

CITY OF STOCKBRIDGE, GEORGIA

ANNUAL COMPLIANCE AUDIT REPORTS

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

CITY OF STOCKBRIDGE, GEORGIA
ANNUAL COMPLIANCE AUDIT REPORTS
FOR THE YEAR ENDED DECEMBER 31, 2011

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

**Honorable Mayor and Members
of City Council
City of Stockbridge
Stockbridge, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **the City of Stockbridge, Georgia** (the "City") as of and for the year ended December 31, 2011, and have issued our report thereon dated October 8, 2012. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011. 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.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2011-1 through 2011-6 to be material weaknesses.

A *significant* deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2011-7 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated October 8, 2012.

The City of Stockbridge, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, and others within the entity, the State of Georgia, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
October 8, 2012

Mauldin & Jenkins, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Honorable Mayor and Members
of City Council
City of Stockbridge
Stockbridge, Georgia**

Compliance

We have audited the City of Stockbridge, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2011, and have issued our report thereon dated October 8, 2012 which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Mayor and City Council of the City of Stockbridge, Georgia, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
October 8, 2012

CITY OF STOCKBRIDGE, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

<u>Grant Program</u>	<u>CFDA #</u>	<u>Grant I.D.</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Passed through Georgia Department of Transportation <i>Highway Planning and Construction Cluster</i>			
Transportation Enhancement Grant	20.205	CSSTP-0006-00(278)	\$ 5,272
ARRA-Transportation Enhancement Grant	20.205	CSTEE-0006-00(647)	520,819
Passed through the Atlanta Regional Commission			
Transportation Enhancement Grant	20.205	UP118	<u>16,751</u>
Total U.S. Department of Transportation			<u>542,842</u>
U.S. Environmental Protection Agency			
Passed through Georgia Environmental Facilities Authority			
Drinking Water State Revolving Fund	66.468	DW09-012	<u>216,567</u>
Total U.S. Department of Homeland Security			<u>216,567</u>
Total Expenditures of Federal Awards			<u>\$ 759,409</u>

Note: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Government

CITY OF STOCKBRIDGE, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Stockbridge, Georgia and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the presentation of the financial statements.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:
Material weaknesses identified? yes no
Significant deficiencies identified not considered
to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:
Material weaknesses identified? yes no

Significant deficiencies identified not considered
to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for
major programs Unqualified

Any audit findings disclosed that are required to
be reported in accordance with OMB Circular
A-133, Section 510(a)? yes no

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Cluster Transportation Enhancement Grant

Dollar threshold used to distinguish between
Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2011-1. Maintenance of General Ledger under Accrual Basis of Accounting

Criteria: Generally accepted accounting principles generally require the reporting of amounts as revenues and expenditures in the period to which they relate and when the underlying transaction occurs.

Condition: During fiscal year 2011, the City did not properly reverse prior year accruals and record current year accruals for various accounts receivable and accounts payable. Consequently, the respective general ledger of various funds did not reconcile to the audited financial statements of the prior year, and certain balances of accounts within those respective funds were not correct.

Context: We addressed the matter with the City and management was able to determine the appropriate amounts to reverse from the prior year and record as of December 31, 2011.

Effect: Numerous adjustments were required in the various funds of the City including:

- Entries to the General Fund resulting in a net increase to fund balance of \$138,722;
- Entries to the SPLOST III Fund resulting in a net increase to fund balance of \$440,556;
- Entries to the Urban Redevelopment Fund resulting in a net increase to fund balance of \$113,354;
- Entries to the Water & Sewer Fund resulting in a net increase to net assets of \$280,493;
- Entries to the Solid Waste Fund resulting in a net increase to net assets of \$2,085;
- Entries to the Conference Center Fund resulting in a net increase to net assets of \$4,924;
- Entries to the Hotel/Motel Tax Fund resulting in a net decrease to fund balance of \$8,614;
- Entries to the State and Federal Grant Fund resulting in a net decrease to fund balance of \$37,013;
- Entries to the Stormwater Fund resulting in a net increase to net assets of \$27,102; and,
- Entries to the Community Center Fund resulting in a net decrease to net assets of \$858.

Cause: Lack of management awareness and oversight, and lack of accounting knowledge by the parties responsible for the calculation and recording of such amounts.

Recommendation: We recommend the City review all balance sheet accounts at year end to ensure balances are properly stated in accordance with accrual based accounting.

Views of Responsible Officials and Planned Corrective Action: We concur. The suggested recommendation to this finding as provided by the City's audit organization is acceptable. Previously, such entries were proposed, recorded, reversed and corrected by the City prior audit organization. We will review all balance sheet accounts to ensure balances are properly stated at year end.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-2. Management of Due To/From and Transfer (Internal) Accounts

Criteria: Generally accepted accounting principles require consideration of the collectability of receivables of all kinds, whether external or internal to the City.

Condition: During fiscal year 2011, the City did not properly account for and use due to/from accounts and transfers in conjunction with the operations of the City as appropriate.

Context: We addressed the matter with the City and management was able to determine the appropriate adjustments so as to properly state the balance of due to/from and interfund transfer accounts at December 31, 2011.

Effect: Adjustments to the various funds of the City were required to correct the balance of due to/from and transfer accounts at December 31, 2011. Most notably, an adjustment in the amount of \$444,697 was required in the General Fund resulting in a decrease to fund balance, and an adjustment to the Water & Sewer Fund in the amount of \$461,959 was required resulting in an increase to net assets.

Cause: Due to/from and transfer (internal) accounts are not being properly utilized and recorded.

Recommendation: We recommend that all interfund activity be properly recorded through the due to/from and transfer accounts as appropriate.

Views of Responsible Officials and Planned Corrective Action: We concur. The suggested recommendation to this finding as provided by the City's audit organization is acceptable. Specifically, prior to now, we were using due to / due from and transfers (both sets of numbers) based on advice of our prior audit organization. We have eliminated transfer for water/sewer on advice of our current audit organization. We have reviewed all departments and corrected our practice, so if a department has a revenue source and it has enough revenue to pay its expenses, it will always be an interfund receivable and payable, and not a transfer.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-3. Reconciliation of the General Fund Operating Bank Account (Repeat of Finding 10.1B)

Criteria: Sound internal controls require accounts be reconciled timely and activity be appropriately recorded in the books and records of the governmental entity.

Condition: The City's general fund operating account was not properly reconciled to the general ledger during the fiscal year ended December 31, 2011.

Context: We addressed the matter with the City and management was able to determine the appropriate adjustments so as to properly state the balance of the General Fund operating account at December 31, 2011.

Effect: Numerous adjustments were required in the various funds of the City. Most notably, an adjustment in the amount of \$31,031 was required in the General Fund resulting in a decrease to fund balance, and an adjustment to the Water & Sewer Fund in the amount of \$11,733 was required resulting in an increase to net assets.

Cause: Internal controls were not in place to ensure the bank account was properly reconciled in a timely manner.

Recommendation: We recommend the City implement controls over bank account reconciliations to ensure all accounts are reconciled in a timely manner to assist in the prevention and detection of errors and/or fraud.

Views of Responsible Officials and Planned Corrective Action: We concur. The suggested recommendation to this finding as provided by the City's audit organization is acceptable. The Treasurer now signs off on all bank reconciliations monthly.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-4. Management of Capital Assets

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost on the balance sheet of proprietary funds, which is written off periodically, or depreciated, in a systematic and rational manner.

Condition: For fiscal year 2011, the City did not properly record and depreciate capital assets in the proprietary funds.

Context: We addressed the matter with the City and management was able to determine the appropriate adjustments so as to properly state the balances of capital assets at December 31, 2011.

Effect: Adjustments to the proprietary funds in the following amounts were required:

- Entries to the Water & Sewer Fund in the amount of \$196,920 to increase net assets;
- Entries to the Solid Waste Fund in the amount of \$33,610 to decrease net assets;
- Entries to the Conference Center Fund in the amount of \$111,623 to decrease net assets;
- Entries to the Stormwater Fund in the amount of \$27,436 to decrease net assets; and,
- Entries to the Community Center Fund in the amount of \$19,747 to decrease net assets

Cause: Not all capital assets are being properly recorded or depreciated.

Recommendation: We recommend the City review all capital asset activity and capitalize and depreciate assets based on the City's capitalization policy.

Views of Responsible Officials and Planned Corrective Action: We concur. The suggested recommendation to this finding as provided by the City's audit organization is acceptable. The City recorded no depreciation entries as this was previously done by the City's prior audit organization. The Treasurer will implement a capitalization policy and review all depreciation entries on an annual basis.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-5. Utility Billing – Solid Waste and Stormwater Funds

Criteria: Generally accepted accounting principles generally require the reporting of accounts receivable and related revenues be recognized in the accounting period in which they are measurable and available to finance expenditures of the current period.

Condition: At December 31, 2011, amounts recorded as outstanding for Solid Waste and Stormwater utility billing receivables were not properly stated.

Context: The Henry County Tax Commissioner bills for these utilities on behalf of the City. The City did not properly record the amounts outstanding at December 31, 2011 in agreement with the Henry County Tax Commissioner.

Effect: An adjustment material to the aggregate remaining fund opinion unit in the amount of \$ 62,159 was required in the Stormwater Fund. An adjustment of \$3,419 was also required in the Solid Waste Fund.

Cause: Management was not properly reconciling the general ledger with the records of the Henry County Tax Commissioner.

Recommendation: We recommend the City obtain periodic reports from the Henry County Tax Commissioner and make appropriate adjustments to the general ledger to accurately reflect the amounts owed to the City for Solid Waste and Stormwater utility billing.

Views of Responsible Officials and Planned Corrective Action: We concur. The suggested recommendation to this finding as provided by the City's audit organization is acceptable. The reconciliation was done by the City's prior audit organization. The Treasurer will verify with the Tax Commissioner the outstanding amounts as of January 1st of each year, and make adjustments to the City's general ledger as necessary.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-6. Rent Receivable and Customer Deposits – Merle Manders Conference Center and Ted Strickland Community Center

Criteria: Generally accepted accounting principles require the reporting of accounts receivable and related revenues be recognized in the accounting period in which they are measurable and available to finance expenditures of the current period. Additionally, a listing of customer deposits held should be maintained and updated as amounts are received and refunded.

Condition: The City did not maintain a listing of amounts due from individuals for events held at the Conference Center or amounts held on hand as deposits for future events.

Context: We addressed the matter with the City and management was able to determine the appropriate adjustments so as to properly state the balances of rent receivable and customer deposits at December 31, 2011.

Effect: An adjustment resulting in a decrease to net assets in the amount \$10,455 in the Conference Center Fund and an adjustment resulting in a decrease to net assets in the amount of \$1,740 in the Community Center Fund were required.

Cause: The City did not have adequate controls in place over rent receivable and customer deposits in the Conference Center and Community Center Funds.

Recommendation: We recommend the City implement internal controls to ensure accurate reporting of rent receivable and customer deposits at the Conference Center and Community Center Funds.

Views of Responsible Officials and Planned Corrective Action: We concur. The suggested recommendation to this finding as provided by the City's audit organization is acceptable. The City believes this occurred because the director of the Merle Manders Conference Center was out on maternity leave for several months and a less-experienced employee was handling the bookings and financials. The City will implement new financial software and require financials to be party to such instead of creating manual spreadsheets. In the interim, we have created more transparent forms for tracking financials and refunds. In conclusion, we will implement controls over rent receivable and customer deposits to ensure a listing of amounts due from or due to customers is maintained and routinely reconciled with the general ledger.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION II

FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2011-7. Back-Dating of Disbursements

Criteria: Generally accepted accounting principles require disbursements to be dated and reflected in the general ledger on the date the disbursements are made, regardless of the period to which the underlying liability relates.

Condition: The City disbursed funds in January 2012 for liabilities incurred during the fiscal year ended December 31, 2011 and dated these disbursements with a December 2011 date.

Context: We discussed the matter with the City and management was able to provide adjustments throughout the various funds of the City to correct accounts payable and cash at December 31, 2011.

Effect: Audit adjustments in the amount of \$37,821 in the SPLOST III Fund, \$6,530 in the State and Federal Grant Fund, and \$247,279 in the Stormwater Fund were required to properly state the balance of accounts payable and cash at December 31, 2011.

Cause: Internal controls were not in place to ensure the accuracy of accounts payable and cash balances at December 31, 2011.

Recommendation: We recommend the City implement procedures to ensure accounts payable and cash balances are properly stated at year end.

Views of Responsible Officials and Planned Corrective Action: We concur. The suggested recommendation to this finding as provided by the City's audit organization is acceptable. The City has changed its methodology for when liabilities are recorded based on receipt of invoices. For invoices received in January, but for expenses that were encumbered in the prior year, the entries into the general ledger will now reflect the January date instead of the prior year for the payment portion of the entry. In summary, we will implement controls to ensure disbursements are dated on the date disbursed and expenditures are recorded in the period to which they relate.

SECTION III

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF STOCKBRIDGE, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

Finding 10-1B Reconciliation of the City's Operating Bank Account

Criteria: Reconciliation procedures are vital to the safeguarding of the City's assets from errors or fraud. The reconciliation procedures should be performed in a timely manner at the end of each month.

Condition: The City's operating bank account was not properly reconciled to the general ledger for the months of October 2010 through December 2010.

Auditee Response/Status: Unresolved. See 2011-3.

Finding 10-2B Recording of Comp Time

Criteria: Overtime and comp time worked and taken should be maintained on the City's computer system when the events occur so a proper record and audit trail may be maintained. Overtime should be paid at time and half as well as comp time taken off should be at a rate of one and a half times the regular rate.

Condition: The City did not maintain proper records regarding employees working overtime and/or receiving comp time. In addition, comp time was being taken at one of comp time for each hour an employee worked overtime.

Auditee Response/Status: The above finding was corrected for the fiscal year ending December 31, 2011.