

# Augusta, Georgia

***Financial & Compliance Audit - December 31, 2020***



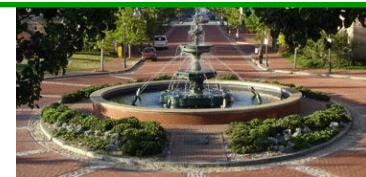
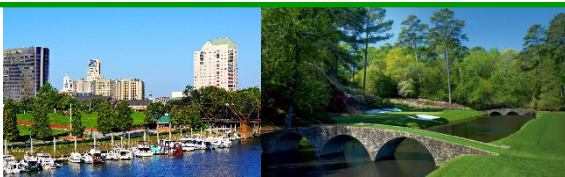
**MAULDIN  
& JENKINS**  
CERTIFIED PUBLIC ACCOUNTANTS, LLC

***Presented by:***  
***Miller Edwards***

# Purpose of Today's Presentation

## Overview of:

- **Engagement Team and Firm Information**
- **Comprehensive Annual Financial Report**
- **Audit Opinion (Financial / Compliance)**
- **Financial Statements Highlights**
- **Other Audit Communications**
- **Management Points / Recommendations**
- **Other Matters (New Standards)**





# MAULDIN & JENKINS – BY THE NUMBERS



CONSISTENTLY RANKED AS A TOP ACCOUNTING FIRM IN THE U.S.

**100+ year**  
 HISTORY  
 of QUALITY SERVICE

**Serve 500+**  
 GOVERNMENT CLIENTS

GOVERNMENTAL PARTNERS & DIRECTORS **17**



**100+** TEAM MEMBERS DEDICATED TO SERVING THE GOVERNMENTAL INDUSTRY



Serving **7** STATES

With **9** OFFICES



**220+** SINGLE AUDITS PERFORMED LAST YEAR COVERING ALMOST \$3.5 BILLION OF FEDERAL GRANTS



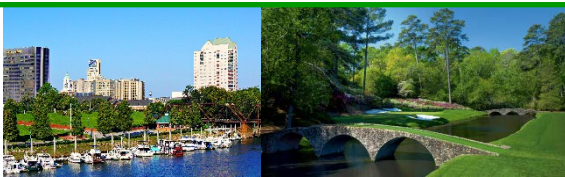
**110,000+** HOURS ANNUALLY PROVIDED TO GOVERNMENTAL CLIENTS

**Serve 125+** MUNICIPALITIES

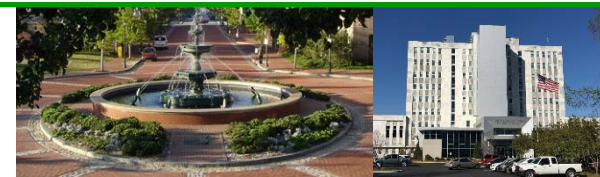


**120+** CURRENT CLIENTS AWARDED THE GFOA CERTIFICATE OF EXCELLENCE

NATIONALLY RECOGNIZED



*Financial & Compliance Audit  
 December 31, 2020*



## Services:

### **Attestation & Assurance:**

**Audits = Financial, Compliance,  
Performance, Forensic; Reviews;  
Compilations; Agreed-Upon Eng.  
Tax Preparation and Consulting  
Business Advisory  
Litigation Support**

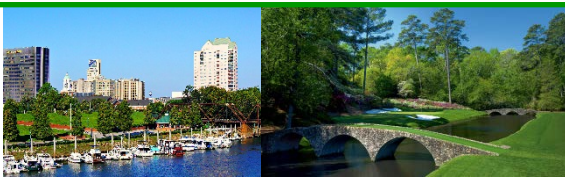
### **Outsourcing:**

**Healthcare Reimbursements,  
and Billing Services; Client  
Accounting Services  
IT Services = Security Risk  
Assessments, Firewall Reviews,  
Cybersecurity Assessments.**

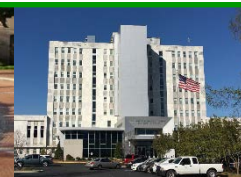
## Industries:

**Government  
Financial Institutions  
Non-Profit  
Agricultural  
Closely Held Businesses  
Construction and Real Estate  
Employee Benefit Plans**

**Entertainment  
Healthcare  
Higher Education  
Individuals, Estates & Trusts  
Insurance  
Manufacturing, Distribution, Retail  
Professional Services**

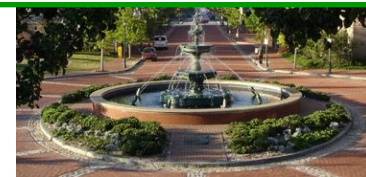
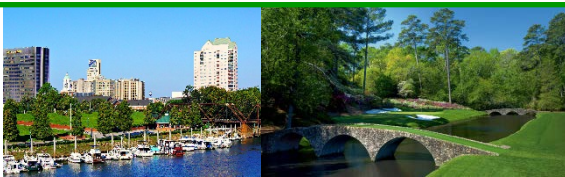


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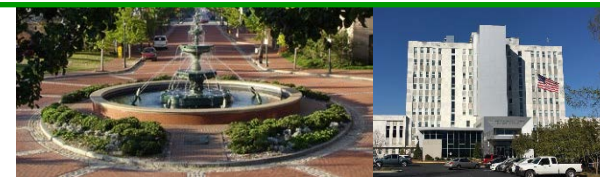
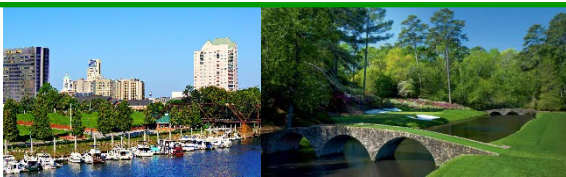
## Governments Served

- **Over 105,000 hours of service annually**  
*(30% of Firm practice).*
- **Approximately 500 state and local governments currently served, including:**
  - **126 Cities -- 57 Counties -- 62 BOE's**
  - **100 Water/Sewer -- 25 Airports.**
- **GFOA Certificate received by ~131 clients.**



# Similar Governments Served

| <b>Athens-Clarke</b>     | <b>Augusta-Richmond</b>    | <b>Columbus-Muscogee</b> | <b>Macon-Bibb</b>      |
|--------------------------|----------------------------|--------------------------|------------------------|
| <b>Aiken (sc)</b>        | <b>Bristol (TN)</b>        | <b>Griffin</b>           | <b>Rock Hill (sc)</b>  |
| <b>Albany</b>            | <b>Brunswick</b>           | <b>Gulfport (MS)</b>     | <b>Roswell</b>         |
| <b>Alpharetta</b>        | <b>Charleston (sc)</b>     | <b>Naples (FL)</b>       | <b>Sandy Springs</b>   |
| <b>Beaufort (sc)</b>     | <b>Decatur</b>             | <b>Peachtree City</b>    | <b>Savannah</b>        |
| <b>Bradenton (FL)</b>    | <b>Dunwoody</b>            | <b>Pensacola</b>         | <b>Tuscaloosa (AL)</b> |
| <b>Beaufort Co. (sc)</b> | <b>Douglas Co.</b>         | <b>Gwinnett Co.</b>      | <b>Paulding Co.</b>    |
| <b>Berkeley Co. (sc)</b> | <b>Dougherty Co.</b>       | <b>Hamilton Co. (TN)</b> | <b>Rockdale Co.</b>    |
| <b>Chatham Co.</b>       | <b>Floyd Co.</b>           | <b>Henry Co.</b>         | <b>Spalding Co.</b>    |
| <b>Clayton Co.</b>       | <b>Forsyth Co.</b>         | <b>Newton Co.</b>        | <b>Walton Co.</b>      |
| <b>DeKalb Co.</b>        | <b>Greenville Co. (sc)</b> | <b>Orange Co. (NC)</b>   | <b>Whitfield Co.</b>   |





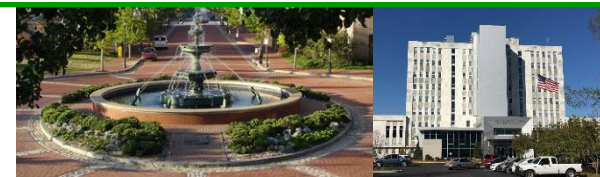
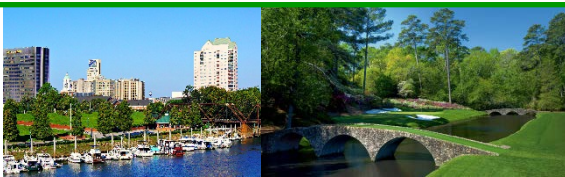
# Audit Opinion

- **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 ~\$24.3M with 3 Major Programs = ~\$13.0M**

**- Complied, in all material respects, with requirements that could have a direct and material effect on Augusta's major federal program.....**



## Award for CAFR

- Augusta has prepared a Comprehensive Annual Financial Report (CAFR) for past 6 Years.



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

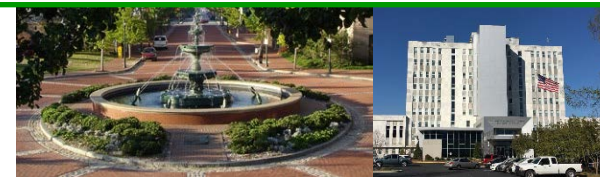
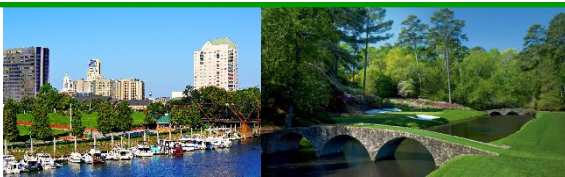




## Entity-Wide Financial Statements

- **\$2.20 billion = total assets**
  - **\$1.56 billion = capital assets, net of A/D**
  - **\$1.02 billion = total liabilities**
  - **\$1.18 billion = net position *(or equity)***
- 
- **\$484 million = revenues**
  - **\$444 million = expenses**
  - **\$ 40 million = result**

*Amounts Do not Include the  
Pension Trust Funds and Agency  
Funds and GMEBS Amounts*



## Entity-Wide Financial Statements

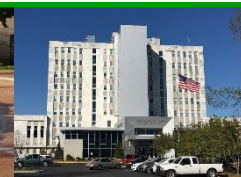
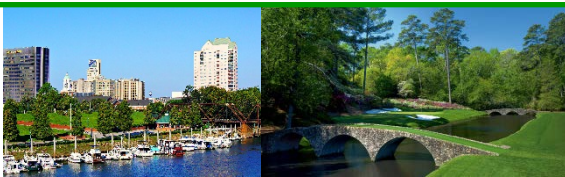
- **\$40 million = Revenues Less Expenses**

### Add:

- **\$53 million = Depreciation Expense**
- **\$80 million = Increase in Long-Term Debts**

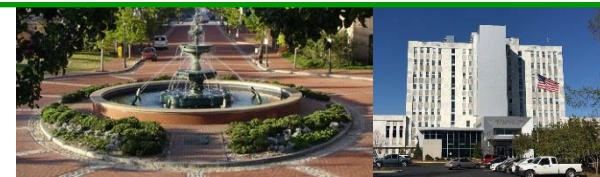
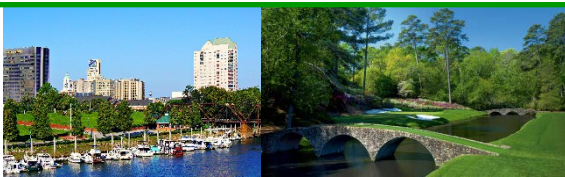
### Less:

- **\$88 million = Purchase of Capital Assets (\$8M/Mo)**
- 
- = \$85 million = Net Cash Inflows**



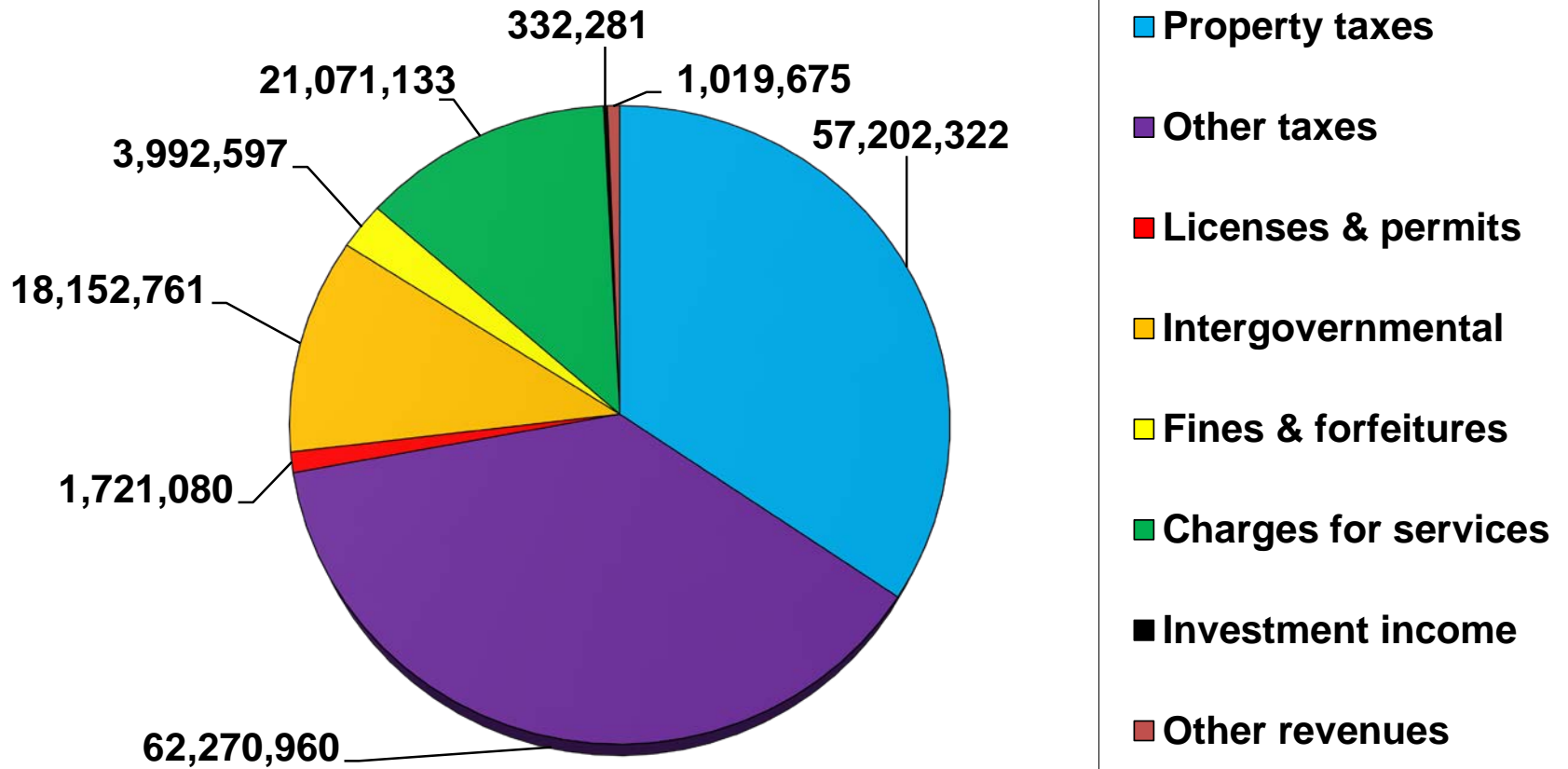
## General Fund Financial Statements

- **\$ 52.3 million = total assets**
  - **\$ 12.0 million = total liabilities**
  - **\$ 40.3 million = fund balance** (*3.0 months = 91 days*)
  - **\$ 35.1 million = unassigned** (*2.2 months = 66 days*)
- 
- **\$168.8 million = revenues & other sources**
  - **\$167.7 million = expenditures & other uses**
  - **\$ 1.1 million = net increase in fund balance**

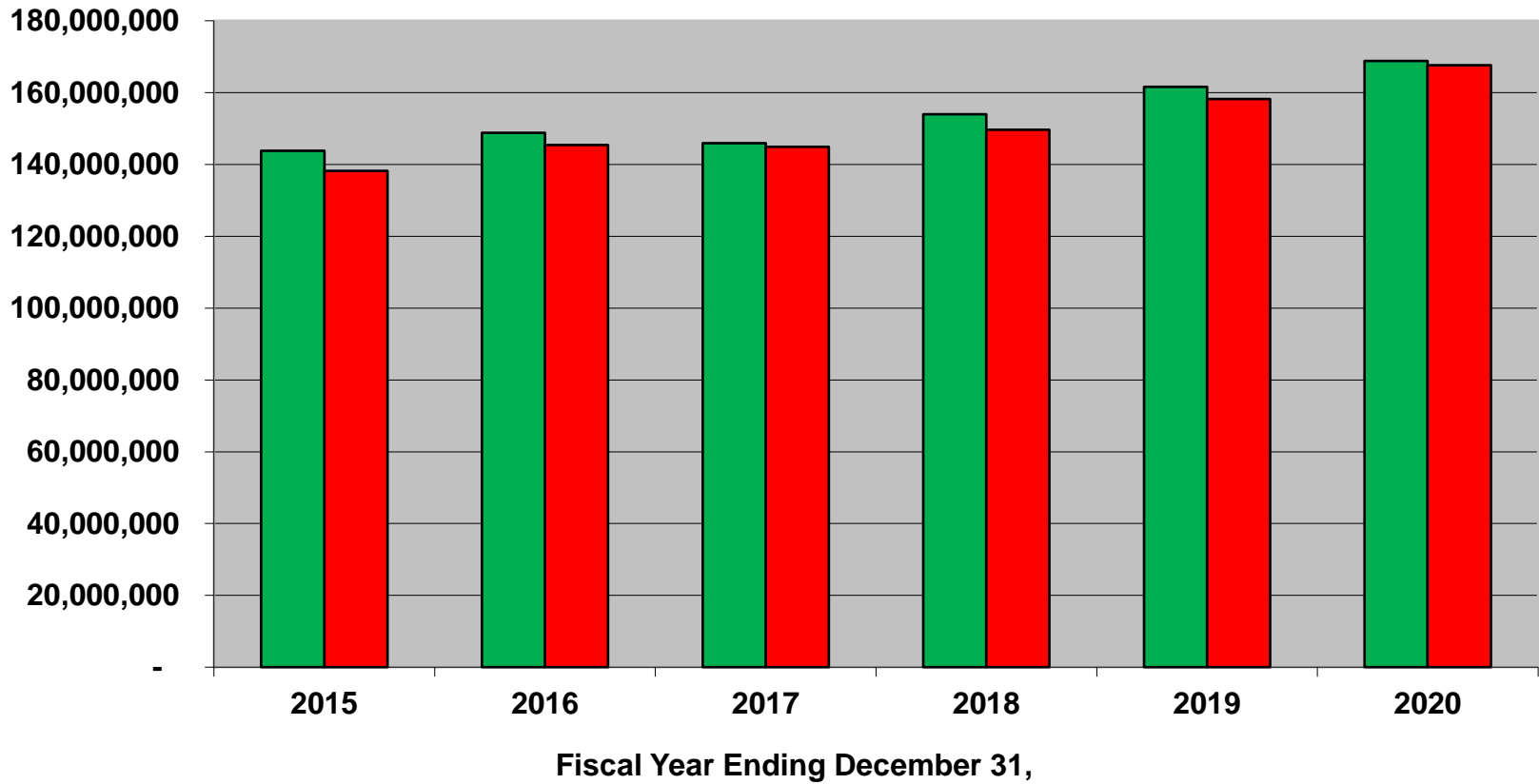




**General Fund Revenues - Year Ended December 31, 2020**



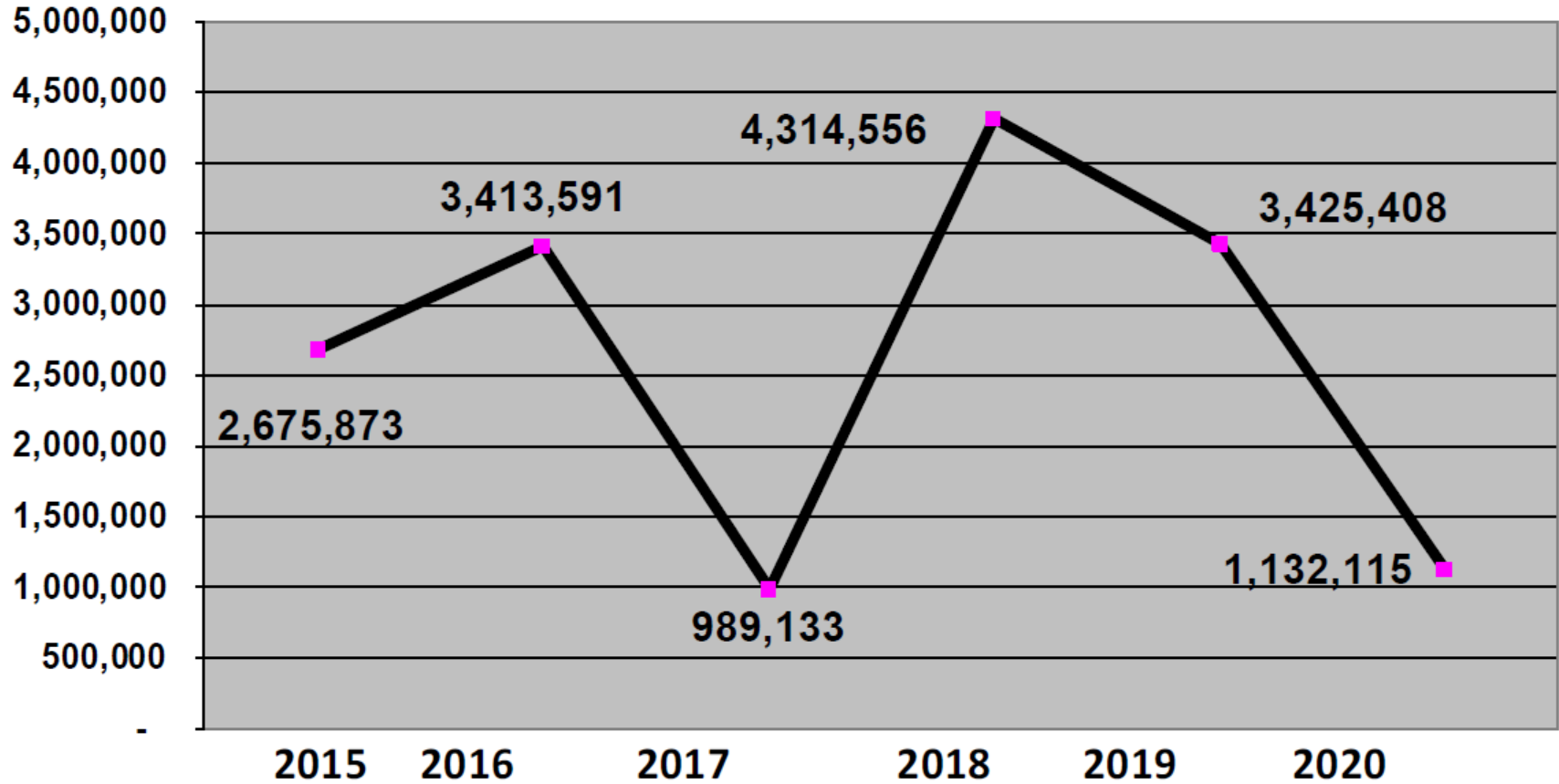
**General Fund Revenues and Expenditures & Transfers**



■ Revenues and Other Financing Sources

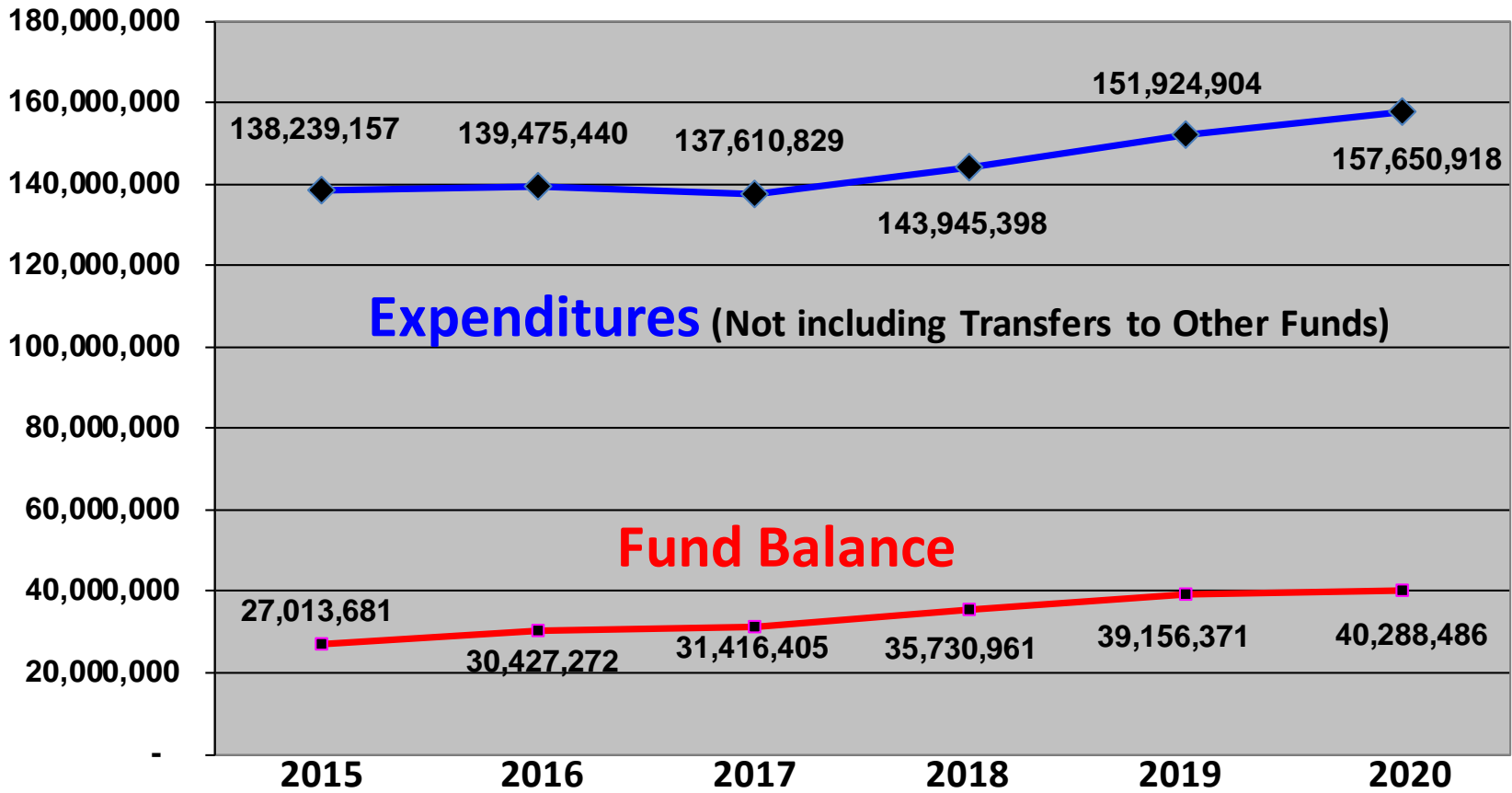
■ Expenditures and Other Financing Uses

**Net Change in Fund Balance (FY 2015 Thru FY 2020)**



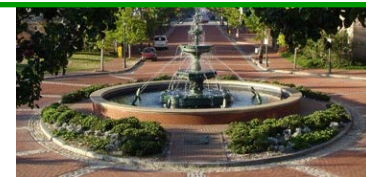
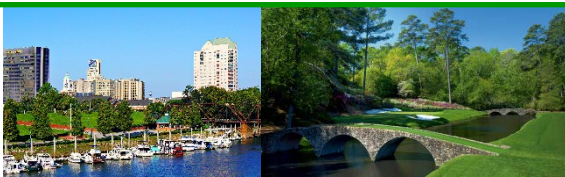


**Historical Amount of Fund Balance**  
**(FY 2015 Thru FY 2020)**



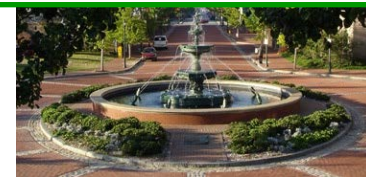
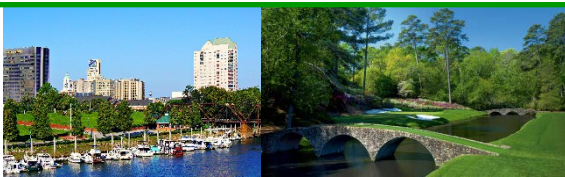
## Special Sales Tax Phase 7 Fin. Stmt

- **\$71.9 million = total assets**
  - **\$2.1 million = total liabilities**
  - **\$69.8 million = fund balance**
- 
- **\$71.0 million = revenues & other sources**
  - **\$43.0 million = expenditures & transfers**
  - **\$28.0 million = increase in fund balance**



# Fire Protection Financial Statements

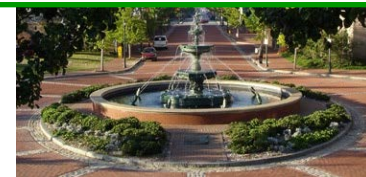
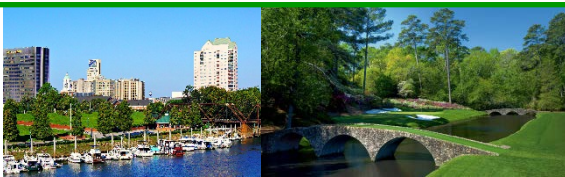
- **\$25.4 million = total assets**
  - **\$ 1.6 million = total liabilities & def. inflows**
  - **\$23.8 million = fund balance**
- 
- **\$32.2 million = revenues & other sources**
  - **\$29.5 million = expenditures**
  - **\$2.7 million = increase in fund balance**





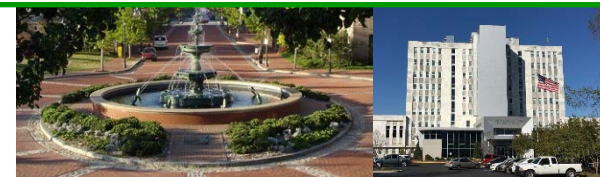
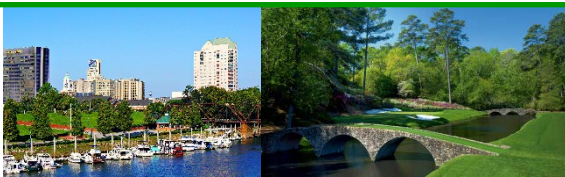
# Water / Sewer Utilities Financial Statements

- **\$710 million = total assets**
    - **\$572 million = capital assets, net of A/D**
  - **\$514 million = total liabilities**
  - **\$196 million = net position (or equity)**
- 
- **\$ 99 million = total revenues & other sources**
  - **\$ 87 million = total expenses & other uses**
  - **\$ 12 million = increase in net position**



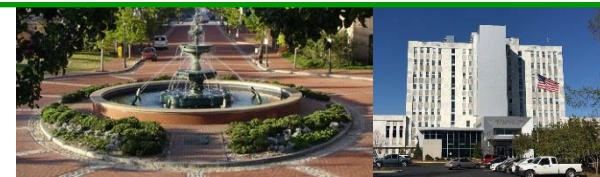
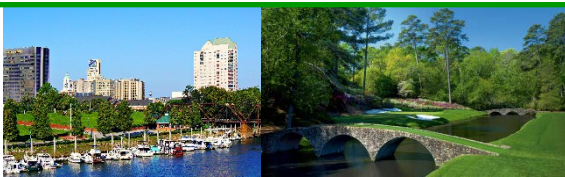
# Regional Airport Financial Statements

- **\$146 million = total assets**
    - **\$110 million = capital assets, net of A/D**
  - **\$ 25 million = total liabilities**
  - **\$121 million = net position (or equity)**
- 
- **\$ 24 million = total revenues (w/ \$13 M contributions)**
  - **\$ 16 million = total expenses & other uses**
  - **\$ 8 million = increase in net position**



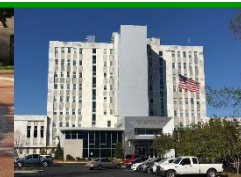
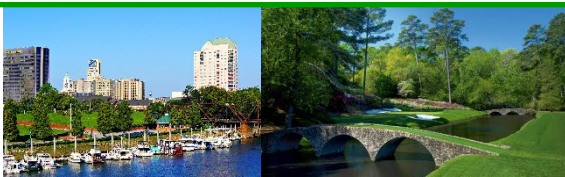
# Garbage Collection Financial Statements

- **\$25 million = total assets**
    - **\$4 million = capital assets, net of A/D**
  - **\$ 2 million = total liabilities**
  - **\$23 million = net position (or equity)**
- 
- **\$21.4 million = total revenues & other sources**
  - **\$20.5 million = total expenses & other uses**
  - **\$865,000 = increase in net position**



## Stormwater Financial Statements

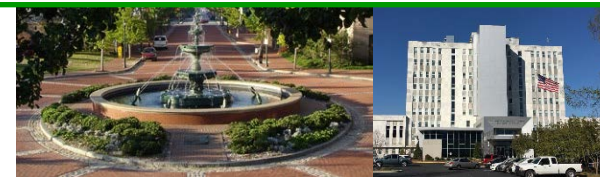
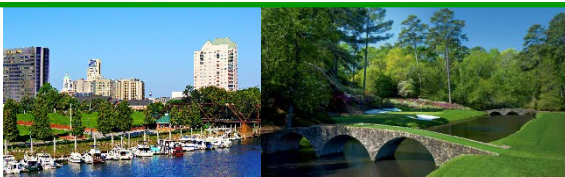
- **\$21 million = total assets**
    - **\$12 million = capital assets, net of A/D**
  - **\$ 5 million = total liabilities**
  - **\$16 million = net position (or equity)**
- 
- **\$14.3 million = total revenues**
  - **\$13.8 million = total expenses**
  - **\$ 500,000 = increase in net position**



# Pension Trust Funds & OPEB

|                                 | <b>Pension Trust Funds</b> |                     |                      |                      |
|---------------------------------|----------------------------|---------------------|----------------------|----------------------|
|                                 | <u>1945 Plan</u>           | <u>1949 Plan</u>    | <u>GMEBS Plan</u>    | <u>OPEB Plan</u>     |
| <b>Funds Currently Provided</b> | <b>\$5,994,000</b>         | <b>\$77,081,000</b> | <b>\$157,216,000</b> | <b>\$ ----</b>       |
| <b>Long-Term Liability</b>      | <b>\$7,215,000</b>         | <b>\$85,561,000</b> | <b>\$253,296,000</b> | <b>\$215,398,000</b> |
| <b>Net Liability</b>            | <b>\$1,221,000</b>         | <b>\$8,480,000</b>  | <b>\$96,080,000</b>  | <b>\$215,398,000</b> |
| <b>Percentage Funded</b>        | <b>83.1%</b>               | <b>90.1%</b>        | <b>62.1%</b>         | <b>----%</b>         |

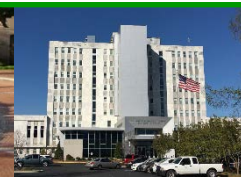
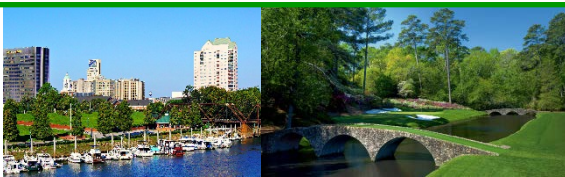
*The above pension trust funds do not include 2 closed plans known as the City's Employees' Pension Plan and the 1998 Plan.*





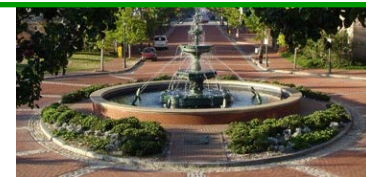
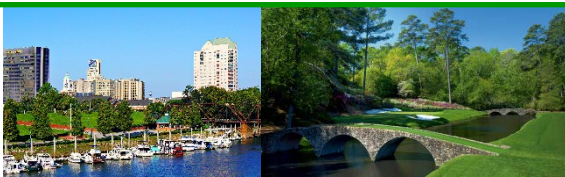
## Other Communications

- **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 / Recommendations

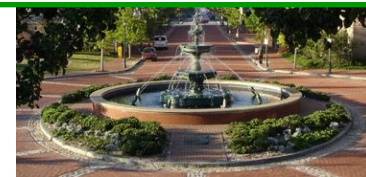
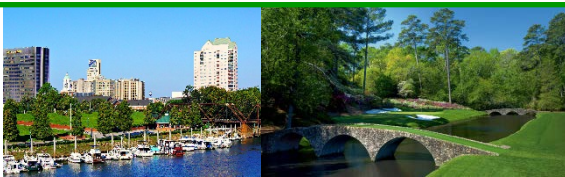
- 1) **Old outstanding checks at Sheriff's Office.**
  - *Potentially unclaimed property to be remitted to the State of Georgia.*
  
- 2) **Excess funds in the Probate Court.**
  - *Excess funds of approximately \$245,513.*
  - *Unresolved ? Consult legal counsel.*



# Management Points / Recommendations

## 3) Segregation of Duties

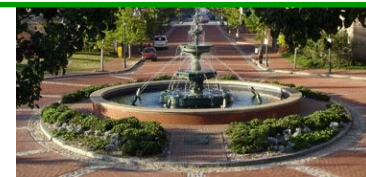
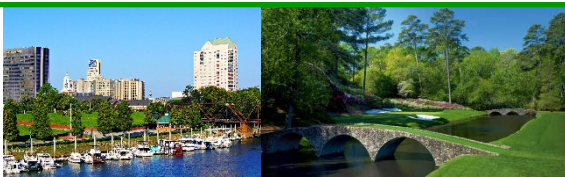
- *Overlapping duties being performed at the Probate Court and Civil & Magistrate Courts.*
- *Single individual performs most accounting duties, receives mail, prepares deposits of receipts of funds, and reconciles bank statements.*
- *No formal review of the reconciliations.*



## Other Matters

### ***New Financial Reporting GASB Standards***

- ***#87 - Lease Accounting (2022)***
  - ***#91 - Accounting for Conduit Debt (2022)***
- 
- ***6 other financial reporting standards to be effective in several years, and many more in the works with GASB.***



# Augusta, Georgia

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CERTIFIED PUBLIC ACCOUNTANTS, LLC

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