Intergovernmental Receivable	$ 869,373

Proprietary Funds –

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

The City of Stone Mountain did incur a significant amount of damage to its roads, streets and drainage facilities. The total cost of the damage to the City amounted to approximately $475,000. The Federal Emergency Management Agency and the Georgia Emergency Management Agency has provided financial assistance to the City to help finance the cost of the damages. The City has requested reimbursements of $393,728 and has received $361,860 as of December 31, 2010. The amount due from FEMA and GEMA as of December 31, 2010 is $31,868.

(See Independent Auditor's Report)

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2010 were as follows:

Payable From	Payable To: General	Payable To: Stormwater Management	Total
General	$ -	$ 347,402	$ 347,402
Nonmajor	684	-	684
Total	$ 684	$ 347,402	$ 348,086

Individual interfund transfers for the year ended December 31, 2010 were as follows:

Transfer From	General	Capital Projects	Nonmajor	Total
General	$ -	$ 175,416	$ 52,900	$ 228,316
Solid Waste	54,260	-	-	54,260
Total	$ 54,260	$ 175,416	$ 52,900	$ 282,576

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

7. COMMITMENTS AND CONTINGENCIES

The City is a defendant in two lawsuits and one other threatened litigation case. Although the outcomes of these matters are not presently determinable, in the opinion of the City attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City has several significant transportation improvement project in progress as of December 31, 2010. The projects consist of streetscapes, sidewalks, traffic signals and other street improvements. Total cost of the project is expected to be approximately $2,700,000. The projects are to be financed through Transportation Enhancement Grants and contributions from the Metro Atlanta Rapid Transit Authority (MARTA). Cost incurred through December 31, 2010 for these projects total approximately $1,826,000.

The City is also in the process of constructing a new City Hall. Total cost, including land purchases, is expected to be approximately $1,800,000. Cost incurred through December 31, 2010 for this project is approximately $112,000. This project is to be financed by a capital lease obligation through the Georgia Municipal Association in the amount of $1,500,000 with the remaining amount to come from the General Fund..

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 362,438	$ 109,336	$ -	$ 471,774
Construction in progress	637,523	1,398,605	-	2,036,128
Total	999,961	1,507,941	-	2,507,902
Capital assets being depreciated:				
Buildings & improvements	196,844	-	-	196,844
Infrastructure	180,303	77,616	-	257,919
Vehicles, including related equipment	517,347	37,717	(14,384)	540,680
Furniture and other equipment	698,940	30,075	-	729,015
Total capital assets being depreciated	1,593,434	145,408	(14,384)	1,724,458
Less accumulated depreciation for:				
Buildings & improvements	70,086	5,349	-	75,435
Infrastructure	20,758	5,154	-	25,912
Vehicles, including related equipment	314,149	58,772	(14,384)	358,537
Furniture and other equipment	443,062	49,598	-	492,660
Total accumulated depreciation	848,055	118,873	(14,384)	952,544
Total capital assets being depreciated, net	745,379	26,535	-	771,914
Governmental capital assets, net	$ 1,745,340	$ 1,534,476	$ -	$ 3,279,816

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

Administrative	$ 9,873
Police	85,593
Highways and Streets	19,889
Parks	1,058
Cemetery	2,460
Total depreciation expense	$ 118,873

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Vehicles, including related equipment	$ 68,481	$ -	$ -	$ 68,481
Machinery and equpment	46,716	-	-	46,716
Infrastructure	573,007	35,990	-	608,997
Total capital assets being depreciated	688,204	35,990	-	724,194
Less accumulated depreciation for:				
Vehicles, including related equipment	38,013	7,774	-	45,787
Machinery and equipment	7,628	4,672	-	12,300
Infrastructure	9,485	14,550	-	24,035
Total accumulated depreciation	55,126	26,996	-	82,122
Business-Type Activities capital assets, net	$ 633,078	$ 8,994	$ -	$ 642,072

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

Solid Waste Management	$ 12,446
Stormwater Management	14,550
Total depreciation expense	$ 26,996

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, 2010:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Capital Leases	$ 135,886	$ 25,668	$ (57,509)	$ 104,045	$ 41,297
Accrued Compensated Absences	27,223	148,562	(117,392)	58,393	10,000
Total Governmental Activities	163,109	174,230	(174,901)	162,438	51,297
Business Type Activities					
Capital Leases	3,438	-	(3,438)	-	-
Total Business Activities	3,438	-	(3,438)	-	-
Total	$ 166,547	$ 174,230	$ (178,339)	$ 162,438	$ 51,297

(See Independent Auditor's Report

9. LONG-TERM DEBT, (Continued)

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

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

The City has entered into various lease-purchase and security agreements with a private corporation for vehicles and related equipment and machinery and equipment with an original cost of $133,418 and $57,583 respectively. Since the City intends to continue to abide by the terms of the lease agreements and eventually own the equipment, the equipment and the related liability were recorded at the present value of the future payments due under the lease. The interest rates under the terms of the lease agreements range between 3.03% and 4.86%.

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

F/Y/E	Governmental Activities		Business Type Activities		
December 31	Principal	Interest	Principal	Interest	Total
2011	41,297	2,982	-	-	44,279
2012	35,724	1,701	-	-	37,425
2013	20,661	647			21,308
2014	6,363	66			6,429
2015	-	-	-	-	-
	$ 104,045	$ 5,396	$ -	$ -	$ 109,441

10. DEFERRED REVENUES

Deferred revenues as of December 31, 2010, 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	$ 69,868
Grants	644,561
Fines and Forfeitures	191,358
Amounts received but not yet earned as of December 31, 2010:	
Reported in Governmental Fund's balance sheet and Statement of Net Assets	
Occupation Taxes	27,215
Total	$ 933,002

(See Independent Auditor's Report)

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. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pools' agent and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The City pays an annual premium to GIRMA for its general insurance and has coverage of $2,000,000 for the risks discussed above, except for buildings, which are covered at 100% of the value of the City's holdings. The City's coverage for worker's compensation claims is statutory.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City continues to carry commercial insurance for all other risks of loss, employee health and accident insurance. Settled claims in the past three years have not exceeded the commercial insurance coverage.

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, 2010, the City collected hotel/motel taxes in the amount of $2,131 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 this organization 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 ARC. 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)

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. Due From Downtown Development Authority

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

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

16. Employee Benefit Plans

A. Plan Description

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

B. Funding Policy

SRP members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 10.64% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

C. Annual Pension Cost

For the fiscal year, the City's annual pension cost of $152,346 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the October 1, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.5% per year. Both (a) and (b) included an inflation component of 5%. The actuarial of SRP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. SRP's unfunded actuarial accrued liability is being amortized (level dollar method) over a 30-year period from 1981 and current changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20-years for plan provision and 30 years for actuarial assumptions and cost methods. The remaining amortization period at December 31, 2010 was 4 years. Those amortization periods, if applicable, are closed for this plan year. The actuarial accrued liability as of October 1, 2009 was $1,926,004. Plan provisions and actuarial assumptions are the same as those used in previous valuations.

16. Employee Benefit Plans-(Continued)

D. Trend Information

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

Three-Year Trend Information for SRP

Actuarial Report Date	Calendar Year Expense	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
10/1/2009	2010	$ 152,346	100.0%	$ -
11/1/2008	2009	$ 122,338	100.0%	$ -
11/1/2007	2008	$ 94,530	100.0%	$ -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	$ 1,908,589	$ 1,831,012	$ (77,577)	104.2%	$ 1,431,481	-5.4%
10/1/2009	$ 1,710,744	$ 1,926,004	$ 215,260	88.8%	$ 1,431,979	15.0%
11/1/2008	$ 1,643,577	$ 1,738,906	$ 95,329	94.5%	$ 1,287,889	7.4%

17. Other Required Individual Fund Disclosures

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

A. Deficit fund balances or net assets balances of individual funds – As of December 31, 2010 the Capital Project Fund of the City had a deficit fund balance of $153,782. This deficit will be funded by future grant payments that were deferred as of December 31, 2010.

B. Excess of expenditures over appropriations in individual funds – None of the City's funds had expenditures that exceeded the corresponding fund's appropriations. In addition, there were no 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, 2010.

(See Independent Auditor's Report)

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	$ 1,908,589	$ 1,831,012	$ (77,577)	104.2%	$ 1,431,481	-5.4%
10/1/2009	$ 1,710,744	$ 1,926,004	$ 215,260	88.8%	$ 1,431,979	15.0%
11/1/2008	$ 1,643,577	$ 1,738,906	$ 95,329	94.5%	$ 1,287,889	7.4%
11/1/2007	$ 1,493,518	$ 1,488,626	$ (4,892)	100.3%	$ 1,149,047	-0.4%
11/1/2006	$ 1,344,920	$ 1,261,157	$ (83,763)	106.6%	$ 1,052,073	-8.0%
11/1/2005	$ 1,229,705	$ 1,135,767	$ (93,938)	108.3%	$ 771,160	-12.2%
11/1/2004	$ 1,120,801	$ 1,082,080	$ (38,721)	103.6%	$ 944,923	-4.1%
11/1/2003	$ 1,024,228	$ 1,007,232	$ (16,996)	101.7%	$ 831,880	-2.0%
11/1/2002	$ 934,965	$ 975,200	$ 40,235	95.9%	$ 807,121	5.0%
11/1/2001	$ 839,427	$ 1,019,952	$ 180,525	82.3%	$ 952,031	19.0%

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NONMAJOR FUNDS

CITY OF STONE MOUNTAIN, GEORGIA
DECEMBER 31, 2010
NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue				
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Artists Micro-Enterprise Fund	Total
Assets					
Cash	$ -	$ 4,570	$ -	$ 4,833	$ 9,403
Taxes receivable	-	-	1,350	-	1,350
Grant receivable	-	-	-	36,018	36,018
Deposits	-	-	-	9,740	9,740
	$ -	$ 4,570	$ 1,350	$ 50,591	$ 56,511
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ 9,687	$ 9,687
Due to other funds	-	684	-	-	684
Deferred revenues	-	-	-	20,649	20,649
Total Liabilities	-	684	-	30,336	31,020
Fund Equity					
Reserved for Police Service	-	3,886	-	-	3,886
Reserved for Tourism and Promotion	-	-	1,350	-	1,350
Reserved for Economic Development	-	-	-	20,255	20,255
Total Equity	-	3,886	1,350	20,255	25,491
Total Liabilities and Fund Equity	$ -	$ 4,570	$ 1,350	$ 50,591	$ 56,511

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue				
Revenues:	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Artists Micro-Enterprise Fund	Total
Cemetery lot sales	$ 1,900	$ -	$ -	$ -	$ 1,900
Taxes	-	-	2,131	-	2,131
Intergovernmental	-	-	-	43,191	43,191
Fines and forfeitures	-	-	-	-	-
Other	5,200	-	9,000	1,534	15,734
Total Revenue	7,100	-	11,131	44,725	62,956
Expenditures;					
Current:					
Salaries and benefits	-	-	-	-	-
Purchased/contracted services	12,900	-	14,307	61,353	88,560
Supplies	-	684	-	6,717	7,401
Total Expenditures	12,900	684	14,307	68,070	95,961
Excess (deficiency) of revenues over expenditures	(5,800)	(684)	(3,176)	(23,345)	(33,005)
Other financing sources (uses)					
Transfers in (out)	5,800	-	3,500	43,600	52,900
Net Change in Fund Balances	-	(684)	324	20,255	19,895
Fund Balance-Beginning of Year	-	4,570	1,026	-	5,596
Fund Balance-End of Year	$ -	$ 3,886	$ 1,350	$ 20,255	$ 25,491

GENERAL FUND

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

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

Assets

	2010	2009
Cash	$ 770,657	$ 1,364,043
Receivables -		
Property taxes	126,928	120,427
Franchise taxes	167,092	148,339
Other taxes	6,273	6,471
Fines, net of allowance for bad debts of $410,000 in 2010 and 455,000 in 2009	241,269	272,435
Intergovernmental	-	4,500
Miscellaneous	28,836	-
Due from other funds	684	-
Due from DDA	175,000	-
Prepaid expenses	49,704	58,766
Restricted assets		
Cash	-	-
Total assets	$ 1,566,443	$ 1,974,981

Liabilities and Fund Equity

Liabilities		
Accounts payable	$ 63,569	$ 131,584
Accrued liabilities	174,721	97,864
Due to other funds	347,402	109,298
Deferred revenue	288,441	280,746
Liabilities payable from restricted assets		
Deferred liabilities	-	-
Total liabilities	874,133	619,492
Fund Balance		
Fund balance:		
Reserved for prepaid items	49,704	58,766
Unreserved	642,606	1,296,723
Total fund balance	692,310	1,355,489
Total liabilities and fund balance	$ 1,566,443	$ 1,974,981

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2010 and 2009

	2010	2009
Revenues:		
Taxes	$ 1,723,020	$ 1,868,404
Business licenses and permits	51,242	55,650
Intergovernmental	-	4,500
Service fees	12,588	12,331
Fines and forfeitures	1,027,823	927,547
Interest	4,169	18,415
Rents	8,350	8,537
Miscellaneous	15,398	9,710
Total revenues	2,842,590	2,905,094
Expenditures:		
Current:		
Governing Body	36,382	45,150
General Government	149,389	155,513
Financial Administration	316,017	332,255
Government Buildings	16,253	27,360
Municipal Court	430,585	378,154
Public Safety	1,367,919	1,275,684
Highways and Streets	459,996	359,556
Culture and Recreation	187,887	181,230
Economic Development	132,202	116,906
Community Development	69,063	76,199
Total current expenditures	3,165,693	2,948,007
Capital Outlay		
General Government	-	23,965
Government Buildings	83,206	-
Municipal Court	1,011	-
Public Safety	45,768	11,132
Highway and Streets	-	2,106
Culture and Recreation	-	-
Total capital expenditures	129,985	37,203
Debt service		
Principal	57,509	80,392
Interest	4,593	6,640
Total debt service	62,102	87,032
Total expenditures	3,357,780	3,072,242

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2010 and 2009

	2010	2009
Excess (deficiency) of revenues over expenditures	$ (515,190)	$ (167,148)
Other financing sources (uses)		
Capital lease proceeds	25,667	87,829
Sale of capital assets	400	2,351
Transfers (net)	(174,056)	(176,881)
Total other financing sources (uses)	(147,989)	(86,701)
Net change in fund balance	(663,179)	(253,849)
Fund Balance-Beginning of Year	1,355,489	1,609,338
Fund Balance-End of Year	$ 692,310	$ 1,355,489

(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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010			
	Final Budget	Actual	Variance	2009 Actual
Revenues				
Taxes:				
Property	$ 1,037,474	$ 950,749	$ (86,725)	$ 1,104,311
Utility franchise	235,800	246,090	10,290	217,444
Alcoholic beverage	25,000	16,917	(8,083)	17,483
Insurance premium	408,000	384,628	(23,372)	396,141
Motor vehicle	58,400	56,328	(2,072)	57,809
Intangible taxes	15,000	7,679	(7,321)	13,426
Business and occupational	51,800	56,637	4,837	50,955
Other taxes	3,000	3,992	992	10,835
Total taxes	1,834,474	1,723,020	(111,454)	1,868,404
Business Licenses and Permits	41,650	51,242	9,592	55,650
Service Fees				
Police services	8,500	9,417	917	7,630
Miscellaneous	3,700	3,171	(529)	4,701
Total service fees	12,200	12,588	388	12,331
Fines and Forfeitures	897,100	1,027,823	130,723	927,547
Rents	8,150	8,350	200	8,537
Interest Earned	15,000	4,169	(10,831)	18,415
Intergovernmental	-	-	-	4,500
Miscellaneous				
Penalties and fifas	7,800	4,983	(2,817)	4,315
Other	1,524	10,415	8,891	5,395
Total	9,324	15,398	6,074	9,710
Total Revenues	$ 2,817,898	$ 2,842,590	$ 24,692	$ 2,905,094

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2010
(With comparative actual totals for the year ended December 31, 2009)

	2010			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Actual
Expenditures				
Governing Body				
Personal services and benefits	$ 36,266	$ 33,479	$ 2,787	$ 35,196
Purchased / contracted services	2,638	2,634	4	9,683
Supplies	935	269	666	271
Total operating	39,839	36,382	3,457	45,150
Total Governing Body	39,839	36,382	3,457	45,150
General Government				
Personal services and benefits	9,270	-	9,270	-
Purchased / contracted services	136,275	138,602	(2,327)	143,570
Supplies	10,535	2,270	8,265	3,433
Payments to others	8,140	8,517	(377)	8,510
Total operating	164,220	149,389	14,831	155,513
Capital outlay	-	-	-	23,965
Total General Government	164,220	149,389	14,831	179,478
Financial Administration				
Personal services and benefits	272,551	260,652	11,899	283,615
Purchased / contracted services	42,828	43,618	(790)	37,745
Supplies	11,027	11,747	(720)	10,895
Total operating	326,406	316,017	10,389	332,255
Capital outlay	1,300	-	1,300	-
Total Financial Administration	327,706	316,017	11,689	332,255

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2010
(With comparative actual totals for the year ended December 31, 2009)

	2010			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Actual
Government Buildings				
Purchased / contracted services	$ 7,220	$ 5,927	$ 1,293	$ 14,559
Supplies	10,745	10,326	419	12,801
Total operating	17,965	16,253	1,712	27,360
Capital outlay	85,000	83,206	1,794	-
Total Government Buildings	102,965	99,459	3,506	27,360
Municipal Court				
Personal services and benefits	149,572	155,195	(5,623)	138,289
Purchased / contracted services	53,922	51,368	2,554	51,502
Supplies	2,418	2,234	184	2,050
Payments to others	231,511	221,788	9,723	186,313
Total operating	437,423	430,585	6,838	378,154
Capital outlay	1,100	1,011	89	-
Total Municipal Court	438,523	431,596	6,927	378,154
Public Safety				
Police				
Personal services and benefits	1,205,611	1,214,912	(9,301)	1,127,801
Purchased / contracted services	81,363	87,542	(6,179)	97,216
Supplies	60,503	65,465	(4,962)	50,667
Total operating	1,347,477	1,367,919	(20,442)	1,275,684
Capital outlay	54,495	45,768	8,727	11,132
Total Public Safety	1,401,972	1,413,687	(11,715)	1,286,816

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2010
(With comparative actual totals for the year ended December 31, 2009)

	2010			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Actual
Highways and Streets				
Personal services and benefits	$ 271,452	$ 279,449	$ (7,997)	$ 228,608
Purchased / contracted services	81,318	75,862	5,456	32,159
Supplies	119,584	104,685	14,899	98,789
Total operating	472,354	459,996	12,358	359,556
Capital outlay	-	-	-	2,106
Total Highways and Streets	472,354	459,996	12,358	361,662
Culture and Recreation				
Personal services and benefits	156,465	159,094	(2,629)	143,153
Purchased / contracted services	22,963	22,939	24	32,574
Supplies	9,069	5,854	3,215	5,503
Total operating	188,497	187,887	610	181,230
Capital outlay	-	-	-	-
Total Recreation	188,497	187,887	610	181,230

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2010
(With comparative actual totals for the year ended December 31, 2009)

	2010			
	Final Budget	Actual	Variance Favorable (Unfavorable)	2009 Actual
Economic Development				
Personal services and benefits	$ 58,334	$ 57,189	$ 1,145	$ 54,553
Purchased / contracted services	88,458	72,091	16,367	59,298
Supplies	3,541	2,922	619	3,055
Total operating	150,333	132,202	18,131	116,906
Capital outlay	-	-	-	-
Total Economic Development	150,333	132,202	18,131	116,906
Community Development				
Personal services and benefits	59,218	55,973	3,245	74,563
Purchased / contracted services	13,333	13,090	243	1,636
Total Community Development	72,551	69,063	3,488	76,199
Greenspace				
Capital outlay	-	-	-	-
Debt Service				
Principal	58,538	57,509	1,029	80,392
Interest	6,871	4,593	2,278	6,640
Total Debt Service	65,409	62,102	3,307	87,032
Total Expenditures	$ 3,424,369	$ 3,357,780	$ 66,589	$ 3,072,242

SPECIAL REVENUE FUNDS

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

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

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

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

CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

Assets

	2010	2009
Due from other funds	$ -	$ -
Total Assets	$ -	$ -
Liabilities and Fund Balance		
Liabilities	$ -	$ -
Fund balance		
Reserved for cemetery up-keep	-	-
Total fund balance	$ -	$ -

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010			2009
	Budget	Actual	Variance	Actual
Revenues				
Cemetery lot sales	$ 5,000	$ 1,900	$ (3,100)	$ 16,850
Gifts	-	5,200	5,200	250
Total Revenues	5,000	7,100	2,100	17,100
Expenditures				
Current				
Salaries and benefits	-	-	-	-
Purchased/contracted services	21,500	12,900	8,600	20,535
Capital outlay	-	-	-	-
Total Expenditures	21,500	12,900	8,600	20,535
Excess of revenues over (under) expenditures	(16,500)	(5,800)	10,700	(3,435)
Other financing sources (uses)				
Transfers	10,700	5,800	(4,900)	3,435
Net change in fund balance	(5,800)	-	5,800	-
Fund Balance-Beginning of Year	-	-	-	-
Fund Balance-End of Year	$ (5,800)	$ -	$ 5,800	$ -

CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Cash	$ 4,570	$ 4,570
Total assets	$ 4,570	$ 4,570
Liabilities and Fund Balance		
Liabilities		
Due to other funds	684	-
Fund balance:		
Reserved for police budget enhancement	3,886	4,570
Total liabilities and fund balance	$ 4,570	$ 4,570

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010			
	Budget	Actual	Variance	2009 Actual
Revenues				
Forfeitures	$ 4,000	$ -	$ (4,000)	$ 1,909
Other	-	-	-	-
Total Revenues	4,000	-	(4,000)	1,909
Expenditures				
Current -				
Supplies	4,000	684	3,316	60
Capital outlay-				
Machinery and equipment	-	-	-	-
Total Expenditures	4,000	684	3,316	60
Excess (deficiency) of Revenues over Expenditures	-	(684)	(684)	1,849
Other financing sources (uses)				
Transfers in (out)	-	-	-	-
Net change in fund balance	-	(684)	(684)	1,849
Fund Balance-Beginning of Year	4,570	4,570	-	2,721
Fund Balance-End of Year	$ 4,570	$ 3,886	$ (684)	$ 4,570

CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Taxes receivable	$ 1,350	$ 1,026
Total Assets	$ 1,350	$ 1,026
Liabilities and Fund Balance		
Liabilities	$ -	$ -
Fund balance - Reserved for Tourism and Promotion	1,350	1,026
Total Liabilities and Equity	$ 1,350	$ 1,026

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010			2009
	Budget	Actual	Variance	Actual
Revenues				
Hotel / Motel tax	$ 2,500	$ 2,131	$ (369)	$ 3,860
Contributions from SMMA	9,000	9,000	-	9,000
Total Revenues	11,500	11,131	(369)	12,860
Expenditures				
Current -				
Tourism and Promotion	22,550	14,307	8,243	14,058
Total Expenditures	22,550	14,307	8,243	14,058
Excess (deficiency) of Revenues over Expenditures	(11,050)	(3,176)	7,874	(1,198)
Other financing sources (uses)				
Transfers in (out)	2,500	3,500	1,000	2,224
Net change in fund balance	(8,550)	324	8,874	1,026
Fund Balance-Beginning of Year	1,026	1,026	-	-
Fund balance-end of Year	$ (7,524)	$ 1,350	$ 8,874	$ 1,026

CITY OF STONE MOUNTAIN, GEORGIA
ARTISTS MICROENTERPRISE FUND
BALANCE SHEET
DECEMBER 31, 2010

	2010
Assets	
Cash	$ 4,833
Grant receivable	36,018
Deposits	9,740
Total Assets	$ 50,591
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 9,687
Deferred revenues	20,649
Total Liabilities	30,336
Fund Balance	20,255
Total Liabilities and Fund Balance	$ 50,591

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

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ 243,758	$ 43,191	$ (200,567)
Rents	-	600	600
Commissions	-	849	849
Miscellaneous	-	85	85
Total Revenues	243,758	44,725	- (199,033)
Expenditures			
Current -			
Purchased / Contracted Services	202,572	61,353	141,219
Supplies	55,106	6,717	48,389
Total Expenditures	257,678	68,070	189,608
Excess (deficiency) of Revenues over Expenditures	(13,920)	(23,345)	(9,425)
Other Financing Sources (Uses)			
Transfers	13,920	43,600	29,680
Net change in fund balance	-	20,255	20,255
Fund balance-Beginning of Year	-	-	-
Fund balance-end of Year	$ -	$ 20,255	$ 20,255

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Capital Project Funds

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

CITY OF STONE MOUNTAIN, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

	2010	2009
Assets		
Grant receivable	$ 833,355	$ 117,611
Due from other funds	-	-
Total Assets	$ 833,355	$ 117,611
Liabilities and Fund Balance		
Liabilities		
Accounts payable	$ 363,225	$ -
Deferred revenues	623,912	117,611
Total Liabilities	987,137	117,611
Fund Balance	(153,782)	-
Total Liabilities and Fund Balance	$ 833,355	$ 117,611

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, 2010
(With comparative actual amounts for the year ended December 31, 2009)

	2010			
	Budget	Actual	Variance	2009 Actual
Revenues				
Intergovernmental	$ 4,642,000	$ 1,142,653	$ (3,499,347)	$ 10,878
Contributions	-	30,500	30,500	-
Total Revenues	4,642,000	1,173,153	(3,468,847)	10,878
Expenditures				
Current -				
Purchased / Contracted Services	-	-	-	50,000
Capital Outlay				
Highways and Streets	4,794,000	1,502,351	3,291,649	98,801
Court	-	-	-	12,750
Total Expenditures	4,794,000	1,502,351	3,291,649	161,551
Excess (deficiency) of Revenues over Expenditures	(152,000)	(329,198)	(177,198)	(150,673)
Other Financing Sources (Uses)				
Transfers	152,000	175,416	23,416	150,673
Net change in fund balance	-	(153,782)	(153,782)	-
Fund balance-Beginning of Year	-	-	-	-
Fund balance-end of Year	$ -	$ (153,782)	$ (153,782)	$ -

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2010 AND 2009

Assets

	2010	2009
Current assets		
Accounts receivable		
Sanitation	$ 31,316	$ 28,393
Dumpsters	13,242	19,664
Grant	-	-
Total current assets	44,558	48,057
Noncurrent assets		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	46,716	46,716
Accumulated depreciation	(58,086)	(45,640)
Capital assets (net of depreciation)	57,111	69,557
Total noncurrent assets	57,111	69,557
Total assets	101,669	117,614
Liabilities		
Current liabilities		
Accounts payable	38,051	175
Deferred revenue	11,038	11,635
Accrued liabilities	-	-
Customer deposits	3,839	3,839
Current portion of long term debt	-	3,438
Current liabilities	52,928	19,087
Noncurrent liabilities		
Capital lease payable	-	-
Total noncurrent liabilities		
Total liabilities	52,928	19,087
Net Assets		
Invested in capital assets, net of related debt	57,111	66,119
Unrestricted	(8,370)	32,408
Total net assets	$ 48,741	$ 98,527

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSE AND CHANGES IN NET ASSETS
For the years ended December 31, 2010 and 2009

	2010	2009
OPERATING REVENUES:		
Refuse collection	$ 358,323	$ 358,958
Dumpster collection	131,345	136,608
Miscellaneous	7,637	9,830
Total operating revenues	497,305	505,396
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	2,443	3,752
Dumpster collection	118,216	117,613
Sanitation expense	337,931	338,145
Personal services and benefits	15,131	21,771
Purchased / contracted services	1,536	1,536
Supplies	1,072	1,677
Depreciation	12,446	12,061
Bad debt expense	4,000	-
Other	-	-
Total operating expenses	492,775	496,555
Operating income	4,530	8,841
NONOPERATING INCOME/(EXPENSES)		
Interest expense	(56)	(318)
Total nonoperating income/(expense)	(56)	(318)
Income before transfers and capital contributions	4,474	8,523
Capital contributions	-	-
Transfers in/(out)	(54,260)	20,549
Change in net assets	(49,786)	29,072
NET ASSETS, BEGINNING OF YEAR	98,527	69,455
NET ASSETS, END OF YEAR	$ 48,741	$ 98,527

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Cash received from customers and users	$ 500,207	$ 492,890
Cash paid to suppliers	(431,164)	(470,954)
Cash paid to employees	(11,289)	(13,365)
Net cash provided by operating activities	57,754	8,571
Cash flows from capital financing activities:		
Interest expense	(56)	(318)
Purchase of capital assets	-	(23,130)
Principal paid on capital debt	(3,438)	(5,672)
Net cash provided by capital financing activities	(3,494)	(29,120)
Cash flows from non-capital financing activities:		
Transfers	(54,260)	20,549
Net cash provided by non-capital financing activities	(54,260)	20,549
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents - Beginning of Year	-	-
Cash and cash equivalents - End of Year	$ -	$ -

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

	2010	2009
Operating income (loss)	$ 4,530	$ 8,841
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12,446	12,061
(Increase) decrease in receivables	3,499	(12,765)
Increase (decrease) in accounts payable	37,876	175
Increase (decrease) in deferred revenues	(597)	259
Increase (decrease) in customer deposits	-	-
Increase (decrease) in accrued liabilities	-	-
Net cash provided by operating activities	$ 57,754	$ 8,571

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENT OF NET ASSETS
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Current assets		
Receivables, net -		
Accounts	$ 24,619	$ 21,115
Due from FEMA	31,868	216,467
Due from other funds	347,402	109,298
Total current assets	403,889	346,880
Non-Current Assets		
Capital assets -		
Infrastructure	608,997	573,006
Accumulated depreciation	(24,036)	(9,485)
Capital assets, net of depreciation	584,961	563,521
Total non-current assets	584,961	563,521
Total Assets	988,850	910,401
LIABILITIES		
Current liabilities		
Accounts payable	-	869
Total current liabilities	-	869
Noncurrent Liabilities	-	-
Total liabilities	-	869
NET ASSETS		
Investment in capital assets - net of related debt	584,961	563,521
Unrestricted	403,889	346,011
Total Net Assets	$ 988,850	$ 909,532

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
OPERATING REVENUES		
Charges for services	$ 145,172	$ 146,232
Total operating revenues	145,172	146,232
OPERATING EXPENSES		
Purchased/contracted services	51,304	51,024
Supplies	-	153
Depreciation	14,550	4,171
Total operating expenses	65,854	55,348
Operating income (loss)	79,318	90,884
Non-operating revenues and (expenses)		
Interest income	-	-
Income before transfers and capital contributions	79,318	90,884
Capital contributions	-	393,728
Transfers	-	-
Change in net assets	79,318	484,612
NET ASSETS - BEGINNING	909,532	424,920
NET ASSETS - ENDING	$ 988,850	$ 909,532

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Cash received from customers and users	$ 141,668	$ 144,861
Cash paid to suppliers for goods	(52,173)	(50,308)
Cash paid to employees	-	-
Net cash provided from operating activities	89,495	94,553
Cash flows from investing activities:		
Interest income	-	-
Net cash from investing activities	-	-
Cash flows from non-capital financing activities:		
Change in due to/from accounts	(238,104)	171,298
Net cash flows from non-capital financing activities	(238,104)	171,298
Cash flows from capital financing activities:		
Proceeds from capital contributions	184,600	177,260
Purchase of capital assets	(35,991)	(443,111)
Net cash flows from capital financing activities	148,609	(265,851)
Net cash flows	-	-
Cash and cash equivalents - beginning	-	-
Cash and cash equivalents - ending	$ -	$ -

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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2010	2009
Operating income (loss)	$ 79,318	$ 90,884
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	14,550	4,171
(Increase) decrease in receivables	(3,504)	(1,371)
Increase (decrease) in accounts payable	(869)	869
Total adjustments	10,177	3,669
Net cash from operating activities	$ 89,495	$ 94,553

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STATISTICAL SECTION

STATISTICAL SECTION

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

Contents **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 70-75

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax. 76-81

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 82-83

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 84-85

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 86-88

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

City of Stone Mountain, Georgia
Net Assets by Component
Last Seven Fiscal Years
(Accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	$ 664,436	$ 895,393	$ 1,020,735	$ 1,475,486	$ 1,585,454	$ 1,609,454	$ 3,175,772
Restricted	124,885	15,557	12,142	2,745	2,721	5,596	25,491
Unrestricted	2,015,042	2,427,274	2,880,389	2,472,384	2,127,081	1,716,520	1,385,922
Total governmental activities net assets	$ 2,804,363	$ 3,338,224	$ 3,913,266	$ 3,950,615	$ 3,715,256	$ 3,331,570	$ 4,587,185
Business-type activities							
Invested in capital assets, net of related debt	$ 3,922	$ 10,319	$ 43,204	$ 177,947	$ 173,958	$ 629,640	$ 642,072
Restricted	-	-	-	-	-	-	-
Unrestricted	25,572	168,757	265,378	220,758	320,417	378,419	395,519
Total business-type activities net assets	$ 29,494	$ 179,076	$ 308,582	$ 398,705	$ 494,375	$ 1,008,059	$ 1,037,591
Primary government							
Invested in capital assets, net of related debt	$ 668,358	$ 905,712	$ 1,063,939	$ 1,653,433	$ 1,759,412	$ 2,239,094	$ 3,817,844
Restricted	124,885	15,557	12,142	2,745	2,721	5,596	25,491
Unrestricted	2,040,614	2,596,031	3,145,767	2,693,142	2,447,498	2,094,939	1,781,441
Total primary government net assets	$ 2,833,857	$ 3,517,300	$ 4,221,848	$ 4,349,320	$ 4,209,631	$ 4,339,629	$ 5,624,776

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

	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
Governing body	$ 25,082	$ 24,106	$ 36,700	$ 25,574	$ 50,737	$ 42,733	$ 71,578
General government	229,935	300,505	274,729	220,707	208,332	133,168	70,037
Financial administration	224,925	208,087	214,228	229,686	308,902	354,633	322,323
Government buildings	49,766	8,728	22,473	15,858	14,594	21,219	16,254
Municipal court and public safety	1,312,449	1,317,783	1,410,659	1,673,233	1,674,628	1,764,742	1,956,058
Highways and streets	461,212	428,504	430,845	529,165	524,708	431,402	474,881
Culture and recreation	29,992	44,399	72,144	39,669	42,249	182,347	188,945
Community development	108,667	37,526	109,580	153,147	166,143	143,104	238,727
Tourism and promotion	14,000	14,443	15,334	70,266	66,556	64,058	56,000
Cemetery	15,000	22,162	16,122	16,673	16,117	22,996	15,361
Interest on long-term debt	2,709	3,580	7,304	8,370	7,547	6,640	4,593
Total governmental activities expenses	2,473,737	2,409,823	2,610,118	2,982,348	3,080,513	3,167,042	3,414,757
Business-type activities:							
Solid waste	404,227	419,538	485,940	484,495	501,735	496,873	492,831
Stormwater management	-	3,163	16,503	93,753	29,160	55,348	65,854
Total business-type activities expenses	404,227	422,701	502,443	578,248	530,895	552,221	558,685
Total primary government expenses	$ 2,877,964	$ 2,832,524	$ 3,112,561	$ 3,560,596	$ 3,611,408	$ 3,719,263	$ 3,973,442
Program Revenues							
Governmental activities:							
Charges for services:							
Governing body	$ -	$ -	$ -	$ -	$ -	$ -	$ -
General government	-	-	-	-	-	-	-
Financial administration	53,974	39,906	78,676	71,471	63,105	70,625	63,294
Government buildings	-	-	-	-	-	-	-
Municipal court and public safety	892,141	897,746	899,938	826,236	737,127	866,900	1,031,744
Highways and streets	1,500	-	-	-	-	-	-
Culture and recreation	2,300	21,134	20,118	8,800	8,325	8,638	8,400
Community development	-	-	-	-	-	-	1,449
Tourism and promotion	-	2,201	2,531	-	-	-	-
Cemetery	14,200	11,899	1,050	4,500	3,600	17,200	1,900
Operating grants and contributions	32,208	9,000	39,000	22,336	19,000	9,000	77,840
Capital grants and contributions	102,183	171,266	71,683	67,357	4,318	50,593	1,679,455
Total governmental activities program revenues	1,098,506	1,153,152	1,112,996	1,000,700	835,475	1,022,956	2,864,082
Business-type activities:							
Charges for services:							
Solid waste	455,334	465,341	473,556	504,539	493,338	505,396	497,305
Stormwater management	-	136,401	142,128	142,224	146,746	146,232	145,172
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	25,000	-	393,728	-
Total business-type activities program revenues	455,334	601,742	615,684	671,763	640,084	1,045,356	642,477
Total primary government program revenues	$ 1,553,840	$ 1,754,894	$ 1,728,680	$ 1,672,463	$ 1,475,559	$ 2,068,312	$ 3,506,559

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

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

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

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

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

	Fiscal Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	$ -	$ -	$ 55,925	$ 60,609	$ 56,578	$ 59,936	$ 50,687	$ 78,498	$ 58,766	$ 49,704
Unreserved	654,094	1,209,417	1,384,904	1,591,290	1,944,452	2,234,930	1,983,177	1,530,840	1,296,723	642,606
Total general fund	$ 654,094	$ 1,209,417	$ 1,440,829	$ 1,651,899	$ 2,001,030	$ 2,294,866	$ 2,033,864	$ 1,609,338	$ 1,355,489	$ 692,310
All other governmental funds										
Reserved	$ 24,460	$ 25,221	$ 79,680	$ 59,722	$ 15,557	$ 12,142	$ 2,745	$ 2,721	$ 5,596	$ 25,491
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	(18,539)	-	-	-	(153,782)
Total all other governmental funds	$ 24,460	$ 25,221	$ 79,680	$ 59,722	$ 15,557	$ (6,397)	$ 2,745	$ 2,721	$ 5,596	$ (128,291)
	$ 678,554	$ 1,234,638	$ 1,520,509	$ 1,711,621	$ 2,016,587	$ 2,288,469	$ 2,036,609	$ 1,612,059	$ 1,361,085	$ 564,019

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

	Fiscal Years										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues											
Taxes	1,238,737	1,236,921	1,715,654	1,594,559	1,692,797	1,697,906	1,945,793	1,998,572	$ 1,835,338	$ 1,872,264	$ 1,725,151
Licenses and permits	91,311	94,110	42,220	33,267	40,013	35,915	61,808	64,074	55,306	55,650	51,242
Intergovernmental	145,671	59,000	184,624	94,098	70,357	208,589	20,000	29,018	9,821	15,378	1,185,844
Charges for services	368,548	238,394	321,888	294,430	307,839	302,866	93,930	40,841	19,306	29,181	12,588
Fines and forfeitures	632,036	633,421	515,213	452,819	547,029	567,785	750,905	851,826	714,706	929,456	1,027,823
Investment earnings	60,411	26,489	10,255	11,389	16,233	43,324	76,557	75,655	39,020	18,415	4,169
Rental income	0	4,004	364	0	21,944	21,134	20,119	8,525	8,300	8,537	8,350
Miscellaneous	92,769	42,259	97,906	47,039	24,530	15,638	40,093	16,493	25,323	18,960	63,532
Total revenues	2,629,483	2,334,598	2,888,124	2,527,601	2,720,742	2,893,157	3,009,205	3,085,004	2,707,120	2,947,841	4,078,699
Expenditures											
Governing body	-	26,817	12,927	19,682	25,083	26,126	38,728	27,509	50,737	45,150	36,382
General government	231,461	-	-	-	229,935	297,905	247,924	237,390	244,506	155,513	149,389
Financial administration	-	432,970	329,783	342,523	185,669	193,109	199,744	214,359	299,794	332,255	316,017
Government buildings	-	62,542	9,268	12,392	49,766	28,651	12,472	12,138	14,149	27,360	16,253
Municipal court	303,541	298,348	248,067	203,438	252,556	275,886	302,370	403,499	355,469	378,154	430,585
Public safety	997,158	1,191,932	1,129,210	1,016,585	986,154	969,731	1,031,404	1,142,248	1,179,235	1,275,744	1,368,603
Highways and streets	418,429	307,350	299,959	354,929	393,765	413,268	435,734	495,089	499,605	409,556	459,996
Culture and recreation	103,879	114,366	33,854	28,832	28,558	45,590	68,960	35,675	40,386	181,230	187,887
Non-departmental	185,548	-	-	-	-	-	-	-	-	-	-
Economic development	-	33,617	63,313	88,304	108,666	38,719	110,878	143,318	135,861	116,906	200,272
Community development	-	15,000	-	4,965	-	-	-	63,830	73,429	76,199	69,063
Tourism and promotion	-	-	-	-	14,000	13,250	14,000	16,267	16,556	14,058	14,307
Cemetery	-	1,578	14,256	15,000	15,000	16,010	14,119	14,327	13,656	20,535	12,900
Capital outlay	68,752	440,204	176,306	116,638	310,276	366,106	299,602	563,949	153,767	148,754	1,632,336
Debt service											
Principal	52,747	130,596	106,939	83,313	49,647	46,216	93,657	111,127	105,777	80,392	57,509
Interest	6,481	6,741	9,693	4,329	2,709	3,580	7,304	8,370	7,547	6,640	4,593
Total expenditures	2,367,996	3,062,061	2,433,575	2,290,930	2,651,784	2,734,147	2,876,896	3,489,095	3,190,474	3,268,446	4,956,092
Excess of revenues over (under) expenditures	261,487	(727,463)	454,549	236,671	68,958	159,010	132,309	(404,091)	(483,354)	(320,605)	(877,393)
Other financing sources (uses)											
Settlement proceeds	-	-	-	-	-	-	-	-	-	-	-
Proceeds from debt issues	-	277,622	-	-	103,011	103,520	135,634	140,915	21,244	87,829	25,667
Transfers	-	(6,890)	73,500	29,242	41,572	29,459	(16,265)	3,392	13,519	(20,549)	54,260
Sale of capital assets	-	-	-	-	8,631	1,875	20,204	7,924	24,041	2,351	400
Other	-	(20,964)	28,035	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	249,768	101,535	29,242	153,214	134,854	139,573	152,231	58,804	69,631	80,327
Net change in fund balances	$ 261,487	$ (477,695)	$ 556,084	$ 265,913	$ 222,172	$ 293,864	$ 271,882	$ (251,860)	$ (424,550)	$ (250,974)	$ (797,066)
Debt service as a percent of non-capital expenditures	2.6%	5.5%	5.4%	4.2%	2.3%	2.1%	4.1%	4.2%	3.7%	2.8%	1.9%

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

Fiscal Year	Property	Motor Vehicle	Alcohol Beverage	Intangible	Franchise	Business Occupation	Insurance Premium	Other Tax	Total
2000	599,815	72,165	28,449	-	224,452	-	280,432	33,424	1,238,737
2001	623,773	65,575	29,937	-	219,862	-	259,535	38,239	1,236,921
2002	1,032,886	58,575	32,233	37,246	203,357	54,249	284,770	12,338	1,715,654
2003	878,869	62,369	33,685	43,333	201,643	50,119	306,914	17,627	1,594,559
2004	959,126	54,195	32,872	39,978	197,451	63,859	332,612	12,704	1,692,797
2005	912,466	61,377	33,394	43,941	214,465	60,746	357,846	13,671	1,697,906
2006	1,150,209	54,811	43,126	31,881	218,383	58,730	374,397	14,256	1,945,793
2007	1,185,763	60,148	43,000	23,938	218,050	68,853	390,538	8,282	1,998,572
2008	1,026,745	71,938	31,810	14,589	225,309	53,132	399,893	11,922	1,835,338
2009	1,104,311	57,809	17,483	13,426	217,444	50,955	396,141	14,695	1,872,264
2010	950,749	56,328	16,917	7,679	246,090	56,637	384,628	6,123	1,725,151

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

Tax Year	Real and Personal Property	Motor Vehicle	Exemptions	Total Assessed Value (1)	Total Direct Tax Rate
2001	$ 84,004,636	$ 8,630,100	$ 1,106,000	91,528,736	8.00
2002	90,924,164	7,923,080	1,291,000	97,556,244	10.00
2003	91,980,628	7,221,610	1,375	99,200,863	9.00
2004	107,853,831	6,205,870	1,466,520	112,593,181	8.00
2005	118,628,417	6,086,220	2,141,960	122,572,677	8.00
2006	123,585,164	6,760,050	1,355,000	128,990,214	10.00
2007	117,173,512	6,814,590	1,285,467	122,702,635	10.00
2008	116,141,917	6,510,110	1,444,754	121,207,273	10.00
2009	102,732,611	6,667,830	1,859,151	107,541,290	10.00
2010	97,052,662	5,667,510	2,060,566	100,659,606	10.00

Notes:

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

Source: DeKalb County Tax Commissioner

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

Tax/Fiscal Years	City M&O	County	School M&O	Hospital	State	Total
2001	8.00	12.04	21.98	1.30	0.25	43.57
2002	10.00	13.68	21.98	1.05	0.25	46.96
2003	9.00	14.66	22.98	0.92	0.25	47.81
2004	9.00	13.39	22.98	0.88	0.25	46.50
2005	8.00	12.82	22.98	0.98	0.25	45.03
2006	10.00	13.60	22.98	0.83	0.25	47.66
2007	10.00	12.82	22.98	0.89	0.25	46.94
2008	10.00	12.62	22.98	0.84	0.25	46.69
2009	10.00	15.49	22.98	0.96	0.25	49.68
2010	10.00	12.62	22.98	0.96	0.25	46.81

Notes:

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

Source: DeKalb County Tax Commissioner

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

Tax Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	868,497	823,119	94.78%	44,557	867,676	99.91%
2004	946,744	900,605	95.13%	46,030	946,635	99.99%
2005	926,301	853,903	92.18%	71,992	925,895	99.96%
2006	1,206,067	1,070,902	88.79%	134,487	1,205,389	99.94%
2007	1,112,805	1,046,894	94.08%	64,453	1,111,347	99.87%
2008	1,140,163	1,055,143	92.54%	81,658	1,136,801	99.71%
2009	996,633	886,554	88.95%	100,852	987,406	99.07%
2010	960,255	855,186	89.06%	-	855,186	89.06%

Notes:

(1) Includes only real and personal property. Does not include motor vehicle assessments

(2) Information prior to 2003 is not available

City of Stone Mountain, Georgia
Principal Property Taxpayers
December 31, 2010
(Amounts expressed in thousands)

Taxpayer	2010 Taxable Assessed Value	2010 Rank	2010 Percentage of Total Taxable Assessed Value	2001 Taxable Assessed Value	2001 Rank	2001 Percentage of Total Taxable Assessed Value
The Lakes at Stone Mountain LLC	$ 3,845	1	3.8%	$ 3,602	1	3.9%
Southern Oaks Apartments Inc.	1,132	2	1.1%	1,200	4	1.3%
Metropolitan Life Insurance	1,226	3	1.2%	-	-	0.0%
Mountain Springs 1 Inc.	1,200	4	1.2%	-	-	0.0%
Inman Holdings LLC	736	5	0.7%	669	5	0.7%
TMTH LL	429	6	0.4%	-	-	0.0%
Trinity Investment Enterprises LLC	332	7	0.3%	-	-	0.0%
Bayview Loan Servicing LLC	324	8	0.3%	-	-	0.0%
Wages & Sons Funeral Home	300	9	0.3%	229	8	0.3%
IB Property Holdings, LLC	297	10	0.3%	-	-	0.0%
Shelter Properties, Inc.	-	-	0.0%	1,339	2	1.5%
Shelpter Properties I	-	-	0.0%	489	6	0.5%
Westgate Management Co.	-	-	0.0%	276	7	0.3%
Turnbull Associates LLP	-	-	0.0%	224	9	0.2%
Springs Joint Venture	-		0.0%	1,145	3	1.3%
Childtime Childcare, Inc.	-	-	0.0%	161	10	0.2%
Totals	$ 9,821		9.8%	$ 9,334		10.2%

Source: DeKalb County Tax Commissioner

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

	Revenues				# of Customers		
Year	Residential	Commercial	Other	Total	Residential	Commercial	Total
2001	254,605	113,781	-	368,386	1,430	53	1,483
2002	293,079	119,162	1,260	413,501	1,646	59	1,705
2003	309,591	121,650	14,016	445,257	1,739	60	1,799
2004	323,136	127,140	5,058	455,334	1,815	68	1,883
2005	331,227	127,559	6,555	465,341	1,860	69	1,929
2006	339,336	124,949	9,271	473,556	1,906	60	1,966
2007	368,599	124,103	11,837	504,539	1,971	61	2,032
2008	353,737	126,177	13,424	493,338	2,020	59	2,079
2009	358,958	136,608	9,830	505,396	2,078	56	2,134
2010	358,323	131,345	7,637	497,305	1,958	61	2,019

Source: City of Stone Mountain Sanitation Billing Staff

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

Fiscal Year	Governmental Activities (1) Capital Leases	Business-Type Activities Capital Leases	Total Primary Government	Per Capita (2)	Outstanding Debt to Personal Income
2001	220,802	-	220,802	30.89	0.56%
2002	113,862	-	113,862	15.91	0.28%
2003	30,549	-	30,549	4.27	0.07%
2004	83,913	39,425	123,338	17.19	0.30%
2005	141,217	28,015	169,232	23.57	0.40%
2006	183,193	35,772	218,965	30.45	0.51%
2007	212,982	18,501	231,483	32.19	0.53%
2008	128,449	9,110	137,559	19.11	0.32%
2009	135,886	3,438	139,324	19.34	0.32%
2010	104,045	-	104,045	17.93	0.23%

Notes:

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

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

(3) Information for 1999 is not available.

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

	Fiscal Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Approximated Assessed Valuation	$ 91,530,560	$ 97,560,066	$ 99,200,863	$ 112,593,181	$ 122,572,677	$ 128,990,214	$ 122,702,635	$ 121,207,273	$ 121,207,273	$ 100,659,606
Debt Limit: 10% of Assessed Value	$ 9,153,056	$ 9,756,007	$ 9,920,086	$ 11,259,318	$ 12,257,268	$ 12,899,021	$ 12,270,264	$ 12,120,727	$ 12,120,727	$ 10,065,961
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 9,153,056	$ 9,756,007	$ 9,920,086	$ 11,259,318	$ 12,257,268	$ 12,899,021	$ 12,270,264	$ 12,120,727	$ 12,120,727	$ 10,065,961

Note:

(1) The City has no general obligation debt that is subject to the debt limitation.

(2) By State law, Stone Mountain's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

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

Fiscal Year		(4) Population	(2) in 000's Personal Income	(2) Per Capita Income	(2) Median Age	(1) School Enrollment	(3) Unemployment Rate
2001		7,149	39,375	16,452	30	2,234	4.1%
2002		7,155	40,147	16,775	32	2,234	5.7%
2003		7,162	40,919	17,098	33	2,234	4.5%
2004		7,175	41,691	17,420	35	2,234	5.2%
2005		7,181	42,463	17,743	38	2,234	6.1%
2006		7,190	43,235	18,065	41	2,234	5.0%
2007		7,192	44,007	18,388	44	2,234	4.7%
2008		7,199	42,885	17,919	47	2,234	8.9%
2009		7,205	43,657	17,919	46	2,234	8.6%
2010	*	5,802	44,990.00	18,442	33	2,234	9.8%

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

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

	2010		2007	
Employer	**Employees**	**Rank**	**Employees**	**Rank**
City of Stone Mountain	38	1	38	1
New South Associates	34	2	36	2
The Basket Bakery DBA The Village Corner	20	3	18	4
The Rock House	13	4	N/A	N/A
Wages & Sons Funeral Home	11	5	12	5
Atlanta Dental Team of Stn Mtn P.C.	8	6	N/A	N/A
Landmark Insurance Associates, LLC	8	7	8	7
ART Station	8	8	8	8
The Lakes at Stone Mountain, LLC	6	9	6	9
Suntrust Bank	6	10	6	10
BBC Creations DBA The Sycamore Grill	N/A	N/A	20	3
Little Mama's Inc. DBA Mama Mia's	N/A	N/A	12	6
Total Employees	152		164	

Note:

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

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

Source: City of Stone Mountain Administrative Staff

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Executive	0	0	0	0	0	0	0	1	1	1
Administration	3	3	3	3	3	3	3	3	3	3
Municipal Court	2	2	2	2	2	2	2	2	2	2
Code Enforcement	1	1	1	1	1	1	1	1	1	1
Public Works	7	7	7	7	7	7	6	6	6	6
Public Safety	19	19	19	19	19	19	19	19	19	19
Total	32	32	32	32	32	32	31	32	32	32

Note:

Elected and appointed officials are not included in the above.

Source: Finance Department

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

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

Source:

City of Stone Mountain Administrative Staff.

Information not available prior to 2003

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

Function / Program	Fiscal Year 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public works										
City limit area (square miles)	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.71
Paved roads (miles)	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90
Number of streetlights	440	444	444	447	450	455	456	459	459	492
Sanitation										
Collection trucks (Note 1)	-	-	-	-	-	-	-	-	-	-
Small collection vehicles	1	1	1	1	1	1	1	1	1	1
Customers	1,483	175	1,799	1,883	1,929	1,966	2,032	2,079	2,134	2,008
Recreation and culture										
Number of parks	4	4	4	4	4	4	4	4	4	4
Visitor's Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Cemeteries	2	2	2	2	2	2	2	2	2	2

Source:

City of Stone Mountain Administrative Staff.

Note:

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

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