

Augusta, Georgia

Financial & Compliance Audit - December 31, 2017



**MAULDIN
& JENKINS**
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Presented by:
Miller Edwards

Purpose of Auditor's Discussion & Analysis

- ✓ **Engagement Team**
- ✓ **Overview of: a) Audit Opinion; b) Financial Statements; and, c) Compliance Reports**
- ✓ **Required Communications**
- ✓ **Accounting Recommendations & Related Matters**
- ✓ **Answer Questions**



Engagement Team = Large Firm

- **Founded ~ 1920.**
- **Based in Georgia. Eight (8) Offices.**
- **Over 85,000 hours of service annually**
(25% of Firm practice).
- **Approximately 400 state and local governments currently served.**
- **GFOA Certificate received by ~105 clients**



Award for CAFR

- Augusta has prepared a Comprehensive Annual Financial Report FY's 2015, 2016 and 2017.



- Awarded *Certificate of Achievement for Excellence in Financial Reporting* from the Government Finance Officers Association (GFOA).



Audit Opinion

- **Augusta = responsible for financial statements.**
- **M&J = to express an opinion.**
- **Auditing Standards = GAS**
- **Clean Opinion =**

Financial Statements - The financial statements of Augusta, Georgia are considered to present fairly, in all material respects

Federal Pgms. of ~\$17M with 3 Major Programs (DOT / HUD) = ~\$10.5M - Complied, in all material respects, with requirements that could have a direct and material effect on each of Augusta's major federal programs.....

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Entity-Wide Financial Statements

- **\$1.9 billion = total assets (& def. outflows)**
 - **\$1.4 billion = capital assets, net of A/D**
 - **\$783 million = total liabilities (& def. inflows)**
 - **\$1.1 billion = net position (or equity)**
-
- **\$443 million = revenues**
 - **\$392 million = expenses**
 - **\$50 million = increase in net position**

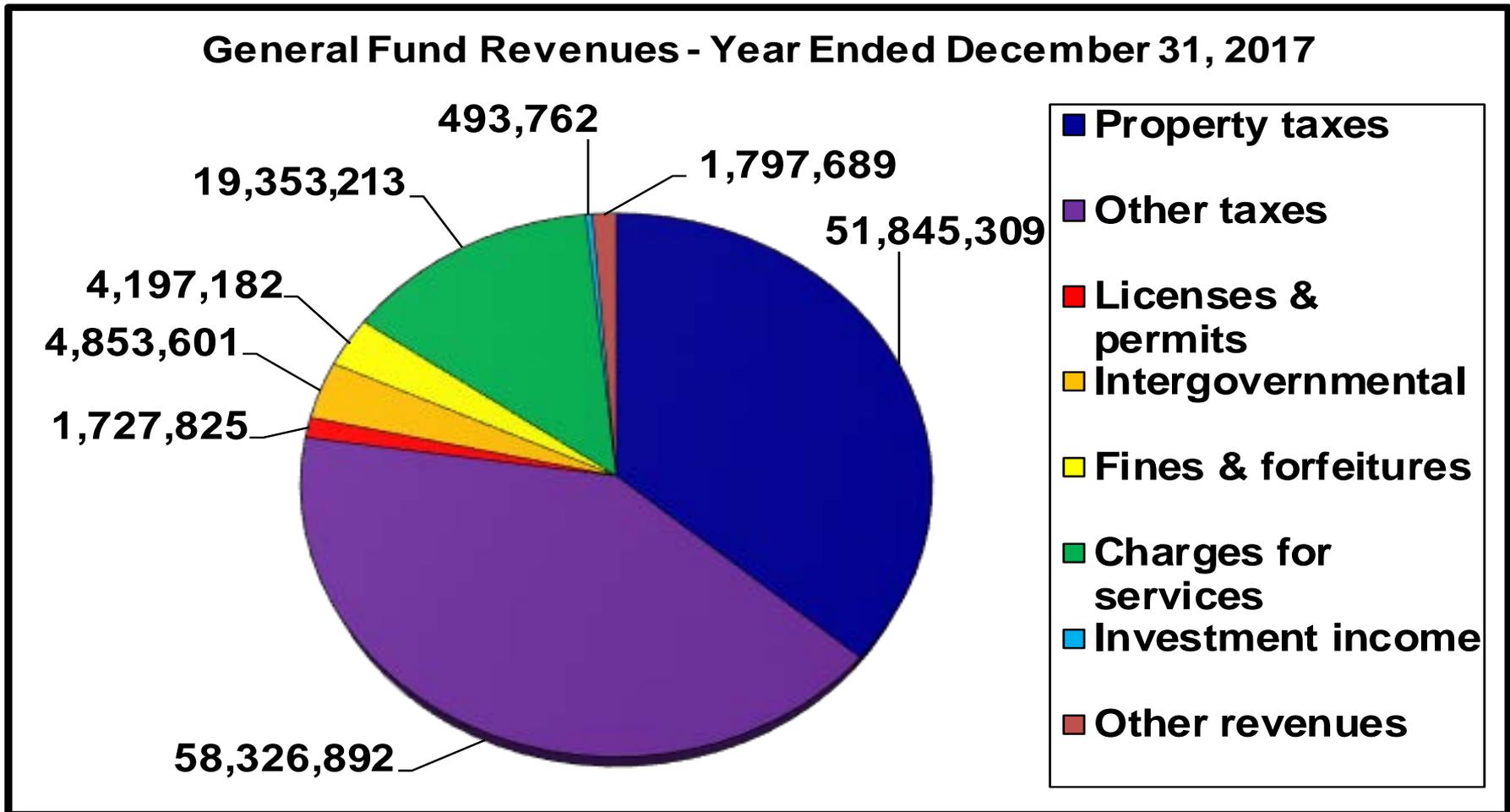


General Fund Financial Statements

- **\$43.6 million = total assets**
 - **\$12.2 million = total liabilities & def. inflows**
 - **\$31.4 million = fund balance** (*2.7 months = 80 days*)
 - **\$21.5 million = unassigned** (*1.9 months = 57 days*)
-
- **\$145.9 million = revenues & other sources**
 - **\$144.9 million = expenditures & other uses**
 - **\$1 million = net increase in fund balance**

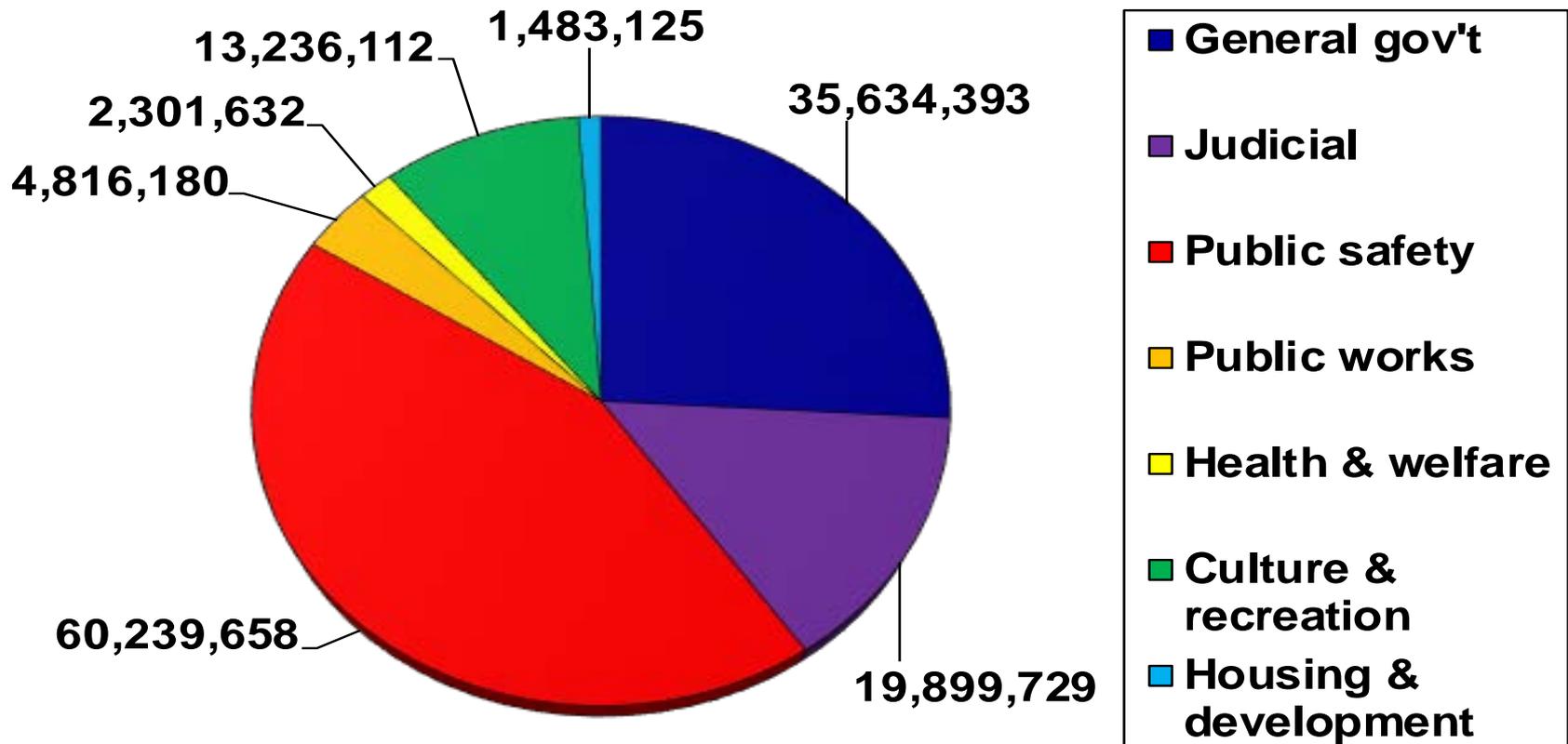


General Fund Revenues

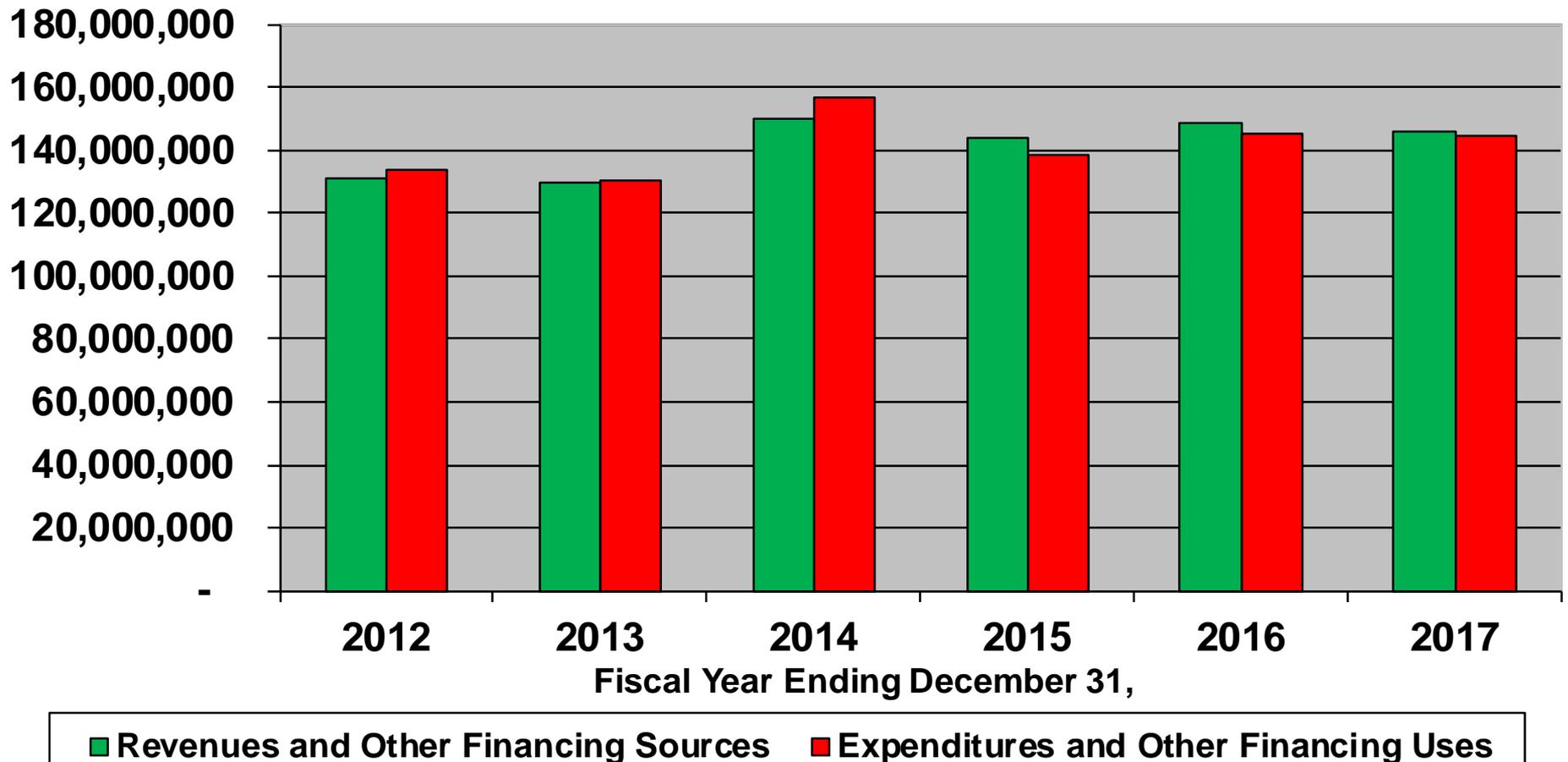


General Fund Expenditures

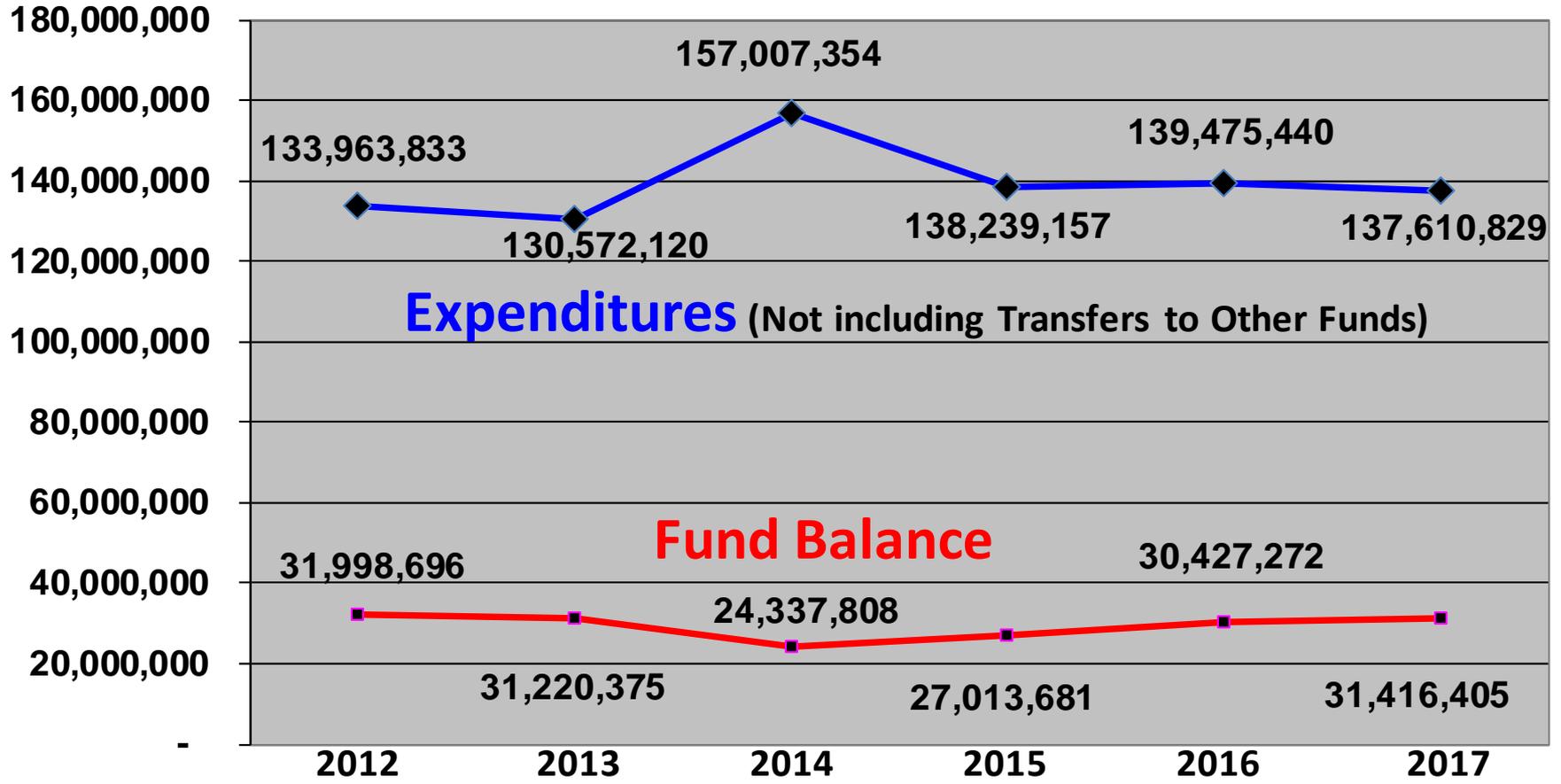
General Fund Expenditures - Year Ended December 31, 2017



General Fund Revenues and Expenditures & Transfers



Historical Amount of Fund Balance (FY 2012 Thru FY 2017)



Special Sales Tax Phase 7 Fin. Stmt

- **\$29 million = total assets**
 - **\$500 thousand = total liabilities**
 - **\$28.5 million = fund balance**
-
- **\$36.7 million = revenues & other sources**
 - **\$22.2 million = expenditures & transfers**
 - **\$14.5 thousand = increase in fund balance**



Fire Protection Financial Statements

- **\$17.9 million = total assets**
 - **\$2.0 million = total liabilities & def. inflows**
 - **\$15.9 million = fund balance**
-
- **\$27.5 million = revenues & other sources**
 - **\$25.9 million = expenditures**
 - **\$1.6 million = increase in fund balance**



Water / Sewer Utilities Financial Statements

- **\$671 million = total assets & def. outflows**
 - **\$576 million = capital assets, net of A/D**
 - **\$490 million = total liabilities & def. inflows**
 - **\$181 million = net position (or equity)**
-
- **\$98 million = total revenues & other sources**
 - **\$89 million = total expenses & other uses**
 - **\$9 million = increase in net position**



Regional Airport Financial Statements

- **\$113 million = total assets & deferred outflows**
 - **\$77 million = capital assets, net of A/D**
 - **\$23 million = total liabilities & def. inflows**
 - **\$90 million = net position (or equity)**
-
- **\$26 million = total revenues (w/ \$11 M contributions)**
 - **\$15 million = total expenses & other uses**
 - **\$10.6 million = increase in net position**



Garbage Collection Financial Statements

- **\$21.6 million = total assets & def. outflows**
 - **\$5.3 million = capital assets, net of A/D**
 - **\$1.5 million = total liabilities & def. inflows**
 - **\$20 million = net position (or equity)**
-
- **\$20.6 million = total revenues & other sources**
 - **\$20.9 million = total expenses & other uses**
 - **\$300 thousand = decrease in net position**



Stormwater Financial Statements

- **\$6.3 million = total assets & def. outflows**
 - **\$1.8 million = capital assets, net of A/D**
 - **\$1.9 million = total liabilities & def. inflows**
 - **\$4.4 million = net position (or equity)**
-
- **\$14.1 million = total revenues & other sources**
 - **\$13.9 million = total expenses & other uses**
 - **\$200 thousand = increase in net position**



Required Communications

- **We are required to present information relative to the audit process and its results.**
- **Significant areas addressed in our reports:**
 - **Judgments & estimates;**
 - **Audit adjustments;**
 - **Independence;**
 - **Other.**



Management Points

- 1) **Tracking cash bonds at the Sheriff's Office**
 - *No perpetual cash bond listing maintained.*
 - *We recommend a better system for tracking.*

- 2) **Old outstanding checks at Sheriff's Office.**
 - *Potentially unclaimed property to be remitted to the State of Georgia.*

- 3) **Excess funds in the Magistrate / Civil Court and Probate Court.**
 - *Excess funds of approximately \$68,580.*
 - *Unresolved ? Consult legal counsel.*



Management Points

4) Deficit Fund Balances at Special Revenue Funds

- ***Special Assessment Fund (Streetlights)***
2017 Loss = \$752,000. Deficit at \$1,180,000.
We recommend a revised fee structure to cover costs.
- ***Housing & Neighborhood Development Fund***
2017 Loss = \$990,000. Deficit at \$1,368,000.
We recommend monitoring the situation and commitment as budgeted transfer from the General Fund is not sufficient.



Other Matters

Implementation in the 2018 Fiscal Year

- **OPEB with a current “actuarial” liability balance of *\$104,000,000 liability* will be required to be recorded in 2018.**
- **This will result in the \$1.1 billion net position (or equity) of the Government will be reduced to \$1.0 billion.**



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