



City of Stockbridge
Bringing People
Together

STOCKBRIDGE CITY COUNCIL

Mayor Judy Neal

Mayor Pro Tem Anthony S. Ford

Councilman Elton Alexander

Councilman John Blount

Councilwoman LaKeisha Gantt

Councilwoman Neat Robinson

CITY MANAGER

CITY CLERK

Vanessa Holiday

DEPUTY CLERK

Randi Rainey

CITY ATTORNEY

Michael Williams

**Council Meeting
Agenda
June 28, 2017 6:00 PM**



Council Chamber 2nd Floor

4640 N. Henry Blvd.

Stockbridge, GA 30281

Website: www.cityofstockbridge.com

Phone: 770-389-7900

Fax: 770-389-7912



AGENDA COUNCIL MEETING CITY OF STOCKBRIDGE

WEDNESDAY, JUNE 28, 2017 6:00 PM

Mayor & City Council

Judy Neal, Mayor
Anthony S. Ford, Mayor Pro Tem
Elton Alexander, Councilman
John Blount, Councilman
LaKeisha Gantt, Councilwoman
Neat Robinson, Councilwoman

Administration

Vanessa Holiday, City Clerk
Randi Rainey, Deputy City Clerk
Michael Williams, City Attorney

- I. Call to Order**
- II. Invocation- Pastor Steven Hedgecoth, Stockbridge Assembly of God**
- III. Pledge of Allegiance**
- | IV. Roll Call | Present | Absent |
|------------------------------|----------------|---------------|
| Mayor Pro Tem Ford | _____ | _____ |
| Mayor Neal | _____ | _____ |
| Councilman Alexander | _____ | _____ |
| Councilman Blount | _____ | _____ |
| Councilwoman Gantt | _____ | _____ |
| Councilwoman Robinson | _____ | _____ |
- V. Adoption of the Agenda**
- VI. Review of Minutes for 5/4/2017, 5/8/2017, 5/25/2017 and 5/30/2017**

PUBLIC COMMENTS

All persons wishing to speak for public comment must sign in with the City Clerk prior to the beginning of the meeting. You must sign your name, address, and phone number. You will be able to address the Mayor and Council for three (3) minutes.

NEW BUSINESS

Item # 1 - 2016 Financial Audit Report

Presented by: Mauldin&Jenkins

Item # 2 - Council Consideration- Resolution to design, build and rename the State-of-the- Art Cultural Arts Center in honor of Carrie Mae Hambrick

Presented by:

Item # 3 - Council Consideration- Henry County Community Development Block Grant (CDBG) Program Cooperation Agreement for Fiscal Years (FYs) 2018-2020

Presented by: Camilla Moore

Item # 4 - Council Consideration- Gardner Park tennis Court Resurfacing/repairs in the amount of \$30,900.00 by Signature Tennis Courts

Presented by: Decius Aaron

Item # 5 - Council Consideration- Proposal for Exploration Geophysical Surveys to Locate Well Drilling Sites- Reeves Creek Trail

Presented by: Decius Aaron

COUNCIL'S COMMENTS

Councilman Alexander

Councilman Blount

Mayor Pro Tem Ford

Councilwoman Gantt

Councilwoman Robinson

MAYOR'S COMMENTS

Mayor Judy Neal

EXECUTIVE SESSION (Exemptions to the Georgia Open Meetings Acts)

ANNOUNCEMENT OF UPCOMING MEETINGS & EVENTS

All meetings will be held at City Hall unless otherwise noted. Meeting dates and times are subject to change. Please check the city's website www.cityofstockbridge.com or contact City Hall offices at 770.389-7900 for information.

UPCOMING OFFICIAL CITY MEETINGS/EVENTS/ANNOUNCEMENTS

Meeting will be held at City Hall unless otherwise noted. Meeting dates and times are subject to change. Please visit the city's website www.cityofstockbridge.com, Facebook page or contact City Hall offices at 770.389-7900 for updates and detailed information.

- Youth Council Meeting, Wednesday, July 5, 2017 at 5:30 p.m. City Hall, Levi Meeting Room.
- FREE Movie "Sing" – Saturday, July 8, 2017 on the City Hall lawn (Bring your lawn chairs) Fun starts at 8:00 p.m.
- Council Meeting – Monday July 10, 2017 - 6:00 p.m. City Hall Chamber.
- Food Truck Tasty Tuesday, July 11, 2017 from 5:30 – 9:00 p.m.
- ***(New Location) Clark Park 111 Davis Rd. Stockbridge**
-
- Main Street Advisory Board Meeting, Friday, July 14, 2017 at 9:00 a.m. City Hall, Levi Meeting Room. **CANCELED**
- FREE Sounds of Summer Concert, Saturday, July 15, 2017 at 6:00 p.m. City Hall, Lawn. (Bring your lawn chairs).

Motion to Adjourn.

Stockbridge, Georgia

Auditor's Discussion & Analysis
Financial & Compliance Audit Summary
December 31, 2016



Presented by:

Miller Edwards, CPA
(800) 277-0050

**MAULDIN
& JENKINS**

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

PURPOSE OF ANNUAL AUDIT AGENDA

- ◆ Engagement Team and Firm Information.
- ◆ Overview of:
 - Audit Opinion;
 - Financial Statements, Footnotes and Supplementary Information;
 - Compliance Reports;
 - Audit Scopes & Procedures.
- ◆ Required Communications under Government Auditing Standards.
- ◆ Accounting Recommendations and Other Matters.
- ◆ Other Items and Closing Thoughts.
- ◆ Answer Questions.



Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

MAULDIN & JENKINS – GOVERNMENTAL PRACTICE

General Information:

- Founded in ~1920. Large regional firm serving the Southeastern United States.
- Offices located in Macon, Atlanta, Albany, Bradenton, Chattanooga, and Birmingham.
- Approximately 260 personnel are employed at Mauldin & Jenkins.

Governmental Sector:

- Largest specific industry niche served by Firm representing 25% of Firm practice.
- Serve more governmental entities in Southeast than any other certified public accounting firm requiring over 70,000 hours of service on an annual basis.
- Approximately 90 professional staff persons with current governmental experience.
- In past three (3) years, have served over 300 governments in the Southeast, including:
 - ✓ 85 cities;
 - ✓ 40 counties;
 - ✓ 45 school systems and 30 charter schools;
 - ✓ 40 state entities;
 - ✓ 65 special purpose entities (stand-alone entities: water/sewer, transit, gas, electric, airports, housing, development, other educational, retirement, libraries, etc.);
 - ✓ Inclusive of the above, we serve 92 governments receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting.
- Auditor of a substantial part of the State of Georgia including approximately 30% of the State's General Fund, and a substantial number of the State of Georgia's component units.
- Experience performing forensic audit services and information technology consultations.
- Experience performing municipal bond debt issuance attestation services serving clients with over \$11 billion in aggregate publicly issued debt instruments.
- 10th highest level of Single Audits conducted in U.S.A. approximating \$8.0 billion annually.

Engagement Team Leaders for Stockbridge Include:

- Miller Edwards - Engagement Lead Partner - 31 years experience, 100% governmental
- Meredith Lipson - Quality Assurance Partner - 27 years experience, 100% governmental
- Hope Pendergrass - Manager - 14 years experience, 100% governmental

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings & loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction & Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit / Review / Compilation
- Compliance Audits & Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business & Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements & Business Valuation Issues
- Income Tax Planning & Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession & Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger / Acquisition & Expansion Financing

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

INDEPENDENT AUDITOR'S REPORT

The independent auditor's report has specific significance to readers of the financial report.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of management.

Auditor's Responsibility

Our responsibility, as external auditors, is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinions

We have issued an unmodified audit report (i.e., "clean opinion"). The respective financial statements are considered to present fairly the financial position and results of operations as of, and for the year ended December 31, 2016.

Other Matters

Certain required supplementary information and other information is included in the financial report, and as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

OVERVIEW OF FINANCIAL STATEMENTS

The City's basic financial statements include three components:

- 1) Government-wide financial statements;
- 2) Fund financial statements; and
- 3) Notes to the financial statements.

The **City-wide financial statements** provide a broad overview of all of the City's funds. The *Statement of Net Position* presents information on all assets and liabilities of the City, with the resulting difference reported as net position. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB Statement No. 34. All of the funds of the City can be divided into three (3) categories: governmental funds (includes the General Fund), business-type funds, and fiduciary funds.

The City also includes, as part of its annual report, the following information:

- 1) Special Purpose Local Option Sales Tax (SPLOST) Schedules and Report, and
- 2) Single Audit schedules and reports (if applicable).

Government-Wide (Full-Accrual) Financial Statements

As noted above, the financial report of the City includes two (2) entity-wide financial statements: a *Statement of Net Position*; and a *Statement of Activities*.

Highlights of the 2016 City-wide statements notes total assets and deferred outflows of resources of approximately \$99,526,000 offset by liabilities and deferred inflows of resources of approximately \$19,309,000. This results in the City reported net position (or equity) of approximately \$80,217,000. A substantial element of the net position is composed of a net investment in capital assets in the approximate amount of \$41,044,000. Restricted net position amounts to approximately \$16,757,000 leaving unrestricted net position of approximately \$22,416,000.

The *Statement of Activities* attempts to report expenses in the first column with direct offsetting program revenues to the adjacent columns to arrive at a net cost of the functional areas of operation. General revenues (primarily property taxes and sales taxes) come to the

Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

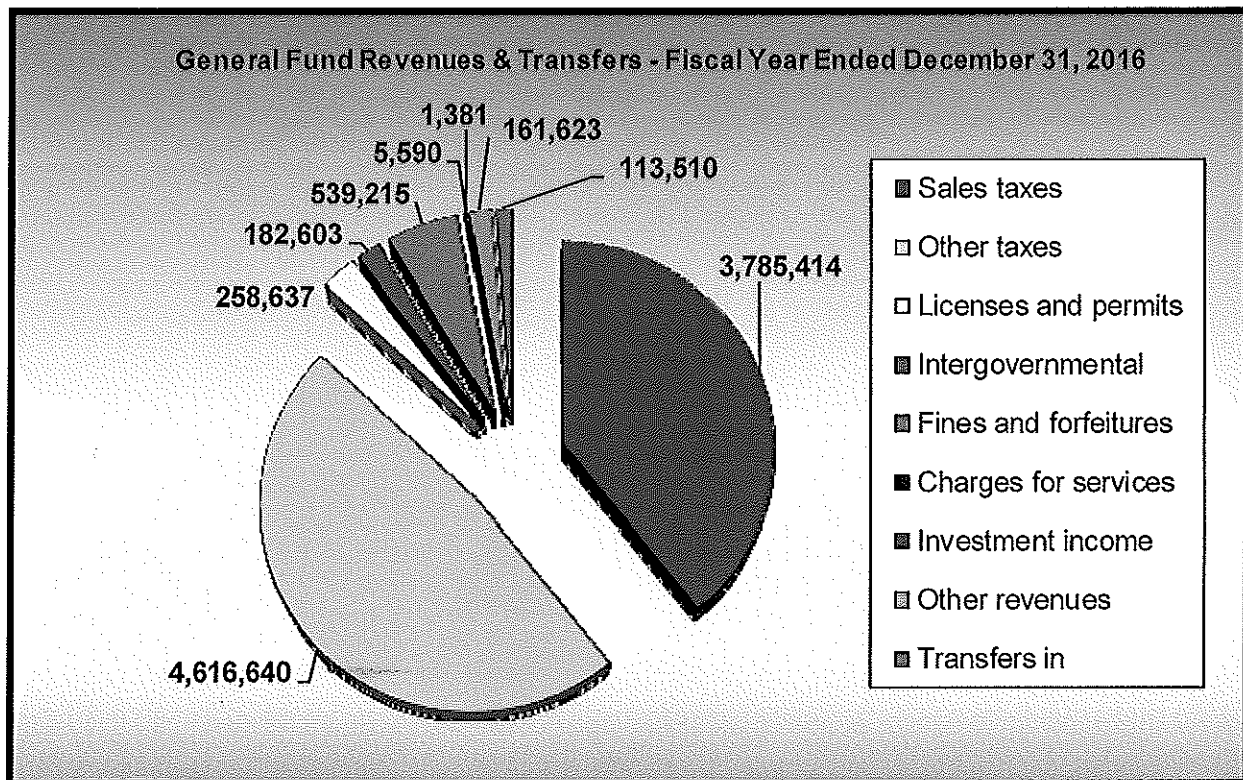
December 31, 2016

rescue of the net cost functional areas resulting in the City reporting a change in net position of approximately \$5,212,000.

General Fund

Of primary interest to the City is the **General Fund**, which accounts for the majority of revenues received and funds expended in the operations of the City, including general government activities, courts, public safety, housing and development, and public works.

General Fund Revenues: The following charts depict the primary revenue sources of the General Fund for the 2016 fiscal year. Taxes represent a key component of revenue.

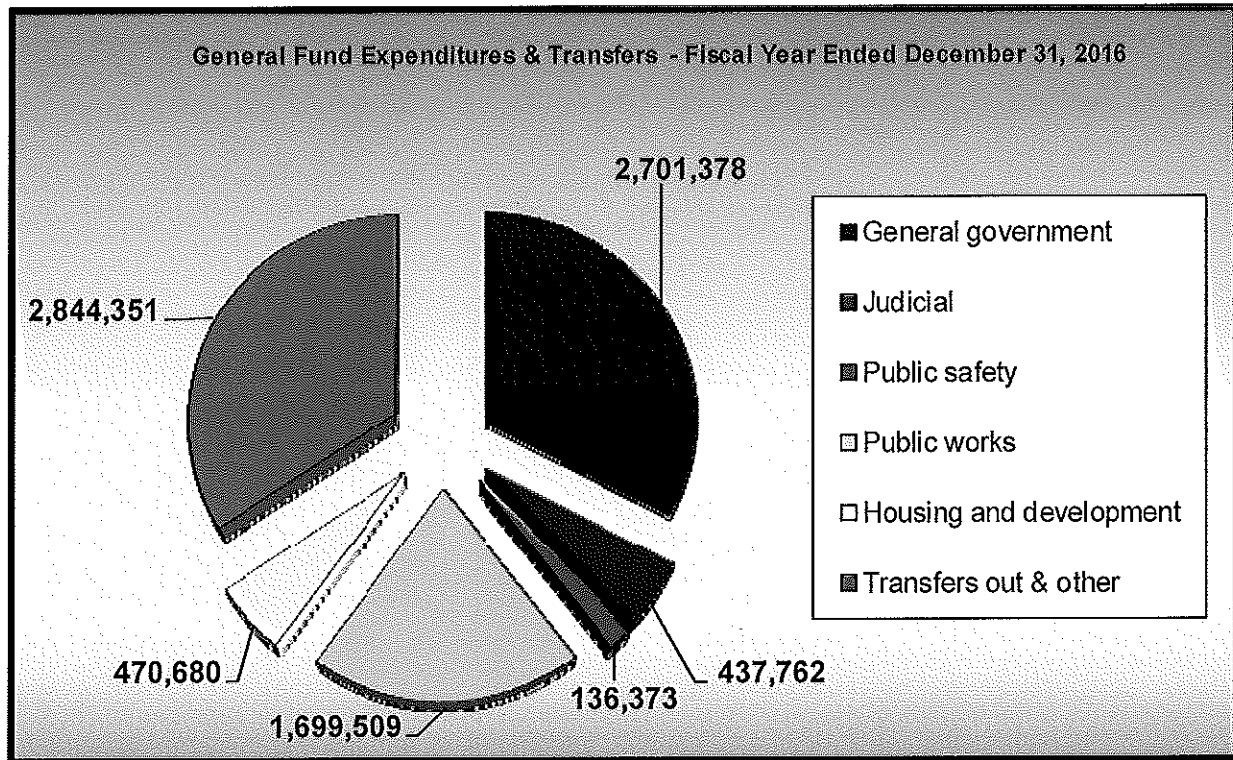


General Fund Expenditures: The following chart presents the General Fund's expenditures by major function for the fiscal year ended December 31, 2016. General government is the primary expenditure of the City.

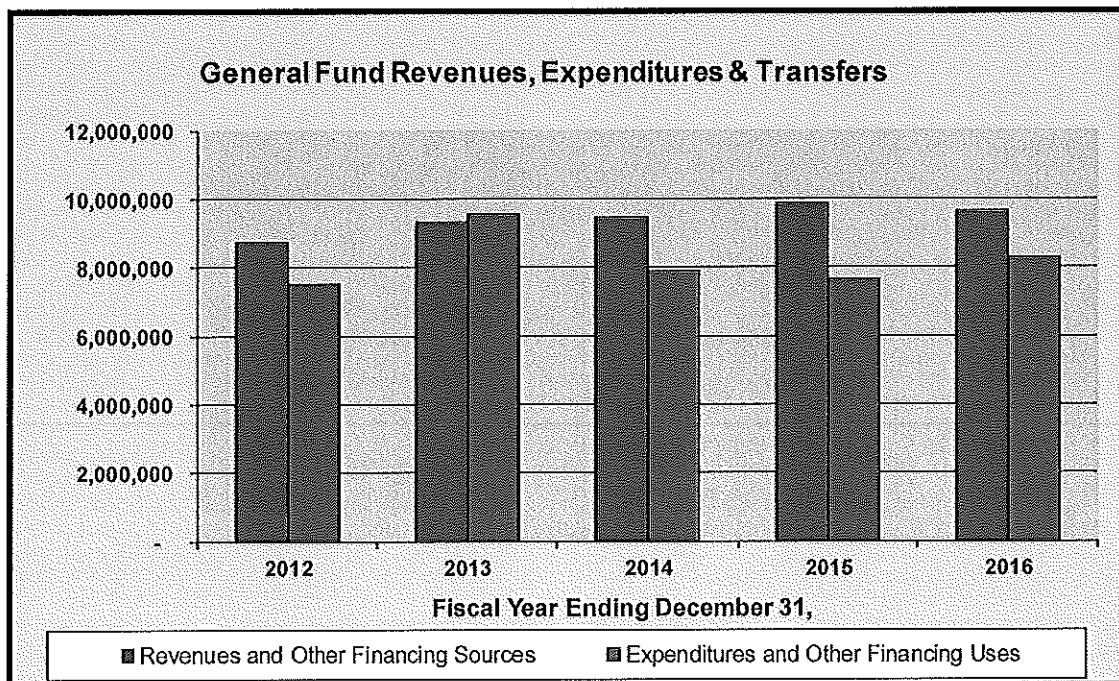
Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016



Net Change in Fund Balance and the Revenues and Expenditures of the General Fund: The following chart demonstrates General Fund revenues versus expenditures for a five (5) year period.

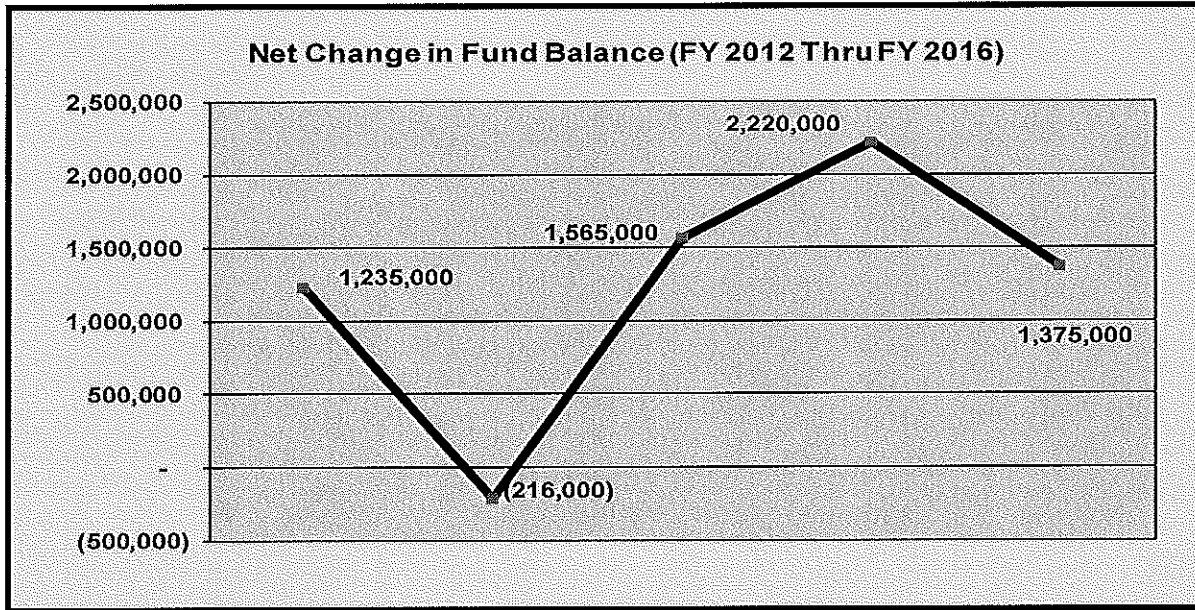


Stockbridge, Georgia

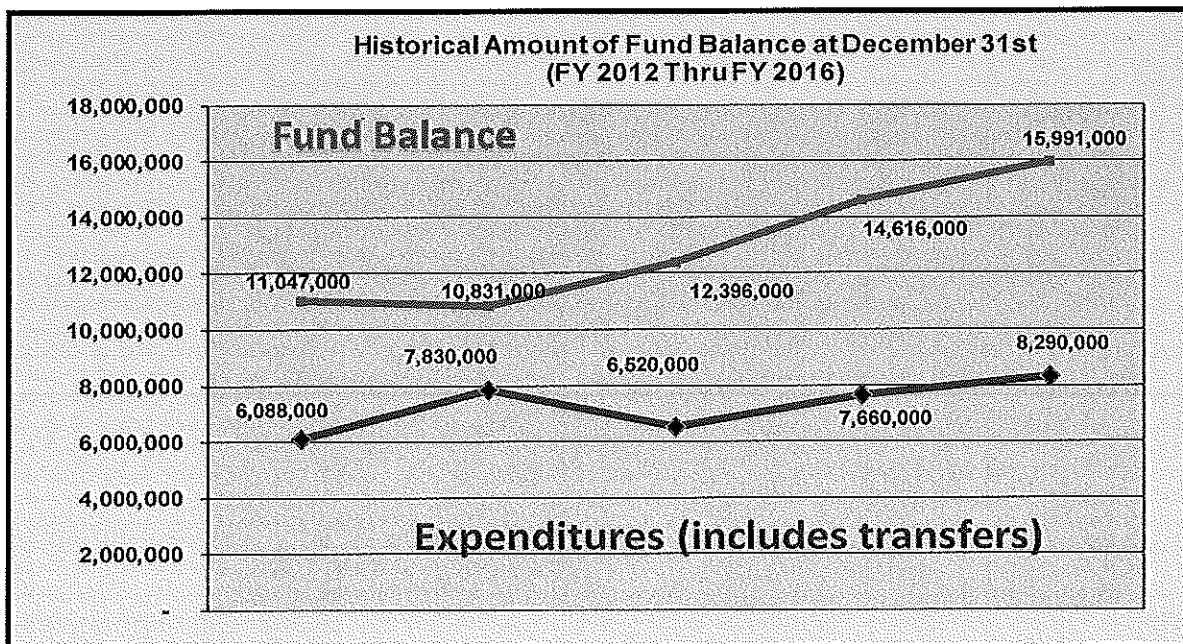
Auditor's Discussion & Analysis (AD&A)

December 31, 2016

The following chart presents the annual net change in fund balance of the General Fund for the past five (5) fiscal years. Most years have resulted in a positive change (or accumulation of) fund balance.



The following graph reflects the overall financial strength of the City's General Fund as of each fiscal year ended December 31st for a five (5) year period. The City has a unique situation in that total fund balance exceeded expenditures in each of the past few years. However, it should be noted over 28% of total fund balance is nonspendable (not liquid).



Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

In observation of the above chart, the relationship of year-end fund balance as compared to each year's expenditures and transfers should be further considered. The following is the relative percentage of fund balance as compared to annual expenditures for each of the past five (5) fiscal years:

- 2012 = 147%
- 2013 = 113%
- 2014 = 157%
- 2015 = 191%
- 2016 = 193%

The percentages noted above are indicative of the City's ability to be proactive with its initiatives and general operations, and also its ability to proceed into the new fiscal year with or without certain seasonal revenue streams. Of course, it is of great importance to further reflect that fund balance does not always equate to cash and investments. Fund balance is simply the difference in all assets and deferred outflows and all liabilities and deferred inflows. Cash and investments are simply a component of this equation.

Other Governmental Funds

The City also maintains one (1) *special revenue fund*. This fund accounts for revenues derived from specific sources which are legally restricted to finance particular functions or activities. *Capital projects funds* are used to account for revenues and expenditures related to the renovation and/or construction of major capital assets. Five (5) capital projects funds are maintained by the City. The City also maintains a *permanent fund*. The fund accounts for earmarked funds and the original corpus which are restricted by an outside party for a specific purpose.

Business-Type Funds

The City maintains five (5) *enterprise funds*, which are used to account for operations in a manner similar to private business enterprises. The enterprise funds maintained are the Water and Sewer Fund, the Solid Waste Fund, the Stormwater Fund, the Conference Center Fund, and the Community Center Fund.

Business-Type Statement of Net Position

Assets: The City's assets recognized a slight increase during the year ended December 31, 2016. Assets increased approximately \$780,000 or 3.0% from \$26,400,000 to \$27,180,000. This increase can be attributed to an increase in cash, as well as the increase in capital assets.

Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

Liabilities: The City's liabilities decreased during the year ended December 31, 2016. Total liabilities decreased from approximately \$3,970,000 to \$3,470,000. The decrease is primarily attributed to a decrease in amounts due to the other funds of the City.

Net Position: The City's equity position increased from approximately \$23,000,000 to \$23,830,000 for the year ended December 31, 2016. These changes are reconciled on the City's "Statement of Revenues, Expenses and Changes in Net Position". It should be noted that a very large portion of the City's net position is net investment in capital assets. Total net position at December 31, 2016 is \$23,830,000 while only \$7,500,000 is unrestricted. In the end, the statement of net position reflects the fact that the City has invested heavily in itself over the history of the organization.

Business-Type Statement of Revenues, Expenses and Changes in Net Position

Total operating revenues of the City increased from approximately \$4,940,000 to \$5,300,000 for the year ended December 31, 2016. This represents a growth of 7.3% vs. prior years' growth of 2.4%. Total operating expenses of the City increased from approximately \$4,380,000 to \$4,900,000. This represents growth of 11.9% from 2015 to 2016. The effect of the changes in revenues and expenses resulted in a decrease in operating income of approximately \$170,000 (or 30%) and ending at approximately \$392,000.

Non-operating income (expense) reflects reduced investment income and reduced interest expense. During the current year, the City received capital contributions of approximately \$463,000, which heavily contributed to the net non-operating income of approximately \$450,000 in current year vs. approximately \$1,120,000 in the prior year.

Business-Type Statement of Cash Flows

The statement of cash flows is a very important statement for any enterprise, and the City is no different.

The "cash flows from operating activities" is the most important element in the statement of cash flows, because it should be the operations of an entity that provides a substantial portion of the capital needed in a growth environment. This section of the statement begins with operating income (not net income as you see in the commercial sector) as reported in the statement of operations.

The City has very good cash flows from operations. This has been true for the past several years. Such operating cash flows amounted to approximately \$1,200,000 for the year ended December 31, 2016. During the downturn in the economy, the City was highly successful in achieving quite strong cash flows from operations. Additionally, this section of the statement recognizes the fact that depreciation expense of approximately \$815,000, is a non-cash flow item.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

Further, the operating cash flows were used to fund certain significant capital and related financing activities:

- The City purchased capital assets in the amount of approximately \$174,000.
- The City paid principal on notes in the amount of approximately \$80,000.
- The City received capital contribution amounts of approximately \$463,000 which were items constructed with SPLOST money that were actually related to the enterprise activities of the City.

In conclusion, the City reflects increase in cash and cash equivalents in the approximate amount of \$951,000 to a balance of approximately \$8,545,000.

Footnotes

Note 1 – Accounting Policies: This footnote discusses the overall organization of the City, the nature of its operations, and the fact that it was created by the State of Georgia in 1920. This note also discloses pertinent information regarding the governing body of the City.

This footnote continues by sharing with a reader of the financial statements the significant accounting policies and principles utilized in the preparation of the financial statements.

Note 2 – Reconciliation of Government-wide Financial Statements and Fund Financial Statements: This footnote provides additional detailed information that is not already shown within the financial statements themselves, on the differences between the City's fund level financial statements and its government-wide financial statements.

Note 3 – Cash and Investments: The Governmental Accounting Standards Board (GASB) issued Statement No. 40, Deposit and Investment Risk Disclosure, an amendment of GASB Statement No. 3, which significantly changed the disclosure in the financial statements of the City related to deposits and investments. The disclosure addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Note 4 – Property taxes: This footnote discloses information on property taxes and the relationship with Henry County for billing and collecting property taxes. It also discloses that there were no property taxes levied for the year ended December 31, 2016.

Note 5 – Receivables: This footnote discloses detailed information on various receivable (and allowances for doubtful receivables) balances.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

Note 6 – Capital Assets: This footnote discloses the City's capital asset activity and its related accumulated depreciation for the year.

Note 7 – Long-Term Debt: This footnote discloses the City's long-term debt activity for the year, and other information and maturities for the revenue bonds and installment notes.

Note 8 – Interfund Receivables, Payables, and Transfers: This footnote discloses detailed information on the City's interfund balances and transfers and the purpose of these balances and transactions.

Notes 9 – Joint Venture: This footnote discloses the City's relationship with the Atlanta Regional Commission.

Note 10 – Pension Benefit Plans: This footnote discloses the details of the City's Pension Plan.

Note 11 – Risk Management: This footnote discloses the City's various risks of loss.

Note 12 – Commitments and Contingencies: This footnote discloses the outstanding commitments and contingencies of the City. Certain matters disclosed in this footnote include: grants; the intergovernmental agreements with Henry County.

Note 13 – Hotel/Motel Lodging Tax: This footnote discloses the City's tax rate for hotel/motel taxes, along with the amounts and nature of these revenues and expenditures.

Note 14 – Police Protection: This footnote discloses information on the City's intergovernmental agreement with Henry County to provide police services.

Note 15 – Lease Agreements: This footnote discloses information on the City's intergovernmental agreement with the Lamar County Regional Solid Waste Management Authority to lease the City's solid waste transfer station.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

COMPLIANCE REPORTS

The financial report package contains one (1) compliance report.

Yellow Book Report: This compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. In accordance with the respective standards, the report is not intended to provide an opinion, but to provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations.

AUDIT SCOPES AND PROCEDURES

1. Governmental audit programs were used in all areas.
2. We observed and made independent test counts of Water & Sewer Fund inventory. Our test counts consisted of approximately 20 different inventory items. There were no material differences noted between our test counts and those of the City's. We also performed certain price tests to determine the propriety of valuation of inventory.
3. We confirmed accounts receivable. Due to the timing of the audit as compared to the fiscal year end, a poor response rate was noted. Therefore, we performed alternate procedures to verify existence of the amounts.
4. For purposes of assessing the adequacy of the allowance for doubtful accounts, we reviewed the aging of accounts receivable, and considered the current economic environment coupled with recent history of the City. We also reviewed subsequent collection activity.
5. We evaluated the assumptions used by actuaries relative to the City's various benefit plans, and tested the respective valuations associated with these plans.
6. We reviewed supporting documentation for a sample of additions to capital assets during the year ended December 31, 2016.
7. We performed a search for unrecorded liabilities via review of unpaid vouchers and subsequent disbursements.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

REQUIRED COMMUNICATIONS

**The Auditor's Responsibility Under *Government Auditing Standards*
and Auditing Standards Generally Accepted in the United States of America**

Our audit of the financial statements of Stockbridge, Georgia (the "City") for the year ended December 31, 2016 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing Standards*, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the City's internal control or compliance with laws and regulations.

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. There are several new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the City's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The City's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the City's significant accounting policies. Estimates significant to the financial statements include such items as: the estimated lives of depreciable assets; actuarial assumptions and concepts relative to the benefit plans; deferred revenues; valuation of financial and non-financial instruments; the estimated incurred-but-not-reported liabilities; conservation commitments; extraordinary items; and the estimated allowance for uncollectible accounts.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements, and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

Significant Issues Discussed with Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Audit Adjustments

During our audit of the City's basic financial statements as of and for the year ended December 31, 2016, there were several adjustments proposed to the funds of the City. The detail of all proposed adjustments for each fund have been provided to and discussed with management.

Uncorrected Misstatements

We had no passed adjustments.

Independence

We are independent of the City, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the City.



Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

Recommendations for Improvement and Other Matters

During our audit of the financial statements as of and for the year ended December 31, 2016 we noted some areas within the accounting and internal control systems that we believe can be improved. We noted certain items management should consider as part of its decision making process. Further, we noted other matters which we wish to communicate to you in an effort to keep the City abreast of accounting matters that could present challenges in financial reporting in future periods. Our recommendations and proactive thoughts and communications are presented in the following paragraphs.

Recommendations for Improvement (Management Points)

Information Submitted to the Pension Actuary

In testing the accuracy of the employee information provided to the actuary, we noted a difference in the employee demographic information provided to the actuary and the employee's personnel file for the sample of employees we selected for testing. We recommend the City determine the cause of the difference mentioned above and review the data submitted to the actuary to ensure the correct data is reported.

Other Matters for Communication to the Board and Management

During our audit of the financial statements as of and for the year ended December 31, 2016, we noted other matters which we wish to communicate to you in an effort to keep the City abreast of accounting matters that could present challenges in financial reporting in future periods.

1) New Governmental Accounting Standards Board (GASB) Pronouncements



As has been the case for the past 10 years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

- a) **Statement No. 72, *Fair Value Measurement and Application*** was issued in February of 2015, and is effective for financial statements for periods beginning after June 15, 2015 resulting in the City's fiscal year ending December 31, 2016.

This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of ***fair value*** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes, and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

This statement generally requires investments to be measured at fair value. An *investment* is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment.

This statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement. These assets were previously required to be measured at fair value.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Governments should organize these disclosures by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent).

- b) **Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68*** was issued in June of 2015. The provisions of this standard are two (2) tiered. Amendments to GASB No 68 are required to be reported with the close of June 30, 2016. The elements of this pronouncement dealing with defined benefit pensions that are not within the scope of Statement No. 68 will be have disclosure requirements effective as of December 31, 2016 and financial reporting requirements effective as of December 31, 2017.

The requirements of this statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and non-employer contributing entities.

Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

The requirements of this statement extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities.

This statement also clarifies the application of certain provisions of Statements No.'s 67 and 68 with regard to the following issues:

- **Information** that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.
- **Accounting** and financial reporting for separately financed specific liabilities of individual employers and non-employer contributing entities for defined benefit pensions.
- **Timing** of employer recognition of revenue for the support of non-employer contributing entities not in a special funding situation.

c) **Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2016 resulting in the City's fiscal year ending December 31, 2017. This statement could easily be described as the GASB No. 67 for postemployment benefit plans due to the fact that it will closely follow the provisions of GASB No. 67 for pension plans.

The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement results from a comprehensive review of the effectiveness of existing

Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This statement replaces Statements No. 43, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this statement includes OPEB plans (defined benefit and defined contribution) administered through trusts that meet the following criteria:

- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

The requirements of this statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The new information will enhance the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency by providing information about measures of net OPEB liabilities and explanations of how and why those liabilities changed from year to year.

The net OPEB liability information, including ratios, will offer an up-to-date indication of the extent to which the total OPEB liability is covered by the fiduciary net position of the OPEB plan. The comparability of the reported information for similar types of OPEB

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

plans will be improved by the changes related to the attribution method used to determine the total OPEB liability.

The contribution schedule will provide measures to evaluate decisions related to the assessment of contribution rates in comparison with actuarially determined rates, if such rates are determined. In addition, new information about rates of return on OPEB plan investments will inform financial report users about the effects of market conditions on the OPEB plan's assets over time and provide information for users to assess the relative success of the OPEB plan's investment strategy and the relative contribution that investment earnings provide to the OPEB plan's ability to pay benefits to plan members when they come due.

- d) **Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2017 resulting in the City's fiscal year ending December 31, 2018. This statement could easily be described as the GASB No. 68 for postemployment benefit plans due to the fact that it will closely follow the provisions of GASB No. 68 for pension plans.

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are

Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This statement also addresses certain circumstances in which a non-employer entity provides financial support for OPEB of employees of another entity.

In this statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and non-employer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, the OPEB plan administrator, and the plan members.

The requirements of this statement will improve the decision-usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. Decision-usefulness and accountability also will be enhanced through new note disclosures and required supplementary information.

- e) **Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*** was issued in June of 2015, and is effective for financial statements for periods beginning after June 15, 2015 resulting in the City's fiscal year ending December 31, 2016. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The objective of this statement is to identify (in the context of the current governmental financial reporting environment) the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

principles. This statement reduces the GAAP hierarchy to two (2) categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

The requirements in this statement improve financial reporting by: (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

- h) **Statement No. 77, Tax Abatement Disclosures** was issued in August of 2015, and is effective for financial statements for periods beginning after December 15, 2015 resulting in the City's fiscal year ending December 31, 2016.

Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this statement defines tax abatement as resulting from an agreement between a government and an individual or entity in which the City promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the City or its citizens.

This statement requires disclosure of tax abatement information about: (1) a reporting government's own tax abatement agreements; and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the City that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.

- i) **Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*** was issued in December of 2015, and is effective for financial statements for periods beginning after December 15, 2015 resulting in the City's fiscal year ending December 31, 2016.

This new pronouncement amends the scope and applicability of GASB No. 68 to exclude pensions provided via a cost-sharing multiple-employer defined benefit plan that meets the following:

- Plan is not a state or local government pension plan;
- Plan is used to provide defined benefit pensions to both governmental and private sector employees; and,
- Plan has no predominant state or local governmental employer (individually or collectively).

For plans described above, this standard establishes requirements for measurement and recognition of:

- Pension expense;
- Expenditures;
- Liabilities;
- Note disclosures; and,
- Required supplementary information (RSI).

We do not expect this pronouncement to affect the financial reporting of the City.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

- j) **Statement No. 79, *Certain External Investment Pools and Pool Participants*** was issued in December of 2015, and is effective for financial statements for periods beginning after June 15, 2015 resulting in the City's fiscal year ending December 31, 2016.

This pronouncement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

This new standard also establishes additional note disclosures for the pool and the pool participants. Specifically, the new disclosures address:

- How the external investment pool transacts with participants;
- Requirements for portfolio maturity, quality, diversification, and liquidity;
- Calculation and requirements of a shadow price (the amortized value rather than the assigned market value which is normally a nominal value of \$1.00 per share).

If a pool does not meet the above specifics, then pool participants should measure their investments in that pool at fair value (and not at amortized cost), as provided by GASB No. 31. We do not expect this pronouncement to affect the financial reporting of the City.

- k) **Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*** was issued in January of 2016, and is effective for financial statements for periods beginning after June 15, 2016 resulting in the City's fiscal year ending December 31, 2017.

This new standard amends the blending requirements established by paragraph 53 of GASB No. 14. This statement requires blending of not-for-profit component units whose primary government is the sole corporate member. This statement does not apply to component units included in the provisions of GASB No. 39. We do not expect this pronouncement to affect the financial reporting of the City.

- l) **Statement No. 81, *Irrevocable Split-Interest Agreements*** was issued in March of 2016, and is effective for financial statements for periods beginning after December 15, 2016 resulting in the City's fiscal year ending December 31, 2017.

Irrevocable split-interest agreements (which are prevalent at colleges and universities) whereby split-interest agreements in which an asset is given to a government in trust. During stated term of the trust the income generated by the trust goes to the donor and when the trust ends then the assets become the governments. We do not expect this pronouncement to affect the financial reporting of the City.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

m) **Statement No. 82, *Pension Plans*** was issued in April 2016, and is effective for the first reporting period in which the City's pension plan's measurement date is on or after June 15, 2017. No real significant matters noted in this standard which addresses:

- Presentation of payroll-related measures in the Required Supplementary Information of the annual audited financial report. Covered payroll is defined as the payroll on which contributions are based;
- Selection of actuarial assumptions. Any deviation from guidance of Actuarial Standards Board is not in conformity with GASB No. 67 & 68;
- Classification of payments made by employers to satisfy contribution requirements:
 - Payments made by employer to satisfy contribution requirements that are identified as plan member contributions should be classified as "plan member contributions" for GASB No. 67, and as "employee contributions" for GASB No. 68; and,
 - Expense to be classified as other compensation elements.

n) **Statement No. 83, *Certain Asset Retirement Obligations*** was issued in November 2016, and is effective for the first reporting period beginning after June 15, 2018. An asset retirement obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement establishes the criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's. Timing could be based on the occurrence of external laws, regulations, contracts or court judgments. Examples include the closure of a nuclear reactor or a sewage treatment facility. This statement addresses the financial reporting and accounting as well as the respective disclosures relative to ARO's.

o) **Statement No. 84, *Fiduciary Activities*** was issued in January 2017 and is effective for the first reporting period beginning after December 15, 2018. This statement establishes criteria for identifying fiduciary activities with a focus on: 1) whether a government is controlling the assets of the fiduciary activity; and, 2) the beneficiaries with whom a fiduciary relationship exists.

Further, this statement describes four (4) fiduciary funds that should be reported, if applicable: 1) pension and other employee benefit trust funds; 2) investment trust funds; 3) private-purpose trust funds; and, 4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

p) **Statement No. 85, *Omnibus 2017*** was issued in March 2017 and is effective for the first reporting period beginning after June 15, 2017. This Statement addresses a variety of topics including issues related to:

- Component Units - blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Goodwill - reporting amounts previously reported as goodwill and "negative" goodwill;
- Real Estate - classifying real estate held by insurance entities;
- Fair Value Measurement and Application - measuring certain money market investments and participating interest earning investment contracts at amortized cost;
- Postemployment benefits (pensions and other postemployment benefits [OPEB]):
 - Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
 - Recognizing on-behalf payments for pensions or OPEB in employer financial statements;
 - Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
 - Classifying employer-paid member contributions for OPEB;
 - Simplifying certain aspects of the alternative measurement method for OPEB; and,
 - Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

q) **Other Pending or Current GASB Projects.** As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

- **Capital leases or operating leases** continues to be a hot topic. Looking into whether all leases should be treated the same way. Final standard expected in 2017.
- **Re-Examination of the Financial Reporting Model.** GASB has added this project to its technical agenda to make improvements to the existing financial reporting model (established via GASB 34). Improvements are meant to enhance the

Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

effectiveness of the model in providing information for decision-making and assessing a government's accountability. GASB anticipates issuing an initial due process document on this project by the end of 2017.

- **Conceptual Framework** is a constant matter being looked at by GASB. Current measurement focus statements (for governmental funds) to change to near-term financial resources measurement. May dictate a period (such as 60 days) for revenue and expenditure recognition. May expense thing such as supplies and prepaid assets at acquisition. Will look into which balances (at all statement levels) are measured at acquisition and which need to be re-measured at year-end. Project placed on hold for now.
- **Economic Condition Reporting** is another long-term matter being looked into by GASB. Includes presentation of information on fiscal sustainability (including projections). Tabled for now pending resolution to issues raised on GASBs scope.

Summations of Thoughts Noted Above

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.

Stockbridge, Georgia
Auditor's Discussion & Analysis (AD&A)
December 31, 2016

FREE QUARTERLY CONTINUING EDUCATION
AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free continuing education (quarterly is the goal and objective) for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with providing the instruction utilizing our in-house professionals. We hope City staff and officials have been able to participate in this opportunity, and that it has been beneficial to you. Examples of subjects addressed in the past few quarters include:

- Accounting for Debt Issuances
- American Recovery & Reinvestment Act (ARRA) Updates
- Best Budgeting Practices, Policies and Processes
- CAFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Collateralization of Deposits and Investments
- Evaluating Financial and Non-Financial Health of a Local Government
- GASB No. 51, Intangible Assets
- GASB No. 54, Governmental Fund Balance (subject addressed twice)
- GASB No. 60, Service Concession Arrangements (webcast)
- GASB No. 61, the Financial Reporting Entity (webcast)
- GASB No.'s 63 & 65, Deferred Inflows and Outflows (webcast)
- GASB No.'s 67 & 68, New Pension Stds. (presented several occasions)
- GASB No. 72, Fair Value Measurement and Application
- GASB No.'s 74 & 75, OPEB
- GASB No. 77, Tax Abatement Disclosures
- GASB Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- Information Technology Risk Management
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Segregation of Duties
- Single Audits for Auditees the Uniform Guidance for New Single Audits
- SPLOST Accounting, Reporting & Compliance

Stockbridge, Georgia

Auditor's Discussion & Analysis (AD&A)

December 31, 2016

Governmental Newsletters. We periodically produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers, and are not purchased from an outside agency. The newsletters are intended to keep you informed of current developments in the City finance environment.

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com (send corresponding copy to medwards@mjcpa.com), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

CLOSING

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures. If you have any questions regarding any comments, suggestions or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the City's management, and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve Stockbridge, Georgia and look forward to serving the City in the future. Thank you.



RESOLUTION NO. _____

A RESOLUTION TO AFFIRMING THE INTENTION TO NAME NEW CITY BUILDING IN HONOR OF CARRIE MAE HAMBRICK

WHEREAS, the City of Stockbridge ("City") is a municipal corporation duly organized and existing under the laws of the State of Georgia and is charged with being fiscally responsible concerning the use and expenditure of all public funds;

WHEREAS, Carrie Mae Slaughter-Hambrick was born March 8, 1919 in Jonesboro, Georgia to Emma Dixon-Slaughter and Jacob "Jim" Slaughter;

WHEREAS, Carrie Mae Hambrick received her formal education at the Dixon Grove School in Clayton County;

WHEREAS, at an early age she joined the Red Oak United Methodist Church formerly Red Oak ME Church in Stockbridge, GA where she served faithfully as a unit leader;

WHEREAS, her professional career began as a manager of the lunch room program at the former Red Oak School;

WHEREAS, in September 1949, Mrs. Hambrick became the proud proprietor of the Green Front Café located at 112 Second Street in Stockbridge, Georgia;

WHEREAS, when it was built in 1947 by her cousin, Augustus Slaughter, it was one of the first restaurants in the City of Stockbridge;

WHEREAS, from the beginning Mrs. Hambrick used her restaurant as a platform to carry out her mission to serve others; not only was the Green Front Café known throughout Henry County for the best hot dogs, hamburgers and country cooking, but Mrs. Hambrick was also known for her generosity toward others and her willingness to put the needs of her neighbors first;

WHEREAS, Carrie Mae Hambrick was a loving and caring person who was always giving and supporting causes; she collected clothes, shoes and household items to give to needy families in the community, and she often provided food to families and took homemade soup to the sick and shut-in;

WHEREAS, every year Mrs. Hambrick sponsored an indoor Halloween party for neighborhood kids in an effort to provide a safe environment for them;

WHEREAS, one of Mrs. Hambrick's greatest enjoyments was watching neighborhood youth play baseball;

WHEREAS, she organized and sponsored The Stockbridge Pirates baseball team and laid the foundation for a metropolitan adult baseball league in Henry County during the 70's and 80's;

WHEREAS, a petition to name a street in honor of Mrs. Hambrick was unanimously approved by the Stockbridge City Council in January of 2009 and former Stockbridge Mayor Rudy Kelley proclaimed the second Saturday in May each year as "Carrie Mae Hambrick Day" in the City of Stockbridge;

WHEREAS, in 2010 The Henry County Branch of the NAACP named an annual community service award in honor of Carrie Mae Hambrick to recognize "Community Service to Others" by individuals, organizations and businesses;

WHEREAS, the Stockbridge Civic Association, Red Oak UMC, Trinity UMC, the Hambrick family and various other local organizations have worked closely to celebrate Mrs. Hambrick's legacy of community service by coming together every year not only to acknowledge her contributions but to challenge others to follow her example; and

WHEREAS, in December 2015, the City of Stockbridge furthered honored Mrs. Hambrick by naming the former Hamilton State Bank building in her honor;

WHEREAS, the building was recently demolished to make way for a new building; and

WHEREAS, the City desires to continue its honoring of Mrs. Hambrick by insuring that the new building is also named in her honor;

THEREFORE, THE CITY COUNCIL OF THE CITY OF STOCKBRIDGE HEREBY RESOLVES:

SECTION 1. Designation of New Building Name. The City Council hereby declares its intention to designate the replacement building for the former Hamilton State Bank Operations Center as the Hambrick Cultural Arts and Enrichment Center.

SECTION 2. Public Record. This document shall be maintained as a public record by the City Clerk and shall be accessible to the public during all normal business hours of the City of Stockbridge.

SECTION 3. Authorization of Execution. The Mayor is hereby authorized to sign all documents necessary to effectuate this Resolution.

SECTION 4. Attestation. The City Clerk is authorized to execute, attest to, and seal any documents which may be necessary to effectuate this ordinance, subject to approval as to form by the City Attorney.

SECTION 5. Effective Date. This resolution shall become effective immediately upon its adoption by the Mayor and City Council of the City of Stockbridge as provided in the City Charter.

SO RESOLVED this _____ day of June, 2017.

JUDY NEAL, Mayor

ATTEST:

VANESSA HOLIDAY, City Clerk (SEAL)

APPROVED AS TO FORM:

MICHAEL WILLIAMS, City Attorney



City of Stockbridge

Agenda Item Summary:

Page 1 of 1

Council Meeting Date
06/27/2017

Requesting Agency

Public Works Department

Requested Action *(Identify appropriate Action or Motion, purpose, cost, timeframe, etc.)*

Request approval of lowest responsive and responsible bidder – **Public Works Department** - ITB#17ITB040317-DRR in the amount not too exceed \$30,900.00 with Signature Tennis Courts, Inc. (Woodstock, GA) for the purchase of services for Tennis Court Repair and Resurfacing Services. This for an one (1) time purchase.

Requirement for Council Action *(Cite specific City policy, statute or code requirement)*

In accordance with City of Stockbridge Procurement code, sections 3.30.080 (B) requests for approval of competitive sealed bidding, shall be approved by the City of Stockbridge City Council.

Is this Item Goal Related? *(If yes, describe how this action meets the specific Council Focus Area or Goal)*☐ Yes ☒ No**Summary & Background***(First sentence includes Agency recommendation. Provide an executive summary of the action that gives an overview of the relevant details for the item.)*

The Public Works Department request approval of lowest responsive and responsible bidder to Signature Tennis Courts, Inc., in an amount not too exceed \$30,900.00 for Tennis Court Repair and Resurfacing Services at Gardner City Park which is located at 268 East Atlanta Road, Stockbridge, Georgia 30281.

The project consists of providing repair and resurfacing services which shall include resurfacing materials, application of approved materials, redrawing and defining the playing, replacement of the nets, nets post, clean-up, protection of the court and as required to bring the courts up to the standards required by the City of Stockbridge Public Works Department and United States Tennis Associations (USTA).

Fiscal Impact / Funding Source*(Include projected cost, approved budget amount and account number, source of funds, and any future funding requirements.)*

Splost Funds – \$30,900.00

Exhibits Attached*(Provide copies of originals, number exhibits consecutively, and label all exhibits in the upper right corner.)*

Exhibit 1: Tabulation Sheet

Source of Additional Information*(Type Name, Title, Agency and Phone)*

Decius T. Aaron, Public Works Director at (770) 389 - 7900 ext. 250

Agency Director ApprovalCity Manager's
Approval

Typed Name and Title

Phone

Signature

Date



DEPARTMENT OF FINANCE, PURCHASING DIVISION

BID TABULATION SHEET
TENNIS COURT REPAIR AND RESURFACING SERVICES

PROJECT TITLE: 17ITB041317-DRR
DONALD R. RILEY, CPPB, Procurement Specialist

DATE: JUNE 6, 2017
TOTAL NUMBER OF BIDDERS: 1

CONTRACTOR'S NAME	BID BOND YES/NO	TOTAL BASE BID AMOUNT	E-VERIFY NUMBER
SIGNATURE TENNIS COURTS, INC.	NO	\$30,900.00	261205

THE RESULTS RECEIVED IN RESPONSE TO THIS SOLICITATION DOES NOT REFLECT AWARD OF THIS CONTRACT. RESPONSES WILL BE FURTHER EVALUATED BY THE CITY OF STOCKBRIDGE REPRESENTATIVES.

GROUND-WATER SERVICES, INC.

Exploration and Development

3842 Crestmore Drive

Kennesaw, GA 30144

770-364-8442

www.groundwaterrock.com

[email:support@groundwaterrock.com](mailto:support@groundwaterrock.com)

June 9, 2017

Page 1 of 3

Mr. Decius Aaron
Public Works Director
City of Stockbridge
4640 North Henry Blvd.
Stockbridge, GA 30281

Subject: Proposal For Exploration Geophysical Surveys
To Locate Well Drilling Sites-Reeves Creek Trail

Dear Mr. Aaron:

Per our meeting on 6-5-17, I have prepared this proposal to provide exploration geophysical surveys for well site selections on the Reeves Creek Trail property. I understand that there are two wells (Well E and F) south of the creek (Fayette County) and two abandoned wells north of the creek. The wells are approximately located on the attached Henry County Tax map. The map also shows the wetlands (green color). Well E produced 100 gallons per minute (gpm); Well F was less than 100 gpm and the two abandoned wells were even less. Most of the property is within the 100 year flood plain.

The general area of the property is underlain with a rock complex termed Granite Gneiss / Amphibolite (Geologic Map of Georgia, 1976). Ground water exists within fractures (openings) within the rock. The location and depth of the fractures are critical to successful wells. Site-specific geologic conditions vary from site to site. That is why the geophysical surveys are critical in determining favorable from unfavorable geologic conditions. The subsurface presence of fractures cannot be ascertained by merely looking at the ground surface features; one should explore remotely with geophysical surveys before drilling, just as a surgeon reviews an x-ray or an MRI before surgery, or a dentist conducts x-rays to determine if you have cavities.

The geophysical techniques I utilize can locate the position, depth and character of the fractures within the rock. Geophysical surveys provide subsurface information over a wide area and guide the drilling program.

Information about geophysical techniques and ground water can be found on our web page www.groundwaterrock.com.

First, I propose to conduct an electromagnetic (EM) survey of the available areas for the wells. There are three areas available; these are the west end (parking area), the north section and the east section to Tye Street. The wetland areas will not be surveyed.

The survey will identify the electromagnetic anomalies within the subsurface. Fractures containing ground water and quartz are more electrically conductive than the solid rock. An electrically conductive zone emits electromagnetic energy, which the instrument records as an anomaly. A map of the survey data will be prepared showing the favorable locations for further investigation with the electrical resistivity sounding technique.

Second, I propose to conduct electrical resistivity (ER) soundings at the favorable locations. Upon access approval to Wells E and F, a sounding will be conducted at these two wells for comparison purposes. The soundings will be conducted to 600 feet and deeper, if possible. If physical limitations are an issue, the depth of the soundings will be adjusted. This phase will detail the depth and character of the fractures, thereby determining the final location and depth of the well. Graphs of the sounding data will be prepared with hydrogeologic interpretations.

The method requires laying out small electrical lines and driving steel rods into the soil zone, and cannot be conducted over concrete or asphalt unless the pavements are cracked and the rods can be driven into the cracks. A 600-foot deep sounding requires 1,200 feet of wire layout across the ground.

A final report will be prepared explaining the data, the recommended drilling sites, depths and the expected flow rates. The success in finding ground water is 100 %, and the success in correctly estimating the flow rate is currently 77 %.

Please be aware that all sites which are geologically favorable (abundant and /or significant fractures) may not be hydrologically favorable, i. e., initially not yield the customer's desired nor my expected flow rate. There is a degree of risk involved with having a well drilled. The exploration techniques are conducted to reduce the risk. The sounding graph of Well E (major fracture at 500-510 feet) will be used for comparison and will reduce the risks even more.

However, by obtaining the most subsurface knowledge possible prior to drilling, an informed decision can be made concerning the drilling site(s), and other options following the initial 6-inch drilling. The options include hydrofracing and 8-10 inch reaming. In your overall budget please consider these options as possibilities if the well does not yield as expected.

Hydrofracing, which is conducted by others, is a process conducted after the drilling of the 6-inch hole to increase the flow rate. A camera is typically lowered into the well to determine the exact depth of the fractures and the physical condition of the rock in the well. The process involves forcing fresh water into the well at high pressures. Well flows which vary from high to low (surging) may not be good candidates for hydrofracing. The increase in yield can be 50-100 % or greater.

The geophysical surveys are the exploration phase of my business, and the hydrogeological services after the exploration phase are the ground-water development phase of my business. The development phase includes water well design, drilling and well installation supervision, the assessment and implementation of the options described above, ground-water sampling and aquifer pumping tests. Public drinking water wells must meet the GAEPD Well Head Protection Rules and the Rules for Safe Drinking Water.

The not-to-exceed cost of the exploration surveys is \$9,700.00. Services will be performed according to our Mission Statement, which is on our web page. I am committed to praying for and providing knowledge and truth for the faithful investment in the well, and God willing, through His Son Jesus Christ, a blessing for the city.

PAYMENT IS DUE WITHIN 30 DAYS OF RECEIPT OF THE REPORT AND INVOICE. YOUR ATTENTION TO THIS REQUIREMENT WILL BE GREATLY APPRECIATED. If you are in agreement with the above services, costs and payment terms, please sign a copy of this acceptance letter and return a copy to me. This proposal is intended for the sole use of the City of Stockbridge. This proposal shall not be copied or the described techniques conveyed to outside parties without written permission of Ground-Water Services, Inc.

Sincerely,
GROUND-WATER SERVICES, INC.
H. Dan Harman, Jr.
H. Dan Harman, Jr. P. G.
Senior Hydrogeologist and President

acting City mgr.
Accepted: *Judy Deal*
(Authorized Signature)
Date: *Oct. 12. 17*



Henry County Assessor			
Parcel: 031-01061000 Acres: 26			
Name:	CITY OF STOCKBRIDGE	Land Value:	\$65,900.00
Site:		Building Value:	\$0.00
Sale:	\$0 on 01-2001 Reason=WD Qual=U	Misc Value:	\$1,300.00
Mail:	4640 NORTH HENRY BLVD STOCKBRIDGE, GA 30281	Total Value:	\$67,200.00
Parcel lines depicted on the maps do not reflect a true and exact representation of property boundaries and should not be relied upon for said purpose. Property boundary lines are depicted on recorded plats available at the Henry County courthouse or can be determined by employing the services of a licensed surveyor. Data printed: 06/09/17 : 10:26:30			