City of Peachtree Corners, Georgia

Auditor's Discussion & Analysis

Financial & Compliance Audit Summary

June 30, 2015

Presented by:

MAULDIN & JENKINS

City of Peachtree Corners, Georgia

Auditor's Discussion & Analysis (AD&A)

June 30, 2015

PURPOSE OF ANNUAL AUDIT AGENDA

- Engagement Team and Firm Information.

- Overview of:
  - Independent Auditor's Report;
  - Financial Statements, Footnotes and Supplementary Information;
  - Compliance Reports;

- Required Communications under Government Auditing Standards.

- Accounting Recommendations and Other Matters.

- Other Items and Closing Thoughts.

- Answer Questions.

City of Peachtree Corners, Georgia

Auditor's Discussion & Analysis (AD&A)

June 30, 2015

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 the 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 approx. 300 governments in the Southeast, including:
  - ✓ 75 cities;
  - ✓ 40 counties;
  - ✓ 40 school systems (8 of the 10 largest in Georgia and 9 of the 30 largest in Georgia and Florida combined) and 20 charter schools;
  - ✓ 30 state entities;
  - ✓ 115 special purpose entities (stand-alone entities: water/sewer, transit, gas, electric, airports, housing, development, other educational, retirement, libraries, etc.);
  - ✓ 78 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 $8.7 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 City of Peachtree Corners Include:

- Adam Fraley - Engagement Lead Partner - 18 years experience, 100% governmental
- Christopher McKellar – Engagement Manager - 10 years experience, 100% governmental

City of Peachtree Corners, Georgia

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MAULDIN & JENKINS – ADDITIONAL INFOMATION

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

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 an opinion 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.

Opinion

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 June 30, 2015.

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.

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 **government-wide financial statements** provide a broad overview of all of the City's funds, as well as its discretely presented component unit – Development Authority. 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 two (2) categories: governmental funds (includes the General Fund) and business-type funds.

The City also includes, as part of the financial statements, the Special Purpose Local Option Sales Tax (SPLOST) Schedules and Report.

Government-Wide (Full-Accrual) Financial Statements

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

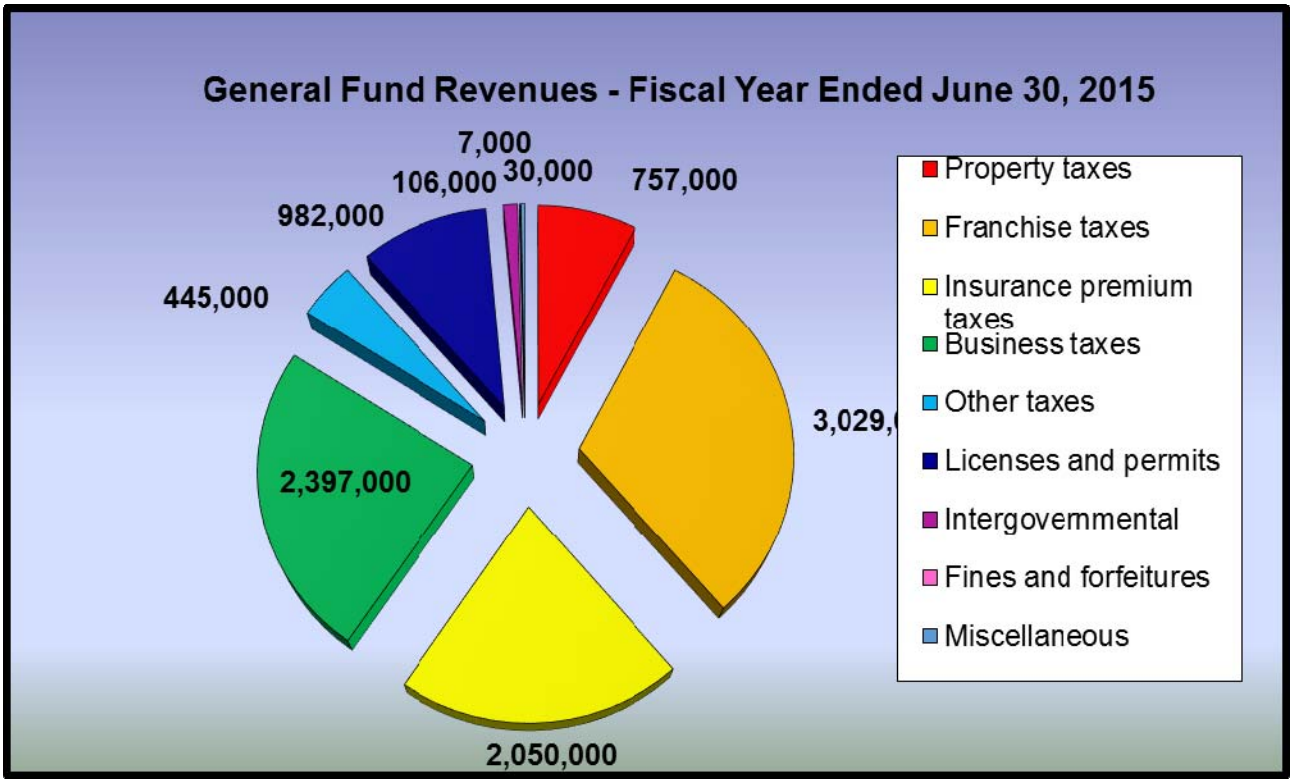
Highlights of the government-wide statements note total assets of approximately $33,900,000 offset by liabilities of approximately $4,500,000. This results in the Government reported net position (or equity) of approximately $29,400,000. A substantial element of the net position is composed of a net investment in capital assets in the approximate amount of $17,000,000. Restricted net position amounts to approximately $6,200,000 leaving unrestricted net position at $6,300,000.

The *Statement of Activities* attempts to report expenses in the first column with direct offsetting program revenues to the adjacent columns to arrive a net cost of the functional areas of operation. General revenues (primarily franchise taxes, business taxes and other taxes) come to the rescue of the net cost functional areas resulting in the Government reporting a change in net position of approximately $2,800,000 for the fiscal year ended June 30, 2015.

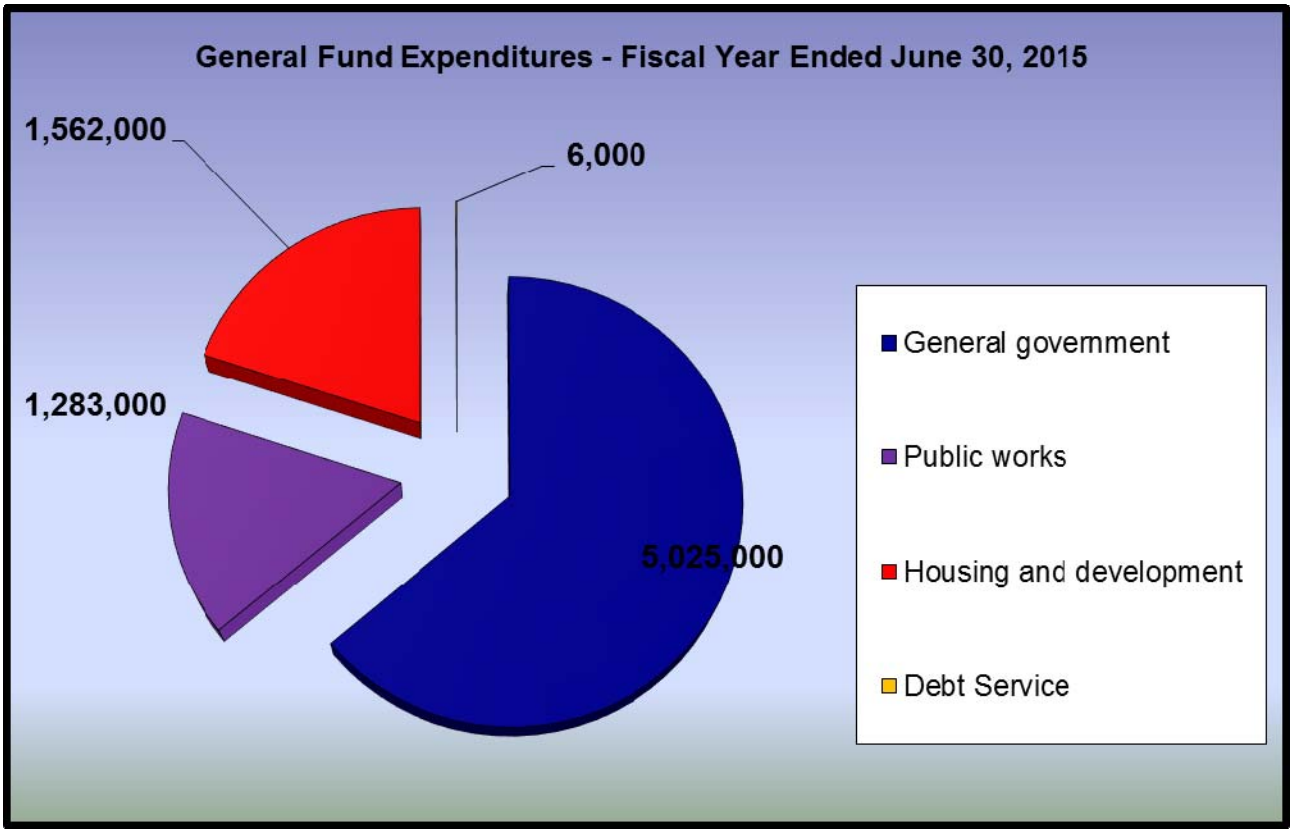
General Fund

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, tax assessment and collection, transportation and development. The following charts present the sources of revenues and the expenditures of the General Fund for the fiscal year ended June 30, 2015:

General Fund Revenues: The following chart depicts the primary revenue sources of the General Fund for the 2015 fiscal year.



General Fund Expenditures: The following chart presents the General Fund's expenditures by major function for the fiscal year ended June 30, 2015. As expected, public safety is the primary expenditure of the City.



Other Governmental Funds

The City also maintains one (1) *capital projects fund*. The Special Purpose Local Option Sales Tax (SPLOST) Fund accounts for the revenues and expenditures relating to the City's 2013 Special Purpose Local Option Sales Tax referendum.

Business-Type Funds

The City maintains one (1) *enterprise fund,* which is used to account for operations in a manner similar to private business enterprises. The enterprise fund maintained is the Solid Waste Fund.

Footnotes

Note 1 – Accounting Policies: This footnote discusses the overall organization of the City and the nature of its operations. This note also discloses pertinent information regarding the governing body of the City.

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 – Legal Compliance – Budgets: This footnote discloses the City's procedures in establishing its annual budget and discloses excesses of actual expenditures over appropriations for the year, if any.

Note 4 – Deposits: This disclosure addresses common deposit risks related to custodial credit risk which 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 collateral securities that are in the possession of an outside party.

Note 5 – Receivables: This footnote discloses the City's property tax calendar and detailed information on various receivable (and allowances for doubtful receivables) balances.

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 this long-term debt.

Note 8 – Operating Leases: This footnote discloses detailed information on the City's operating lease for the City Hall building and office facilities and the future lease payments.

Note 9 – Interfund Receivables and Payables: This footnote discloses detailed information on the City's interfund balances and the purpose of these balances and transactions.

Note 10 – Commitments and Contingencies: This footnote discloses the City's exposure to potential losses related to lawsuits and other items which occur in the normal course of operations. This footnote also discloses information about the public/private partnership for outsourced services and operations of the City.

Note 11 – Defined Contribution Retirement Plan: This footnote discloses the details of the City's Defined Contribution Retirement Plan. This footnote discloses information regarding the City's defined contribution plan, including funding policies and the amount of required contributions as compared to actual contributions.

Notes 12 – Joint Venture: This footnote discloses the City's relationship with the Atlanta Regional Commission (ARC).

Note 13 – Risk Management: This footnote discloses the City's various risks of loss and the measures the City has taken to mitigate those potential losses.

COMPLIANCE REPORT

Yellow Book Report: The first 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.

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 City of Peachtree Corners, Georgia (the "City") for the year ended June 30, 2015 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 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.

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 June 30, 2015, there were some adjustments proposed to the funds of the City. The detail of all proposed adjustments for each fund are included with our Audit Agenda package of information for your review and discussion. All adjustments have been 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.

ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

Other Recommendations

1) SPLOST Cash Management

During our review of the SPLOST fund it was noted that the fund did not include any investment income. We recommend that the City invest SPLOST funds in an interest bearing investment account to yield investment income to further approved SPLOST projects.

Matters for Communication to the Board and Management

During our audit of the financial statements as of and for the year ended June 30, 2015, 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. 69, *Government Combinations and Disposals of Government Operations*** is effective for the City's fiscal year ended June 30, 2015. This pronouncement primarily applies to governments involved in some form of mergers, acquisitions, transfers of operations or disposal of operations. Unless the City enters into any agreements whereby such actions are anticipated, this pronouncement should not affect the City. As of June 30, 2015, we are not aware of any applications of this pronouncement to the Government, but Government officials should proceed forward always considering the potential effects of any prospective government combinations and disposal of operations.

b) **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 June 30, 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 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).

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 June 30, 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. As of June 30, 2015, we are not aware of any applications of this pronouncement to the Government, but Government officials should proceed forward always considering the potential effects of any prospective government combinations and disposal of operations.

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 June 30, 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. As of June 30, 2015, we are not aware of any applications of this pronouncement to the Government, but Government officials should proceed forward always considering the potential effects of any prospective government combinations and disposal of operations.

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 June 30, 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 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.

- **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 June 30, 2017.

  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 government 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 government 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, and

- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

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 government 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.

f) 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:

- **External investment pools.** Current standards allow pools that are considered to be 2a7-like to report investments at amortized cost rather than fair value; however, the SEC recently made significant changes to Rule 2a7 making it hard to be 2a7-like.

  An exposure draft created criteria (which are based on old 2a7 criteria) for an external investment pools to continue to be accounted for using amortized cost. Final standard expected in the fall/winter of 2015.
- **Irrevocable split-interest agreements** which are prevalent at colleges and universities whereby split-interest agreements in which an asset is given to 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. Final standard expected in 2016.
- **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 2016.
- **Asset retirement obligations** in which the GASB is considering standards for reporting liabilities related to obligations to perform procedures to close certain capital assets, such as nuclear power plants. This concept would not change existing standards such as GASB 18 (landfills) or GASB 49 (pollution remediation). Final standard expected in 2016.

- **Fiduciary responsibilities** and new definitions for fiduciary funds and use of whether a government has "control" and who benefits to determine accounting as fiduciary. Final standard expected in 2016.
- **Blending requirements for certain business-type activities.** GASB is considering revising the standards regarding how certain component units of business-type activities should be presented. There is diversity in practice, with some component units blended for reasons not included in Statement 14 (such as sole member of an LLC). Final standard expected in 2016.
- **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 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 2016.
- **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.

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 Updates (ongoing and several sessions)
- Grant Accounting Processes and Controls
- 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
- Special Purpose Local Option Sales Tax (SPLOST) Accounting, Reporting & Compliance
- Uniform Grant Reporting Requirements and the New Single Audit

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 government 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 afraley@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

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 City of Peachtree Corners, Georgia and look forward to serving the City in the future. Thank you.

Client:	***City of Peachtree Corners, Georgia***
Engagement:	***City of Peachtree Corners, Georgia***
Period Ending:	***6/30/2015***
Workpaper:	***General Fund AJEs***

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To accrue franchise fees receivable from Comcast at 6/30/15			
100-00000-11190	ACCOUNT RECEIVABLE	95,509.15	
100-00000-31370	FRANCHISE FEES		95,509.15
Total		**95,509.15**	**95,509.15**
Adjusting Journal Entries JE # 2			
To accrue BellSouth receivable.			
100-00000-11190	ACCOUNT RECEIVABLE	45,628.18	
100-00000-31370	FRANCHISE FEES		45,628.18
Total		**45,628.18**	**45,628.18**
Adjusting Journal Entries JE # 3			
To true up transfers/due to between the General Fund and DDA			
100-57200-51280	INTERGOVERNMENTAL EXPENDITURES - DDA DEBT	261,729.05	
100-57200-51280	INTERGOVERNMENTAL EXPENDITURES - DDA DEBT	403,181.63	
100-51590-53132	INTEREST		403,181.63
100-61000-61850	Transfer to DDA		261,729.05
Total		**664,910.68**	**664,910.68**
Adjusting Journal Entries JE # 4			
To book intergovernmental expense on the Ameris Loan			
100-57200-51280	INTERGOVERNMENTAL EXPENDITURES - DDA DEBT	27,395.21	
100-00000-21385	DUE TO COMPONENT UNIT		27,395.21
Total		**27,395.21**	**27,395.21**

Client:	***City of Peachtree Corners, Georgia***
Engagement:	***City of Peachtree Corners, Georgia***
Period Ending:	***6/30/2015***
Workpaper:	***Development Authority Fund AJEs***

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To reclass proceeds from debt to fund balance to convert to modified accrual.			
850-00000-12270	ST LOAN PIEDMONT BANK	11,500,000.00	
850-00000-34100	FUND BALANCE		11,500,000.00
Total		**11,500,000.00**	**11,500,000.00**
Adjusting Journal Entries JE # 2			
To reclassify transfers in from City to intergovernmental revenues for reporting purposes.			
850-00000-39110	TRANSFERS FROM CITY	664,910.68	
850-00000-12000	INTERGOVERNMENTAL REVENUES - CITY		664,910.68
Total		**664,910.68**	**664,910.68**
Adjusting Journal Entries JE # 3			
To book principal payment on Ga Commerce loan from loan refinance			
850-00000-58500	DEBT PRINCIPAL PAYMENTS	11,500,000.00	
850-00000-12280	ST LOAN AMERIS BANK		11,500,000.00
Total		**11,500,000.00**	**11,500,000.00**
Adjusting Journal Entries JE # 4			
To accrue interest on the new Ameris Loan			
850-00000-11190	DUE FROM CITY	27,395.21	
850-00000-21240	ACCRUED INTEREST		27,395.21
Total		**27,395.21**	**27,395.21**
Adjusting Journal Entries JE # 5			
To book interest expense for the Ameris loan.			
850-57200-58240	INTEREST AMERIS NOTE PAYMENTS	27,395.21	
850-00000-12000	INTERGOVERNMENTAL REVENUES - CITY		27,395.21
Total		**27,395.21**	**27,395.21**