

Columbus Consolidated Government

Financial & Compliance Audit – June 30, 2025



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Partner



Purpose of Today's Presentation

- **Overview of:**
 - **Independent Auditor's Report**
 - **Compliance Reports**
 - **Financial Statements**
- **Required Communications**
- **Answer Any Questions**

Purpose of a Financial Audit

■ What an Audit Does:

- **Provides independent assurance on the financial statements**
- **Confirms statements are fairly presented under GAAP**
- **Focuses on areas of highest financial risk**

■ What an Audit Does Not do:

- **Evaluate day-to-day operations or performance**
- **Test every transaction**
- **Guarantee fraud will be detected**
- **Designed to catch every mistake**

Audit Opinion

- **Columbus: responsible for financial statements.**
- **M&J: to express opinions.**
- **Auditing Standards = *Generally Accepted Auditing Standards and Governmental Auditing Standards***
- **Financial Audit : Unmodified (Clean) Opinion**
 - **Highest level of Assurance**
 - **Financial Statements are fairly presented in all material respects, in accordance with GAAP**

Compliance Reports

Financial Report contains two (2) Compliance Reports:

- **Single Audit Report**
 - **Compliance audit**
 - **Required > \$750k in federal expenditures**
 - **Unmodified (Clean) Opinion**
- **Yellow Book Report**
 - **Report on Government's Internal Controls and Compliance**
 - **Not Intended to Provide an Opinion**
 - **No Material Weaknesses or Significant Deficiencies Noted During Our Audit**

Overview of Financial Statements

- **Government prepares an Annual Comprehensive Financial Report (ACFR)**
- **ACFR goes above and beyond basic reporting requirements**
- **Submitted annually to Government Finance Officers Association (GFOA)**
- **Government awarded Certificate of Achievement for Excellence in Financial Reporting for 35th year in a row.**

Overview of Financial Statements

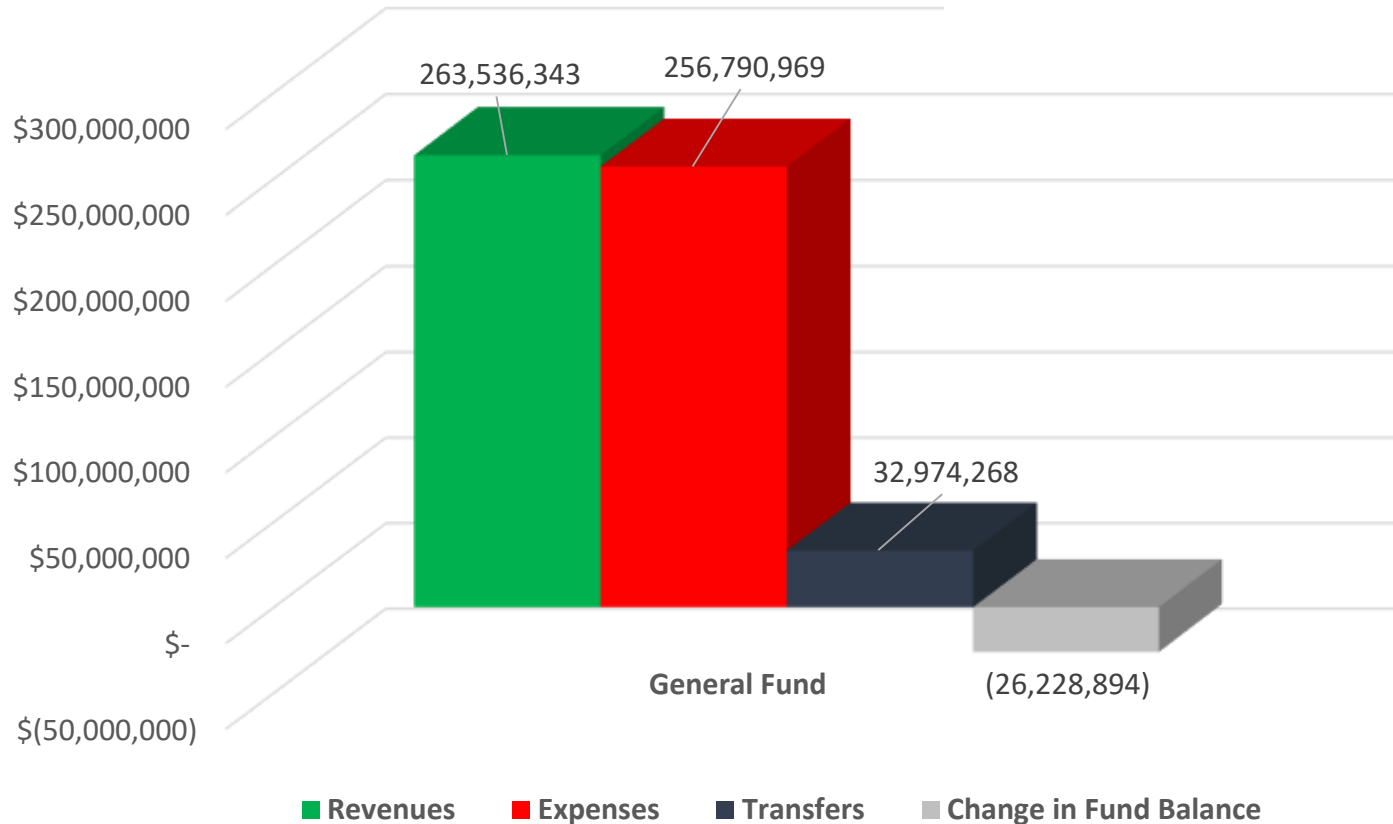
- **Management's Discussion & Analysis (MD&A)**
 - **Written by Management**
 - **Introduces and Summarizes Basic Financial Statements**
 - **Comparative Information**

- **Government's Financial Statements Include Three (3) Components**
 - **Government-Wide Financial Statements**
 - **Funds Financial Statements**
 - **Notes to the Financial Statements**

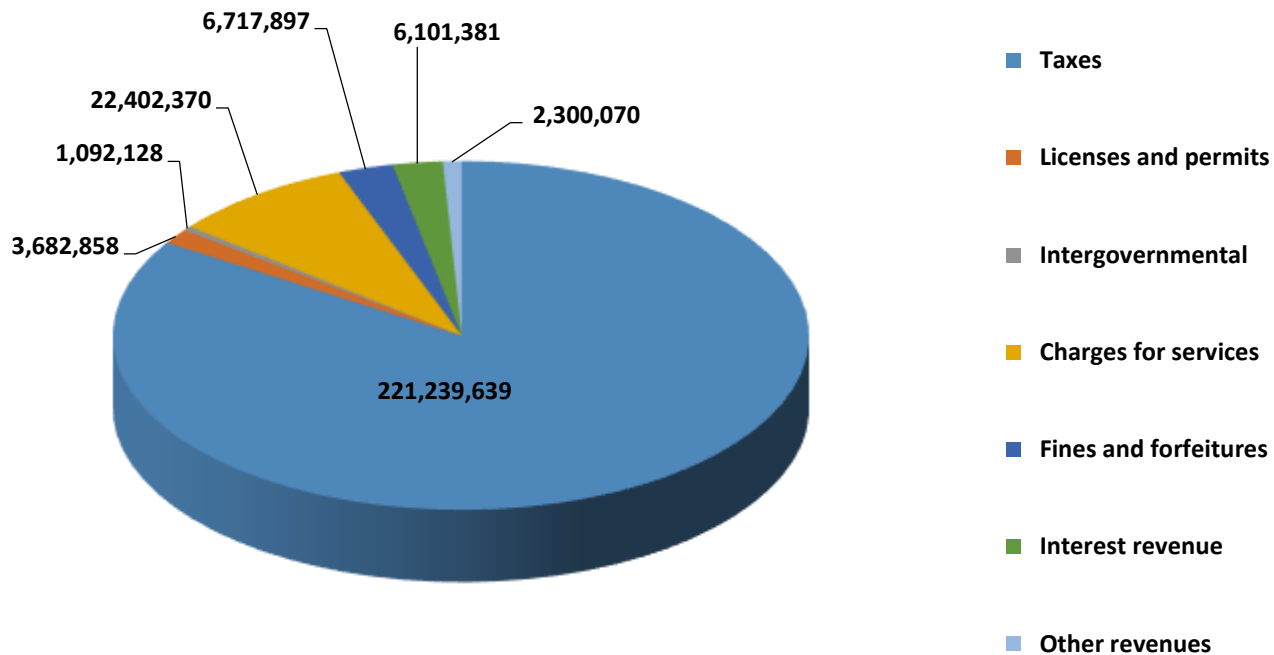
Government-Wide Financial Statements

	<u>Government</u>	<u>+ Comp Units</u>	<u>+ Fiduciaries</u>	<u>= Combined</u>
• Assets	\$1.4 billion	\$897 million	\$725 million	\$3 billion
• Capital Assets	\$754 million	\$652 million	Not Applicable	\$1.4 billion
• Liabilities	\$705 million	\$336 million	\$25 million	\$1.1 billion
• Net Position	\$683 million	\$561 million	\$700 million	\$1.9 billion
• Revenues	\$483 million	\$200 million	\$394 million	\$1.1 billion
• Expenses	\$418 million	\$183 million	\$342 million	\$943 million
• Change	\$65 million	\$17 million	\$52 million	\$134 million

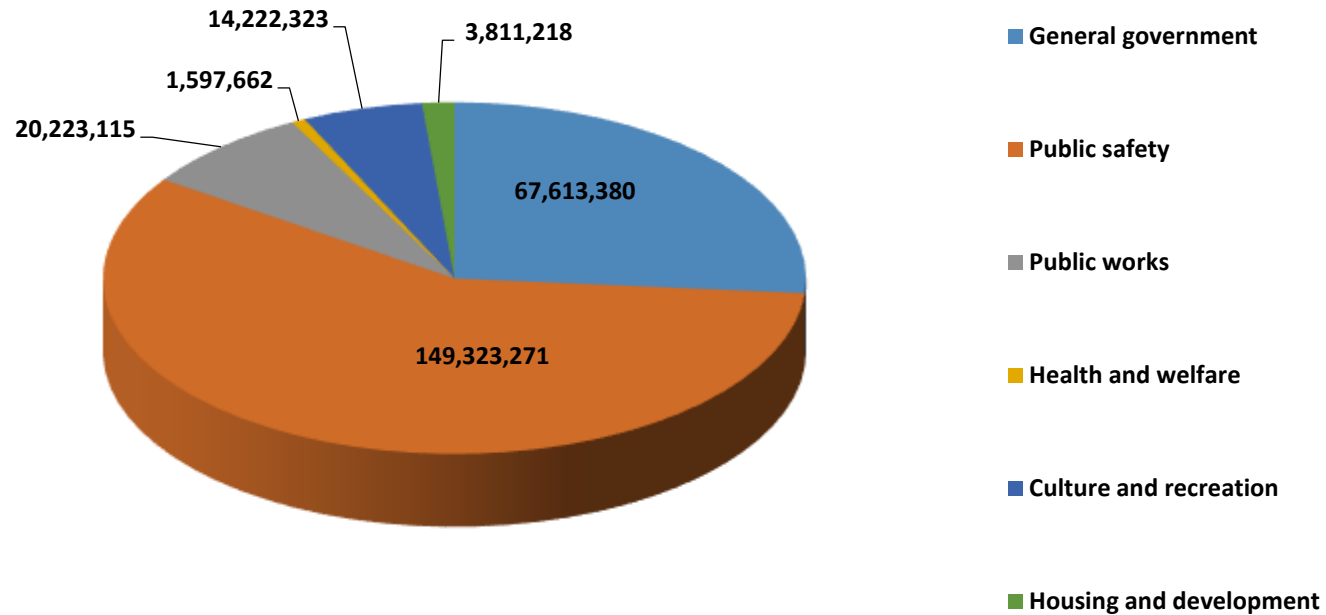
General Fund – Financial Activity



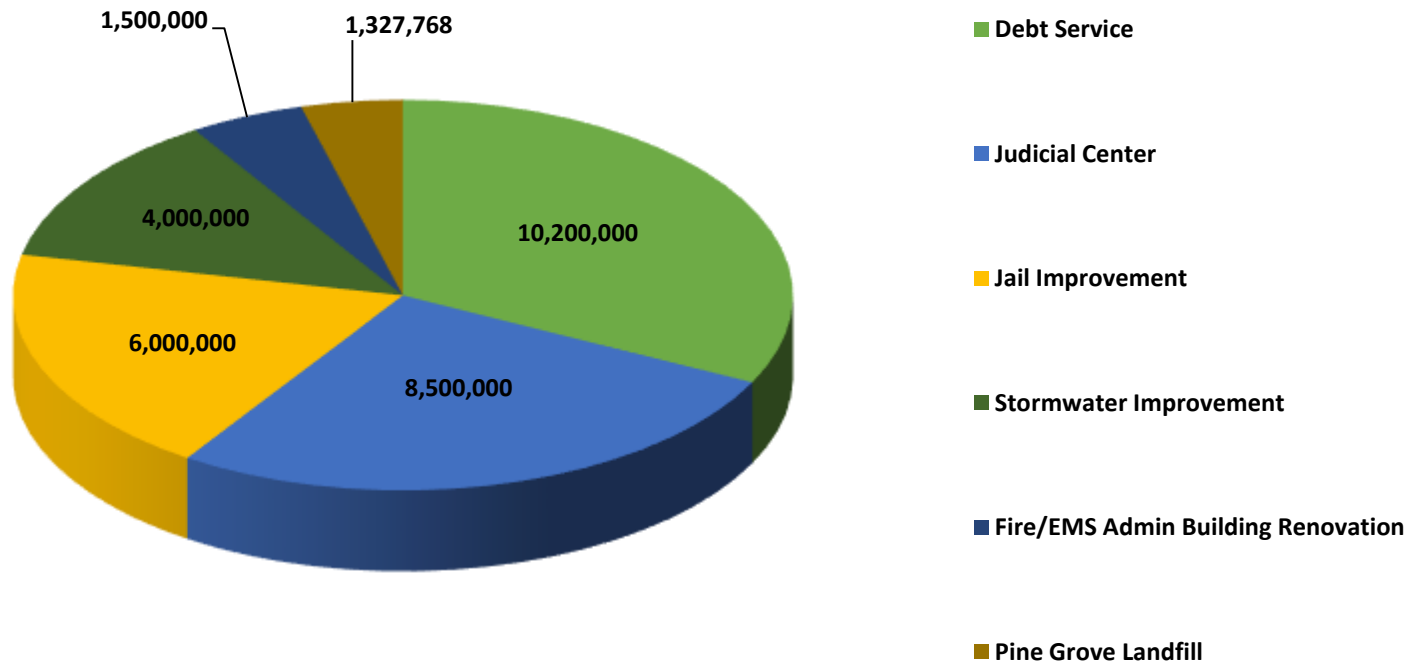
General Fund Revenues



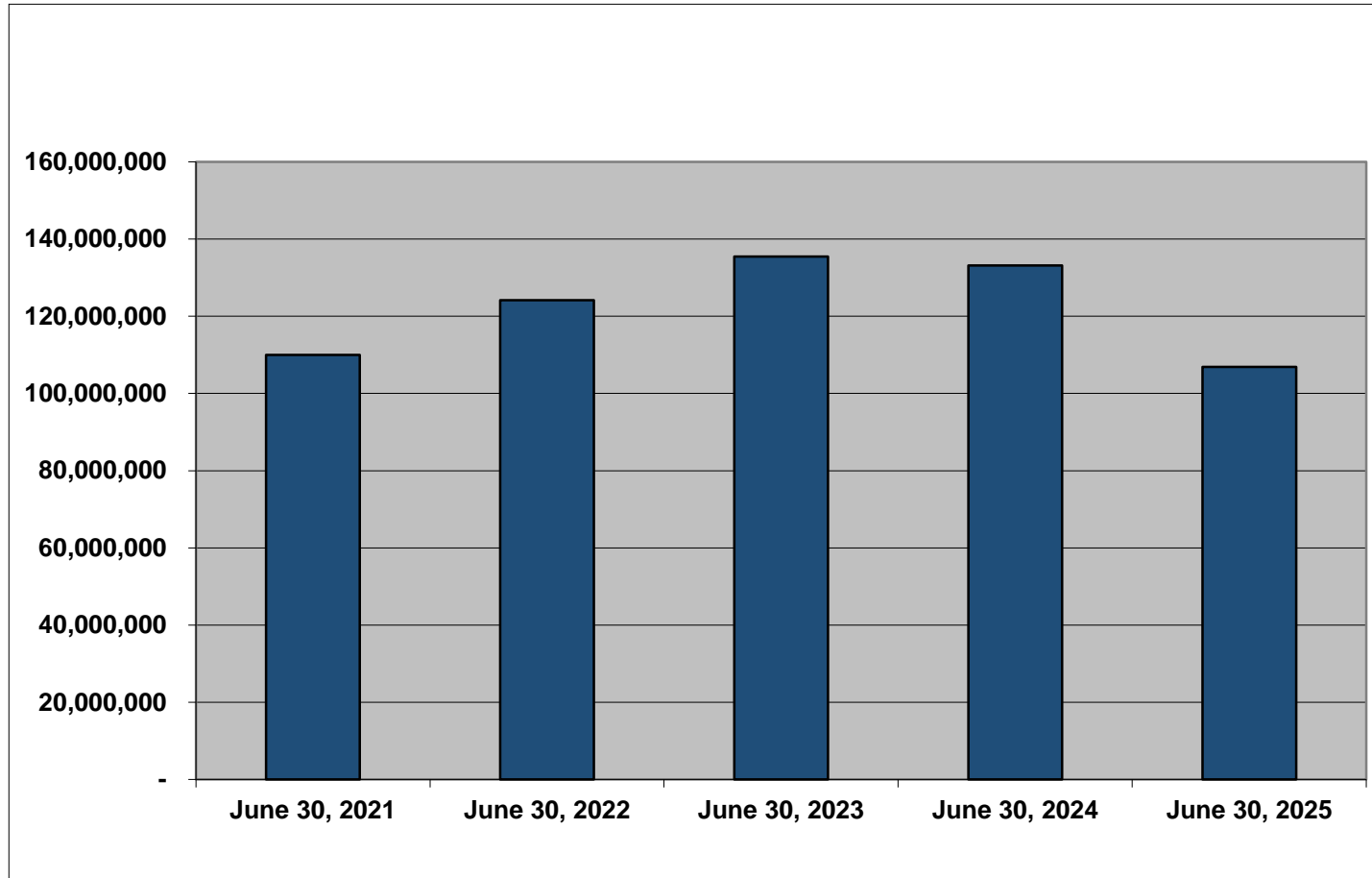
General Fund Expenditures



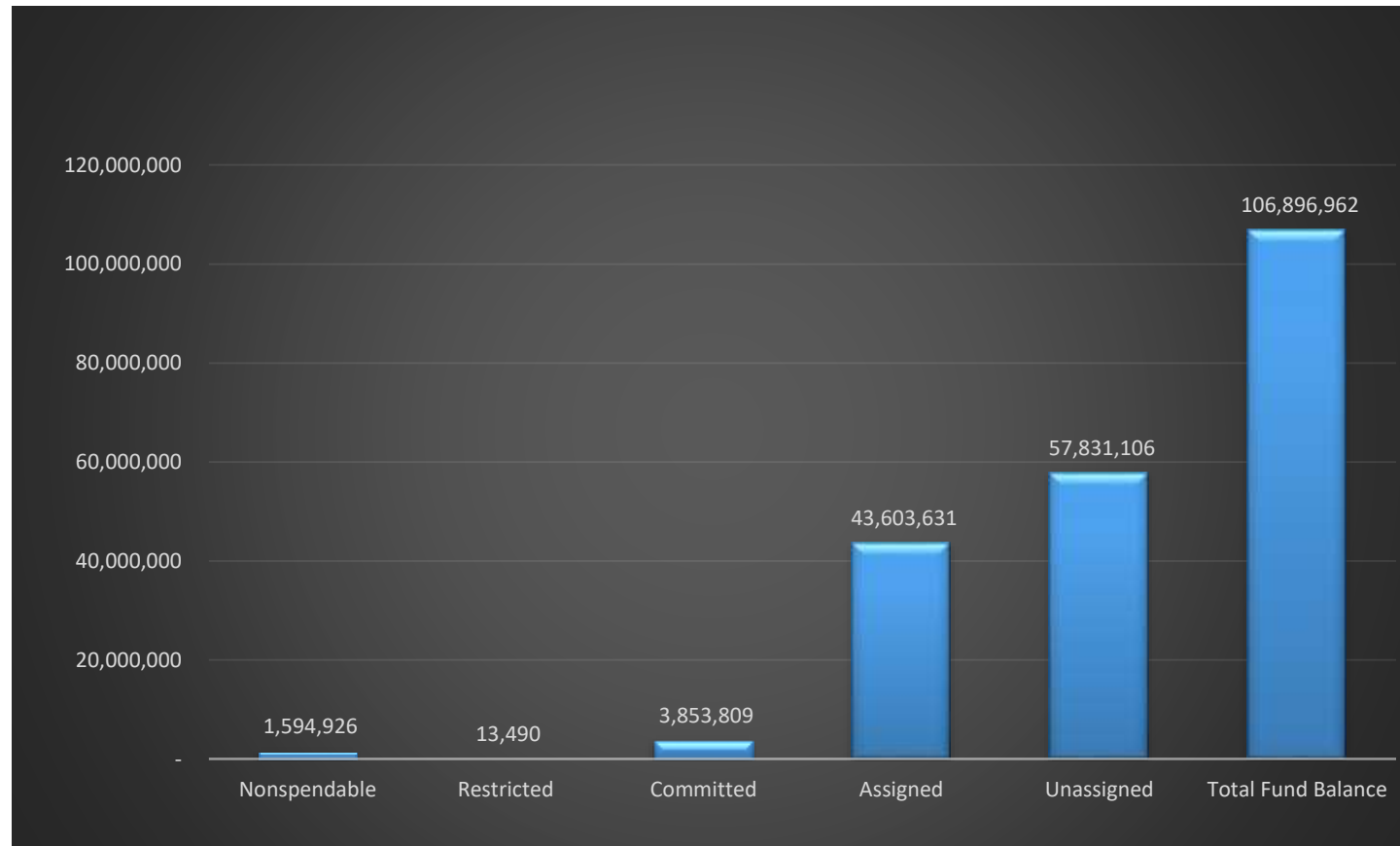
General Fund Transfers



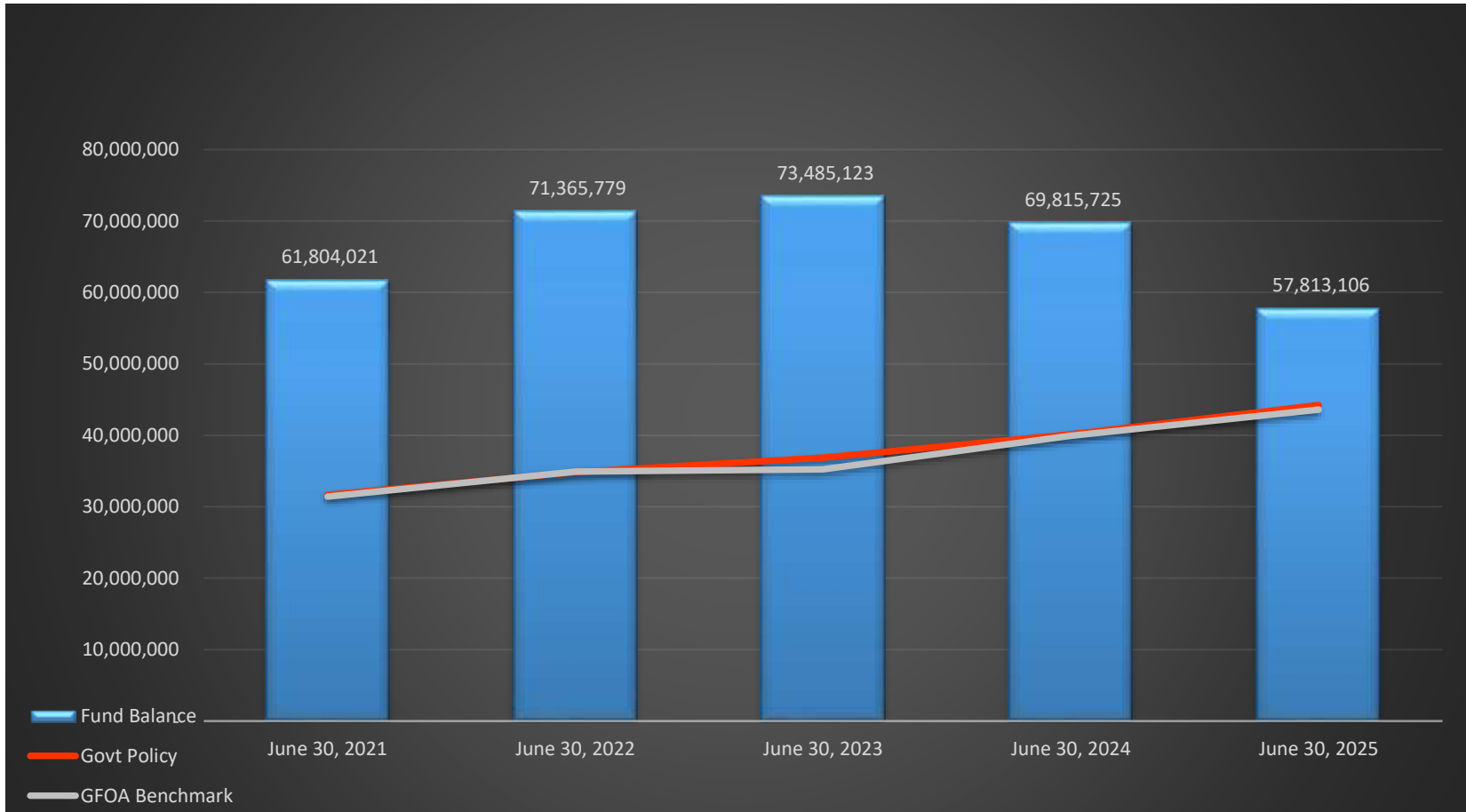
General Fund – Fund Balance History



General Fund – Fund Balance Breakdown



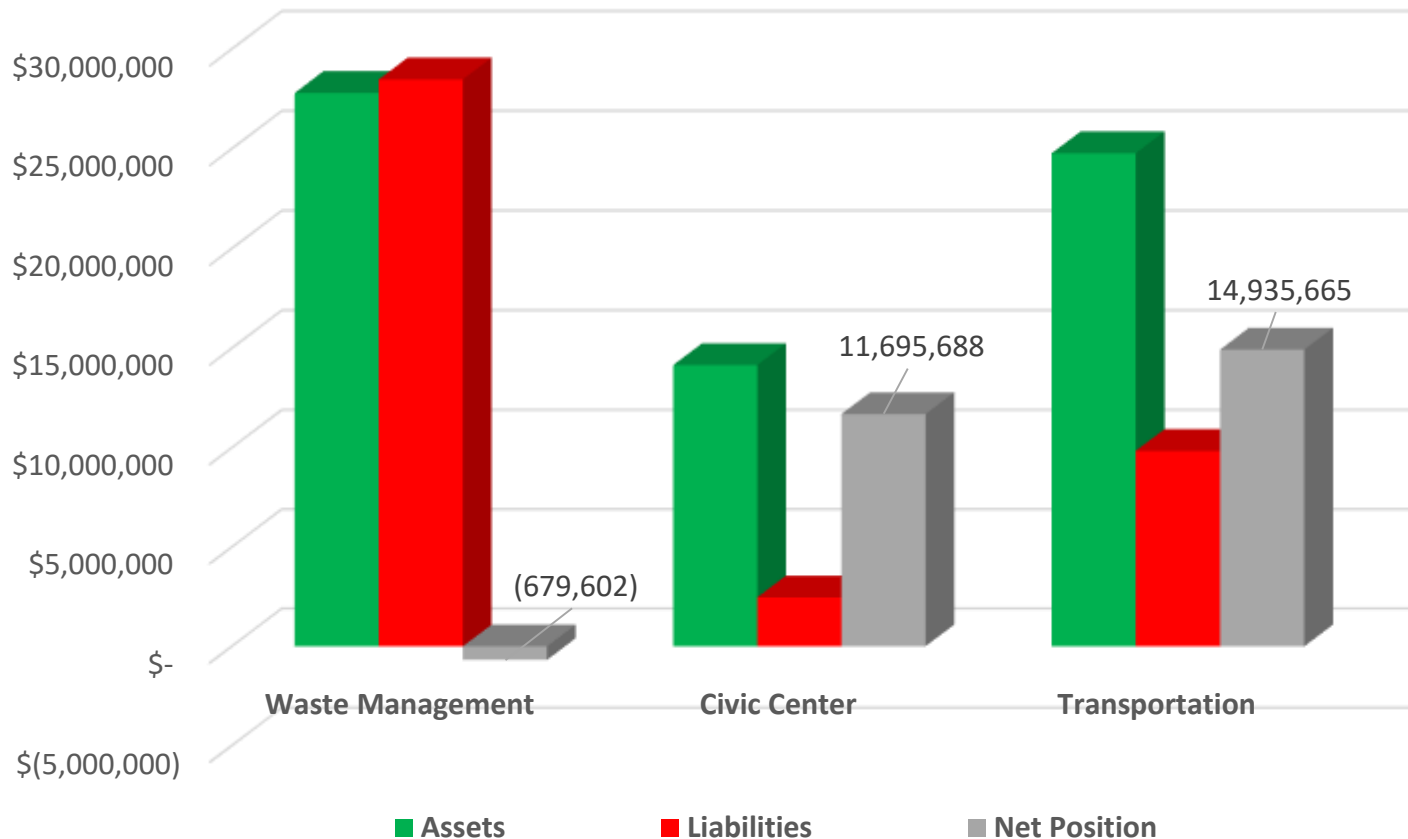
General Fund – Unassigned Fund Balance Analysis



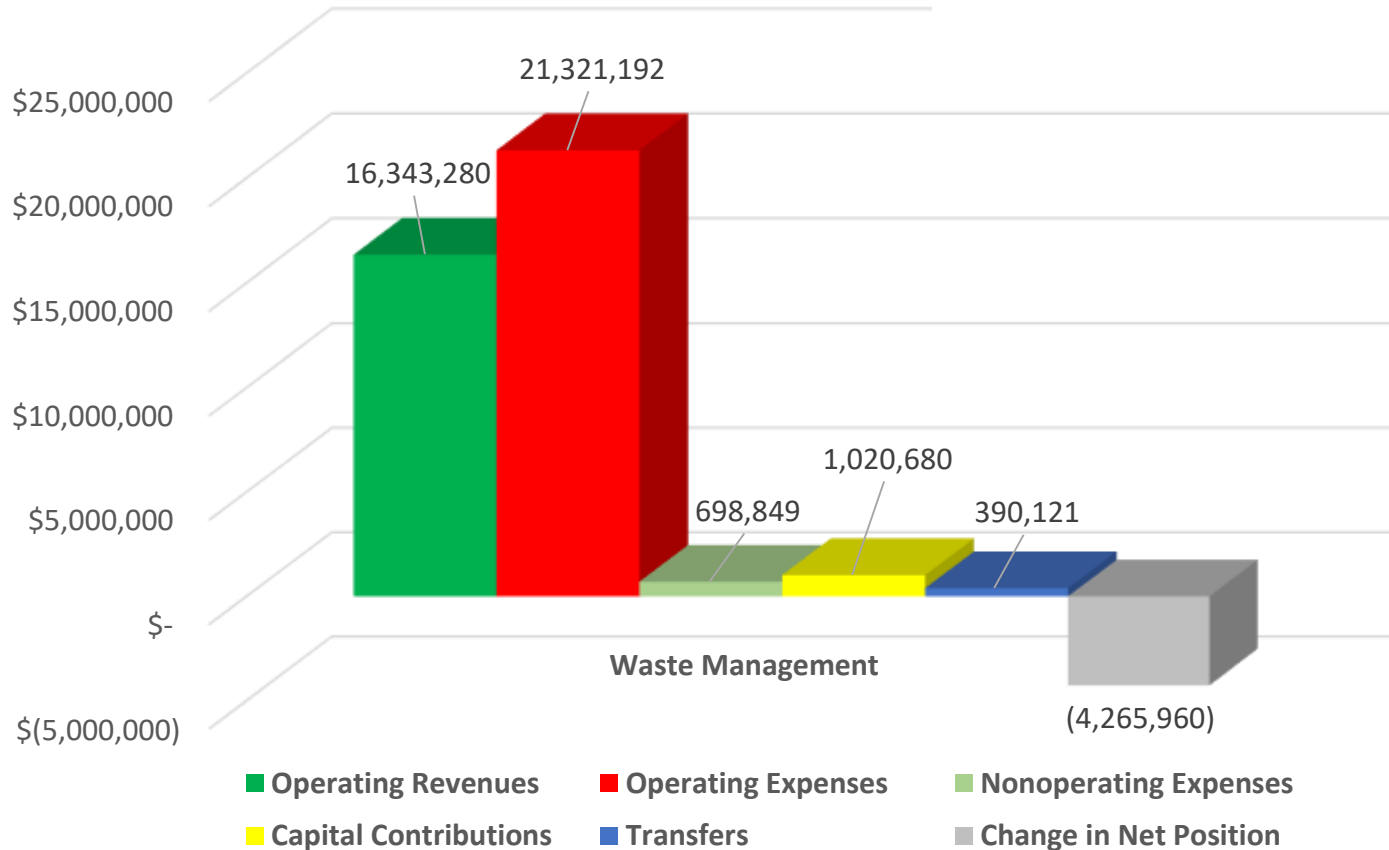
Importance of Maintaining Strong Fund Balance

- **Cash flow through second half of calendar year**
- **Significant emergencies and unanticipated expenditures (i.e. weather-related costs)**
- **Flexibility for discretionary funding needs**
- **Potential for better interest rates on debt issues**
- **Important in uncertain economic times**

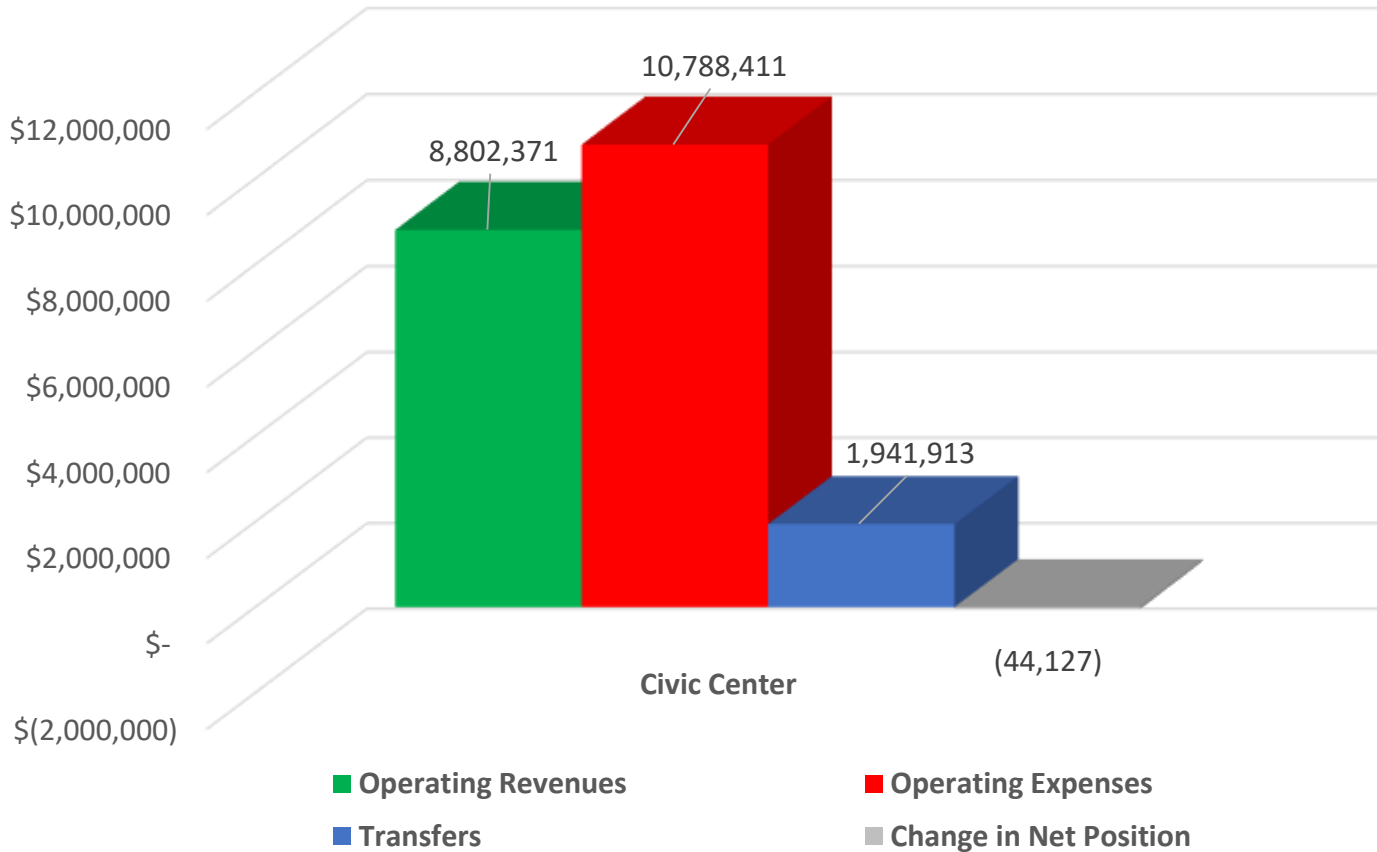
Enterprise Funds – *Statement of Net Position*



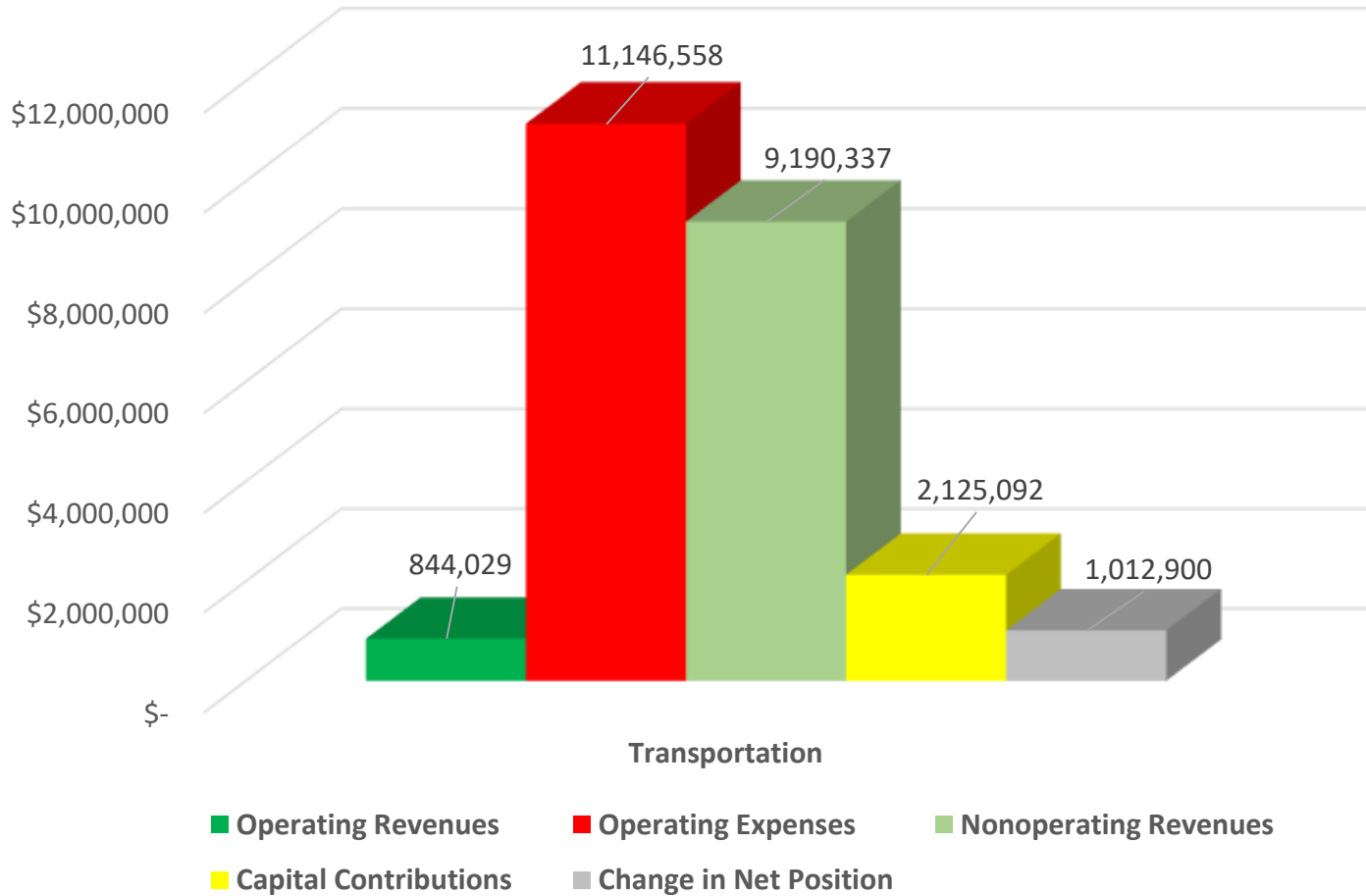
Waste Management Fund – Financial Activity



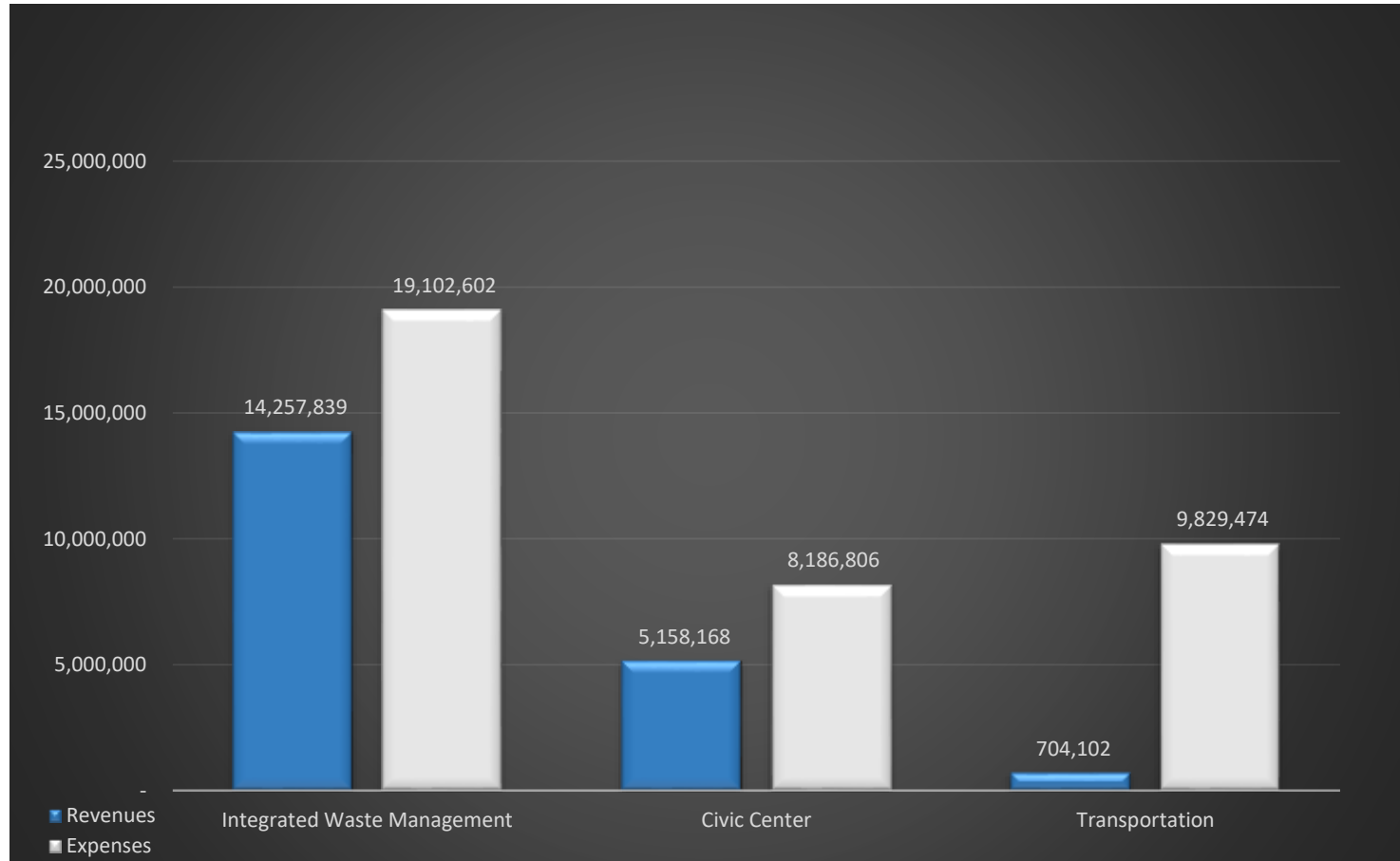
Civic Center Fund – Financial Activity



Transportation Fund – Financial Activity



Five Year Average Operations – Revenues Vs. Expenses



Management Recommendation

Observation

- The Government's enterprise funds have incurred operating losses before nonoperating revenues, capital contributions, and transfers for the past five consecutive fiscal years.
- The Waste Management Fund has a deficit net position.
- Certain funds rely on recurring tax subsidies or transfers to support ongoing operations.

Why This Matters

- Sustained operating losses – even when offset by recurring subsidies – shifts a portion of service costs from users to broader governmental funding sources
- Ongoing reliance on transfers or nonoperating revenues creates dependence on funding sources that may be subject to economic, policy, or legislative changes.
- Structural operating trends limit flexibility to address capital needs, deferred maintenance, and future operational pressures.

Recommendation

- Formally document and periodically reassess enterprise fund funding assumption, including:
 - The role, magnitude, and expected duration of any General Fund support or tax subsidies
 - Evaluate sustainability using a multi-year framework, including the implications of deficit net positions

Required Communications

- **Clean Opinion and No Material Weaknesses or Significant Deficiencies**
- **We Received Full Cooperation from Management and Staff**
- **No Disagreements with Management**
- **No Significant Issues Discussed with Management**
- **No Uncorrected Misstatements**
- **We are Independent of the Government as Required by Government Auditing Standards**

Why This Matters

- **Provides Transparency and Accountability to the Public**
- **Protects Taxpayer Resources**
- **Supports Strong Bond Ratings**
- **Preserves Financial Flexibility**
- **Reflects Sound Governance and Oversight**

Closing

We appreciate the opportunity to serve the Columbus Consolidated Government and look forward to serving the Government in the future.

