

**The City of Atlanta and Fulton County Recreation Authority (“AFCRA”)
Audit and Finance Committee Meeting
101 Marietta Street NW, Suite 1070, Atlanta, Georgia 30303
December 3, 2018
10:00 a.m.**

After providing proper public notice, the City of Atlanta and Fulton County Recreation Authority (“AFCRA”) held an Audit and Finance Committee meeting on Monday, December 3, 2018 at 101 Marietta Street NW, Suite 630, Atlanta, Georgia 30303 (6th Floor Boardroom)

Committee Members:

Present: Assistant Treasurer Commissioner Bob Ellis
Treasurer, Michael Green
Kellye Terrell

Absent: None

Quorum Present: Yes

Authority Representatives:

Kerry Stewart, Executive Director
Vivienne Kerr, Executive Assistant
Jeremie Peterkin, Financial Consultant
Alvin Kendall, Esq., Consultant
Dargan Burns, Bookkeeper
John Jordan, Principal, PJC Group LLC
Shauna Herbert, Audit Manager, PJC Group LLC
Coretta Stroud, Senior Auditor/Accountant, PJC Group LLC

Guests:

James D. Brown, President, J.D. Brown, PC
Johan Desire, CPA/Controller, J.D. Brown, PC
Richard Belcher, Investigative Reporter, WSB-TV
Tony Light, Photographer, WSB-TV

Proceedings:

The meeting was called to order at 10:10 a.m. by Chairperson Michael Green.

Minutes

Mr. Green made a motion to approve the September 7, 2018 minutes as written. Mr. Ellis second the motion. Motion CARRIED.

2017 Audit

Mr. Peterkin explained significant differences between the 2016 and 2017 audited financials:

- 1) Assets – A/R went from \$166,466 to \$3.2 Million due to State Farm Arena renovations that occurred in December 2016 but not recorded until 2017.
- 2) Due from other governments – related to the Car Rental Tax transactions.
- 3) Capital Assets - \$50 million of the \$73 million represents construction in progress at State Farm Arena.
- 4) Current maturities of long-term debt – The number is higher due to the 2005 bonds being paid off in 2017 but not being recorded until 2018.
- 5) Operating Expenses – the increase in professional fees are related to legal expenses.
- 6) Office/Administrative – includes \$68,000.00 parking lot repairs. AFCRA should have received a reimbursement from the parking monitoring account.
- 7) Non-Operating revenue - driven by the 2017 bonds and the sale of Turner Field. The assets related Turner Field have been written off.
- 8) Receipts from Arena Operations – the amount of the Letter of Credit put in place by Arena was recorded on AFCRA's books.
- 9) Statement of revenue – because depreciation has a non-cash effect, AFCRA only saw a \$24,000.00 loss.
- 10) Operating fees are down due to the departure of the Atlanta Braves.
- 11) There was an increase of \$10,000.00 per month in interest income received from the U.S. Treasury, Georgia Fund I account and UBS bank.
- 12) Note 4 shows a breakdown of long-term debt particularly the 2017 A/B bonds.

Mr. Ellis suggests that the remaining balance of “Restricted Assets – Cash and Cash Equivalents” amount of \$213,803,143 less the \$22 million paid on the 2005 bonds be classified as unrestricted. In addition, payments from Turner Field should be listed in one category. The committee moved to accept the recommended changes.

For clear visibility on AFCRA's financial position for 2018, Mr. Ellis and Ms. Terrell recommend a breakdown of the fees and source related to the bonds made available at the next Audit and Finance meeting.

Ms. Herbert explained that an unmodified opinion was issued for the 2017 audit. The auditors recommend that AFCRA prepare monthly financial statements and have them checked by an independent firm to ensure the information is correct.

Executive Session

Mr. Ellis made a motion to move into executive session for the purpose of discussing Personnel and Professional services. The committee recommends a 1-year extension of PJC Group, LLC's contract per Mr. Stewart's negotiations of favorable pricing for the 2018 audit.

Adjournment

There being no further business, the meeting adjourned at 11:00 a.m.