City of St. Marys, Georgia

Presentation to City Council
Year Ended June 30, 2013

February 3, 2014

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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Overview of Presentation

I. Carr, Riggs & Ingram, LLC
II. Audit Approach
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IV. Water & Sewer Fund
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Carr, Riggs & Ingram, LLC

- **3rd** largest CPA Firm in the South and **28th Largest** Nationally
- **41** Locations in **9** States
- **1000+** Professionals and **165** Partners
- **200+** Governmental Clients

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City of St. Marys, Georgia

Audit Approach

Risk Based Audit Approach

Cascade effect of Sarbanes-Oxley

Standards require auditors to:

- Understand the entity and its environment, including internal control
- Perform rigorous risk assessments
- Provide linkage of assessed risks to audit procedures

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Audit Approach

Understanding the Internal Controls

- Evaluate how key controls are designed
- Perform walkthroughs on key controls
- Determine if key controls have been implemented

Risk Assessment

- Economic conditions
- Revenue recognition
- Accounts payable cut off
- Compliance with laws and regulations

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Audit Approach

Audit procedures to address risks

- Testing of accounts receivable and revenue recognition
- Testing of accounts payable for unrecorded liabilities
- Compliance testing of sales tax expenditures

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General Fund

	2013 Budget	2013 Actual	2012 Actual
Revenues	$ 8,338,000	$ 8,594,000	$ 8,892,000
Expenditures	8,841,000	8,143,000	8,203,000
Excess	(503,000)	451,000	689,000
Issuance of Debt	-	-	120,000
Transfers In	299,000	192,000	306,000
Transfers Out	(35,000)	(23,000)	(14,000)
Surplus	$ (239,000)	620,000	1,101,000
Fund balance, Beginning		4,461,000	3,360,000
Fund balance, Ending		$ 5,081,000	$ 4,461,000

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General Fund

Revenues – Budget vs. Actual

	2013 Budget	2013 Actual	Variance
Revenues			
Property Taxes	$ 3,007,000	$ 3,269,000	$ 262,000
Local Option Sales Taxes	1,950,000	1,905,000	(45,000)
Other Taxes	1,990,000	1,999,000	9,000
Licenses and Permits	321,000	348,000	27,000
Court Fines and Fees	391,000	370,000	(21,000)
Charges for Services	108,000	68,000	(40,000)
Other, Net	571,000	635,000	64,000
Total	$ 8,338,000	$ 8,594,000	$ 256,000

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General Fund

Expenditures – Budget vs. Actual

	2013 Budget	2013 Actual	Variance
Expenditures			
General Government	$ 1,954,000	$ 1,733,000	$ (221,000)
Public Safety	3,923,000	3,795,000	(128,000)
Public Works	1,723,000	1,500,000	(223,000)
Judicial	221,000	188,000	(33,000)
Health and Welfare	117,000	111,000	(6,000)
Culture and Recreation	347,000	303,000	(44,000)
Housing and Development	503,000	460,000	(43,000)
Debt Service	53,000	53,000	-
Total	$ 8,841,000	$ 8,143,000	$ (698,000)

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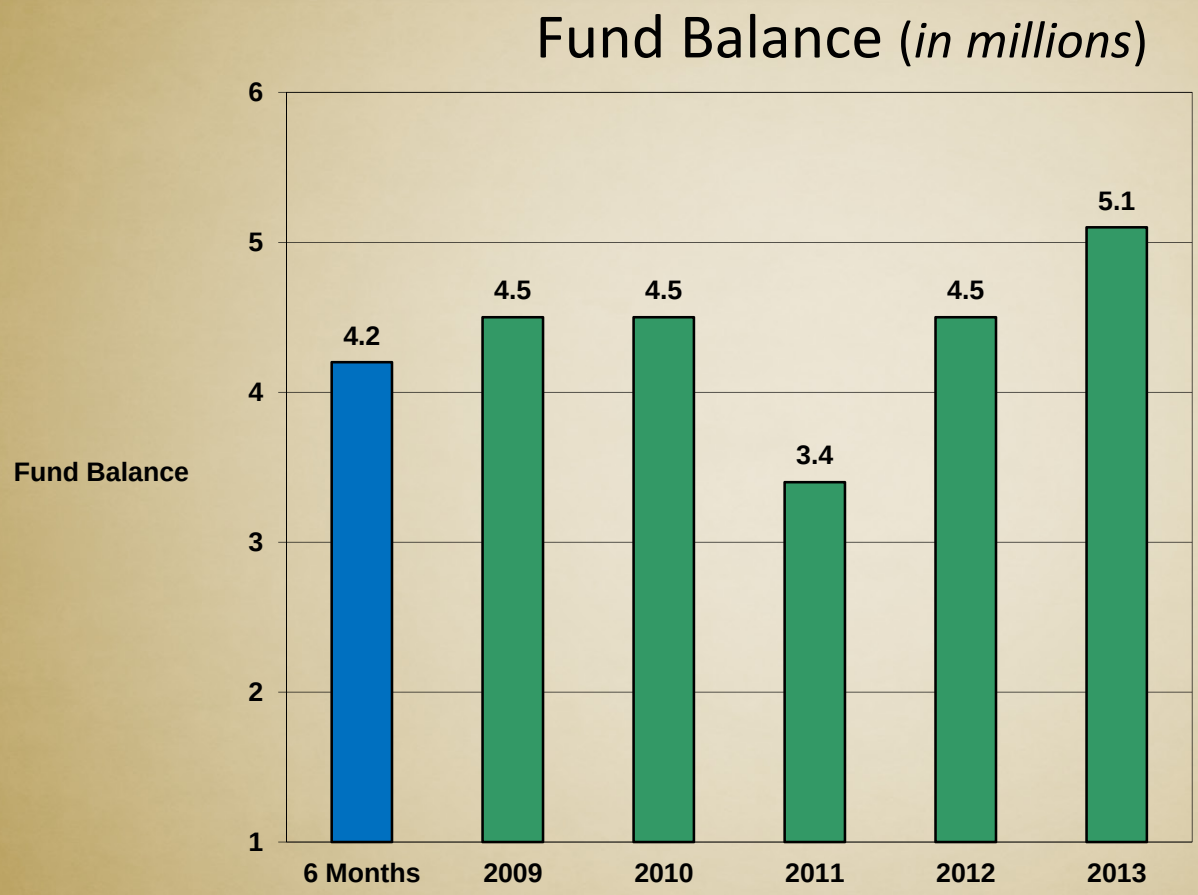
General Fund



Expenses average $700,000 per month. Property tax collections occur primarily in December and January.

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Water & Sewer Fund

Operating Results

	2013	2012
Revenues	$ 6,068,000	$ 6,251,000
Expenses	5,754,000	5,749,000
Operating Income (Loss)	314,000	502,000
Other Income (Expense)	52,000	25,000
Interest Expense	(2,292,000)	(2,319,000)
Capital Contributions	67,000	11,000
Change in net position	(1,859,000)	(1,781,000)
Net position, beginning of year	36,154,000	37,935,000
Implementation of GASB 65	(299,000)	-
Net position, end of year	$ 33,996,000	$ 36,154,000

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Water & Sewer Fund

	2013	2012	Difference
Operating Cash Flow			
Operating income	$ 314,000	$ 502,000	$ 188,000
Depreciation	2,518,000	2,540,000	22,000
Other, net	(84,000)	155,000	239,000
	2,748,000	3,197,000	449,000
Financing Cash Flow			
Principal payments	(530,000)	(593,000)	(63,000)
Interest payments	(2,181,000)	(2,191,000)	(10,000)
Trust fund settlement	3,099,000	-	(3,099,000)
Other, net	28,000	59,000	31,000
	416,000	(2,725,000)	(3,141,000)
Investing and Other Cash Flow			
Other, net	88,000	150,000	62,000
Net change in cash	3,252,000	622,000	(2,630,000)
Cash, beginning of year	5,374,000	4,752,000	
Cash, end of year	$ 8,626,000	$ 5,374,000	
Restricted Cash	$ 4,975,000	$ 1,624,000	

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Solid Waste Fund

Operating Results

	2013	2012
Revenues	$ 1,067,000	$ 1,070,000
Expenses	987,000	1,143,000
Operating Income (Loss)	80,000	(73,000)
Capital Contributions	-	-
Change in net position	80,000	(73,000)
Net position, beginning of year	350,000	423,000
Net position, end of year	$ 430,000	$ 350,000

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Capital Assets

	Governmental	Business	Total
Land	$ 1,799,000	$ 847,000	$ 2,646,000
Construction in Progress	433,000	438,000	871,000
Buildings	6,789,000	8,106,000	14,895,000
Improvements	6,408,000	-	6,408,000
Machinery and Equipment	8,234,000	3,907,000	12,141,000
Infrastructure	10,601,000	89,562,000	100,163,000
Total	$ 34,264,000	$ 102,860,000	$ 137,124,000

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Long-Term Debt

	Governmental	Business	Total
Revenue Bonds 1992	$ -	$ 2,130,000	$ 2,130,000
Revenue Bonds 2010	-	41,455,000	41,455,000
Notes Payable	51,000	4,134,000	4,185,000
Compensated Absences	274,000	-	274,000
Total	$ 325,000	$ 47,719,000	$ 48,044,000

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Required Communications

Our required formal communication with those charged with governance is addressed in a separate report and covers the following:

- Significant Audit Findings (Significant estimates and disclosures)
- Corrected and Uncorrected Misstatements
- Difficulties Encountered (None)
- Disagreements with Management (None)

Internal Control Matters

- None reported

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