Augusta, Georgia
Financial & Compliance Audit - December 31, 2016

Presented by:
Miller Edwards
Purpose of Annual Audit Agenda

- 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. Six (6) Offices.
- Over 70,000 hours of service annually (25% of Firm practice).
- Approximately 300 state and local governments currently served.
- GFOA Certificate received by ~90 clients.
Award for CAFR


- 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 Programs of ~$11.2M with 2 Major Programs = ~$4.8M - Complied, in all material respects, with requirements that could have a direct and material effect on each of Augusta, Georgia’s major federal programs……
Entity-Wide Financial Statements

- $1.9 billion = total assets (& def. outflows)
- $1.4 billion = capital assets, net of A/D
- $805 million = total liabilities (& def. inflows)
- $1.1 billion = net position (or equity)
- $431 million = revenues
- $360 million = expenses
- $71 million = increase in net position
General Fund Financial Statements

- $42.7 million = total assets
- $12.3 million = total liabilities & def. inflows
- $30.4 million = fund balance  (2.5 months)
- $148.8 million = revenues & other sources
- $145.4 million = expenditures & other uses
- $3.4 million = net increase in fund balance
General Fund Revenues

- Property taxes: $436,552
- Other taxes: $1,232,798
- Licenses & permits: $7,018,636
- Intergovernmental: $1,626,614
- Fines & forfeitures: $501,203
- Charges for services: $20,276,802
- Investment income: $58,387,578
- Other revenues: $5,012,033

Total General Fund Revenues: $52,253,395
Augusta, Georgia

General Fund Expenditures

- General gov't: 37,901,455
- Judicial: 14,784,837
- Public safety: 13,459,396
- Public works: 2,366,803
- Health & welfare: 4,560,057
- Culture & recreation: 1,478,483
- Housing & development: 19,424,233
- Total: 80,285,013
General Fund Revenues and Expenditures & Transfers

Fiscal Year Ending December 31,

- Revenues and Other Financing Sources
- Expenditures and Other Financing Uses
<table>
<thead>
<tr>
<th>Year</th>
<th>Fund Balance</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>35,064,488</td>
<td>128,341,711</td>
</tr>
<tr>
<td>2012</td>
<td>31,998,696</td>
<td>133,963,833</td>
</tr>
<tr>
<td>2013</td>
<td>31,220,375</td>
<td>130,572,120</td>
</tr>
<tr>
<td>2014</td>
<td>24,337,808</td>
<td>157,007,354</td>
</tr>
<tr>
<td>2015</td>
<td>27,013,681</td>
<td>138,239,157</td>
</tr>
<tr>
<td>2016</td>
<td>30,427,272</td>
<td>139,475,440</td>
</tr>
</tbody>
</table>
Special Sales Tax Phase 6 Fin. Stmts

- $61.6 million = total assets
- $729 thousand = total liabilities
- $60.9 million = fund balance
- $9.3 million = revenues & other sources
- $9.8 million = expenditures
- $500 thousand = decrease in fund balance
Special Sales Tax Phase 7 Fin. Stmts

- $14.2 million = total assets
- $200 thousand = total liabilities
- $14.0 million = fund balance
- $27.2 million = revenues
- $13.2 million = expenditures & other uses
- $14.0 million = 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
- $27.4 million = revenues & other sources
- $25.8 million = expenditures
- $1.6 million = increase in fund balance
Water / Sewer Utilities Financial Statements

- $708.6 million = total assets & def. outflows
- $572 million = capital assets, net of A/D
- $536.7 million = total liabilities & def. inflows
- $171.9 million = net position (or equity)
- $97 million = total revenues & other sources
- $99.1 million = total expenses & other uses
- $2.1 million = decrease in net position
Regional Airport Financial Statements

- $96 million = total assets & deferred outflows
- $69.5 million = capital assets, net of A/D
- $16.9 million = total liabilities & def. inflows
- $79.1 million = net position (or equity)
- $16.8 million = total revenues & contributions
- $14.6 million = total expenses & other uses
- $2.2 million = increase in net position
Garbage Collection Financial Statements

- $22.1 million = total assets & def. outflows
- $5.6 million = capital assets, net of A/D
- $1.9 million = total liabilities & def. inflows
- $20.2 million = net position (or equity)
- $20.8 million = total revenues & other sources
- $19.6 million = total expenses & other uses
- $1.2 million = increase in net position
Stormwater Financial Statements

- $5.5 million = total assets & def. outflows
  - $663 thousand = capital assets, net of A/D
  - $1.4 million = total liabilities & def. inflows
  - $4.1 million = net position (or equity)
  - $13.7 million = total revenues & other sources
  - $9.6 million = total expenses & other uses
  - $4.1 million = 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 $96,000 of 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 $37,700
Management Points

4) Proprietary Funds – Construction in Process:
   a) Improperly capitalized $1.8M of professional services in prior years

   - *We recommend the Government assess each project annually and determine at that point whether to expense the project or include it in construction in process.*
Other Matters

New GASB Standards:

**Implementation in the 2016 fiscal year**

- Tax Abatement Disclosures. Augusta disclosed $3.7M of tax abatements.

**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.