

CITY OF STONE MOUNTAIN, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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**CITY OF STONE MOUNTAIN, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Stone Mountain, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stone Mountain, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Stone Mountain, Georgia's basic financial statements as listed in the table of contents.

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stone Mountain, Georgia, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and ARPA Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Stone Mountain, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Stone Mountain, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Stone Mountain, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Stone Mountain, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedule of Changes in the Pension Liability and Related Ratios information on pages 4-12 and 51-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and budgetary schedules 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual nonmajor fund financial statements and the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements 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, 2022, 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 2022 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 2022 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 2022 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 our report dated April 2, 2025, on our consideration of the City of Stone Mountain, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Stone Mountain, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Stone Mountain, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
April 2, 2025

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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, 2023. 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, 2023 by \$18,253,835. Of this amount unrestricted net position of \$5,996,207 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position increased by \$2,469,460. Of this amount, an increase of \$2,505,359 was associated with governmental activities and a decrease of \$35,899 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 \$8,748,441 an increase of \$1,468,552 in comparison with the prior year. Of this amount \$4,808,101 is unassigned and \$3,906,264 is restricted for various specified activities.
- At the end of the current year, unassigned fund balance for the general fund was \$4,808,101 or 99.3% of the General Fund expenditures.
- The City of Stone Mountain's total debt obligations (including accrued compensated absences) decreased by a net of \$44,985. Principal payments were made on outstanding capital leases of \$211,987. The City did recognize subscription-based information technology arrangements of \$193,720 during the year with related principal payments of \$47,281.

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 three major governmental funds. The City's major governmental funds are the General Fund, the ARPA Fund, and a SPLOST Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds and a combined total column for the nonmajor governmental funds. The governmental funds financial statements begin on page 16.

The City of Stone Mountain adopts an annual budget for its General Fund. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the FY 2023 budget. The budgetary comparison statements begin on page 21.

Proprietary funds. The City of Stone Mountain maintains two enterprise funds (a component of proprietary funds) to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Solid Waste and its Stormwater activities. The City of Stone Mountain signed an Intergovernmental Agreement with DeKalb County in 1999 transferring responsibility for solid waste collection to the county government. As a result, the City terminated the Solid Waste Management Fund during f/y 2023.

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 28.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of a schedule of changes in pension liability and related ratios and combining and individual fund financial statements and schedules beginning on page 51.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. On December 31, 2023, the City's assets exceeded liabilities by \$18,253,835. The City's net position reflects its investment in capital assets of \$8,351,364 (45.7 percent) less related debt, if any. Capital assets are used to provide services to citizens, and they are not available for future spending. Of the total net position of \$18,253,835, \$3,906,264 (21.4 percent) is restricted for various specified activities and \$5,996,207 (32.9 percent) is unrestricted.

City of Stone Mountain's Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 10,824,139 | \$ 11,593,785 | \$ 468,941 | \$ 452,555 | \$ 11,293,080 | \$ 12,046,340 |
| Capital assets | 7,817,799 | 6,553,977 | 1,542,380 | 1,591,403 | 9,360,179 | 8,145,380 |
| Deferred outflows | <u>378,719</u> | <u>112,337</u> | <u>-</u> | <u>-</u> | <u>378,719</u> | <u>112,337</u> |
| Total assets | <u>19,020,657</u> | <u>18,260,099</u> | <u>2,011,321</u> | <u>2,043,958</u> | <u>21,031,978</u> | <u>20,304,057</u> |
| Current liabilities | 1,638,664 | 2,776,428 | 25,336 | 22,074 | 1,664,000 | 2,798,502 |
| Long-term liabilities | 1,114,143 | 1,132,040 | - | - | 1,114,143 | 1,132,040 |
| Deferred inflows | <u>-</u> | <u>589,140</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>589,140</u> |
| Total liabilities | <u>2,752,807</u> | <u>4,497,608</u> | <u>25,336</u> | <u>22,074</u> | <u>2,778,143</u> | <u>4,519,682</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 6,808,984 | 5,479,614 | 1,542,380 | 1,591,403 | 8,351,364 | 7,071,017 |
| Restricted | 3,906,264 | 2,885,786 | - | - | 3,906,264 | 2,885,786 |
| Unrestricted | <u>5,552,602</u> | <u>5,397,091</u> | <u>443,605</u> | <u>430,481</u> | <u>5,996,207</u> | <u>5,827,572</u> |
| Total net position. Adjusted | <u>\$ 16,267,850</u> | <u>\$ 13,762,491</u> | <u>\$ 1,985,985</u> | <u>\$ 2,021,884</u> | <u>\$ 18,253,835</u> | <u>\$ 15,784,375</u> |

Governmental activities. Governmental activities increased the City's net position by \$2,505,359. Key elements of this increase are as follows:

**City of Stone Mountain's Change in Net Position
For The Years Ended December 31, 2023 and 2022**

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program Revenues - | | | | | | |
| Charges for services | \$ 505,846 | \$ 430,082 | \$ 149,518 | \$ 149,647 | \$ 655,364 | \$ 579,729 |
| Operating grants and contributions | 50 | 24,474 | - | - | 50 | 24,474 |
| Capital grants and contributions | 2,399,303 | 1,219,632 | - | - | 2,399,303 | 1,219,632 |
| General Revenues- | | | | | | |
| Property taxes | 3,390,857 | 3,027,144 | - | - | 3,390,857 | 3,027,144 |
| Other taxes | 1,207,034 | 1,346,936 | - | - | 1,207,034 | 1,346,936 |
| Intergovernmental | - | - | - | - | - | - |
| Interest | 1 | 1 | - | - | 1 | 1 |
| Other | 924 | 13,217 | - | - | 924 | 13,217 |
| | <u>7,504,015</u> | <u>6,061,486</u> | <u>149,518</u> | <u>149,647</u> | <u>7,653,533</u> | <u>6,211,133</u> |
| Expenses: | | | | | | |
| Governing body | 66,718 | 46,291 | - | - | 66,718 | 46,291 |
| General government | 533,672 | 175,927 | - | - | 533,672 | 175,927 |
| Financial administration | 1,143,891 | 664,411 | - | - | 1,143,891 | 664,411 |
| Government buildings | 129,468 | 63,514 | - | - | 129,468 | 63,514 |
| Municipal court and public safety | 2,162,331 | 2,040,697 | - | - | 2,162,331 | 2,040,697 |
| Highways and streets | 545,812 | 523,329 | - | - | 545,812 | 523,329 |
| Culture and recreation | 160,561 | 115,723 | - | - | 160,561 | 115,723 |
| Economic development | 154,736 | 151,324 | - | - | 154,736 | 151,324 |
| Tourism and promotion | 66,206 | 38,759 | - | - | 66,206 | 38,759 |
| Cemetery | 10,151 | 13,235 | - | - | 10,151 | 13,235 |
| Interest on long-term debt | 24,893 | 28,137 | - | - | 24,893 | 28,137 |
| Solid waste | - | - | - | 5,999 | - | 5,999 |
| Stormwater | - | - | 185,634 | 150,608 | 185,634 | 150,608 |
| | <u>4,998,439</u> | <u>3,861,347</u> | <u>185,634</u> | <u>156,607</u> | <u>5,184,073</u> | <u>4,017,954</u> |
| Increase (decrease) in net position before transfers | 2,505,576 | 2,200,139 | (36,116) | (6,960) | 2,469,460 | 2,193,179 |
| Transfers | (217) | (6,077) | 217 | 6,077 | - | - |
| Increase (decrease) in net position | 2,505,359 | 2,194,062 | (35,899) | (883) | 2,469,460 | 2,193,179 |
| Net position - beginning of year | <u>13,762,491</u> | <u>11,568,429</u> | <u>2,021,884</u> | <u>2,022,767</u> | <u>15,784,375</u> | <u>13,591,196</u> |
| Net position - end of year, adjusted | <u>\$ 16,267,850</u> | <u>\$ 13,762,491</u> | <u>\$ 1,985,985</u> | <u>\$ 2,021,884</u> | <u>\$ 18,253,835</u> | <u>\$ 15,784,375</u> |

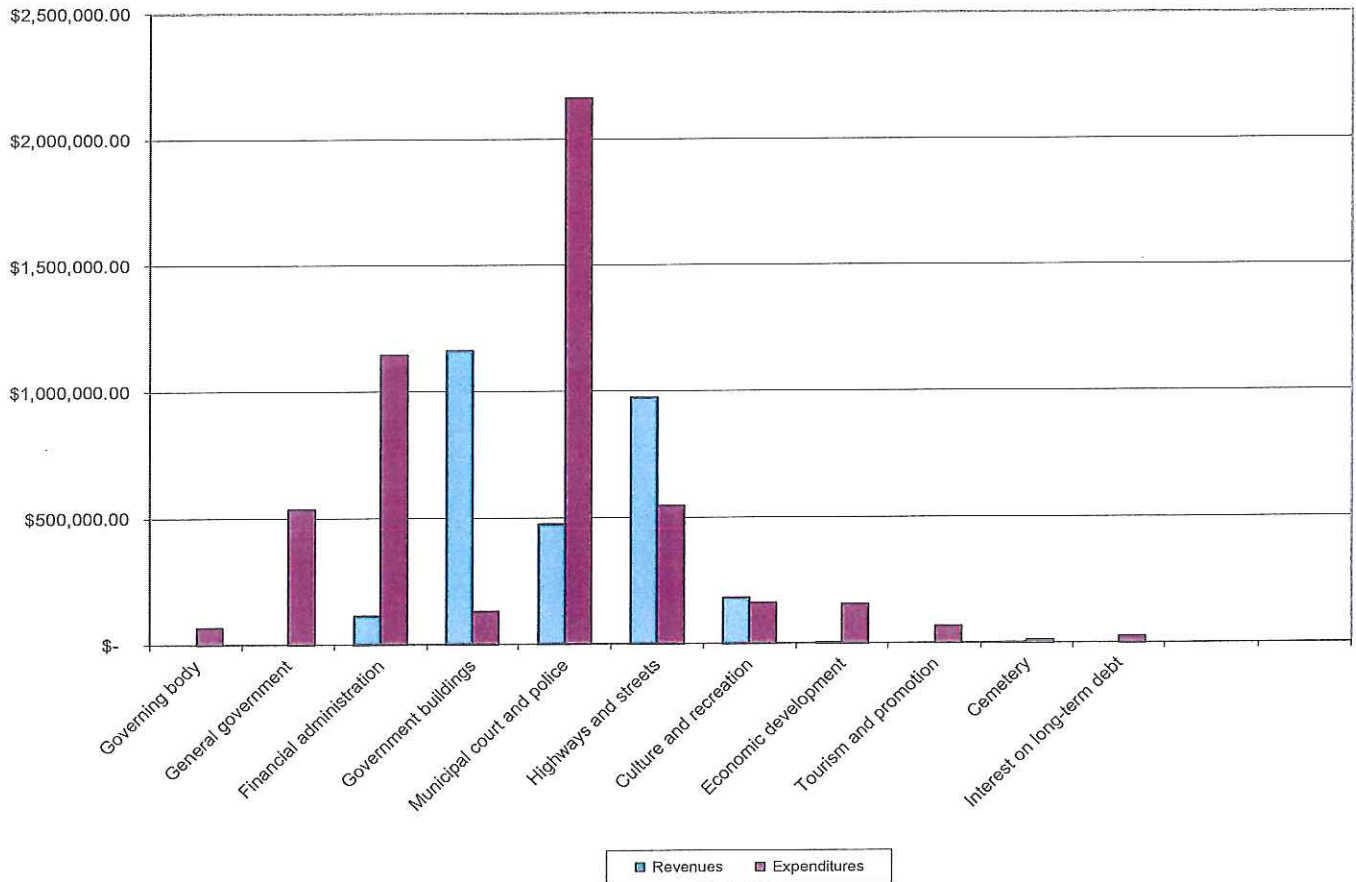
Total Governmental Activity revenue saw a notable rise of \$1,442,529, or 23.8%, primarily from significant increases in property tax revenues and revenues associated with the American Rescue Plan Act (ARPA).

Property tax revenue increased by 12% due to higher real property valuations, reaching a net digest value of \$220,615,424, an increase of 28.3% from the previous year. Despite maintaining a constant millage rate of 16.00 mills, total taxes levied grew substantially to \$3,390,857.

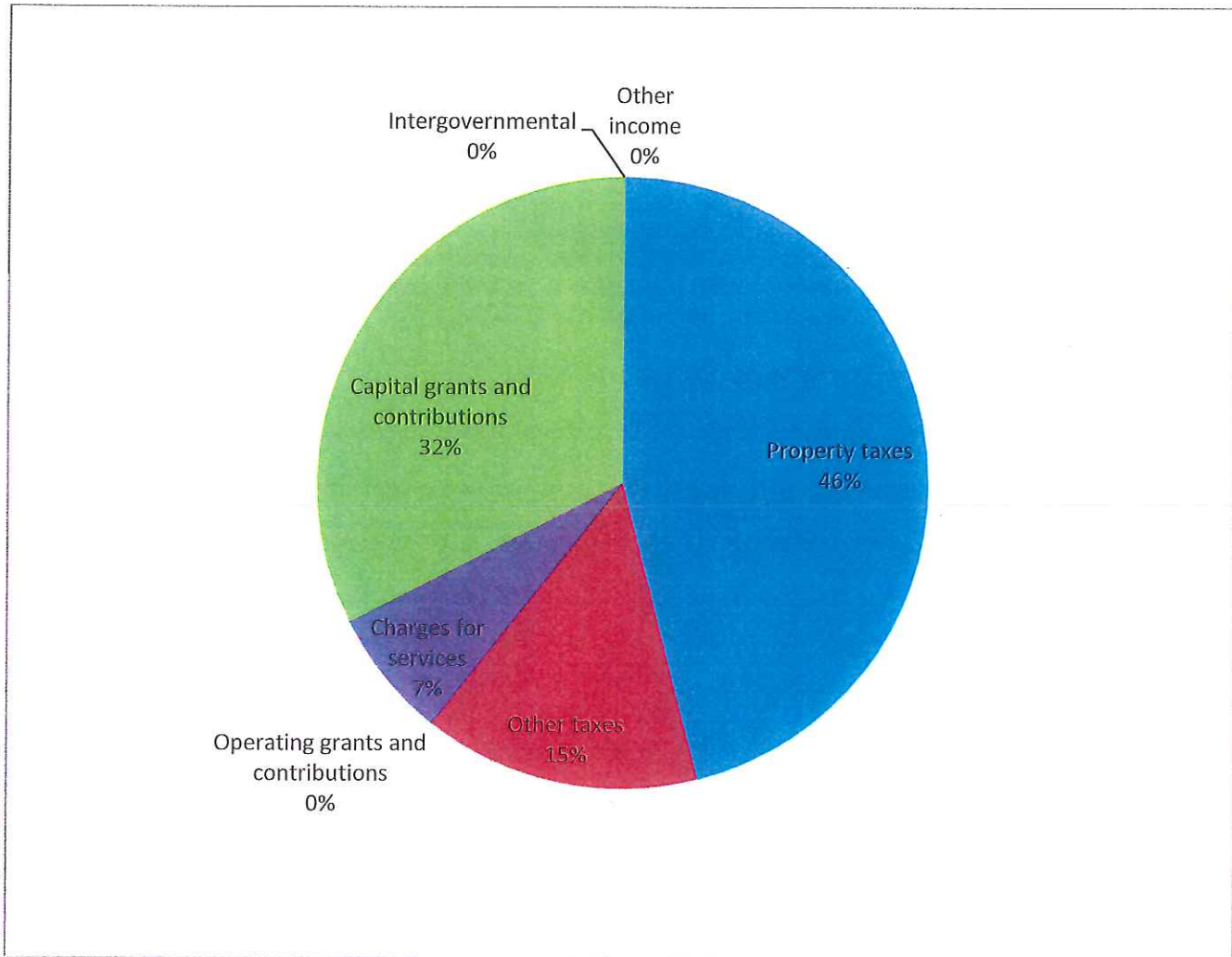
ARPA funding of \$1,160,000 significantly supported capital projects, including the acquisition of real estate from the First Baptist Church of Stone Mountain. The Special Purpose Local Option Sales Tax (SPLOST) contributed \$1,175,026, further reinforcing capital projects and infrastructure enhancements throughout the City.

In November 2017, DeKalb County voters approved a referendum to implement a one-cent Special Purpose Local Option Sales Tax (SPLOST), effective April 1, 2018. The purpose of SPLOST is to fund specified capital projects within the County and its participating municipalities. The City of Stone Mountain is estimated to receive approximately \$5,690,000 in sales tax revenue over six (6) years, with \$1,175,026 in revenue and interest received in 2023.

- Governmental Activity expenses increased to \$4,998,439, primarily due to:
 - General government payroll increases resulting in \$357,700 in additional expenditures.
 - Financial administration costs rising to \$1,143,891, marking a 72.17% increase, driven by higher payroll and pension costs
 - Government buildings expenses grew by \$63,514 due to maintenance and improvement activities.



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



Business-type activities. The City's business-type activities recorded a minor net position decrease of \$35,899, largely attributable to the termination of the Solid Waste Management Fund following a strategic intergovernmental agreement with DeKalb County for solid waste services. The Stormwater Management Fund experienced a decrease of \$36,116, with revenues of \$149,518 not fully covering operational expenses totaling \$185,634.

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. 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.

As of December 31, 2023, the city's governmental funds reported a combined ending fund balance of \$8,748,441. Of this amount \$4,808,101 is unassigned fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because \$3,906,264 is restricted for specified activities.

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 \$4,808,101 while the total fund balance was \$5,024,572. Unassigned fund balance represents 99.3% of General Fund expenditures while total fund balance of \$5,024,572 also represents 103.7% of General Fund expenditures.

During the current fiscal year, the fund balance of the City's general fund increased by \$505,441. Other notable changes for 2023 compared to 2022 were as follows:

- General Fund revenues of \$5,178,642 for FY 2023 increased over revenues of \$4,549,249 in FY 2022. The percentage increase was 13.8%. There were some significant increases and decreases among categories of General Fund revenue:
 - The City's governmental funds ended the year with robust financial health. The General Fund's revenues increased by 13.8% to \$5,178,642, largely due to increased property tax receipts from higher property valuations despite the millage rate staying at 16.0 mills.

General Fund expenditures increased to **\$4,844,240**, up from **\$4,095,275** in 2022, primarily driven by higher costs within the Financial Administration Department, including increased payroll and pension obligations

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 City's governmental funds ended the year with robust financial health. The General Fund's revenues increased by 13.8% to \$5,178,642, largely due to increased property tax receipts from higher property valuations despite a consistent millage rate of 16.0 mills in 2023. Notably, General Fund expenditures were significantly higher, increasing by 18.3% to \$4,844,240, which was mainly due to higher costs within the Financial Administration Department, including increased payroll and pension expenditures.

Capital Asset and Debt Administration

Capital assets. The City's capital assets totaled \$9,183,326 (net of depreciation) at year-end, highlighted by significant property acquisitions and infrastructure enhancements funded through SPLOST and ARPA. Major projects included the Sexton Drive improvements (\$135,191) and the First Baptist Church property acquisition (\$1,114,049).

Long-term debt. The City successfully reduced its outstanding long-term debt by \$44,985 to \$1,087,055. Principal repayments on capital leases amounted to \$211,987, while the introduction of subscription-based IT arrangements added strategic value to city operations. This proactive debt management approach reflects a prudent strategy to maintain financial stability, enhance creditworthiness, and position the City for future borrowing capacity.

Economic Factors and Future Outlook. The City of Stone Mountain continues to benefit from positive economic momentum. The significant rise in property valuations demonstrates ongoing economic vitality and suggests sustained property tax revenue growth in the coming years. The local unemployment rate, at approximately 3.1%, remains significantly lower than both DeKalb County's rate of 4.2% and the Metro-Atlanta regional rate of 3.8%, indicating strong employment health within the City and competitive positioning in the broader regional economy.

The sustained growth in property values, combined with stable employment figures, underscores the City's economic resilience. However, City management remains vigilant regarding macroeconomic uncertainties, including inflationary pressures and potential public health challenges, ensuring preparedness for prompt, effective financial responses if necessary.

In comparison to DeKalb County's median property value increase of approximately 20% and the broader Metro-Atlanta region's average property valuation growth of 18%, the City's 28.3% increase reflects superior performance and strong desirability for residential and commercial investments. Ongoing strategic infrastructure investments, robust local employment conditions, and community-focused development initiatives will continue to drive long-term economic stability and growth.

The City of Stone Mountain concluded fiscal year 2023 with robust financial results, demonstrating a strong capacity to support ongoing municipal operations and strategic community enhancements. By leveraging increased revenues, managing expenditures judiciously, and maintaining disciplined financial oversight, the City is well-positioned to continue delivering superior services and maintaining fiscal sustainability.

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, 2023

| | Primary Government | | | Component |
|---|--------------------|------------------|-------------------|----------------|
| | Governmental | Business-Type | Total | Unit |
| | Activities | Activities | | Downtown |
| | | | | Dev. Auth. |
| Assets | | | | |
| Cash and cash equivalents | \$ 4,488,566 | \$ 558,042 | \$ 5,046,608 | \$ 158,838 |
| Receivables (net of allowance for uncollectibles) | | | | |
| Taxes | 981,993 | - | 981,993 | - |
| Fines | 178,419 | - | 178,419 | - |
| Intergovernmental | 109,111 | - | 109,111 | - |
| Accounts | 50 | 30,934 | 30,984 | - |
| Due from other funds | 120,035 | (120,035) | - | - |
| Due from primary government | - | - | - | 14,278 |
| Prepaid items | 34,076 | - | 34,076 | - |
| Deposits | - | - | - | - |
| Restricted assets - | | | | |
| Cash | 4,911,889 | - | 4,911,889 | - |
| Net pension asset | - | - | - | - |
| Subscription assets, net | 176,853 | - | 176,853 | - |
| Non-depreciable capital assets | 1,814,323 | - | 1,814,323 | - |
| Depreciable capital assets | 5,826,623 | 1,542,380 | 7,369,003 | - |
| Total Assets | <u>18,641,938</u> | <u>2,011,321</u> | <u>20,653,259</u> | <u>173,116</u> |
| Deferred Outflows | | | | |
| Deferred pension outflows | <u>378,719</u> | <u>-</u> | <u>378,719</u> | <u>-</u> |
| Total Assets and Deferred Outflows | <u>19,020,657</u> | <u>2,011,321</u> | <u>21,031,978</u> | <u>173,116</u> |

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | Downtown Dev. Auth. |
| Liabilities | | | | |
| Accounts Payable | | | | |
| Operating | \$ 232,044 | \$ 25,336 | \$ 257,380 | \$ - |
| Accrued Liabilities - | | | | |
| Compensated absences | 43,446 | - | 43,446 | - |
| Wages | 78,141 | - | 78,141 | 2,655 |
| Interest | 16,422 | - | 16,422 | - |
| Other | 5,442 | - | 5,442 | - |
| Due to component unit | 2,755 | - | 2,755 | - |
| Due to other funds | - | - | - | - |
| Unearned Revenue | 1,260,414 | - | 1,260,414 | - |
| Long-Term Liabilities - | | | | |
| Debt Due Within One Year | 185,235 | - | 185,235 | - |
| Debt Due In More Than One Year | 901,820 | - | 901,820 | - |
| Net Pension Liability | 27,088 | - | 27,088 | - |
| Total Liabilities | <u>2,752,807</u> | <u>25,336</u> | <u>2,778,143</u> | <u>2,655</u> |
| Deferred Inflows | | | | |
| Deferred pension inflows | - | - | - | - |
| Total Liabilities and Deferred Inflows | <u>2,752,807</u> | <u>25,336</u> | <u>2,778,143</u> | <u>2,655</u> |
| Net Position | | | | |
| Net investment in capital assets | 6,808,984 | 1,542,380 | 8,351,364 | - |
| Restricted for - | | | | |
| Police activities | 4,676 | - | 4,676 | - |
| Street maintenance | 182,395 | - | 182,395 | - |
| Tourism & promotion | 158 | - | 158 | - |
| Specified grant purposes | 231 | - | 231 | - |
| Capital outlay | 3,718,804 | - | 3,718,804 | - |
| Unrestricted | 5,552,602 | 443,605 | 5,996,207 | 170,461 |
| Total Net Position | <u>\$ 16,267,850</u> | <u>\$ 1,985,985</u> | <u>\$ 18,253,835</u> | <u>\$ 170,461</u> |

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------|---------------------|-------------------------------------|---|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| Governing Body | \$ 66,718 | \$ - | \$ - | \$ - |
| General Government | 533,672 | - | - | - |
| Financial Administration | 1,143,891 | 112,559 | - | - |
| Government Buildings | 129,468 | - | - | 1,160,727 |
| Municipal Court and Police | 2,162,331 | 386,273 | - | 88,451 |
| Highways and Streets | 545,812 | - | - | 973,871 |
| Culture and Recreation | 160,561 | 3,664 | 50 | 176,254 |
| Economic Development | 154,736 | 3,050 | - | - |
| Tourism and Promotion | 66,206 | - | - | - |
| Cemetery | 10,151 | 300 | - | - |
| Interest on Long-Term Debt | 24,893 | - | - | - |
| Total Governmental Activities | <u>4,998,439</u> | <u>505,846</u> | <u>50</u> | <u>2,399,303</u> |
| Business-Type Activities | | | | |
| Solid Waste Management | - | - | - | - |
| Stormwater Management | 185,634 | 149,518 | - | - |
| Total Business-Type Activities | <u>185,634</u> | <u>149,518</u> | <u>-</u> | <u>-</u> |
| Total Primary Government | <u>\$ 5,184,073</u> | <u>\$ 655,364</u> | <u>\$ 50</u> | <u>\$ 2,399,303</u> |
| Component Unit: | | | | |
| Downtown Development Authority | <u>\$ 125,854</u> | <u>\$ -</u> | <u>\$ 152,332</u> | <u>\$ -</u> |

General Revenues:

Taxes:
Property
Franchise
Occupational
Motor vehicle
Insurance premium
Alcohol beverage
Hotel / Motel
Other
Intergovernmental
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 |
|---------------------------|-------------------|---------------|-------------------|
| Governmental | Business- | | Unit |
| Activities | Type | Total | Downtown |
| | Activities | | Dev. Auth. |
| \$ (66,718) | \$ - | \$ (66,718) | \$ - |
| (533,672) | - | (533,672) | - |
| (1,031,332) | - | (1,031,332) | - |
| 1,031,259 | - | 1,031,259 | - |
| (1,687,607) | - | (1,687,607) | - |
| 428,059 | - | 428,059 | - |
| 19,407 | - | 19,407 | - |
| (151,686) | - | (151,686) | - |
| (66,206) | - | (66,206) | - |
| (9,851) | - | (9,851) | - |
| (24,893) | - | (24,893) | - |
| (2,093,240) | - | (2,093,240) | - |
| - | - | - | - |
| - | (36,116) | (36,116) | - |
| - | (36,116) | (36,116) | - |
| (2,093,240) | \$ (36,116) | (2,129,356) | - |
| - | \$ - | - | 26,478 |
| 3,390,857 | - | 3,390,857 | - |
| 283,708 | - | 283,708 | - |
| 39,825 | - | 39,825 | - |
| 170,360 | - | 170,360 | - |
| 595,191 | - | 595,191 | - |
| 37,301 | - | 37,301 | - |
| 30,806 | - | 30,806 | - |
| 49,843 | - | 49,843 | - |
| - | - | - | - |
| 1 | - | 1 | - |
| 459 | - | 459 | - |
| 465 | - | 465 | - |
| 4,598,816 | - | 4,598,816 | - |
| (217) | 217 | - | - |
| 4,598,599 | 217 | 4,598,816 | - |
| 2,505,359 | (35,899) | 2,469,460 | 26,478 |
| 13,762,491 | 2,021,884 | 15,784,375 | 143,983 |
| \$ 16,267,850 | \$ 1,985,985 | \$ 18,253,835 | \$ 170,461 |

**CITY OF STONE MOUNTAIN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

| | General | ARPA | SPLOST | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------------|---------------------|-----------------------------------|--------------------------------|
| Assets | | | | | |
| Cash | \$ 4,488,566 | \$ 1,238,395 | \$ 3,643,194 | \$ 30,300 | \$ 9,400,455 |
| Receivables - net of allowance for bad debt of \$332,000 | | | | | |
| Taxes | 979,993 | - | - | 2,000 | 981,993 |
| Fines | 178,419 | - | - | - | 178,419 |
| Intergovernmental | - | - | 109,111 | - | 109,111 |
| Miscellaneous | 50 | - | - | - | 50 |
| Due from other funds | 151,866 | - | - | - | 151,866 |
| Prepaid items | 34,076 | - | - | - | 34,076 |
| Deposits | - | - | - | - | - |
| Total assets | <u>\$ 5,832,970</u> | <u>\$ 1,238,395</u> | <u>\$ 3,752,305</u> | <u>\$ 32,300</u> | <u>\$ 10,855,970</u> |
| Liabilities | | | | | |
| Accounts payable | \$ 177,447 | \$ 21,096 | \$ 33,501 | \$ - | \$ 232,044 |
| Accrued liabilities | 125,165 | - | - | 1,864 | 127,029 |
| Due to component unit | 2,755 | - | - | - | 2,755 |
| Due to other funds | - | 31,831 | - | - | 31,831 |
| Unearned revenue | 49,575 | 1,185,237 | - | 25,602 | 1,260,414 |
| Total liabilities | <u>354,942</u> | <u>1,238,164</u> | <u>33,501</u> | <u>27,466</u> | <u>1,654,073</u> |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenues | 453,456 | - | - | - | 453,456 |
| Fund Balance | | | | | |
| Nonspendable - | | | | | |
| Prepaid items | 34,076 | - | - | - | 34,076 |
| Restricted - | | | | | |
| Police services | - | - | - | 4,676 | 4,676 |
| Tourism and promotion | - | - | - | 158 | 158 |
| Specified grant purposes | - | 231 | - | - | 231 |
| Street maintenance | 182,395 | - | - | - | 182,395 |
| Capital outlay | - | - | 3,718,804 | - | 3,718,804 |
| Assigned - 2024 budget appropriations | - | - | - | - | - |
| Unassigned | 4,808,101 | - | - | - | 4,808,101 |
| Total fund balance (deficit) | <u>5,024,572</u> | <u>231</u> | <u>3,718,804</u> | <u>4,834</u> | <u>8,748,441</u> |
| Total liabilities, deferred inflows of resources and fund balance (deficit) | <u>\$ 5,832,970</u> | <u>\$ 1,238,395</u> | <u>\$ 3,752,305</u> | <u>\$ 32,300</u> | <u>\$ 10,855,970</u> |

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

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

| | |
|--|----------------------|
| Total fund balances -- total governmental funds | \$ 8,748,441 |
| Capital and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 7,817,799 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: | |
| Unavailable revenues | 453,456 |
| Deferred inflows and outflows related to the net pension liability is not a current asset or liability: | |
| Deferred outflows | 378,719 |
| Deferred inflows | - |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | |
| Leases payable | (862,376) |
| Long-term portion of compensated absences | (78,240) |
| Subscriptions payable | (146,439) |
| Accrued interest payable | (16,422) |
| Net pension asset (liability) | (27,088) |
| Net position of governmental activities | <u>\$ 16,267,850</u> |

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

| | General | ARPA | SPLOST | Nonmajor Governmental Funds | Total Governmental Funds |
|--|------------------|------------------|------------------|-----------------------------------|--------------------------------|
| Revenues: | | | | | |
| Taxes | \$ 4,654,790 | \$ - | \$ - | \$ 30,806 | \$ 4,685,596 |
| Business licenses and permits | 110,332 | - | - | - | 110,332 |
| Intergovernmental | 63,550 | 1,160,497 | 1,174,701 | - | 2,398,748 |
| Service fees | 10,101 | - | - | - | 10,101 |
| Fines and forfeitures | 339,243 | - | - | - | 339,243 |
| Interest | 1 | 231 | 325 | - | 557 |
| Rents | 575 | - | - | - | 575 |
| Miscellaneous | 50 | - | - | 3,350 | 3,400 |
| Total revenues | <u>5,178,642</u> | <u>1,160,728</u> | <u>1,175,026</u> | <u>34,156</u> | <u>7,548,552</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Governing Body | 66,718 | - | - | - | 66,718 |
| General Government | 284,721 | - | - | - | 284,721 |
| Financial Administration | 1,019,589 | - | - | - | 1,019,589 |
| Government Buildings | 143,746 | - | - | - | 143,746 |
| Municipal Court | 292,390 | - | - | - | 292,390 |
| Public Safety | 1,670,916 | - | - | 19 | 1,670,935 |
| Highways and Streets | 398,168 | - | - | - | 398,168 |
| Culture and Recreation | 152,154 | - | - | - | 152,154 |
| Economic Development | 152,516 | - | - | - | 152,516 |
| Tourism and Promotion | - | - | - | 66,206 | 66,206 |
| Cemetery | - | - | - | 7,691 | 7,691 |
| Capital outlay | 377,333 | 1,160,497 | 215,872 | - | 1,753,702 |
| Debt service | | | | | |
| Principal | 259,267 | - | - | - | 259,267 |
| Interest | 26,722 | - | - | - | 26,722 |
| Debt issue costs | - | - | - | - | - |
| Total expenditures | <u>4,844,240</u> | <u>1,160,497</u> | <u>215,872</u> | <u>73,916</u> | <u>6,294,525</u> |
| Excess (deficiency) of Revenues over Expenditures | <u>334,402</u> | <u>231</u> | <u>959,154</u> | <u>(39,760)</u> | <u>1,254,027</u> |

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | General | ARPA | SPLOST | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|---------------|---------------------|-----------------------------------|--------------------------------|
| Other financing sources (uses) | | | | | |
| Capital lease proceeds | \$ 193,697 | \$ - | \$ - | \$ - | \$ 193,697 |
| Proceeds from disposition of assets | 21,045 | - | - | - | 21,045 |
| Transfers (net) | <u>(43,703)</u> | <u>-</u> | <u>-</u> | <u>43,486</u> | <u>(217)</u> |
| Total other financing sources (uses) | <u>171,039</u> | <u>-</u> | <u>-</u> | <u>43,486</u> | <u>214,525</u> |
| Net change in fund balance | 505,441 | 231 | 959,154 | 3,726 | 1,468,552 |
| Fund Balance-Beginning of Year, Adjusted | <u>4,519,131</u> | <u>-</u> | <u>2,759,650</u> | <u>1,108</u> | <u>7,279,889</u> |
| Fund Balance-End of Year | <u>\$ 5,024,572</u> | <u>\$ 231</u> | <u>\$ 3,718,804</u> | <u>\$ 4,834</u> | <u>\$ 8,748,441</u> |

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balances -- total governmental funds \$ 1,468,552

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 | 1,496,797 |
| Subscription outlays | 195,220 |
| Depreciation and amortization expense | (406,627) |

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. (21,567)

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. (44,447)

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 | (193,720) |
| Repayment of long term debt | 259,267 |

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 | 1,829 |
| Change in accrued compensated absences | (20,564) |
| Change in net pension obligation and related deferred items | <u>(229,381)</u> |

Change in net position of governmental activities. \$ 2,505,359

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, 2023

| | BUDGET AMOUNTS | | | |
|-------------------------------|------------------|------------------|------------------|----------------|
| | ORIGINAL | FINAL | ACTUAL | VARIANCE |
| Revenues: | | | | |
| Taxes | \$ 4,399,586 | \$ 4,399,586 | \$ 4,654,790 | \$ 255,204 |
| Business licenses and permits | 82,850 | 82,850 | 110,332 | 27,482 |
| Intergovernmental | 72,304 | 72,304 | 63,550 | (8,754) |
| Service fees | 11,355 | 11,355 | 10,101 | (1,254) |
| Fines and forfeitures | 400,000 | 400,000 | 339,243 | (60,757) |
| Interest | - | - | 1 | 1 |
| Rents | - | - | 575 | 575 |
| Miscellaneous | 9,500 | 9,500 | 50 | (9,450) |
| Total revenues | <u>4,975,595</u> | <u>4,975,595</u> | <u>5,178,642</u> | <u>203,047</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Governing Body | 54,132 | 69,026 | 66,718 | 2,308 |
| General Government | 340,962 | 320,238 | 284,721 | 35,517 |
| Financial Administration | 889,993 | 1,061,757 | 1,019,589 | 42,168 |
| Government Buildings | 124,120 | 144,480 | 143,746 | 734 |
| Municipal Court | 308,059 | 316,986 | 292,390 | 24,596 |
| Public Safety | 1,737,227 | 1,712,450 | 1,670,916 | 41,534 |
| Highways and Streets | 730,560 | 563,556 | 398,168 | 165,388 |
| Culture and Recreation | 234,209 | 213,397 | 152,154 | 61,243 |
| Economic Development | 153,482 | 153,482 | 152,516 | 966 |
| Capital outlay | 10,500 | 91,222 | 377,333 | (286,111) |
| Debt service | | | | |
| Principal | 236,351 | 178,004 | 259,267 | (81,263) |
| Interest | 34,753 | 29,750 | 26,722 | 3,028 |
| Total expenditures | <u>4,854,348</u> | <u>4,854,348</u> | <u>4,844,240</u> | <u>10,108</u> |

See accompanying notes to the financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | BUDGET AMOUNTS | | | |
|--|----------------|--------------|--------------|------------|
| | ORIGINAL | FINAL | ACTUAL | VARIANCE |
| Excess (deficiency) of Revenues over Expenditures | \$ 121,247 | \$ 121,247 | \$ 334,402 | \$ 213,155 |
| Other financing sources (uses) | | | | |
| Capital Lease Proceeds | - | - | 193,697 | 193,697 |
| Proceeds from disposal of capital assets | 3,500 | 3,500 | 21,045 | 17,545 |
| Transfers (net) | (107,991) | (107,991) | (43,703) | 64,288 |
| Total other financing sources (uses) | (104,491) | (104,491) | 171,039 | 275,530 |
| Net change in fund balance | 16,756 | 16,756 | 505,441 | 488,685 |
| Fund Balance-Beginning of Year | 4,519,131 | 4,519,131 | 4,519,131 | - |
| Fund Balance-End of Year | \$ 4,535,887 | \$ 4,535,887 | \$ 5,024,572 | \$ 488,685 |

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
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | BUDGET AMOUNTS | | | |
|--------------------------------------|----------------|--------------|--------------|----------|
| | ORIGINAL | FINAL | ACTUAL | VARIANCE |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 1,160,497 | \$ 1,160,497 | \$ - |
| Interest | - | 231 | 231 | - |
| Total revenues | - | 1,160,728 | 1,160,728 | - |
| Expenditures: | | | | |
| Current: | | | | |
| Capital outlay - | | | | |
| Administrative | - | 1,160,497 | 1,160,497 | - |
| Parks | - | - | - | - |
| Total expenditures | - | 1,160,497 | 1,160,497 | - |
| Excess (deficiency) of | | | | |
| Revenues over Expenditures | - | 231 | 231 | - |
| Other financing sources (uses) | | | | |
| Transfers (net) | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balance, adjusted | - | 231 | 231 | - |
| Fund Balance-Beginning of Year | - | - | - | - |
| Fund Balance-End of Year | \$ - | \$ 231 | \$ 231 | \$ - |

See accompanying notes to the financial statements.

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CITY OF STONE MOUNTAIN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

| | <u>Solid Waste Management</u> | <u>Stormwater Management</u> | <u>Total</u> |
|--------------------------------------|-----------------------------------|----------------------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | \$ - | \$ 558,042 | \$ 558,042 |
| Receivables- | | | |
| Accounts | - | 30,934 | 30,934 |
| Due from other funds | - | - | - |
| Prepaid items | - | - | - |
| Total current assets | <u>-</u> | <u>588,976</u> | <u>588,976</u> |
| Noncurrent assets | | | |
| Capital assets | | | |
| Construction in progress | - | - | - |
| Autos and trucks | - | - | - |
| Machinery and equipment | - | - | - |
| Infrastructure | - | 1,960,944 | 1,960,944 |
| Accumulated depreciation | <u>-</u> | <u>(418,564)</u> | <u>(418,564)</u> |
| Capital assets (net of depreciation) | <u>-</u> | <u>1,542,380</u> | <u>1,542,380</u> |
| Total noncurrent assets | <u>-</u> | <u>1,542,380</u> | <u>1,542,380</u> |
| Total assets | <u>-</u> | <u>2,131,356</u> | <u>2,131,356</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable - | | | |
| Trade | - | 25,336 | 25,336 |
| Customer deposits | - | - | - |
| Unearned revenue | - | - | - |
| Accrued liabilities | - | - | - |
| Due to other funds | <u>-</u> | <u>120,035</u> | <u>120,035</u> |
| Total current liabilities | <u>-</u> | <u>145,371</u> | <u>145,371</u> |
| Noncurrent liabilities | | | |
| Leases payable | <u>-</u> | <u>-</u> | <u>-</u> |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>-</u> | <u>145,371</u> | <u>145,371</u> |
| Net Position | | | |
| Investments in capital assets | - | 1,542,380 | 1,542,380 |
| Unrestricted | <u>-</u> | <u>443,605</u> | <u>443,605</u> |
| Total Net Position | <u>\$ -</u> | <u>\$ 1,985,985</u> | <u>\$ 1,985,985</u> |

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

| | <u>Solid Waste Management</u> | <u>Stormwater Management</u> | <u>Total</u> |
|--|-----------------------------------|----------------------------------|---------------------|
| OPERATING REVENUES | | | |
| Refuse collection | \$ - | \$ - | \$ - |
| Dumpster collection | - | - | - |
| Stormwater fees | - | 149,518 | 149,518 |
| Miscellaneous | - | - | - |
| Total operating revenues | <u>-</u> | <u>149,518</u> | <u>149,518</u> |
| OPERATING EXPENSES | | | |
| Purchased products / services | - | - | - |
| Personal services and benefits | - | 37,669 | 37,669 |
| Purchased / contracted services | - | 88,406 | 88,406 |
| Supplies | - | 535 | 535 |
| Depreciation and amortization | - | 49,024 | 49,024 |
| Other | - | 10,000 | 10,000 |
| Total operating expenses | <u>-</u> | <u>185,634</u> | <u>185,634</u> |
| Operating income (loss) | <u>-</u> | <u>(36,116)</u> | <u>(36,116)</u> |
| Non-operating revenues and (expenses) | | | |
| Loss on sale of capital asset | - | - | - |
| Total non-operating revenues (expenses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Income before transfers and capital contributions | - | (36,116) | (36,116) |
| Capital contributions | - | - | - |
| Transfers | <u>217</u> | <u>-</u> | <u>217</u> |
| CHANGE IN NET POSITION | 217 | (36,116) | (35,899) |
| NET POSITION - BEGINNING | <u>(217)</u> | <u>2,022,101</u> | <u>2,021,884</u> |
| NET POSITION - ENDING | <u>\$ -</u> | <u>\$ 1,985,985</u> | <u>\$ 1,985,985</u> |

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | <u>Solid Waste Management</u> | <u>Stormwater Management</u> | <u>Total</u> |
|--|-----------------------------------|----------------------------------|--------------------------|
| Cash flows from operating activities: | | | |
| Cash received from customers and users | \$ - | \$ 151,047 | \$ 151,047 |
| Cash paid to suppliers for goods | - | (30,407) | (30,407) |
| Cash paid to employees | (217) | (102,724) | (102,941) |
| Net cash provided from operating activities | <u>(217)</u> | <u>17,916</u> | <u>17,699</u> |
| Cash flows from investing activities: | | | |
| Interest received | - | - | - |
| (Purchase) / redemption of investments | - | - | - |
| Net cash from investing activities | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from non-capital financing activities: | | | |
| Transfers | 217 | - | 217 |
| Change in due to/from other funds | - | 41,883 | 41,883 |
| Net cash flows from non-capital financing activities | <u>217</u> | <u>41,883</u> | <u>42,100</u> |
| Cash flows from capital financing activities: | | | |
| Purchases / construction of capital assets | - | - | - |
| Capital contributions | - | - | - |
| Principal payments on long-term debt | - | - | - |
| Proceeds from sale of capital assets | - | - | - |
| Interest paid | - | - | - |
| Net cash flows from capital financing activities | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash flows | - | 59,799 | 59,799 |
| Cash and cash equivalents - beginning | <u>-</u> | <u>498,243</u> | <u>498,243</u> |
| Cash and cash equivalents - ending | <u><u>\$ -</u></u> | <u><u>\$ 558,042</u></u> | <u><u>\$ 558,042</u></u> |

See accompanying notes to the basic financial statements.

**CITY OF STONE MOUNTAIN, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2023**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED
 BY OPERATING ACTIVITIES**

| | <u>Solid Waste Management</u> | <u>Stormwater Management</u> | <u>Total</u> |
|--|-----------------------------------|----------------------------------|------------------|
| Operating income (loss) | \$ - | \$ (36,116) | \$ (36,116) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| Depreciation and amortization | - | 49,024 | 49,024 |
| (Increase) decrease in - | | | |
| Accounts receivable | - | 1,529 | 1,529 |
| Prepays | - | - | - |
| Increase (Decrease) in - | | | |
| Accounts payable | - | 4,267 | 4,267 |
| Unearned revenues | - | - | - |
| Customer deposits | - | - | - |
| Accrued liabilities | (217) | (788) | (1,005) |
| Total adjustments | (217) | 54,032 | 53,815 |
| Net cash from operating activities | <u>\$ (217)</u> | <u>\$ 17,916</u> | <u>\$ 17,699</u> |
| Non-cash transactions - | | | |
| Contributions from the SPLOST Fund of capital assets paid for with SPLOST funds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying notes to the basic financial statements.

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

B. The Reporting Entity

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

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

Discretely Presented Component Unit –

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

(See Independent Auditor's Report)

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

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

C. Basic Financial Statements—Government-Wide Statements

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

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

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

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

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

D. Basic Financial Statements—Fund Financial Statements

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

(See Independent Auditor's Report)

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

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

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

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

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

ARPA Fund – The ARPA Fund (a special revenue fund) is used to account for the proceeds and eligible expenditures from a grant received by the City under the American Rescue Plan Act.

SPLOST Fund – The SPLOST Fund is used by the City to account for acquisition and construction of major capital facilities and equipment that were approved by the voters of DeKalb County, Georgia through the special purpose local option sales tax referendum.

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

Solid Waste Management Enterprise Fund - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City. In December 2018, the City Council voted to allow DeKalb County to start providing sanitation services. The County will also bill and collect fees for such services. Therefore, the City will not recognize revenues from sanitation nor provide sanitation services beginning January 1, 2019. This fund was terminated during fiscal year ended December 31, 2023.

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.

(See Independent Auditor's Report)

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

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

E. Measurement Focus – Continued

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.

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.

(See Independent Auditor's Report)

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

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

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.

I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2023 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 is not included as part of the capitalized value of the assets constructed. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|----------------------------|-------------|
| Buildings and improvements | 30-40 years |
| Furniture and equipment | 7-10 years |
| Vehicles | 5-10 years |
| Infrastructure | 40-50 years |

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

(See Independent Auditor’s Report)

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

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

L. Revenues

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

M. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

N. Compensated Absences

The City accrues accumulated unpaid vacation leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

O. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

P. Encumbrances

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

Q. Contributions of Capital

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

R. Estimates

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

(See Independent Auditor's Report)

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

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

S. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The City has one item that qualifies for reporting in this category as of December 31, 2023 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 \$3,906,264 in restricted net position, all of which is restricted by enabling legislation.

U. Fund Balance – Governmental Funds

As of December 31, 2023 fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts.

(See Independent Auditor's Report)

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

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

U. Fund Balance – Governmental Funds, (Continued)

As of December 31, 2023, fund balances are composed of the following:

| | <u>General</u> | <u>ARPA</u> | <u>SPLOST</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|--------------------------|---------------------|---------------|---------------------|---------------------------|---------------------|
| Nonspendable - | | | | | |
| Prepaid items | \$ 34,076 | \$ - | \$ - | \$ - | \$ 34,076 |
| Restricted - | | | | | |
| Police activities | - | - | - | 4,676 | 4,676 |
| Tourism & promotion | - | - | - | 158 | 158 |
| Street maintenance | 182,395 | - | - | - | 182,395 |
| Specified grant purposes | - | 231 | - | - | 231 |
| Capital projects | - | - | 3,718,804 | - | 3,718,804 |
| Assigned - 2023 budget | - | - | - | - | - |
| Unassigned | 4,808,101 | - | - | - | 4,808,101 |
| Total | <u>\$ 5,024,572</u> | <u>\$ 231</u> | <u>\$ 3,718,804</u> | <u>\$ 4,834</u> | <u>\$ 8,748,441</u> |

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

V. Budgets and Budgetary Accounting

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

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

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

W. Pensions

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

(See Independent Auditor's Report)

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

2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of December 31, 2023, all of the City's and its discretely presented component units bank balances of \$10,305,064 were covered by either federal depository insurance, by collateral held by the City's agent in the City's name, or by collateral held by a third-party custodian bank as part of the Georgia Office of the State Treasurer's Pooled Funds program.

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 2023, based upon the assessed value as of January 1, 2023, were levied in June 2023. 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

| | <u>General</u> | <u>SPLOST</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------------|---------------------|
| Taxes | \$ 1,043,993 | \$ - | \$ 2,000 | \$ 1,045,993 |
| Fines | 446,419 | - | - | 446,419 |
| Intergovernmental | - | 109,111 | - | 109,111 |
| Accounts | 50 | - | - | 50 |
| Gross Receivables | 1,490,462 | 109,111 | 2,000 | 1,601,573 |
| Less: Allowance for Uncollectible | (332,000) | - | - | (332,000) |
| Net Total Receivables | <u>\$ 1,158,462</u> | <u>\$ 109,111</u> | <u>\$ 2,000</u> | <u>\$ 1,269,573</u> |

Proprietary Funds

| | <u>Solid Waste</u> | <u>Stormwater</u> | <u>Total</u> |
|--------------------------------------|--------------------|-------------------|------------------|
| Accounts | \$ - | \$ 55,934 | \$ 55,934 |
| Intergovernmental Grants | - | - | - |
| Gross Receivable | - | 55,934 | 55,934 |
| Less: Allowance for Uncollectible | - | (25,000) | \$ (25,000) |
| Net Total Receivables | <u>\$ -</u> | <u>\$ 30,934</u> | <u>\$ 30,934</u> |

(See Independent Auditor's Report)

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

5. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Governmental Funds –

Intergovernmental revenues for the year ended December 31, 2023 consist of the following:

| | |
|---|---------------------|
| State of Georgia, Dept of Transportation - Local Maintenance Improvement Grant (LMIG) | \$ 63,550 |
| DeKalb Co. - SPLOST | 1,174,701 |
| American Rescue Plan Act (ARPA) | <u>1,160,497</u> |
| Total Intergovernmental Revenue | <u>\$ 2,398,748</u> |

Intergovernmental receivables as of December 31, 2023 consist of the following:

| | |
|---------------------|-------------------|
| DeKalb Co. - SPLOST | <u>\$ 109,111</u> |
|---------------------|-------------------|

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2023 were as follows:

| Payable From | Payable To | | | |
|-----------------------|-------------------|--------------|--------------------------|-------------------|
| | General Fund | Non Major | Stormwater Management | Total |
| General | \$ - | \$ - | \$ - | \$ - |
| ARPA | 31,831 | - | - | 31,831 |
| Stormwater Management | 120,035 | - | - | 120,035 |
| Total | <u>\$ 151,866</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 151,866</u> |

Individual interfund transfers for the year ended December 31, 2023 were as follows:

| Transfer From | Transfers To | | | |
|------------------|----------------|--------------------------|------------------|------------------|
| | Solid Waste | Stormwater Management | Nonmajor | Total |
| General | \$ 217 | \$ - | \$ 43,486 | \$ 43,703 |
| Solid Waste | - | - | - | - |
| Total | <u>\$ 217</u> | <u>\$ -</u> | <u>\$ 43,486</u> | <u>\$ 43,703</u> |

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

(See Independent Auditor's Report)

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

7. COMMITMENTS AND CONTINGENCIES

As of December 31, 2023, management was not aware of any lawsuit or ante litem notices that were expected to 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, 2023 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------------|-------------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 611,800 | \$ 1,114,049 | \$ - | \$ 1,725,849 |
| Construction in progress | <u>591,377</u> | <u>185,767</u> | <u>(688,670)</u> | <u>88,474</u> |
| Total | <u>1,203,177</u> | <u>1,299,816</u> | <u>(688,670)</u> | <u>1,814,323</u> |
| Capital assets being depreciated: | | | | |
| Buildings & improvements | 2,823,307 | 12,000 | - | 2,835,307 |
| Infrastructure | 3,401,199 | 688,670 | - | 4,089,869 |
| Vehicles, including related equipment | 1,443,991 | 130,806 | (41,743) | 1,533,054 |
| Furniture and other equipment | <u>609,877</u> | <u>54,175</u> | <u>-</u> | <u>664,052</u> |
| Total capital assets being depreciated | <u>8,278,374</u> | <u>885,651</u> | <u>(41,743)</u> | <u>9,122,282</u> |
| Less accumulated depreciation for: | | | | |
| Buildings & improvements | 730,911 | 69,809 | - | 800,720 |
| Infrastructure | 800,903 | 85,030 | - | 885,933 |
| Vehicles, including related equipment | 915,180 | 193,274 | (20,176) | 1,088,278 |
| Furniture and other equipment | <u>480,580</u> | <u>40,148</u> | <u>-</u> | <u>520,728</u> |
| Total accumulated depreciation | <u>2,927,574</u> | <u>388,261</u> | <u>(20,176)</u> | <u>3,295,659</u> |
| Total capital assets being depreciated, net not including subscription assets | <u>5,350,800</u> | <u>497,390</u> | <u>(21,567)</u> | <u>5,826,623</u> |
| Subscription assets - | | | | |
| Subscriptions | - | 195,219 | - | 195,219 |
| Accumulated amortization | <u>-</u> | <u>18,366</u> | <u>-</u> | <u>18,366</u> |
| Subscription assets, net | <u>-</u> | <u>176,853</u> | <u>-</u> | <u>176,853</u> |
| Governmental capital assets, net | <u>\$ 6,553,977</u> | <u>\$ 1,974,059</u> | <u>\$ (710,237)</u> | <u>\$ 7,817,799</u> |

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

| | |
|--------------------------------|-----------------------|
| Administrative | \$ 67,296 |
| Police | 211,238 |
| Highways and Streets | 117,226 |
| Parks | 8,407 |
| Cemetery | <u>2,460</u> |
| Total depreciation expense | <u>\$ 406,627</u> |

(See Independent Auditor's Report)

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

8. PROPERTY, PLANT AND EQUIPMENT, (Continued)

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------|------------------|---------------------------|
| Business-Type Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Construction in progress | \$ - | \$ - | \$ - | \$ - |
| Vehicles, including related equipment | 68,481 | - | (68,481) | - |
| Machinery and equipment | 23,130 | - | (23,130) | - |
| Infrastructure | 1,960,944 | - | - | 1,960,944 |
| Total capital assets being depreciated | <u>2,052,555</u> | <u>-</u> | <u>(91,611)</u> | <u>1,960,944</u> |
| Less accumulated depreciation for: | | | | |
| Vehicles, including related equipment | 68,481 | - | (68,481) | - |
| Machinery and equipment | 23,130 | - | (23,130) | - |
| Infrastructure | 369,541 | 49,023 | - | 418,564 |
| Total accumulated depreciation | <u>461,152</u> | <u>49,023</u> | <u>(91,611)</u> | <u>418,564</u> |
| Business-Type Activities capital assets, net | <u>\$ 1,591,403</u> | <u>\$ (49,023)</u> | <u>\$ -</u> | <u>\$ 1,542,380</u> |

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

| | |
|--------------------------------|------------------|
| Solid Waste Management | \$ - |
| Stormwater Management | <u>49,023</u> |
| Total depreciation expense | <u>\$ 49,023</u> |

(See Independent Auditor's Report)

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

9. LONG-TERM DEBT

Changes in General Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2023:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Current Portion</u> |
|--------------------------------|------------------------------|-------------------|---------------------|---------------------------|----------------------------|
| Governmental Activities | | | | | |
| Leases payable - equipment | \$ 234,930 | \$ - | \$ (127,865) | \$ 107,065 | \$ 53,944 |
| Leases payable - facilities | 839,433 | - | (84,122) | 755,311 | 86,275 |
| Subscriptions payable | - | 193,720 | (47,281) | 146,439 | 45,016 |
| Accrued compensated absences | <u>57,677</u> | <u>129,704</u> | <u>(109,141)</u> | <u>78,240</u> | <u>-</u> |
| Total Governmental Activities | <u>\$ 1,132,040</u> | <u>\$ 323,424</u> | <u>\$ (368,409)</u> | <u>\$ 1,087,055</u> | <u>\$ 185,235</u> |

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

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

The City had entered into various lease-purchase and security agreements with a private corporation for vehicles and related equipment and machinery and equipment with an original cost of \$534,112. 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 2.73% and 4.68%.

In February 2011 the City entered into a lease purchase agreement with the Georgia Municipal Association to construct a building to be used as the new City administration facilities. The total obligation under the lease agreement amounted to \$1,525,000 with interest at 4.26%. The land and building are securing the debt. The agreement was refinanced during fiscal year 2020 with interest at 2.56%.

(See Independent Auditor's Report)

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

9. LONG-TERM DEBT, (Continued)

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

| F/Y/E December 31 | <u>Leases Payable - Equipment</u> | | <u>Leases Payable - Facilities</u> | | <u>Total</u> |
|----------------------|-----------------------------------|-----------------|------------------------------------|------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | |
| 2024 | \$ 53,944 | \$ 2,559 | \$ 86,275 | \$ 19,336 | \$ 162,114 |
| 2025 | 29,644 | 1,143 | 88,484 | \$ 17,127 | 136,398 |
| 2026 | 23,477 | 277 | 90,749 | \$ 14,862 | 129,365 |
| 2027 | - | - | 93,072 | \$ 12,539 | 105,611 |
| 2028 | - | - | 95,455 | \$ 10,156 | 105,611 |
| 2029 | - | - | 97,898 | \$ 7,713 | 105,611 |
| 2030 | - | - | 100,405 | \$ 5,206 | 105,611 |
| 2031 | - | - | 102,973 | \$ 2,638 | 105,611 |
| 2032 | - | - | - | \$ - | - |
| 2033 | - | - | - | - | - |
| | <u>\$ 107,065</u> | <u>\$ 3,979</u> | <u>\$ 755,311</u> | <u>\$ 89,577</u> | <u>\$ 955,932</u> |

Assets purchased under lease obligations are capitalized and depreciated in accordance with the City's capitalization policy. Depreciation expense for the year for equipment and vehicles under lease obligations amounted to \$55,105 and accumulated depreciation as of December 31, 2023 was \$146,084. Depreciation expense for the year for facilities under lease obligations amounted to \$45,489 and accumulated depreciation at December 31, 2023 was \$526,915.

10. UNAVAILABLE AND UNEARNED REVENUES

Unavailable revenues as of December 31, 2023, 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 | \$ 285,775 |
| Franchise Taxes | 8,319 |
| Fines and Forfeitures | 159,362 |
| Total Unavailable Revenues | <u>\$ 453,456</u> |

Amounts received but not yet earned as of

December 31, 2023:

Reported in Governmental Fund's balance
sheet and Statement of Net Position:

| | |
|---------------------------------|---------------------|
| Occupational Taxes and Licenses | \$ 6,000 |
| Police forfeitures | 25,602 |
| Grants | 1,228,812 |
| Total Unearned Revenues | <u>\$ 1,260,414</u> |

(See Independent Auditor's Report)

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

11. RISK MANAGEMENT

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

Coverages are as follow:

Coverage Description - Property:

| | |
|------------------------------------|-----------------|
| Buildings and contents - (Blanket) | \$ 4,628,795 |
| Automobile physical damage | Per application |

Coverage Description - Casualty:

| | |
|---|--------------|
| Comprehensive general liability | \$ 2,000,000 |
| Automobile liability | \$ 1,000,000 |
| Errors and omissions (Public Officials) | \$ 2,000,000 |
| Employee benefits liability | \$ 1,000,000 |
| Law enforcement liability | \$ 2,000,000 |

Coverage Description - Crime:

| | |
|---|------------|
| Blanket bond - employees required to be bonded | \$ 500,000 |
| Blanket bond - all other employees | \$ 500,000 |
| Depositors forgery | \$ 500,000 |
| Money and securities - loss inside and outside premises | \$ 250,000 |

Deductible:

| | |
|---|---------------------|
| All coverages are subject to a per occurrence deductible of | \$1,000 to \$50,000 |
|---|---------------------|

12. HOTEL / MOTEL TAX

The City levies a 5% hotel/motel tax in accordance with the provisions of OCGA 48-13-51. In order to comply with the expenditure 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, 2023, the City collected hotel/motel taxes in the amount of \$30,806 and expended 100% for tourism under the Visitor's Center contract.

13. JOINT VENTURE

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

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

(See Independent Auditor's Report)

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

14. DEFERRED COMPENSATION PLAN

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

15. SUBSCRIPTION PAYABLE

For the year ended December 31, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. The statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under the Statement an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The City did implement the new standard during fiscal year ending December 31, 2023. No adjustment was made to the Governmental Activities net position nor fund balance.

The City has entered into five subscription-based information technology arrangements (SBITAs) during fiscal year ended December 31, 2023 that provide supporting services to general administrative and police departments.

The following is a summary of changes in subscription liabilities reported in the government-wide financial statements:

| | Beginning Balance | Increases | Decreases | Ending Balance | Current Portion |
|--------------------------------|----------------------|-------------------|--------------------|-------------------|--------------------|
| Subscriptions - | | | | | |
| General Administration | \$ - | \$ 10,457 | \$ (4,725) | \$ 5,732 | \$ 5,732 |
| Police | - | 183,263 | (42,556) | 140,707 | 39,284 |
| Total Subscription Liabilities | <u>\$ -</u> | <u>\$ 193,720</u> | <u>\$ (47,281)</u> | <u>\$ 146,439</u> | <u>\$ 45,016</u> |

The interest rates imputed under the subscription arrangements is stated at the City's current borrowing rates between 2.822% to 3.8940%%.

Principal and interest requirements to maturity is as follows:

| Fiscal Year | SUBSCRIPTIONS PAYABLE | | |
|----------------|-----------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 45,016 | \$ 4,911 | \$ 49,927 |
| 2025 | 35,658 | 3,366 | 39,024 |
| 2026 | 32,344 | 2,192 | 34,536 |
| 2027 | 33,421 | 1,114 | 34,535 |
| | <u>\$ 146,439</u> | <u>\$ 11,583</u> | <u>\$ 158,022</u> |

The total costs of the City's subscription assets are recorded as \$195,219, less accumulated amortization of \$18,366. The total amortization expense for the year ended December 31, 2023 was \$18,366.

(See Independent Auditor's Report)

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

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, 2023, the date of the most recent actuarial valuation, there were 92 participants consisting of the following:

| | |
|---|-----------|
| Retirees and beneficiaries currently receiving benefits | 25 |
| Terminated vested participants not yet receiving benefits | 45 |
| Active employees - vested | 14 |
| Active employees - nonvested | <u>8</u> |
| Total | <u>92</u> |

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 2023, the actuarially determined contribution rate was 8.76% of covered payroll.

For fiscal year ended December 31, 2023, the City's recommended and actual contribution was \$24,085 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, 2023 and recognized as an expense in the Government-Wide Statement of Activity was \$242,194.

(See Independent Auditor's Report)

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

16. EMPLOYEE BENEFIT PLANS, (Continued)

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

At December 31, 2023, the City reported a liability of \$27,088 for its net pension liability. The net pension liability was measured as of March 31, 2023 and was determined by an actuarial valuation as of July 1, 2023. The changes in the Net Pension (Asset) Liability for the year ended March 31, 2023 (the measurement date) were as follow:

| | Total Pension Liability | Fiduciary Net Position | Net Pension (Asset) Liability |
|--|-------------------------------|------------------------------|--|
| Balances at beginning of year | \$ 4,989,645 | \$ 6,047,460 | \$ (1,057,815) |
| Changes for the year- | | | |
| Service cost | 75,965 | - | 75,965 |
| Interest | 363,966 | - | 363,966 |
| Differences between expected and actual experience | 238,712 | - | 238,712 |
| Contributions - Employer | - | 18,377 | (18,377) |
| Net investment income | - | (409,947) | 409,947 |
| Benefit payments, including refunds of employee contributions | (260,951) | (260,951) | - |
| Administrative expense | - | (14,690) | 14,690 |
| Other | - | - | - |
| Net Changes | <u>417,692</u> | <u>(667,211)</u> | <u>1,084,903</u> |
| Balance at end of year | <u>\$ 5,407,337</u> | <u>\$ 5,380,249</u> | <u>\$ 27,088</u> |

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

(See Independent Auditor's Report)

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

16. EMPLOYEE BENEFIT PLANS, (Continued)

For the year ended December 31, 2023, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | |
|---|-------------------|
| Service cost | \$ 75,965 |
| Interest on The Pension Liability (TPL) | 363,966 |
| Administrative expenses | 14,690 |
| Expected return on assets | (436,514) |
| Deferred Outflows - | |
| Contributions subsequent to the measurement date | - |
| Deferred Inflows - | |
| Expensed portion of current year period differences | |
| between expected and actual experience in TPL | 119,356 |
| Expensed portion of current year period assumption changes | - |
| Current year recognition of deferred inflows and outflows | |
| established in prior years | (64,562) |
| Expensed portion of current year period differences between | |
| projected and actual investment earnings | 169,293 |
| Total expense | <u>\$ 242,194</u> |

\$18,063 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, 2023. 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 |
|-----------------------|----------------------|---------------------|
| 2024 | \$ 125,833 | \$ - |
| 2025 | (117,977) | - |
| 2026 | 183,507 | - |
| 2027 | 169,292 | - |
| | <u>\$ 360,655</u> | <u>\$ -</u> |

Outstanding balances of deferred outflows/inflows of resources related to pensions as of December 31, 2023 are as follow:

| | Outflows | Inflows |
|--|-------------------|-------------|
| Contributions subsequent to the measurement date | \$ 18,064 | \$ - |
| Demographic | 119,356 | - |
| Investment | 241,299 | - |
| Assumption change | - | - |
| Total | <u>\$ 378,719</u> | <u>\$ -</u> |

(See Independent Auditor's Report

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

16. EMPLOYEE BENEFITS PLAN, (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

| | |
|-------------------------------|--|
| Net Investment Rate of Return | 7.375% |
| Projected Salary Increases | 2.25% plus service based merit increases |
| Cost of Living Adjustments | 2.25% |
| Mortality Rates - | |
| Healthy | Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25 |
| Disabled | Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25 |
| Plan Termination Basis | 1994 Group Annuity Reserving Unisex Table |

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019.

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, 2023 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------|--------------------------|---|
| Domestic equity | 45.0% | 6.40% |
| International equity | 20.0% | 6.80% |
| Domestic fixed income | 20.0% | 0.40% |
| Real estate | 10.0% | 3.90% |
| Global fixed income | 5.0% | 0.46% |
| Cash | 0.0% | |
| Total | 100.0% | |

(See Independent Auditor's Report)

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

16. EMPLOYEE BENEFITS PLAN, (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.375 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 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | 1% Decrease | Current Rate | 1% Increase |
|-----------------------|----------------|-----------------|----------------|
| | <u>6.375%</u> | <u>7.375%</u> | <u>8.375%</u> |
| Net Pension Liability | \$ 677,135 | \$ 27,088 | \$ (519,093) |

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, 2023 the City had no short-term borrowings.

18. CONDUIT DEBT OBLIGATIONS

In February 2018 the Downtown Development Authority of the City of Stone Mountain, Georgia issued \$100,000 principal amount of a loan from the Georgia Department of Community Affairs. Proceeds from the loan were loaned to Economy Properties, LLC in accordance with the terms of the loan agreement dated March 13, 2018. The proceeds will be used for the purpose of helping to finance renovations of a building at 1054 Main Street in downtown Stone Mountain. The loan does not constitute a debt, moral obligation, liability, or a loan, or credit or pledge of full faith and credit of the taxpayers of the City of Stone Mountain. Accordingly, the loan has not been reported as a liability in the accompanying financial statements. As of December 31, 2023, \$53,776 was outstanding under the loan agreement.

(See Independent Auditor's Report)

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

19. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

- A. Deficit fund balances or net position balances of individual funds – As of December 31, 2023 none of the City's Funds had deficit fund balances.
- B. Excess of expenditures over appropriations in individual funds – One 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) as follows:

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------|---------------|---------------|-----------------|
| General Fund - | | | |
| Public Safety | \$ 1,753,773 | \$ 1,907,574 | \$ (153,801) |
| Debt Service | \$ 207,754 | \$ 285,989 | \$ (78,235) |

In addition, the City did not prepare a budget for the Cemetery Special Revenue Fund.

- 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, 2023.

(See Independent Auditor's Report)

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

20. LEASING ACTIVITIES

In January 2022, the City implemented a new accounting standard GASB Statement No. 87 “Leases”. The new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time (greater than one year) in exchange or exchange-like transaction. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in the GASB Statement. Implementation of the new lease standard did not require a prior period adjustment. It did require various assets and liabilities to be classified as lease assets and liabilities.

City as Lessee

The City, as lessee, has entered into various lease agreements involving facilities, equipment and vehicles. The total of the City’s lease assets is recorded at a cost of \$2,059,112, less accumulated depreciation of \$672,999.

The future lease payments under the lease agreements, with interest rates implicit in the lease agreements between 2.56% and 4.68%, are as follows:

| F/Y/E December 31 | Leases Payable - Equipment | | Leases Payable - Facilities | | Total |
|----------------------|----------------------------|-----------------|-----------------------------|------------------|-------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 53,944 | \$ 2,559 | \$ 86,275 | \$ 19,336 | \$ 162,114 |
| 2025 | 29,644 | 1,143 | 88,484 | 17,127 | 136,398 |
| 2026 | 23,477 | 277 | 90,749 | 14,862 | 129,365 |
| 2027 | - | - | 93,072 | 12,539 | 105,611 |
| 2028 | - | - | 95,455 | 10,156 | 105,611 |
| 2029 | - | - | 97,898 | 7,713 | 105,611 |
| 2030 | - | - | 100,405 | 5,206 | 105,611 |
| 2031 | - | - | 102,973 | 2,638 | 105,611 |
| 2032 | - | - | - | - | - |
| 2033 | - | - | - | - | - |
| | <u>\$ 107,065</u> | <u>\$ 3,979</u> | <u>\$ 755,311</u> | <u>\$ 89,577</u> | <u>\$ 955,932</u> |

City as Lessor

The City, as a lessor, has no significant lease agreements that are required to be reported under the new standard.

(See Independent Auditor’s Report)

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

| | Fiscal Year End | | | | | | | | | |
|--|-----------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014* |
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 75,965 | \$ 84,459 | \$ 78,450 | \$ 87,673 | \$ 69,797 | \$ 86,795 | \$ 90,761 | \$ 91,995 | \$ 76,184 | |
| Interest | 363,966 | 336,157 | 321,422 | 315,815 | 298,038 | 288,743 | 274,600 | 256,210 | 229,805 | |
| Differences between expected and actual experience | 238,712 | 177,417 | (66,930) | (134,789) | (31,973) | (2,609) | (70,721) | (22,681) | 153,267 | |
| Changes of assumptions | - | - | - | 3,815 | - | - | - | - | (44,184) | |
| Other | - | - | - | - | - | (73,327) | - | - | - | |
| Benefit payments | (260,951) | (163,968) | (114,359) | (117,414) | (116,023) | (126,522) | (97,779) | (78,686) | (70,025) | |
| Net changes in total pension liability | 417,692 | 434,065 | 218,583 | 155,100 | 219,839 | 173,080 | 196,861 | 246,838 | 345,047 | |
| Total pension liability - beginning | 4,989,645 | 4,555,580 | 4,336,997 | 4,181,897 | 3,962,058 | 3,788,978 | 3,592,117 | 3,345,279 | 3,000,232 | |
| Total pension liability - ending | \$ 5,407,337 | \$ 4,989,645 | \$ 4,555,580 | \$ 4,336,997 | \$ 4,181,897 | \$ 3,962,058 | \$ 3,788,978 | \$ 3,592,117 | \$ 3,345,279 | |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions - employer | \$ 18,377 | \$ 103,290 | \$ 128,876 | \$ 128,461 | \$ 113,103 | \$ 127,087 | \$ 129,669 | \$ 121,965 | \$ 131,821 | |
| Net investment income | (409,947) | 351,721 | 1,800,143 | (301,875) | 150,561 | 458,654 | 412,524 | 10,778 | 281,624 | |
| Benefit payments | (260,951) | (163,968) | (114,359) | (117,414) | (116,023) | (126,522) | (97,779) | (78,686) | (70,025) | |
| Administrative expense | (14,690) | (13,553) | (13,165) | (14,207) | (13,346) | (13,123) | (13,373) | (9,268) | (8,478) | |
| Other | - | - | - | - | - | - | - | - | - | |
| Net change in fiduciary net position | (667,211) | 277,490 | 1,801,495 | (305,035) | 134,295 | 446,096 | 431,041 | 44,789 | 334,942 | |
| Plan fiduciary net position - beginning | 6,047,460 | 5,769,970 | 3,968,475 | 4,273,510 | 4,139,215 | 3,693,119 | 3,262,078 | 3,217,289 | 2,882,347 | |
| Plan fiduciary net position - ending | \$ 5,380,249 | \$ 6,047,460 | \$ 5,769,970 | \$ 3,968,475 | \$ 4,273,510 | \$ 4,139,215 | \$ 3,693,119 | \$ 3,262,078 | \$ 3,217,289 | |
| Net Pension Liability | | | | | | | | | | |
| Net pension (asset) liability | \$ 27,088 | \$ (1,057,815) | \$ (1,214,390) | \$ 368,522 | \$ (91,613) | \$ (177,157) | \$ 95,859 | \$ 330,039 | \$ 127,990 | |
| Plan's fiduciary net position as a percentage of the total pension liability | 99.50% | 121.20% | 126.66% | 91.50% | 102.19% | 104.47% | 97.47% | 90.81% | 96.17% | |
| Covered-employee payroll | \$ 1,316,268 | \$ 1,377,963 | \$ 1,490,912 | \$ 1,436,180 | \$ 1,444,349 | \$ 1,194,474 | \$ 1,277,871 | \$ 1,402,082 | \$ 1,454,796 | |
| Net pension liability as a percentage of covered payroll | 2.06% | -76.70% | -81.45% | 25.66% | -6.34% | -14.83% | 7.50% | 23.54% | 8.80% | |

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

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

| | Fiscal Year End | | | | | | | | | | 2014* |
|--|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|-------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | | |
| Actuarially determined contributions | 24,085 | 31,504 | 127,219 | 129,429 | 115,324 | 125,176 | 127,724 | 130,318 | 119,180 | | |
| Contributions in relation to the actuarially determined contribution | (24,085) | (31,504) | (127,219) | (129,429) | (115,324) | (125,176) | (127,724) | (130,318) | (129,383) | | |
| Contribution deficiency (excess) | - | - | - | - | - | - | - | - | (10,203) | | |
| Covered-employee payroll | 1,316,268 | 1,377,963 | 1,490,912 | 1,436,180 | 1,444,349 | 1,277,871 | 1,277,871 | 1,402,082 | 1,454,796 | | |
| Contributions as a percentage of covered-employee payroll | 1.83% | 2.29% | 8.53% | 9.01% | 7.98% | 9.80% | 10.00% | 9.29% | | | |

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

CITY OF STONE MOUNTAIN, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

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 | 7.375% |
| Projected Salary Increases | 2.25% plus service based merit increases |
| Cost of Living Adjustments | 2.25% |
| Mortality Rates - | |
| Healthy | Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with multiplier of 1.25 |
| Disabled | Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with multiplier of 1.25 |
| Plan Termination Basis | 1994 Group Annuity Reserving Unisex Table |

During 2023 the following factors changed that significantly affected trends in the amounts reported as follows:

- The investment return assumption was decreased from 7.50% to 7.375%.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The cost-of-living assumption was decreased from 2.75% to 2.25%

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**CITY OF STONE MOUNTAIN, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

| | Special Revenue | | | | Total |
|---|--------------------------|---|-----------------------------------|--------------------------------------|------------------|
| | Cemetery Fund | Police Asset Forfeiture Fund | Hotel / Motel Fund | Capital Projects Fund | |
| Assets | | | | | |
| Cash | \$ - | \$ 30,278 | \$ 22 | \$ - | \$ 30,300 |
| Receivable | | | | | |
| Taxes | - | - | 2,000 | - | 2,000 |
| Miscellaneous | - | - | - | - | - |
| Grant receivable | - | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Due from component unit | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| | <u>\$ -</u> | <u>\$ 30,278</u> | <u>\$ 2,022</u> | <u>\$ -</u> | <u>\$ 32,300</u> |
| Liabilities and Fund Equity | | | | | |
| Liabilities: | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | 1,864 | - | 1,864 |
| Unearned revenue | - | 25,602 | - | - | 25,602 |
| | <u>-</u> | <u>25,602</u> | <u>-</u> | <u>-</u> | <u>25,602</u> |
| Total Liabilities | <u>-</u> | <u>25,602</u> | <u>1,864</u> | <u>-</u> | <u>27,466</u> |
| Fund Balance | | | | | |
| Restricted - | | | | | |
| Police Services | - | 4,676 | - | - | 4,676 |
| Tourism and promotion | - | - | 158 | - | 158 |
| Cemetery up-keep | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balance | <u>-</u> | <u>4,676</u> | <u>158</u> | <u>-</u> | <u>4,834</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ 30,278</u> | <u>\$ 2,022</u> | <u>\$ -</u> | <u>\$ 32,300</u> |

CITY OF STONE MOUNTAIN, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | <u>Special Revenue</u> | | | | |
|--------------------------------|------------------------|-----------------|---------------|-------------|-----------------|
| | Cemetery | Police | Hotel / | Capital | |
| | Fund | Asset | Motel | Projects | |
| | Fund | Forfeiture | Fund | Fund | Total |
| Revenues: | | | | | |
| Cemetery lot sales | \$ 300 | \$ - | \$ - | \$ - | \$ 300 |
| Taxes | - | - | 30,806 | - | 30,806 |
| Intergovernmental | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - |
| Other | - | - | 3,050 | - | 3,050 |
| | <u>300</u> | <u>-</u> | <u>33,856</u> | <u>-</u> | <u>34,156</u> |
| Total Revenue | | | | | |
| Expenditures; | | | | | |
| Current: | | | | | |
| Salaries and benefits | 6,856 | - | 37,989 | - | 44,845 |
| Purchased/contracted services | 835 | - | 9,920 | - | 10,755 |
| Supplies | - | - | 1,798 | - | 1,798 |
| Other | - | 19 | 16,499 | - | 16,518 |
| Capital outlay | - | - | - | - | - |
| | <u>7,691</u> | <u>19</u> | <u>66,206</u> | <u>-</u> | <u>73,916</u> |
| Total Expenditures | | | | | |
| Excess (deficiency) of | | | | | |
| revenues over expenditures | (7,391) | (19) | (32,350) | - | (39,760) |
| Other financing sources (uses) | | | | | |
| Transfers in (out) | 13,574 | - | 29,912 | - | 43,486 |
| | <u>13,574</u> | <u>-</u> | <u>29,912</u> | <u>-</u> | <u>43,486</u> |
| Net Change in Fund Balances | 6,183 | (19) | (2,438) | - | 3,726 |
| Fund Balance-Beginning | | | | | |
| of Year | (6,183) | 4,695 | 2,596 | - | 1,108 |
| | <u>(6,183)</u> | <u>4,695</u> | <u>2,596</u> | <u>-</u> | <u>1,108</u> |
| Fund Balance-End of Year | \$ - | \$ 4,676 | \$ 158 | \$ - | \$ 4,834 |
| | <u>\$ -</u> | <u>\$ 4,676</u> | <u>\$ 158</u> | <u>\$ -</u> | <u>\$ 4,834</u> |

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|-------------------------|
| Assets | | |
| Cash | \$ 4,488,566 | \$ 4,398,257 |
| Receivables - net | | |
| Property taxes | 737,288 | 426,948 |
| Franchise taxes | 220,486 | 205,923 |
| Other taxes | 22,219 | 22,768 |
| Fines | 178,419 | 143,892 |
| Intergovernmental | - | - |
| Miscellaneous | 50 | 50 |
| Due from other funds | 151,866 | 83,546 |
| Due from component unit | - | - |
| Prepaid expenses | 34,076 | - |
| Total assets | <u>\$ 5,832,970</u> | <u>\$ 5,281,384</u> |
| Liabilities | | |
| Accounts payable | \$ 177,447 | \$ 125,479 |
| Accrued liabilities | 125,165 | 110,428 |
| Due to component unit | 2,755 | 16,292 |
| Due to other funds | - | - |
| Unearned revenues | 49,575 | 12,150 |
| Total liabilities | <u>354,942</u> | <u>264,349</u> |
| Deferred Inflows of Resources | | |
| Unavailable revenues | <u>453,456</u> | <u>497,904</u> |
| Fund Balance (Deficit) | | |
| Nonspendable - prepaid items | 34,076 | - |
| Restricted - street maintenance | 182,395 | 118,845 |
| Assigned - for next year's budget appropriations | - | - |
| Unassigned | 4,808,101 | 4,400,286 |
| Total fund balance (deficit) | <u>5,024,572</u> | <u>4,519,131</u> |
| Total liabilities, deferred inflows of resources and fund balance (deficit) | <u>\$ 5,832,970</u> | <u>\$ 5,281,384</u> |

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CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
For the years ended December 31, 2023 and 2022

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Revenues: | | |
| Taxes | \$ 4,654,790 | \$ 4,013,066 |
| Business licenses and permits | 110,332 | 105,770 |
| Intergovernmental | 63,550 | 79,528 |
| Service fees | 10,101 | 8,062 |
| Fines and forfeitures | 339,243 | 331,795 |
| Interest | 1 | 1 |
| Rents | 575 | 1,675 |
| Miscellaneous | 50 | 9,352 |
| Total revenues | <u>5,178,642</u> | <u>4,549,249</u> |
| Expenditures: | | |
| Current- | | |
| Governing Body | 66,718 | 46,291 |
| General Government | 284,721 | 326,233 |
| Financial Administration | 1,019,589 | 598,022 |
| Government Buildings | 143,746 | 70,052 |
| Municipal Court | 292,390 | 224,161 |
| Public Safety | 1,670,916 | 1,622,867 |
| Highways and Streets | 398,168 | 413,413 |
| Culture and Recreation | 152,154 | 106,767 |
| Economic Development | 152,516 | 151,324 |
| Capital Outlay | 377,333 | 295,161 |
| Debt service - | | |
| Principal | 259,267 | 210,396 |
| Interest | 26,722 | 30,588 |
| Total expenditures | <u>4,844,240</u> | <u>4,095,275</u> |
| Excess (deficiency) of revenues over expenditures | <u>334,402</u> | <u>453,974</u> |
| Other financing sources (uses) | | |
| Debt proceeds from leases / subscriptions | 193,697 | 110,889 |
| Proceeds from disposition of capital assets | 21,045 | 3,861 |
| Transfers (net) | (43,703) | (13,010) |
| Total other financing sources (uses) | <u>171,039</u> | <u>101,740</u> |
| Net change in fund balance | 505,441 | 555,714 |
| Fund Balance-Beginning of Year | 4,519,131 | 3,963,417 |
| Fund Balance-End of Year | <u>\$ 5,024,572</u> | <u>\$ 4,519,131</u> |

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, 2023
(With comparative actual amounts for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|--|---------------------|---------------------|-------------------|---------------------|
| | Final Budget | Actual | Variance | Actual |
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 3,364,086 | \$ 3,477,580 | \$ 113,494 | \$ 2,703,770 |
| Utility franchise | 215,000 | 283,712 | 68,712 | 278,562 |
| Host tax | - | - | - | - |
| Alcoholic beverage | 28,000 | 37,301 | 9,301 | 34,731 |
| Insurance premium | 475,000 | 595,191 | 120,191 | 541,969 |
| Motor vehicle | 150,000 | 170,360 | 20,360 | 228,648 |
| Intangible taxes | 65,000 | 34,817 | (30,183) | 84,848 |
| Business and occupational | 26,500 | 39,825 | 13,325 | 36,508 |
| Other taxes | 76,000 | 16,004 | (59,996) | 104,030 |
| Total taxes | <u>4,399,586</u> | <u>4,654,790</u> | <u>255,204</u> | <u>4,013,066</u> |
| Business Licenses and Permits | <u>82,850</u> | <u>110,332</u> | <u>27,482</u> | <u>105,770</u> |
| Intergovernmental | <u>72,304</u> | <u>63,550</u> | <u>(8,754)</u> | <u>79,528</u> |
| Service Fees | | | | |
| Police services | 6,750 | 4,755 | (1,995) | 7,160 |
| Miscellaneous | 4,605 | 5,346 | 741 | 902 |
| Total service fees | <u>11,355</u> | <u>10,101</u> | <u>(1,254)</u> | <u>8,062</u> |
| Fines and Forfeitures | <u>400,000</u> | <u>339,243</u> | <u>(60,757)</u> | <u>331,795</u> |
| Interest Earned | <u>-</u> | <u>1</u> | <u>1</u> | <u>1</u> |
| Rents | <u>-</u> | <u>575</u> | <u>575</u> | <u>1,675</u> |
| Miscellaneous | | | | |
| Other | 9,500 | 50 | (9,450) | 9,352 |
| Total | <u>9,500</u> | <u>50</u> | <u>(9,450)</u> | <u>9,352</u> |
| Total Revenues | <u>\$ 4,975,595</u> | <u>\$ 5,178,642</u> | <u>\$ 203,047</u> | <u>\$ 4,549,249</u> |

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative actual totals for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|---------------------------------|-----------------|-----------|------------|-----------|
| | Final Budget | Actual | Variance | Actual |
| Expenditures | | | | |
| Governing Body | | | | |
| Personal services and benefits | \$ 28,548 | \$ 36,174 | \$ (7,626) | \$ 36,170 |
| Purchased / contracted services | 40,278 | 30,396 | 9,882 | 10,121 |
| Supplies | 200 | 148 | 52 | - |
| Total operating | 69,026 | 66,718 | 2,308 | 46,291 |
| Total Governing Body | 69,026 | 66,718 | 2,308 | 46,291 |
| General Government | | | | |
| Personal services and benefits | 33,336 | 24,594 | 8,742 | 34,233 |
| Purchased / contracted services | 274,926 | 248,150 | 26,776 | 242,569 |
| Supplies | 11,976 | 11,977 | (1) | 16,639 |
| Other | - | - | - | 32,792 |
| Total operating | 320,238 | 284,721 | 35,517 | 326,233 |
| Capital outlay | - | - | - | - |
| Total General Government | 320,238 | 284,721 | 35,517 | 326,233 |
| Financial Administration | | | | |
| Personal services and benefits | 519,376 | 488,091 | 31,285 | 262,756 |
| Purchased / contracted services | 528,327 | 518,862 | 9,465 | 325,259 |
| Supplies | 14,054 | 12,636 | 1,418 | 10,007 |
| Other | - | - | - | - |
| Total operating | 1,061,757 | 1,019,589 | 42,168 | 598,022 |
| Capital outlay | 29,468 | 26,801 | 2,667 | - |
| Total Financial Administration | 1,091,225 | 1,046,390 | 44,835 | 598,022 |

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative actual totals for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|---------------------------------|-----------------|-----------|-----------|-----------|
| | Final Budget | Actual | Variance | Actual |
| Government Buildings | | | | |
| Purchased / contracted services | \$ 93,198 | \$ 93,556 | \$ (358) | \$ 29,494 |
| Supplies | 50,462 | 50,190 | 272 | 40,558 |
| Other | 820 | - | 820 | - |
| Total operating | 144,480 | 143,746 | 734 | 70,052 |
| Capital outlay | - | - | - | 2,960 |
| Total Government Buildings | 144,480 | 143,746 | 734 | 73,012 |
| Municipal Court | | | | |
| Personal services and benefits | 173,470 | 158,257 | 15,213 | 117,862 |
| Purchased / contracted services | 107,703 | 104,658 | 3,045 | 75,902 |
| Supplies | 3,813 | 3,228 | 585 | 2,098 |
| Other costs | 32,000 | 26,247 | 5,753 | 28,299 |
| Total operating | 316,986 | 292,390 | 24,596 | 224,161 |
| Capital outlay | - | - | - | - |
| Total Municipal Court | 316,986 | 292,390 | 24,596 | 224,161 |
| Public Safety | | | | |
| Police | | | | |
| Personal services and benefits | 1,409,239 | 1,381,911 | 27,328 | 1,317,539 |
| Purchased / contracted services | 193,081 | 194,262 | (1,181) | 216,782 |
| Supplies | 110,130 | 94,743 | 15,387 | 88,546 |
| Other costs | - | - | - | - |
| Total operating | 1,712,450 | 1,670,916 | 41,534 | 1,622,867 |
| Capital outlay | 41,323 | 236,658 | (195,335) | 282,019 |
| Total Public Safety | 1,753,773 | 1,907,574 | (153,801) | 1,904,886 |

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative actual totals for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|---------------------------------|-----------------|------------|------------|------------|
| | Final Budget | Actual | Variance | Actual |
| Highways and Streets | | | | |
| Personal services and benefits | \$ 319,654 | \$ 200,242 | \$ 119,412 | \$ 156,152 |
| Purchased / contracted services | 104,600 | 63,430 | 41,170 | 136,922 |
| Supplies | 139,302 | 134,496 | 4,806 | 120,339 |
| Other costs | - | - | - | - |
| Total operating | 563,556 | 398,168 | 165,388 | 413,413 |
| Capital outlay | 20,431 | 113,874 | (93,443) | - |
| Total Highways and Streets | 583,987 | 512,042 | 71,945 | 413,413 |
| Culture and Recreation | | | | |
| Personal services and benefits | 185,132 | 127,761 | 57,371 | 96,886 |
| Purchased / contracted services | 18,084 | 18,227 | (143) | 5,835 |
| Supplies | 5,800 | 6,166 | (366) | 4,046 |
| Other costs | 4,381 | - | 4,381 | - |
| Total operating | 213,397 | 152,154 | 61,243 | 106,767 |
| Capital outlay | - | - | - | 10,182 |
| Total Recreation | 213,397 | 152,154 | 61,243 | 116,949 |

Continued

CITY OF STONE MOUNTAIN, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative actual totals for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|---------------------------------|-----------------|--------------|-----------|--------------|
| | Final Budget | Actual | Variance | Actual |
| Economic Development | | | | |
| Personal services and benefits | \$ - | \$ - | \$ - | \$ - |
| Purchased / contracted services | 153,482 | 152,516 | 966 | 151,324 |
| Supplies | - | - | - | - |
| Total operating | 153,482 | 152,516 | 966 | 151,324 |
| Capital outlay | - | - | - | - |
| Total Economic Development | 153,482 | 152,516 | 966 | 151,324 |
| Debt Service | | | | |
| Principal | 178,004 | 259,267 | (81,263) | 210,396 |
| Interest | 29,750 | 26,722 | 3,028 | 30,588 |
| Total Debt Service | 207,754 | 285,989 | (78,235) | 240,984 |
| Total Expenditures | \$ 4,854,348 | \$ 4,844,240 | \$ 10,108 | \$ 4,095,275 |

CITY OF STONE MOUNTAIN, GEORGIA
ARPA FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2023 AND 2022

| Assets | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Cash | \$ 1,238,395 | \$ 2,345,734 |
| Total Assets | <u>\$ 1,238,395</u> | <u>\$ 2,345,734</u> |
| Liabilities, Deferred Inflows and Fund Balance | | |
| Liabilities | | |
| Accounts payable | \$ 21,096 | \$ - |
| Due to other funds | 31,831 | - |
| Unearned revenues | <u>1,185,237</u> | <u>2,345,734</u> |
| Total Liabilities | 1,238,164 | 2,345,734 |
| Deferred Inflows of Revenues | | |
| Unavailable revenues | <u>-</u> | <u>-</u> |
| Fund balance | | |
| Restricted, adjusted | <u>231</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,238,395</u> | <u>\$ 2,345,734</u> |

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**CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2023 AND 2022**

| Assets | <u>2023</u> | <u>2022</u> |
|-------------------------------------|-------------|----------------|
| Due from other funds | \$ - | \$ - |
| Total Assets | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities and Fund Balance | | |
| Liabilities | | |
| Accrued liabilities | \$ - | \$ 788 |
| Due to other funds | - | <u>5,395</u> |
| Total Liabilities | <u>-</u> | <u>6,183</u> |
| Fund balance | | |
| Restricted for cemetery up-keep | - | <u>(6,183)</u> |
| Total Liabilities and Fund Balance | <u>\$ -</u> | <u>\$ -</u> |

CITY OF STONE MOUNTAIN, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative actual amounts for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|---|--------|---------|----------|------------|
| | Budget | Actual | Variance | Actual |
| Revenues | | | | |
| Cemetery lot sales | \$ - | \$ 300 | \$ 300 | \$ 650 |
| Contributions | - | - | - | 5,000 |
| Total Revenues | - | 300 | 300 | 5,650 |
| Expenditures | | | | |
| Current | | | | |
| Salaries and benefits | - | 6,856 | (6,856) | 5,424 |
| Purchased/contracted services | - | 835 | (835) | 5,350 |
| Other costs | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total Expenditures | - | 7,691 | (7,691) | 10,774 |
| Excess of revenues over (under) expenditures | - | (7,391) | (7,391) | (5,124) |
| Other financing sources (uses) | | | | |
| Transfers | - | 13,574 | 13,574 | - |
| Net change in fund balance | - | 6,183 | 6,183 | (5,124) |
| Fund Balance-Beginning of Year | - | (6,183) | (6,183) | (1,059) |
| Fund Balance-End of Year | \$ - | \$ - | \$ - | \$ (6,183) |

The City did not prepare an annual budget for the Cemetery Fund for 2023.

**CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2023 AND 2022**

| Assets | <u>2023</u> | <u>2022</u> |
|--|------------------|-----------------|
| Cash | \$ 30,278 | \$ 7,315 |
| Total assets | <u>\$ 30,278</u> | <u>\$ 7,315</u> |
| Liabilities and Fund Balance | | |
| Liabilities | | |
| Accounts Payable | \$ - | \$ - |
| Unearned Revenues | <u>25,602</u> | <u>2,620</u> |
| Total liabilities | <u>25,602</u> | <u>2,620</u> |
| Fund balance: | | |
| Restricted for police budget enhancement | <u>4,676</u> | <u>4,695</u> |
| Total liabilities and fund balance | <u>\$ 30,278</u> | <u>\$ 7,315</u> |

CITY OF STONE MOUNTAIN, GEORGIA
POLICE ASSET FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative actual amounts for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|--|-----------------|-----------------|-------------|-----------------|
| | Budget | Actual | Variance | Actual |
| Revenues | | | | |
| Forfeitures | \$ - | \$ - | \$ - | \$ - |
| Other | - | - | - | - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Current - | | | | |
| Supplies | - | - | - | - |
| Purchased/contracted services | - | - | - | - |
| Other costs | 19 | 19 | - | 3,992 |
| Capital outlay- | | | | |
| Machinery and equipment | - | - | - | - |
| Total Expenditures | 19 | 19 | - | 3,992 |
| Excess (deficiency) of Revenues over Expenditures | (19) | (19) | - | (3,992) |
| Other financing sources (uses) | | | | |
| Transfers in (out) | - | - | - | - |
| Net change in fund balance | (19) | (19) | - | (3,992) |
| Fund Balance-Beginning of Year | 4,695 | 4,695 | - | 8,687 |
| Fund Balance-End of Year | <u>\$ 4,676</u> | <u>\$ 4,676</u> | <u>\$ -</u> | <u>\$ 4,695</u> |

**CITY OF STONE MOUNTAIN, GEORGIA
HOTEL / MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---|-----------------|-----------------|
| Assets | | |
| Cash | \$ 22 | \$ 274 |
| Receivables - Taxes | <u>2,000</u> | <u>3,121</u> |
| Total Assets | <u>\$ 2,022</u> | <u>\$ 3,395</u> |
| Liabilities and Fund Balance | | |
| Liabilities | | |
| Accrued liabilities | \$ 1,864 | \$ 799 |
| Due to other funds | <u>-</u> | <u>-</u> |
| Total Liabilities | 1,864 | 799 |
| Fund balance - Restricted for Tourism and Promotion | <u>158</u> | <u>2,596</u> |
| Total Liabilities and Equity | <u>\$ 2,022</u> | <u>\$ 3,395</u> |

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, 2023
(With comparative actual amounts for the year ended December 31, 2022)

| | 2023 | | | 2022 |
|--|-----------------|-----------|-----------|-----------|
| | Final Budget | Actual | Variance | Actual |
| Revenues | | | | |
| Hotel / Motel tax | \$ 15,000 | \$ 30,806 | \$ 15,806 | \$ 21,772 |
| Event revenue | - | - | - | 4,187 |
| Film permits | 2,000 | 3,050 | 1,050 | 3,500 |
| Intergovernmental | 9,000 | - | (9,000) | - |
| Miscellaneous | 1,000 | - | (1,000) | 25 |
| Contributions from SMMA | 2,500 | - | (2,500) | 2,250 |
| Total Revenues | 29,500 | 33,856 | 4,356 | 31,734 |
| Expenditures | | | | |
| Current - | | | | |
| Tourism and Promotion | 66,247 | 66,206 | 41 | 38,760 |
| Capital outlay | - | - | - | - |
| Total Expenditures | 66,247 | 66,206 | 41 | 38,760 |
| Excess (deficiency) of Revenues over Expenditures | (36,747) | (32,350) | 4,397 | (7,026) |
| Other financing sources (uses) | | | | |
| Transfers in (out) | 36,747 | 29,912 | (6,835) | 6,933 |
| Net change in fund balance | - | (2,438) | (2,438) | (93) |
| Fund Balance-Beginning of Year | - | 2,596 | 2,596 | 2,689 |
| Fund balance-end of Year | \$ - | \$ 158 | \$ 158 | \$ 2,596 |

**CITY OF STONE MOUNTAIN, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Assets | | |
| Cash | \$ - | \$ - |
| Receivables - | | |
| Other taxes | - | - |
| Grant | - | - |
| Due from other funds | - | - |
| | <u>-</u> | <u>-</u> |
| Total Assets | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities | | |
| Accounts payable | \$ - | \$ - |
| Accrued liabilities | - | - |
| Due to other funds | - | - |
| | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | |
| Unavailable revenues | - | - |
| | <u>-</u> | <u>-</u> |
| Fund balance - | | |
| Restricted for capital outlay | - | - |
| Unassigned | - | - |
| | <u>-</u> | <u>-</u> |
| Total Fund Balance | <u>-</u> | <u>-</u> |
| Total Liabilities, Deferred Inflows of resources and Fund Balance | <u>\$ -</u> | <u>\$ -</u> |

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, 2023
(With comparative actual amounts for the year ended December 31, 2022)

| | *Budget | 2023 Actual | Variance | 2022 Actual |
|-----------------------------------|---------|----------------|----------|----------------|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Interest | - | - | - | - |
| Taxes | - | - | - | - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Highways and Streets | - | - | - | - |
| General Government Buildings | - | - | - | - |
| Debt Service | | | | |
| Debt Issue Cost | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (deficiency) of | | | | |
| Revenues over | | | | |
| Expenditures | - | - | - | - |
| Other Financing Sources (Uses) | | | | |
| Capital Lease Proceeds | - | - | - | - |
| Transfers | - | - | - | - |
| Net change in fund balance | - | - | - | - |
| Fund balance-Beginning of Year | - | - | - | - |
| Fund balance-end of Year | \$ - | \$ - | \$ - | \$ - |

CITY OF STONE MOUNTAIN, GEORGIA
SPLOST CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash | \$ 3,643,194 | \$ 2,792,185 |
| Due from other governments | 109,111 | 111,352 |
| Due from other funds | <u>-</u> | <u>-</u> |
| Total assets | <u><u>\$ 3,752,305</u></u> | <u><u>\$ 2,903,537</u></u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities | | |
| Accounts payable | \$ 33,501 | \$ 143,887 |
| Due to other funds | <u>-</u> | <u>-</u> |
| | <u>33,501</u> | <u>143,887</u> |
| Deferred inflows of resources | | |
| Unavailable revenues | <u>-</u> | <u>-</u> |
| Fund balance | | |
| Reserved for specified purposes | <u>3,718,804</u> | <u>2,759,650</u> |
| Total fund balance | <u>3,718,804</u> | <u>2,759,650</u> |
| Total liabilities and fund balance | <u><u>\$ 3,752,305</u></u> | <u><u>\$ 2,903,537</u></u> |

**CITY OF STONE MOUNTAIN, GEORGIA
SPLOST CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| REVENUES | | |
| Intergovernmental | \$ 1,174,701 | \$ 1,157,092 |
| Interest | <u>325</u> | <u>236</u> |
| Total revenues | <u>1,175,026</u> | <u>1,157,328</u> |
| EXPENDITURES | | |
| Capital Outlay - | | |
| Street improvements | 207,372 | 425,835 |
| Police equipment | - | - |
| Fire facilities | - | - |
| Park improvements | 8,500 | - |
| Debt Service - | | |
| Principal | - | - |
| Interest | <u>-</u> | <u>-</u> |
| Total expenditures | <u>215,872</u> | <u>425,835</u> |
| Excess of revenues over (under) expenditures | 959,154 | 731,493 |
| Other financing sources (uses) | | |
| Transfers | <u>-</u> | <u>-</u> |
| Net change in fund balance | 959,154 | 731,493 |
| Fund Balance - | | |
| Beginning | <u>2,759,650</u> | <u>2,028,157</u> |
| Ending | <u>\$ 3,718,804</u> | <u>\$ 2,759,650</u> |

**CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| PROJECTS | ORIGINAL ESTIMATED COST | EXPENDITURES | | | ESTIMATED PERCENT COMPLETE |
|-------------------------------|--|------------------------------|-------------------------|---------------------|---|
| | | BEGINNING OF YEAR | CURRENT YEAR | TO DATE | |
| Street Improvements | \$ 4,410,238 | \$ 1,438,751 | \$ 207,372 | \$ 1,646,123 | 37.3% |
| Police Equipment | 252,048 | 246,902 | - | 246,902 | 98.0% |
| Fire Facilities and Equipment | 176,472 | 110,295 | - | 110,295 | 62.5% |
| Park Improvements | 853,898 | 124,481 | 8,500 | 132,981 | 15.6% |
| | <u>\$ 5,692,656</u> | <u>\$ 1,920,429</u> | <u>\$ 215,872</u> | <u>\$ 2,136,301</u> | |

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CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2023 AND 2022

Assets

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|--------------|--------------|
| Current assets | | |
| Accounts receivable | | |
| Sanitation | \$ - | \$ - |
| Dumpsters | - | - |
| Due from General Fund | - | - |
| Prepaid items | - | - |
| Total current assets | <u>-</u> | <u>-</u> |
| Noncurrent assets | | |
| Capital assets | | |
| Automobiles | - | 68,481 |
| Machinery and equipment | - | 23,130 |
| Accumulated depreciation | - | (91,611) |
| Capital assets (net of depreciation) | <u>-</u> | <u>-</u> |
| Total noncurrent assets | <u>-</u> | <u>-</u> |
| Total assets | <u>-</u> | <u>-</u> |

Liabilities

| | | |
|-----------------------------------|--------------|----------------|
| Current liabilities | | |
| Accounts payable | - | - |
| Accrued salaries | - | 217 |
| Customer deposits | - | - |
| Unearned revenue | - | - |
| Accrued liabilities | - | - |
| Current liabilities | <u>-</u> | <u>217</u> |
| Noncurrent liabilities | | |
| Capital lease payable | - | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> |
| Total liabilities | <u>-</u> | <u>217</u> |

Net Position

| | | |
|------------------------------|-----------------|---------------------|
| Investment in capital assets | - | - |
| Unrestricted | - | (217) |
| Total net position | <u>\$ -</u> | <u>\$ (217)</u> |

CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|---|--------------|-----------------|
| OPERATING REVENUES: | | |
| Refuse collection | \$ - | \$ - |
| Dumpster collection | - | - |
| Miscellaneous | - | - |
| | <u>-</u> | <u>-</u> |
| Total operating revenues | <u>-</u> | <u>-</u> |
| OPERATING EXPENSES: | | |
| Purchased products and services | | |
| Landfill fees | - | - |
| Dumpster collection | - | - |
| Sanitation expense | - | - |
| Personal services and benefits | - | 5,999 |
| Purchased / contracted services | - | - |
| Supplies | - | - |
| Depreciation | - | - |
| Bad debt expense | - | - |
| Other | - | - |
| | <u>-</u> | <u>-</u> |
| Total operating expenses | <u>-</u> | <u>5,999</u> |
| Operating income | <u>-</u> | <u>(5,999)</u> |
| NONOPERATING INCOME/(EXPENSES) | | |
| Loss on sale of capital assets | - | - |
| | <u>-</u> | <u>-</u> |
| Total nonoperating income/(expense) | <u>-</u> | <u>-</u> |
| Income before transfers and capital contributions | - | (5,999) |
| Capital contributions | - | - |
| Transfers in/(out) | <u>217</u> | <u>6,077</u> |
| Change in net position | 217 | 78 |
| NET POSITION, BEGINNING OF YEAR | <u>(217)</u> | <u>(295)</u> |
| NET POSITION, END OF YEAR | <u>\$ -</u> | <u>\$ (217)</u> |

**CITY OF STONE MOUNTAIN, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---|--------------------|--------------------|
| Cash flows from operating activities: | | |
| Cash received from customers and users | \$ - | \$ - |
| Cash paid to suppliers | - | (429) |
| Cash paid to employees | <u>(217)</u> | <u>(5,648)</u> |
| Net cash provided by operating activities | <u>(217)</u> | <u>(6,077)</u> |
| Cash flows from capital financing activities: | | |
| Proceeds from sales of capital assets | - | - |
| Purchase of capital assets | - | - |
| Principal paid on capital debt | <u>-</u> | <u>-</u> |
| Net cash provided by capital financing activities | <u>-</u> | <u>-</u> |
| Cash flows from non-capital financing activities: | | |
| Transfers | <u>217</u> | <u>6,077</u> |
| Net cash provided by non-capital financing activities | <u>217</u> | <u>6,077</u> |
| Net increase in cash and cash equivalents | - | - |
| Cash and cash equivalents - Beginning of Year | <u>-</u> | <u>-</u> |
| Cash and cash equivalents - End of Year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED
BY OPERATING ACTIVITIES**

| | <u>2023</u> | <u>2022</u> |
|--|-----------------|-------------------|
| Operating income (loss) | \$ - | \$ (5,999) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | - | - |
| (Increase) decrease in receivables | - | - |
| (Increase) decrease in prepaids | - | - |
| Increase (decrease) in accounts payable | - | - |
| Increase (decrease) in unearned revenues | - | - |
| Increase (decrease) in customer deposits | - | - |
| Increase (decrease) in accrued liabilities | <u>(217)</u> | <u>(78)</u> |
| Net cash provided by operating activities | <u>\$ (217)</u> | <u>\$ (6,077)</u> |

CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET POSITION
DECEMBER 31, 2023 AND 2022

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 558,042 | \$ 498,243 |
| Receivables, net - | | |
| Accounts | 30,934 | 32,463 |
| Due from other funds | - | - |
| Total current assets | <u>588,976</u> | <u>530,706</u> |
| Non-Current Assets | | |
| Capital assets - | | |
| Construction in progress | - | - |
| Infrastructure | 1,960,944 | 1,960,944 |
| Accumulated depreciation | (418,564) | (369,541) |
| Capital assets, net of depreciation | <u>1,542,380</u> | <u>1,591,403</u> |
| Total non-current assets | <u>1,542,380</u> | <u>1,591,403</u> |
| Total Assets | <u>2,131,356</u> | <u>2,122,109</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 25,336 | 21,069 |
| Accrued liabilities | - | 788 |
| Due to other funds | <u>120,035</u> | <u>78,151</u> |
| Total current liabilities | <u>145,371</u> | <u>100,008</u> |
| Noncurrent Liabilities | <u>-</u> | <u>-</u> |
| Total liabilities | <u>145,371</u> | <u>100,008</u> |
| NET POSITION | | |
| Investment in capital assets | 1,542,380 | 1,591,403 |
| Unrestricted | <u>443,605</u> | <u>430,698</u> |
| Total Net Position | <u>\$ 1,985,985</u> | <u>\$ 2,022,101</u> |

**CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 149,518 | \$ 149,647 |
| Total operating revenues | <u>149,518</u> | <u>149,647</u> |
| OPERATING EXPENSES | | |
| Personal services and benefits | 37,669 | 28,256 |
| Purchased/contracted services | 88,406 | 73,328 |
| Supplies | 535 | - |
| Depreciation | 49,024 | 49,024 |
| Bad debt | 10,000 | - |
| Other | <u>-</u> | <u>-</u> |
| Total operating expenses | <u>185,634</u> | <u>150,608</u> |
| Operating income (loss) | (36,116) | (961) |
| Non-operating revenues and (expenses) | | |
| Interest income | <u>-</u> | <u>-</u> |
| Income before transfers and capital contributions | (36,116) | (961) |
| Capital contributions | - | - |
| Transfers | <u>-</u> | <u>-</u> |
| Change in net position | (36,116) | (961) |
| NET POSITION - BEGINNING | <u>2,022,101</u> | <u>2,023,062</u> |
| NET POSITION - ENDING | <u>\$ 1,985,985</u> | <u>\$ 2,022,101</u> |

**CITY OF STONE MOUNTAIN, GEORGIA
STORMWATER MANAGEMENT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|--|--------------------------|--------------------------|
| Cash flows from operating activities: | | |
| Cash received from customers and users | \$ 151,047 | \$ 145,301 |
| Cash paid to suppliers for goods | (30,407) | (62,711) |
| Cash paid to employees | <u>(102,724)</u> | <u>(22,591)</u> |
| Net cash provided from operating activities | <u>17,916</u> | <u>59,999</u> |
| Cash flows from investing activities: | | |
| Interest income | <u>-</u> | <u>-</u> |
| Net cash from investing activities | <u>-</u> | <u>-</u> |
| Cash flows from non-capital financing activities: | | |
| Transfers from other funds | - | - |
| Change in due to/from other funds | <u>41,883</u> | <u>31,680</u> |
| Net cash flows from non-capital financing activities | <u>41,883</u> | <u>31,680</u> |
| Cash flows from capital financing activities: | | |
| Proceeds from capital contributions | - | - |
| Purchase of capital assets | <u>-</u> | <u>-</u> |
| Net cash flows from capital financing activities | <u>-</u> | <u>-</u> |
| Net cash flows | 59,799 | 91,679 |
| Cash and cash equivalents - beginning | <u>498,243</u> | <u>406,564</u> |
| Cash and cash equivalents - ending | <u><u>\$ 558,042</u></u> | <u><u>\$ 498,243</u></u> |

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

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED
BY OPERATING ACTIVITIES**

| | <u>2023</u> | <u>2022</u> |
|--|--------------------|------------------|
| Operating income (loss) | <u>\$ (36,116)</u> | <u>\$ (961)</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 49,024 | 49,024 |
| (Increase) decrease in receivables | 1,529 | (4,346) |
| Increase (decrease) in accounts payable | 4,267 | 16,566 |
| Increase (decrease) in accrued liabilities | <u>(788)</u> | <u>(284)</u> |
| Total adjustments | <u>54,032</u> | <u>60,960</u> |
| Net cash from operating activities | <u>\$ 17,916</u> | <u>\$ 59,999</u> |

**CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2023 AND 2022**

| Assets | <u>2023</u> | <u>2022</u> |
|------------------------------------|--------------------------|--------------------------|
| Assets: | | |
| Cash | \$ 158,838 | \$ 149,129 |
| Receivables | | |
| Rents | - | - |
| Due from primary government | 14,278 | 16,292 |
| Deposits | <u>-</u> | <u>-</u> |
| Total Assets | <u><u>\$ 173,116</u></u> | <u><u>\$ 165,421</u></u> |
| | | |
| Liabilities and Fund Equity | | |
| Liabilities: | | |
| Accounts payable | \$ - | \$ 14,050 |
| Due to primary government | - | - |
| Accrued liabilities | <u>2,655</u> | <u>7,388</u> |
| Total Liabilities | <u>2,655</u> | <u>21,438</u> |
| Fund equity: | | |
| Fund Balance - Unassigned | <u>170,461</u> | <u>143,983</u> |
| Total Fund Equity | <u>170,461</u> | <u>143,983</u> |
| Total Liabilities and Fund Equity | <u><u>\$ 173,116</u></u> | <u><u>\$ 165,421</u></u> |

**CITY OF STONE MOUNTAIN, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| Revenues: | | |
| Rents | \$ - | \$ - |
| Event fees | - | - |
| Contributions - | | |
| City | 152,230 | 150,000 |
| Other | 102 | - |
| Miscellaneous | <u>-</u> | <u>251</u> |
| Total Revenues | <u>152,332</u> | <u>150,251</u> |
| Expenditures: | | |
| Personal services and benefits | 72,078 | 80,138 |
| Purchased / contracted services | 28,071 | 63,581 |
| Supplies | 2,254 | 936 |
| Façade grants | 13,237 | 13,894 |
| Events | 10,214 | 7,371 |
| Other | - | 200 |
| Capital outlay | - | - |
| Debt service - | | |
| Principal | - | 583,809 |
| Interest | <u>-</u> | <u>37,084</u> |
| Total Expenditures | <u>125,854</u> | <u>787,013</u> |
| Excess of revenues over (under) expenditures | 26,478 | (636,762) |
| Other financing sources (uses): | | |
| Proceeds from note issue | - | - |
| Proceeds from sale of asset | - | 596,121 |
| Transfer (net) | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>596,121</u> |
| Net change in fund balance | 26,478 | (40,641) |
| Fund Balance - Beginning of year | <u>143,983</u> | <u>184,624</u> |
| Fund Balance - End of year | <u>\$ 170,461</u> | <u>\$ 143,983</u> |

CITY OF STONE MOUNTAIN, GEORGIA

REQUIRED REPORTS
IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

CITY OF STONE MOUNTAIN, GEORGIA
REQUIRED REPORTS IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Stone Mountain, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Stone Mountain, Georgia's basic financial statements and have issued our report thereon dated April 2, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Stone Mountain, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Stone Mountain, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Stone Mountain, Georgia's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022.001, 2023.001 and 2023.003 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Stone Mountain, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the schedule of findings and responses as items 2022.002, 2023.001 and 2023.002.

City of Stone Mountain, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Stone Mountain, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Stone Mountain, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James A. Whitaker, P.C.

Snellville, Georgia
April 2, 2025

**CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2022.001 ACCOUNTS PAYABLE - REPEAT FINDING

Condition: The City did not properly reconcile accounts payable at the end of the year or during the year. At the beginning of the audit, accounts payable balance of the general ledger was out of balance with the detail listing of accounts payable by approximately \$40,000. A final difference of approximately \$2,100 existed that was not identified during the audit.

N/A

Criteria: A detail listing of unpaid invoices (accounts payable) should be reconciled to the general ledger amounts on a regular basis, preferably at the end of each month.

Effect: The City's financial statements understated liabilities and expenditures by approximately \$40,000. Also, the lack of proper reconciliation procedures can lead to employees not identifying errors and fraud in a timely manner in the normal performance of their duties.

Cause: The City's accounting staff did not properly reconcile the accounts payable balance of the general ledger with a detail open payable listing. In addition, it was found during the audit that the detail open payable listing was not including all invoices that had been entered into the accounting system.

Recommendation: Management should ensure that a reconciliation of a detail listing of accounts payable to the general ledger is performed on at least a monthly basis. Management should also contact the City's financial software company to determine the reason for the detail accounts payable listing omitting some invoices that should be included in the open payable listing.

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will ensure that a timely reconciliation is performed over accounts payable on a monthly basis. Management will also contact the City's software company to determine the issue with some invoices not being included on the detail open accounts payable report.

FINDINGS--FINANCIAL STATEMENTS AUDIT**QUESTIONED
COST****2022.002 BUDGET REQUIREMENTS - REPEAT FINDING**

Condition: The City did not prepare a budget for the Cemetery Fund which is a special revenue fund and is required by state law to have a balanced budget for each fiscal year. In addition, one of the City's funds had departments that incurred material excesses of expenditures over appropriations.

Criteria: The State of Georgia requires an annual budget be prepared for all special revenue funds and for all governmental fund's expenditures to remain within their departmental budgets.

Effect: The City has violated a state law.

Cause: Due to turn-over of personnel in the accounting department, the City was not aware of the state requirement for an annual budget for the special revenue fund. In addition, management did not properly amend the General Fund's budget.

Recommendation: Management should ensure that all accounting personnel receive proper training over budgeting requirements. Management should also monitor each fund's budget on a regular basis and determine if budget amendments are necessary.

N/A

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will ensure that all accounting personnel receive proper training over state budget requirements. The City Manager will be responsible for overseeing the training of the accounting personnel and the proper budget preparations as well as monitoring each fund's budget to insure that amendments are prepared and properly approved by Mayor and Council.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2023.001 NEED FOR A FULL-TIME ACCOUNTING SUPERVISOR / CONTROLLER

Condition: The City did not have an accounting supervisor / controller with the necessary skill set to provide the City with accurate and timely financial reports or oversight of the accounting staff. N/A

Criteria: An accounting supervisor / controller should be able to provide the City with 1) accurate and timely financial reports; 2) oversight of the accounting staff including implementation and monitoring of the accounting control system; 3) timely implementation of new accounting standards; and 4) recommendations for any new accounting policies and procedures.

Effect: The audit was significantly late being issued due to the City not being able to implement a new accounting standard in a timely manner along with delays in obtaining information needed to complete the audit. The late issue date could cause compliance issues with granting agencies, including single audit submissions and the Georgia Department of Audits and Accounts.

Cause: The City had not been able to hire a competent full-time accounting supervisor / controller during the audit period.

Recommendation: Management needs to hire a qualified / experienced controller for the City.

View of responsible officials and planned corrective action:

Management agrees with the finding. Management has attempted to hire an accounting supervisor / controller with the skill set that would allow for the oversight and proper managing of the accounting department. The City did accomplish this task in February 2025.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2023.002 INELIGIBLE ITEMS PAID OUT OF SPLOST FUND

| | | | |
|------------|---|----|-------|
| Condition: | The City paid various legal expenses related to the 2024 SPLOST negotiations out of the SPLOST Fund. These invoices are not eligible expenditure for the SPLOST Fund. | \$ | 8,734 |
|------------|---|----|-------|

| | |
|-----------|---|
| Criteria: | SPLOST funds should only be used for capital items approved by the citizens of Stone Mountain through a referendum voted on and approved by the citizens. |
|-----------|---|

| | |
|---------|--|
| Effect: | The City has paid for ineligible expenditures out of the SPLOST Fund and needs to repay the SPLOST Fund from other City funds. |
|---------|--|

| | |
|--------|--|
| Cause: | The ineligible expenditures paid out of the SPLOST Fund was the result of a lack of training of City employees over the requirements of the SPLOST Fund. |
|--------|--|

| | |
|-----------------|--|
| Recommendation: | Management needs to ensure the SPLOST Fund is reimbursed and provide the necessary training of City employees that have responsibility over the handling of SPLOST activities. |
|-----------------|--|

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will ensure that the SPLOST Fund is reimbursed for the ineligible expenditures and will ensure that training over SPLOST requirements will be scheduled and attended by the appropriate City employees.

**QUESTIONED
COST**

N/A

Management agrees with the finding. Management will direct an employee with the responsibility of performing a reconciliation over property taxes receivable and will provide that employee with the training needed to perform the reconciliation.

JAMES L. WHITAKER, P.C.

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Member of
Georgia Society of
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF PROJECTS
FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX**

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

We have audited the accompanying Schedule of Projects Financed With Special Purpose Local Option Sales Tax for the City of Stone Mountain, Georgia for the year ended December 31, 2023. This Schedule is the responsibility of the City of Stone Mountain's management. Our responsibility is to express an opinion on the Schedule of Projects Financed With Special Purpose Local Option Sales Tax 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 Schedule of Projects Financed With Special Purpose Local Option Sales Tax are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Projects Financed With Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Projects Financed With Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Projects Financed With Special Purpose Local Option Sales Tax are prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting and is not intended to be a complete presentation of City of Stone Mountain's revenues and expenditures.

In our opinion, the Schedule of Projects Financed With Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, and the current and prior year expenditures for each project in City of Stone Mountain's resolutions or ordinances calling for the tax for the year ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

James L. Whitaker, P. C.

Snellville, Georgia
April 2, 2025

**CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| PROJECTS | ORIGINAL ESTIMATED COST | EXPENDITURES | | | ESTIMATED PERCENT COMPLETE |
|-------------------------------|--|------------------------------|-------------------------|---------------------|---|
| | | BEGINNING OF YEAR | CURRENT YEAR | TO DATE | |
| Street Improvements | \$ 4,410,238 | \$ 1,438,751 | \$ 207,372 | \$ 1,646,123 | 37.3% |
| Police Equipment | 252,048 | 246,902 | - | 246,902 | 98.0% |
| Fire Facilities and Equipment | 176,472 | 110,295 | - | 110,295 | 62.5% |
| Park Improvements | <u>853,898</u> | <u>124,481</u> | <u>8,500</u> | <u>132,981</u> | 15.6% |
| | <u>\$ 5,692,656</u> | <u>\$ 1,920,429</u> | <u>\$ 215,872</u> | <u>\$ 2,136,301</u> | |



City of Stone Mountain

Administration

Address: 875 Main St, Stone Mountain, GA 30083

Phone: 770-498-8984

Fax: 770-498-8609

<https://www.stonemountaincity.org/>

Department of Audits

Medicaid and Local Government Audit Division

270 Washington Street, SW

Room 4-101

Atlanta, Georgia 30334

The following is management's response to the findings noted in the auditor's report for the year ended December 31, 2023, and dated April 2, 2025, for the City of Stone Mountain, Georgia.

FINDING:

At the beginning of the audit, the accounts payable balance of the general ledger was out of balance with the detail listing of accounts payable by approximately \$40,000. It was discovered that the City did not reconcile accounts payable in a timely manner during the year.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will emphasize to the accounting department, the need to properly reconcile a detailed listing of accounts payable at the end of each month with the general ledger. The Finance Director will be responsible for overseeing the accounts payable system to ensure all accounts payable are properly recorded and reconciled in a timely manner.

FINDING:

The City did not prepare a budget for the Cemetery Fund which is a special revenue fund and is required by state law to have a balanced budget. In addition, one of the City's funds had departments that incurred material excesses of expenditures over appropriations.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will ensure that all accounting personnel receive proper training over state budget requirements. The City Manager will be responsible for overseeing the training of the accounting personnel regarding the proper budget preparations as well as monitoring each fund's budget to ensure that amendments are prepared and properly approved by Mayor and Council.



City of Stone Mountain

Administration

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FINDING:

The City did not have an accounting supervisor / controller with the necessary skill set to provide the City with accurate and timely financial reports or oversight of the accounting staff. This situation led to the audit being filed substantially late.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. During the year under audit, management attempted to hire an accounting supervisor / controller with the skill set that would allow for the oversight and proper management of the accounting department. The City did accomplish this task in February 2025.

FINDING:

The City paid various legal expenses related to the 2024 SPLOST negotiations out of the SPLOST Fund. These invoices are not eligible expenditures for the SPLOST Fund.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will ensure that the SPLOST Fund is reimbursed for the ineligible expenditures and will ensure that training over SPLOST requirements will be scheduled and attended by the appropriate City employees. The City Manager will be responsible for overseeing this situation.

FINDING:

The City does not reconcile its receivables from property taxes nor monitor changes that are made through the county tax commission's office. During the year the county's tax commissioner's office made significant adjustments to the City's property tax assessments which were unquestioned by the City. This could lead to errors and fraud going undetected by employees in the normal course of performing their duties.

CORRECTIVE ACTION PLAN:

Management agrees with the finding. Management will direct an employee with the responsibility of performing a reconciliation over property taxes receivable and will provide that employee with the training needed to perform the reconciliation. The City Manager will be responsible for



City of Stone Mountain

Administration

Address: 875 Main St, Stone Mountain, GA 30083

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overseeing the training of the appropriate personnel and the reconciliation of the property taxes receivable which should be performed on at least a semi-annual basis.

In conclusion, the City of Stone Mountain acknowledges and fully agrees with the findings of the FY2023 audit. We recognize the importance of maintaining robust financial oversight and accurate reporting mechanisms to ensure accountability, transparency, and compliance with applicable state laws and regulations. To rectify the identified issues, we have developed comprehensive corrective action plans, which include implementing stringent reconciliation procedures, conducting specialized training for accounting personnel, and enhancing managerial oversight in critical financial processes.

Specifically, immediate steps have been taken to ensure monthly reconciliation of accounts payable, proper budgeting practices for all special revenue funds, and accurate monitoring of expenditures. Additionally, the City has successfully filled the role of Accounting Supervisor/Controller to ensure accurate, timely, and compliant financial reporting moving forward. Corrective measures regarding the inappropriate allocation of SPLOST funds have also been initiated, including reimbursement and additional training.

Furthermore, measures are underway to enhance our monitoring and reconciliation of property tax receivables to detect and address potential discrepancies proactively. The City Manager's office remains committed to stringent oversight, improved internal controls, and regular training initiatives to prevent the recurrence of such issues.

We are confident that these actions will strengthen our financial management practices, ensuring greater accuracy, compliance, and public trust in the City's financial administration.

Should you have any additional questions or concerns, please contact me at your earliest convenience.

Sincerely,

Shawn Edmondson

City Manager

City of Stone Mountain

JAMES L. WHITAKER, P.C.

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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and Members of City Council
City of Stone Mountain, Georgia

We have examined City of Stone Mountain, Georgia's compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2024 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2023. Management of City of Stone Mountain, Georgia is responsible for City of Stone Mountain Georgia's compliance with the specified requirements. Our responsibility is to express an opinion on City of Stone Mountain, Georgia's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether City of Stone Mountain, Georgia complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether City of Stone Mountain, Georgia complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on City of Stone Mountain, Georgia's compliance with specified requirements.

In our opinion, City of Stone Mountain, Georgia complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2023.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and

noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on City of Stone Mountain, Georgia's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on City of Stone Mountain, Georgia's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. Our examination disclosed certain findings that are required to be reported under *Government Auditing Standards* and those findings, along with the views of responsible officials, are described in the attached Schedule of Findings and Responses.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether City of Stone Mountain, Georgia complied, in all material respects with the specified requirements referenced above during the year ended December 31, 2023. Accordingly, this report is not suitable for any other purpose.

Snellville, Georgia
April 2, 2025

A handwritten signature in cursive script that reads "James L. Whitaker, P.C.".

**CITY OF STONE MOUNTAIN, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2022.001 ACCOUNTS PAYABLE - REPEAT FINDING

Condition: The City did not properly reconcile accounts payable at the end of the year or during the year. At the beginning of the audit, accounts payable balance of the general ledger was out of balance with the detail listing of accounts payable by approximately \$40,000. A final difference of approximately \$2,100 existed that was not identified during the audit.

N/A

Criteria: A detail listing of unpaid invoices (accounts payable) should be reconciled to the general ledger amounts on a regular basis, preferably at the end of each month.

Effect: The City's financial statements understated liabilities and expenditures by approximately \$40,000. Also, the lack of proper reconciliation procedures can lead to employees not identifying errors and fraud in a timely manner in the normal performance of their duties.

Cause: The City's accounting staff did not properly reconcile the accounts payable balance of the general ledger with a detail open payable listing. In addition, it was found during the audit that the detail open payable listing was not including all invoices that had been entered into the accounting system.

Recommendation: Management should ensure that a reconciliation of a detail listing of accounts payable to the general ledger is performed on at least a monthly basis. Management should also contact the City's financial software company to determine the reason for the detail accounts payable listing omitting some invoices that should be included in the open payable listing.

View of responsible officials and planned corrective action:
Management agrees with the finding. Management will ensure that a timely reconciliation is performed over accounts payable on a monthly basis. Management will also contact the City's software company to determine the issue with some invoices not being included on the detail open accounts payable report.

FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2022.002 BUDGET REQUIREMENTS - REPEAT FINDING

Condition: The City did not prepare a budget for the Cemetery Fund which is a special revenue fund and is required by state law to have a balanced budget for each fiscal year. In addition, one of the City's funds had departments that incurred material excesses of expenditures over appropriations.

Criteria: The State of Georgia requires an annual budget be prepared for all special revenue funds and for all governmental fund's expenditures to remain within their departmental budgets.

Effect: The City has violated a state law.

Cause: Due to turn-over of personnel in the accounting department, the City was not aware of the state requirement for an annual budget for the special revenue fund. In addition, management did not properly amend the General Fund's budget.

Recommendation: Management should ensure that all accounting personnel receive proper training over budgeting requirements. Management should also monitor each fund's budget on a regular basis and determine if budget amendments are necessary.

N/A

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will ensure that all accounting personnel receive proper training over state budget requirements. The City Manager will be responsible for overseeing the training of the accounting personnel and the proper budget preparations as well as monitoring each fund's budget to insure that amendments are prepared and properly approved by Mayor and Council.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2023.001 NEED FOR A FULL-TIME ACCOUNTING SUPERVISOR / CONTROLLER

Condition: The City did not have an accounting supervisor / controller with the necessary skill set to provide the City with accurate and timely financial reports or oversight of the accounting staff. N/A

Criteria: An accounting supervisor / controller should be able to provide the City with 1) accurate and timely financial reports; 2) oversight of the accounting staff including implementation and monitoring of the accounting control system; 3) timely implementation of new accounting standards; and 4) recommendations for any new accounting policies and procedures.

Effect: The audit was significantly late being issued due to the City not being able to implement a new accounting standard in a timely manner along with delays in obtaining information needed to complete the audit. The late issue date could cause compliance issues with granting agencies, including single audit submissions and the Georgia Department of Audits and Accounts.

Cause: The City had not been able to hire a competent full-time accounting supervisor / controller during the audit period.

Recommendation: Management needs to hire a qualified / experienced controller for the City.

View of responsible officials and planned corrective action:

Management agrees with the finding. Management has attempted to hire an accounting supervisor / controller with the skill set that would allow for the oversight and proper managing of the accounting department. The City did accomplish this task in February 2025.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2023.002 INELIGIBLE ITEMS PAID OUT OF SPLOST FUND

| | | |
|-----------------|--|----------|
| Condition: | The City paid various legal expenses related to the 2024 SPLOST negotiations out of the SPLOST Fund. These invoices are not eligible expenditure for the SPLOST Fund. | \$ 8,734 |
| Criteria: | SPLOST funds should only be used for capital items approved by the citizens of Stone Mountain through a referendum voted on and approved by the citizens. | |
| Effect: | The City has paid for ineligible expenditures out of the SPLOST Fund and needs to repay the SPLOST Fund from other City funds. | |
| Cause: | The ineligible expenditures paid out of the SPLOST Fund was the result of a lack of training of City employees over the requirements of the SPLOST Fund. | |
| Recommendation: | Management needs to ensure the SPLOST Fund is reimbursed and provide the necessary training of City employees that have responsibility over the handling of SPLOST activities. | |

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will ensure that the SPLOST Fund is reimbursed for the ineligible expenditures and and will ensure that training over SPLOST requirements will be scheduled and attended by the appropriate City employees.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

**QUESTIONED
COST**

2023.003 PROPERTY TAX RECEIVABLE RECONCILIATION

Condition: The City does not reconcile its receivables from property taxes nor monitor changes that are made through the county tax commissioner's office.

N/A

Criteria: Even though DeKalb County Tax Commissioner's office bills and collects the City's property taxes, the City should have controls in place to ensure the City receives the property tax revenues it is due.

Effect: The County Tax Commissioner's office has made significant adjustments to the City's property tax assessments which have gone unquestioned by the City. This could lead to errors and fraud going undetected by City employees in the normal course of performing their duties.

Cause: The turn-over in management and accounting personnel has lead to some accounting procedures not being performed. No employee has been given the responsibility of performing a reconciliation of the taxes receivable.

Recommendation: Management should direct an employee with the responsibility of performing a reconciliation over property taxes on at least a semi - annual basis.

View of responsible officials and planned corrective action:

Management agrees with the finding. Management will direct an employee with the responsibility of performing a reconciliation over property taxes receivable and will provide that employee with the training needed to perform the reconciliation.

