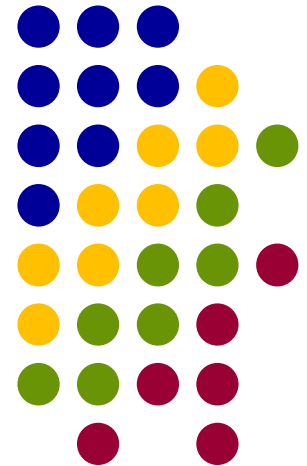
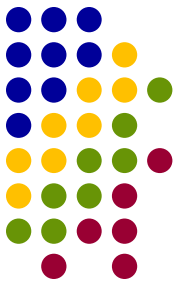


CCG Audit Process Update

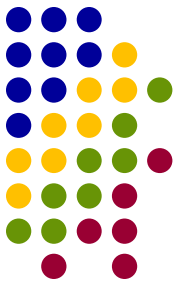
Presented: December 15, 2020





Annual External Audit Objective

- The objective of the external audit is to obtain reasonable assurance (not absolute assurance) as to whether the financial statements are free of material misstatement caused by error or fraud.
- The role of an external auditor is to provide independent assurance that management has, in its financial statements, presented a “true and fair” view of the organization’s financial position and performance.



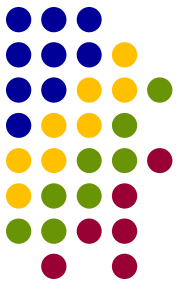
Annual Audit Requirements

- Per O.C.G.A 36-81-7, an annual audit of the financial statements for local units of government is required. The local government unit consists of the City and the following component units:
 - Trade Center Authority
 - Columbus Golf Authority
 - Columbus Convention & Visitor's Bureau
 - Hospital Authority of Columbus
 - Columbus Water Works
 - Columbus Airport Commission
 - Columbus Department of Health



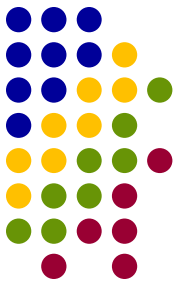
Audit Reporting Requirements

- O.C.G.A 36-81-7, also requires that the annual audit report be submitted to the state auditor within 180 days after the close of each fiscal year.
- Failure to file will require the local government to publish 2 newspaper advertisements stating that it has failed to comply.
- No state agency shall make or transmit any state grant funds to any local government which has failed to provide all the audits required by law within the preceding five years.



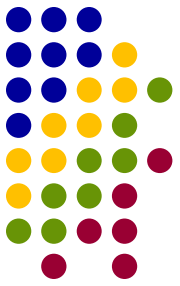
Audit Reporting Requirements

- The state auditor may grant a hardship extension by allowing additional time to submit the audit report not to exceed 180 days.
 - By executive order due to the Covid-19 pandemic, a 90-day extension has been granted from the state auditor.
- This extension does not apply to other state or federal agencies.
- Continuing disclosure requirements related to all bonded debt must still be adhered to.



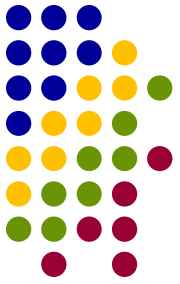
Continuing Disclosure Requirements

- Continuing disclosure requirements are required to be posted online within 6 months of the end of the fiscal year.
- Timely submissions of event disclosures to the EMMA website are critical for the overall transparency of the municipal securities market.
- These disclosures alert investors and other market participants such as bond rating agencies to important information that can have an impact on their assessment of municipal bonds or the issuer.



Potential Non-Compliance Issues

- Component units are required to submit their audited financial statements to CCG no later than November 30th to be included in the CAFR (Comprehensive Annual Financial Report).
- CCG and each component unit must publicly file an event disclosure for failure to provide annual financial information if the CAFR is not posted timely to the EMMA website.
- Event disclosures must be reported for the next several years in any new official statements issued for any new bonded debt.
- Event disclosures could adversely impact the credit standing of CCG with bond rating agencies which could ultimately lead to the issuance of bonds with a higher interest rate.



Questions?