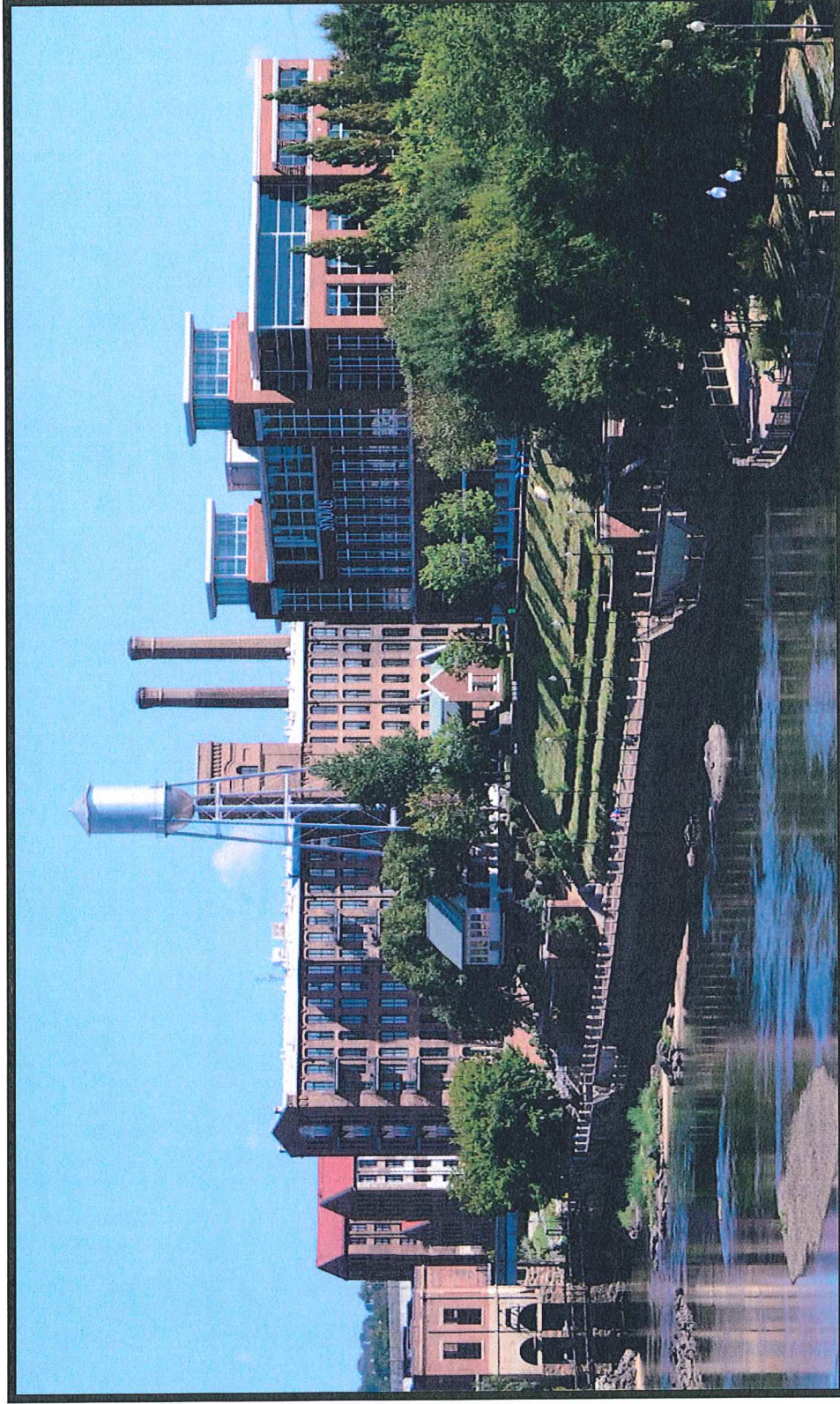


Columbus Consolidated Government

Financial & Compliance Audit Summary – June 30, 2019



M **AULDIN**
& **JENKINS**
CERTIFIED PUBLIC ACCOUNTANTS, LLC

Presented by:
Miller Edwards

Purpose of Today's Presentation (Page 1)

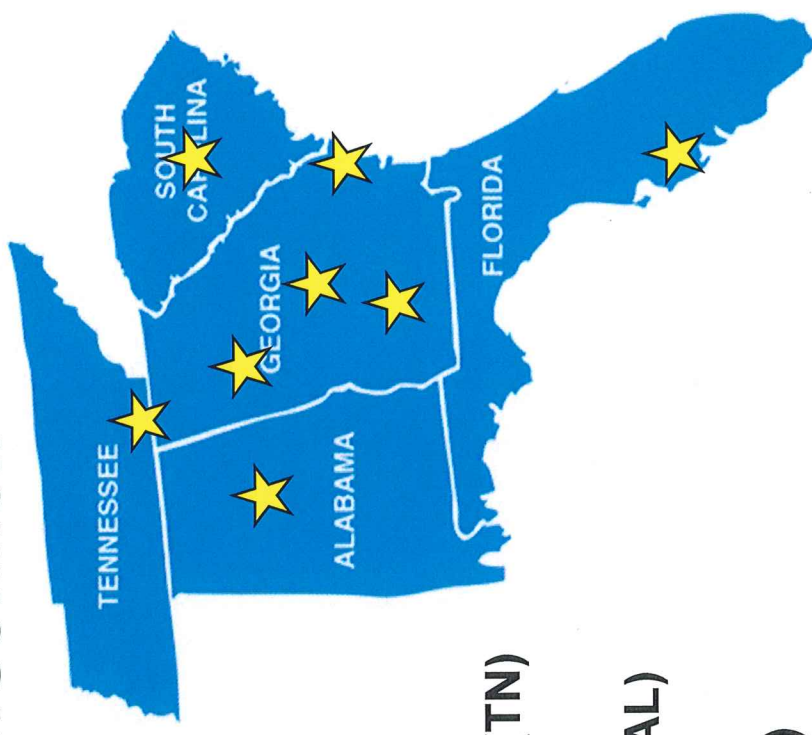
Overview of:

- **Engagement Firm**
- **Comprehensive Annual Financial Report**
- **Audit Opinion (Financial / Compliance)**
- **Financial Statements Highlights**
- **Other Audit Communications**
- **Recommendations for Improvement**
- **Other Matters**



Engagement Team = Large Regional Firm (Page 2)

- **Founded ~ 1918 --- 300 Personnel.**
- **Top 100 Firm in USA.**
- **Based in Georgia.**
 - 1) Macon
 - 2) Atlanta
 - 3) Savannah
 - 4) Albany
 - 5) Columbia (SC)
 - 6) Chattanooga (TN)
 - 7) Birmingham (AL)
 - 8) Bradenton (FL)



*Financial & Compliance Audit
June 30, 2019*

Governments Served (Page 2)

- **Over 100,000 hours of service annually**
(30% of Firm practice).
- **Approximately 480 state and local governments currently served, including:**
 - 125 Cities -- 55 Counties -- 55 BOE's
 - 40 State -- 205 Special Purpose Entities
- **GFOA Certificate received by ~130 clients.**



*Financial & Compliance Audit
June 30, 2019*

Experience with Large Counties

Columbus-Muscogee = 190,000 Population

1) Gwinnett Co. (920,000)	8) Forsyth Co. (230,000)	15) Newton Co. (110,000)
2) DeKalb Co. (750,000)	9) Richmond Co. (200,000)	16) Whitfield Co. (105,000)
3) Greenville Co., SC (510,000)	10) Beaufort Co., SC (190,000)	17) Floyd Co. (100,000)
4) Hamilton Co., TN (360,000)	11) Paulding Co. (160,000)	18) Rockdale Co. (90,000)
5) Chatham Co. (290,000)	12) Macon-Bibb Co. (155,000)	19) Dougherty Co. (90,000)
6) Clayton Co. (285,000)	13) Douglas Co. (145,000)	20) Walton Co. (70,000)
7) Cherokee Co. (250,000)	14) Athens-Clarke Co. (130,000)	21) Spalding Co. (65,000)
		Avg. 248,000 ⁴



Financial & Compliance Audit
June 30, 2019

Audit Opinion (Page 4)

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

Financial Statements - *The financial statements of the County are considered to present fairly, in all material respects*

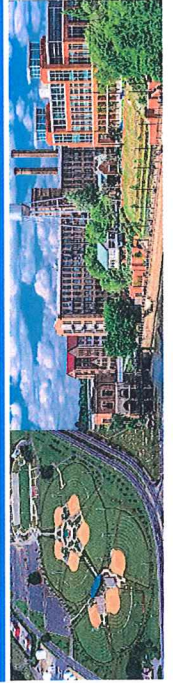
Federal Pgms. ~\$9M with 2 Major Pgms (DOL – WIOA and DOT Highway Planning & Construction Grants) = ~\$4.2M - Complied, in all material respects.....



*Financial & Compliance Audit
June 30, 2019*

Award for CAFR (Page 5)

- Columbus has prepared a Comprehensive Annual Financial Report for approx. 30 Years.
- Awarded Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).



*Financial & Compliance Audit
June 30, 2019*

Overview of Financial Statements (Page 6)

- **Government-wide financial statements (full accrual = commercial like)**
- **Primary government financial statements**
- **Component units' financial statements (Water Works, Hospital Auth., etc.)**
- **Fund financial statements (General Fund, Special Projects Fund and T-SPLPOST Fund, Waste Mgmt., Civic Center, Transportation, and Non-major funds & fiduciary funds)**
- **SPLPOST reports and Single Audit reports**



*Financial & Compliance Audit
June 30, 2019*

Entity-Wide Financial Statements (Page 6)

	<u>Primary Gov</u>	<u>Comp Units</u>	<u>Aggregate</u>
• Assets	\$751 million	\$854 million	\$1.605 billion
• Capital Assets	\$531 million	\$649 million	\$1.180 million
• Liabilities	\$398 million	\$371 million	\$769 million
• Net Position	\$353 million	\$483 million	\$836 million
• Revenues	\$299 million	\$153 million	\$452 million
• Expenses	\$288 million	\$143 million	\$282 million
• Change	\$11 million	\$10 million	\$21 million



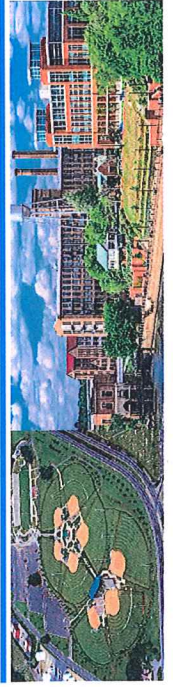
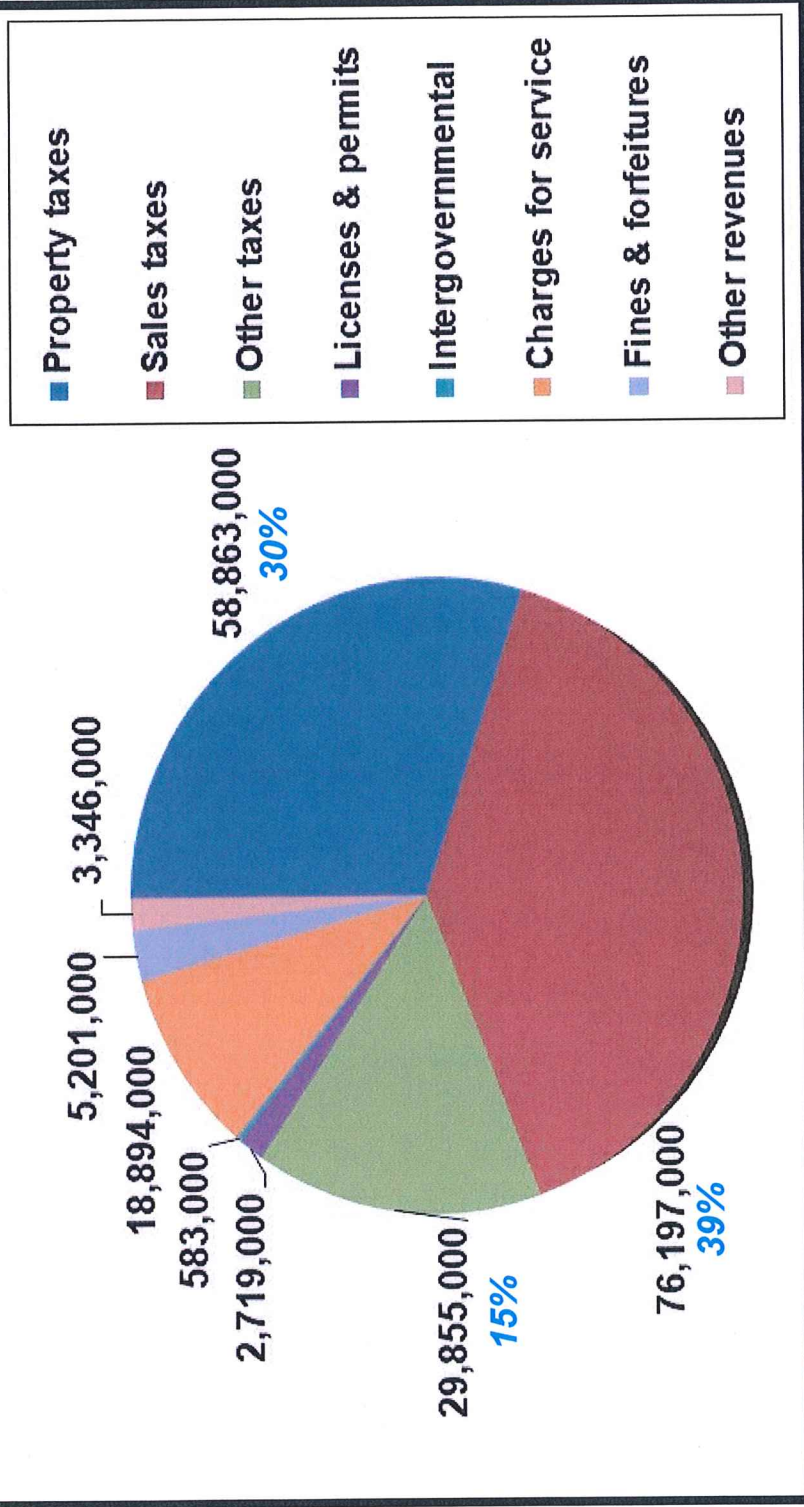
Primary Government Inflows/Outflows

- *Change = Net Income* **\$11 million**
- *Proceeds from LT Debt* **\$8 million**
- *Add-back Depreciation* **\$27 million**
- **Resources Available** **\$46 million**
- *Purchase of Capital Assets* **\$45 million**
- *Payments on L/T Debt* **\$7 million**
- **Resources Utilized** **\$52 million**
- *Use of Savings* **(\$6 million)**



General Fund Financial Statements (Page 8)

General Fund Revenues

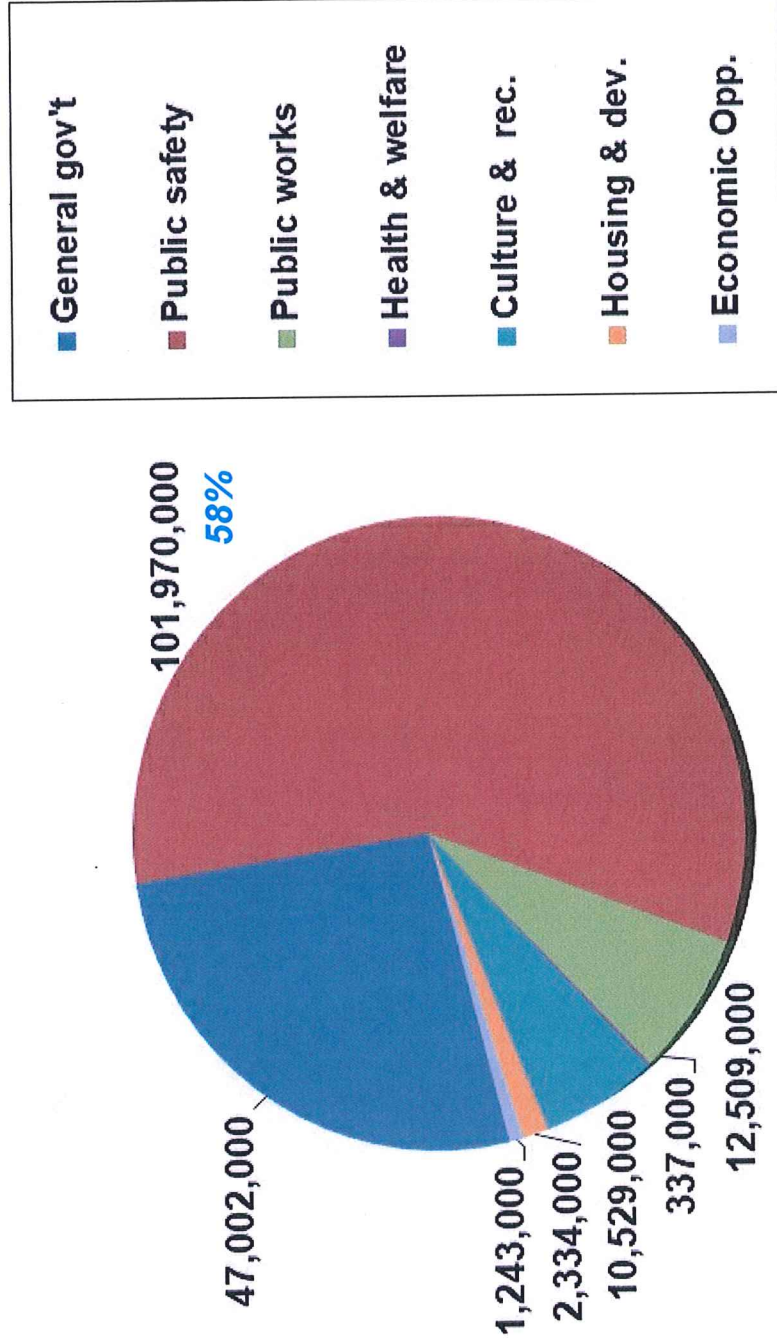


*Financial & Compliance Audit
June 30, 2019*



General Fund Financial Statements (Page 8)

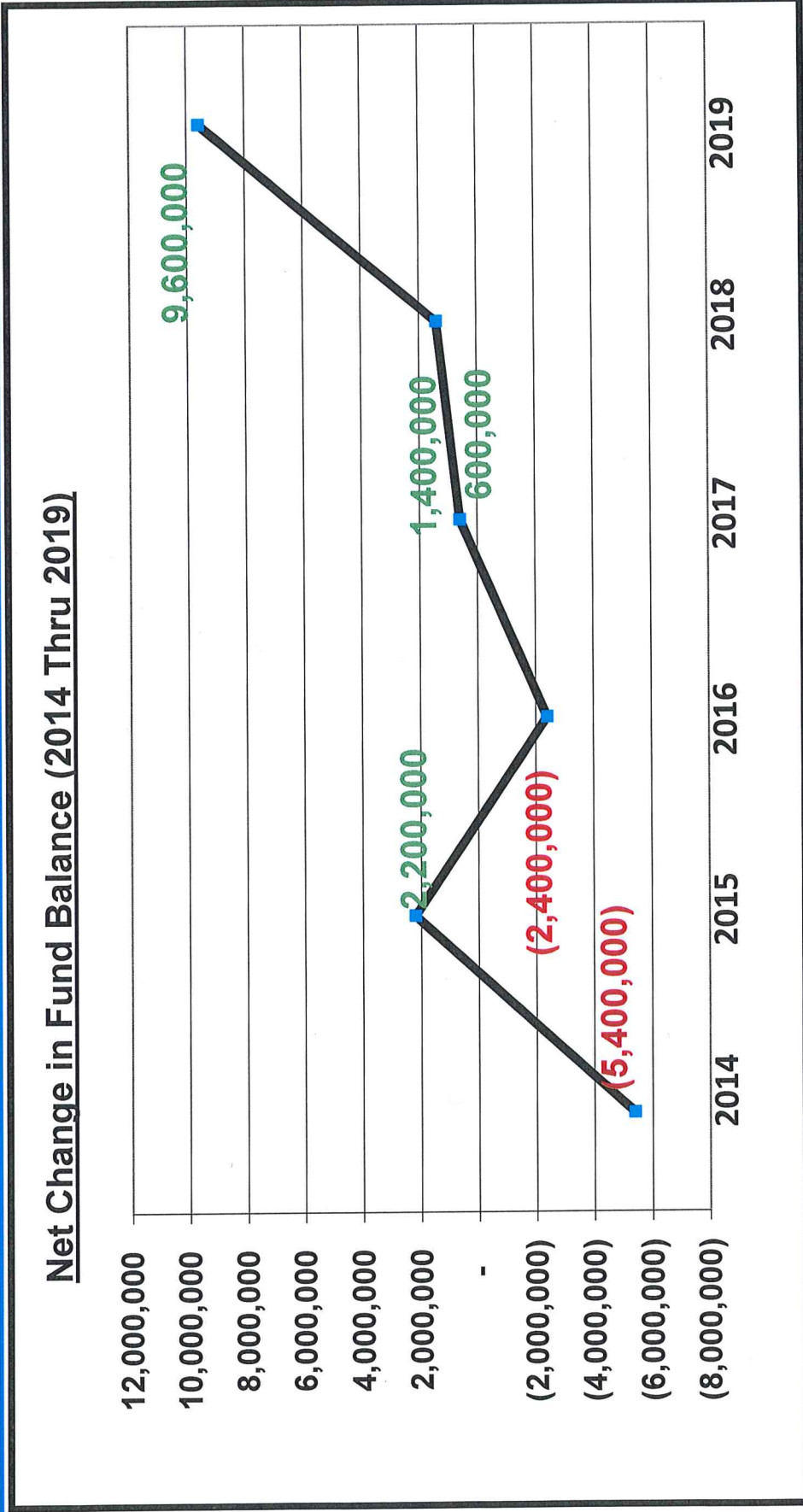
General Fund Expenditures



*Financial & Compliance Audit
 June 30, 2019*



General Fund Financial Statements (Page 9)



Financial & Compliance Audit
June 30, 2019



General Fund Financial Statements (Page 9)

The following is the relative percentage of fund balance as compared to annual expenditures as of June 30, 2019:

\$55,000,000 = 31% = 115 Days

Important to reflect that fund balance does not always equate to cash & investments. Fund balance is simply the difference in all assets and all liabilities.

Cash and investments amount to \$47,000,000 and are simply components of this equation.



*Financial & Compliance Audit
June 30, 2019*



Other Funds and Footnotes

- Special Revenue Funds
- Debt Service Fund
- Capital Projects Funds
- Permanent Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds

Footnotes provide greater insight into the numbers



*Financial & Compliance Audit
June 30, 2019*

Compliance Reports, Scopes & Req. Comm. (Pages 10 - 13)

Yellow Book Report

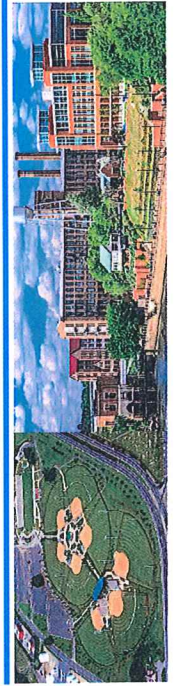
Report on general internal controls and compliance with laws and regulations

Single Audit Report

Report on compliance and controls regarding the Federal Award programs tested

Required Communications

No matters noted for greater communication to Commission



*Financial & Compliance Audit
June 30, 2019*

Management Points = Recommendations (Page 14 to 17)

- 1) Superior Court – Manual Records Noted – Need for Better Use of Technology to Mitigate Errors.**
- 2) Superior Court & Magistrate Court – Unclaimed Property**
- 3) Superior Court, Magistrate Court, Probate Court, Municipal Court and County Jail – Various Segregation of Duties**
- 4) Tax Commissioner – Need for More Timely Prepared and Reviewed Financial Information and Better Cash Flow Mgmt.**
- 5) Municipal Court – Deposit Errors Noted – Need for Better Controls**
- 6) Pooled Cash Reconciliation – Segregation of Duties and Timely Preparation Needed**



*Financial & Compliance Audit
June 30, 2019*



New Standards for Reporting (Page 17 - 23)

- **6-30-20 - Fiduciary Activities (Elected Officials, DC Plans, Etc.)**
- **6-30-20 - Majority Equity Interests**
- **6-30-21 - Leases (as Lessor and Lessee)**
- **6-30-21 - Interest Costs During Construction**
- **6-30-22 - Conduit Debt Obligations**
- **Pending - Re-Examination of the Financial Reporting Model.**
- **Pending - Conceptual Framework.**
- **Pending - What is a Revenue or Expense?**



Newsletters, Free Continuing Ed., Closing (Pages 24 - 27)

Newsletters

Written by M&J on topics pertinent to local governments in Georgia.

Free Continuing Education

Since March 2009, quarterly continuing education is provided by M&J to government clients.

Closing

Thank, Questions, Thoughts.



*Financial & Compliance Audit
June 30, 2019*