

# Augusta, Georgia

*Financial & Compliance Audit - December 31, 2016*

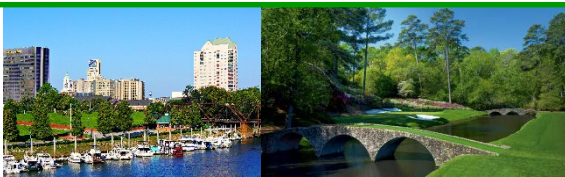


**MAULDIN  
& JENKINS**  
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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.**

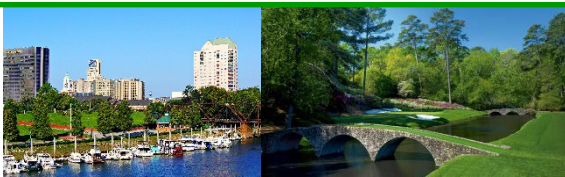


## Award for CAFR

- Augusta prepared a Comprehensive Annual Financial Report for the first time FY 12-31-15.



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

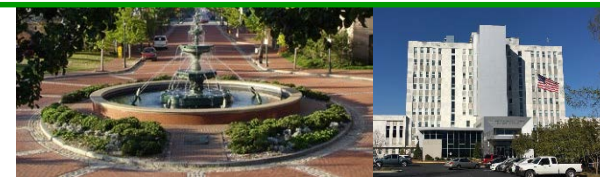
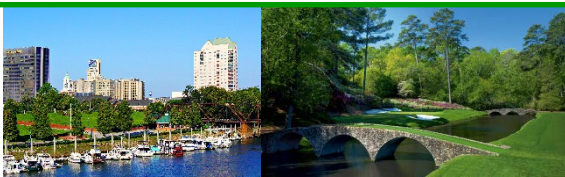


# Audit Opinion

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

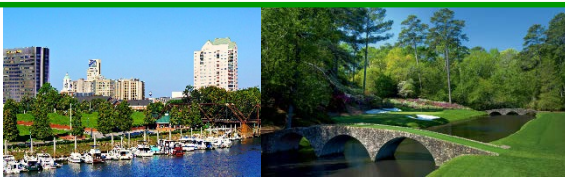
**Financial Statements - The financial statements of Augusta, Georgia are considered to present fairly, in all material respects .....**

**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.....**



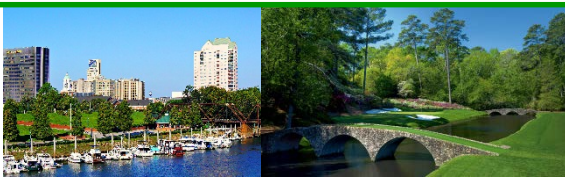
# Entity-Wide Financial Statements

- **\$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**

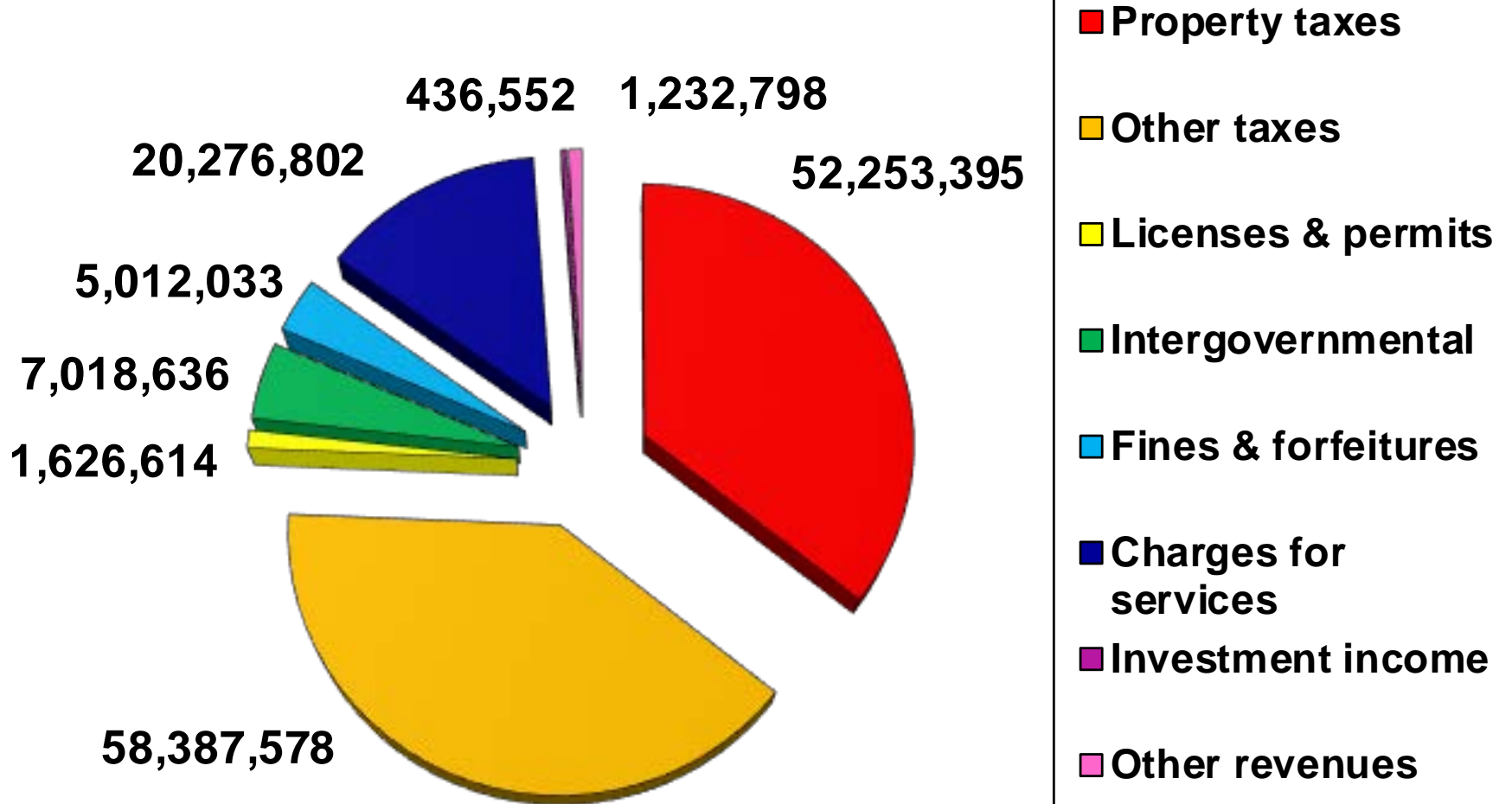


# General Fund Financial Statements

- **\$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**

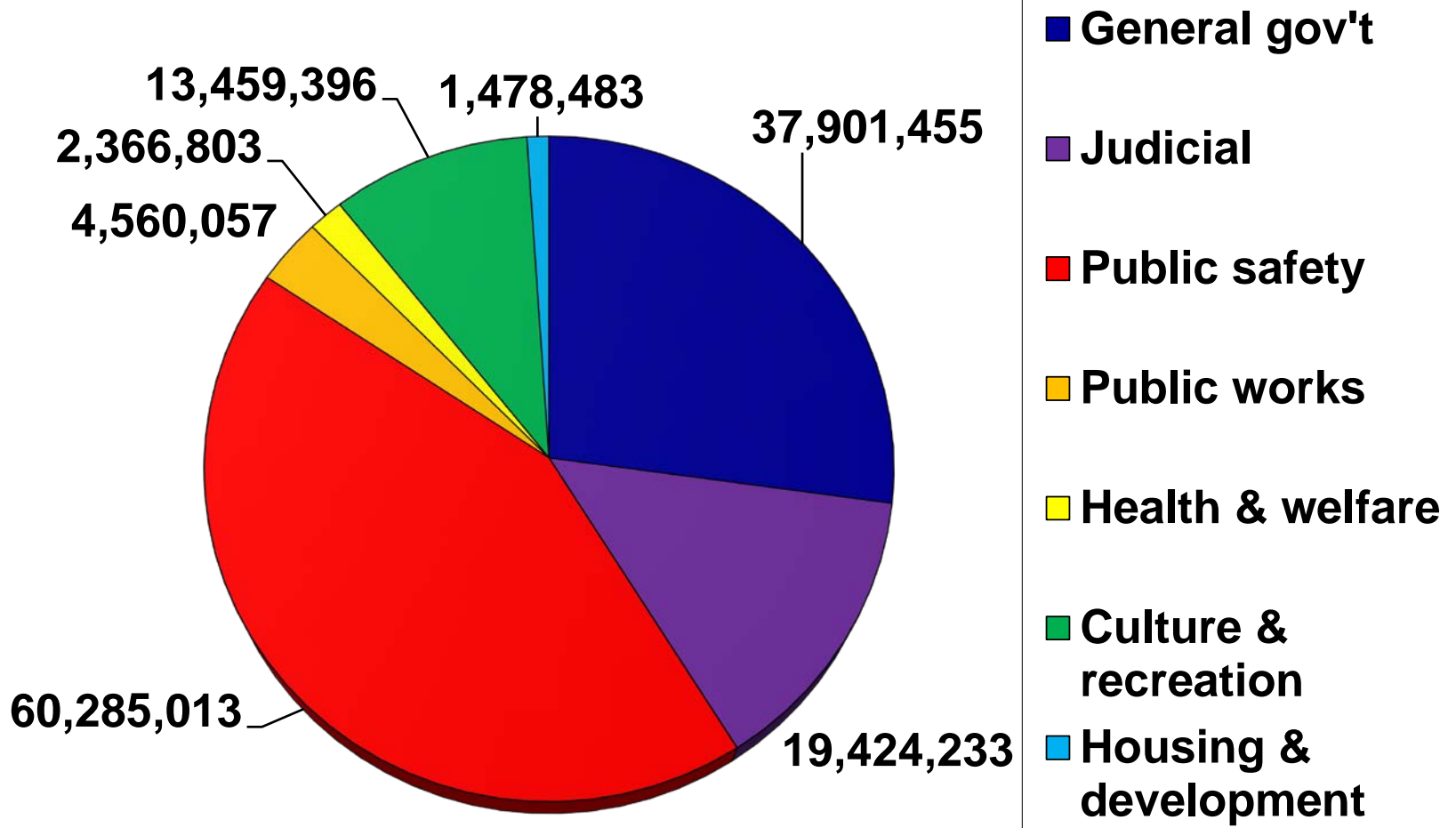


## General Fund Revenues

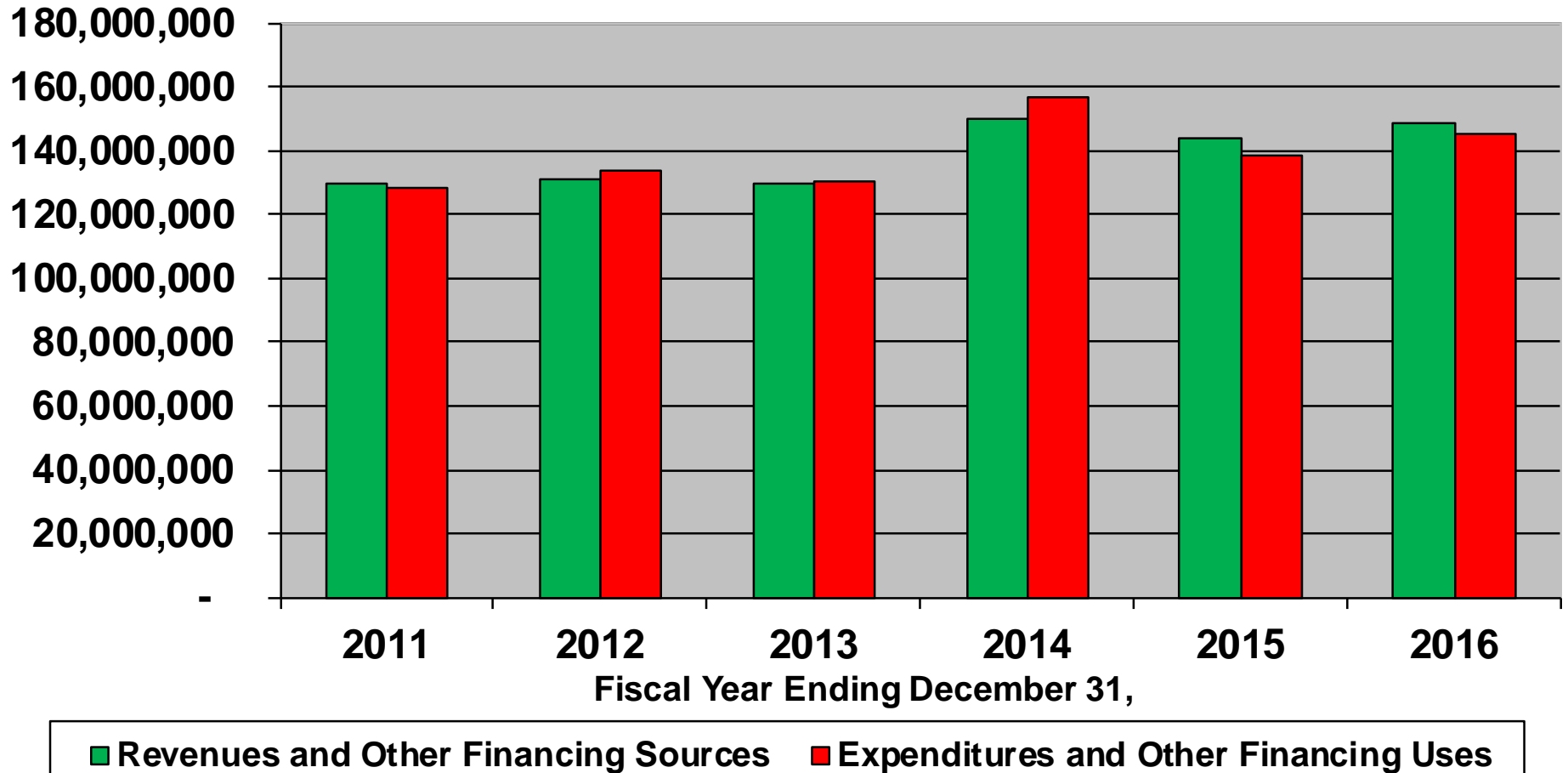




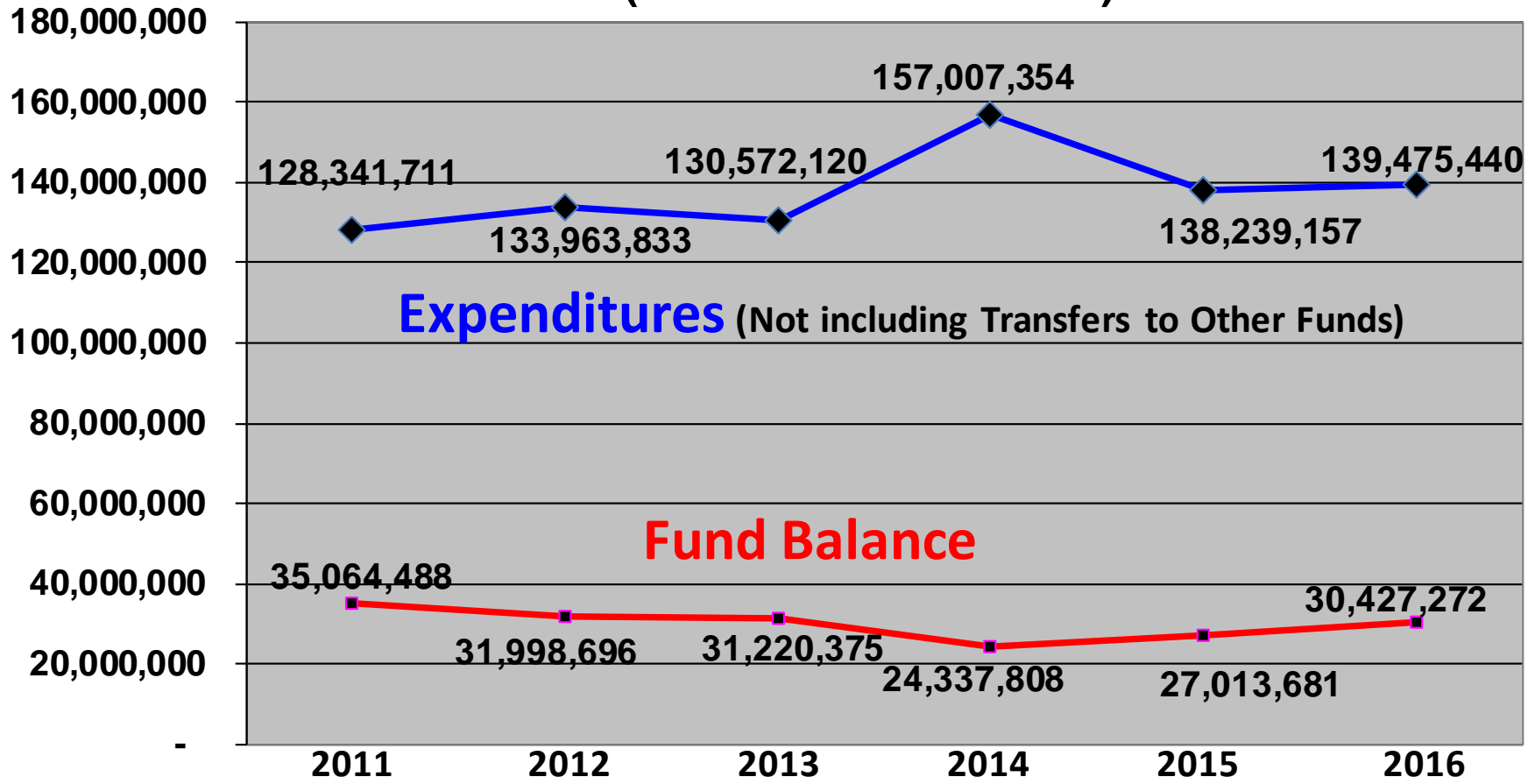
## General Fund Expenditures



## General Fund Revenues and Expenditures & Transfers

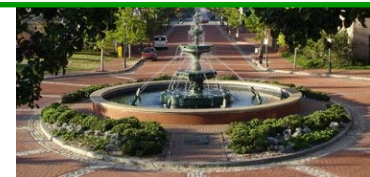
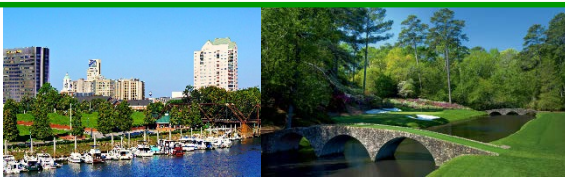


### Historical Amount of Fund Balance at June 30th (FY 2011 Thru FY 2016)



# Special Sales Tax Phase 6 Fin. Stmt

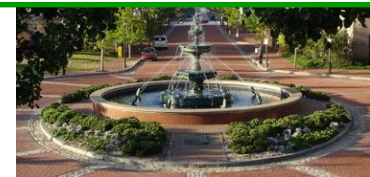
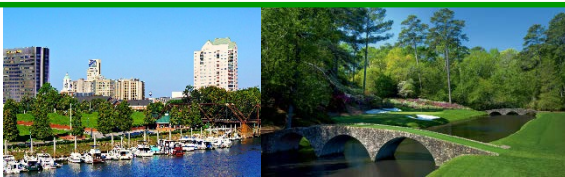
- **\$61.6 million = total assets**
  - **\$729 thousand = total liabilities**
  - **\$60.9 million = fund balance**
- 
- **\$9.3 million = revenues & other sources**
  - **\$9.8 million = expenditures**
  - **\$500 thousand = decrease in fund balance**





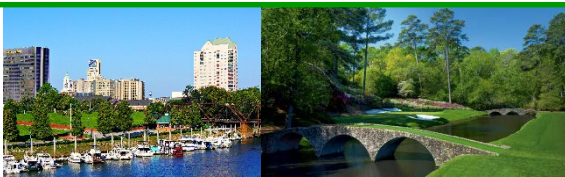
# Special Sales Tax Phase 7 Fin. Stmt

- **\$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**



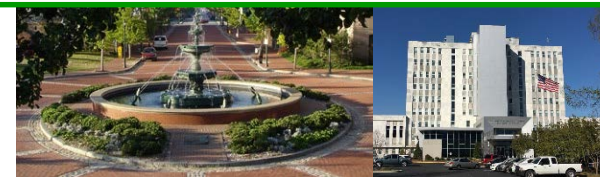
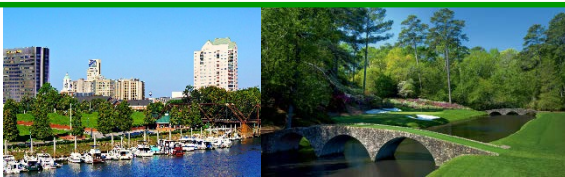
# Fire Protection Financial Statements

- **\$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**



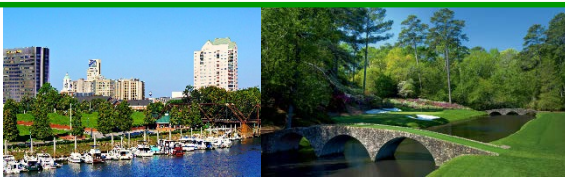
# Water / Sewer Utilities Financial Statements

- **\$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

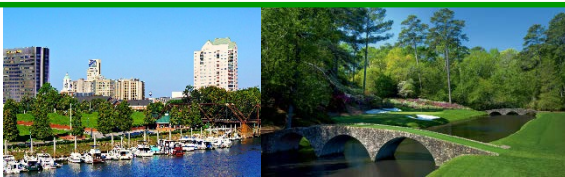
- **\$96 million = total assets & deferred outflows**
  - **\$69.5 million = capital assets, net of A/D**
  - **\$16.9 million = total liabilities & def. inflows**
  - **\$79.1 million = net position (or equity)**
- 
- **\$16.8 million = total revenues & contributions**
  - **\$14.6 million = total expenses & 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**

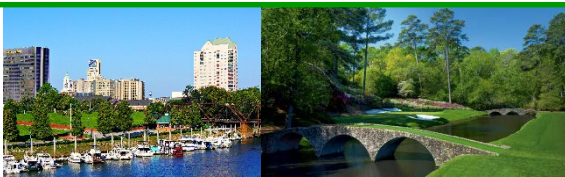


# Stormwater Financial Statements

- **\$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)**

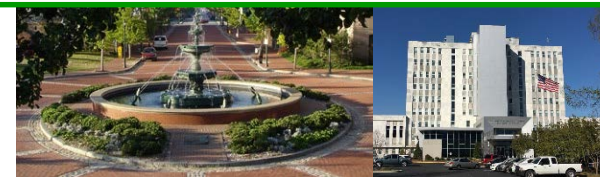
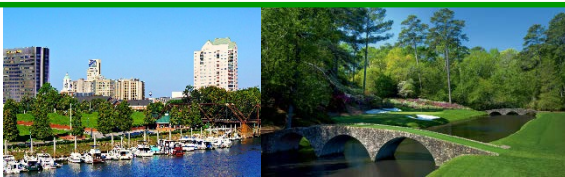
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- **\$13.7 million = total revenues & other sources**
- **\$9.6 million = total expenses & other uses**
- **\$4.1 million = increase in net position**



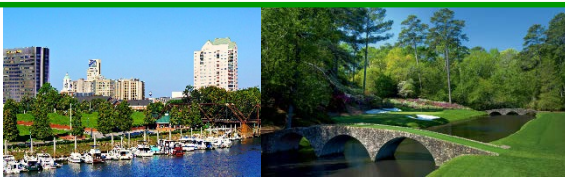
# Required Communications

- **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

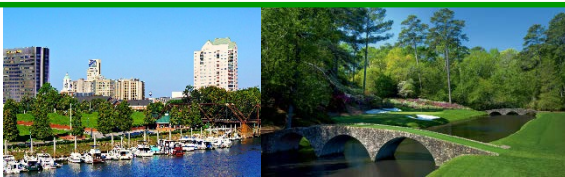
- 1) **Tracking cash bonds at the Sheriff's Office**
  - *No perpetual cash bond listing maintained.  
We recommend a better system for tracking.*
- 2) **Old outstanding checks at Sheriff's Office.**
  - *Potentially \$96,000 of unclaimed property to be remitted to the State of Georgia.*
- 3) **Excess 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

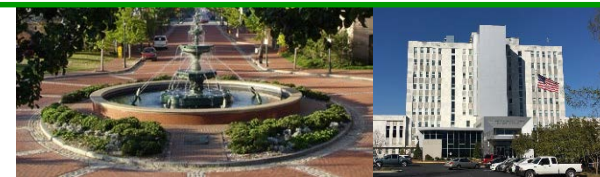
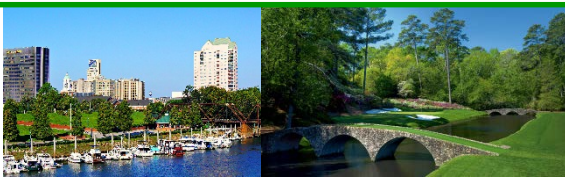
### New GASB Standards:

#### 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.***



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