COUNTY AGENDA REQUEST

Department:	Tax Assessors	Presenter(s):	Chief Assessor Joel T. Benton
Meeting Date:	Thursday, October 23, 2014	Type of Request:	Consent

Wording for the Agenda:

Approval of the disposition of tax refunds in the aggregate amount of $1,429.00.

Background/History/Details:

When a taxpayer feels that an error has occurred with respect to taxes paid to Fayette County on Real Estate and Personal Property tax bills, they have the right to request a Refund under O.C.G.A. 48-5-380. This request is given to the Tax Assessors' Office in order to be reviewed in detail and the appropriate recommendation(s) are then forwarded to the Board of Commissioner's for their final approval of said requests.

Publix Supermarkets have requested tax refunds in an aggregate amount of $21,978.18. The Board of Tax Assessors recommends denial of this request.

The Hans R. Underset Estate has requested a tax refund in the total amount of $259.11. Mr. John Daniel and Mrs. Karen Ann Stevens have also asked for a tax refund in the amount of $1,169.89. The Board of Tax Assessors recommends approval of these requests.

What action are you seeking from the Board of Commissioners?

Approval of the disposition of tax refunds in the aggregate amount of $1,429.00.

If this item requires funding, please describe:

The funding required will be for those refund requests where the overpayment of taxes (voluntarily or involuntarily) was a direct result of property that had previously been erroneously assessed and taxes have already been collected from the taxpayer(s).

Has this request been considered within the past two years?	Yes	If so, when?	Periodically through the year(s)
Is Audio-Visual Equipment Required for this Request?*	No	Backup Provided with Request?	Yes

**** All audio-visual material must be submitted to the County Clerk's Office no later than 48 hours prior to the meeting. It is also your department's responsibility to ensure all third-party audio-visual material is submitted at least 48 hours in advance.***

Approved by Finance	Yes	Reviewed by Legal	No
Approved by Purchasing	Not Applicable	County Clerk's Approval	Yes
Administrator's Approval			

Staff Notes:

Refund Requests	BOC	10/23/2014				
Taxpayer	**Year(s)**	**Property**	**Basis for Request**	**Recommendation**	**Reason**	**Amount Per Year**
Publix Super Market #546 P1996-0514	2011 2012 2013	Business Personal Property Retail Grocery Store	Publix is requesting that deductions, particularly vendor credits taken on the company wide general ledger be allowed for reporting of their inventory for personal property ad valorem taxes as well as allocating the GA inventory from the company wide general ledger among the GA store locations. Because Publix has historically reported inventory for business property taxes based on store location physical inventories and reports; and since the store location reports do not reflect the vendor credit adjustments taken on the company wide general ledger they state inventory reported has been overstated resulting in taxes erroneously paid on inventory.	Deny	1. For ad valorem personal property tax purposes inventory is to be reported at 100% historical cost with no deductions or discounts to be taken from the 100% historical cost. 2. Actual or FIFO are acceptable accounting cost methods for reporting of inventory values. 3. Reporting of inventory based on an allocation of statewide GA inventory from company general ledger is not acceptable. Inventory should be reported from store location inventory records and physical inventory values at actual or FIFO cost. 4. Board accepted on good faith business personal property tax return (PT50P) as submitted with signed oath from taxpayer on the return with part of that oath stating the values reported within return "is the true market value therof". 5. Although, Publix has accounting methods which adjust inventory cost values, one of these adjustments being deductions for vendor credits are discounts to the 100% historical cost. The fact that Publix wants to argue that their "true up" of the inventory cost on their company wide general ledger is the true cost is an arguement of value, of which, they should have taken up when they filed their tax returns by declaring their opinion of value if it differed from the Schedule B - Inventory of the PT50P.	2011 - $1,329.59 2012 - $1,613.53 2013 - $1,183.55
Publix Super Market # 579 P1997-0383	2011 2012 2013	Business Personal Property Retail Grocery Store	Same As Above	Deny	Same As Above	2011 - $1,160.30 2012 - $1,552.26 2013 - $1,169.67

Refund Requests	BOC	10/23/2014				
Publix Super Market # 799 P2002-0643	2011 2012 2013	Business Personal Property Retail Grocery Store	Same As Above	Deny	Same As Above	2011 - $1,637.20 2012 - $1,976.67 2013 - $1,410.92
Publix Super Market # 892 P2004-0452	2011 2012 2013	Business Personal Property Retail Grocery Store	Same As Above	Deny	Same As Above	2011 - $1,371.41 2012 - $1,741.53 2013 - $1,300.32
Publix Super Market # 1087 P2005-0129	2011 2012 2013	Business Personal Property Retail Grocery Store	Same As Above	Deny	Same As Above	2011 - $1,490.76 2012 - $1,806.29 2013 - $1,234.18
Underset Hans R. Estate 05-2004-019	2011 2012 2013	Residential	Mrs. Underset, wife of deceased of Hans Underset, Jr. requests reinstatement of homestead exemption (L1) per death of husband in 2008. She was not aware that she needed to reapply for homestead upon his death.	Approve	Per acquired copy of death certificate from Probate Records, verified the date of death of Mr. Underset was September 8, 2008.	2011 - $84.51 2012 - $87.05 2013 - $87.55
Stephens, John Daniel & Karen Ann 07-1602-003	2013	Residential	On September 22, 2014, taxpayer notified Assessors' Office that the 2012 sales price was not matched for the 2013 value and is requesting a refund for tax year 2013.	Approve	After conducting research, a clerical error was made for 2013 as the 2012 sale took place on June 5, 2012 and the Assessors' Office failed to match the sale.	2013 - $1169.89

Refund Requests	BOC	10/23/2014				
Total Number Requested	19					
Total Amount Requested	$23,407.18					
Total Number Approved	4					
Total Amount Recommended for Approval	$1,429.00					

Publix Super Markets, Inc. – Partial Refund Request, Tax Years 2011-2013;
Personal Property Account Numbers: P1996-0514, P1997-0383, P2002-0643, P2004-0452, P2005-0129

First Submitted Total Tax Dollars requested for all accounts $38,514.17
(As calculated from Reconciliation of Rendered Cost of Inventory to G/L Cost report submitted with initial filing of refund request) – BTA recommends denial

Second Submitted Total Tax Dollars requested for all accounts $21,978.18
(As calculated from Revised Reconciliation of Rendered Cost of Inventory to G/L Cost report resubmitted 08.27.2014) – BTA recommends denial

June 16, 2014 – Board of Tax Assessors receives refund request letter from Ms. Selena Longway, of SC&H Group, as Tax Representative for Publix Super Markets, Inc. Basis for refund request states inventory balances previously reported by Publix are from reports that come directly from store location inventory balance reports rather than from the company wide general ledger inventory balances. The company wide general ledger inventory has several additional calculations, of which include deductions for vendor credits, thus inventory values reported were overstated. **(Attachment A)**

Attached to the letter are reports titled "Reconciliation of Rendered Cost of Inventory to G/L Cost" for each of the tax years. The report lists all the GA counties by county jurisdiction. In the column of the report titled "Adjustment Requested to Reflect Actual G/L Balance " is the 100% FMV which Publix states should be deducted from the FMV of inventory reported on the their business personal property tax returns (PT50P). This requested deduction is for vendor credits which are deducted from the company wide inventory general ledger. The last column represents the FMV of the inventory on which they are requesting to be used to for the refund request. Additionally, the report does not show the previously reported inventory balances or the requested inventory deduction nor the requested reduced FMV for the other GA counties. **(Attachment B)**

To summarize, Publix is requesting that deductions taken on the company wide inventory general ledger be allowed for the reporting of their inventory by reducing the values previously reported for vendor credits, as well as allocating the GA inventory on the company wide general ledger for each of the store locations within GA; **rather** than reporting inventory balances based on physical inventory located and calculated at the store level, at it's 100% historical cost. Based on the information in the request, it appears that Publix in their original filings were most likely reporting inventory values based upon on the inventory records and reports generated at the store level with inventory values calculated at FIFO, and as they stated was before any deductions. The latter would be the proper method in reporting inventory in GA for ad valorem tax purposes.

Notes:

The Business Personal Property Tax Return (PT50P) is very clear in the "Instruction Sheet" and" Schedule B" that inventory should be reported at 100% historical cost, with no discounts, and the only inventory valuation accounting cost method's acceptable are actual, or FIFO. LIFO is not acceptable.
(Attachment C)

1) Inventory should be reported at **100% cost** on January 1. Cost should include, but not be limited to, freight in, overhead or burden, Federal, State and Local Taxes, or any other charges imposed upon the item that makes it more valuable to the owner. Costs will be arrived at by converting anything other than current cost back to cost. "LIFO" is not acceptable. **(This means the company wide general ledger that has taken reductions to the 100% cost of inventory and then has allocated the inventory among the stores within GA is not acceptable for the reporting of inventory for ad valorem taxes in GA.)**

2) No deductions or discounts are to be taken from the 100% historical cost. **(This means vendor credits are not allowed, as they are deductions to the 100% cost of inventory, nor is LIFO accepted at arriving at inventory values for ad valorem taxes in Georgia. (LIFO generally when applied lowers inventory values.))**

   LIFO (Last in – First out) is accounting method which assumes that most recent cost or purchases, will represent any goods sold, and should be written off first.

   FIFO (First in – First out) is accounting method that assumes that cost should be charged out in the same order in which they were incurred. The oldest cost for the oldest part of an inventory will always be apportioned to any sale.

July 22, 2014 – Personal Property Appraiser, Kathleen Maddox reviews request with legal counsel. The submitted reports are missing information. BTA will request additional information.

August 4, 2014

In response, BTA asked for certified copies of the physical inventories for each location and for the time periods in question because those numbers should reflect the historical 100% cost. Failure to provide requested documents will result in recommendation of denial to BOC. Request is due September 4th. Request will be submitted to BTA September 27th, 2014 for their review and their recommendation to the BOC. **(Request for certified copies of physical inventories for each location to obtain inventory on hand as of the January 1 valuation date at the 100% historical cost of inventory) (Attachment D)**

August 27th 2014

In response to the BTA's request for physical inventories for each store location; Ms. Zhenya Egorova via email resubmits the "Reconciliation of Rendered Cost of Inventory to G/L Cost" report originally filed with refund request with revisions to the report: **(Attachment E)**

Revisions:

1) Furnishes additional information missing on the report. It shows the allocated inventory values for the all the GA counties and the requested value adjustment and requested value after the deduction for the vendor credits for all the GA counties not just Fayette. There is no information for how the inventory allocation is calculated.

2) Notes (1) – Note states historically for reporting of business personal property inventory balances the P&L report called the "GPA Gross Profit Analysis" or" Weekly Warehouse File Balance" of store-warehouse level reports were used and inventory values were calculated at FIFO **(This is precisely what Publix should be using to determine inventory values to be reported for GA ad valorem tax purposes, as according to the note, the store level reports provide physical inventories at FIFO (First In – First Out basis) before any deductions at the company wide inventory general ledger.)**

3) Notes (2) Cost/Retail adjustments represent "true-ups of the cost to retail ratio used to calculate the cost of inventory. **(Although, this may be an acceptable accounting methodology in inventory valuation. <u>This is not an acceptable method for valuation of inventory for GA ad valorem tax purposes.)</u>**

4) Additional Revisions:
   a. **Changes the total GA inventory and total out of state inventory values on the original report stating the original report included Tennessee and Alabama inventory values in the GA inventory values.** This correction increased the total GA inventory value and lowers the vendor credit values and the requested adjustment to FMV of inventory for Fayette. (Total Fayette FMV reduction with first request for all three years totaled $2,919,652.00; Total FMV reduction requested per revised report for all three years totals $1,647,230.00)
   b. Also attached to the email were computer screen print outs for the company wide store inventory general ledger, and company wide warehouse inventory general ledger to support numbers on the reconciliation report. **(There was nothing to document how the convenience store inventory balances were determined, or how the Alabama and Tennessee inventory values were determined, nor how the total out of state inventory values were determined. These values are used in the calculation of the "Total G/L Balance" on the reports.**

In email Ms. Egorova requests a telephone call to discuss the revised reconciliation report.

08/29/2014 – Kathleen Maddox, personal property appraiser responds to call request via email from Ms. Egorova and provides times available for call, and reiterates the BTA requested certified copies of the physical inventory for each location for the time periods for the refund request, and points Ms. Egorova to Schedule B of the Business Personal Property Tax Return for proper reporting of inventory for GA ad valorem tax purposes. **(Attachment F)**

09/09/2014

Ms. Selena Longway calls to explain the corrected reconciliation report and how the values on the attached copies of the company inventory GL tie to the values on the reconciliation report. She stated

they can not send requested physical inventory reports for the store location. Ms. Longway is directed to the Instruction Sheet and Schedule B of PT50P that inventory should be reported at store level, at historical cost at actual or FIFO with no deductions. Ms. Maddox explains the purpose again for the BTA's request for certified copies of physical inventories for each location. **Ms. Longway argues the deductions to "true up" the cost of inventory on the company wide general ledger represent the true value of the inventory.** Ms. Longway requests Ms. Maddox to present these documents and explain to the BTA. Ms. Maddox informs Ms. Longway she is welcome to put her explanations in writing as to why they could not provide certified copies of physical inventories. Ms. Longway was informed all documents submitted for the request would be presented to the BTA, and forwarded to the Board of Commissioners.

September 17, 2014

Receive email from Ms. Longway explaining the revision of the reconciliation report submitted in response to BTA's request. She also requests teleconference with BOC. Ms. Longway is informed that she would need to request hearing with BOC in writing. She then proceeds to request a teleconference with BTA, to present her side. She is informed BTA would be recommending a denial as the documents requested (certified copies of physical inventories for each store) were not sent; and discounted, allocated numbers from a company wide G/L are not allowed for the reporting of inventory for GA ad valorem tax purposes. Kathleen Maddox further states Publix should be reporting inventory at the store level at 100% historical costs using eithe actual or FIFO cost method without discounts. **(Attachment G)**

September 25, 2014

BTA reviews refund request and recommends denial of refund. BTA denies teleconference with Ms. Selena Longway.

Summary:

BTA recommendation is denial of the refund to Publix.

Although, Publix has accounting methods which adjust inventory cost values to their company general ledger, one of these adjustments being deductions for vendor credits, are discounts to the historical 100% cost. For the purpose of ad valorem personal property taxes, inventory is to be reported at 100% historical cost to include freight, burden, and overhead, Federal, State and Local taxes without deductions or discounts. Actual and FIFO accounting cost methods is allowed for calculating inventory cost values for ad valorem personal property taxes. Additionally, reporting of inventory values based on an allocation of statewide GA inventory from the company wide general ledger value, which has deductions to the 100% historical cost is not acceptable.

Secondly, the Board of Tax Assessors accepted the business personal property tax returns in good faith as submitted with the signed oath from taxpayer on the return. **(Meaning the oath signed by taxpayer stated the values submitted within the tax return "is the true market value therof"; Furthermore there was no detailed inventory list attached with the filed tax returns for any of the**

refund years. The inventory reported on the returns matched the numbers on summary report attached to the return.)

The fact that Publix wants to now argue that their "true up" of inventory cost on their company wide general ledger is the true inventory cost value is an argument of value, of which, they should have taken up when they filed their tax returns by declaring their opinion of values if it differed from the Schedule B –Inventory of the PT50P. There has been no clerical error by BTA, nor does an erroneous assessment exist or were taxes erroneously paid because Publix wishes to have vendor credits deducted from their inventory values reported on their 2011-2013 tax returns for GA ad valorem property taxes.

Notes:

Hall County BOC has denied refund.
Henry and Cobb BTA denied refund.
Gwinnet County denied refund.

As of date, Fayette BTA is unaware those decisions have been challenged.

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BOARD OF ASSESSORS

SC&H GROUP
Expertise That Works

June 10, 2014

Fayette County Board of Tax Assessors
140 Stonewall Avenue W.
Suite 108
Fayetteville, GA 30214

RE: Publix Super Markets, Inc.
Account #: Multiple, See Attached

To Whom It May Concern:

This letter serves as a request for business personal property refunds pursuant to O.C.G.A. Section 48-5-380 for the 2011, 2012, and 2013 tax years for certain taxes erroneously paid on inventory. In connection with the preparation of its 2014 business personal property tax returns, Publix Super Markets, Inc. ("Publix") discovered an error in the cost basis of inventory historically used for BPP reporting purposes which resulted in the reported cost of inventory being overstated as compared to Publix's general ledger balance for inventory on previously filed returns.

Publix has historically used inventory balances from two internal reports, the Gross Profit Analysis ("GPA") and Weekly Warehouse File Balance ("WWFB") reports, as the basis for personal property tax reporting. These reports are the only reports that directly provide location-level inventory balances, as general ledger inventory balances are maintained at the company level only. There are several additional calculations performed subsequent to generating these reports for purposes of arriving at the general ledger cost of inventory, including adjustments for certain vendor credits received by Publix. Because these vendor credits are not recognized in the GPA and WWFB reports, the cost of inventory that has historically been reported by Publix is overstated, and not reflective of the true general ledger balance as of the assessment date.

The enclosed inventory balances represent the actual general ledger inventory cost, as reflected in the company's books and records. We have also enclosed more detailed descriptions of the requested adjustments.

Thank you in advance for your consideration of this request for refunds. Should you need any additional information or have any questions, please call me at (410) 403-1558 or email me at slongway@scandh.com.

Very truly yours,
SC&H State & Local Tax

By: Selena G. Longway

Selena G. Longway

Enclosures

cc: John Harrer, Publix Super Markets, Inc.

Attachment A-1

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BOARD OF ASSESSORS

Property Owner's Affidavit of Evidence

Appraisal District Name: Fayette County
Address: 140 Stonewall Avenue West, Suite 108, Fayetteville, GA 30214
Phone Number: (770) 305-5402

Description of Owner and Property:
Property owner's name: Publix Super Markets, Inc.
Property owner's mailing address: 3300 Publix Corporate Parkway
City, town, state, ZIP code: Lakeland, FL 33811
Property's legal description: See Attached
Account numbers: See Attached
Type of property: Business Personal Property (Inventory)

Tax Year(s): 2011, 2012, 2013

Statement of Owner:
The 2011, 2012, and 2013 Business Personal Property Tax Returns filed by Publix Super Markets, Inc. ("Publix") with the Fayette County Board of Tax Assessors' Personal Property Division included an error in the reported cost of inventory. The inventory costs submitted herein are revised to accurately reflect the general ledger cost of as per Publix's books and records. Furthermore, the supporting documentation assembled and provided along with the claim for refund by Publix's personal property tax agent, SC&H State & Local Tax, comes directly from Publix's books and records, has been reviewed by me, and is true and accurate.

State of: Florida
County of: Polk

I, (name of person making affidavit) Gino DiGrazia being first duly placed under oath by the undersigned official authorized to administer oaths under the laws of this State, do solemnly swear that the information herein and attached is true and correct.

Gino D. Grazia Vice President of Finance
Signature and title of property owner

Attachment A-2

Subscribed and sworn before me on this 2nd day of June, 2014.

RACHEL M. BURRESS
MY COMMISSION # EE104491
EXPIRES June 19, 2015
(407) 398-0153 FloridaNotaryService.com

Rachel M. Burress
Notary Public Signature

Rachel M. Burress
Notary Public Printed Name

Commission Expires:

Attachment A-3

Publix Super Markets, Inc.
TPP Account Numbers

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Jurisdiction	Type	Publix #	TPP Account #
Fayette	Store	546	P1996-0514
Fayette	Store	579	P1997-0383
Fayette	Store	799	P2002-0643
Fayette	Store	892	P2004-0452
Fayette	Store	1087	P2005-0129

Attachment A-4

Attachment B

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BOARD OF ASSESSORS

Publix Super Markets, Inc.
Fayette County, GA
Reconciliation of Rendered Cost of Inventory to G/L Cost
as of January 1, 2011

Jurisdiction	Type	Publix #	TPP Account	12/31/10 Ending Inventory as Reported	Adjustment Requested to Reflect Actual G/L Balance	12/31/10 Ending General Ledger Inventory Cost
Barrow Total						**2,758,121**
Bartow Total						**1,015,281**
Bryan Total						**913,500**
Camden Total						**1,105,624**
Carroll Total						**1,064,712**
Chatham Total						**4,294,790**
Cherokee Total						**8,320,907**
Clarke Total						**2,059,209**
Clayton Total						**1,873,631**
Cobb Total						**28,829,392**
Columbia (GA) Total						**2,769,521**
Coweta Total						**2,918,620**
Dekalb Total						**7,859,056**
Dekalb - Audit Total						**4,115,056**
Dougherty Total						**1,008,699**
Douglas Total						**3,581,148**
Fayette	Store	0546		1,192,558	(181,614)	1,010,944
Fayette	Store	0579		1,021,579	(155,576)	866,003
Fayette	Store	0799		1,304,854	(198,715)	1,106,139
Fayette	Store	0892		1,126,457	(171,547)	954,910
Fayette	Store	1087		1,311,535	(199,733)	1,111,802
Fayette Total				**5,956,983**	**(907,185)**	**5,049,798**
Forsyth Total						**8,078,479**
Fulton Total						**27,453,736**
Glynn Total						**1,031,241**
Greene Total						**1,086,684**
Gwinnett Total						**88,083,861**
Hall Total						**5,228,257**
Henry Total						**4,521,310**
Houston (GA) Total						**2,988,535**
Jackson Total						**902,911**
Lee (GA) Total						**933,686**
Lowndes Total						**1,138,145**
Macon-Bibb Total						**1,849,184**
Muscogee Total						**3,952,201**
Newton Total						**887,389**
Oconee Total						**1,085,034**
Paulding Total						**2,751,563**
Richmond Total						**1,026,517**
Rockdale Total						**2,884,203**
Thomas Total						**922,803**
Troup Total						**711,256**
Walton (GA) Total						**949,335**
Grand Total						**238,003,393**
				Inventory from States Other than Georgia		1,291,319,826
				G/L Balance of Total Store Inventory at Cost		1,529,323,218
					Variance	-

Attachment B-1

Publix Super Markets, Inc.
Fayette County, GA
Reconciliation of Rendered Cost of Inventory to G/L Cost
as of January 1, 2012

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BOARD OF ASSESSORS

Jurisdiction	Type	Publix #	TPP Account	12/31/11 Ending Inventory as Reported	Adjustment Requested to Reflect Actual G/L Balance	12/31/11 Ending General Ledger Inventory Cost
Barrow Total						**2,756,233**
Bartow Total						**1,082,176**
Bryan Total						**929,836**
Camden Total						**1,077,389**
Carroll Total						**986,508**
Chatham Total						**4,604,524**
Cherokee Total						**8,400,325**
Clarke Total						**2,009,344**
Clayton Total						**1,883,490**
Cobb Total						**28,181,667**
Columbia (GA) Total						**2,850,940**
Coweta Total						**2,991,653**
Dekalb Total						**8,002,205**
Dekalb - Audit Total						**4,240,948**
Dougherty Total						**975,798**
Douglas Total						**3,647,613**
Fayette	Store	0546		1,216,257	(208,765)	1,007,492
Fayette	Store	0579		1,133,240	(194,515)	938,725
Fayette	Store	0799		1,344,189	(230,724)	1,113,465
Fayette	Store	0892		1,204,851	(206,807)	998,044
Fayette	Store	1087		1,345,433	(230,937)	1,114,496
Fayette Total				**6,243,970**	**(1,071,748)**	**5,172,222**
Forsyth Total						**8,111,164**
Fulton Total						**27,236,595**
Glynn Total						**1,050,852**
Greene Total						**984,617**
Gwinnett Total						**92,213,267**
Hall Total						**5,297,170**
Henry Total						**4,519,786**
Houston (GA) Total						**2,879,905**
Jackson Total						**872,628**
Lee (GA) Total						**969,277**
Lowndes Total						**1,250,168**
Macon-Bibb Total						**1,821,265**
Muscogee Total						**3,183,225**
Newton Total						**886,812**
Oconee Total						**1,064,153**
Paulding Total						**2,720,327**
Richmond Total						**1,064,531**
Rockdale Total						**2,748,933**
Thomas Total						**971,176**
Troup Total						**773,837**
Walton (GA) Total						**1,000,203**
Grand Total						**241,412,759**
				Inventory from States Other than Georgia		1,346,598,902
				G/L Balance of Total Store Inventory at Cost		1,588,011,660
					Variance	-

Attachment B-2

Publix Super Markets, Inc.
Fayette County, GA
Reconciliation of Rendered Cost of Inventory to G/L Cost
as of January 1, 2013

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FAYETTE COUNTY
BOARD OF ASSESSORS

Jurisdiction	Type	Publix #	TPP Account	12/31/12 Ending Inventory as Reported	Adjustment Requested to Reflect Actual G/L Balance	12/31/12 Ending General Ledger Inventory Cost
Barrow Total						**2,843,583**
Bartow Total						**1,128,104**
Bryan Total						**996,007**
Camden Total						**1,071,975**
Carroll Total						**1,026,014**
Chatham Total						**4,829,599**
Cherokee Total						**8,821,249**
Clarke Total						**2,232,646**
Clayton Total						**1,921,106**
Cobb Total						**29,086,288**
Columbia Total						**2,848,460**
Coweta Total						**3,158,487**
Dekalb Total						**8,423,969**
Dekalb - Audit Total						**4,147,797**
Dougherty Total						**1,026,920**
Douglas Total						**3,611,518**
Fayette	Store	0546		1,246,456	(186,057)	1,060,399
Fayette	Store	0579		1,199,376	(179,029)	1,020,347
Fayette	Store	0799		1,335,135	(199,294)	1,135,841
Fayette	Store	0892		1,254,696	(187,287)	1,067,409
Fayette	Store	1087		1,266,528	(189,053)	1,077,475
Fayette Total				**6,302,191**	**(940,719)**	**5,361,472**
Forsyth Total						**8,419,301**
Fulton Total						**28,863,116**
Glynn Total						**995,659**
Greene Total						**1,009,231**
Gwinnett Total						**90,295,685**
Hall Total						**5,573,263**
Henry Total						**4,791,184**
Houston Total						**2,937,104**
Jackson Total						**903,326**
Lee Total						**1,019,767**
Lowndes Total						**1,258,407**
Macon-Bibb Total						**1,921,920**
Muscogee Total						3,263,757
Newton Total						**889,617**
Oconee Total						**1,140,904**
Paulding Total						**2,842,539**
Richmond Total						**1,030,422**
Rockdale Total						**2,929,129**
Thomas Total						**999,654**
Troup Total						**765,776**
Walton Total						**1,011,796**
Grand Total						**245,396,752**
				Inventory from States Other than Georgia		1,405,608,515
				G/L Balance of Total Store Inventory at Cost		1,651,005,267
					Variance	-

Attachment B-3

INSTRUCTION SHEET

INSTRUCTIONS FOR PAGE ONE - BUSINESS PERSONAL PROPERTY TAX RETURN

1. If taxpayer name or address has changed or is incorrect, provide correct name and address in the space provided.
2. To avoid a 10% penalty on assets that have not been previously returned, this return must be filed no later than date listed under the due date column on page one.
3. Taxpayer return value: Georgia Law (O.C.G.A.§ 48-5-6) requires the taxpayer to return property at its fair market value. If the values indicated from Schedules A, B, or C do not in your opinion reflect fair market value, you may list your opinion here. Attachments must be provided by you listing the reasons for change.
4. Value from Schedule A, B, & C: Schedules A, B, & C should be completed and the total values from these schedules should be listed in this column.
5. Taxpayers Declaration: This declaration must be signed by the taxpayer or agent and dated in order for this to be a valid return.

INSTRUCTIONS FOR PAGE TWO - GENERAL INFORMATION AND IMPORTANT INFORMATION

1. The information requested in the general information section is very important. This area should be completed in detail. The information in this section is open for public inspection.
2. The information found in the reference information section may be of great interest to the taxpayer. This section contains information about various laws and exemptions that may be available to the taxpayer.

INSTRUCTIONS FOR PAGE THREE - SCHEDULE A - FURNITURE / FIXTURES / MACHINERY / EQUIPMENT

1. This section provides for the uniform calculation of value for all assets of the business owned on January 1 of this year. Expensed assets as well as capitalized assets should be listed and valued using indicated schedule. Leasehold improvements personal property in nature and trade fixtures should also be reported on this schedule. Leasehold improvements such as walls, doors, floor covering, electrical, plumbing, heating and air distribution systems, ceiling and lighting that are attached to and form an integral part of the building should not be reported as personal property.
2. The indicated basic cost approach value of assets for tax purposes is computed by multiplying the total adjusted original cost new by the composite conversion factor of each year's acquisition listed in the appropriate economic life group. Cost amounts are subject to audit. Cost should include installation, trade-in allowances, sales tax, investment credits, transportation, etc.
3. Internal Revenue Service Publication 946 "How to Depreciate Property" Appendix B - Table of Class Lives and Recovery Periods - column headed "Class Life in Years", should be used for determining the economic life group of an asset for Ad Valorem Tax purposes. See examples of economic life groups listed below. ACRS and MACRS should not be used for determining the economic life of an asset for Ad Valorem Tax purposes.
4. Deduct cost of items disposed of or transferred out from the cost of assets acquired during the corresponding year; add cost of items transferred in. (Disposals include only those items which have been sold, junked, transferred or otherwise no longer located at the business on January 1, this year). List disposals and items transferred in or out and reasons for disposals or transfer on page 4 under sections three or four.
5. A copy of the most current asset listing indicating the date of acquisition, original cost, and description of each asset should be submitted with this schedule. If an asset listing is not available please submit a copy of your most current I.R.S. form 4562 Depreciation Schedule and all supplemental schedules utilized to develop depreciation deduction for A.C.R.S. assets and assets listed under the column headed "Other Depreciation" as well as supplemental depreciation schedule used for M.A.C.R.S. assets. This information is needed for verification purposes and is not available for public inspection (O.C.G.A.§ 48-5-314).

DEPRECIATION GROUPING EXAMPLES

GROUP 1: ECONOMIC LIFE OF 5-7 YEARS	GROUP 2: ECONOMIC LIFE OF 8-12 YEARS	GROUP 3: ECONOMIC LIFE OF 13 YEARS OR MORE	GROUP 4: ECONOMIC LIFE OF 1-4 YEARS ALSO ASSET CLASS 00.12 IRS PUBLICATION 946
1) Copiers, Duplicating Equip., Typewriters	1) Office Furniture, Fixtures and Equipment	1) Petroleum Refining Equipment	1) Computers - Non Production
2) Calculators, Adding and Accounting Machines	2) Agriculture Machinery and Equipment	2) Grain and Grain Mill Products (Mfg.)	2) Peripheral Computer Equipment
3) Electronic Instrumentation Mfg.	3) Recreation or Entertainment Services	3) Mfg. of Sugar and Sugar Products	3) Jigs, Dies, Molds, Patterns
4) Construction Equipment	4) Mining and Quarrying	4) Mfg. of Vegetable Oils and Products	4) Special Tools and Gauges
5) Timber Cutting Equipment	5) Mfg. of Textile Products	5) Mfg. of Tobacco and Tobacco Products	5) Returnable Containers
6) Mfg. of Electronic Components & Products	6) Mfg. of Wood Products and Furniture	6) Mfg. of Pulp and Paper	6) Special Transfer and Shipping Devices
7) Radio and T.V. Broadcasting Equipment	7) Permanent Sawmills	7) Mfg. of Rubber Products	7) Pallets
8) Drilling of Oil and Gas Wells	8) Mfg. of Chemicals and Allied Products	8) Mfg. of Cement	8) Rental Movies
9) Temporary Sawmills	9) Mfg. of Finished Plastics Products	9) Mfg. of Stone and Clay Products	9) Card Readers
10) Any Semiconductor Mfg. Equipment	10) Mfg. of Leather and Leather Products	10) Mfg. of Primary Nonferrous Metals	10) High Speed Printers
11) Telegraph and Satellite Communications	11) Mfg. of Electrical and Non electrical Machinery	11) Mfg. of Foundry Products	11) Data Entry Devices
12) Vending Equipment, Coin Operated	12) Mfg. of Athletic, Jewelry and Other Goods	12) Mfg. of Primary Steel Mill Products	12) Teleprinters
13) Rental Appliances and Televisions	13) Retail Trades Furniture, Fixtures and Equipment	13) Tanks and Storage	13) Plotters
14) Hand Tools	14) Restaurant and Bar Equipment	14) Billboards/Signs	14) Terminals, Tape Drives, Disc Drives
15) Nuclear Fuel Assemblies	15) Hotel and Motel Furnishing and Equipment	15) Radio/T.V. Antennas and Towers	15) Magnetic Tape Feeds
16) Fishing Equipment	16) Automobile Repair and Shop Equipment	16) Cold Storage and Ice Making Equipment	16) Optical Character Readers
17) Cattle, Breeding, or Dairy Equipment	17) Personal and Professional Services	17) Mfg. of Glass Products	

INSTRUCTIONS FOR PAGE FOUR - BUSINESS PERSONAL PROPERTY SCHEDULE B - INVENTORY

1. Inventory should be reported at 100% cost on January 1, this year. Cost should include, but not be limited to, freight in, overhead or burden, Federal, State, or Local Taxes, or any other charges imposed upon the item that makes it more valuable to the owner. Costs will be arrived at by converting anything other than current cost back to cost. "LIFO" is not acceptable.
2. The name and address of the legal owner of any consigned goods or any other type goods not owned by you and not reported under Schedule B should be listed under Section 1, Consigned Goods. This will insure that the taxes are charged to the legal owner.
3. Schedule C - Construction in Progress - if you had any unallocated cost for Construction in Progress, which is personal property in nature, that was not reported under Schedule A it should be reported under Schedule C. A description of the property, year acquired, useful life in years, and total cost should be reported.
4. If you had in your possession on January 1 any leased or rented equipment, machinery, furniture, fixtures, tools, vending machines, or other types of property, the legal owners name and address should be listed under Section 2 headed Leased or Rented Equipment. This will insure that the taxes are charged to the legal owner.

NOTE: Schedules A, B, and C and all documents furnished by the taxpayer are considered confidential and not open to public inspection. O.C.G.A.§ 48-5-314. Returns are public information.

Attachment C-1

Attachment C

BUSINESS PERSONAL PROPERTY SCHEDULE B INVENTORY

THIS SCHEDULE IS CONSIDERED CONFIDENTIAL AND NOT OPEN TO PUBLIC INSPECTION

SCHEDULE B - INVENTORY - SEE INSTRUCTION SHEET

Did you or your business own any inventory on January 1, this year? Yes ☐ No ☐
If yes, please list in space provided below. Show total 100% cost, do not include licensed motor vehicles, or dealer heavy duty equipment for sale weighing over 5,000 pounds and to be used for construction purposes.

1. Merchandise _____
2. Raw Materials _____
3. Goods in Process _____
4. Finished Goods _____
5. Goods in Transit _____
6. Warehoused _____
7. Consigned _____
8. Floor Planned _____
9. Spare Parts _____
10. Supplies _____
    Includes computer, medical, office and operating supplies, fuel, and tangible prepaid expensed items)
11. Packaging Materials _____
12. Livestock _____
    (Non Exempt 48-5-41.1)
13. TOTAL INVENTORY _____

Enter total on page 1 Line I schedule column. If Freeport account enter exempt amount on Line P and taxable amount on Line I.

1. Indicate your inventory accounting method (Lower of Cost or Market, Retail Method, Weighted Average, Physical, etc.) _____
2. Check Cost Method as it applies to your inventory: ☐ Actual ☐ LIFO ☐ FIFO LIFO not acceptable
3. Fiscal Year ending date of business _____
   If your Fiscal Year ends at a point in time other than January 1, you should attach a breakdown of how you arrived at your January 1 inventory.
4. Inventory reported on previous year Georgia Income Tax Return: _____
5. The 100% delivered cost should include freight, burden and overhead at your level of trade on January 1.
6. If you file a Corporate or Partnership Income Tax Return, a photocopy of your most current balance sheet (Corporation, Form 1120, Schedule A & L - Partnership, Form 1065, Schedule A & L) as filed with your U.S. Income Tax Return is requested. If you filed an Individual or Sole Proprietorship Income Tax Return, a photo copy of your most current Profit or Loss Statement Form 1040, Schedule C, Pages 1 & 2 as filed with your U.S. Income Tax Return is requested. These documents are requested for inventory verification purposes and will not be available for public inspection (O.C.G.A. § 48-5-314). Under GA Law you cannot be required to furnish any Income Tax Records or Returns.
7. Inventory is subject to audit and verification from your records or those you have filed with the State of Georgia Department of Revenue.
8. Do not make any deductions for anticipated mark-down or shrinkage. Do not discount, figures are to be taken directly from your books.
9. If inventory is less than the previous year an explanation for the decrease should be submitted.
10. Gross Sales for the previous calendar year: _____
11. All taxable livestock and farm products should be reported as inventory. See O.C.G.A. § 48-5-41.1 for details of exemption.

SCHEDULE C - CONSTRUCTION IN PROGRESS

Did you have unallocated costs for construction in progress on January 1 this year? Yes ☐ No ☐. If yes, did you have tangible personal property connected with this construction in progress that has not been reported in any other section of this schedule? Yes ☐ No ☐ If yes, please list in the space provided below. Add Indicated Value to Total on Page 1 Line F Schedule Column.

DETAILED DESCRIPTION OF ITEMS (ATTACH SUPPLEMENTAL SHEETS IF NEEDED)	YEAR ACQUIRED	USEFUL LIFE (YEARS)	TOTAL COST	X	MARKET VALUE FACTOR	=	INDICATED VALUE	OFFICE USE ONLY
				X	.75	=		

SECTION 1: CONSIGNED GOODS

Did you have any consigned goods, floor planned merchandise, or any other type of goods that were loaned, stored or otherwise held on January 1, this year, and not owned by you and was not reported in your inventory value in schedule B above of this report? Yes ☐ No ☐. If yes, list in the space provided below.

DESCRIPTION OF GOODS (ATTACH SUPPLEMENTAL SHEETS IF NEEDED)	FULL COST	NAME AND ADDRESS OF LEGAL OWNER

SECTION 2: LEASED OR RENTED EQUIPMENT

Did you have in your possession or was there located at your business on January 1, this year, any machinery, equipment, furniture, fixture, tools, vending machines (coffee, cigarette, candy, games etc.) or other type personal property which was leased, rented, loaned, stored or otherwise located at your business and not owned by you? Yes ☐ No ☐. If yes, list the equipment in the space provided below (exclude licensed motor vehicles). Attach supplemental sheet if necessary.

NAME/ADDRESS OF OWNER	DESCRIPTION OF ITEM	SELLING PRICE	RENTAL AMOUNT PER MONTH	DATE OF MANUFACTURE	DATE INSTALLED	LENGTH OF LEASE

SECTION 3: ADDITIONS OR ITEMS TRANSFERRED IN

Did you have items which were added or transferred in for prior years or the current year that were not previously reported? Yes ☐ No ☐ If yes, list in the space provided below.

DETAILED DESCRIPTION OF ITEMS (ATTACH SUPPLEMENTAL SHEETS IF NEEDED)	YEAR ACQUIRED	ORIGINAL COST NEW

SECTION 4: DISPOSALS OR ITEMS TRANSFERRED OUT

Did you have items which have been sold, junked, transferred or otherwise no longer located at the business January 1 this year? Yes ☐ No ☐. If yes, list in the space provided below.

DETAILED DESCRIPTION OF ITEMS (ATTACH SUPPLEMENTAL SHEETS IF NEEDED)	YEAR ACQUIRED	DATE DISPOSED	ORIGINAL COST NEW	REASON	IF EQUIPMENT SOLD, NAME AND ADDRESS OF PURCHASER SHOULD BE LISTED BELOW

Attachment C-2

Fay

TAX ASSESSOR
140 STONEWALL AVE.
FAYETTEVILLE, GEORG
PHONE: 770-305-540
www.fayettecountyga.g

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Ms. Selena Longway
SC+H Group LLC
910 Ridgebrook Rd.
Sparks, MD. 21152

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Bonnie Ridel ☐ Agent ☐ Addressed

B. Received by (Printed Name) BONNIE RIDEL
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☒ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7010 0780 0002 1621 8171

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

August 4, 2014

Ms. Selena G. Longway
SC&H Group LLC
910 Ridgebrook Rd.
Sparks, MD. 21152

Re: Refund Request

Dear Ms. Longway:

The Board of Tax Assessors (BTA) is in receipt of your letter dated June 10, 2014 requesting refund, as personal property tax agent for Publix Super Markets, Inc. The BTA will process your refund request and forward to Fayette County Board of Commissioners (BOC) for a decision. In reviewing, there is insufficient documentation to support your request. Although Publix may have accounting practices that adjust the inventory GL, as stated in your letter, these adjustments would not be reflective of the physical inventories which are located at each retail location.

Please provide certified copies of the physical inventory for each location for the time periods for which you have requested **by September 4, 2014.** Failure to provide those documents will result in the BTA making a recommendation of denial to the Fayette County Board of Commissioners. If you should have any questions, please contact me.

Kindest Regards,

Kathleen B. Maddox
Lead Appraiser Personal Property
Fayette County Board of Tax Assessors
770-305-5368; FAX: 770-305-5405
kmaddox@fayettecountyga.gov

RE: Mr. John A. Harrer, CMI
Property Tax Manager
Publix Super Markets, Inc.
Business Analysis & Reporting - Tax
P.O. Box 32018
Lakeland, FL. 33802-2018

7010 0780 0002 1621 8171

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com®
OFFICIAL USE

Postage	$ .48
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.48

Postmark Here AUG - 4 USPS

Sent To: SC & H graphic c/o Ms Selena Longway
Street, Apt. No.; or PO Box No. 910 Ridgebrook Rd
City, State, ZIP+4 Sparks, MD 21152

PS Form 3800, August 2006 See Reverse for Instructions

Attachment D

Kathleen Maddox

From: Zhenya Egorova [zegorova@scandh.com]
Sent: Wednesday, August 27, 2014 3:32 PM
To: Kathleen Maddox
Subject: Publix Super Markets, Inc.
Attachments: Fayette County Revised Adjustments Presentation.pdf

RECEIVED
AUG 27 2014
FAYETTE COUNTY
BOARD OF ASSESSORS

Hi Kathleen,

I'm working with Selena Longway on the business personal property accounts for Publix. In response to the letter we received requesting additional information, attached you will find a revised summary of adjustments requested. To support the G/L inventory balances we are providing screenshots from the Publix SAP system as any audited or certified copies of the G/L balances will be consolidated company wide, and not reflective of the Publix Georgia locations.

Additionally, I wanted to reiterate that the adjustments made for Publix Super Markets, Inc. inventory are straightforward adjustments to the FIFO cost, which is what we want to report. The G/L balances are not maintained at the store level and the adjustments are taking the inventory previously reported and revising them to reflect G/L inventory balance.

Lastly, after sending the original file, we realized there was an error in the original allocation because stores in Alabama and Tennessee were included when they should not have been. This has been since revised for the current files which are attached.

I will be out of the office for the remainder of this week, but please let me know when you are available next week for a call, as I think it will be helpful to walk through this information over the phone.

Thanks,
Zhenya

Zhenya Egorova, CPA
Senior
Direct: 410-785-8814 Toll Free: 800-832-3008
Fax: 410-403-1570
Email: zegorova@scandh.com
http://www.scandh.com

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Attachment E-1

Publix Super Markets, Inc.
Fayette County, GA
Reconciliation of Rendered Cost of Inventory to G/L Cost
as of January 1, 2011

RECEIVED
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BOARD OF ASSESSORS

	Total Publix Store Inventory per GPA Reports (GA,FL, SC) (A)			1,098,041,941	(96,919,217)	(B+F = D) Total Scan Down Difference		
	Sum of GA Stores (Sum of B , Stores only = G)			193,845,252		between GPA Reports and G/L Store		
	GA as a % of Total GPA Inventory (G/A = H)			17.654%		Balance		
				(17,109,847)	(D*H) Expected Adjustment for GA based on %			
				(17,109,847)	(Sum of E. Stores Only) Total Calculated Adjustment for Stores			
				-	Variance			
				(B)	(B/A = C)	(C*D = E)	(B+E)	
Jurisdiction	Type	Publix #	TPP Account	12/31/10 Ending Inventory as Reported Note 1	% of Total Inventory	Adjustment Requested to Reflect Actual G/L Balance Note 2	12/31/10 Ending General Ledger Inventory Cost	
Barrow Total				3,253,611		(287,182)	2,966,429	
Bartow Total				1,197,674		(105,713)	1,091,961	
Bryan Total				1,077,608		(95,116)	982,492	
Camden Total				1,304,247		(115,120)	1,189,127	
Carroll Total				1,255,985		(110,860)	1,145,125	
Chatham Total				5,066,339		(447,183)	4,619,156	
Cherokee Total				9,815,739		(866,391)	8,949,348	
Clarke Total				2,429,141		(214,409)	2,214,732	
Clayton Total				2,210,224		(195,087)	2,015,137	
Cobb Total				33,696,775		(2,980,140)	30,716,635	
Columbia (GA) Total				3,267,059		(288,369)	2,978,690	
Coweta Total				3,442,943		(303,893)	3,139,050	
Dekalb Total				9,270,918		(818,302)	8,452,616	
Dekalb - Audit Total				4,854,316		(428,469)	4,425,847	
Dougherty Total				1,189,910		(105,028)	1,084,882	
Douglas Total				4,224,493		(372,877)	3,851,616	
Fayette	Store	0546	P1996-0514	1,192,558	0.109%	(105,262)	1,087,296	
Fayette	Store	0579	P1997-0383	1,021,579	0.093%	(90,170)	931,409	
Fayette	Store	0799	P2002-0643	1,304,854	0.119%	(115,174)	1,189,680	
Fayette	Store	0892	P2004-0452	1,126,457	0.103%	(99,427)	1,027,030	
Fayette	Store	1087	P2005-0129	1,311,535	0.119%	(115,763)	1,195,772	
Fayette Total				5,956,983		(525,796)	5,431,187	
Forsyth Total				9,529,760		(841,149)	8,688,611	
Fulton Total				32,288,332		(2,802,088)	29,486,244	
Glynn Total				1,216,501		(107,375)	1,109,126	
Greene Total				1,281,904		(113,148)	1,168,756	
Gwinnett Total				98,080,395		(8,568,119)	89,512,276	
Hall Total				6,167,501		(544,378)	5,623,123	
Henry Total				5,333,553		(470,769)	4,862,784	
Houston (GA) Total				3,503,070		(298,220)	3,204,850	
Jackson Total				1,065,117		(94,013)	971,104	
Lee (GA) Total				1,101,421		(97,217)	1,004,204	
Lowndes Total				1,342,610		(118,506)	1,224,104	
Macon-Bibb Total				2,181,386		(192,541)	1,988,845	
Muscogee Total				4,662,205		(411,512)	4,250,693	
Newton Total				1,046,806		(92,397)	954,409	
Oconee Total				1,279,958		(112,976)	1,166,982	
Paulding Total				3,245,875		(286,499)	2,959,376	
Richmond Total				1,210,929		(106,883)	1,104,046	
Rockdale Total				3,402,344		(300,310)	3,102,034	
Thomas Total				1,088,582		(96,084)	992,498	
Troup Total				839,031		(74,057)	764,974	
Walton (GA) Total				1,119,881		(98,847)	1,021,034	
Grand Total				274,501,127		(24,087,022)	250,414,105	a
					Inventory from States Other than Georgia		1,278,909,114	b
					G/L Balance of Convenience Store Inventory		719,910	
					G/L Balance of Total Store Inventory at Cost (F)		1,001,122,724	
					G/L Balance of Total Warehouse Inventory at Cost		527,480,584	
						Total G/L Balance	1,529,323,218	c
						Variance	-	(a+b)-c

Note 1: Publix historically pulled inventory balances for business personal property reporting from a P&L report called the Gross Profit Analysis(GPA) (or Weekly Warehouse File Balance, in the case of warehouse locations). This report is the only source for store-level inventory balances stated at FIFO cost, and is updated on a weekly basis for physical movement of inventory, as well as physical inventories, which are performed with varying frequency in all departments, ranging from monthly to every 6 months (for departments with longer turnover periods, such as household goods). This report did not capture the cost/retail adjustments that were recorded at a company-level to the G/L balances.

Note 2: Cost/Retail adjustments represent true-ups of the cost to retail ratio used to calculate the cost of inventory.

For warehouses, the adjustments are strictly vendor credits or scandown adjustments which capture rebates from vendors that have been agreed upon, but will only be recognized in the G/L once the inventory that was moved to the stores is sold. The P&L cost of the inventory at the warehouse does not reflect these rebates, and the scandown adjustment is used to remedy this.

For stores, the adjustment is a true-up of the cost to retail ratio which is used to arrive at the cost of inventory. This cost to retail ratio is applied because Publix maintains their inventory at both cost and retail depending on the department (Fresh foods departments use retail, Non-Fresh departments use a mix of retail and cost). To apply the cost/retail ratio, Publix uses a historic ratio based on the last annual adjustment period, and then applies a true-up based on the current target ratio to reflect current vendor pricing. This methodology is necessary as the historic ratio is available on a sub-department level, while the current target ratio is only available in total.

Attachment E-2

Account Edit Goto Settings Environment System Help

Store Inventory : Local Currency Balances Display

Line items Other bus.area... Display currency

Acct 130000 CoCde P001 Year 2010 BusAr * Curr. * Display in USD

Period	Debit	Credit	DC bal.	Account balance
C/f bal.				1,032,032,686.19
1	0.00	21,056,767.00	21,056,767.00-	1,010,975,919.19
2	0.00	27,492,557.00	27,492,557.00-	983,483,362.19
3	28,558,665.00	580,845.00	27,977,820.00	1,011,461,182.19
4	0.00	30,275,482.00	30,275,482.00-	981,185,700.19
5	13,774,482.00	0.00	13,774,482.00	994,960,182.19
6	0.00	10,836,428.00	10,836,428.00-	984,123,754.19
7	0.00	11,587,880.00	11,587,880.00-	972,535,874.19
8	0.00	4,712,052.00	4,712,052.00-	967,823,822.19
9	14,737,574.00	1,417,397.00	13,320,177.00	981,143,999.19
10	16,286,178.00	0.00	16,286,178.00	997,430,177.19
11	35,379,981.00	0.00	35,379,981.00	1,032,810,158.19
12	812,647.00	31,780,171.00	30,967,524.00-	1,001,842,634.19
13	0.00	0.00	0.00	"
14	0.00	0.00	0.00	"
15	0.00	0.00	0.00	"
16	0.00	0.00	0.00	"
***	109,549,527.00	139,739,579.00	30,190,052.00-	1,001,842,634.19 *

Hard Copy

* Balance as of 12/31/2010, comprised of the following:
Convenience Store Inventory: 719,910.00
General Store Inventory: 1,001,122,724.19

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BOARD OF ASSESSORS

Attachment E-3

Prints Window Contents

Account Edit Goto Settings Environment System Help

Warehouse Inventory : Local Currency Balances Display

Line items Other bus.area... Display currency

Acct 130200 CoCde P001 Year 2010 BusAr * Curr. * Display in USD

Period	Debit	Credit	DC bal.	Account balance
C/f bal.				516,455,789.10
1	0.00	82,253,253.00	82,253,253.00-	434,202,536.10
2	0.00	21,692,587.00	21,692,587.00-	412,509,949.10
3	85,925,699.00	0.00	85,925,699.00	498,435,648.10
4	0.00	48,040,905.00	48,040,905.00-	450,394,743.10
5	19,079,412.00	0.00	19,079,412.00	469,474,155.10
6	0.00	11,317,833.00	11,317,833.00-	458,156,322.10
7	0.00	15,220,087.00	15,220,087.00-	442,936,235.10
8	8,220,273.00	0.00	8,220,273.00	451,156,508.10
9	5,159,400.00	1,880,482.00	3,278,918.00	454,435,426.10
10	2,649,668.00	0.00	2,649,668.00	457,085,094.10
11	45,894,531.00	0.00	45,894,531.00	502,979,625.10
12	35,283,249.00	10,782,290.00	24,500,959.00	527,480,584.10
13	0.00	0.00	0.00	"
14	0.00	0.00	0.00	"
15	0.00	0.00	0.00	"
16	0.00	0.00	0.00	"
***	202,212,232.00	191,187,437.00	11,024,795.00	527,480,584.10 *

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* Balance as of 12/31/2010

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Attachment E-4

Prints Window Contents

Publix Super Markets, Inc.
Fayette County, GA
Reconciliation of Rendered Cost of Inventory to G/L Cost
as of January 1, 2012

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			Total Publix Store Inventory per GPA Reports (GA,FL, SC)(A)	1,133,976,992	(117,609,[illegible])	A-B=Total Scandown Difference between GPA Reports and G/L Store Balance		
			Sum of GA Stores (Sum of B , Stores only = G)	199,845,314				
			GA as a % of Total GPA Inventory(G/A = H)	17.623%				
				(20,726,826)	(D*H) Expected Adjustment for GA based on %			
				(20,726,826)	(Sum of E, Stores Only) Total Calculated Adjustment for Stores			
				-	Variance			
				B	B/A = C	C*D = E	B+E	
Jurisdiction	Type	Publix #	TPP Account	12/31/11 Ending Inventory as Reported Note 1	% of Total Inventory	Adjustment Requested to Reflect Actual G/L Balance Note 2	12/31/11 Ending General Ledger Inventory Cost	
Barrow Total				3,327,358		(345,095)	2,982,263	
Bartow Total				1,306,416		(135,494)	1,170,922	
Bryan Total				1,122,509		(116,420)	1,006,089	
Camden Total				1,300,637		(134,895)	1,165,742	
Carroll Total				1,190,925		(123,516)	1,067,409	
Chatham Total				5,558,638		(576,511)	4,982,127	
Cherokee Total				10,140,976		(1,051,765)	9,089,211	
Clarke Total				2,425,705		(251,580)	2,174,125	
Clayton Total				2,273,772		(235,823)	2,037,949	
Cobb Total				33,649,749		(3,443,977)	30,205,772	
Columbia (GA) Total				3,441,690		(356,953)	3,084,737	
Coweta Total				3,611,561		(374,571)	3,236,990	
Dekalb Total				11,032,581		(1,144,237)	9,888,344	
Dekalb - Audit Total				5,119,725		(530,989)	4,588,736	
Dougherty Total				1,177,995		(122,175)	1,055,820	
Douglas Total				4,403,443		(456,700)	3,946,743	
Fayette	Store	0546	P1996-0514	1,216,257	0.107%	(126,143)	1,090,114	
Fayette	Store	0579	P1997-0383	1,133,240	0.100%	(117,533)	1,015,707	
Fayette	Store	0799	P2002-0643	1,344,189	0.119%	(139,412)	1,204,777	
Fayette	Store	0892	P2004-0452	1,204,851	0.106%	(124,960)	1,079,891	
Fayette	Store	1087	P2005-0129	1,345,433	0.119%	(139,541)	1,205,892	
Fayette Total				6,243,970		(647,589)	5,596,381	
Forsyth Total				9,791,897		(1,015,560)	8,776,337	
Fulton Total				32,738,375		(3,324,375)	29,413,999	
Glynn Total				1,268,601		(131,572)	1,137,029	
Greene Total				1,188,642		(123,279)	1,065,363	
Gwinnett Total				105,769,932		(12,038,167)	93,731,765	
Hall Total				6,394,809		(663,233)	5,731,576	
Henry Total				5,456,341		(565,901)	4,890,440	
Houston (GA) Total				3,449,675		(344,276)	3,105,399	
Jackson Total				1,053,447		(109,258)	944,189	
Lee (GA) Total				1,170,123		(121,359)	1,048,764	
Lowndes Total				1,509,218		(156,528)	1,352,690	
Macon-Bibb Total				2,198,653		(228,032)	1,970,621	
Muscogee Total				5,056,037		(524,384)	4,531,653	
Newton Total				1,070,571		(111,034)	959,537	
Oconee Total				1,284,659		(133,238)	1,151,421	
Paulding Total				3,284,012		(340,599)	2,943,413	
Richmond Total				1,285,115		(133,285)	1,151,830	
Rockdale Total				3,318,546		(344,181)	2,974,365	
Thomas Total				1,172,416		(121,596)	1,050,820	
Troup Total				934,185		(96,888)	837,297	
Walton (GA) Total				1,207,457		(125,231)	1,082,226	
Grand Total				287,930,361		(30,800,263)	257,130,098	a
					Inventory from States Other than Georgia		1,330,881,562	b
					G/L Balance of Convenience Store Inventory		792,683	
					G/L Balance of Total Store Inventory at Cost (F)		1,016,367,310	
					G/L Balance of Total Warehouse Inventory at Cost		570,851,667	
						Total G/L Balance	1,588,011,660	c
						Variance	-	(a+b)-c

Note 1: Publix historically pulled inventory balances for business personal property reporting from a P&L report called the Gross Profit Analysis(GPA) (or Weekly Warehouse File Balance, in the case of warehouse locations). This report is the only source for store-level inventory balances stated at FIFO cost, and is updated on a weekly basis for physical movement of inventory, as well as physical inventories, which are performed with varying frequency in all departments, ranging from monthly to every 6 months (for departments with longer turnover periods, such as household goods). This report did not capture the cost/retail adjustments that were recorded at a company-level to the G/L balances.

Note 2: Adjustments represent vendor credits/rebates and a true-up of the cost to retail ratio used to calculate the cost of inventory.

For warehouses, the adjustments are strictly vendor credits or scandown adjustments which capture rebates from vendors that have been agreed upon, but will only be recognized in the G/L once the inventory that was moved to the stores is sold. The P&L cost of the inventory at the warehouse does not reflect these rebates, and the scandown adjustment is used to remedy this.

For stores, the adjustment is a true-up of the cost to retail ratio which is used to arrive at the cost of inventory. This cost to retail ratio is applied because Publix maintains thei inventory at both cost and retail depending on the department (Fresh foods departments use retail, Non-Fresh departments use a mix of retail and cost). To apply the cost/retail ratio, Publix uses a historic ratio based on the last annual adjustment period, and then applies a true-up based on the current target ratio to reflect current vendor pricing. This methodology is necessary as the historic ratio is available on a sub-department level, while the current target ratio is only available in total.

Attachment E-5

Account Edit Goto Environment System Help

Balance Display: G/L Accounts For the Ledger 0L

Document Currency | Document Currency | Document Currency | Individual Accou

Account Number	130000	Store Inventory
Company Code	P001	Publix Super Markets, Inc
Fiscal Year	2011	

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All Documents in Currency * Display Currency USD Company code currenc

Period	Debit	Credit	Balance	Cum. balance	
Bal.Carryfor				1,001,842,634.19	
1		17,475,126.00	17,475,126.00-	984,367,508.19	
2		31,045,918.00	31,045,918.00-	953,321,590.19	
3	19,900,092.00		19,900,092.00	973,221,682.19	
4	37,827,369.00		37,827,369.00	1,011,049,051.19	
5	7,822,656.00		7,822,656.00	1,018,871,707.19	
6		10,770,176.00	10,770,176.00-	1,008,101,531.19	
7		7,186,736.00	7,186,736.00-	1,000,914,795.19	
8		10,386,544.00	10,386,544.00-	990,528,251.19	
9	21,564,211.00		21,564,211.00	1,012,092,462.19	
10	34,013,080.00		34,013,080.00	1,046,105,542.19	
11	26,123,956.00	4,851,200.00	21,272,756.00	1,067,378,298.19	
12		50,218,305.00	50,218,305.00-	1,017,159,993.19	
13				1,017,159,993.19	
14				1,017,159,993.19	
15				1,017,159,993.19	
16				1,017,159,993.19	
Total	147,251,364.00	131,934,005.00	15,317,359.00	1,017,159,993.19	*

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* Balance as of 12/31/2011, comprised of the following:
Convenience Store Inventory: 792,683.00
General Store Inventory: 1,016,367,310.19

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Attachment E-6

Prints Window Contents

Account Edit Goto Environment System Help

Balance Display: G/L Accounts For the Ledger 0L

Document Currency | Document Currency | Document Currency | Individual Account

Account Number	130200	Warehouse Inventory
Company Code	P001	Publix Super Markets, Inc
Fiscal Year	2011	

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All Documents in Currency * Display Currency USD Company code currenc

Period	Debit	Credit	Balance	Curn. balance	
Bal.Carryfor...				527,480,584.10	
1		72,981,095.00	72,981,095.00-	454,499,489.10	
2		18,663,106.00	18,663,106.00-	435,836,383.10	
3	26,120,462.00		26,120,462.00	461,956,845.10	
4	33,177,599.00		33,177,599.00	495,134,444.10	
5		13,238,792.00	13,238,792.00-	481,895,652.10	
6		12,998,592.00	12,998,592.00-	468,897,060.10	
7	6,406,150.00		6,406,150.00	475,303,210.10	
8	3,204,974.00		3,204,974.00	478,508,184.10	
9	21,124,625.00		21,124,625.00	499,632,809.10	
10	15,859,868.00	10,214,609.00	5,645,259.00	505,278,068.10	
11	76,937,454.00		76,937,454.00	582,215,522.10	
12	231,873.00	11,595,728.00	11,363,855.00-	570,851,667.10	
13				570,851,667.10	
14				570,851,667.10	
15				570,851,667.10	
16				570,851,667.10	
Total	183,063,005.00	139,691,922.00	43,371,083.00	570,851,667.10	*

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* Balance as of 12/31/2011

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Attachment E-1

Prints Window Contents

Publix Super Markets, Inc.
Fayette County, GA
Reconciliation of Rendered Cost of Inventory to G/L Cost
as of January 1, 2013

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			Total Publix Store Inventory per GPA Reports (GA,FL, SC) (A)	1,175,104,721	(88,353,155)	(F*A = D) Total Scan Down Difference between GPA Reports and G/L Store Balance		
			Sum of GA Stores (Sum of B , Stores only = G)	204,059,360				
			GA as a % of Total GPA Inventory (G/A = H)	17.365%				
				(15,342,708)	(D*H) Expected Adjustment for GA based on %			
				(15,342,708)	(Sum of E, Stores Only) Total Calculated Adjustment for Stores			
				-	Variance			
				(B)	(B/A = C)	(C*D = E)	(B+E)	
Jurisdiction	Type	Publix #	TPP Account	12/31/12 Ending Inventory as Reported Note 1	% of Total Inventory	Adjustment Requested to Reflect Actual G/L Balance Note 2	12/31/12 Ending General Ledger Inventory Cost	
Barrow Total				3,342,516		(251,315)	3,091,201	
Bartow Total				1,326,040		(99,702)	1,226,338	
Bryan Total				1,170,766		(88,027)	1,082,739	
Camden Total				1,260,063		(94,741)	1,165,322	
Carroll Total				1,206,038		(90,679)	1,115,359	
Chatham Total				5,676,997		(426,839)	5,250,158	
Cherokee Total				10,369,018		(779,620)	9,589,398	
Clarke Total				2,624,384		(197,321)	2,427,063	
Clayton Total				2,258,182		(169,787)	2,088,395	
Cobb Total				33,904,778		(2,585,962)	31,318,816	
Columbia Total				3,348,248		(251,746)	3,096,502	
Coweta Total				3,712,672		(279,146)	3,433,526	
Dekalb Total				11,417,376		(858,444)	10,558,932	
Dekalb - Audit Total				4,875,566		(366,581)	4,508,985	
Dougherty Total				1,207,103		(90,759)	1,116,344	
Douglas Total				4,245,192		(319,185)	3,926,007	
Fayette	Store	0546	P1996-0514	1,246,456	0.1061%	(93,718)	1,152,738	
Fayette	Store	0579	P1997-0383	1,199,376	0.1021%	(90,178)	1,109,198	
Fayette	Store	0799	P2002-0643	1,335,135	0.1136%	(100,385)	1,234,750	
Fayette	Store	0892	P2004-0452	1,254,696	0.1068%	(94,337)	1,160,359	
Fayette	Store	1087	P2005-0129	1,266,528	0.1078%	(95,227)	1,171,301	
Fayette Total				6,302,191		(473,846)	5,828,345	
Forsyth Total				9,896,545		(744,096)	9,152,449	
Fulton Total				33,830,799		(2,502,251)	31,328,548	
Glynn Total				1,170,356		(87,996)	1,082,360	
Greene Total				1,186,310		(89,196)	1,097,114	
Gwinnett Total				99,787,481		(7,825,451)	91,962,030	
Hall Total				6,551,143		(492,564)	6,058,579	
Henry Total				5,631,841		(423,444)	5,208,397	
Houston Total				3,431,359		(248,959)	3,182,400	
Jackson Total				1,061,823		(79,836)	981,987	
Lee Total				1,198,695		(90,127)	1,108,568	
Lowndes Total				1,479,206		(111,218)	1,367,988	
Macon-Bibb Total				2,259,139		(169,859)	2,089,280	
Muscogee Total				5,236,538		(393,722)	4,842,816	
Newton Total				1,045,708		(78,624)	967,084	
Oconee Total				1,341,086		(100,833)	1,240,253	
Paulding Total				3,341,289		(251,223)	3,090,066	
Richmond Total				1,211,219		(91,068)	1,120,151	
Rockdale Total				3,443,071		(258,876)	3,184,195	
Thomas Total				1,175,053		(88,349)	1,086,704	
Tift Total				1,177,439		(88,529)	1,088,910	
Troup Total				900,138		(67,679)	832,459	
Walton Total				1,189,325		(89,422)	1,099,903	
Grand Total				285,792,693		(21,797,023)	263,995,670	a
					Inventory from States Other than Georgia		1,387,009,598	b
						G/L Balance of Convenience Store Inventory	711,420	
						G/L Balance of Total Store Inventory at Cost (F)	1,086,751,566	
						G/L Balance of Total Warehouse Inventory at Cost	563,542,281	
						Total G/L Balance	1,651,005,267	c
						Variance	-	(a+b)-c

Note 1: Publix historically pulled inventory balances for business personal property reporting from a P&L report called the Gross Profit Analysis(GPA) (or Weekly Warehouse File Balance, in the case of warehouse locations). This report is the only source for store-level inventory balances stated at FIFO cost, and is updated on a weekly basis for physical movement of inventory, as well as physical inventories, which are performed with varying frequency in all departments, ranging from monthly to every 6 months (for departments with longer turnover periods, such as household goods). This report did not capture the cost/retail adjustments that were recorded at a company-level to the G/L balances.

Note 2: Adjustments represent vendor credits/rebates and a true-up of the cost to retail ratio used to calculate the cost of inventory.

For warehouses, the adjustments are strictly vendor credits or scandown adjustments which capture rebates from vendors that have been agreed upon, but will only be recognized in the G/L once the inventory that was moved to the stores is sold. The P&L cost of the inventory at the warehouse does not reflect these rebates, and the scandown adjustment is used to remedy this.

For stores, the adjustment is a true-up of the cost to retail ratio which is used to arrive at the cost of inventory. This cost to retail ratio is applied because Publix maintains their inventory at both cost and retail depending on the department (Fresh foods departments use retail, Non-Fresh departments use a mix of retail and cost). To apply the cost/retail ratio, Publix uses a historic ratio based on the last annual adjustment period, and then applies a true-up based on the current target ratio to reflect current vendor pricing. This methodology is necessary as the historic ratio is available on a sub-department level, while the current target ratio is only available in total.

Attachment E-8

Account Edit Goto Environment System Help

Balance Display: G/L Accounts For the Ledger 0L

Document Currency | Document Currency | Document Currency | Individual Accou

Account Number	130000	Store Inventory
Company Code	P001	Publix Super Markets, Inc
Fiscal Year	2012	

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All Documents in Currency * Display Currency USD Company code currenc

Period	Debit	Credit	Balance	Cum. balance	
Bal.Carryfor...				1,017,159,993.19	
1	7,731,067.00		7,731,067.00	1,024,891,060.19	
2		11,126,538.00	11,126,538.00-	1,013,764,522.19	
3	41,273,781.00	22,967.00	41,250,814.00	1,055,015,336.19	
4		24,348,590.00	24,348,590.00-	1,030,666,746.19	
5		7,782,064.00	7,782,064.00-	1,022,884,682.19	
6	13,988,784.00		13,988,784.00	1,036,873,466.19	
7		17,073,113.00	17,073,113.00-	1,019,800,353.19	
8	14,447,459.00		14,447,459.00	1,034,247,812.19	
9	14,849,373.00		14,849,373.00	1,049,097,185.19	
10	36,839,294.00		36,839,294.00	1,085,936,479.19	
11	25,840,301.00		25,840,301.00	1,111,776,780.19	
12		24,313,794.00	24,313,794.00-	1,087,462,986.19	
13				1,087,462,986.19	
14				1,087,462,986.19	
15				1,087,462,986.19	
16				1,087,462,986.19	
Total	154,970,059.00	84,667,066.00	70,302,993.00	1,087,462,986.19	*

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* Balance as of 12/31/2012, comprised of the following:
Convenience Store Inventory: 711,420.00
General Store Inventory: 1,086,751,566.19

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Attachment E-9

Prints Window Contents

Account Edit Goto Environment System Help

Balance Display: G/L Accounts For the Ledger 0L

Document Currency | Document Currency | Document Currency | Individual Account

Account Number	130200	Warehouse Inventory
Company Code	P001	Publix Super Markets, Inc
Fiscal Year	2012	

Display More Chars

All Documents in Currency * Display Currency USD Company code currenc

Period	Debit	Credit	Balance	Cum. balance	
Bal.Carryfor				570,851,667.10	
1		86,616,191.00	86,616,191.00-	484,235,476.10	
2	27,509,096.00		27,509,096.00	511,744,572.10	
3	46,354,173.00	65,717.00	46,288,456.00	558,033,028.10	
4		52,801,169.00	52,801,169.00-	505,231,859.10	
5		8,713,711.00	8,713,711.00-	496,518,148.10	
6	25,039,948.00		25,039,948.00	521,558,096.10	
7		13,475,966.00	13,475,966.00-	508,082,130.10	
8	11,990,317.00		11,990,317.00	520,072,447.10	
9	40,927,511.00		40,927,511.00	560,999,958.10	
10		13,940,868.00	13,940,868.00-	547,059,090.10	
11	14,804,072.00		14,804,072.00	561,863,162.10	
12	6,085,930.00	4,406,811.00	1,679,119.00	563,542,281.10	
13				563,542,281.10	
14				563,542,281.10	
15				563,542,281.10	
16				563,542,281.10	
Total	172,711,047.00	180,020,433.00	7,309,386.00-	563,542,281.10	*

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* Balance as of 12/31/2012

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Attachment E-10

Prints Window Contents

Kathleen Maddox

From: Kathleen Maddox
Sent: Friday, August 29, 2014 1:35 PM
To: 'Zhenya Egorova'
Subject: RE: Publix Super Markets, Inc.

Ms. Egorova,

The Board of Tax Assessors (BTA) requested certified copies of the physical inventory for each location for the time periods for the refund request. I do not see these in the information attached. As stated in Schedule B of PT50P Publix should be reporting inventory at its 100% delivered cost to include freight, burden and overhead with no deductions as of the valuation date of January 1. It further states the accepted cost methods are actual or FIFO. LIFO is not accepted.

We are closed Monday for Labor Day. I plan to be in the office next week with the exception of Wednesday.

Kathleen B. Maddox
Lead Personal Property Appraiser
Fayette County Board of Assessors
770-305-5368

From: Zhenya Egorova [mailto:zegorova@scandh.com]
Sent: Wednesday, August 27, 2014 3:32 PM
To: Kathleen Maddox
Subject: Publix Super Markets, Inc.

Hi Kathleen,

I'm working with Selena Longway on the business personal property accounts for Publix. In response to the letter we received requesting additional information, attached you will find a revised summary of adjustments requested. To support the G/L inventory balances we are providing screenshots from the Publix SAP system as any audited or certified copies of the G/L balances will be consolidated company wide, and not reflective of the Publix Georgia locations.

Additionally, I wanted to reiterate that the adjustments made for Publix Super Markets, Inc. inventory are straightforward adjustments to the FIFO cost, which is what we want to report. The G/L balances are not maintained at the store level and the adjustments are taking the inventory previously reported and revising them to reflect G/L inventory balance.

Lastly, after sending the original file, we realized there was an error in the original allocation because stores in Alabama and Tennessee were included when they should not have been. This has been since revised for the current files which are attached.

I will be out of the office for the remainder of this week, but please let me know when you are available next week for a call, as I think it will be helpful to walk through this information over the phone.

Thanks,
Zhenya

SC&H
Zhenya Egorova, CPA
Senior

Attachment F-1

Direct: 410-785-8814 Toll Free: 800-832-3008
Fax: 410-403-1570
Email: zegorova@scandh.com
http://www.scandh.com

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Attachment F-2

Kathleen Maddox

From:	Selena Longway [slongway@scandh.com]
Sent:	Wednesday, September 17, 2014 12:34 PM
To:	Kathleen Maddox
Cc:	Scott Tyler; Jennifer Vigliano
Subject:	Publix - Follow up to Phone Discussion
Attachments:	Publix Schedules with Notes.pdf

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Hi Kathleen,
Thank you again for taking the time to speak with me last week regarding the error in Publix's inventory reporting. As you requested, I am providing a recap of our discussion so that you have all the information you need in order to walk through the issue with the Board of Commissioners.

- The Business Personal Property Tax Return requires that taxpayers report inventory at 100% of cost on January 1st. It further states that cost should be (a) calculated by "converting anything other than current cost back to cost," and (b) reported at FIFO, not LIFO.
- The most accurate report of inventory physically present as of January 1, (a) at current cost, and (b) at FIFO is Publix's general ledger. There are two inventory accounts which must be added together to arrive at total cost of inventory company-wide. They are: 130000 (store and convenience store inventory) and 130200 (warehouse inventory).
    - On the attached schedules (I used the 1/1/11 sheets to walk through as an example), the G/L balances are reflected in the screen prints on pages 2 and 3, for store and warehouse inventory, respectively.
- Publix does not maintain G/L inventory at the store level. It is only maintained at the company level. So while it is the most accurate source to report inventory for personal property tax purposes in order to meet the requirements set forth on the return, the company G/L balance must be allocated to each individual location.
    - On the attached schedules, page 1, you will see the G/L totals reflected at the bottom, highlighted in yellow. Note that these amounts tie to the balances for the company as shown on pages 2 and 3.
    - Also on page 1, the store-level G/L balance for the stores in Fayette County is calculated, as described above, by way of an allocation.

- Clarification regarding why inventory was not reported correctly in the past (this is reflected in the 'as reported' and 'adjustment' columns on the attached schedule):
    - As described above, store-level G/L inventory balances are arrived at through an allocation; there is no report that can be generated to reflect these balances at the store level. This means that they are the right numbers to use, but they are not easy to get to. However, there is a report which feeds the G/L but which is not reflective of current cost, called the GPA report. This report, which does show store-level balances, was used by Publix for reporting inventory in the past because it was the most convenient report available to get at store-level balances.
    - The reason the GPA report balances are not the most accurate source of data to report in compliance with the Georgia return instructions is that the store-level balances are calculated based on a historical cost to retail ratio. As a result, the costs reflected on the GPA reports, and previously reported by Publix, do not reflect the current vendor pricing, and are therefore not reflective of current cost.
    - The G/L does reflect the current cost, and should be used for reporting and assessment purposes.

- Recap of requested adjustment: In order to report in compliance with Georgia's requirements, we must use the G/L cost of inventory, which is what we are requesting be used. This is the only change we are requesting in Publix's inventory assessment. We are not requesting any markdowns, applying discounts, or other adjustments. The purpose of the requested adjustment is solely to ensure that Publix's inventory is assessed based on figures taken directly from the company's audited books.

Attachment G1

Please be aware, I may need to be out of the office for a few days for a family matter. In case you have any follow-up questions, I am copying two of my colleagues who are also familiar with this issue. Please feel free to reach out to them in my absence. Also, if there is a way for us to join in the Board discussion via conference call, we would appreciate the opportunity to provide clarification on the issue and/or answer questions the Board may have. If this is a possibility, please let me know. Thanks again for your time and attention to this matter. We greatly appreciate you taking the time to fully understand our request.

Best regards,
Selena

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Attachment G-2

PAGE 1

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Publix Super Markets, Inc.
Fayette County, GA
Reconciliation of Rendered Cost of Inventory to G/L Cost
as of January 1, 2011

			Total Publix Store Inventory per GPA Reports (GA,FL, SC) (A)	1,096,041,941	(96,919,217)	(A-F = D) Total Scan Down Difference between GPA Reports and G/L Store Balance		
			Sum of GA Stores (Sum of B , Stores only = G)	193,845,252				
			GA as a % of Total GPA Inventory (G/A = H)	17.654%				
				(17,109,847)	(D*H) Expected Adjustment for GA based on %			
				(17,109,847)	(Sum of E, Stores Only) Total Calculated Adjustment for Stores			
				-	Variance			
				(B)	(B/A = C)	(C*D = E)	(B+E)	
Jurisdiction	Type	Publix #	TPP Account	12/31/10 Ending Inventory as Reported Note 1	% of Total Inventory	Adjustment Requested to Reflect Actual G/L Balance Note 2	12/31/10 Ending General Ledger Inventory Cost	
Barrow Total				3,253,611		(287,182)	2,966,429	
Bartow Total				1,197,674		(105,713)	1,091,961	
Bryan Total				1,077,608		(95,116)	982,492	
Camden Total				1,304,247		(115,120)	1,189,127	
Carroll Total				1,255,985		(110,860)	1,145,125	
Chatham Total				5,066,339		(447,183)	4,619,156	
Cherokee Total				9,815,739		(866,391)	8,949,348	
Clarke Total				2,429,141		(214,409)	2,214,732	
Clayton Total				2,210,224		(195,087)	2,015,137	
Cobb Total				33,696,775		(2,980,140)	30,716,635	
Columbia (GA) Total				3,267,059		(288,369)	2,978,690	
Coweta Total				3,442,943		(303,893)	3,139,050	
Dekalb Total				9,270,918		(818,302)	8,452,616	
Dekalb - Audit Total				4,854,316		(428,469)	4,425,847	
Dougherty Total				1,189,910		(105,028)	1,084,882	
Douglas Total				4,224,493		(372,877)	3,851,616	
Fayette	Store	0548	P1996-0514	1,192,558	0.109%	(105,262)	1,087,296	
Fayette	Store	0579	P1997-0383	1,021,579	0.093%	(90,170)	931,409	
Fayette	Store	0799	P2002-0643	1,304,854	0.119%	(115,174)	1,189,680	
Fayette	Store	0892	P2004-0452	1,126,457	0.103%	(99,427)	1,027,030	
Fayette	Store	1087	P2005-0129	1,311,535	0.119%	(115,763)	1,195,772	
Fayette Total				5,956,983		(525,796)	5,431,187	
Forsyth Total				9,529,760		(841,149)	8,688,611	
Fulton Total				32,288,332		(2,802,088)	29,486,244	
Glynn Total				1,216,501		(107,375)	1,109,126	
Greene Total				1,281,904		(113,148)	1,168,756	
Gwinnett Total				98,080,395		(8,568,119)	89,512,276	
Hall Total				6,167,501		(544,378)	5,623,123	
Henry Total				5,333,553		(470,769)	4,862,784	
Houston (GA) Total				3,503,070		(298,220)	3,204,850	
Jackson Total				1,065,117		(94,013)	971,104	
Lee (GA) Total				1,101,421		(97,217)	1,004,204	
Lowndes Total				1,342,610		(118,506)	1,224,104	
Macon-Bibb Total				2,181,386		(192,541)	1,988,845	
Muscogee Total				4,662,205		(411,512)	4,250,693	
Newton Total				1,046,806		(92,397)	954,409	
Oconee Total				1,279,958		(112,976)	1,166,982	
Paulding Total				3,245,875		(286,499)	2,959,376	
Richmond Total				1,210,929		(106,883)	1,104,046	
Rockdale Total				3,402,344		(300,310)	3,102,034	
Thomas Total				1,088,582		(96,084)	992,498	
Troup Total				839,031		(74,057)	764,974	
Walton (GA) Total				1,119,881		(98,847)	1,021,034	
Grand Total				274,501,127		(24,087,022)	250,414,105	a
					Inventory from States Other than Georgia		1,278,909,114	b
					G/L Balance of Convenience Store Inventory		719,910	← ties to p. 2
					G/L Balance of Total Store Inventory at Cost (F)	+	1,001,122,724	
					G/L Balance of Total Warehouse Inventory at Cost	+	527,480,584	← ties to p. 3
						Total G/L Balance	= 1,529,323,218	c
						Variance	-	(a+b)-c

This column simply shows what was originally (incorrectly) reported.

(*) This column reflects G/L cost of inventory at assessment date

data from other counties provided only so that ou can see how the totals roll up o the G/L

Note 1: Publix historically pulled inventory balances for business personal property reporting from a P&L report called the Gross Profit Analysis(GPA) (or Weekly Warehouse File Balance, in the case of warehouse locations). This report is the only source for store-level inventory balances stated at FIFO cost, and is updated on a weekly basis for physical movement of inventory, as well as physical inventories, which are performed with varying frequency in all departments, ranging from monthly to every 6 months (for departments with longer turnover periods, such as household goods). This report did not capture the cost/retail adjustments that were recorded at a company-level to the G/L balances.

Note 2: Cost/Retail adjustments represent true-ups of the cost to retail ratio used to calculate the cost of inventory.

For warehouses, the adjustments are strictly vendor credits or scandown adjustments which capture rebates from vendors that have been agreed upon, but will only be recognized in the G/L once the inventory that was moved to the stores is sold. The P&L cost of the inventory at the warehouse does not reflect these rebates, and the scandown adjustment is used to remedy this.

For stores, the adjustment is a true-up of the cost to retail ratio which is used to arrive at the cost of inventory. This cost to retail ratio is applied because Publix maintains their inventory at both cost and retail depending on the department (Fresh foods departments use retail, Non-Fresh departments use a mix of retail and cost). To apply the cost/retail ratio, Publix uses a historic ratio based on the last annual adjustment period, and then applies a true-up based on the current target ratio to reflect current vendor pricing. This methodology is necessary as the historic ratio is available on a sub-department level, while the current target ratio is only available in total.

Attachment B-3

PAGE 2

Account Edit Goto Settings Environment System Help

Store Inventory : Local Currency Balances Display

Line items Other bus.area... Display currency

Acct 130000 CoCde P001 Year 2010 BusAr * Curr. * Display in USD

Period	Debit	Credit	DC bal.	(*) Account balance
C/f bal.				1,032,032,686.19
1	0.00	21,056,767.00	21,056,767.00-	1,010,975,919.19
2	0.00	27,492,557.00	27,492,557.00-	983,483,362.19
3	28,558,665.00	580,845.00	27,977,820.00	1,011,461,182.19
4	0.00	30,275,482.00	30,275,482.00-	981,185,700.19
5	13,774,482.00	0.00	13,774,482.00	994,960,182.19
6	0.00	10,836,428.00	10,836,428.00-	984,123,754.19
7	0.00	11,587,880.00	11,587,880.00-	972,535,874.19
8	0.00	4,712,052.00	4,712,052.00-	967,823,822.19
9	14,737,574.00	1,417,397.00	13,320,177.00	981,143,999.19
10	16,286,178.00	0.00	16,286,178.00	997,430,177.19
11	35,379,981.00	0.00	35,379,981.00	1,032,810,158.19
12	812,647.00	31,780,171.00	30,967,524.00-	1,001,842,634.19
13	0.00	0.00	0.00	"
14	0.00	0.00	0.00	"
15	0.00	0.00	0.00	"
16	0.00	0.00	0.00	"
***	109,549,527.00	139,739,579.00	30,190,052.00-	1,001,842,634.19 *

simply shows account activity for past 16 accounting periods

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ENDING BALANCE

* Balance as of 12/31/2010, comprised of the following:

Convenience Store Inventory: 719,910.00

General Store Inventory: 1,001,122,724.19 +

1,001,842,634.19

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PAGE 3

Account Edit Goto Settings Environment System Help

Warehouse Inventory : Local Currency Balances Display

Line items Other bus.area... Display currency

Acct 130200 CoCde P001 Year 2010 BusAr * Curr. * Display in USD

Period	Debit	Credit	DC bal.	Account balance
C/f bal.				516,455,789.10
1	0.00	82,253,253.00	82,253,253.00-	434,202,536.10
2	0.00	21,692,587.00	21,692,587.00-	412,509,949.10
3	85,925,699.00	0.00	85,925,699.00	498,435,648.10
4	0.00	48,040,905.00	48,040,905.00-	450,394,743.10
5	19,079,412.00	0.00	19,079,412.00	469,474,155.10
6	0.00	11,317,833.00	11,317,833.00-	458,156,322.10
7	0.00	15,220,087.00	15,220,087.00-	442,936,235.10
8	8,220,273.00	0.00	8,220,273.00	451,156,508.10
9	5,159,400.00	1,880,482.00	3,278,918.00	454,435,426.10
10	2,649,668.00	0.00	2,649,668.00	457,085,094.10
11	45,894,531.00	0.00	45,894,531.00	502,979,625.10
12	35,283,249.00	10,782,290.00	24,500,959.00	527,480,584.10
13	0.00	0.00	0.00	*
14	0.00	0.00	0.00	*
15	0.00	0.00	0.00	*
16	0.00	0.00	0.00	*
***	202,212,232.00	191,187,437.00	11,024,795.00	527,480,584.10 *

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* Balance as of 12/31/2010

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