CITY OF STONE MOUNTAIN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2016

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

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SNELLVILLE, GEORGIA 30078

CITY OF STONE MOUNTAIN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

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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, 2016, 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, 2016 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 and the Schedule of Changes in the Pension Liability and Related Ratios on pages 49 - 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Stone Mountain, Georgia's basic financial statements for the year ended December 31, 2016, 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 2016 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 2016 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 2016 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated June 15, 2017 on our consideration of City of Stone Mountain, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Stone Mountain, Georgia's internal control over financial reporting and compliance.

Snellville, Georgia
June 15, 2017

James L. Whitaker, P.C.

CITY OF STONE MOUNTAIN
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Stone Mountain, we offer readers of the City of Stone Mountain's financial statements this narrative overview and analysis of the financial activities of the City of Stone Mountain for the fiscal year ended December 31, 2016. 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, 2016 by $7,116,411. Of this amount unrestricted net position of $1,931,023 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $1,337,872. Of this amount, an increase of $1,317,448 was associated with governmental activities and an increase of $20,424 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 $888,626 an increase of $311,048 in comparison with the prior year. Of this amount $717,734 is unassigned; $13,628 is restricted for various specified activities; $95,184 is assigned for the 2017 budget and $62,080 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 $959,908 or 32.6% of the General Fund expenditures.

- The City of Stone Mountain's total debt obligations (including accrued compensated absences) increased by the net of $87,882. Principal payments were made on outstanding capital leases of $159,938 while the City entered into a new lease obligation amounting to $40,948 for new a police vehicle and related equipment. The City did implement GASB 68 during fiscal year 2015 which requires recognition of the City's "net pension liability, which was $127,990 as of December 31, 2015 and $330,039 at December 31, 2016.

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 15.

The City of Stone Mountain adopts an annual budget for its General fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the FY 2016 budget. The budgetary comparison statements begin on page 20.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 26.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At December 31, 2016, the City's assets exceeded liabilities by $7,116,411. The City's net position reflects its investment in capital assets (72.7 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 $7,116,411, $13,628 (.2 percent) is restricted for various specified activities and $1,931,023 (27.1 percent) is unrestricted.

City of Stone Mountain's Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 1,908,314	$ 1,073,099	$ 611,119	$ 638,859	$ 2,519,433	$ 1,711,958
Capital assets	5,766,791	5,146,032	862,843	810,859	6,629,634	5,956,891
Deferred outflows	340,731	191,563	-	-	340,731	191,563
Total assets	8,015,836	6,410,694	1,473,962	1,449,718	9,489,798	7,860,412
Current liabilities	476,703	266,048	18,083	14,263	494,786	280,311
Long-term liabilities	1,815,048	1,727,166	-	-	1,815,048	1,727,166
Deferred inflows	63,553	74,396	-	-	63,553	74,396
Total liabilities	2,355,304	2,067,610	18,083	14,263	2,373,387	2,081,873
Net position:						
Net investment in capital assets	4,308,917	3,569,168	862,843	810,859	5,171,760	4,380,027
Restricted	13,628	7,337	-	-	13,628	7,337
Unrestricted	1,337,987	766,579	593,036	624,596	1,931,023	1,391,175
Total net position	$ 5,660,532	$ 4,343,084	$ 1,455,879	$ 1,435,455	$ 7,116,411	$ 5,778,539

(1) The net position for Governmental Activities was adjusted for at the beginning of f/y 2015 as a result of the City implementing GASB Statements 68 which requires recognition of the City's Net Pension Liability and related deferred items. The adjustment resulted in a decrease in the net position of $15,859 to $4,509,486.

A portion of the net position (0.2 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position ($1,931,023) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities increased the City's net position by $1,317,448. Key elements of this increase are as follows:

City of Stone Mountain's Change in Net Position
For The Years Ended December 31, 2016 and 2015

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues -						
Charges for services	$ 839,816	$ 510,612	$ 674,861	$ 669,449	$ 1,514,677	$ 1,180,061
Operating grants and contributions	26,550	26,053	-	-	26,550	26,053
Capital grants and contributions	813,202	66,574	-	-	813,202	66,574
General Revenues-						
Property taxes	1,767,673	1,586,113	-	-	1,767,673	1,586,113
Other taxes	901,316	843,061	-	-	901,316	843,061
Interest	4	3	-	-	4	3
Other	9,826	45,930	-	-	9,826	45,930
	4,358,387	3,078,346	674,861	669,449	5,033,248	3,747,795
Expenses:						
Governing body	34,767	32,971	-	-	34,767	32,971
General government	300,734	233,015	-	-	300,734	233,015
Financial administration	462,442	418,891	-	-	462,442	418,891
Government buildings	51,374	52,276	-	-	51,374	52,276
Municipal court and public safety	1,385,625	1,360,635	-	-	1,385,625	1,360,635
Highways and streets	469,665	805,156	-	-	469,665	805,156
Culture and recreation	159,430	175,798	-	-	159,430	175,798
Economic development	83,975	69,094	-	-	83,975	69,094
Tourism and promotion	29,211	27,218	-	-	29,211	27,218
Cemetery	11,122	14,847	-	-	11,122	14,847
Interest on long-term debt	60,546	63,035	-	-	60,546	63,035
Solid waste	-	-	537,027	512,770	537,027	512,770
Stormwater	-	-	109,458	91,824	109,458	91,824
	3,048,891	3,252,936	646,485	604,594	3,695,376	3,857,530
Increase (decrease) in net position before transfers	1,309,496	(174,590)	28,376	64,855	1,337,872	(109,735)
Transfers	7,952	8,188	(7,952)	(8,188)	-	-
Increase (decrease) in net position	1,317,448	(166,402)	20,424	56,667	1,337,872	(109,735)
Net position - beginning of year	4,343,084	4,509,486	1,435,455	1,378,788	5,778,539	5,888,274
Net position - end of year	$ 5,660,532	$ 4,343,084	$ 1,455,879	$ 1,435,455	$ 7,116,411	$ 5,778,539

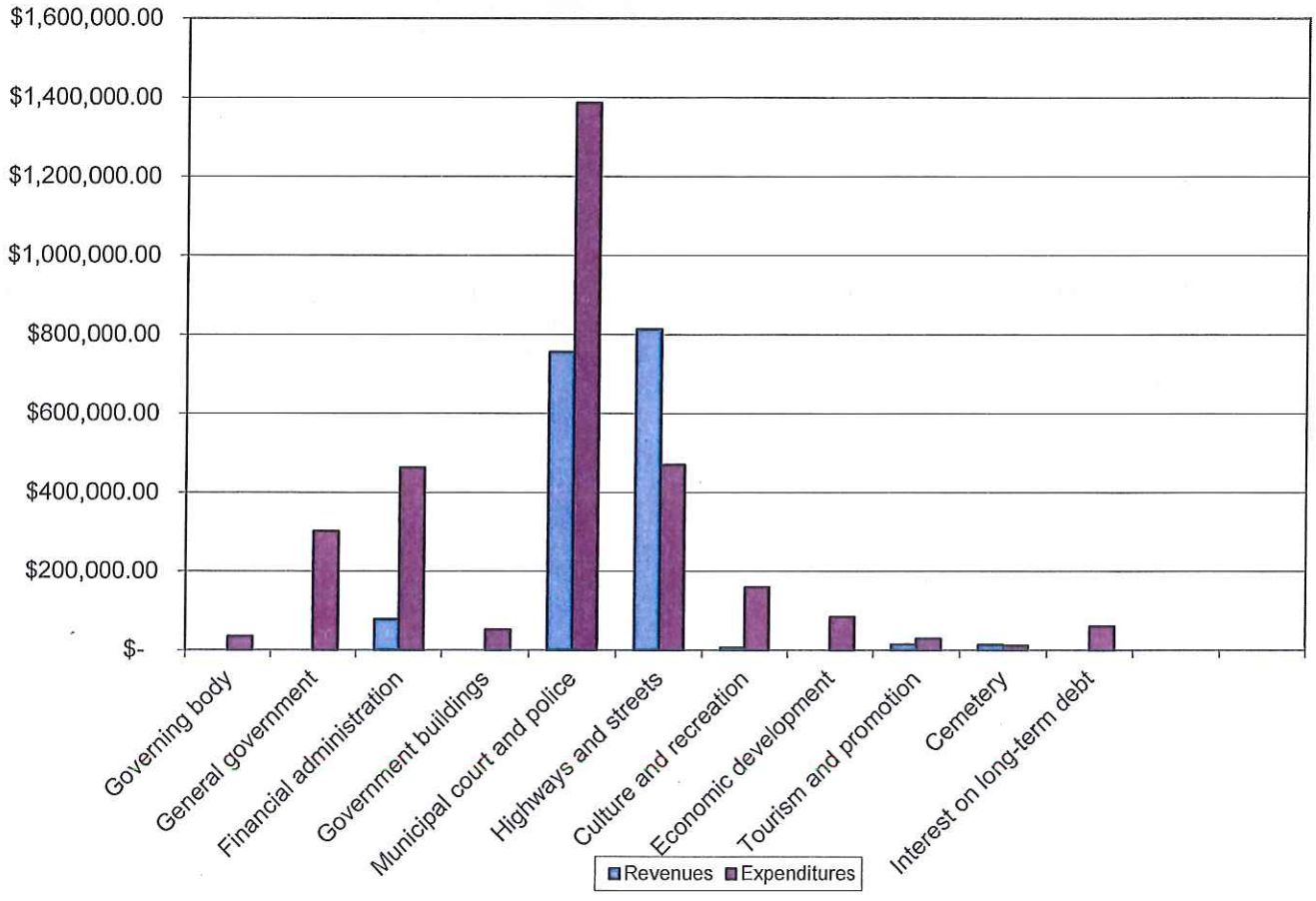
(1) The net position for Governmental Activities was adjusted for at the beginning of f/y 2015 as a result of the City implementing GASB Statements 68 which requires recognition of the City's Net Pension Liability and related deferred items. The adjustment resulted in a decrease in the net position of $15,859 to $4,509,486.

- Total Governmental Activity revenue increased by $1,280,041 (4.16%). Total property tax revenue increased by $181,560 due to an increase in the ad valorem tax rate from 20.9 mils to 22.27 mils. Other Tax Revenue increased by $58,255 (6.9%) primarily due to an increase in Insurance Premium tax revenues of $27,813 (47.8%). Total program revenue increased by $1,076,329 (178.5%). Charges for services increased by $329,204 (63.4%) due primarily to an increase in Municipal Court and Police revenues of $253,107(65.0%). Operating grants decreased by $497 (1.9%). Capital grants and contributions increased $746,628 from $66,574 to $813,202 primarily due to capital grant revenue in the amount of $564,964 for the East Mountain Street and Second Street sidewalk and streetscape project.

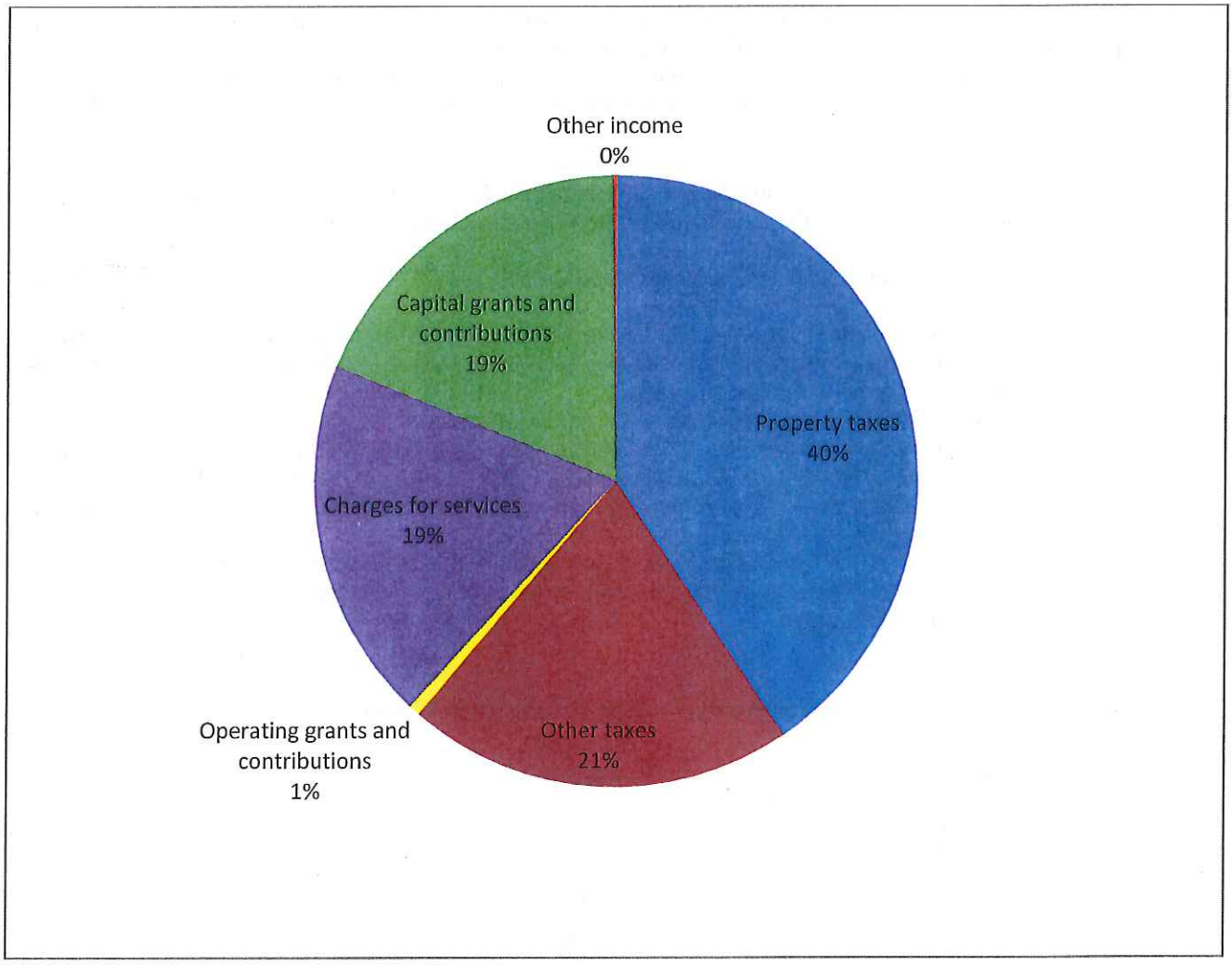
- Total Governmental Activity expenses decreased from $3,252,936 to $3,048,891. However there were significant increases and decreases among the various governmental activities from the prior year:

    - Expenditures for general government increased by $67,719 (29.1%) due, in part to an increased retirement expense.
    - Expenditures for financial administration increased by $43,551 (10.4%) primarily due to an increase in personnel expense for overlap of positioning pending retirement of administrative level position, and to increase in purchased/contracted services.
    - Expenditures for municipal court and public safety increased by $24,990 (1.9%).
    - Expenditures for highways and streets decreased by $335,491(41.7%) primarily due to a writeoff of approximately $330,000 of preliminary engineering and design work that was recorded in 2015.
    - Expenditures for culture and recreation decreased by $16,368 (9.4%) primarily due to a significant decrease in park repairs and maintenance.
    - Expenditures for economic development increased by $14,881 (21.6%) primarily due a decrease in contributions from private sources and miscellaneous revenue which resulted in an increased General Fund interfund transfer expense.

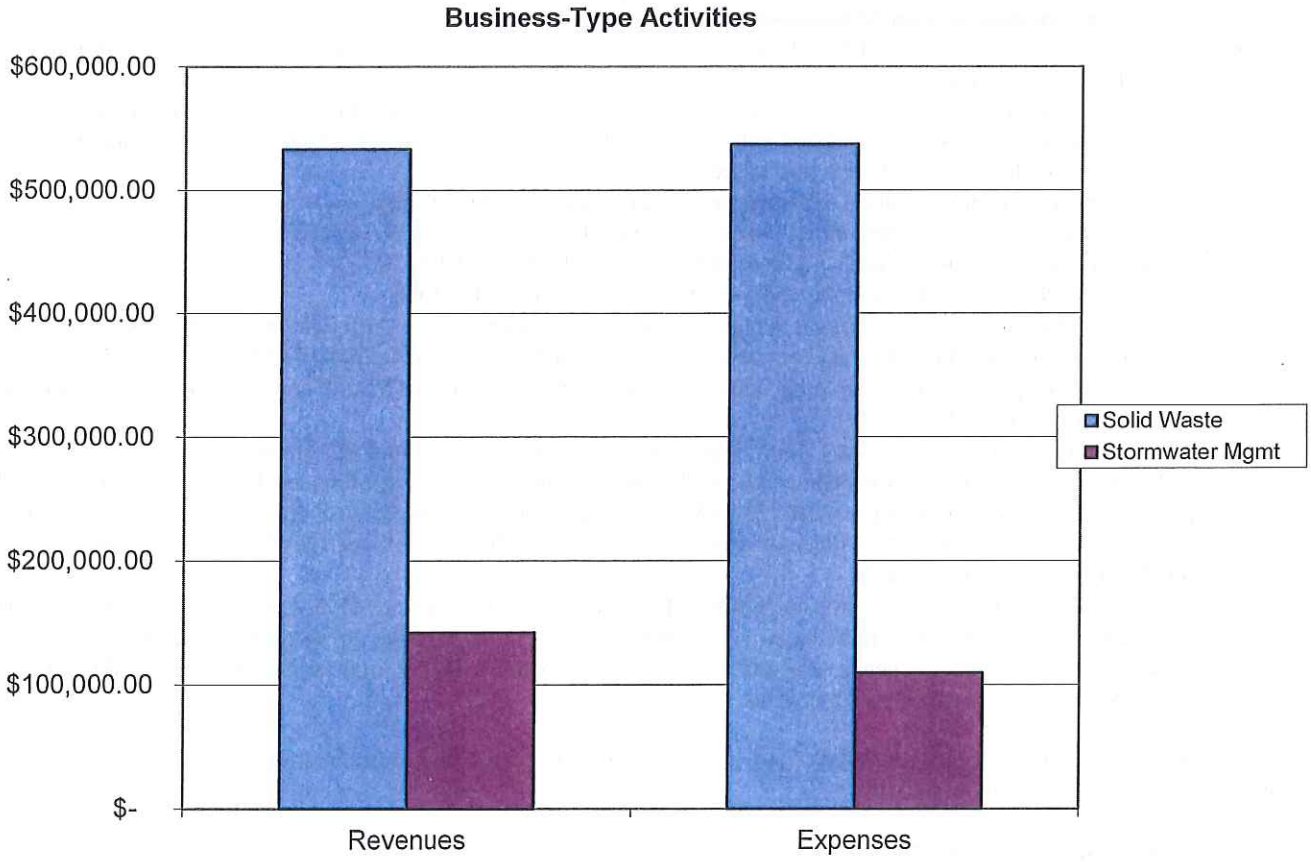
Expenses and Program Revenues-Governmental Activities



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type activities. Business type activities increased the City's net position by $20,424. The net position of the Solid Waste Management Fund decreased by $11,910 to $29,847 after a transfer to the General Fund of $7,952. The net position of the Storm Water Management Fund increased by $32,334 to $1,426,032. Storm water expenditures increased $6,595 for purchased/contracted services and $10,000 for bad debt.



Financial Analysis of the Government's Funds

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

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

At December 31, 2016 the city's governmental funds reported a combined ending fund balance of $888,626. Of this amount $717,734 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because $13,628 is restricted for specified activities, $95,184 is assigned for the 2017 budget and $62,080 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 $959,908 while the total fund balance was $1,117,172. Unassigned fund balance represents 32.6% of General Fund expenditures while total fund balance of $1,117,172 represents 37.9% of General Fund expenditures.

During the current fiscal year the fund balance of the City's general fund increased by $539,793. Other notable changes for 2016 compared to 2015 were as follows:

- General Fund revenues of $3,438,987 for FY 2016 increased over revenues of $3,033,173 in FY 2015. However, there were significant increases and decreases among categories of General Fund revenue:
    - Property tax revenue increased by $181,560 (11.5%) due to an increase in the tax millage rate from 20.9 mils to 22.27 mils.
    - Municipal Court fines and forfeitures increased $148,401 (29.4%). During the past four years fines and forfeitures have fallen well below the historical average of $851,121 from 2006 through 2012.
    - Business licenses and permits decreased $15,117 (17.0%).

- Intergovernmental revenue decreased by $29,369 (59.8%).
- Miscellaneous revenue decreased by $11,253 (65.3%)

- General Fund expenditures for FY 2016 were $2,947,321. This was a decrease of $101,760 or three and four tenths percent (3.4%) over FY 2015.
  - Capital outlay for FY 2016 decreased from $207,621 to $50,626 ($156,995). One police cruiser was purchased in 2016 as opposed to three new police cruisers, one truck for code compliance, and two trucks for public works that were purchased in 2015.
  - Financial administration expenditures increased by $37,009 (11.2%).
  - Expenditures for public safety decreased from $1,156,914 to $1,134,357 ($22,557).
  - Expenditures for culture and recreation decreased by $16,368 (9.5%).
  - Economic Development expenditures increased by $14,881 (21.6%.
- The City's General Fund made principal payments on its capital leases long-term debt of $159,938. Of this amount $58,898 was for City Hall. Total debt service increased from $187,667 to $223,480 (19.1%).
- Transfers to the general fund from other funds in 2016 amounted to a net of $7,179 compared to net transfers to the general fund in 2015 of $(20,243).
- The amount of $553,103 due to the Storm Water Fund from the General Fund in 2015 was reduced to $411,979 in 2016. In an effort to reduce the balance due to the Storm Water Fund from the General Fund, a portion of FY2016 property tax revenue in the amount of $73,282 was assigned to the Storm Water Fund. Efforts are being made to fund improvements to the city's storm water infrastructure from the general fund over the next few years to reduce this balance as much as possible.
- Personnel expenses were nearly unchanged from FY 2015. Expenditures were $1,870,503 in FY 2016 compared to $1,873,185 in FY 2015. Pay rates were not increased in FY 2016. Increase in retirement benefits and financial administration personnel expenses was offset by decreases in public safety, highways and streets, and culture and recreation decreases in personnel expenses.

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 $25,227 first-quarter increase in the General Fund budget to transfer funds from the General Fund to the Capital Projects Fund for construction of the East Mountain Street Sidewalk Project. The expenditure was subsequently funded from General Fund Reserve.
- A $50,000 mid-year increase in the General Fund budget for municipal fines and forfeitures revenue due to the increase actual revenue collected over revenue estimates. This increase was used to fund storm water infrastructure repairs and maintenance per a transfer from the General Fund to the Storm Water Fund.
- A total of $137,730 increase was assessed for real property tax revenue in the General Fund due to an increase in the tax millage rate from 20.9 mils to 22.27 mils., with $73,282 being transferred to the Storm Water Fund for partial repayment of balance owed and with $64,448 being an increase to General Fund property tax revenue.
- Municipal fine revenue was increased by $92,738 and other costs for Georgia fine fee payments were reduced by $92,738 due to a change in accounting from revenue and expense to cash and liability. Georgia fine fees are mandated by law to be collected by the City and remitted to the State of Georgia.

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

Final results in actual revenue and expenditures varied from the 2016 budget in several areas most notably:

- Total actual revenue of $3,438,987 were 107.6% of the final amended budget estimate for revenue.
- Intergovernmental revenue was $29,196 (59.6%) less than the final budget.
- Fines, Forfeitures and Court Cost revenue was $$93,435 (16.7%) more than the amended budget.
- Total actual expenditures of $2,947,321 were 84.4% of the final amended budget estimate for expenditures.
- Revenues exceeded expenditures by $491,666.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2016 amounts to $6,629,634 (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 $41,498 for a police car and related equipment and $795,000 for sidewalk and streetscape improvements to East Mountain Street.

Long-term debt. At the end of the current fiscal year, the City had $1,815,048 in outstanding debt consisting of the following:

CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	Balance
Governmental Activities:	
Capital leases - equipment	$ 204,261
Capital leases - facilities	1,253,613
Net pension liability	330,039
Compensated absences	27,135
Total Governmental Activiites	1,815,048
Business-Type Activites:	
Capital leases	-
Total Outstanding Debt	$ 1,815,048

The City's total debt increased $87,882. Additional information on the City's long-term debt can be found in note 9 on page 38 of this report.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of Stone Mountain is approximately $8,100,000, which is significantly in excess of the City of Stone Mountain's outstanding general obligation debt.

Status of the City of Stone Mountain's Economy

- 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 2016:
  - 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 2016 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 2015 to December of 2016 and 0.9% in Atlanta.
- The occupancy rate for properties in the central business district was unchanged in 2016.
- There was no new residential or commercial construction in the City in 2016.

All of these factors were considered in preparing the City of Stone Mountain's budget for FY 2017.

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

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and cash equivalents	$ 1,105,334	$ 148,799	$ 1,254,133	$ 38,239
Receivables (net of allowance for uncollectibles)				
Taxes	544,801	-	544,801	-
Fines	256,660	-	256,660	-
Intergovernmental	343,390	-	343,390	-
Accounts	821	50,196	51,017	1,961
Due from other funds	(411,979)	411,979	-	-
Due from component unit	4,408	-	4,408	(4,408)
Prepaid items	62,080	145	62,225	-
Deposits	-	-	-	-
Restricted assets -				
Cash	2,799	-	2,799	-
Non-depreciable capital assets	1,501,718	-	1,501,718	-
Depreciable capital assets	4,265,073	862,843	5,127,916	-
Total Assets	7,675,105	1,473,962	9,149,067	35,792
Deferred Outflows				
Deferred pension outflows	340,731	-	340,731	-
Total Assets and Deferred Outflows	8,015,836	1,473,962	9,489,798	35,792

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Liabilities				
Accounts Payable				
Operating	$ 249,467	$ 1,050	$ 250,517	$ 3,936
Accrued Liabilities -				
Compensated absences	38,921	1,045	39,966	-
Wages	29,068	-	29,068	-
Customer deposits	-	4,168	4,168	-
Interest	44,763	-	44,763	-
Other	-	-	-	-
Unearned Revenue	114,484	11,820	126,304	-
Long-Term Liabilities -				
Due Within One Year	153,806	-	153,806	-
Due In More Than One Year	1,661,242	-	1,661,242	-
Total Liabilities	2,291,751	18,083	2,309,834	3,936
Deferred Inflows				
Deferred pension inflows	63,553	-	63,553	-
Total Liabilities and Deferred Inflows	2,355,304	18,083	2,373,387	3,936
Net Position				
Net investment in capital assets	4,308,917	862,843	5,171,760	-
Restricted for -				
Police activities	2,799	-	2,799	-
Cemetery up-keep	10,829	-	10,829	-
Capital outlay	-	-	-	-
Unrestricted	1,337,987	593,036	1,931,023	31,856
Total Net Position	$ 5,660,532	$ 1,455,879	$ 7,116,411	$ 31,856

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
Governing Body	$ 34,767	$ -	$ -	$ -
General Government	300,734	-	-	-
Financial Administration	462,442	74,691	2,815	-
Government Buildings	51,374	-	-	-
Municipal Court and Police	1,385,625	753,775	1,735	-
Highways and Streets	469,665	-	-	813,202
Culture and Recreation	159,430	5,900	-	-
Economic Development	83,975	-	-	-
Tourism and Promotion	29,211	-	14,000	-
Cemetery	11,122	5,450	8,000	-
Interest on Long-Term Debt	60,546	-	-	-
Total Governmental Activities	3,048,891	839,816	26,550	813,202
Business-Type Activities				
Solid Waste Management	537,027	533,069	-	-
Stormwater Management	109,458	141,792	-	-
Total Business-Type Activities	646,485	674,861	-	-
Total Primary Government	$ 3,695,376	$ 1,514,677	$ 26,550	$ 813,202
Component Unit:				
Downtown Development Authority	$ 107,358	$ 26,130	$ 85,961	$ -
General Revenues:				
Taxes:				
Property				
Franchise				
Occupational				
Motor vehicle				
Host tax				
Insurance premium				
Alcohol beverage				
Hotel / Motel				
Other				
Interest Earnings				
Gain on disposition of capital asset				
Other				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning of Year, Restated				
Net Position - End of Year				

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
$ (34,767)	$ -	$ (34,767)	$ -
(300,734)	-	(300,734)	-
(384,936)	-	(384,936)	-
(51,374)	-	(51,374)	-
(630,115)	-	(630,115)	-
343,537	-	343,537	-
(153,530)	-	(153,530)	-
(83,975)	-	(83,975)	-
(15,211)	-	(15,211)	-
2,328	-	2,328	-
(60,546)	-	(60,546)	-
(1,369,323)	-	(1,369,323)	-
-	(3,958)	(3,958)	-
-	32,334	32,334	-
-	28,376	28,376	-
(1,369,323)	28,376	(1,340,947)	-
-	-	-	4,733
1,767,673	-	1,767,673	-
270,667	-	270,667	-
38,040	-	38,040	-
78,519	-	78,519	-
89,280	-	89,280	-
362,127	-	362,127	-
14,068	-	14,068	-
9,823	-	9,823	-
38,792	-	38,792	-
4	-	4	-
-	-	-	29,480
9,826	-	9,826	-
2,678,819	-	2,678,819	29,480
7,952	(7,952)	-	-
2,686,771	(7,952)	2,678,819	29,480
1,317,448	20,424	1,337,872	34,213
4,343,084	1,435,455	5,778,539	(2,357)
$ 5,660,532	$ 1,455,879	$ 7,116,411	$ 31,856

CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 1,105,334	$ -	$ 2,799	$ 1,108,133
Receivables -				
Taxes	543,674	-	1,127	544,801
Fines, net of allowance for bad debts of $386,000	256,660	-	-	256,660
Intergovernmental	-	343,390	-	343,390
Miscellaneous	821	-	-	821
Due from other funds	360,579	-	10,978	371,557
Due from component unit	-	-	4,408	4,408
Prepaid items	62,080	-	-	62,080
Deposits	-	-	-	-
Total assets	$ 2,329,148	$ 343,390	$ 19,312	$ 2,691,850
Liabilities				
Accounts payable	$ 249,467	$ -	$ -	$ 249,467
Accrued liabilities	67,498	-	491	67,989
Due to other funds	422,957	355,386	5,193	783,536
Unearned revenue	114,484	-	-	114,484
Total liabilities	854,406	355,386	5,684	1,215,476
Deferred Inflows of Resources				
Unavailable revenues	357,570	230,178	-	587,748
Fund Balance				
Nonspendable -				
Prepaid items	62,080	-	-	62,080
Restricted -				
Police services	-	-	2,799	2,799
Cemetery up-keep	-	-	10,829	10,829
Assigned - 2017 budget appropriations	95,184	-	-	95,184
Unassigned	959,908	(242,174)	-	717,734
Total fund balance (deficit)	1,117,172	(242,174)	13,628	888,626
Total liabilties, deferred inflows of resources and fund balance (deficit)	$ 2,329,148	$ 343,390	$ 19,312	$ 2,691,850

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, 2016

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances -- total governmental funds	$ 888,626
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,766,791
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unavailable revenues	587,748
Deferred inflows and outflows related to the net pension liability is not a current asset or liability:	
Deferred outflows	340,731
Deferred inflows	(63,553)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(1,457,874)
Long-term portion of compensated absences	(27,135)
Accrued interest payable	(44,763)
Net pension liability	(330,039)
Net position of governmental activities	$ 5,660,532

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, 2016

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 2,668,857	$ -	$ 9,823	$ 2,678,680
Business licenses and permits	73,907	-	-	73,907
Intergovernmental	19,795	564,964	5,000	589,759
Service fees	10,238	-	-	10,238
Fines and forfeitures	654,292	-	2,032	656,324
Interest	4	-	-	4
Rents	5,900	-	-	5,900
Miscellaneous	5,994	-	27,066	33,060
Total revenues	3,438,987	564,964	43,921	4,047,872
Expenditures:				
Current:				
Governing Body	38,643	-	-	38,643
General Government	258,697	-	-	258,697
Financial Administration	368,690	-	-	368,690
Government Buildings	51,374	-	-	51,374
Municipal Court	173,942	-	-	173,942
Public Safety	1,134,357	-	530	1,134,887
Highways and Streets	406,305	-	-	406,305
Culture and Recreation	157,232	-	-	157,232
Economic Development	83,975	-	-	83,975
Tourism and Promotion	-	-	29,211	29,211
Cemetery	-	-	8,661	8,661
Capital outlay	50,626	800,000	-	850,626
Debt service				
Principal	159,938	-	-	159,938
Interest	63,542	-	-	63,542
Debt issue costs	-	-	-	-
Total expenditures	2,947,321	800,000	38,402	3,785,723
Excess (deficiency) of Revenues over Expenditures	491,666	(235,036)	5,519	262,149

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, 2016

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Capital lease proceeds	$ 40,948	$ -	$ -	$ 40,948
Proceeds from disposition of assets	-	-	-	-
Transfers (net)	7,179	-	772	7,951
Total other financing sources (uses)	48,127	-	772	48,899
Net change in fund balance	539,793	(235,036)	6,291	311,048
Fund Balance-Beginning of Year	577,379	(7,138)	7,337	577,578
Fund Balance-End of Year	$ 1,117,172	$ (242,174)	$ 13,628	$ 888,626

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, 2016

Net change in fund balances -- total governmental funds	$	311,048
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		841,498
Depreciation expense		(220,739)
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.		310,515
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		(40,948)
Repayment of long term debt		159,938
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		2,996
Change in accrued compensated absences		(4,822)
Change in net pension obligation and related deferred items		(42,038)
Change in net position of governmental activities.	$	1,317,448

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, 2016

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Taxes	$ 2,507,486	$ 2,507,486	$ 2,668,857	$ 161,371
Business licenses and permits	55,001	55,001	73,907	18,906
Intergovernmental	48,991	48,991	19,795	(29,196)
Service fees	95,350	2,612	10,238	7,626
Fines and forfeitures	384,155	560,857	654,292	93,435
Interest	-	-	4	4
Rents	-	-	5,900	5,900
Miscellaneous	3,700	21,465	5,994	(15,471)
Total revenues	3,094,683	3,196,412	3,438,987	242,575
Expenditures:				
Current:				
Governing Body	40,505	40,505	38,643	1,862
General Government	259,073	271,844	258,697	13,147
Financial Administration	366,303	391,954	368,690	23,264
Government Buildings	60,644	57,487	51,374	6,113
Municipal Court	166,298	180,932	173,942	6,990
Public Safety	1,186,800	1,194,514	1,134,357	60,157
Highways and Streets	480,934	501,182	406,305	94,877
Culture and Recreation	175,973	176,295	157,232	19,063
Economic Development	88,673	83,975	83,975	-
Capital outlay	51,948	52,348	50,626	1,722
Debt service				
Principal	159,947	159,947	159,938	9
Interest	63,649	63,649	63,542	107
Total expenditures	3,100,747	3,174,632	2,947,321	227,311

(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, 2016

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Excess (deficiency) of Revenues over Expenditures	$ (6,064)	$ 21,780	$ 491,666	$ 469,886
Other financing sources (uses)				
Capital Lease Proceeds	41,700	41,700	40,948	(752)
Proceeds from sale of capital assets	-	-	-	-
Transfers (net)	(35,636)	(84,873)	7,179	92,052
Total other financing sources (uses)	6,064	(43,173)	48,127	91,300
Net change in fund balance	-	(21,393)	539,793	561,186
Fund Balance-Beginning of Year	577,379	577,379	577,379	-
Fund Balance-End of Year	$ 577,379	$ 555,986	$ 1,117,172	$ 561,186

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

	Solid Waste Management	Stormwater Management	Total
ASSETS			
Current assets			
Cash	$ -	$ 148,799	$ 148,799
Receivables-			
Accounts	40,995	9,201	50,196
Due from other funds	-	411,979	411,979
Prepaid items	145	-	145
Total current assets	41,140	569,979	611,119
Noncurrent assets			
Capital assets			
Construction in progress	-	-	-
Autos and trucks	68,481	-	68,481
Machinery and equipment	23,130	-	23,130
Infrastructure	-	1,008,273	1,008,273
Accumulated depreciation	(86,599)	(150,442)	(237,041)
Capital assets (net of depreciation)	5,012	857,831	862,843
Total noncurrent assets	5,012	857,831	862,843
Total assets	46,152	1,427,810	1,473,962
LIABILITIES			
Current liabilities			
Accounts payable -			
Trade	-	1,050	1,050
Customer deposits	4,168	-	4,168
Unearned revenue	11,820	-	11,820
Accrued liabilities	317	728	1,045
Current portion of long-term debt	-	-	-
Total current liabilities	16,305	1,778	18,083
Noncurrent liabilities			
Capital leases	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	16,305	1,778	18,083
Net Position			
Investments in capital assets	5,012	857,831	862,843
Unrestricted	24,835	568,201	593,036
Total Net Position	$ 29,847	$ 1,426,032	$ 1,455,879

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, 2016

	Solid Waste Management	Stormwater Management	Total
OPERATING REVENUES			
Refuse collection	$ 392,483	$ -	$ 392,483
Dumpster collection	139,741	-	139,741
Stormwater fees	-	141,792	141,792
Miscellaneous	845	-	845
Total operating revenues	533,069	141,792	674,861
OPERATING EXPENSES			
Purchased products / services	508,514	-	508,514
Personal services and benefits	15,563	37,636	53,199
Purchased / contracted services	1,590	38,498	40,088
Supplies	1,477	188	1,665
Depreciation and amortization	2,313	22,888	25,201
Bad debt expense	7,500	10,000	17,500
Other	70	248	318
Total operating expenses	537,027	109,458	646,485
Operating income (loss)	(3,958)	32,334	28,376
Non-operating revenues and (expenses)			
Loss on sale of capital asset	-	-	-
Total non-operating revenues (expenses)	-	-	-
Income before transfers and capital contributions	(3,958)	32,334	28,376
Capital contributions	-	-	-
Transfers	(7,952)	-	(7,952)
CHANGE IN NET POSITION	(11,910)	32,334	20,424
NET POSITION - BEGINNING	41,757	1,393,698	1,435,455
NET POSITION - ENDING	$ 29,847	$ 1,426,032	$ 1,455,879

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, 2016

	Solid Waste Management	Stormwater Management	Total
Cash flows from operating activities:			
Cash received from customers and users	$ 534,849	$ 158,652	$ 693,501
Cash paid to suppliers for goods	(514,092)	(45,394)	(559,486)
Cash paid to employees	(12,805)	(29,398)	(42,203)
Net cash provided from operating activities	7,952	83,860	91,812
Cash flows from investing activities:			
Interest received	-	-	-
(Purchase) / redemption of investments	-	-	-
Net cash from investing activities	-	-	-
Cash flows from non-capital financing activities:			
Transfers	(7,952)	-	(7,952)
Change in due to/from other funds	-	141,124	141,124
Net cash flows from non-capital financing activities	(7,952)	141,124	133,172
Cash flows from capital financing activities:			
Purchases / construction of capital assets	-	(77,185)	(77,185)
Capital contributions	-	-	-
Principal payments on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Interest paid	-	-	-
Net cash flows from capital financing activities	-	(77,185)	(77,185)
Net cash flows	-	147,799	147,799
Cash and cash equivalents - beginning	-	1,000	1,000
Cash and cash equivalents - ending	$ -	$ 148,799	$ 148,799

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)	$ (3,958)	$ 32,334	$ 28,376
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	2,313	22,888	25,201
(Increase) decrease in -			
Accounts receivable	7,555	26,860	34,415
Prepaids	-	-	-
Increase (Decrease) in -			
Accounts payable	-	1,050	1,050
Unearned revenues	829	-	829
Customer deposits	896	-	896
Accrued liabilities	317	728	1,045
Total adjustments	11,910	51,526	63,436
Net cash from operating activities	$ 7,952	$ 83,860	$ 91,812
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 organizations for which the primary government is financially accountable. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City regardless of whether the organization has a separate elected or appointed governing board. Blended component units, although legally separate entities, are, in substance part of the government's operations and are reported with similar funds of the primary government. Using the above criteria, the City of Stone Mountain Downtown Development Authority is a component unit of the City because of the significance of its operational and financial relationship with the City and is therefore included in the City's reporting entity. The City Council appoints all members of the Development Authority's Board of Directors.

Discretely Presented Component Unit –

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

(See Independent Auditor's Report)

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

C. Basic Financial Statements—Government-Wide Statements

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

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

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

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

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

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises it assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The various funds are grouped, in the financial statements in this report, into the following fund types:

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.

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, 2016 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, 2016. 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.

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.

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

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The City has one item that qualifies for reporting in this category as of December 31, 2016 which is deferred pension outflows recognized in the Statement of Net Position.

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

T. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City's government-wide statement of net position reports $13,628 in restricted net position, of which $2,799 is restricted by enabling legislation.

U. Fund Balance – Governmental Funds

As of December 31, 2016 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, 2016, fund balances are composed of the following:

	General	Capital Projects	Nonmajor Funds	Total
Nonspendable -				
Prepaid items	$ 62,080	$ -	$ -	$ 62,080
Restricted -				
Police activities	-	-	2,799	2,799
Cemetery up-keep	-	-	10,829	10,829
Capital projects	-	-	-	-
Assigned - for 2017 budget appropriations	95,184	-	-	95,184
Unassigned	959,908	(242,174)	-	717,734
Total	$ 1,117,172	$ (242,174)	$ 13,628	$ 888,626

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

V. Budgets and Budgetary Accounting

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

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

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

W. Pensions

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

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, 2016, $1,091,041 of the government's bank balance of 1,343,840 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ -
Uninsured and collateral held by pledging bank's agent in the City's name	1,091,041
Total	$ 1,091,041

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 2016, based upon the assessed value as of January 1, 2016, were levied on July 5, 2016. 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	$ 543,674	$ -	$ 1,127	$ 544,801
Fines	642,660	-	-	642,660
Intergovernmental	-	343,390	-	343,390
Accounts	821	-	-	821
Gross Receivables	1,187,155	343,390	1,127	1,531,672
Less: Allowance for Uncollectible	(386,000)	-	-	(386,000)
Net Total Receivables	$ 801,155	$ 343,390	$ 1,127	$ 1,145,672

Proprietary Funds

	Solid Waste	Stormwater	Total
Accounts	$ 64,995	$ 19,201	$ 84,196
Less: Allowance for Uncollectible	(24,000)	(10,000)	$ (34,000)
Net Total Receivables	$ 40,995	$ 9,201	$ 50,196

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Governmental Funds –

Intergovernmental revenues for the year ended December 31, 2016 consist of the following:

State of Georgia, Dept of Transportation - Local Maintenance Improvement Grant (LMIG)	$	18,060
State of Georgia, Dept of Transportation -Transportation improvements		447,180
MARTA - Transportation improvements		117,784
U. S. Dept of Justice - Vest program		1,735
DeKalb Convention & Visitors Bureau		5,000
Total Intergovernmental Revenue	$	589,759

Intergovernmental receivables as of December 31, 2016 consist of the following:

State of Georgia, Dept of Transportation - Transportation improvements	$	166,879
MARTA - Transportation improvements		176,511
Total Intergovernmental Receivable	$	343,390

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2016 were as follows:

	Payable To			
Payable From	General Fund	Non Major	Stormwater Management	Total
General	$ -	$ 10,978	$ 411,979	$ 422,957
Capital Projects	355,386	-	-	355,386
Nonmajor	5,193	-	-	5,193
Total	$ 360,579	$ 10,978	$ 411,979	$ 783,536

Individual interfund transfers for the year ended December 31, 2016 were as follows:

	Transfers To			
Transfer From	General	Capital Projects	Nonmajor	Total
General	$ -	$ -	$ 772	$ 772
Capital Projects	-	-	-	-
Solid Waste	7,952	-	-	7,952
Total	$ 7,952	$ -	$ 772	$ 8,724

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

7. COMMITMENTS AND CONTINGENCIES

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

The City has a significant transportation improvement project in progress as of December 31, 2016. The project consists of sidewalks and streetscapes in the downtown area. Total cost for this project is expected to be $1,300,000. This project has qualified for Transportation Enhancement grants of $670,000 and Marta grants of $440,000 Cost incurred through December 31, 2016 amounted to approximately $800,000.

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 471,774	$ -	$ -	$ 471,774
Construction in progress	229,944	800,000	-	1,029,944
Total	701,718	800,000	-	1,501,718
Capital assets being depreciated:				
Buildings & improvements	2,493,384	-	-	2,493,384
Infrastructure	2,091,049	-	-	2,091,049
Vehicles, including related equipment	614,102	41,498	-	655,600
Furniture and other equipment	920,271	-	-	920,271
Total capital assets being depreciated	6,118,806	41,498	-	6,160,304
Less accumulated depreciation for:				
Buildings & improvements	284,204	62,762	-	346,966
Infrastructure	263,850	52,276	-	316,126
Vehicles, including related equipment	350,850	59,256	-	410,106
Furniture and other equipment	775,588	46,445	-	822,033
Total accumulated depreciation	1,674,492	220,739	-	1,895,231
Total capital assets being depreciated, net	4,444,314	(179,241)	-	4,265,073
Governmental capital assets, net	$ 5,146,032	$ 620,759	$ -	$ 5,766,791

(See Independent Auditor's Report

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

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

Administrative	$ 87,700
Police	65,021
Highways and Streets	63,361
Parks	2,197
Cemetery	2,460
Total depreciation expense	$ 220,739

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Construction in progress	$ 41,577	$ -	$ (41,577)	$ -
Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	23,130	-	-	23,130
Infrastructure	889,511	118,762	-	1,008,273
Total capital assets being depreciated	981,122	118,762	-	1,099,884
Less accumulated depreciation for:				
Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	15,806	2,313	-	18,119
Infrastructure	127,553	22,888	-	150,441
Total accumulated depreciation	211,840	25,201	-	237,041
Business-Type Activities capital assets, ne	$ 810,859	$ 93,561	$ (41,577)	$ 862,843

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

Solid Waste Management	$ 2,313
Stormwater Management	22,888
Total depreciation expense	$ 25,201

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, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Capital leases - equipment	$ 264,353	$ 40,948	$ (101,040)	$ 204,261	$ 92,399
Capital leases - facilities	1,312,511	-	(58,898)	1,253,613	61,407
Net pension liability	127,990	357,473	(155,424)	330,039	-
Accrued compensated absences	22,312	67,258	(62,435)	27,135	-
Total Governmental Activities	$ 1,727,166	$ 465,679	$ (377,797)	$ 1,815,048	$ 153,806

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.

On April 2016 the City entered into a lease-purchase agreement with Georgia Municipal Association for a vehicle and equipment with an original cost of $40,948. In prior years the City had entered into various lease-purchase and security agreements with a private corporation for vehicles and related equipment and machinery and equipment with an original cost of $315,038. Since the City intends to continue to abide by the terms of the lease agreements and eventually own the equipment, the equipment and the related liability were recorded at the present value of the future payments due under the lease. The interest rates under the terms of the lease agreements range between 2.87% and 3.60%.

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

9. LONG-TERM DEBT, (Continued)

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
2017	$ 92,399	$ 4,986	$ 61,407	$ 53,404	$ 212,196
2018	68,362	2,382	64,023	50,788	185,555
2019	39,854	655	66,750	48,061	155,320
2020	3,646	28	69,594	45,217	118,485
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
	$ 204,261	$ 8,051	$ 1,253,613	$ 468,548	$ 1,934,473

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 $87,970 and accumulated depreciation as of December 31, 2016 was $304,862.

10. UNAVAILABLE AND UNEARNED REVENUES

Unavailable revenues as of December 31, 2016, 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	$ 154,776
Fines and Forfeitures	202,794
Grants	230,178
Total Unavailable Revenues	$ 587,748

Amounts received but not yet earned as of December 31, 2013:

Reported in Governmental Fund's balance sheet and Statement of Net Position:	
Occupational Taxes and Licenses	$ 19,520
Grants	94,964
Total Unearned Revenues	$ 114,484

(See Independent Auditor's Report)

11. RISK MANAGEMENT

The City of Stone Mountain is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters 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)	$ 6,082,107
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, 2016, the City collected hotel/motel taxes in the amount of $5,450 and expended 100% for tourism under the Visitor's Center contract.

13. JOINT VENTURE

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

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

(See Independent Auditor's Report)

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.

During 2016, the Downtown Development Authority sold the building that secured the debt and paid off the remaining loan amount.

16. EMPLOYEE BENEFIT PLANS

Plan Description

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

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

At July 1, 2016, the date of the most recent actuarial valuation, there were 73 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	11
Terminated vested participants not yet receiving benefits	33
Active employees - vested	18
Active employees - nonvested	14
Total	76

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For fiscal year 2016, the actuarially determined contribution rate was 9.29% of covered payroll.

For fiscal year ended December 31, 2016, the City's recommended and actual contribution was $130,318 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer contributions recognized in the actuarial report date July 1, 2016 and recognized as an expense in the Government-Wide Statement of Activity was $172,356.

16. EMPLOYEE BENEFIT PLANS, (Continued)

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

At December 31, 2016, the City reported a liability of $330,039 for its net pension liability. The net pension liability was measured as of March 31, 2016 and was determined by an actuarial valuation as of July 1, 2016. The changes in the Net Pension Liability for the year ended March 31, 2016 (the measurement date) were as follow:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2014	$ 3,345,279	$ 3,217,289	$ 127,990
Changes for the year-			
Service cost	91,995	-	91,995
Interest	256,210	-	256,210
Differences between expected and actual experience	(22,681)	-	(22,681)
Contributions - Employer	-	121,965	(121,965)
Net investment income	-	10,778	(10,778)
Benefit payments, including refunds of employee contributions	(78,686)	(78,686)	-
Administrative expense	-	(9,268)	9,268
Other	-	-	-
Net Changes	246,838	44,789	202,049
Balance at March 31, 2015	$ 3,592,117	$ 3,262,078	$ 330,039

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

16. EMPLOYEE BENEFIT PLANS, (Continued)

For the year ended December 31, 2016, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	$ 91,995
Interest on The Pension Liability (TPL)	256,210
Administrative expenses	9,268
Expected return on assets	(250,658)
Deferred Outflows -	
Contributions subsequent to the measurement date	-
Deferred Inflows -	
Expensed portion of current year period differences between expected and actual experience in TPL	(7,561)
Expensed portion of current year period assumption changes	-
Current year recognition of deferred inflows and outflows established in prior years	25,126
Expensed portion of current year period differences between projected and actual investment earnings	47,976
Total expense	$ 172,356

$97,738 reported as deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

F/Y/E December 31,	Deferred Outflows	Deferred Inflows
2017	$ 99,065	$ (33,523)
2018	47,976	(18,795)
2019	47,976	(11,235)
2020	47,976	-
	$ 242,993	$ (63,553)

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2016 are as follow:

	Outflows	Inflows
Contributions subsequent to the measurement date	$ 97,738	$ -
Demographic	51,089	15,120
Investment	191,904	33,705
Assumption change	-	14,728
Total	$ 340,731	$ 63,553

(See Independent Auditor's Report)

16. EMPLOYEE BENEFITS PLAN, (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	3.25%
Mortality Rates -	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - sex distinct rates
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45.00%	6.75%
International equity	20.00%	7.45%
Global fixed income	5.00%	3.30%
Domestic fixed income	20.00%	1.75%
Real estate	10.00%	4.55%
Cash	0.00%	
Total	100.00%	

16. EMPLOYEE BENEFITS PLAN, (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.75%	Current Rate (7.75%)	1% Increase 8.75%
Net Pension Liability	$ 853,745	$ 330,039	$ (102,752)

Pension Plan Net Fiduciary Net Position

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

17. SHORT TERM BORROWINGS

During the year ended December 31, 2016 the City entered into a tax anticipation note obligation for operating purposes of $795,000 at a local financial institution with actual drawdowns under the agreement of $795,000. The borrowing, with a variable interest rate equal to LIBOR plus 2.75% times 65%, matured on December 31, 2016. Total short-term borrowings interest incurred and expended for the year ended December 31, 2016 was $10,504.

The following is a summary of the City's short-term borrowings for the year ended December 31, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Taxanticipation note	$ -	$ 795,000	$ (795,000)	$ -

18. SUBSEQUENT EVENTS

In May 2017, the City issued a tax anticipation note for operating purposes of $713,000 at a local financial institution. The borrowing, with a fixed interest rate of 2.81%, matures on December 31, 2017.

(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, 2016 the Capital Projects Fund of the City had a deficit fund balance of $242,174. Management expects to fund the deficit through future grant revenues and operating transfers.

B. Excess of expenditures over appropriations in individual funds – None of the City's funds had departments that incurred material excesses (if over 5 percent and greater than $5,000) of expenditures over appropriations at the department level (the legal level of control).

C. The City has created a Tax Allocation District #1 (TAD) which centers on the City's Main Street commercial core, select commercial and residential areas and a 50-acre tract of newly incorporated, underdeveloped land. As taxable property is redeveloped and therefore improved, any property tax revenue increase above the base year value within the TAD is deposited into a special fund to pay for redevelopment costs within the TAD. The 2008 base year taxable value within the TAD was $9,681,680. Subsequent years' taxable values inside the TAD have decreased. Therefore, no taxes were realized that were required to be deposited into a special fund as of December 31, 2016.

(See Independent Auditor's Report)

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

	Fiscal Year End									
	2015	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	$ 91,995	$ 76,184								
Interest	256,210	229,805								
Differences between expected and actual experience	(22,681)	153,267								
Changes of assumptions	-	(44,184)								
Benefit payments	(78,686)	(70,025)								
Net changes in total pension liability	246,838	345,047								
Total pension liability - beginning	3,345,279	3,000,232								
Total pension liability - ending	$ 3,592,117	$3,345,279								
Plan Fiduciary Net Position										
Contributions - employer	$ 121,965	$ 131,821								
Net investment income	10,778	281,624								
Benefit payments	(78,686)	(70,025)								
Administrative expense	(9,268)	(8,478)								
Other	-	-								
Net change in fiduciary net position	44,789	334,942								
Plan fiduciary net position - beginning	3,217,289	2,882,347								
Plan fiduciary net position - ending	$ 3,262,078	$3,217,289								
Net Pension Liability										
Net pension liability	$ 330,039	$ 127,990								
Plan's fiduciary net position as a percentage of the total pension liability	90.81%	96.17%								
Covered-employee payroll	$ 1,402,082	$1,454,796								
Net pension liability as a percentage of covered payroll	23.54%	8.80%								

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

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

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

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

	Fiscal Year End									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contributions	130,318	119,180								
Contributions in relation to the actuarially determined contribution	(130,318)	(129,383)								
Contribution deficiency (excess)	-	(10,203)								
Covered-employee payroll	1,402,082	1,454,796								
Contributions as a percentage of covered-employee payroll	9.29%	8.19%								

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

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1
Significant methods and assumptions used in calculating the actuarially determined calculations are as follow:

Methods and assumptions used to determine contribution rates:

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

Actuarial Assumptions:

Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	3.25%
Mortality Rates -	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - sex distinct rates
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

No significant factors changed that significantly affected trends in the amounts reported such as changes in benefit terms, the size or composition of the population covered by the benefit terms, or assumptions used.

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CITY OF STONE MOUNTAIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	Special Revenue			
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Total
Assets				
Cash	$ -	$ 2,799	$ -	$ 2,799
Receivable	-	-	-	-
Taxes	-	-	1,127	1,127
Miscellaneous	-	-	-	-
Grant receivable	-	-	-	-
Due from other funds	10,978	-	-	10,978
Due from component unit	-	-	4,408	4,408
Deposits	-	-	-	-
	$ 10,978	$ 2,799	$ 5,535	$ 19,312
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued liabilities	149	-	342	491
Due to other funds	-	-	5,193	5,193
Total Liabilities	149	-	5,535	5,684
Fund Balance				
Restricted -				
Police Services	-	2,799	-	2,799
Cemetery up-keep	10,829	-	-	10,829
Unassigned	-	-	-	-
Total fund balance	10,829	2,799	-	13,628
Total liabilities and fund balance	$ 10,978	$ 2,799	$ 5,535	$ 19,312

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue			
Revenues:	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Total
Cemetery lot sales	$ 5,450	$ -	$ -	$ 5,450
Taxes	-	-	9,823	9,823
Intergovernmental	-	-	5,000	5,000
Fines and forfeitures	-	2,032	-	2,032
Other	8,000	-	13,616	21,616
Total Revenue	13,450	2,032	28,439	43,921
Expenditures;				
Current:				
Salaries and benefits	7,511	-	22,897	30,408
Purchased/contracted services	1,150	221	3,585	4,956
Supplies	-	309	2,667	2,976
Other	-	-	62	62
Capital outlay	-	-	-	-
Total Expenditures	8,661	530	29,211	38,402
Excess (deficiency) of revenues over expenditures	4,789	1,502	(772)	5,519
Other financing sources (uses)				
Transfers in (out)	-	-	772	772
Net Change in Fund Balances	4,789	1,502	-	6,291
Fund Balance-Beginning of Year	6,040	1,297	-	7,337
Fund Balance-End of Year	$ 10,829	$ 2,799	$ -	$ 13,628

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Cash	$ 1,105,334	$ 997,675
Receivables -		
Property taxes	335,354	185,344
Franchise taxes	178,507	175,254
Other taxes	29,813	30,888
Fines, net of allowance for bad debts of $386,000 in 2016 and $233,732 in 2015	256,660	155,821
Intergovernmental	-	-
Miscellaneous	821	11,171
Due from other funds	360,579	1,256
Due from component unit	-	-
Prepaid expenses	62,080	65,523
Total assets	$ 2,329,148	$ 1,622,932
Liabilities		
Accounts payable	$ 249,467	$ 65,160
Accrued liabilities	67,498	80,215
Due to other funds	422,957	559,143
Unearned revenues	114,484	63,802
Total liabilities	854,406	768,320
Deferred Inflows of Resources		
Unavailable revenues	357,570	277,233
Fund Balance (Deficit)		
Nonspendable - prepaid items	62,080	65,523
Assigned - for 2017 budget appropriations	95,184	223,832
Unassigned	959,908	288,024
Total fund balance (deficit)	1,117,172	577,379
Total liabilities, deferred inflows of resources and fund balance (deficit)	$ 2,329,148	$ 1,622,932

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2016 and 2015

	2016	2015
Revenues:		
Taxes	$ 2,668,857	$ 2,357,070
Business licenses and permits	73,907	89,024
Intergovernmental	19,795	49,164
Service fees	10,238	5,749
Fines and forfeitures	654,292	505,891
Interest	4	3
Rents	5,900	9,025
Miscellaneous	5,994	17,247
Total revenues	3,438,987	3,033,173
Expenditures:		
Current-		
Governing Body	38,643	36,847
General Government	258,697	250,043
Financial Administration	368,690	331,681
Government Buildings	51,374	52,275
Municipal Court	173,942	160,786
Public Safety	1,134,357	1,156,914
Highways and Streets	406,305	422,553
Culture and Recreation	157,232	173,600
Economic Development	83,975	69,094
Capital Outlay	50,626	207,621
Debt service -		
Principal	159,938	123,673
Interest	63,542	63,994
Total expenditures	2,947,321	3,049,081
Excess (deficiency) of revenues over expenditures	491,666	(15,908)
Other financing sources (uses)		
Capital lease proceeds	40,948	184,738
Proceeds from sale of capital assets	-	32,239
Transfers (net)	7,179	(20,423)
Total other financing sources (uses)	48,127	196,554
Net change in fund balance	539,793	180,646
Fund Balance-Beginning of Year	577,379	396,733
Fund Balance-End of Year	$ 1,117,172	$ 577,379

(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, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			
	Final Budget	Actual	Variance	2015 Actual
Revenues				
Taxes:				
Property	$ 1,675,985	$ 1,777,365	$ 101,380	$ 1,514,597
Utility franchise	264,145	270,667	6,522	257,593
Host tax	64,320	89,280	24,960	74,568
Alcoholic beverage	26,975	14,068	(12,907)	24,415
Insurance premium	334,314	362,127	27,813	334,314
Motor vehicle	76,672	79,478	2,806	86,203
Intangible taxes	16,941	20,376	3,435	17,485
Business and occupational	39,966	38,040	(1,926)	41,334
Other taxes	8,168	17,456	9,288	6,561
Total taxes	2,507,486	2,668,857	161,371	2,357,070
Business Licenses and Permits	55,001	73,907	18,906	89,024
Intergovernmental	48,991	19,795	(29,196)	49,164
Service Fees				
Police services	-	9,454	9,454	3,963
Miscellaneous	2,612	784	(1,828)	1,786
Total service fees	2,612	10,238	7,626	5,749
Fines and Forfeitures	560,857	654,292	93,435	505,891
Interest Earned	-	4	4	3
Rents	-	5,900	5,900	9,025
Miscellaneous				
Other	21,465	5,994	(15,471)	17,247
Total	21,465	5,994	(15,471)	17,247
Total Revenues	$ 3,196,412	$ 3,438,987	$ 242,575	$ 3,033,173

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual totals for the year ended December 31, 2015)

	2016			
	Final Budget	Actual	Variance	2015 Actual
Expenditures				
Governing Body				
Personal services and benefits	$ 36,191	$ 36,128	$ 63	$ 35,617
Purchased / contracted services	4,264	2,515	1,749	1,090
Supplies	50	-	50	140
Total operating	40,505	38,643	1,862	36,847
Total Governing Body	40,505	38,643	1,862	36,847
General Government				
Personal services and benefits	130,734	130,518	216	119,180
Purchased / contracted services	112,823	109,278	3,545	110,321
Supplies	14,503	8,397	6,106	15,220
Other	13,784	10,504	3,280	5,322
Total operating	271,844	258,697	13,147	250,043
Capital outlay	-	-	-	-
Total General Government	271,844	258,697	13,147	250,043
Financial Administration				
Personal services and benefits	304,737	284,919	19,818	260,580
Purchased / contracted services	78,628	78,770	(142)	66,743
Supplies	8,335	5,001	3,334	4,108
Other	254	-	254	250
Total operating	391,954	368,690	23,264	331,681
Capital outlay	2,176	2,176	-	19,472
Total Financial Administration	394,130	370,866	23,264	351,153

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual totals for the year ended December 31, 2015)

	2016			
	Final Budget	Actual	Variance	2015 Actual
Government Buildings				
Purchased / contracted services	$ 19,867	$ 19,418	$ 449	$ 17,906
Supplies	35,248	31,956	3,292	34,369
Other	2,372	-	2,372	-
Total operating	57,487	51,374	6,113	52,275
Capital outlay	-	-	-	4,270
Total Government Buildings	57,487	51,374	6,113	56,545
Municipal Court				
Personal services and benefits	114,877	110,432	4,445	110,510
Purchased / contracted services	45,984	44,118	1,866	38,102
Supplies	4,314	4,268	46	2,475
Other costs	15,757	15,124	633	9,699
Total operating	180,932	173,942	6,990	160,786
Capital outlay	-	-	-	-
Total Municipal Court	180,932	173,942	6,990	160,786
Public Safety				
Police				
Personal services and benefits	1,040,503	986,819	53,684	1,019,976
Purchased / contracted services	98,455	96,913	1,542	80,559
Supplies	55,012	50,625	4,387	56,379
Other costs	544	-	544	-
Total operating	1,194,514	1,134,357	60,157	1,156,914
Capital outlay	50,172	48,450	1,722	140,570
Total Public Safety	1,244,686	1,182,807	61,879	1,297,484

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual totals for the year ended December 31, 2015)

	2016			
	Final Budget	Actual	Variance	2015 Actual
Highways and Streets				
Personal services and benefits	$ 217,865	$ 195,476	$ 22,389	$ 198,121
Purchased / contracted services	163,866	97,951	65,915	108,008
Supplies	119,166	112,878	6,288	116,424
Other costs	285	-	285	-
Total operating	501,182	406,305	94,877	422,553
Capital outlay	-	-	-	43,309
Total Highways and Streets	501,182	406,305	94,877	465,862
Culture and Recreation				
Personal services and benefits	132,712	126,211	6,501	129,201
Purchased / contracted services	31,933	27,030	4,903	38,859
Supplies	7,022	3,991	3,031	5,540
Other costs	4,628	-	4,628	-
Total operating	176,295	157,232	19,063	173,600
Capital outlay	-	-	-	-
Total Recreation	176,295	157,232	19,063	173,600

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative actual totals for the year ended December 31, 2015)

	2016			
	Final Budget	Actual	Variance	2015 Actual
Economic Development				
Personal services and benefits	$ -	$ -	$ -	$ -
Purchased / contracted services	83,975	83,975	-	69,094
Supplies	-	-	-	-
Total operating	83,975	83,975	-	69,094
Capital outlay	-	-	-	-
Total Economic Development	83,975	83,975	-	69,094
Debt Service				
Principal	159,947	159,938	9	123,673
Interest	63,649	63,542	107	63,994
Total Debt Service	223,596	223,480	116	187,667
Total Expenditures	$ 3,174,632	$ 2,947,321	$ 227,311	$ 3,049,081

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CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 AND 2015

Assets	2016	2015
Due from other funds	$ 10,978	$ 6,040
Total Assets	$ 10,978	$ 6,040
Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	$ 149	$ -
Total Liabilities	149	-
Fund balance		
Restricted for cemetery up-keep	10,829	6,040
Total Liabilities and Fund Balance	$ 10,978	$ 6,040

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, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			
	Budget	Actual	Variance	2015 Actual
Revenues				
Cemetery lot sales	$ 1,200	$ 5,450	$ 4,250	$ 3,000
Contributions	8,000	8,000	-	8,045
Total Revenues	9,200	13,450	4,250	11,045
Expenditures				
Current				
Salaries and benefits	7,748	7,511	237	7,351
Purchased/contracted services	8,868	314	8,554	5,036
Other costs	836	836	-	-
Capital outlay	-	-	-	-
Total Expenditures	17,452	8,661	8,791	12,387
Excess of revenues over (under) expenditures	(8,252)	4,789	13,041	(1,342)
Other financing sources (uses)				
Transfers	8,252	-	(8,252)	-
Net change in fund balance	-	4,789	4,789	(1,342)
Fund Balance-Beginning of Year	6,040	6,040	-	7,382
Fund Balance-End of Year	$ 6,040	$ 10,829	$ 4,789	$ 6,040

CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 AND 2015

Assets	2016	2015
Cash	$ 2,799	$ 4,411
Total assets	$ 2,799	$ 4,411
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$ -	$ 1,973
Due to other funds	-	1,141
Total liabilities	-	3,114
Fund balance:		
Restricted for police budget enhancement	2,799	1,297
Total liabilities and fund balance	$ 2,799	$ 4,411

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, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Forfeitures	$ 2,032	$ 2,032	$ -	$ 2,730
Other	-	-	-	-
Total Revenues	2,032	2,032	-	2,730
Expenditures				
Current -				
Supplies	310	309	1	2,584
Purchased/contracted services	3,019	221	2,798	2,033
Other costs	-	-	-	-
Capital outlay-			-	
Machinery and equipment	-	-	-	-
Total Expenditures	3,329	530	2,799	4,617
Excess (deficiency) of Revenues over Expenditures	(1,297)	1,502	2,799	(1,887)
Other financing sources (uses)				
Transfers in (out)	1,297	-	(1,297)	-
Net change in fund balance	-	1,502	1,502	(1,887)
Fund Balance-Beginning of Year	1,297	1,297	-	3,184
Fund Balance-End of Year	$ 1,297	$ 2,799	$ 1,502	$ 1,297

CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Receivables -		
Taxes	$ 1,127	$ -
Miscellaneous	-	-
Due from component unit	4,408	115
Total Assets	$ 5,535	$ 115
Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	$ 342	$ -
Due to other funds	5,193	115
Total Liabilities	5,535	115
Fund balance - Restricted for Tourism and Promotion	-	-
Total Liabilities and Equity	$ 5,535	$ 115

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, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Hotel / Motel tax	$ 1,098	$ 9,823	$ 8,725	$ 1,128
Event revenue	4,616	4,616	-	4,599
Intergovernmental	5,000	5,000	-	5,000
Contributions-private source	-	-	-	360
Contributions from MSSM	-	-	-	-
Contributions from SMMA	9,000	9,000	-	9,452
Total Revenues	19,714	28,439	8,725	20,539
Expenditures				
Current -				
Tourism and Promotion	32,973	29,211	3,762	26,358
Capital outlay	-	-	-	860
Total Expenditures	32,973	29,211	3,762	27,218
Excess (deficiency) of Revenues over Expenditures	(13,259)	(772)	12,487	(6,679)
Other financing sources (uses)				
Transfers in (out)	13,259	772	(12,487)	6,679
Net change in fund balance	-	-	-	-
Fund Balance-Beginning of Year	-	-	-	-
Fund balance-end of Year	$ -	$ -	$ -	$ -

CITY OF STONE MOUNTAIN, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Cash	$ -	$ -
Receivables -		
Other taxes	-	-
Grant	343,390	-
Due from other funds	-	-
Total Assets	$ 343,390	$ -
Liabilities		
Accounts payable	$ -	$ 7,138
Accrued liabilities	-	-
Due to other funds	355,386	-
Total Liabilities	355,386	7,138
Deferred Inflows of Resources		
Unavailable revenues	230,178	-
Fund balance -		
Restricted for capital outlay	-	-
Unassigned	(242,174)	(7,138)
Total Fund Balance	(242,174)	(7,138)
Total Liabilities, Deferred Inflows of resources and Fund Balance	$ 343,390	$ -

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, 2016
(With comparative actual amounts for the year ended December 31, 2015)

	2016			2015
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	$ 1,031,099	$ 564,964	$ (466,135)	$ 56,244
Interest	-	-	-	-
Taxes	-	-	-	-
Total Revenues	1,031,099	564,964	(466,135)	56,244
Expenditures				
Capital Outlay				
Highways and Streets	1,232,021	794,400	437,621	28,126
General Government Buildings	6,561	5,600	961	92,757
Debt Service				
Debt Issue Cost	-	-	-	-
Total Expenditures	1,238,582	800,000	438,582	120,883
Excess (deficiency) of Revenues over Expenditures	(207,483)	(235,036)	(27,553)	(64,639)
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	-	-
Transfers	201,768	-	(201,768)	21,932
Net change in fund balance	(5,715)	(235,036)	(229,321)	(42,707)
Fund balance-Beginning of Year	(7,138)	(7,138)	-	35,569
Fund balance-end of Year	$ (12,853)	$ (242,174)	$ (229,321)	$ (7,138)

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2016 AND 2015

Assets	2016	2015
Current assets		
Accounts receivable		
Sanitation	$ 36,043	$ 40,290
Dumpsters	4,952	8,260
Due from General Fund	-	-
Prepaid items	145	145
Total current assets	41,140	48,695
Noncurrent assets		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	23,130	23,130
Accumulated depreciation	(86,599)	(84,286)
Capital assets (net of depreciation)	5,012	7,325
Total noncurrent assets	5,012	7,325
Total assets	46,152	56,020
Liabilities		
Current liabilities		
Accounts payable	-	-
Accrued liabilities	317	-
Customer deposits	4,168	3,272
Unearned revenue	11,820	10,991
Accrued liabilities	-	-
Current liabilities	16,305	14,263
Noncurrent liabilities		
Capital lease payable	-	-
Total noncurrent liabilities		
Total liabilities	16,305	14,263
Net Position		
Investment in capital assets	5,012	7,325
Unrestricted	24,835	34,432
Total net position	$ 29,847	$ 41,757

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, 2016 AND 2015

	2016	2015
OPERATING REVENUES:		
Refuse collection	$ 392,483	$ 386,525
Dumpster collection	139,741	131,215
Miscellaneous	845	4,949
Total operating revenues	533,069	522,689
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	3,952	1,710
Dumpster collection	119,729	113,577
Sanitation expense	384,833	374,874
Personal services and benefits	15,563	15,878
Purchased / contracted services	1,590	1,536
Supplies	1,477	1,369
Depreciation	2,313	2,313
Bad debt expense	7,500	-
Other	70	1,513
Total operating expenses	537,027	512,770
Operating income	(3,958)	9,919
NONOPERATING INCOME/(EXPENSES)		
Loss on sale of capital assets	-	-
Total nonoperating income/(expense)	-	-
Income before transfers and capital contributions	(3,958)	9,919
Capital contributions	-	-
Transfers in/(out)	(7,952)	(8,188)
Change in net position	(11,910)	1,731
NET POSITION, BEGINNING OF YEAR	41,757	40,026
NET POSITION, END OF YEAR	$ 29,847	$ 41,757

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Cash received from customers and users	$ 534,849	$ 518,645
Cash paid to suppliers	(514,092)	(498,003)
Cash paid to employees	(12,805)	(12,454)
Net cash provided by operating activities	7,952	8,188
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	(7,952)	(8,188)
Net cash provided by non-capital financing activities	(7,952)	(8,188)
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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2016	2015
Operating income (loss)	$ (3,958)	$ 9,919
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,313	2,313
(Increase) decrease in receivables	7,555	(4,351)
(Increase) decrease in prepaids	-	-
Increase (decrease) in accounts payable	-	-
Increase (decrease) in unearned revenues	829	66
Increase (decrease) in customer deposits	896	241
Increase (decrease) in accrued liabilities	317	-
Net cash provided by operating activities	$ 7,952	$ 8,188

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Current assets		
Cash	$ 148,799	$ 1,000
Receivables, net -		
Accounts	9,201	36,061
Due from other funds	411,979	553,103
Total current assets	569,979	590,164
Non-Current Assets		
Capital assets -		
Construction in progress	-	41,577
Infrastructure	1,008,273	889,511
Accumulated depreciation	(150,442)	(127,554)
Capital assets, net of depreciation	857,831	803,534
Total non-current assets	857,831	803,534
Total Assets	1,427,810	1,393,698
LIABILITIES		
Current liabilities		
Accounts payable	1,050	-
Accrued liabilities	728	-
Total current liabilities	1,778	-
Noncurrent Liabilities	-	-
Total liabilities	1,778	-
NET POSITION		
Investment in capital assets	857,831	803,534
Unrestricted	568,201	590,164
Total Net Position	$ 1,426,032	$ 1,393,698

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES		
Charges for services	$ 141,792	$ 146,760
Total operating revenues	141,792	146,760
OPERATING EXPENSES		
Personal services and benefits	37,636	37,683
Purchased/contracted services	38,498	31,903
Supplies	188	-
Depreciation	22,888	22,238
Bad debt	10,000	-
Other	248	-
Total operating expenses	109,458	91,824
Operating income (loss)	32,334	54,936
Non-operating revenues and (expenses)		
Interest income	-	-
Income before transfers and capital contributions	32,334	54,936
Capital contributions	-	-
Transfers	-	-
Change in net position	32,334	54,936
NET POSITION - BEGINNING	1,393,698	1,338,762
NET POSITION - ENDING	$ 1,426,032	$ 1,393,698

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Cash received from customers and users	$ 158,652	$ 141,265
Cash paid to suppliers for goods	(45,394)	(39,873)
Cash paid to employees	(29,398)	(29,713)
Net cash provided from operating activities	83,860	71,679
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	141,124	(67,695)
Net cash flows from non-capital financing activities	141,124	(67,695)
Cash flows from capital financing activities:		
Proceeds from capital contributions	-	-
Purchase of capital assets	(77,185)	(2,984)
Net cash flows from capital financing activities	(77,185)	(2,984)
Net cash flows	147,799	1,000
Cash and cash equivalents - beginning	1,000	-
Cash and cash equivalents - ending	$ 148,799	$ 1,000

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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2016	2015
Operating income (loss)	$ 32,334	$ 54,936
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	22,888	22,238
(Increase) decrease in receivables	26,860	(5,495)
Increase (decrease) in accounts payable	1,050	-
Increase (decrease) in accrued liabilities	728	-
Total adjustments	51,526	16,743
Net cash from operating activities	$ 83,860	$ 71,679

CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 AND 2015

	2016	2015
Assets		
Assets:		
Cash	$ 38,239	$ 9,017
Receivables		
Rents	-	-
Miscellaneous	1,961	2,000
Total Assets	$ 40,200	$ 11,017
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ 3,936	$ 378
Due to primary government	4,408	115
Tenant deposits	-	1,000
Total Liabilities	8,344	1,493
Fund equity:		
Fund Balance - Unassigned	31,856	9,524
Total Fund Equity	31,856	9,524
Total Liabilities and Fund Equity	$ 40,200	$ 11,017

CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Revenues:		
Rents	$ 17,400	$ 27,650
Event fees	5,797	16,134
Contributions -		
City	83,975	69,094
Other	1,461	500
Miscellaneous	3,457	6,130
Total Revenues	112,090	119,508
Expenditures:		
Personal services and benefits	60,376	61,233
Purchased / contracted services	12,909	17,003
Supplies	5,485	5,526
Façade grants	5,461	-
Events	10,784	26,022
Other	573	1,718
Debt service -		
Principal	162,526	10,209
Interest	19,011	10,451
Total Expenditures	277,125	132,162
Excess of revenues over (under) expenditures	(165,035)	(12,654)
Other financing sources (uses):		
Proceeds from note issue	-	-
Proceeds from sale of asset	187,367	-
Transfer (net)	-	-
Total Other Financing Sources (Uses)	187,367	-
Net change in fund balance	22,332	(12,654)
Fund Balance - Beginning of year	9,524	22,178
Fund Balance - End of year	$ 31,856	$ 9,524