



Financial Reports

(unaudited)

June 30, 2018

August 14, 2018

Dear Mayor Davis, Members of the Commission, and Ms. Jackson:

We are presenting for your information the financial reports of several major operational funds for the period ended June 30, 2018. The reports presented for the major operating funds are on the cash basis of accounting. Additionally, information on Local Sales Tax (LOST) collections and Special Purpose Local Sales Tax (SPLOST) collections and projects are included.

Total revenues during the second quarter are not accurate indicators of Augusta's financial position. This is particularly true in the category for Taxes. The primary reason is that ad valorem tax revenue is not booked until third quarter and other types of revenue also follow cyclical patterns. Other categories such as Licenses, Charges for Service and Fines are less seasonal. For this reason, we concentrate much of our analysis on the expenditure side of the budget equation, which occurs at a more even pace.

There are two bright spots in revenues for the first six months of the year. Collections of sales tax and Title Ad Valorem Tax (TAVT) are projected to be higher than budgeted totals. However, there are also revenues that have not or will not be at budgeted levels. Franchise fees from electricity and collection of fines imposed by Superior and State courts are well below budgeted levels and therefore are projected to offset the increases.

The 2018 budget included the implementation of a county wide compensation study. The funding for this initiative relied upon keeping operational levels at the 2017 level. To allow department directors the discretion to minimize the impact, they were directed to identify areas to allocate required reductions to their budgets. In some cases departments have not been able to meet these requirements without major impacts to their departments. We have included a listing of departments that have not allocated the budget reductions as of June 30.

Since 2014, Augusta has diligently and systematically restored its reserves to pre-ice storm levels. Our budgets have limited current year expenses to amount generated thru current year revenues. I strongly encourage continuation of this practice, which leaves our reserves available for its intended purpose: the mitigation of financial hardships over which we exercise no control.

I hope this information along with the reports and narrative that follow are helpful. I will be happy to answer any questions that you might have.

Sincerely

Donna B. Williams, CGFM
Finance Director
Augusta Richmond County

Information Included

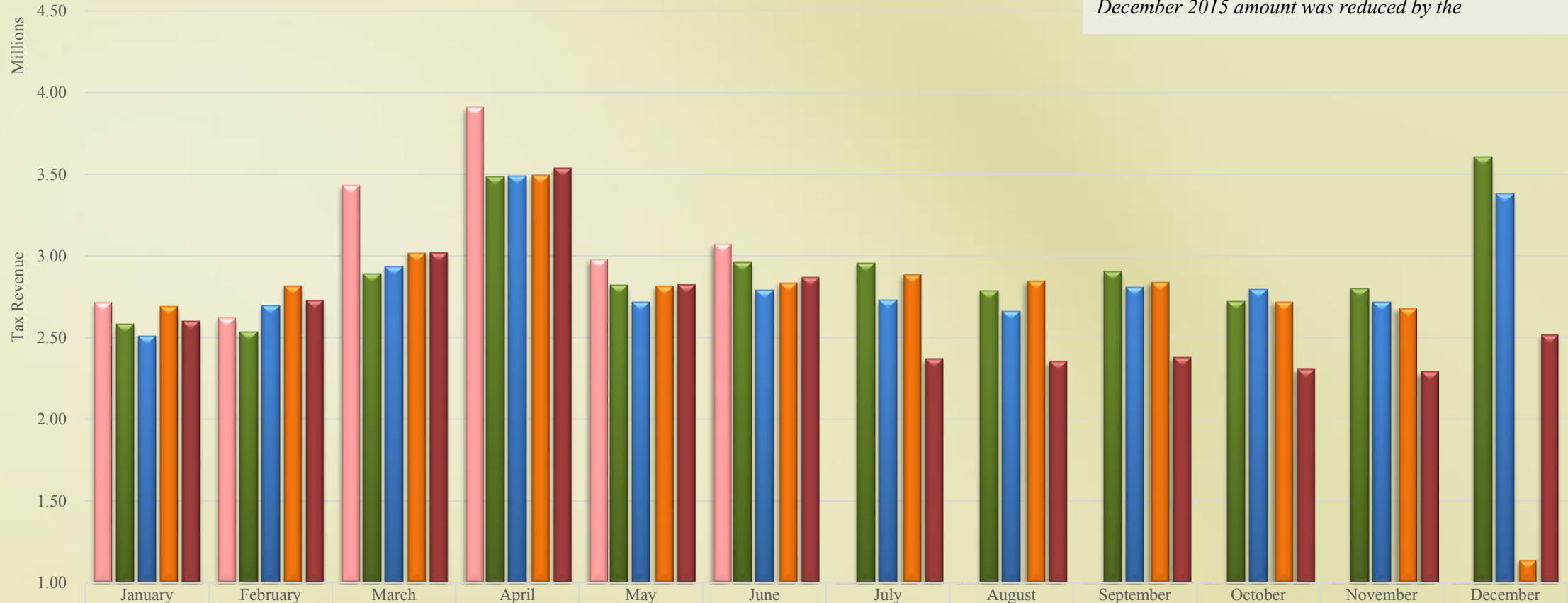
- General Fund
- Law Enforcement Fund
- Urban Services Fund
- Fire Protection Fund
- Water and Sewerage Fund
- Stormwater Utility
- Garbage Collection
- Airport
- Sales Tax (LOST and SPLOST)

The good and the not so good

- The Good
 - Sales tax is trending up
 - TAVT collections are trending up
- The not so good
 - Electric Franchise Fees are down \$1.1 million from prior year
 - Superior Court and State Court fines are well below budgeted levels
- *The lower collections of Electric Franchise Fee and Court Fines is projected to offset the gains in Sales Taxes and TAVT*

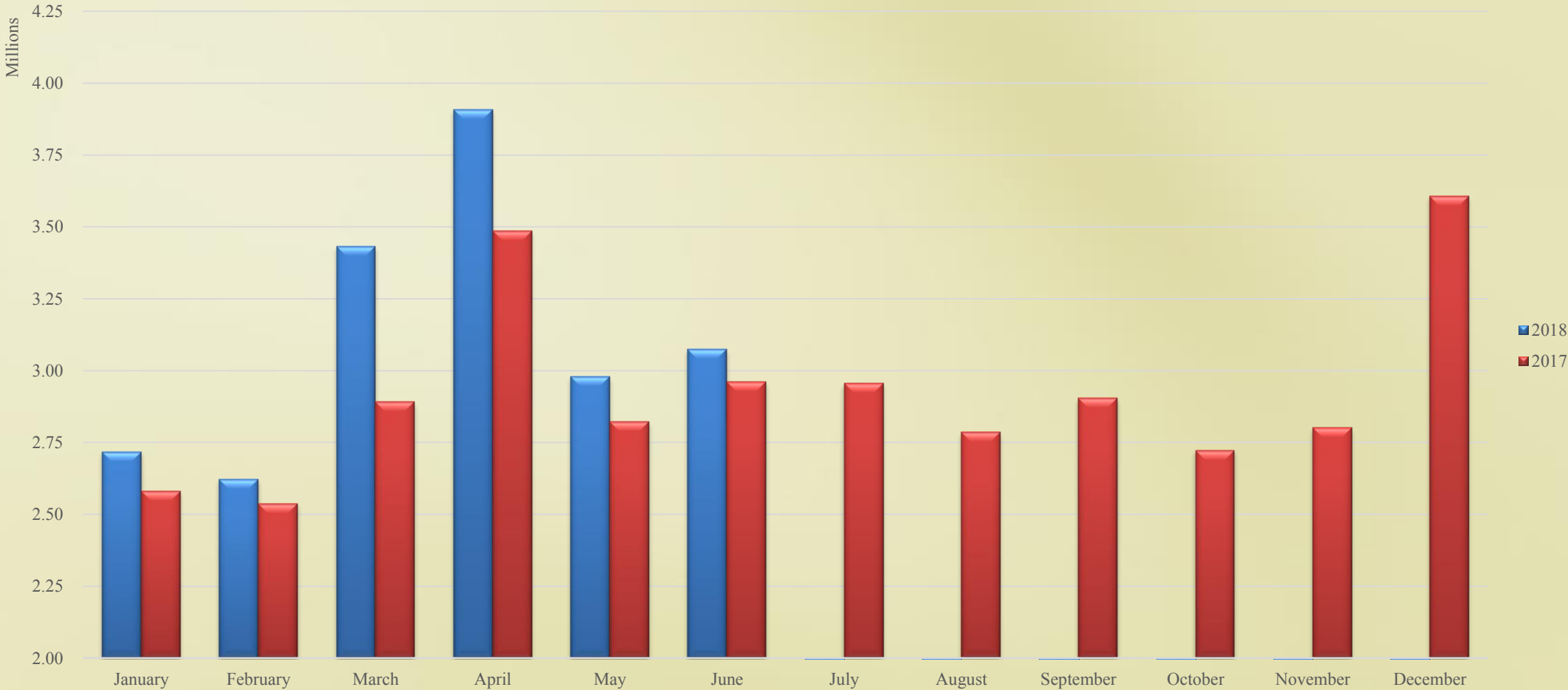
Sales Tax Collections

December 2015 amount was reduced by the



	January	February	March	April	May	June	July	August	September	October	November	December
2018	2,717,479	2,622,349	3,432,190	3,909,159	2,979,298	3,074,441	-	-	-	-	-	-
2017	2,581,039	2,537,261	2,891,721	3,486,056	2,822,346	2,961,488	2,955,309	2,785,253	2,904,388	2,722,862	2,801,072	3,605,914
2016	2,510,586	2,695,933	2,935,915	3,490,702	2,718,885	2,792,342	2,730,288	2,659,557	2,810,389	2,794,589	2,717,142	3,380,807
2015	2,695,098	2,820,061	3,019,623	3,495,182	2,818,411	2,838,234	2,888,218	2,850,127	2,842,259	2,721,851	2,682,368	1,138,784
Average	2,600,406	2,728,697	3,019,738	3,536,943	2,824,122	2,868,347	2,370,549	2,354,445	2,378,101	2,306,200	2,292,820	2,516,188

Sales Tax Collections: 2018 vs. 2017



Upcoming discussions

- *2019 Budget Process*

Questions / Comments