CITY OF STONE MOUNTAIN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

CITY OF STONE MOUNTAIN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Stone Mountain, Georgia (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly , in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Stone Mountain, Georgia, as of December 31, 2014 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stone Mountain, Georgia's basic financial statements. The combining nonmajor and individual fund financial statements and budget schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the individual fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the individual fund financial statements and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Stone Mountain, Georgia's basic financial statements for the year ended December 31, 2013, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stone Mountain, Georgia's basic financial statements as a whole. The individual fund financial statements related to the 2013 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated May 29, 2015 on our consideration of City of Stone Mountain, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Stone Mountain, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
May 29, 2015

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, 2014. 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, 2014 by $5,904,133. Of this amount unrestricted net position of $1,179,296 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $475,807. Of this amount an increase of $445,560 was associated with governmental activities and an increase of $30,247 was associated with business-type activities.

- As of the close of the current fiscal year, the City of Stone Mountain's governmental funds reported combined ending fund balance of $442,868 an increase of $239,531 in comparison with the prior year. Of this amount $247,249 is unassigned; $46,135 is restricted for various specified activities; $126,812 is assigned for the 2015 budget and $22,672 is non-spendable and in the form of prepaid items.

- At the end of the current year, unassigned fund balance for the general fund was $247,249 or 8.5% of the General Fund expenditures.

- The City of Stone Mountain's total debt obligations (including accrued compensated absences) increased by the net of $109. Principal payments were made on outstanding capital leases of $115,333 while the City entered into new lease obligations amounting to $110,203 for new police vehicles and related equipment.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The City maintains two major governmental funds. The City's major governmental funds are the General Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds and a combined total column for the nonmajor governmental funds. The governmental funds financial statements begin on page 14.

The City of Stone Mountain adopts an annual budget for its General fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the FY 2014 budget. The budgetary comparison statements begin on page 19.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2014, the City's assets exceeded liabilities by $5,904,133. The City's net position reflects its investment in capital assets (79.2 percent) less related debt, if any. Capital assets are used to provide services to citizens and they are not available for future spending. Of the total net position of $5,904,133, $46,135 (.8 percent) is restricted for various specified activities and $1,179,296 (20.0 percent) is unrestricted.

City of Stone Mountain's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 1,184,406	$ 707,227	$ 560,318	$ 539,502	$ 1,744,724	$ 1,246,729
Capital assets	5,362,075	5,196,337	832,426	819,555	6,194,501	6,015,892
Total assets	6,546,481	5,903,564	1,392,744	1,359,057	7,939,225	7,262,621
Current liabilities	435,399	238,151	13,956	10,516	449,355	248,667
Long-term liabilities	1,585,737	1,585,628	-	-	1,585,737	1,585,628
Total liabilities	2,021,136	1,823,779	13,956	10,516	2,035,092	1,834,295
Net position:						
Net invested in capital assets	3,846,276	3,675,408	832,426	819,555	4,678,702	4,494,963
Restricted	46,135	52,229	-	-	46,135	52,229
Unrestricted	632,934	352,148	546,362	528,986	1,179,296	881,134
Total net position	$ 4,525,345	$ 4,079,785	$ 1,378,788	$ 1,348,541	$ 5,904,133	$ 5,428,326

A portion of the net position (0.8 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position ($1,179,296) may be used to meet the government's ongoing obligations to citizens and creditors.

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

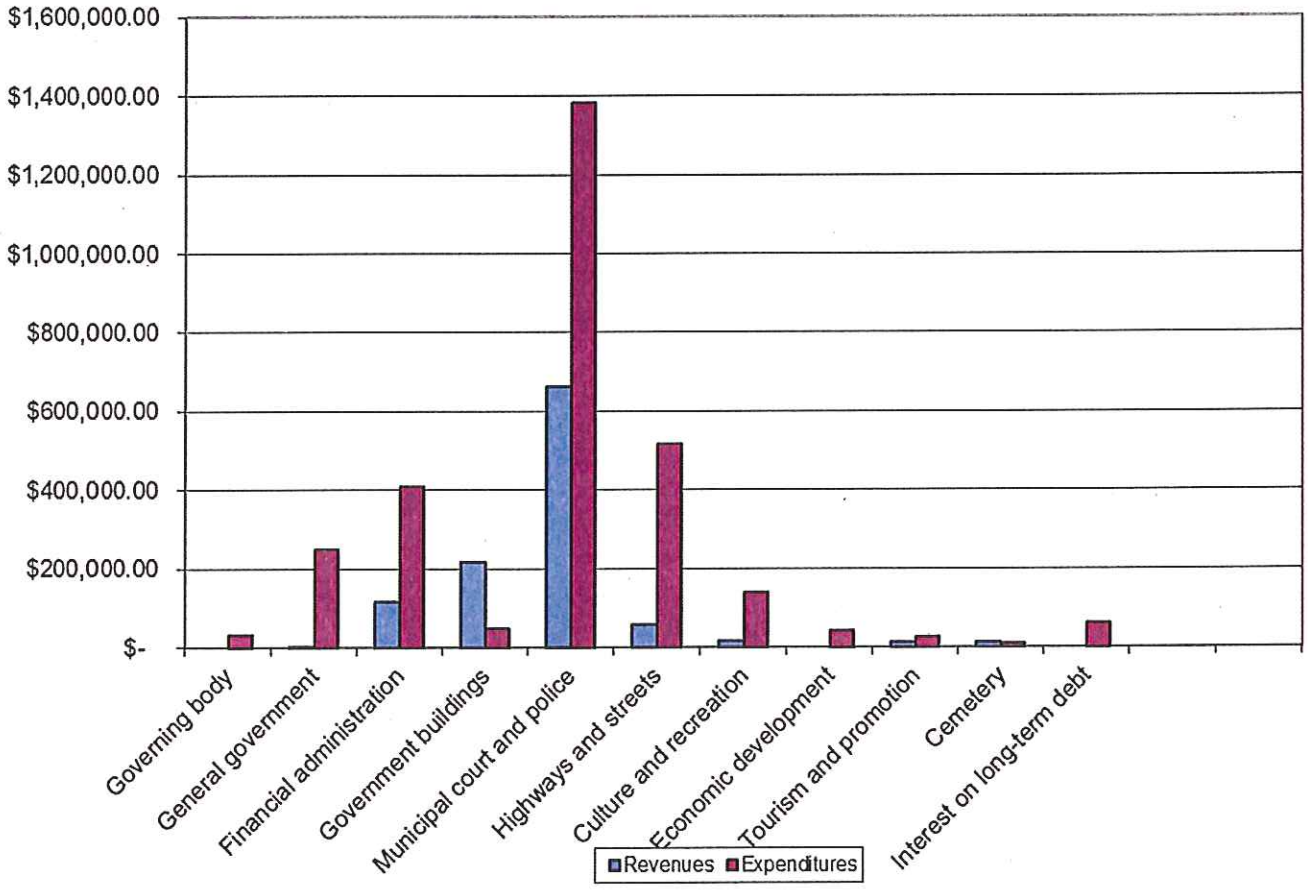
Governmental activities. Governmental activities increased the City's net position by $445,560. Key elements of this increase are as follows:

City of Stone Mountain's Change in Net Position
For The Years Ended December 31, 2014 and 2013

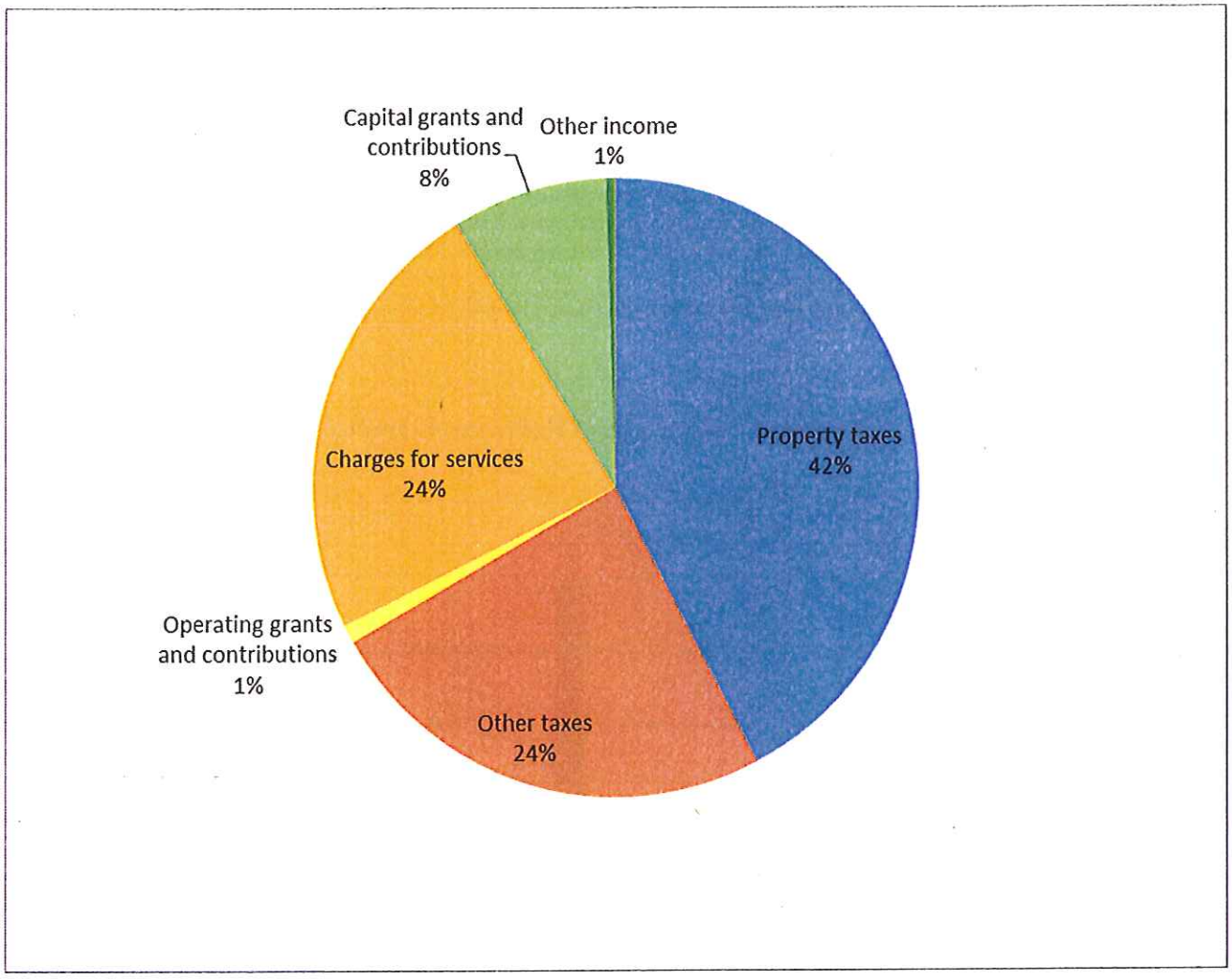
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues -						
Charges for services	$ 789,575	$ 722,305	$ 668,645	$ 671,730	$ 1,458,220	$ 1,394,035
Operating grants and contributions	32,478	107,093	-	-	32,478	107,093
Capital grants and contributions	276,886	135,126	-	-	276,886	135,126
General Revenues-						
Property taxes	1,418,179	1,493,424	-	-	1,418,179	1,493,424
Other taxes	817,957	788,562	-	-	817,957	788,562
Interest	157	9	-	-	157	9
Other	16,821	14,455	-	-	16,821	14,455
	3,352,053	3,260,974	668,645	671,730	4,020,698	3,932,704
Expenses:						
Governing body	33,581	36,435	-	-	33,581	36,435
General government	250,376	262,334	-	-	250,376	262,334
Financial administration	409,434	406,702	-	-	409,434	406,702
Government buildings	48,913	25,871	-	-	48,913	25,871
Municipal court and public safety	1,380,903	1,338,959	-	-	1,380,903	1,338,959
Highways and streets	516,841	465,243	-	-	516,841	465,243
Culture and recreation	138,425	151,735	-	-	138,425	151,735
Economic development	42,125	97,432	-	-	42,125	97,432
Tourism and promotion	26,704	69,954	-	-	26,704	69,954
Cemetery	10,566	6,373	-	-	10,566	6,373
Interest on long-term debt	62,199	64,986	-	-	62,199	64,986
Solid waste	-	-	514,964	516,946	514,964	516,946
Stormwater	-	-	109,860	58,433	109,860	58,433
	2,920,067	2,926,024	624,824	575,379	3,544,891	3,501,403
Increase (decrease) in net position before transfers	431,986	334,950	43,821	96,351	475,807	431,301
Transfers	13,574	10,019	(13,574)	(10,019)	-	-
Increase (decrease) in net position	445,560	344,969	30,247	86,332	475,807	431,301
Net position - beginning of year	4,079,785	3,734,816	1,348,541	1,262,209	5,428,326	4,997,025
Net position - end of year	$ 4,525,345	$ 4,079,785	$ 1,378,788	$ 1,348,541	$ 5,904,133	$ 5,428,326

- Total Governmental Activity revenue increased by $91,079 (2.8%). Although the real property taxable digest increased by 22.4%, total property tax revenue decreased by $75,245 due to a decrease in the ad valorem tax rate from 28 mils to 22 mils. Other Tax Revenue increased by $29,395 (3.7%) primarily due to an increase in HOST tax revenues of $30,416 (68.4%). Total program revenue increased by $131,330 (8.0%). Charges for services increased by $67,270 (9.3%) due to an increase in Municipal Court and Police revenues of $56,407 (9.3%). Operating grants decreased by $74,615 (69.7%) due to the conclusion of the ART Microenterprise Program that was funded by a Community Development Block Grant. Capital grants and contributions increased $141,750 from $135,126 to $276,886 primarily due to a capital grant for renovations to the historic train depot of $195,993.
- Total Governmental Activity expenses decreased slightly from $2,926,024 to $2,920,067. However there were significant increases and decreases among the various governmental activities from the prior year:
    - Expenditures for governmental buildings increased by $23,042 (89.1%) due to the reallocation of utility costs at City Hall from other units of governmental activities.
    - Expenditures for highways and streets increased by $51,598 (11.1%) primarily due to an increase in repairs to highways and streets of $39,856 (69.6%).
    - Expenditures for culture and recreation decreased by $13,310 (8.7%) primarily due to the reallocation of personnel costs to business-type activities in storm water management.
    - Expenditures for economic development decreased by $55,307 (56.7%) primarily due to the conclusion of the ART Microenterprise Program.
    - Expenditures for tourism and promotion decreased by $43,250 (61.8%).

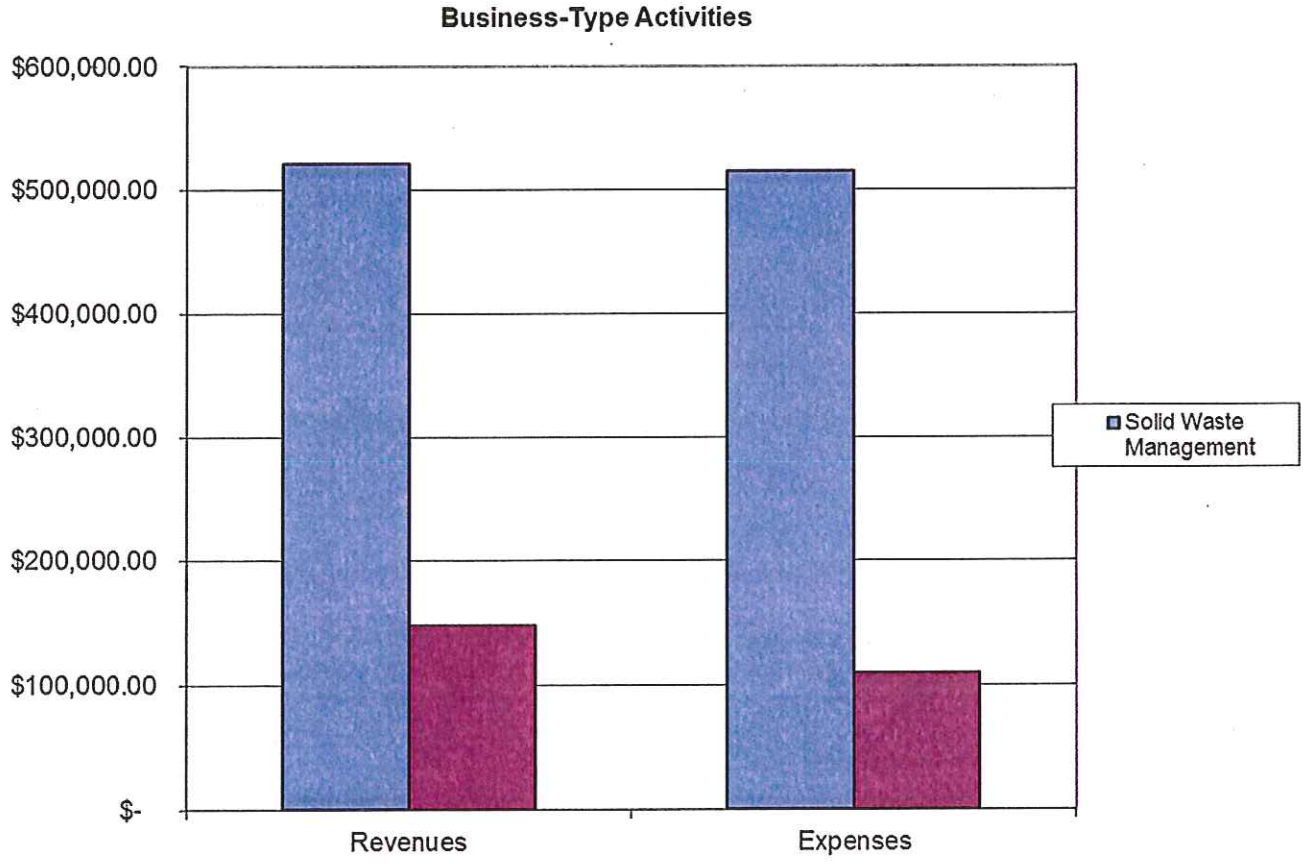
Expenses and Program Revenues-Governmental Activities



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type activities. Business type activities increased the City's net position by $30,247. The net position of the Solid Waste Management Fund decreased by $7,685 to $40,026 after a transfer to the General Fund of $13,574. The net position of the Storm Water Management Fund increased by $37,932 to $1,338,762. Storm water expenditures increased $31,222 for personnel services reallocated from highway and streets activities and $19,595 for purchased services.



Financial Analysis of the Government's Funds

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

Governmental Funds. The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2014 the city's governmental funds reported a combined ending fund balance of $442,868. Of this amount $247,249 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because $46,135 is restricted for specified activities, $126,812 is assigned for the 2015 budget and $22,672 is non-spendable and in the form of prepaid items.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was a balance of $247,249 while the total fund balance was $396,733. Unassigned fund balance represents 8.5% of General Fund expenditures while total fund balance of $396,733 represents 13.7% of General Fund expenditures.

During the current fiscal year the balance of the City's general fund increased by $245,625. Other notable changes for 2014 compared to 2013 were as follows:

- General Fund revenues of $2,997,295 for FY 2014 increased slightly over revenues of $2,993,504 in FY 2013. However there were significant increases and decreases among categories of General Fund revenue:
    - Municipal Court fines and forfeitures increased $63,309 (10.9%). During the past two years fines and forfeitures have fallen well below the historical average of $851,121 from 2006 through 2012.
    - Business licenses and permits increased $25,001 (28.6%).
    - Intergovernmental revenue decreased by $26,370 (38.5%).

- General Fund expenditures for FY 2014 were $2,896,972. This was an increase of $183,143 or six and seven tenths percent (6.7%) over FY 2013.
    - Capital outlay for FY 2014 increased from $3,686 to $127,849 ($124,163) for three new police cruisers and a motorized deck mower for public works.
    - Repairs to streets increased $39,856 (10.1%) from FY 2013.
- The City's General Fund made principal payments on its capital leases long-term debt of $115,333. Of this amount $54,183 was for City Hall. Total debt service increased slightly from $177,191 to $180,395 (1.8%).
- Transfers to the general fund from other funds in 2014 amounted to a net of $30,384 compared to net transfers to the general fund in 2013 of $111,708.
- Personnel expenses were nearly unchanged from FY 2013. Expenditures were $1,730,950 in FY 2014 compared to $1,728,653 in FY 2013. Pay rates were not increased in FY 2104. Sixteen days of unpaid leave in 2013 for all full time employees was discontinued. The increased expense was offset by a reduction in workers' compensation premium and temporary vacancies in positions of employment.

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

General Fund Budgetary Highlights

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

- A $39,070 mid-year increase in the General Fund budget to purchase a police vehicle for patrol duty. The purchase was subsequently funded by a capital lease through the Georgia Municipal Association.
- A $183,440 mid-year increase in the General Fund budget for real property tax revenue due to the increase in taxable assessments. This increase was offset by a projected decline in motor vehicle property tax of $77,941 and the remainder of $105,499 into the unreserved General Fund balance.
- A $69,800 increase in the General Fund budget for the transfer into the Capital Projects Fund for renovations to the historic train depot. The construction contract of $296,600 was funded in part by a Georgia Department of Transportation Enhancement grant of $235,000, of which $195,993 was received in FY 2014.
- A $42,058 increase in the General Fund budget for the receipt of a Local Maintenance Improvement Grant from the State of Georgia for street repairs. Combined with annual appropriations and HOST tax revenue the City completed $97,102 in street repairs in FY 2014 and was an increase of 69.6% over FY 2013.

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

Final results in actual revenue and expenditures varied from the 2014 budget in several areas most notably:

- Fines, Forfeitures and Court Cost revenue was $23,193 (3.5%) less than the amended budget.
- Overtime payroll for the Police Department was $5,112 (22.7%) more than the amended budget.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2014 amounts to $6,194,501 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles, equipment, and parks. Purchases of capital assets during the year include $106,000 for police cars and related equipment and $225,000 for improvements to the train depot. Additional information on the City's capital assets can be found in Note 8 beginning on page 36 of this report.

Long-term debt. At the end of the current fiscal year, the City had $1,585,737 in outstanding debt consisting of the following:

CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	Balance
Governmental Activities:	
Capital leases - equipment	$ 146,798
Capital leases - facilities	1,369,002
Compensated absences	69,937
Total Governmental Activiites	1,585,737
Business-Type Activites:	
Capital leases	-
Total Outstanding Debt	$ 1,585,737

The City's total debt increased $109. Additional information on the City's long-term debt can be found in note 9 on page 37 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Stone Mountain is approximately $6,900,000, which is significantly in excess of the City of Stone Mountain's outstanding general obligation debt.

Status of the City of Stone Mountain's Economy

- No reliable estimate of unemployment is available for the City. It is assumed that the unemployment rate is within the range of rates for surrounding areas as reported by the Georgia Department of Labor for December 2014:
  - The unemployment rate for the United States was 5.6%.
  - The unemployment rate for the State of Georgia was 6.6%.
  - The unemployment rate for the twenty-eight county Metropolitan Statistical Area was 6.0%.
  - The unemployment rate for the ten county Atlanta Region was 6.0%.
  - The unemployment rate for DeKalb County as of December 2014 was 6.8%
- Inflationary trends in the region compare favorably to national indices. According to the Bureau of Labor Statistics the consumer price index for all items increased 0.8% in the United States from December of 2013 to December of 2014 and 0.9% in Atlanta.
- The occupancy rate for properties in the central business district was unchanged in 2014.
- There was no new residential or commercial construction in the City in 2014.

All of these factors were considered in preparing the City of Stone Mountain's budget for FY 2015.

Requests for Information

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

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

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CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and cash equivalents	$ 949,961	$ -	$ 949,961	$ 22,695
Receivables (net of allowance for uncollectibles)				
Taxes	309,221	-	309,221	-
Fines	249,492	-	249,492	-
Intergovernmental	132,227	-	132,227	-
Accounts	2,450	74,765	77,215	1,735
Due from other funds	(485,408)	485,408	-	-
Due from component unit	607		607	(607)
Prepaid items	22,672	145	22,817	-
Deposits	-	-	-	-
Restricted assets -				
Cash	3,184	-	3,184	-
Non-depreciable capital assets	1,262,695	38,593	1,301,288	18,242
Depreciable capital assets	4,099,380	793,833	4,893,213	138,905
Total Assets	6,546,481	1,392,744	7,939,225	180,970
Liabilities				
Accounts Payable				
Operating	230,102	-	230,102	620
Accrued Liabilities -				
Compensated absences	32,664	-	32,664	-
Wages	50,956	-	50,956	-
Customer deposits	-	3,031	3,031	1,025
Other	54,913	-	54,913	8,709
Unearned Revenue	66,764	10,925	77,689	-
Long-Term Liabilities -				
Due Within One Year	108,594	-	108,594	10,209
Due In More Than One Year	1,477,143	-	1,477,143	162,526
Total Liabilities	2,021,136	13,956	2,035,092	183,089
Net Position				
Net investment in capital assets	3,846,276	832,426	4,678,702	(15,588)
Restricted for -				
Police activities	3,184	-	3,184	-
Economic development	-	-	-	-
Tourism and promotion	-	-	-	-
Cemetery up-keep	7,382	-	7,382	-
Capital outlay	35,569	-	35,569	-
Unrestricted	632,934	546,362	1,179,296	13,469
Total Net Position	$ 4,525,345	$ 1,378,788	$ 5,904,133	$ (2,119)

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
Governing Body	$ 33,581	$ -	$ -	$ -
General Government	250,376	-	728	-
Financial Administration	409,434	113,345	3,900	-
Government Buildings	48,913	-	-	217,770
Municipal Court and Police	1,380,903	664,480	-	-
Highways and Streets	516,841	-	-	59,116
Culture and Recreation	138,425	8,500	5,700	-
Economic Development	42,125	-	-	-
Tourism and Promotion	26,704	-	14,000	-
Cemetery	10,566	3,250	8,150	-
Interest on Long-Term Debt	62,199	-	-	-
Total Governmental Activities	2,920,067	789,575	32,478	276,886
Business-Type Activities				
Solid Waste Management	514,964	520,853	-	-
Stormwater Management	109,860	147,792	-	-
Total Business-Type Activities	624,824	668,645	-	-
Total Primary Government	$ 3,544,891	$ 1,458,220	$ 32,478	$ 276,886
Component Unit:				
Downtown Development Authority	$ 103,205	$ 50,770	$ 45,809	$ -
General Revenues:				
Taxes:				
Property				
Franchise				
Occupational				
Motor vehicle				
Host tax				
Insurance premium				
Alcohol beverage				
Hotel / Motel				
Other				
Interest Earnings				
Other				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning of Year, Adjusted				
Net Position - End of Year				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
$ (33,581)	$ -	$ (33,581)	$ -
(249,648)	-	(249,648)	-
(292,189)	-	(292,189)	-
168,857	-	168,857	-
(716,423)	-	(716,423)	-
(457,725)	-	(457,725)	-
(124,225)	-	(124,225)	-
(42,125)	-	(42,125)	-
(12,704)	-	(12,704)	-
834	-	834	-
(62,199)	-	(62,199)	-
(1,821,128)	-	(1,821,128)	-
-	5,889	5,889	-
-	37,932	37,932	-
-	43,821	43,821	-
(1,821,128)	43,821	(1,777,307)	-
-	-	-	(6,626)
1,418,179	-	1,418,179	-
240,412	-	240,412	-
40,882	-	40,882	-
93,576	-	93,576	-
74,874	-	74,874	-
312,930	-	312,930	-
32,947	-	32,947	-
357	-	357	-
21,979	-	21,979	-
157	-	157	-
16,821	-	16,821	-
2,253,114	-	2,253,114	-
13,574	(13,574)	-	-
2,266,688	(13,574)	2,253,114	-
445,560	30,247	475,807	(6,626)
4,079,785	1,348,541	5,428,326	4,507
$ 4,525,345	$ 1,378,788	$ 5,904,133	$ (2,119)

CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 949,961	$ -	$ 3,184	$ 953,145
Receivables -				
Taxes	292,751	16,470	-	309,221
Fines, net of allowance for bad debts of $374,238	249,492	-	-	249,492
Intergovernmental	-	132,227	-	132,227
Miscellaneous	2,450	-	-	2,450
Due from other funds	53,124	-	7,382	60,506
Due from component unit	-		607	607
Prepaid items	22,672	-	-	22,672
Deposits	-	-	-	-
Total assets	$ 1,570,450	$ 148,697	$ 11,173	$ 1,730,320
Liabilities				
Accounts payable	$ 208,325	$ 21,777	$ -	$ 230,102
Accrued liabilities	89,814	-	-	89,814
Due to other funds	492,790	52,517	607	545,914
Unearned revenue	66,764	-	-	66,764
Total liabilities	857,693	74,294	607	932,594
Deferred Inflows of Resources				
Unavailable revenues	316,024	38,834	-	354,858
Fund Balance				
Nonspendable -				
Prepaid items	22,672	-	-	22,672
Restricted -				
Police services	-	-	3,184	3,184
Economic development	-	-	-	-
Tourism and promotion	-	-	-	-
Cemetery up-keep	-	-	7,382	7,382
Capital outlay	-	35,569	-	35,569
Assigned - 2015 budget appropriations	126,812	-	-	126,812
Unassigned	247,249	-	-	247,249
Total fund balance (deficit)	396,733	35,569	10,566	442,868
Total liabilties, deferred inflows of resources and fund balance (deficit)	$ 1,570,450	$ 148,697	$ 11,173	$ 1,730,320

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances -- total governmental funds	$ 442,868
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,362,075
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unavailable revenues	354,858
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(1,515,800)
Long-term portion of compensated absences	(69,937)
Accrued interest payable	(48,719)
Net position of governmental activities	$ 4,525,345

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, 2014

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 2,182,254	$ 74,874	$ 357	$ 2,257,485
Business licenses and permits	112,474	-	-	112,474
Intergovernmental	42,059	195,993	5,000	243,052
Service fees	2,621	-	-	2,621
Fines and forfeitures	642,677	-	-	642,677
Interest	157	-	-	157
Rents	8,500	-	-	8,500
Miscellaneous	6,553	-	30,581	37,134
Total revenues	2,997,295	270,867	35,938	3,304,100
Expenditures:				
Current:				
Governing Body	35,195	-	-	35,195
General Government	248,221	-	-	248,221
Financial Administration	343,281	-	-	343,281
Government Buildings	48,851	-	-	48,851
Municipal Court	258,203	-	-	258,203
Public Safety	1,042,880	-	500	1,043,380
Highways and Streets	433,080	-	-	433,080
Culture and Recreation	136,892	-	-	136,892
Economic Development	42,125	-	-	42,125
Community Development	-	-	-	-
Tourism and Promotion	-	-	26,704	26,704
Cemetery	-	-	8,105	8,105
Capital outlay	127,849	260,780	-	388,629
Debt service				
Principal	115,333	-	-	115,333
Interest	65,062	-	-	65,062
Debt issue costs	-	-	-	-
Total expenditures	2,896,972	260,780	35,309	3,193,061
Excess (deficiency) of Revenues over Expenditures	100,323	10,087	629	111,039

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, 2014

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Capital lease proceeds	$ 110,203	$ -	$ -	$ 110,203
Proceeds from disposition of assets	4,715	-	-	4,715
Transfers (net)	30,384	(18,976)	2,166	13,574
Total other financing sources (uses)	145,302	(18,976)	2,166	128,492
Net change in fund balance	245,625	(8,889)	2,795	239,531
Fund Balance-Beginning of Year	151,108	44,458	7,771	203,337
Fund Balance-End of Year	$ 396,733	$ 35,569	$ 10,566	$ 442,868

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, 2014

Net change in fund balances -- total governmental funds	$	239,531
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays		365,499
Depreciation expense		(199,762)
The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. This is the amount of net book value of assets sold during the current period.		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances in the current period.		37,538
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Long-term debt proceeds		(110,203)
Repayment of long term debt		115,332
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest payable		2,863
Change in accrued compensated absences		(5,238)
Change in net position of governmental activities.	$	445,560

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, 2014

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Taxes	$ 2,078,727	$ 2,197,270	$ 2,182,254	$ (15,016)
Business licenses and permits	57,390	114,110	112,474	(1,636)
Intergovernmental	-	49,164	42,059	(7,105)
Service fees	10,500	10,500	2,621	(7,879)
Fines and forfeitures	689,300	665,870	642,677	(23,193)
Interest	10	10	157	147
Rents	8,050	8,050	8,500	450
Miscellaneous	5,600	5,963	6,553	590
Total revenues	2,849,577	3,050,937	2,997,295	(53,642)
Expenditures:				
Current:				
Governing Body	38,491	37,976	35,195	2,781
General Government	333,849	270,599	248,221	22,378
Financial Administration	315,281	352,656	343,281	9,375
Government Buildings	53,623	53,623	48,851	4,772
Municipal Court	262,897	263,162	258,203	4,959
Public Safety	1,047,668	1,083,499	1,042,880	40,619
Highways and Streets	416,919	499,468	433,080	66,388
Culture and Recreation	171,622	171,622	136,892	34,730
Economic Development	-	49,164	42,125	7,039
Community Development	-	-	-	-
Capital outlay	92,331	132,524	127,849	4,675
Debt service				
Principal	116,747	116,747	115,333	1,414
Interest	65,244	65,244	65,062	182
Total expenditures	2,914,672	3,096,284	2,896,972	199,312

(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, 2014

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Excess (deficiency) of Revenues over Expenditures	$ (65,095)	$ (45,347)	$ 100,323	$ 145,670
Other financing sources (uses)				
Capital Lease Proceeds	74,656	110,269	110,203	(66)
Proceeds from sale of capital assets	3,000	6,457	4,715	(1,742)
Transfers (net)	(12,561)	(71,379)	30,384	101,763
Total other financing sources (uses)	65,095	45,347	145,302	99,955
Net change in fund balance	-	-	245,625	245,625
Fund Balance-Beginning of Year	151,108	151,108	151,108	-
Fund Balance-End of Year	$ 151,108	$ 151,108	$ 396,733	$ 245,625

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Solid Waste Management	Stormwater Management	Total
ASSETS			
Current assets			
Receivables-			
Accounts	$ 44,199	$ 30,566	$ 74,765
Due from other governments	-	-	-
Due from other funds		485,408	485,408
Prepaid items	145	-	145
Total current assets	44,344	515,974	560,318
Noncurrent assets			
Capital assets			
Construction in progress	-	38,593	38,593
Autos and trucks	68,481	-	68,481
Machinery and equipment	23,130	-	23,130
Infrastructure	-	889,511	889,511
Accumulated depreciation	(81,973)	(105,316)	(187,289)
Capital assets (net of depreciation)	9,638	822,788	832,426
Total noncurrent assets	9,638	822,788	832,426
Total assets	53,982	1,338,762	1,392,744
LIABILITIES			
Current liabilities			
Accounts payable -			
Trade	-	-	-
Customer deposits	3,031	-	3,031
Unearned revenue	10,925	-	10,925
Accrued liabilities	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	13,956	-	13,956
Noncurrent liabilities			
Capital leases	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	13,956	-	13,956
Net Position			
Investments in capital assets	9,638	822,788	832,426
Unrestricted	30,388	515,974	546,362
Total Net Position	$ 40,026	$ 1,338,762	$ 1,378,788

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014

	Solid Waste Management	Stormwater Management	Total
OPERATING REVENUES			
Refuse collection	$ 381,536	$ -	$ 381,536
Dumpster collection	139,277	-	139,277
Stormwater fees	-	147,792	147,792
Miscellaneous	40	-	40
Total operating revenues	520,853	147,792	668,645
OPERATING EXPENSES			
Purchased products / services	485,687	-	485,687
Personal services and benefits	20,389	31,222	51,611
Purchased / contracted services	1,536	56,400	57,936
Supplies	1,505	-	1,505
Depreciation and amortization	3,484	22,238	25,722
Bad debt expense	-	-	-
Other	2,363	-	2,363
Total operating expenses	514,964	109,860	624,824
Operating income (loss)	5,889	37,932	43,821
Non-operating revenues and (expenses)			
Loss on sale of capital asset	-	-	-
Total non-operating revenues (expenses)	-	-	-
Income before transfers and capital contributions	5,889	37,932	43,821
Capital contributions	-	-	-
Transfers	(13,574)	-	(13,574)
CHANGE IN NET POSITION	(7,685)	37,932	30,247
NET POSITION - BEGINNING	47,711	1,300,830	1,348,541
NET POSITION - ENDING	$ 40,026	$ 1,338,762	$ 1,378,788

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, 2014

	Solid Waste Management	Stormwater Management	Total
Cash flows from operating activities:			
Cash received from customers and users	$ 525,054	$ 156,083	$ 681,137
Cash paid to suppliers for goods	(493,040)	(60,736)	(553,776)
Cash paid to employees	(18,440)	(26,886)	(45,326)
Net cash provided from operating activities	13,574	68,461	82,035
Cash flows from investing activities:			
Interest received	-	-	-
(Purchase) / redemption of investments	-	-	-
Net cash from investing activities	-	-	-
Cash flows from non-capital financing activities:			
Transfers	(13,574)	-	(13,574)
Change in due to/from other funds	-	(29,868)	(29,868)
Net cash flows from non-capital financing activities	(13,574)	(29,868)	(43,442)
Cash flows from capital financing activities:			
Purchases / construction of capital assets	-	(38,593)	(38,593)
Capital contributions	-	-	-
Principal payments on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Interest paid	-	-	-
Net cash flows from capital financing activities	-	(38,593)	(38,593)
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)	$ 5,889	$ 37,932	$ 43,821
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	3,484	22,238	25,722
(Increase) decrease in -			
Accounts receivable	761	8,291	9,052
Prepaids	-	-	-
Increase (Decrease) in -			
Accounts payable	-	-	-
Unearned revenues	409	-	409
Customer deposits	3,031	-	3,031
Accrued liabilities	-	-	-
Total adjustments	7,685	30,529	38,214
Net cash from operating activities	$ 13,574	$ 68,461	$ 82,035
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). The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

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

Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB No. 61 defines the reporting entity for determining which potential component units should be included in primary government's financial statements. Inclusion is based on organization's for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government. Using the above criteria the City of Stone Mountain Downtown Development Authority is a component unit of the City because of the significance of its operational and financial relationship with the City and is therefore included in the City's reporting entity. The City Council appoints all members of the Development Authority's Board of Directors and pays from the City's budget operational expenditures related to the Authority.

Discretely Presented Component Unit –

The component unit column in the Government – Wide Financial Statement includes the financial data of the City of Stone Mountain, Georgia Downtown Development Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the City. The City of Stone Mountain, Georgia Downtown Development Authority was organized to develop and promote commerce, industry and general welfare within the City. The City appoints the Authority's board members and provides significant funding for the Authority's operational expenditures within the City budget. The Authority does not issue separate financial statements.

(See Independent Auditor's Report)

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

C. Basic Financial Statements—Government-Wide Statements

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

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

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

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

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

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises 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 position, financial position, and cash flows. The City's proprietary fund is classified as an enterprise fund. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's major enterprise funds are as follows:

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

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

E. Measurement Focus

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

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

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

(See Independent Auditor's Report)

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

E. Measurement Focus – Continued

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

F. Basis of Accounting

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

1. Accrual

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

2. Modified Accrual:

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

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

G. Cash and Cash Equivalents

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

H. Inventory

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

(See Independent Auditor's Report)

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

I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2014 are recorded as prepaid items and are expensed during the period benefited.

J. Capital Assets

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

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during fiscal year ended December 31, 2014. 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.

P. Encumbrances

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

Q. Contributions of Capital

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

R. Estimates

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

(See Independent Auditor's Report)

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

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The government has no items that qualify for reporting in this category as of December 31, 2014.

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

T. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City's government-wide statement of net position reports $46,135 in restricted net position, of which $38,753 is restricted by enabling legislation.

U. Fund Balance – Governmental Funds

As of December 31, 2014, fund balances of the governmental funds are classified as follows:

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

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

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Stone Mountain's Council. Stone Mountain's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances approved by City Council prior to end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes through passage of a resolution. Unlike commitments, assignments generally only exist temporarily and do not normally have to have an additional action taken for their removal.

Unassigned – all other spendable amounts.

(See Independent Auditor's Report)

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

U. Fund Balance – Governmental Funds, (Continued)

As of December 31, 2014, fund balances are composed of the following:

	General	Capital Projects	Nonmajor Funds	Total
Nonspendable -				
Prepaid items	$ 22,672	$ -	$ -	$ 22,672
Restricted -				
Police activities	-	-	3,184	3,184
Cemetery up-keep	-	-	7,382	7,382
Capital projects	-	35,569	-	35,569
Assigned - for 2015 budget appropriations	126,812	-	-	126,812
Unassigned	247,249	-	-	247,249
Total	$ 396,733	$ 35,569	$ 10,566	$ 442,868

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

V. Budgets and Budgetary Accounting

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

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

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

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's financial policies require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of December 31, 2014, $656,714 of the government's bank balance of $909,899 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	656,714
Total	$ 656,714

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 2014, based upon the assessed value as of January 1, 2014, were levied on June 16, 2014. 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	$ 292,751	$ 16,470	$ -	$ 309,221
Fines	623,730	-	-	623,730
Intergovernmental	-	132,227	-	132,227
Accounts	2,450	-	-	2,450
Gross Receivables	918,931	148,697	-	1,067,628
Less: Allowance for Uncollectible	(374,238)	-	-	(374,238)
Net Total Receivables	$ 544,693	$ 148,697	$ -	$ 693,390

Proprietary Funds

	Solid Waste	Stormwater	Total
Accounts	$ 63,799	$ 30,566	$ 94,365
Less: Allowance for Uncollectible	(19,600)	-	$ (19,600)
Net Total Receivables	$ 44,199	$ 30,566	$ 74,765

(See Independent Auditor's Report)

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Governmental Funds –

Intergovernmental revenues for the year ended December 31, 2014 consist of the following:

State of Georgia, Dept of Transportation - Local Maintenance Improvement Grant (LMIG)	$	42,059
State of Georgia, Dept of Transportation -Transportation improvements		195,993
DeKalb Convention & Visitors Bureau		5,000
Total Intergovernmental Revenue	$	243,052

Intergovernmental receivables as of December 31, 2014 consist of the following:

State of Georgia, Dept of Transportation - Transportation improvements	$	115,170
MARTA - Transportation improvements		17,057
Total Intergovernmental Receivable	$	132,227

(See Independent Auditor's Report)

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2014 were as follows:

Payable From	Payable To: General Fund	Non Major	Stormwater Management	Total
General	$ -	$ 7,382	$ 485,408	$ 492,790
Capital Projects	52,517	-	-	52,517
Nonmajor	607	-	-	607
Total	$ 53,124	$ 7,382	$ 485,408	$ 545,914

Individual interfund transfers for the year ended December 31, 2014 were as follows:

Transfer From	Transfers To: General	Capital Projects	Nonmajor	Total
General	$ -	$ -	$ 2,166	$ 2,166
Capital Projects	18,976	-	-	18,976
Solid Waste	13,574	-	-	13,574
Total	$ 32,550	$ -	$ 2,166	$ 34,716

The City uses only one operating bank account for all the City's deposits and disbursements purposes. All monies collected for other funds and all expenditures for other funds are made through the General Fund operating bank account. The net amount for each fund is recorded as either a transfer in or out or a due to or from the General Fund. The transfers from the General Fund to the other funds are made to supplement the operations of the other funds. The amount payable to the Stormwater Fund from the General Fund is due to the net cash flows of the Stormwater Fund and is expected to be repaid to the Stormwater Fund in future years. The amount transferred to the General Fund from the Capital Projects Fund was to record the actual receipt of a grant in the General Fund that was accrued as a receivable in the Capital Projects Fund during 2013.

7. COMMITMENTS AND CONTINGENCIES

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

The City has two significant transportation improvement projects in progress as of December 31, 2014. The first project is the Historic Train Depot Renovation. Total cost for this project is $352,150. This project has qualified for Transportation Enhancement grants of $235,000. The second project consist of sidewalks and streetscapes in the downtown area. Total cost for this project is expected to be $1,271,100. This project has qualified for Transportation Enhancement grants of $640,000 and Marta grants of $440,000. Two other major capital projects have been placed in the long range plan maintained by the Atlanta Regional Commission. These are the Five Way Intersection Improvements and Main Street Streetscape Phase II. To qualify for federal funding the City must contribute twenty percent (20%) of the total cost of these projects. The City currently does not have the financial means to move forward on these projects in 2015.

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 471,774	$ -	$ -	$ 471,774
Construction in progress	549,093	241,828	-	790,921
Total	1,020,867	241,828	-	1,262,695
Capital assets being depreciated:				
Buildings & improvements	2,137,528	-	-	2,137,528
Infrastructure	2,091,049	-	-	2,091,049
Vehicles, including related equipment	461,825	106,302	(67,469)	500,658
Furniture and other equipment	868,068	17,370	-	885,438
Total capital assets being depreciated	5,558,470	123,672	(67,469)	5,614,673
Less accumulated depreciation for:				
Buildings & improvements	170,541	53,866	-	224,407
Infrastructure	159,298	52,276	-	211,574
Vehicles, including related equipment	384,449	37,918	(67,469)	354,898
Furniture and other equipment	668,712	55,702	-	724,414
Total accumulated depreciation	1,383,000	199,762	(67,469)	1,515,293
Total capital assets being depreciated, net	4,175,470	(76,090)	-	4,099,380
Governmental capital assets, net	$ 5,196,337	$ 165,738	$ -	$ 5,362,075

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

Administrative	$ 74,780
Police	58,836
Highways and Streets	62,152
Parks	1,533
Cemetery	2,461
Total depreciation expense	$ 199,762

(See Independent Auditor's Report)

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Construction in progress	$ -	$ 38,593	$ -	$ 38,593
Capital assets being depreciated:				
Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	23,130	-	-	23,130
Infrastructure	889,511	-	-	889,511
Total capital assets being depreciated	981,122	-	-	981,122
Less accumulated depreciation for:				
Vehicles, including related equipment	67,310	1,171	-	68,481
Machinery and equipment	11,180	2,313	-	13,493
Infrastructure	83,077	22,238	-	105,315
Total accumulated depreciation	161,567	25,722	-	187,289
Total capital assets being depreciated, net	819,555	(25,722)	-	793,833
Business-Type capital assets, net	$ 819,555	$ 12,871	$ -	$ 832,426

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

Solid Waste Management	$ 3,484
Stormwater Management	22,238
Total depreciation expense	$ 25,722

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, 2014:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Capital leases - equipment	$ 97,744	$ 110,203	$ (61,149)	$ 146,798	$ 52,103
Capital leases - facilities	1,423,185	-	(54,183)	1,369,002	56,491
Accrued compensated absences	64,699	57,579	(52,341)	69,937	-
Total Governmental Activities	$ 1,585,628	$ 167,782	$ (167,673)	$ 1,585,737	$ 108,594

(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 $187,571 and $99,059 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 3.21% and 3.40%.

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

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

F/Y/E	Capital Leases - Equipment		Capital Leases - Facilities		
December 31	Principal	Interest	Principal	Interest	Total
2015	52,103	3,930	56,491	58,319	170,843
2016	48,485	2,373	58,898	55,913	165,669
2017	34,976	936	61,407	53,404	150,723
2018	11,234	108	64,023	50,788	126,153
2019	-	-	66,750	48,061	114,811
2020	-	-	69,594	45,217	114,811
2021	-	-	72,558	42,252	114,810
2022	-	-	75,649	39,161	114,810
2023	-	-	78,872	35,939	114,811
2024	-	-	82,232	32,579	114,811
2025	-	-	85,735	29,076	114,811
2026	-	-	89,387	25,423	114,810
2027	-	-	93,195	21,615	114,810
2028	-	-	97,165	17,645	114,810
2029	-	-	101,306	13,506	114,812
2030	-	-	105,621	9,191	114,812
2031	-	-	110,119	4,691	114,810
	$ 146,798	$ 7,347	$ 1,369,002	$ 582,780	$ 2,105,927

Assets purchased under capital lease obligations are capitalized and depreciated in accordance with the City's capitalization policy. Depreciation expense for the year for assets under capital lease obligations amounted to $68,060 and accumulated depreciation as of December 31, 2014 was $203,025.

(See Independent Auditor's Report)

10. UNAVAILABLE AND UNEARNED REVENUES

Unavailable revenues as of December 31, 2014, 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	$	92,952
Franchise Taxes		540
Fines and Forfeitures		222,532
Intergovernmental		38,834
Total Unavailable Revenues	$	354,858

Amounts received but not yet earned as of December 31, 2014:		
Reported in Governmental Fund's balance sheet and Statement of Net Position:		
Grants	$	49,164
Occupation Taxes and Business Licenses		17,600
Total Unearned Revenues	$	66,764

11. RISK MANAGEMENT

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

Coverages are as follow:

Coverage Description - Property:		
Buildings and contents - (Blanket)	$	5,774,371
Automobile physical damage	Per application	
Coverage Description - Casualty:		
Comprehensive general liability	$	2,000,000
Automobile liability	$	1,000,000
Errors and omissions (Public Officials)	$	2,000,000
Employee benefits liability	$	1,000,000
Law enforcement liability	$	2,000,000
Coverage Description - Crime:		
Blanket bond - employees required to be bonded	$	500,000
Blanket bond - all other employees	$	500,000
Depositors forgery	$	500,000
Money and securities - loss inside and outside premises	$	250,000
Deductible:		
All coverages are subject to a per occurrence deductible of	$1,000 to $5,000	

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, 2014, the City collected hotel/motel taxes in the amount of $357 and expended 100% for tourism under the Visitor's Center contract.

13. JOINT VENTURE

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

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

14. DEFERRED COMPENSATION PLAN

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

15. DOWNTOWN DEVELOPMENT AUTHORITY – NOTE PAYABLE

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

In February 2010 the Downtown Development Authority borrowed $200,000 from a financial institution. The loan proceeds were used to refinance the City's General Fund loan of $175,000 and to pay loan closing costs. The loan has interest at 6.05% and is due in equal annual installments of $20,660 until February 2026. The land and building are security under the note agreement. As part of the loan agreement, the City has covenanted to levy an annual tax (not exceeding three mills per dollar upon the assessed value of the taxable property of the City) beginning with the calendar year 2011, and from year to year thereafter, on all taxable property located within the boundaries of the City, to produce in each calendar year revenues sufficient to fulfill the City's obligations hereunder, from which revenues there shall be appropriated sums sufficient to pay in full when due all of the obligations herein contracted to be paid by the City.

(See Independent Auditor's Report)

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

Annual repayment requirements under the debt agreement are as follow:

F/Y/E December 31	Principal	Interest
2015	10,209	10,450
2016	10,827	9,833
2017	11,482	9,178
2018	12,177	8,483
2019	12,913	7,746
2020	13,695	6,965
2021	14,523	6,137
2022	15,402	5,258
2023	16,334	4,326
2024	17,322	3,338
2025	18,370	2,290
2026	19,481	1,179
	$ 172,735	$ 75,183

16. EMPLOYEE BENEFIT PLANS

- 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.

- Funding Policy

SRP members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 9.37% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

(See Independent Auditor's Report)

16. EMPLOYEE BENEFIT PLANS-(Continued)

C. Annual Pension Cost

For the fiscal year, the City's annual pension cost of $122,431 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases of 3.5% plus age and service based merit increases per year. Both (a) and (b) included an inflation component of 3.5%. The actuarial of SRP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. SRP's unfunded actuarial accrued liability is being amortized (closed level dollar method) over a 30-year period from 1981 and current changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20-years for plan provision and 30 years for actuarial assumptions and cost methods. The remaining amortization period at December 31, 2014 is one year. Those amortization periods, if applicable, are closed for this plan year. The actuarial accrued liability as of July 1, 2013 was $2,500,419. Plan provisions and actuarial assumptions are the same as those used in previous valuations.

D. Trend Information

Annual trend information required by generally accepted accounting principles is present on page 45 and reveals the progress made in accumulating sufficient assets to pay benefits when due.

Three-Year Trend Information for SRP

Actuarial Report Date	Calendar Year Expense	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
7/1/2013	2014	$ 122,431	100.0%	$ -
7/1/2012	2013	$ 136,830	100.0%	$ -
7/1/2011	2012	$ 131,575	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)
7/1/2014	$ 2,912,853	$ 2,628,988	$ (283,865)	110.8%	$ 1,177,613	-24.1%
7/1/2013	$ 2,642,589	$ 2,500,419	$ (142,170)	105.7%	$ 1,283,925	-11.1%
7/1/2012	$ 2,366,590	$ 2,329,492	$ (37,098)	101.6%	$ 1,497,599	-2.5%

(See Independent Auditor's Report)

17. SHORT TERM BORROWINGS

During the year ended December 31, 2014 the City entered into a tax anticipation note obligation for operating purposes of $850,000 at a local financial institution with actual drawdowns under the agreement of $603,606. The borrowing, with a variable interest rate equal to LIBOR plus 2.25% times 65%, matured on December 31, 2014. Total short-term borrowings interest incurred and expended for the year ended December 31, 2014 was $2,970.

The following is a summary of the City's short-term borrowings for the year ended December 31, 2014:

	Beginning Balance	Increases	Decreases	Ending Balance
Tax anticipation note	$ -	$ 603,606	$ (603,606)	$ -

18. SUBSEQUENT EVENTS

In January 2015, the City issued a tax anticipation note for operating purposes of $850,000 at a local financial institution. The note is actually a line of credit and the balance as of May 29, 2015 amounted to $80,758. The borrowing, with a variable interest rate of LIBOR plus 2.75% times 65%, matures on December 31, 2015.

See Independent Auditor's Report)

19. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

A. Deficit fund balances or net position balances of individual funds – As of December 31, 2014 no fund of the City had a deficit fund balance.

B. Excess of expenditures over appropriations in individual funds – The City had no funds that incurred material excesses (if over 5 percent and greater than $5,000) of expenditures over appropriations 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, 2014.

(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)
7/1/2014	$ 2,912,853	$ 2,628,988	$ (283,865)	110.8%	$ 1,177,613	-24.1%
7/1/2013	$ 2,642,589	$ 2,500,419	$ (142,170)	105.7%	$ 1,283,925	-11.1%
7/1/2012	$ 2,366,590	$ 2,329,492	$ (37,098)	101.6%	$ 1,497,599	-2.5%
7/1/2011	$ 2,134,840	$ 2,044,402	$ (90,438)	104.4%	$ 1,334,568	-6.8%
7/1/2010	$ 1,908,589	$ 1,831,012	$ (77,577)	104.2%	$ 1,431,481	-5.4%
10/1/2009	$ 1,710,744	$ 1,926,004	$ 215,260	88.8%	$ 1,431,979	15.0%
11/1/2008	$ 1,643,577	$ 1,738,906	$ 95,329	94.5%	$ 1,287,889	7.4%
11/1/2007	$ 1,493,518	$ 1,488,626	$ (4,892)	100.3%	$ 1,149,047	-0.4%
11/1/2006	$ 1,344,920	$ 1,261,157	$ (83,763)	106.6%	$ 1,052,073	-8.0%
11/1/2005	$ 1,229,705	$ 1,135,767	$ (93,938)	108.3%	$ 771,160	-12.2%
11/1/2004	$ 1,120,801	$ 1,082,080	$ (38,721)	103.6%	$ 944,923	-4.1%
11/1/2003	$ 1,024,228	$ 1,007,232	$ (16,996)	101.7%	$ 831,880	-2.0%

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NONMAJOR FUNDS

CITY OF STONE MOUNTAIN, GEORGIA
DECEMBER 31, 2014
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.

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Special Revenue			
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Total
Assets				
Cash	$ -	$ 3,184	$ -	$ 3,184
Taxes receivable	-	-	-	-
Grant receivable	-	-	-	-
Due from other funds	7,382	-	-	7,382
Due from component unit			607	607
Deposits	-	-	-	-
	$ 7,382	$ 3,184	$ 607	$ 11,173
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	607	607
Total Liabilities	-	-	607	607
Fund Balance				
Restricted -				
Police Services	-	3,184	-	3,184
Economic Development	-	-	-	-
Tourism and Promotion	-	-	-	-
Cemetery up-keep	7,382	-	-	7,382
Unassigned	-	-	-	-
Total fund balance	7,382	3,184	-	10,566
Total liabilities and fund balance	$ 7,382	$ 3,184	$ 607	$ 11,173

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue			
Revenues:	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Total
Cemetery lot sales	$ 3,250	$ -	$ -	$ 3,250
Taxes	-	-	357	357
Intergovernmental	-	-	5,000	5,000
Fines and forfeitures	-	-	-	-
Other	8,150	-	19,181	27,331
Total Revenue	11,400	-	24,538	35,938
Expenditures;				
Current:				
Salaries and benefits	6,670	-	19,519	26,189
Purchased/contracted services	1,435	500	4,291	6,226
Supplies	-	-	2,894	2,894
Capital outlay	-	-	-	-
Total Expenditures	8,105	500	26,704	35,309
Excess (deficiency) of revenues over expenditures	3,295	(500)	(2,166)	629
Other financing sources (uses)				
Transfers in (out)	-	-	2,166	2,166
Net Change in Fund Balances	3,295	(500)	-	2,795
Fund Balance-Beginning of Year	4,087	3,684	-	7,771
Fund Balance-End of Year	$ 7,382	$ 3,184	$ -	$ 10,566

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, 2014 AND 2013

	2014	2013
Assets		
Cash	$ 949,961	$ 603,777
Receivables -		
Property taxes	127,342	138,752
Franchise taxes	160,535	152,504
Other taxes	4,874	4,176
Fines, net of allowance for bad debts of $374,238 in 2014 and 344,114 in 2013	249,492	229,409
Intergovernmental	-	-
Miscellaneous	2,450	-
Due from other funds	53,124	-
Due from component unit	-	-
Prepaid expenses	22,672	10,945
Total assets	$ 1,570,450	$ 1,139,563
Liabilities		
Accounts payable	$ 208,325	$ 89,993
Accrued liabilities	89,814	39,677
Due to other funds	492,790	485,109
Unearned revenues	66,764	56,356
Total liabilities	857,693	671,135
Deferred Inflows of Resources		
Unavailable revenues	316,024	317,320
Fund Balance (Deficit)		
Nonspendable - prepaid items	22,672	10,945
Assigned - for 2015 budget appropriations	126,812	121,479
Unassigned	247,249	18,684
Total fund balance (deficit)	396,733	151,108
Total liabilities, deferred inflows of resources and fund balance (deficit)	$ 1,570,450	$ 1,139,563

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2014 and 2013

	2014	2013
Revenues:		
Taxes	$ 2,182,254	$ 2,218,803
Business licenses and permits	112,474	87,473
Intergovernmental	42,059	68,429
Service fees	2,621	7,999
Fines and forfeitures	642,677	580,368
Interest	157	9
Rents	8,500	14,275
Miscellaneous	6,553	16,148
Total revenues	2,997,295	2,993,504
Expenditures:		
Current-		
Governing Body	35,195	36,919
General Government	248,221	261,068
Financial Administration	343,281	326,337
Government Buildings	48,851	25,871
Municipal Court	258,203	259,463
Public Safety	1,042,880	1,014,694
Highways and Streets	433,080	396,366
Culture and Recreation	136,892	150,677
Economic Development	42,125	59,542
Community Development	-	2,015
Capital Outlay	127,849	3,686
Debt service -		
Principal	115,333	110,242
Interest	65,062	66,949
Total expenditures	2,896,972	2,713,829
Excess (deficiency) of revenues over expenditures	100,323	279,675
Other financing sources (uses)		
Capital lease proceeds	110,203	-
Proceeds from sale of capital assets	4,715	17,804
Transfers (net)	30,384	111,708
Total other financing sources (uses)	145,302	129,512
Net change in fund balance	245,625	409,187
Fund Balance-Beginning of Year	151,108	(258,079)
Fund Balance-End of Year	$ 396,733	$ 151,108

(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, 2014
(With comparative actual amounts for the year ended December 31, 2013)

	2014			
	Final Budget	Actual	Variance	2013 Actual
Revenues				
Taxes:				
Property	$ 1,487,512	$ 1,440,069	$ (47,443)	$ 1,475,693
Utility franchise	228,500	239,871	11,371	239,955
Host tax	13,044	-	(13,044)	-
Alcoholic beverage	35,800	32,947	(2,853)	34,176
Insurance premium	289,056	312,930	23,874	299,290
Motor vehicle	93,258	93,576	318	88,881
Intangible taxes	12,000	13,871	1,871	25,496
Business and occupational	36,600	40,882	4,282	42,930
Other taxes	1,500	8,108	6,608	12,382
Total taxes	2,197,270	2,182,254	(15,016)	2,218,803
Business Licenses and Permits	114,110	112,474	(1,636)	87,473
Intergovernmental	49,164	42,059	(7,105)	68,429
Service Fees				
Police services	7,350	1,749	(5,601)	6,056
Miscellaneous	3,150	872	(2,278)	1,943
Total service fees	10,500	2,621	(7,879)	7,999
Fines and Forfeitures	665,870	642,677	(23,193)	580,368
Interest Earned	10	157	147	9
Rents	8,050	8,500	450	14,275
Miscellaneous				
Other	5,963	6,553	590	16,148
Total	5,963	6,553	590	16,148
Total Revenues	$ 3,050,937	$ 2,997,295	$ (53,642)	$ 2,993,504

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014
(With comparative actual totals for the year ended December 31, 2013)

	2014			
	Final Budget	Actual	Variance	2013 Actual
Expenditures				
Governing Body				
Personal services and benefits	$ 36,191	$ 34,243	$ 1,948	$ 36,085
Purchased / contracted services	1,725	945	780	715
Supplies	60	7	53	119
Total operating	37,976	35,195	2,781	36,919
Total Governing Body	37,976	35,195	2,781	36,919
General Government				
Personal services and benefits	126,599	125,681	918	143,598
Purchased / contracted services	128,247	113,372	14,875	89,958
Supplies	8,800	6,173	2,627	4,371
Other	6,953	2,995	3,958	23,141
Total operating	270,599	248,221	22,378	261,068
Capital outlay	-	-	-	-
Total General Government	270,599	248,221	22,378	261,068
Financial Administration				
Personal services and benefits	272,065	259,519	12,546	242,708
Purchased / contracted services	74,613	79,124	(4,511)	71,751
Supplies	5,978	4,638	1,340	11,878
Total operating	352,656	343,281	9,375	326,337
Capital outlay	1,883	1,023	860	-
Total Financial Administration	354,539	344,304	10,235	326,337

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014
(With comparative actual totals for the year ended December 31, 2013)

	2014			
	Final Budget	Actual	Variance	2013 Actual
Government Buildings				
Purchased / contracted services	$ 16,043	$ 16,994	$ (951)	$ 15,780
Supplies	36,850	31,857	4,993	10,091
Other	730	-	730	-
Total operating	53,623	48,851	4,772	25,871
Capital outlay	3,000	63	2,937	-
Total Government Buildings	56,623	48,914	7,709	25,871
Municipal Court				
Personal services and benefits	112,317	107,853	4,464	113,313
Purchased / contracted services	35,270	33,756	1,514	43,755
Supplies	3,276	3,080	196	1,394
Other Costs	112,299	113,514	(1,215)	101,001
Total operating	263,162	258,203	4,959	259,463
Capital outlay	-	-	-	1,340
Total Municipal Court	263,162	258,203	4,959	260,803
Public Safety				
Police				
Personal services and benefits	933,290	908,326	24,964	871,617
Purchased / contracted services	80,944	76,147	4,797	73,733
Supplies	69,265	58,407	10,858	69,344
Total operating	1,083,499	1,042,880	40,619	1,014,694
Capital outlay	115,211	115,093	118	2,346
Total Public Safety	1,198,710	1,157,973	40,737	1,017,040

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014
(With comparative actual totals for the year ended December 31, 2013)

	2014			
	Final Budget	Actual	Variance	2013 Actual
Highways and Streets				
Personal services and benefits	$ 228,211	$ 185,692	$ 42,519	$ 193,525
Purchased / contracted services	143,250	130,687	12,563	87,841
Supplies	128,007	116,701	11,306	115,000
Total operating	499,468	433,080	66,388	396,366
Capital outlay	12,430	11,670	760	-
Total Highways and Streets	511,898	444,750	67,148	396,366
Culture and Recreation				
Personal services and benefits	135,003	109,636	25,367	127,807
Purchased / contracted services	23,400	21,674	1,726	16,178
Supplies	13,219	5,582	7,637	6,692
Other costs	-	-	-	-
Total operating	171,622	136,892	34,730	150,677
Capital outlay	-	-	-	-
Total Recreation	171,622	136,892	34,730	150,677

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2014
(With comparative actual totals for the year ended December 31, 2013)

	2014			
	Final Budget	Actual	Variance	2013 Actual
Economic Development				
Personal services and benefits	$ -	$ -	$ -	$ -
Purchased / contracted services	49,164	42,125	7,039	59,542
Supplies	-	-	-	-
Total operating	49,164	42,125	7,039	59,542
Capital outlay	-	-	-	-
Total Economic Development	49,164	42,125	7,039	59,542
Community Development				
Personal services and benefits	-	-	-	2,015
Purchased / contracted services	-	-	-	-
Other costs	-	-	-	-
Total Community Development	-	-	-	2,015
Debt Service				
Principal	116,747	115,333	1,414	110,242
Interest	65,244	65,062	182	66,949
Total Debt Service	181,991	180,395	1,596	177,191
Total Expenditures	$ 3,096,284	$ 2,896,972	$ 199,312	$ 2,713,829

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SPECIAL REVENUE FUNDS

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

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

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

CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2014 AND 2013

	2014	2013
Assets		
Due from other funds	$ 7,382	$ 4,087
Total Assets	$ 7,382	$ 4,087
Liabilities and Fund Balance		
Liabilities	$ -	$ -
Fund balance		
Restricted for cemetery up-keep	7,382	4,087
Total fund balance	$ 7,382	$ 4,087

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, 2014
(With comparative actual amounts for the year ended December 31, 2013)

	2014			
	Budget	Actual	Variance	2013 Actual
Revenues				
Cemetery lot sales	$ 2,000	$ 3,250	$ 1,250	$ 2,000
Gifts	5,000	8,150	3,150	6,000
Total Revenues	7,000	11,400	4,400	8,000
Expenditures				
Current				
Salaries and benefits	7,710	6,670	1,040	2,428
Purchased/contracted services	2,840	1,435	1,405	1,485
Capital outlay	-	-	-	-
Total Expenditures	10,550	8,105	2,445	3,913
Excess of revenues over (under) expenditures	(3,550)	3,295	6,845	4,087
Other financing sources (uses)				
Transfers	3,550	-	(3,550)	-
Net change in fund balance	-	3,295	3,295	4,087
Fund Balance-Beginning of Year	4,087	4,087	-	-
Fund Balance-End of Year	$ 4,087	$ 7,382	$ 3,295	$ 4,087

CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2014 AND 2013

	2014	2013
Assets		
Cash	$ 3,184	$ 4,228
Total assets	$ 3,184	$ 4,228
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	-	544
Fund balance:		
Restricted for police budget enhancement	3,184	3,684
Total liabilities and fund balance	$ 3,184	$ 4,228

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, 2014
(With comparative actual amounts for the year ended December 31, 2013)

	2014			
	Budget	Actual	Variance	2013 Actual
Revenues				
Forfeitures	$ 4,000	$ -	$ (4,000)	$ 1,634
Other	-	-	-	-
Total Revenues	4,000	-	(4,000)	1,634
Expenditures				
Current -				
Supplies	-	-	-	-
Purchased/contracted services	800	500	300	-
Capital outlay-				
Machinery and equipment	3,200	-	3,200	1,836
Total Expenditures	4,000	500	3,500	1,836
Excess (deficiency) of Revenues over Expenditures	-	(500)	(500)	(202)
Other financing sources (uses) Transfers in (out)	-	-	-	-
Net change in fund balance	-	(500)	(500)	(202)
Fund Balance-Beginning of Year	3,684	3,684	-	3,886
Fund Balance-End of Year	$ 3,684	$ 3,184	$ (500)	$ 3,684

CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2014 AND 2013

	2014	2013
Assets		
Taxes receivable	$ -	$ -
Due from component unit	607	-
Total Assets	$ 607	$ -
Liabilities and Fund Balance		
Due to other funds	607	-
Fund balance - Restricted for Tourism and Promotion	-	-
Total Liabilities and Equity	$ 607	$ -

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, 2014
(With comparative actual amounts for the year ended December 31, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Hotel / Motel tax	$ 150	$ 357	$ 207	$ 993
Event revenue	3,000	5,444	2,444	-
Intergovernmental	2,500	5,000	2,500	-
Contributions from MSSM	4,737	4,737	-	-
Contributions from SMMA	9,000	9,000	-	9,000
Total Revenues	19,387	24,538	5,151	9,993
Expenditures				
Current -				
Tourism and Promotion	24,987	26,704	(1,717)	10,766
Total Expenditures	24,987	26,704	(1,717)	10,766
Excess (deficiency) of Revenues over Expenditures	(5,600)	(2,166)	3,434	(773)
Other financing sources (uses)				
Transfers in (out)	5,600	2,166	(3,434)	773
Net change in fund balance	-	-	-	-
Fund Balance-Beginning of Year	-	-	-	-
Fund balance-end of Year	$ -	$ -	$ -	$ -

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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, 2014 AND 2013

	2014	2013
Assets		
Cash	$ -	$ -
Receivables -		
Other taxes	16,470	18,976
Grant	132,227	-
Due from other funds	-	25,482
Total Assets	$ 148,697	$ 44,458
Liabilities		
Accounts payable	$ 21,777	$ -
Accrued liabilities	-	-
Due to other funds	52,517	-
Total Liabilities	74,294	-
Deferred Inflows of Resources		
Unavailable revenues	38,834	-
Fund balance -		
Restricted for capital outlay	35,569	44,458
Unassigned	-	-
Total Fund Balance	35,569	44,458
Total Liabilities, Deferred Inflows of resources and Fund Balance	$ 148,697	$ 44,458

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, 2014
(With comparative actual amounts for the year ended December 31, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	$ 1,275,364	$ 195,993	$ (1,079,371)	$ 107,411
Interest	-	-	-	-
Taxes	63,384	74,874	11,490	44,458
Total Revenues	1,338,748	270,867	(1,067,881)	151,869
Expenditures				
Capital Outlay				
Highways and Streets	1,107,167	34,034	1,073,133	3,970
General Government Buildings	315,443	226,746	88,697	979
Debt Service				
Debt Issue Cost	-	-	-	-
Total Expenditures	1,422,610	260,780	1,161,830	4,949
Excess (deficiency) of Revenues over Expenditures	(83,862)	10,087	93,949	146,920
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	-	-
Transfers	83,862	(18,976)	(102,838)	(102,462)
Net change in fund balance	-	(8,889)	(8,889)	44,458
Fund balance-Beginning of Year	44,458	44,458	-	-
Fund balance-end of Year	$ 44,458	$ 35,569	$ (8,889)	$ 44,458

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ENTERPRISE FUNDS

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

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

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

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2014 AND 2013

	2014	2013
Assets		
Current assets		
Accounts receivable		
Sanitation	$ 35,635	$ 38,723
Dumpsters	8,564	6,237
Prepaid items	145	145
Total current assets	44,344	45,105
Noncurrent assets		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	23,130	23,130
Accumulated depreciation	(81,973)	(78,489)
Capital assets (net of depreciation)	9,638	13,122
Total noncurrent assets	9,638	13,122
Total assets	53,982	58,227
Liabilities		
Current liabilities		
Accounts payable	-	-
Customer deposits	3,031	-
Unearned revenue	10,925	10,516
Accrued liabilities	-	-
Current liabilities	13,956	10,516
Noncurrent liabilities		
Capital lease payable	-	-
Total noncurrent liabilities		
Total liabilities	13,956	10,516
Net Position		
Investment in capital assets	9,638	13,122
Unrestricted	30,388	34,589
Total net position	$ 40,026	$ 47,711

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2014 and 2013

	2014	2013
OPERATING REVENUES:		
Refuse collection	$ 381,536	$ 381,960
Dumpster collection	139,277	145,159
Miscellaneous	40	-
Total operating revenues	520,853	527,119
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	1,054	693
Dumpster collection	124,633	131,688
Sanitation expense	360,000	352,254
Personal services and benefits	20,389	19,094
Purchased / contracted services	1,536	1,536
Supplies	1,505	1,195
Depreciation	3,484	8,286
Bad debt expense	-	2,200
Other	2,363	-
Total operating expenses	514,964	516,946
Operating income	5,889	10,173
NONOPERATING INCOME/(EXPENSES)		
Loss on sale of capital assets	-	-
Total nonoperating income/(expense)	-	-
Income before transfers and capital contributions	5,889	10,173
Capital contributions	-	-
Transfers in/(out)	(13,574)	(10,019)
Change in net position	(7,685)	154
NET POSITION, BEGINNING OF YEAR	47,711	47,557
NET POSITION, END OF YEAR	$ 40,026	$ 47,711

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers and users	$ 525,054	$ 532,359
Cash paid to suppliers	(493,040)	(507,473)
Cash paid to employees	(18,440)	(14,867)
Net cash provided by operating activities	13,574	10,019
Cash flows from capital financing activities:		
Proceeds from sales of capital assets	-	-
Purchase of capital assets	-	-
Principal paid on capital debt	-	-
Net cash provided by capital financing activities	-	-
Cash flows from non-capital financing activities:		
Transfers	(13,574)	(10,019)
Net cash provided by non-capital financing activities	(13,574)	(10,019)
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

	2014	2013
Operating income (loss)	$ 5,889	$ 10,173
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,484	8,286
(Increase) decrease in receivables	761	8,864
(Increase) decrease in prepaids	-	(145)
Increase (decrease) in accounts payable	-	(13,236)
Increase (decrease) in unearned revenues	409	(3,624)
Increase (decrease) in customer deposits	3,031	-
Increase (decrease) in accrued liabilities	-	(299)
Net cash provided by operating activities	$ 13,574	$ 10,019

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
Current assets		
Receivables, net -		
Accounts	$ 30,566	$ 38,857
Due from FEMA	-	-
Due from other funds	485,408	455,540
Total current assets	515,974	494,397
Non-Current Assets		
Capital assets -		
Construction in progress	38,593	-
Infrastructure	889,511	889,511
Accumulated depreciation	(105,316)	(83,078)
Capital assets, net of depreciation	822,788	806,433
Total non-current assets	822,788	806,433
Total Assets	1,338,762	1,300,830
LIABILITIES		
Current liabilities		
Accounts payable	-	-
Total current liabilities	-	-
Noncurrent Liabilities	-	-
Total liabilities	-	-
NET POSITION		
Investment in capital assets	822,788	806,433
Unrestricted	515,974	494,397
Total Net Position	$ 1,338,762	$ 1,300,830

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
Charges for services	$ 147,792	$ 144,611
Total operating revenues	147,792	144,611
OPERATING EXPENSES		
Personal services and benefits	31,222	-
Purchased/contracted services	56,400	36,805
Supplies	-	-
Depreciation	22,238	21,628
Other	-	-
Total operating expenses	109,860	58,433
Operating income (loss)	37,932	86,178
Non-operating revenues and (expenses)		
Interest income	-	-
Income before transfers and capital contributions	37,932	86,178
Capital contributions	-	-
Transfers	-	-
Change in net position	37,932	86,178
NET POSITION - BEGINNING	1,300,830	1,214,652
NET POSITION - ENDING	$ 1,338,762	$ 1,300,830

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers and users	$ 156,083	$ 141,865
Cash paid to suppliers for goods	(60,736)	(36,805)
Cash paid to employees	(26,886)	-
Net cash provided from operating activities	68,461	105,060
Cash flows from investing activities:		
Interest income	-	-
Net cash from investing activities	-	-
Cash flows from non-capital financing activities:		
Change in due to/from other funds	(29,868)	(58,646)
Net cash flows from non-capital financing activities	(29,868)	(58,646)
Cash flows from capital financing activities:		
Proceeds from capital contributions	-	-
Purchase of capital assets	(38,593)	(46,414)
Net cash flows from capital financing activities	(38,593)	(46,414)
Net cash flows	-	-
Cash and cash equivalents - beginning	-	-
Cash and cash equivalents - ending	$ -	$ -

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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2014	2013
Operating income (loss)	$ 37,932	$ 86,178
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	22,238	21,628
(Increase) decrease in receivables	8,291	(2,746)
Increase (decrease) in accounts payable	-	-
Total adjustments	30,529	18,882
Net cash from operating activities	$ 68,461	$ 105,060

CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2014 AND 2013

	2014	2013
Assets		
Assets:		
Cash	$ 22,695	$ 34,535
Rents receivable	1,735	1,735
Total Assets	$ 24,430	$ 36,270
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ 620	$ -
Due to other funds	607	-
Tenant deposits	1,025	1,025
Total Liabilities	2,252	1,025
Fund equity:		
Fund Balance - Unassigned	22,178	35,245
Total Fund Equity	22,178	35,245
Total Liabilities and Fund Equity	$ 24,430	$ 36,270

CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Revenues:		
Rents	$ 26,750	$ 30,263
Event fees	14,656	-
Contributions -		
City	42,125	-
Other	3,184	-
Miscellaneous	9,864	-
Total Revenues	96,579	30,263
Expenditures:		
Personal services and benefits	43,593	-
Purchased / contracted services	18,655	1,798
Supplies	4,392	2,474
Events	22,347	-
Debt service -		
Principal	9,626	9,078
Interest	11,033	11,582
Total Expenditures	109,646	24,932
Excess of revenues over (under) expenditures	(13,067)	5,331
Other financing sources (uses):		
Proceeds from note issue	-	-
Proceeds from sale of asset	-	-
Total Other Financing Sources (Uses)	-	-
Net change in fund balance	(13,067)	5,331
Fund Balance - Beginning of year	35,245	29,914
Fund Balance - End of year	$ 22,178	$ 35,245