CITY OF STONE MOUNTAIN, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMEBER 31, 2017

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, 2017

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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, 2017, 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, 2017 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 12, 2018 on our consideration of City of Stone Mountain, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Stone Mountain, Georgia's internal control over financial reporting and compliance.

James A. Whitaker, P.C.

Snellville, Georgia
June 12, 2018

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, 2017. 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, 2017 by $8,145,116. Of this amount unrestricted net position of $2,314,399 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net position increased by $1,028,705. Of this amount, an increase of $983,394 was associated with governmental activities and an increase of $45,311 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 $1,571,000 an increase of $682,374 in comparison with the prior year. Of this amount $1,287,370 is unassigned; $22,558 is restricted for various specified activities; $204,381 is assigned for the 2018 budget and $56,691 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 $1,287,370 or 38.5% of the General Fund expenditures.

- The City of Stone Mountain's total debt obligations (including accrued compensated absences) decreased by the net of $306,370. Principal payments were made on outstanding capital leases of $167,935 while the City entered into lease obligations amounting to $104,537 for two new police vehicles and office equipment. The City did implement GASB 68 during fiscal year 2015 which requires recognition of the City's "net pension liability, which was $330,039 as of December 31, 2016 and $95,859 at December 31, 2017.

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 2017 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, 2017, the City's assets exceeded liabilities by $8,145,116. The City's net position reflects its investment in capital assets (71.3 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 $8,145,116, $22,558 (.3 percent) is restricted for various specified activities and $2,314,399 (28.4 percent) is unrestricted.

City of Stone Mountain's Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 2,348,755	$ 1,908,314	$ 591,106	$ 611,119	$ 2,939,861	$ 2,519,433
Capital assets	6,258,327	5,766,791	944,308	862,843	7,202,635	6,629,634
Deferred outflows	239,721	340,731	-	-	239,721	340,731
Total assets	8,846,803	8,015,836	1,535,414	1,473,962	10,382,217	9,489,798
Current liabilities	489,825	476,703	34,224	18,083	524,049	494,786
Long-term liabilities	1,508,678	1,815,048	-	-	1,508,678	1,815,048
Deferred inflows	204,374	63,553	-	-	204,374	63,553
Total liabilities	2,202,877	2,355,304	34,224	18,083	2,237,101	2,373,387
Net position:						
Net investment in capital assets	4,863,851	4,308,917	944,308	862,843	5,808,159	5,171,760
Restricted	22,558	13,628	-	-	22,558	13,628
Unrestricted	1,757,517	1,337,987	556,882	593,036	2,314,399	1,931,023
Total net position	$ 6,643,926	$ 5,660,532	$ 1,501,190	$ 1,455,879	$ 8,145,116	$ 7,116,411

A portion of the net position (0.3 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net position ($2,314,399) 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 $983,394. Key elements of this increase are as follows:

City of Stone Mountain's Change in Net Position
For The Years Ended December 31, 2017 and 2016

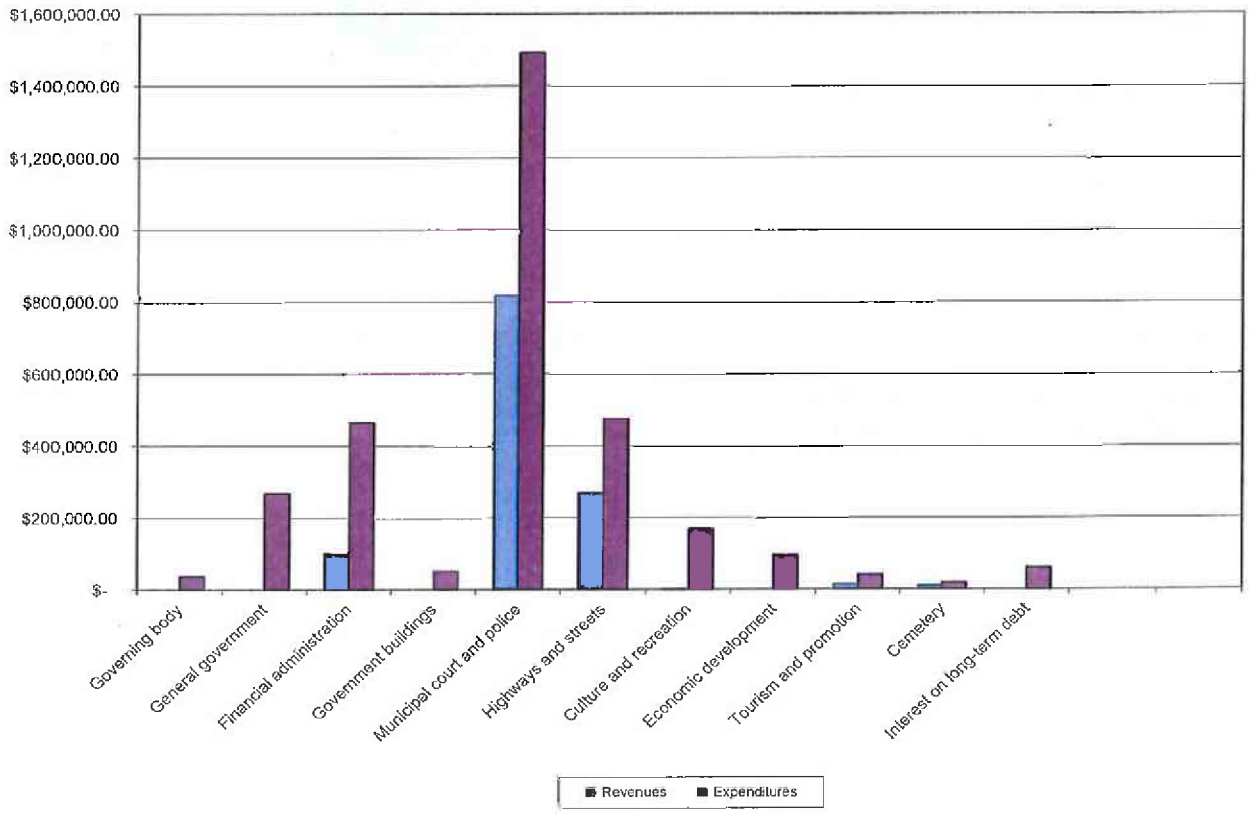
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues -						
Charges for services	$ 916,497	$ 839,816	$ 695,515	$ 674,861	$ 1,612,012	$ 1,514,677
Operating grants and contributions	55,427	26,550	-	-	55,427	26,550
Capital grants and contributions	235,956	813,202	-	-	235,956	813,202
General Revenues-						
Property taxes	1,942,467	1,767,673	-	-	1,942,467	1,767,673
Other taxes	960,942	901,316	-	-	960,942	901,316
Interest	7	4	-	-	7	4
Other	23,985	9,826	-	-	23,985	9,826
	4,135,281	4,358,387	695,515	674,861	4,830,796	5,033,248
Expenses:						
Governing body	36,042	34,767	-	-	36,042	34,767
General government	266,696	300,734	-	-	266,696	300,734
Financial administration	463,246	462,442	-	-	463,246	462,442
Government buildings	50,174	51,374	-	-	50,174	51,374
Municipal court and public safety	1,490,713	1,385,625	-	-	1,490,713	1,385,625
Highways and streets	474,136	469,665	-	-	474,136	469,665
Culture and recreation	168,123	159,430	-	-	168,123	159,430
Economic development	93,575	83,975	-	-	93,575	83,975
Tourism and promotion	39,023	29,211	-	-	39,023	29,211
Cemetery	17,358	11,122	-	-	17,358	11,122
Interest on long-term debt	59,196	60,546	-	-	59,196	60,546
Solid waste	-	-	539,361	537,027	539,361	537,027
Stormwater	-	-	104,448	109,458	104,448	109,458
	3,158,282	3,048,891	643,809	646,485	3,802,091	3,695,376
Increase (decrease) in net position before transfers	976,999	1,309,496	51,706	28,376	1,028,705	1,337,872
Transfers	6,395	7,952	(6,395)	(7,952)	-	-
Increase (decrease) in net position	983,394	1,317,448	45,311	20,424	1,028,705	1,337,872
Net position - beginning of year	5,660,532	4,343,084	1,455,879	1,435,455	7,116,411	5,778,539
Net position - end of year	$ 6,643,926	$ 5,660,532	$ 1,501,190	$ 1,455,879	$ 8,145,116	$ 7,116,411

- Total Governmental Activity revenue decreased by $223,106 (5.11%). Total property tax revenue increased by $174,794 due to an increase in the real property tax valuations for the 2017 tax year. The millage rate assessed remained constant at 22.27 mils. Other Tax Revenue increased by $59,626 (6.6%) primarily due to an increase in Insurance Premium tax revenues of $25,673 (43.8%). Total program revenue decreased by $471,688 (28.1%). Charges for services increased by $79,681 (9.13%). Operating grants increased by $28,877 (108.76%). Capital grants and contributions decreased from $813,202 to $235,956.

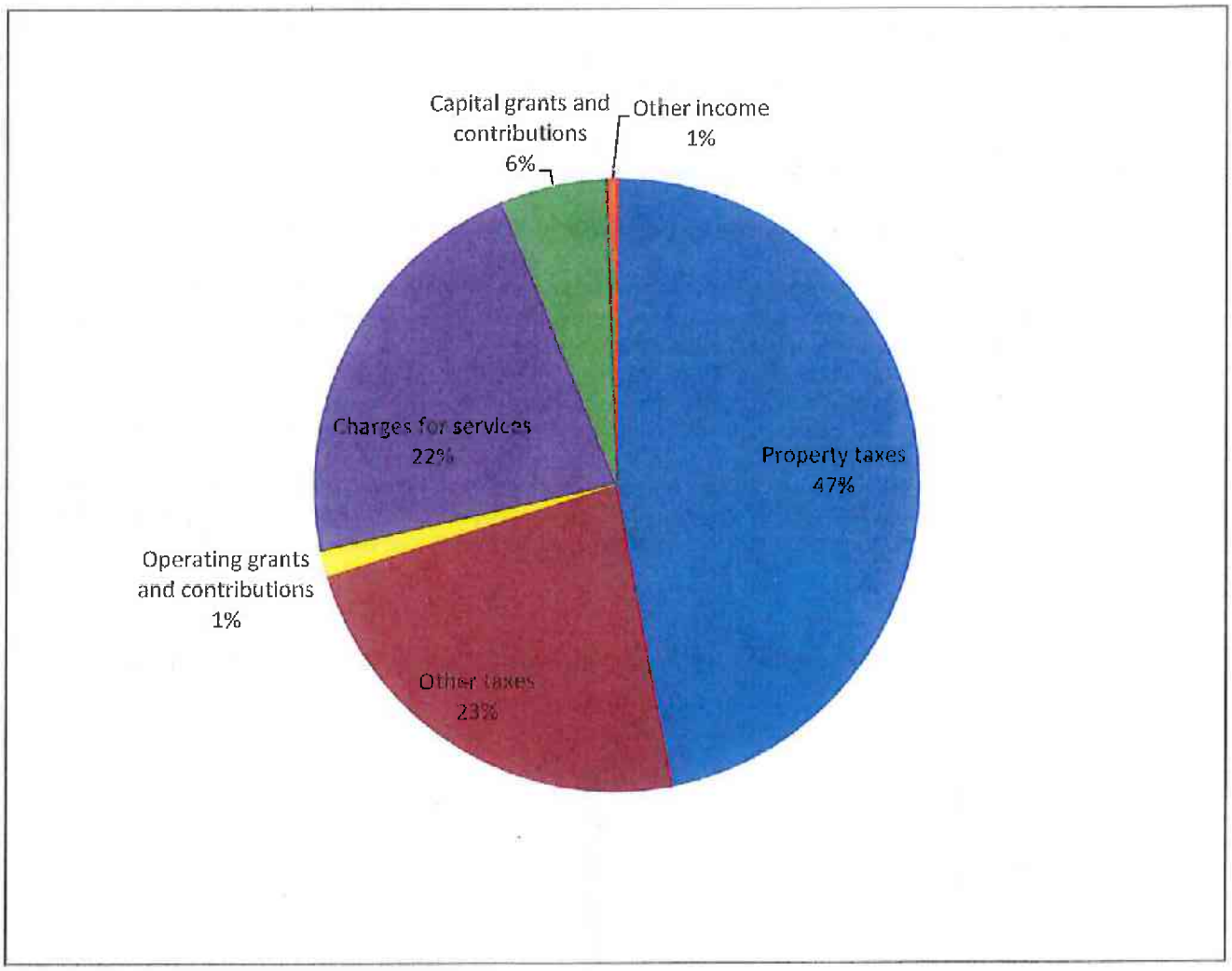
- Total Governmental Activity expenses increased from $3,048,891 to $3,158,282. However there were significant increases and decreases among the various governmental activities from the prior year:

    - Expenditures for general government decreased by $34,038 (11.3%) due, in part to a decreased retirement expense.
    - Expenditures for financial administration increased by $16,036 (4.3%) primarily due to a net increase in personnel expense for administrative level positions and a decrease in expense due to a gap in placement of other administrative department positions.
    - Expenditures for municipal court and public safety increased by $105,088 (7.5%) due to the hiring of additional police patrol and implementation of a part-time court services position.
    - Expenditures for culture and recreation increased by $8,693 (5.4%) primarily due to an increase in park repairs and maintenance.
    - Expenditures for economic development increased by $9,600 (11.4%) primarily due an increase in General Fund contribution to the Downtown Development Authority. The contribution was increased to offset budgeted reductions in license and permit revenue, charges for services revenue, and contributions-private sources revenue.

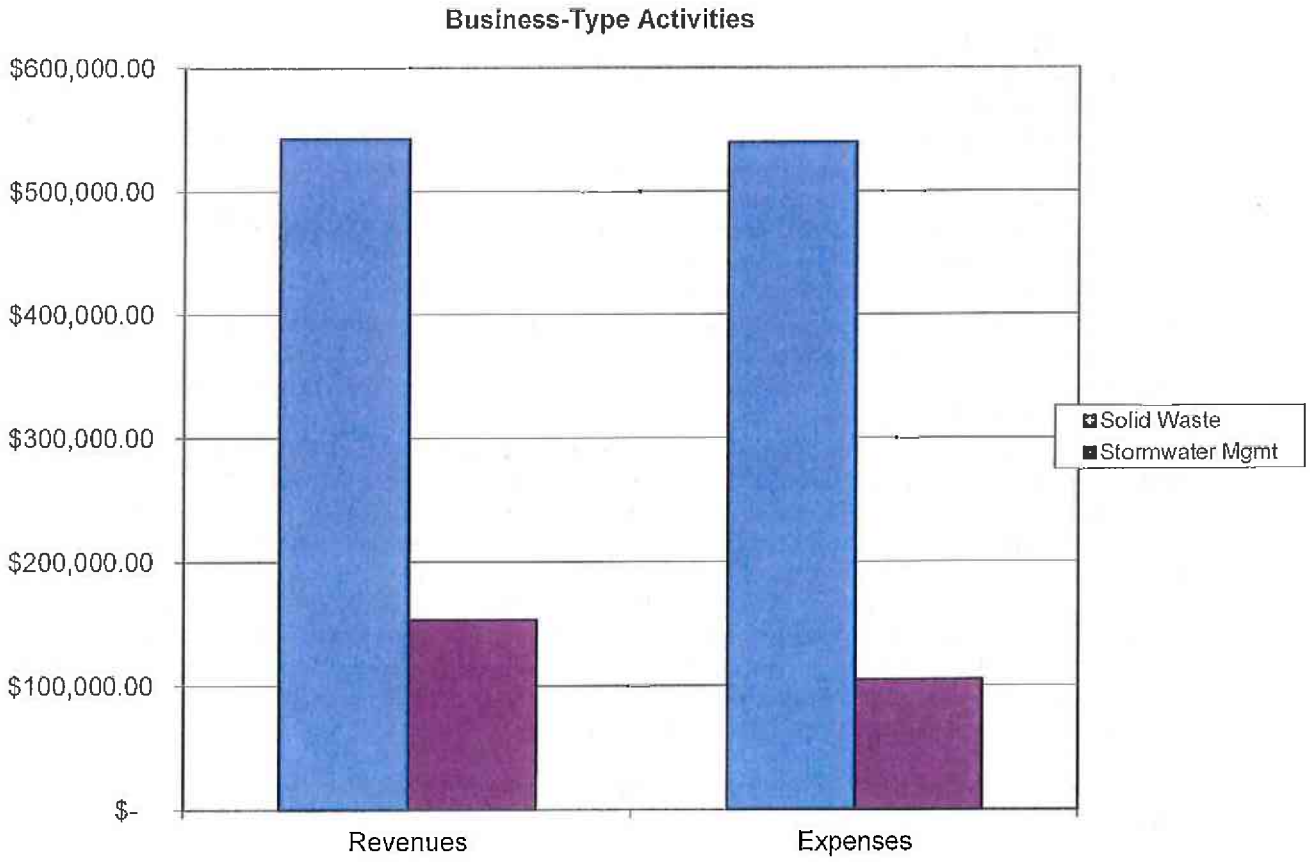
Expenses and Program Revenues-Governmental Activities



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type activities. Business type activities increased the City's net position by $45,311. The net position of the Solid Waste Management Fund decreased by $3,096 to $26,751 after a transfer to the General Fund of $6,395. The net position of the Storm Water Management Fund increased by $48,407 to $1,474,439. Storm water expenses increased $3,549 for purchased/contracted services and the fund reported no bad debt.



Financial Analysis of the Government's Funds

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

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

At December 31, 2017 the city's governmental funds reported a combined ending fund balance of $1,571,000. Of this amount $1,287,370 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because $22,558 is restricted for specified activities, $204,381 is assigned for the 2018 budget and $56,691 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 $1,287,370 while the total fund balance was $1,548,442. Unassigned fund balance represents 38.5% of General Fund expenditures while total fund balance of $1,548,442 represents 46.3% of General Fund expenditures.

During the current fiscal year the fund balance of the City's general fund increased by $431,270. Other notable changes for 2017 compared to 2016 were as follows:

- General Fund revenues of $3,865,784 for FY 2017 increased over revenues of $3,483,987 in FY 2016. However, there were significant increases and decreases among categories of General Fund revenue:
    - Property tax revenue increased by $174,794 (9.9%) due to an increase in real property tax valuations for the 2017 tax year. The assessed millage rate remained constant at 22.27 mils.
    - Municipal Court fines and forfeitures increased $190,111 (29.1%). Fines and forfeitures are nearing the historical average of $851,121 experience from 2006 through 2012.
    - Business licenses and permits increased $3,708 (5.0%).

- Intergovernmental revenue increased by $11,173 (56.4%).
- Miscellaneous revenue increased by $14,930 (249.1%) primarily due to revenue received in the General Fund miscellaneous revenue category for the tax sale of a nuisance abatement property in 2017.

- General Fund expenditures for FY 2017 were $3,344,068. This was a increase of $396,747 or thirteen and five tenths percent (13.5%) over FY 2016.
  - Capital outlay for FY 2017 increased from $50,626 to $286,883 ($236,257). This increase was primarily due to the purchase of two parcels of land in the amount of $140,026.
  - Financial administration expenditures increased by $16,036 (4.4%).
  - Expenditures for public safety increased from $1,134,357 to $1,247,799 ($113,442).
  - Expenditures for culture and recreation increased by $8,693 (6.8%).
  - Economic Development expenditures increased by $9,600 (11.4%).
- The City's General Fund made principal payments on its capital leases long-term debt of $167,935. Of this amount $61,407 was for City Hall. Total debt service increased from $223,480 to $228,436 (2.2%).
- Transfers to the general fund from other funds in 2017 amounted to a net of ($201,753) compared to net transfers to the general fund in 2016 of $7,179.
- The amount of $411,979 due to the Storm Water Fund from the General Fund in 2016 was reduced to $188,038 in 2017. In an effort to reduce the balance due to the Storm Water Fund from the General Fund, a General Fund contribution of $114,015 was allocated to the Storm Water Fund at FY2017 budget adoption. 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 increased from FY 2016. Expenditures were $1,985,097 in FY 2017 compared to $1,870,503 in FY 2016. Merit increases ranging from 1.5% to 3% were granted to several employees. Two employees received 6% increases. An additional police patrol and part-time court services positions were implemented in 2017. There was also an increase in the personnel expense for transition and placement of the full-time deputy court clerk position in the City's Court Services department.

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 $10,365 second-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 Projec., The expenditure was subsequently funded from General Fund Reserve.
- A $32,125 increase in the General Fund budget to transfer funds from the General Fund to the Capital Projects Fund for Historic Train Depot Renovations engineering services.
- A $117,443 fourth-quarter increase in the General Fund budget for municipal fines and forfeitures revenue due to the increase in actual revenue collected over revenue estimates. This increase was used to fund ne police vehicle equipment and to decrease General Fund interfund transfer allocations. An implementation of strict adherence to activity reporting by the City's police patrol unit, administrative management of duties performed within the Public Safety department (specifically the patrol division), and the ongoing application of a recently implemented Warrants Officer are noted as cause for increased fine and forfeiture revenue.
- A total of $101,505 increase was assessed for real property tax revenue in the General Fund due to an increase in real property valuations for the 2017 tax year. The increase was used to assist with funding an increase in Acquisition of Property expense for the purchase of two parcels of land directly adjoining the City's Municipal Building lot ($140,026).
- A $25,637 increase in the General Fund budget for Insurance Premium revenue due to the actual revenue received over revenue estimates.

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

Final results in actual revenue and expenditures varied from the 2017 budget in several areas most notably:

- Total actual revenue of $3,865,784 was 104.1% of the final amended budget estimate for revenue.
- Intergovernmental revenue was $33,101 (51.7%) less than the final budget.
- Fines, Forfeitures and Court Cost revenue was $$96,167 (12.9%) more than the amended budget.
- Total actual expenditures of $3,344,068 were 92.3% of the final amended budget estimate for expenditures.

- Revenues exceeded expenditures by $521,716.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets at December 31, 2017 amounts to $7,202,635 (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 $98,800 for two police car and related equipment; $420,000 for completion of the sidewalk and streetscape improvements to East Mountain Street; $140,000 for property on Main Street and $20,000 for body cameras for the police department.

Long-term debt. At the end of the current fiscal year, the City had $1,508,678 in outstanding debt consisting of the following:

CITY OF STONE MOUNTAIN'S OUTSTANDING DEBT

	Balance
Governmental Activities:	
Capital leases - equipment	$ 202,270
Capital leases - facilities	1,192,206
Net pension liability	95,859
Compensated absences	18,343
Total Governmental Activiites	1,508,678
Business-Type Activites:	
Capital leases	-
Total Outstanding Debt	$ 1,508,678

The City's total debt decreased $306,370. 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 $8,700,000 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 2017:
  - The unemployment rate for the United States was 4.1%.
  - The unemployment rate for the State of Georgia was 4.5%.
  - The unemployment rate for the twenty-eight county Metropolitan Statistical Area was 4.1%.
  - The unemployment rate for the ten county Atlanta Region was 4.1%.
  - The unemployment rate for DeKalb County as of December 2017 was 4.2%
- 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 2.1% in the United States from December of 2016 to December of 2017 and annual average in Atlanta was 3.3 from December of 2016 to December 2017.
- The occupancy rate for properties in the central business district was unchanged in 2017.
- There was no new residential or commercial construction in the City in 2017. There was a complete rebuild of one commercial district property with construction being valued at $85,000.

All of these factors were considered in preparing the City of Stone Mountain's budget for FY 2018.

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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and cash equivalents	$ 1,601,089	$ 348,168	$ 1,949,257	$ 82,882
Receivables (net of allowance for uncollectibles)				
Taxes	552,007	-	552,007	500
Fines	268,406	-	268,406	-
Intergovernmental	30,996	-	30,996	-
Accounts	2,786	54,755	57,541	-
Due from other funds	(188,038)	188,038	-	-
Due from component unit	5,917	-	5,917	(5,917)
Prepaid items	56,691	145	56,836	-
Deposits	-	-	-	-
Restricted assets -				
Cash	18,901	-	18,901	-
Non-depreciable capital assets	754,848	-	754,848	-
Depreciable capital assets	5,503,479	944,308	6,447,787	-
Total Assets	8,607,082	1,535,414	10,142,496	77,465
Deferred Outflows				
Deferred pension outflows	239,721	-	239,721	-
Total Assets and Deferred Outflows	8,846,803	1,535,414	10,382,217	77,465

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Liabilities				
Accounts Payable				
Operating	$ 208,077	$ 16,040	$ 224,117	$ 940
Accrued Liabilities -				
Compensated absences	56,995	-	56,995	-
Wages	19,550	941	20,491	1,000
Customer deposits	-	4,321	4,321	-
Interest	43,458	-	43,458	-
Other	6,068	-	6,068	7
Unearned Revenue	155,677	12,922	168,599	-
Long-Term Liabilities -				
Due Within One Year	158,165	-	158,165	-
Due In More Than One Year	1,350,513	-	1,350,513	-
Total Liabilities	1,998,503	34,224	2,032,727	1,947
Deferred Inflows				
Deferred pension inflows	204,374	-	204,374	-
Total Liabilities and Deferred Inflows	2,202,877	34,224	2,237,101	1,947
Net Position				
Net investment in capital assets	4,863,851	944,308	5,808,159	-
Restricted for -				
Police activities	17,475	-	17,475	-
Cemetery up-keep	5,083	-	5,083	-
Capital outlay	-	-	-	-
Unrestricted	1,757,517	556,882	2,314,399	75,518
Total Net Position	$ 6,643,926	$ 1,501,190	$ 8,145,116	$ 75,518

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
Governing Body	$ 36,042	$ -	$ -	$ -
General Government	266,696	-	-	-
Financial Administration	463,246	96,806	2,495	-
Government Buildings	50,174	-	-	-
Municipal Court and Police	1,490,713	817,891	-	-
Highways and Streets	474,136	-	30,932	235,956
Culture and Recreation	168,123	650	-	-
Economic Development	93,575	-	-	-
Tourism and Promotion	39,023	-	14,000	-
Cemetery	17,358	1,150	8,000	-
Interest on Long-Term Debt	59,196	-	-	-
Total Governmental Activities	3,158,282	916,497	55,427	235,956
Business-Type Activities				
Solid Waste Management	539,361	542,660	-	-
Stormwater Management	104,448	152,855	-	-
Total Business-Type Activities	643,809	695,515	-	-
Total Primary Government	$ 3,802,091	$ 1,612,012	$ 55,427	$ 235,956
Component Unit:				
Downtown Development Authority	$ 78,859	$ 28,946	$ 93,575	$ -

General Revenues:
Taxes:
Property
Franchise
Occupational
Motor vehicle
Host tax
Insurance premium
Alcohol beverage
Hotel / Motel
Other
Interest Earnings
Gain on disposition of capital asset
Other
Total General Revenues
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning of Year, Restated
Net Position - End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
$ (36,042)	$ -	$ (36,042)	$ -
(266,696)	-	(266,696)	-
(363,945)	-	(363,945)	-
(50,174)	-	(50,174)	-
(672,822)	-	(672,822)	-
(207,248)	-	(207,248)	-
(167,473)	-	(167,473)	-
(93,575)	-	(93,575)	-
(25,023)	-	(25,023)	-
(8,208)	-	(8,208)	-
(59,196)	-	(59,196)	-
(1,950,402)	-	(1,950,402)	-
-	3,299	3,299	-
-	48,407	48,407	-
-	51,706	51,706	-
(1,950,402)	$ 51,706	(1,898,696)	-
-	$ -	-	43,662
1,942,467	-	1,942,467	-
280,482	-	280,482	-
39,601	-	39,601	-
73,298	-	73,298	-
96,245	-	96,245	-
387,800	-	387,800	-
15,353	-	15,353	-
13,251	-	13,251	-
54,912	-	54,912	-
7	-	7	-
692	-	692	-
23,293	-	23,293	-
2,927,401	-	2,927,401	-
6,395	(6,395)	-	-
2,933,796	(6,395)	2,927,401	-
983,394	45,311	1,028,705	43,662
5,660,532	1,455,879	7,116,411	31,856
$ 6,643,926	$ 1,501,190	$ 8,145,116	$ 75,518

CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 1,601,089	$ -	$ 18,901	$ 1,619,990
Receivables - net of allowance for bad debt of $426,000				
Taxes	550,900	-	1,107	552,007
Fines	268,406	-	-	268,406
Intergovernmental	-	30,996	-	30,996
Miscellaneous	2,786	-	-	2,786
Due from other funds	37,004	-	5,223	42,227
Due from component unit	541	-	5,376	5,917
Prepaid items	56,691	-	-	56,691
Deposits	-	-	-	-
Total assets	$ 2,517,417	$ 30,996	$ 30,607	$ 2,579,020
Liabilities				
Accounts payable	$ 208,077	$ -	$ -	$ 208,077
Accrued liabilities	81,997	-	615	82,612
Due to other funds	193,261	30,996	6,008	230,265
Unearned revenue	154,251	-	1,426	155,677
Total liabilities	637,586	30,996	8,049	676,631
Deferred Inflows of Resources				
Unavailable revenues	331,389	-	-	331,389
Fund Balance				
Nonspendable -				
Prepaid items	56,691	-	-	56,691
Restricted -				
Police services	-	-	17,475	17,475
Cemetery up-keep	-	-	5,083	5,083
Assigned - 2018 budget appropriations	204,381	-	-	204,381
Unassigned	1,287,370	-	-	1,287,370
Total fund balance (deficit)	1,548,442	-	22,558	1,571,000
Total liabilties, deferred inflows of resources and fund balance (deficit)	$ 2,517,417	$ 30,996	$ 30,607	$ 2,579,020

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, 2017

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances -- total governmental funds	$ 1,571,000
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,258,327
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unavailable revenues	331,389
Deferred inflows and outflows related to the net pension liability is not a current asset or liability:	
Deferred outflows	239,721
Deferred inflows	(204,374)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital leases	(1,394,476)
Long-term portion of compensated absences	(18,343)
Accrued interest payable	(43,459)
Net pension liability	(95,859)
Net position of governmental activities	$ 6,643,926

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, 2017

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 2,879,686	$ -	$ 13,251	$ 2,892,937
Business licenses and permits	77,615	-	-	77,615
Intergovernmental	30,932	466,135	5,000	502,067
Service fees	11,567	-	1,150	12,717
Fines and forfeitures	844,403	-	19,712	864,115
Interest	7	-	-	7
Rents	650	-	-	650
Miscellaneous	20,924	-	19,918	40,842
Total revenues	3,865,784	466,135	59,031	4,390,950
Expenditures:				
Current:				
Governing Body	39,918	-	-	39,918
General Government	258,445	-	-	258,445
Financial Administration	384,726	-	-	384,726
Government Buildings	50,174	-	-	50,174
Municipal Court	178,166	-	-	178,166
Public Safety	1,247,799	-	5,036	1,252,835
Highways and Streets	410,021	-	-	410,021
Culture and Recreation	165,925	-	-	165,925
Economic Development	93,575	-	-	93,575
Tourism and Promotion	-	-	39,023	39,023
Cemetery	-	-	14,896	14,896
Capital outlay	286,883	423,255	-	710,138
Debt service				
Principal	167,935	-	-	167,935
Interest	60,501	-	-	60,501
Debt issue costs	-	-	-	-
Total expenditures	3,344,068	423,255	58,955	3,826,278
Excess (deficiency) of Revenues over Expenditures	521,716	42,880	76	564,672

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, 2017

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Other financing sources (uses)				
Capital lease proceeds	$ 104,537	$ -	$ -	$ 104,537
Proceeds from disposition of assets	6,770	-	-	6,770
Transfers (net)	(201,753)	199,294	8,854	6,395
Total other financing sources (uses)	(90,446)	199,294	8,854	117,702
Net change in fund balance	431,270	242,174	8,930	682,374
Fund Balance-Beginning of Year	1,117,172	(242,174)	13,628	888,626
Fund Balance-End of Year	$ 1,548,442	$ -	$ 22,558	$ 1,571,000

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, 2017

Net change in fund balances -- total governmental funds	$	682,374
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		716,268
Depreciation expense		(218,653)
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.		(6,078)
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.		(256,359)
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		(104,537)
Repayment of long term debt		167,935
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		1,303
Change in accrued compensated absences		8,792
Change in net pension obligation and related deferred items		(7,651)
Change in net position of governmental activities.	$	983,394

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, 2017

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Taxes	$ 2,684,107	$ 2,813,411	$ 2,879,686	$ 66,275
Business licenses and permits	60,675	76,276	77,615	1,339
Intergovernmental	64,033	64,033	30,932	(33,101)
Service fees	7,037	11,067	11,567	500
Fines and forfeitures	630,793	748,236	844,403	96,167
Interest	-	-	7	7
Rents	-	-	650	650
Miscellaneous	2,815	2,495	20,924	18,429
Total revenues	3,449,460	3,715,518	3,865,784	150,266
Expenditures:				
Current:				
Governing Body	39,696	41,636	39,918	1,718
General Government	282,438	278,220	258,445	19,775
Financial Administration	385,149	391,951	384,726	7,225
Government Buildings	74,303	57,285	50,174	7,111
Municipal Court	171,667	191,941	178,166	13,775
Public Safety	1,284,548	1,284,360	1,247,799	36,561
Highways and Streets	531,645	531,401	410,021	121,380
Culture and Recreation	194,988	194,955	165,925	29,030
Economic Development	93,575	93,575	93,575	-
Capital outlay	147,416	330,387	286,883	43,504
Debt service				
Principal	166,950	166,950	167,935	(985)
Interest	60,358	60,358	60,501	(143)
Total expenditures	3,432,733	3,623,019	3,344,068	278,951

(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, 2017

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Excess (deficiency) of Revenues over Expenditures	$ 16,727	$ 92,499	$ 521,716	$ 429,217
Other financing sources (uses)				
Capital Lease Proceeds	95,195	95,195	104,537	9,342
Proceeds from sale of capital assets	-	6,770	6,770	-
Transfers (net)	(111,922)	(194,464)	(201,753)	(7,289)
Total other financing sources (uses)	(16,727)	(92,499)	(90,446)	2,053
Net change in fund balance	-	-	431,270	431,270
Fund Balance-Beginning of Year	1,117,172	1,117,172	1,117,172	-
Fund Balance-End of Year	$ 1,117,172	$ 1,117,172	$ 1,548,442	$ 431,270

(See accompanying notes to the financial statements.)

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Solid Waste Management	Stormwater Management	Total
ASSETS			
Current assets			
Cash	$ -	$ 348,168	$ 348,168
Receivables-			
Accounts	41,437	13,318	54,755
Due from other funds	-	188,038	188,038
Prepaid items	145	-	145
Total current assets	41,582	549,524	591,106
Noncurrent assets			
Capital assets			
Construction in progress	-	-	-
Autos and trucks	68,481	-	68,481
Machinery and equipment	23,130	-	23,130
Infrastructure	-	1,118,173	1,118,173
Accumulated depreciation	(88,912)	(176,564)	(265,476)
Capital assets (net of depreciation)	2,699	941,609	944,308
Total noncurrent assets	2,699	941,609	944,308
Total assets	44,281	1,491,133	1,535,414
LIABILITIES			
Current liabilities			
Accounts payable -			
Trade	-	16,040	16,040
Customer deposits	4,321	-	4,321
Unearned revenue	12,922	-	12,922
Accrued liabilities	287	654	941
Current portion of long-term debt	-	-	-
Total current liabilities	17,530	16,694	34,224
Noncurrent liabilities			
Capital leases	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	17,530	16,694	34,224
Net Position			
Investments in capital assets	2,699	941,609	944,308
Unrestricted	24,052	532,830	556,882
Total Net Position	$ 26,751	$ 1,474,439	$ 1,501,190

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, 2017

	Solid Waste Management	Stormwater Management	Total
OPERATING REVENUES			
Refuse collection	$ 394,882	$ -	$ 394,882
Dumpster collection	145,512	-	145,512
Stormwater fees	-	152,855	152,855
Miscellaneous	2,266	-	2,266
Total operating revenues	542,660	152,855	695,515
OPERATING EXPENSES			
Purchased products / services	516,630	-	516,630
Personal services and benefits	15,240	36,239	51,479
Purchased / contracted services	1,592	42,047	43,639
Supplies	1,586	-	1,586
Depreciation and amortization	2,313	26,123	28,436
Bad debt expense	2,000	-	2,000
Other	-	39	39
Total operating expenses	539,361	104,448	643,809
Operating income (loss)	3,299	48,407	51,706
Non-operating revenues and (expenses)			
Loss on sale of capital asset	-	-	-
Total non-operating revenues (expenses)	-	-	-
Income before transfers and capital contributions	3,299	48,407	51,706
Capital contributions	-	-	-
Transfers	(6,395)	-	(6,395)
CHANGE IN NET POSITION	(3,096)	48,407	45,311
NET POSITION - BEGINNING	29,847	1,426,032	1,455,879
NET POSITION - ENDING	$ 26,751	$ 1,474,439	$ 1,501,190

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, 2017

	Solid Waste Management	Stormwater Management	Total
Cash flows from operating activities:			
Cash received from customers and users	$ 543,473	$ 148,738	$ 692,211
Cash paid to suppliers for goods	(524,417)	(34,534)	(558,951)
Cash paid to employees	(12,661)	(28,875)	(41,536)
Net cash provided from operating activities	6,395	85,329	91,724
Cash flows from investing activities:			
Interest received	-	-	-
(Purchase) / redemption of investments	-	-	-
Net cash from investing activities	-	-	-
Cash flows from non-capital financing activities:			
Transfers	(6,395)	-	(6,395)
Change in due to/from other funds	-	223,941	223,941
Net cash flows from non-capital financing activities	(6,395)	223,941	217,546
Cash flows from capital financing activities:			
Purchases / construction of capital assets	-	(109,901)	(109,901)
Capital contributions	-	-	-
Principal payments on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Interest paid	-	-	-
Net cash flows from capital financing activities	-	(109,901)	(109,901)
Net cash flows	-	199,369	199,369
Cash and cash equivalents - beginning	-	148,799	148,799
Cash and cash equivalents - ending	$ -	$ 348,168	$ 348,168

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)	$ 3,299	$ 48,407	$ 51,706
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	2,313	26,123	28,436
(Increase) decrease in -			
Accounts receivable	(442)	(4,117)	(4,559)
Prepaids	-	-	-
Increase (Decrease) in -			
Accounts payable	-	14,990	14,990
Unearned revenues	1,102	-	1,102
Customer deposits	153	-	153
Accrued liabilities	(30)	(74)	(104)
Total adjustments	3,096	36,922	40,018
Net cash from operating activities	$ 6,395	$ 85,329	$ 91,724
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, 2017 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, 2017. 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, 2017 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 $22,558 in restricted net position, of which $17,475 is restricted by enabling legislation.

U. Fund Balance – Governmental Funds

As of December 31, 2017 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.

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

U. Fund Balance – Governmental Funds, (Continued)

As of December 31, 2017, fund balances are composed of the following:

	General	Capital Projects	Nonmajor Funds	Total
Nonspendable -				
Prepaid items	$ 56,691	$ -	$ -	$ 56,691
Restricted -				
Police activities	-	-	17,475	17,475
Cemetery up-keep	-	-	5,083	5,083
Capital projects	-	-	-	-
Assigned - for 2018 budget appropriations	204,381	-	-	204,381
Unassigned	1,287,370	-	-	1,287,370
Total	$ 1,548,442	$ -	$ 22,558	$ 1,571,000

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, 2017, $1,742,608 of the government's bank balance of 2,013,406 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	1,742,608
Total	$ 1,742,608

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 2017, based upon the assessed value as of January 1, 2017, were levied on June 6, 2017. 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	$ 571,900	$ -	$ 1,107	$ 573,007
Fines	673,406	-	-	673,406
Intergovernmental	-	30,996	-	30,996
Accounts	2,786	-	-	2,786
Gross Receivables	1,248,092	30,996	1,107	1,280,195
Less: Allowance for Uncollectible	(426,000)	-	-	(426,000)
Net Total Receivables	$ 822,092	$ 30,996	$ 1,107	$ 854,195

Proprietary Funds

	Solid Waste	Stormwater	Total
Accounts	$ 67,437	$ 23,318	$ 90,755
Less: Allowance for Uncollectible	(26,000)	(10,000)	$ (36,000)
Net Total Receivables	$ 41,437	$ 13,318	$ 54,755

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Governmental Funds –

Intergovernmental revenues for the year ended December 31, 2017 consist of the following:

State of Georgia, Dept of Transportation - Local Maintenance Improvement Grant (LMIG)	$	30,932
State of Georgia, Dept of Transportation -Transportation improvements		222,820
MARTA- Transportation improvements		243,315
DeKalb Convention & Visitors Bureau		5,000
Total Intergovernmental Revenue	$	502,067

Intergovernmental receivables as of December 31, 2017 consist of the following:

State of Georgia, Dept of Transportation - Transportation improvements	$	30,996
MARTA - Transportation improvements		-
Total Intergovernmental Receivable	$	30,996

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2017 were as follows:

	Payable To			
Payable From	General Fund	Non Major	Stormwater Management	Total
General	$ -	$ 5,223	$ 188,038	$ 193,261
Capital Projects	30,996	-	-	30,996
Nonmajor	6,008	-	-	6,008
Total	$ 37,004	$ 5,223	$ 188,038	$ 230,265

Individual interfund transfers for the year ended December 31, 2017 were as follows:

	Transfers To			
Transfer From	General	Capital Projects	Nonmajor	Total
General	$ -	$ 199,294	$ 8,854	$ 208,148
Capital Projects	-	-	-	-
Solid Waste	6,395	-	-	6,395
Total	$ 6,395	$ 199,294	$ 8,854	$ 214,543

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 a lawsuit as of December 31, 2017. Although the outcome of this matter is not presently determinable, in the opinion of the City attorney, the resolution of this matter will not have a material adverse effect on the financial condition of the City.

8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 471,774	$ 140,026	$ -	$ 611,800
Construction in progress	1,029,944	423,254	(1,310,150)	143,048
Total	1,501,718	563,280	(1,310,150)	754,848
Capital assets being depreciated:				
Buildings & improvements	2,493,384	-	-	2,493,384
Infrastructure	2,091,049	1,310,150	-	3,401,199
Vehicles, including related equipment	655,600	98,809	(88,396)	666,013
Furniture and other equipment	920,271	54,178	(326,528)	647,921
Total capital assets being depreciated	6,160,304	1,463,137	(414,924)	7,208,517
Less accumulated depreciation for:				
Buildings & improvements	346,966	62,762	-	409,728
Infrastructure	316,126	55,006	-	371,132
Vehicles, including related equipment	410,106	65,854	(87,702)	388,258
Furniture and other equipment	822,033	35,031	(321,144)	535,920
Total accumulated depreciation	1,895,231	218,653	(408,846)	1,705,038
Total capital assets being depreciated, net	4,265,073	1,244,484	(6,078)	5,503,479
Governmental capital assets, net	$ 5,766,791	$ 1,807,764	$ (1,316,228)	$ 6,258,327

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

Administrative	$ 82,846
Police	67,282
Highways and Streets	63,866
Parks	2,198
Cemetery	2,461
Total depreciation expense	$ 218,653

(See Independent Auditor's Report

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	23,130	-	-	23,130
Infrastructure	1,008,273	109,900	-	1,118,173
Total capital assets being depreciated	1,099,884	109,900	-	1,209,784
Less accumulated depreciation for:				
Vehicles, including related equipment	68,481	-	-	68,481
Machinery and equipment	18,119	2,312	-	20,431
Infrastructure	150,441	26,123	-	176,564
Total accumulated depreciation	237,041	28,435	-	265,476
Business-Type Activities capital assets, ne	$ 862,843	$ 81,465	$ -	$ 944,308

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

Solid Waste Management	$ 2,312
Stormwater Management	26,123
Total depreciation expense	$ 28,435

(See Independent Auditor's Report)

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, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Capital leases - equipment	$ 204,261	$ 104,537	$ (106,528)	$ 202,270	$ 94,142
Capital leases - facilities	1,253,613	-	(61,407)	1,192,206	64,023
Net pension liability	330,039	-	(234,180)	95,859	-
Accrued compensated absences	27,135	-	(8,792)	18,343	-
Total Governmental Activities	$ 1,815,048	$ 104,537	$ (410,907)	$ 1,508,678	$ 158,165

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.

During 2017 the City entered into two lease-purchase agreements with Georgia Municipal Association and a private corporation for two fully equipped police vehicles and a copier with an original cost of $104,537. 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 $335,889. 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
2018	$ 94,142	$ 5,430	$ 64,023	$ 50,788	$ 214,383
2019	66,668	2,668	66,750	48,061	184,147
2020	30,968	956	69,594	45,217	146,735
2021	10,492	92	72,558	42,252	125,394
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
	$ 202,270	$ 9,146	$ 1,192,206	$ 415,144	$ 1,818,766

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 $95,184 and accumulated depreciation as of December 31, 2017 was $380,824.

10. UNAVAILABLE AND UNEARNED REVENUES

Unavailable revenues as of December 31, 2017, 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	$ 143,510
Fines and Forfeitures	166,142
Franchise Taxes	21,737
Total Unavailable Revenues	$ 331,389

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	$ 20,340
Police forfeitures	1,426
Grants	133,911
Total Unearned Revenues	$ 155,677

(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)	$ 5,637,183
Automobile physical damage	Per application
Coverage Description - Casualty:	
Comprehensive general liability	$ 2,000,000
Automobile liability	$ 1,000,000
Errors and omissions (Public Officials)	$ 2,000,000
Employee benefits liability	$ 1,000,000
Law enforcement liability	$ 2,000,000
Coverage Description - Crime:	
Blanket bond - employees required to be bonded	$ 500,000
Blanket bond - all other employees	$ 500,000
Depositors forgery	$ 500,000
Money and securities - loss inside and outside premises	$ 250,000
Deductible:	
All coverages are subject to a per occurrence deductible of	$1,000 to $5,000

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, 2017, the City collected hotel/motel taxes in the amount of $13,251 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, 2017, the date of the most recent actuarial valuation, there were 76 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	13
Terminated vested participants not yet receiving benefits	32
Active employees - vested	20
Active employees - nonvested	11
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 2017, the actuarially determined contribution rate was 8.97% of covered payroll.

For fiscal year ended December 31, 2017, the City's recommended and actual contribution was $127,724 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, 2017 and recognized as an expense in the Government-Wide Statement of Activity was $135,375.

16. EMPLOYEE BENEFIT PLANS, (Continued)

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

At December 31, 2017, the City reported a liability of $95,859 for its net pension liability. The net pension liability was measured as of March 31, 2017 and was determined by an actuarial valuation as of July 1, 2017. The changes in the Net Pension Liability for the year ended March 31, 2017 (the measurement date) were as follow:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2016	$ 3,592,117	$ 3,262,078	$ 330,039
Changes for the year-			
Service cost	90,761	-	90,761
Interest	274,600	-	274,600
Differences between expected and actual experience	(70,721)	-	(70,721)
Contributions - Employer	-	129,669	(129,669)
Net investment income	-	412,524	(412,524)
Benefit payments, including refunds of employee contributions	(97,779)	(97,779)	-
Administrative expense	-	(13,373)	13,373
Other	-	-	-
Net Changes	196,861	431,041	(234,180)
Balance at March 31, 2017	$ 3,788,978	$ 3,693,119	$ 95,859

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, 2017, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	$ 90,761
Interest on The Pension Liability (TPL)	274,600
Administrative expenses	13,373
Expected return on assets	(253,529)
Deferred Outflows -	
Contributions subsequent to the measurement date	-
Deferred Inflows -	
Expensed portion of current year period differences between expected and actual experience in TPL	(23,573)
Expensed portion of current year period assumption changes	-
Current year recognition of deferred inflows and outflows established in prior years	65,542
Expensed portion of current year period differences between projected and actual investment earnings	(31,799)
Total expense	$ 135,375

$95,793 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, 2017. 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
2018	$ 47,976	$ (74,168)
2019	47,976	(66,608)
2020	47,976	(31,799)
2021	-	(31,799)
	$ 143,928	$ (204,374)

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2017 are as follow:

	Outflows	Inflows
Contributions subsequent to the measurement date	$ 95,793	$ -
Demographic	-	(54,708)
Investment	143,928	(149,666)
Assumption change	-	-
Total	$ 239,721	$ (204,374)

(See Independent Auditor's Report)

16. EMPLOYEE BENEFITS PLAN, (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2017 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, 2017 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, 2017 are summarized in the following table:

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

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	$ 624,555	$ 95,859	$ (342,249)

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, 2017 the City entered into a tax anticipation note obligation for operating purposes of $713,000 at a local financial institution with actual drawdowns under the agreement of $713,000. The borrowing, with an interest rate of 2.81%, matured on December 31, 2017. Total short-term borrowings interest incurred and expended for the year ended December 31, 2017 was $11,242. Loan cost for this borrowing amounted to $7,000.

The following is a summary of the City's short-term borrowings for the year ended December 31, 2017:

	Beginning Balance	Increases	Decreases	Ending Balance
Tax anticipation note	$ -	$ 713,000	$ (713,000)	$ -

(See Independent Auditor's Report)

18. 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, 2017 no fund of the City had a deficit fund balance

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

C. The City has created a Tax Allocation District #1 (TAD) which centers on the City's Main Street commercial core, select commercial and residential areas and a 50-acre tract of newly incorporated, underdeveloped land. As taxable property is redeveloped and therefore improved, any property tax revenue increase above the base year value within the TAD is deposited into a special fund to pay for redevelopment costs within the TAD. The 2008 base year taxable value within the TAD was $9,681,680. Subsequent years' taxable values inside the TAD have decreased. Therefore, no taxes were realized that were required to be deposited into a special fund as of December 31, 2017.

(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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service cost	$ 90,761	$ 91,995	$ 76,184							
Interest	274,600	256,210	229,805							
Differences between expected and actual experience	(70,721)	(22,681)	153,267	(Historical information prior to implementation of GASB 67/68 is not required)						
Changes of assumptions	-	-	(44,184)							
Benefit payments	(97,779)	(78,686)	(70,025)							
Net changes in total pension liability	196,861	246,838	345,047							
Total pension liability - beginning	3,592,117	3,345,279	3,000,232							
Total pension liability - ending	$ 3,788,978	$ 3,592,117	$ 3,345,279							
Plan Fiduciary Net Position										
Contributions - employer	$ 129,669	$ 121,965	$ 131,821							
Net investment income	412,524	10,778	281,624							
Benefit payments	(97,779)	(78,686)	(70,025)	(Historical information prior to implementation of GASB 67/68 is not required)						
Administrative expense	(13,373)	(9,268)	(8,478)							
Other	-	-	-							
Net change in fiduciary net position	431,041	44,789	334,942							
Plan fiduciary net position - beginning	3,262,078	3,217,289	2,882,347							
Plan fiduciary net position - ending	$ 3,693,119	$ 3,262,078	$ 3,217,289							
Net Pension Liability										
Net pension liability	$ 95,859	$ 330,039	$ 127,990							
Plan's fiduciary net position as a percentage of the total pension liability	97.47%	90.81%	96.17%	(Historical information prior to implementation of GASB 67/68 is not required)						
Covered-employee payroll	$ 1,277,871	$ 1,402,082	$ 1,454,796							
Net pension liability as a percentage of covered payroll	7.50%	23.54%	8.80%							

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

	Fiscal Year End									
	2017	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**
Actuarially determined contributions	127,724	130,318	119,180							
Contributions in relation to the actuarially determined contribution	(127,724)	(130,318)	(129,383)	(Historical information prior to implementation of GASB 67/68 is not required)						
Contribution deficiency (excess)	-	-	(10,203)							
Covered-employee payroll	1,277,871	1,402,082	1,454,796							
Contributions as a percentage of covered-employee payroll	10.00%	9.29%	8.19%							

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017

	Special Revenue			
	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Total
Assets				
Cash	$ -	$ 18,901	$ -	$ 18,901
Receivable	-	-	-	-
Taxes	-	-	1,107	1,107
Miscellaneous	-	-	-	-
Grant receivable	-	-	-	-
Due from other funds	5,223	-	-	5,223
Due from component unit	-	-	5,376	5,376
Deposits	-	-	-	-
	$ 5,223	$ 18,901	$ 6,483	$ 30,607
Liabilities and Fund Equity				
Liabilities:				
Unearned revenue	$ -	$ 1,426	$ -	$ 1,426
Accrued liabilities	140	-	475	615
Due to other funds	-	-	6,008	6,008
Total Liabilities	140	1,426	6,483	8,049
Fund Balance				
Restricted -				
Police Services	-	17,475	-	17,475
Cemetery up-keep	5,083	-	-	5,083
Unassigned	-	-	-	-
Total fund balance	5,083	17,475	-	22,558
Total liabilities and fund balance	$ 5,223	$ 18,901	$ 6,483	$ 30,607

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue			
Revenues:	Cemetery Fund	Police Asset Forfeiture Fund	Hotel / Motel Fund	Total
Cemetery lot sales	$ 1,150	$ -	$ -	$ 1,150
Taxes	-	-	13,251	13,251
Intergovernmental	-	-	5,000	5,000
Fines and forfeitures	-	19,712	-	19,712
Other	8,000	-	11,918	19,918
Total Revenue	9,150	19,712	30,169	59,031
Expenditures;				
Current:				
Salaries and benefits	9,041	-	32,811	41,852
Purchased/contracted services	5,020	162	3,642	8,824
Supplies	-	2,902	2,031	4,933
Other	835	1,972	539	3,346
Capital outlay	-	-	-	-
Total Expenditures	14,896	5,036	39,023	58,955
Excess (deficiency) of revenues over expenditures	(5,746)	14,676	(8,854)	76
Other financing sources (uses) Transfers in (out)	-	-	8,854	8,854
Net Change in Fund Balances	(5,746)	14,676	-	8,930
Fund Balance-Beginning of Year	10,829	2,799	-	13,628
Fund Balance-End of Year	$ 5,083	$ 17,475	$ -	$ 22,558

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Cash	$ 1,601,089	$ 1,105,334
Receivables - net		
Property taxes	325,767	335,354
Franchise taxes	185,817	178,507
Other taxes	39,316	29,813
Fines	268,406	256,660
Intergovernmental	-	-
Miscellaneous	2,786	821
Due from other funds	37,004	360,579
Due from component unit	541	-
Prepaid expenses	56,691	62,080
Total assets	$ 2,517,417	$ 2,329,148
Liabilities		
Accounts payable	$ 208,077	$ 249,467
Accrued liabilities	81,997	67,498
Due to other funds	193,261	422,957
Unearned revenues	154,251	114,484
Total liabilities	637,586	854,406
Deferred Inflows of Resources		
Unavailable revenues	331,389	357,570
Fund Balance (Deficit)		
Nonspendable - prepaid items	56,691	62,080
Assigned - for 2018 budget appropriations	204,381	95,184
Unassigned	1,287,370	959,908
Total fund balance (deficit)	1,548,442	1,117,172
Total liabilities, deferred inflows of resources and fund balance (deficit)	$ 2,517,417	$ 2,329,148

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2017 and 2016

	2017	2016
Revenues:		
Taxes	$ 2,879,686	$ 2,668,857
Business licenses and permits	77,615	73,907
Intergovernmental	30,932	19,795
Service fees	11,567	10,238
Fines and forfeitures	844,403	654,292
Interest	7	4
Rents	650	5,900
Miscellaneous	20,924	5,994
Total revenues	3,865,784	3,438,987
Expenditures:		
Current-		
Governing Body	39,918	38,643
General Government	258,445	258,697
Financial Administration	384,726	368,690
Government Buildings	50,174	51,374
Municipal Court	178,166	173,942
Public Safety	1,247,799	1,134,357
Highways and Streets	410,021	406,305
Culture and Recreation	165,925	157,232
Economic Development	93,575	83,975
Capital Outlay	286,883	50,626
Debt service -		
Principal	167,935	159,938
Interest	60,501	63,542
Total expenditures	3,344,068	2,947,321
Excess (deficiency) of revenues over expenditures	521,716	491,666
Other financing sources (uses)		
Capital lease proceeds	104,537	40,948
Proceeds from sale of capital assets	6,770	-
Transfers (net)	(201,753)	7,179
Total other financing sources (uses)	(90,446)	48,127
Net change in fund balance	431,270	539,793
Fund Balance-Beginning of Year	1,117,172	577,379
Fund Balance-End of Year	$ 1,548,442	$ 1,117,172

(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, 2017
(With comparative actual amounts for the year ended December 31, 2016)

	2017			
	Final Budget	Actual	Variance	2016 Actual
Revenues				
Taxes:				
Property	$ 1,898,756	$ 1,953,733	$ 54,977	$ 1,777,365
Utility franchise	271,626	258,746	(12,880)	270,667
Host tax	78,731	96,245	17,514	89,280
Alcoholic beverage	19,114	15,353	(3,761)	14,068
Insurance premium	387,800	387,800	-	362,127
Motor vehicle	74,701	73,298	(1,403)	79,478
Intangible taxes	17,600	25,593	7,993	20,376
Business and occupational	41,052	39,601	(1,451)	38,040
Other taxes	24,031	29,317	5,286	17,456
Total taxes	2,813,411	2,879,686	66,275	2,668,857
Business Licenses and Permits	76,276	77,615	1,339	73,907
Intergovernmental	64,033	30,932	(33,101)	19,795
Service Fees				
Police services	10,383	10,141	(242)	9,454
Miscellaneous	684	1,426	742	784
Total service fees	11,067	11,567	500	10,238
Fines and Forfeitures	748,236	844,403	96,167	654,292
Interest Earned	-	7	7	4
Rents	-	650	650	5,900
Miscellaneous				
Other	2,495	20,924	18,429	5,994
Total	2,495	20,924	18,429	5,994
Total Revenues	$ 3,715,518	$ 3,865,784	$ 150,266	$ 3,438,987

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative actual totals for the year ended December 31, 2016)

	2017			
	Final Budget	Actual	Variance	2016 Actual
Expenditures				
Governing Body				
Personal services and benefits	$ 36,191	$ 36,119	$ 72	$ 36,128
Purchased / contracted services	5,395	3,799	1,596	2,515
Supplies	50	-	50	-
Total operating	41,636	39,918	1,718	38,643
Total Governing Body	41,636	39,918	1,718	38,643
General Government				
Personal services and benefits	127,724	127,711	13	130,518
Purchased / contracted services	118,930	110,799	8,131	109,278
Supplies	17,627	8,693	8,934	8,397
Other	13,939	11,242	2,697	10,504
Total operating	278,220	258,445	19,775	258,697
Capital outlay	140,626	140,626	-	-
Total General Government	418,846	399,071	19,775	258,697
Financial Administration				
Personal services and benefits	304,009	304,913	(904)	284,919
Purchased / contracted services	79,529	74,911	4,618	78,770
Supplies	7,809	4,902	2,907	5,001
Other	604	-	604	-
Total operating	391,951	384,726	7,225	368,690
Capital outlay	1,775	1,698	77	2,176
Total Financial Administration	393,726	386,424	7,302	370,866

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative actual totals for the year ended December 31, 2016)

	2017			
	Final Budget	Actual	Variance	2016 Actual
Government Buildings				
Purchased / contracted services	$ 20,919	$ 20,521	$ 398	$ 19,418
Supplies	34,266	29,653	4,613	31,956
Other	2,100	-	2,100	-
Total operating	57,285	50,174	7,111	51,374
Capital outlay	8,792	7,697	1,095	-
Total Government Buildings	66,077	57,871	8,206	51,374
Municipal Court				
Personal services and benefits	128,990	116,530	12,460	110,432
Purchased / contracted services	53,636	52,321	1,315	44,118
Supplies	3,082	3,082	-	4,268
Other costs	6,233	6,233	-	15,124
Total operating	191,941	178,166	13,775	173,942
Capital outlay	590	590	-	-
Total Municipal Court	192,531	178,756	13,775	173,942
Public Safety				
Police				
Personal services and benefits	1,112,167	1,079,489	32,678	986,819
Purchased / contracted services	109,915	109,564	351	96,913
Supplies	62,278	58,746	3,532	50,625
Other costs	-	-	-	-
Total operating	1,284,360	1,247,799	36,561	1,134,357
Capital outlay	160,141	128,273	31,868	48,450
Total Public Safety	1,444,501	1,376,072	68,429	1,182,807

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative actual totals for the year ended December 31, 2016)

	2017			
	Final Budget	Actual	Variance	2016 Actual
Highways and Streets				
Personal services and benefits	$ 219,275	$ 193,176	$ 26,099	$ 195,476
Purchased / contracted services	177,960	101,046	76,914	97,951
Supplies	122,018	115,799	6,219	112,878
Other costs	12,148	-	12,148	-
Total operating	531,401	410,021	121,380	406,305
Capital outlay	7,999	7,999	-	-
Total Highways and Streets	539,400	418,020	121,380	406,305
Culture and Recreation				
Personal services and benefits	135,976	127,159	8,817	126,211
Purchased / contracted services	44,329	33,785	10,544	27,030
Supplies	7,022	4,981	2,041	3,991
Other costs	7,628	-	7,628	-
Total operating	194,955	165,925	29,030	157,232
Capital outlay	10,464	-	10,464	-
Total Recreation	205,419	165,925	39,494	157,232

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2017
(With comparative actual totals for the year ended December 31, 2016)

	2017			
	Final Budget	Actual	Variance	2016 Actual
Economic Development				
Personal services and benefits	$ -	$ -	$ -	$ -
Purchased / contracted services	93,575	93,575	-	83,975
Supplies	-	-	-	-
Total operating	93,575	93,575	-	83,975
Capital outlay	-	-	-	-
Total Economic Development	93,575	93,575	-	83,975
Debt Service				
Principal	166,950	167,935	(985)	159,938
Interest	60,358	60,501	(143)	63,542
Total Debt Service	227,308	228,436	(1,128)	223,480
Total Expenditures	$ 3,623,019	$ 3,344,068	$ 278,951	$ 2,947,321

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CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2017 AND 2016

Assets	2017	2016
Due from other funds	$ 5,223	$ 10,978
Total Assets	$ 5,223	$ 10,978
Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	$ 140	$ 149
Total Liabilities	140	149
Fund balance		
Restricted for cemetery up-keep	5,083	10,829
Total Liabilities and Fund Balance	$ 5,223	$ 10,978

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, 2017
(With comparative actual amounts for the year ended December 31, 2016)

	2017			
	Budget	Actual	Variance	2016 Actual
Revenues				
Cemetery lot sales	$ 2,000	$ 1,150	$ (850)	$ 5,450
Contributions	8,000	8,000	-	8,000
Total Revenues	10,000	9,150	(850)	13,450
Expenditures				
Current				
Salaries and benefits	9,267	9,041	226	7,511
Purchased/contracted services	8,868	5,020	3,848	314
Other costs	836	835	1	836
Capital outlay	-	-	-	-
Total Expenditures	18,971	14,896	4,075	8,661
Excess of revenues over (under) expenditures	(8,971)	(5,746)	3,225	4,789
Other financing sources (uses)				
Transfers	8,971	-	(8,971)	-
Net change in fund balance	-	(5,746)	(5,746)	4,789
Fund Balance-Beginning of Year	10,829	10,829	-	6,040
Fund Balance-End of Year	$ 10,829	$ 5,083	$ (5,746)	$ 10,829

CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Cash	$ 18,901	$ 2,799
Total assets	$ 18,901	$ 2,799
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$ -	$ -
Unearned Revenues	1,426	-
Total liabilities	1,426	-
Fund balance:		
Restricted for police budget enhancement	17,475	2,799
Total liabilities and fund balance	$ 18,901	$ 2,799

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, 2017
(With comparative actual amounts for the year ended December 31, 2016)

	2017			
	Budget	Actual	Variance	2016 Actual
Revenues				
Forfeitures	$ 19,712	$ 19,712	$ -	$ 2,032
Other	-	-	-	-
Total Revenues	19,712	19,712	-	2,032
Expenditures				
Current -				
Supplies	2,903	2,902	1	309
Purchased/contracted services	-	162	(162)	221
Other costs	19,608	1,972	17,636	-
Capital outlay-			-	
Machinery and equipment	-	-	-	-
Total Expenditures	22,511	5,036	17,475	530
Excess (deficiency) of Revenues over Expenditures	(2,799)	14,676	17,475	1,502
Other financing sources (uses) Transfers in (out)	2,799	-	(2,799)	-
Net change in fund balance	-	14,676	14,676	1,502
Fund Balance-Beginning of Year	2,799	2,799	-	1,297
Fund Balance-End of Year	$ 2,799	$ 17,475	$ 14,676	$ 2,799

CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Receivables -		
Taxes	$ 1,107	$ 1,127
Miscellaneous	-	-
Due from component unit	5,376	4,408
Total Assets	$ 6,483	$ 5,535
Liabilities and Fund Balance		
Liabilities		
Accrued liabilities	$ 475	$ 342
Due to other funds	6,008	5,193
Total Liabilities	6,483	5,535
Fund balance - Restricted for Tourism and Promotion	-	-
Total Liabilities and Equity	$ 6,483	$ 5,535

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, 2017
(With comparative actual amounts for the year ended December 31, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Hotel / Motel tax	$ 10,000	$ 13,251	$ 3,251	$ 9,823
Event revenue	-	2,918	2,918	4,616
Intergovernmental	14,000	5,000	(9,000)	5,000
Contributions-private source	3,000	-	(3,000)	-
Contributions from MSSM	-	-	-	-
Contributions from SMMA	-	9,000	9,000	9,000
Total Revenues	27,000	30,169	3,169	28,439
Expenditures				
Current -				
Tourism and Promotion	43,261	39,023	4,238	29,211
Capital outlay	-	-	-	-
Total Expenditures	43,261	39,023	4,238	29,211
Excess (deficiency) of Revenues over Expenditures	(16,261)	(8,854)	7,407	(772)
Other financing sources (uses)				
Transfers in (out)	16,261	8,854	(7,407)	772
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, 2017 AND 2016

	2017	2016
Assets		
Cash	$ -	$ -
Receivables -		
Other taxes	-	-
Grant	30,996	343,390
Due from other funds		-
Total Assets	$ 30,996	$ 343,390
Liabilities		
Accounts payable	$ -	$ -
Accrued liabilities	-	-
Due to other funds	30,996	355,386
Total Liabilities	30,996	355,386
Deferred Inflows of Resources		
Unavailable revenues	-	230,178
Fund balance -		
Restricted for capital outlay	-	-
Unassigned	-	242,174
Total Fund Balance	-	242,174
Total Liabilities, Deferred Inflows of resources and Fund Balance	$ 30,996	$ 827,738

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, 2017
(With comparative actual amounts for the year ended December 31, 2016)

	2017			2016
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental	$ 468,110	$ 466,135	$ (1,975)	$ 564,964
Interest	-	-	-	-
Taxes	-	-	-	-
Total Revenues	468,110	466,135	(1,975)	564,964
Expenditures				
Capital Outlay				
Highways and Streets	535,969	420,195	115,774	794,400
General Government Buildings	32,125	3,060	29,065	5,600
Debt Service				
Debt Issue Cost	-	-	-	-
Total Expenditures	568,094	423,255	144,839	800,000
Excess (deficiency) of Revenues over Expenditures	(99,984)	42,880	142,864	(235,036)
Other Financing Sources (Uses)				
Capital Lease Proceeds	-	-	-	-
Transfers	99,984	199,294	99,310	-
Net change in fund balance	-	242,174	242,174	(235,036)
Fund balance-Beginning of Year	(242,174)	(242,174)	-	(7,138)
Fund balance-end of Year	$ (242,174)	$ -	$ 242,174	$ (242,174)

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2017 AND 2016

Assets	2017	2016
Current assets		
Accounts receivable		
Sanitation	$ 26,782	$ 36,043
Dumpsters	14,655	4,952
Due from General Fund	-	-
Prepaid items	145	145
Total current assets	41,582	41,140
Noncurrent assets		
Capital assets		
Automobiles	68,481	68,481
Machinery and equipment	23,130	23,130
Accumulated depreciation	(88,912)	(86,599)
Capital assets (net of depreciation)	2,699	5,012
Total noncurrent assets	2,699	5,012
Total assets	44,281	46,152
Liabilities		
Current liabilities		
Accounts payable	-	-
Accrued liabilities	287	317
Customer deposits	4,321	4,168
Unearned revenue	12,922	11,820
Accrued liabilities	-	-
Current liabilities	17,530	16,305
Noncurrent liabilities		
Capital lease payable	-	-
Total noncurrent liabilities		
Total liabilities	17,530	16,305
Net Position		
Investment in capital assets	2,699	5,012
Unrestricted	24,052	24,835
Total net position	$ 26,751	$ 29,847

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, 2017 AND 2016

	2017	2016
OPERATING REVENUES:		
Refuse collection	$ 394,882	$ 392,483
Dumpster collection	145,512	139,741
Miscellaneous	2,266	845
Total operating revenues	542,660	533,069
OPERATING EXPENSES:		
Purchased products and services		
Landfill fees	4,247	3,952
Dumpster collection	123,445	119,729
Sanitation expense	388,938	384,833
Personal services and benefits	15,240	15,563
Purchased / contracted services	1,592	1,590
Supplies	1,586	1,477
Depreciation	2,313	2,313
Bad debt expense	2,000	7,500
Other	-	70
Total operating expenses	539,361	537,027
Operating income	3,299	(3,958)
NONOPERATING INCOME/(EXPENSES)		
Loss on sale of capital assets	-	-
Total nonoperating income/(expense)	-	-
Income before transfers and capital contributions	3,299	(3,958)
Capital contributions	-	-
Transfers in/(out)	(6,395)	(7,952)
Change in net position	(3,096)	(11,910)
NET POSITION, BEGINNING OF YEAR	29,847	41,757
NET POSITION, END OF YEAR	$ 26,751	$ 29,847

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash flows from operating activities:		
Cash received from customers and users	$ 543,473	$ 534,849
Cash paid to suppliers	(524,417)	(514,092)
Cash paid to employees	(12,661)	(12,805)
Net cash provided by operating activities	6,395	7,952
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	(6,395)	(7,952)
Net cash provided by non-capital financing activities	(6,395)	(7,952)
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

	2017	2016
Operating income (loss)	$ 3,299	$ (3,958)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,313	2,313
(Increase) decrease in receivables	(442)	7,555
(Increase) decrease in prepaids	-	-
Increase (decrease) in accounts payable	-	-
Increase (decrease) in unearned revenues	1,102	829
Increase (decrease) in customer deposits	153	896
Increase (decrease) in accrued liabilities	(30)	317
Net cash provided by operating activities	$ 6,395	$ 7,952

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
Current assets		
Cash	$ 348,168	$ 148,799
Receivables, net -		
Accounts	13,318	9,201
Due from other funds	188,038	411,979
Total current assets	549,524	569,979
Non-Current Assets		
Capital assets -		
Construction in progress	-	-
Infrastructure	1,118,173	1,008,273
Accumulated depreciation	(176,564)	(150,442)
Capital assets, net of depreciation	941,609	857,831
Total non-current assets	941,609	857,831
Total Assets	1,491,133	1,427,810
LIABILITIES		
Current liabilities		
Accounts payable	16,040	1,050
Accrued liabilities	654	728
Total current liabilities	16,694	1,778
Noncurrent Liabilities	-	-
Total liabilities	16,694	1,778
NET POSITION		
Investment in capital assets	941,609	857,831
Unrestricted	532,830	568,201
Total Net Position	$ 1,474,439	$ 1,426,032

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Charges for services	$ 152,855	$ 141,792
Total operating revenues	152,855	141,792
OPERATING EXPENSES		
Personal services and benefits	36,239	37,636
Purchased/contracted services	42,047	38,498
Supplies	-	188
Depreciation	26,123	22,888
Bad debt	-	10,000
Other	39	248
Total operating expenses	104,448	109,458
Operating income (loss)	48,407	32,334
Non-operating revenues and (expenses)		
Interest income	-	-
Income before transfers and capital contributions	48,407	32,334
Capital contributions	-	-
Transfers	-	-
Change in net position	48,407	32,334
NET POSITION - BEGINNING	1,426,032	1,393,698
NET POSITION - ENDING	$ 1,474,439	$ 1,426,032

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash flows from operating activities:		
Cash received from customers and users	$ 148,738	$ 158,652
Cash paid to suppliers for goods	(34,534)	(45,394)
Cash paid to employees	(28,875)	(29,398)
Net cash provided from operating activities	85,329	83,860
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	223,941	141,124
Net cash flows from non-capital financing activities	223,941	141,124
Cash flows from capital financing activities:		
Proceeds from capital contributions		-
Purchase of capital assets	(109,901)	(77,185)
Net cash flows from capital financing activities	(109,901)	(77,185)
Net cash flows	199,369	147,799
Cash and cash equivalents - beginning	148,799	1,000
Cash and cash equivalents - ending	$ 348,168	$ 148,799

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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2017	2016
Operating income (loss)	$ 48,407	$ 32,334
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	26,123	22,888
(Increase) decrease in receivables	(4,117)	26,860
Increase (decrease) in accounts payable	14,990	1,050
Increase (decrease) in accrued liabilities	(74)	728
Total adjustments	36,922	51,526
Net cash from operating activities	$ 85,329	$ 83,860

CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2017 AND 2016

	2017	2016
Assets		
Assets:		
Cash	$ 82,882	$ 38,239
Receivables		
Rents	500	-
Miscellaneous	-	1,961
Total Assets	$ 83,382	$ 40,200
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ 940	$ 3,936
Due to primary government	5,917	4,408
Accrued liabilities	1,007	-
Total Liabilities	7,864	8,344
Fund equity:		
Fund Balance - Unassigned	75,518	31,856
Total Fund Equity	75,518	31,856
Total Liabilities and Fund Equity	$ 83,382	$ 40,200

CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Revenues:		
Rents	$ 14,400	$ 17,400
Event fees	14,435	5,797
Contributions -		
City	93,575	83,975
Other	-	1,461
Miscellaneous	111	3,457
Total Revenues	122,521	112,090
Expenditures:		
Personal services and benefits	50,310	60,376
Purchased / contracted services	9,896	12,909
Supplies	6,161	5,485
Façade grants	700	5,461
Events	11,792	10,784
Other	-	573
Debt service -		
Principal	-	162,526
Interest	-	19,011
Total Expenditures	78,859	277,125
Excess of revenues over (under) expenditures	43,662	(165,035)
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	43,662	22,332
Fund Balance - Beginning of year	31,856	9,524
Fund Balance - End of year	$ 75,518	$ 31,856