



Financial Reports
(unaudited)
September 30, 2018

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

This afternoon we are presenting for your information the financial reports of the major operational funds for the period ended September 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 is included.

Augusta's revenue position at the end of the third quarter benefited from the annual billing of ad valorem taxes. The revenue shown is 100% of the billed amount, and is slightly above the total budget. Final results will be adjusted 60 days after fiscal year end for timing and actual collections. We currently expect final annual amounts to meet budget expectations. Other categories such as Licenses, Charges for Service and Fines are less seasonal.

There are bright spots for the first nine months of the year. Collections of sales tax and Title Ad Valorem Tax (TAVT) are projected to be higher than budgeted totals. The Federal Reserve has raised interest rates 3 times during 2018, which resulted in increased interest income from funds invested. Expenditures in all major funds are within acceptable ranges for the third quarter.

However, there are also revenues that are not or will not be at budgeted levels by year-end. Franchise fees from electricity and collection of fines imposed by Superior and State courts are below budgeted levels and therefore are anticipated to offset a portion of the increased revenue stream.

Our reports, charts, and subsequent discussions are intended to provide the governing body with information to measure the current status of actual revenue and expenditures when compared to the 2018 budget. Additionally it provides important data with which we make projections of the government's financial position at fiscal year end.

The 2019 budget process is ongoing, with a scheduled completion date of November 20, 2018. Current fiscal conditions, economic trends, and program priorities of the governing body will be incorporated into the framework of that document, thereby charting Augusta's course of action for the next fiscal year.

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

Today's Discussion

- Review of Funds
- Revenue Update
- Other

Third Quarter Indicators

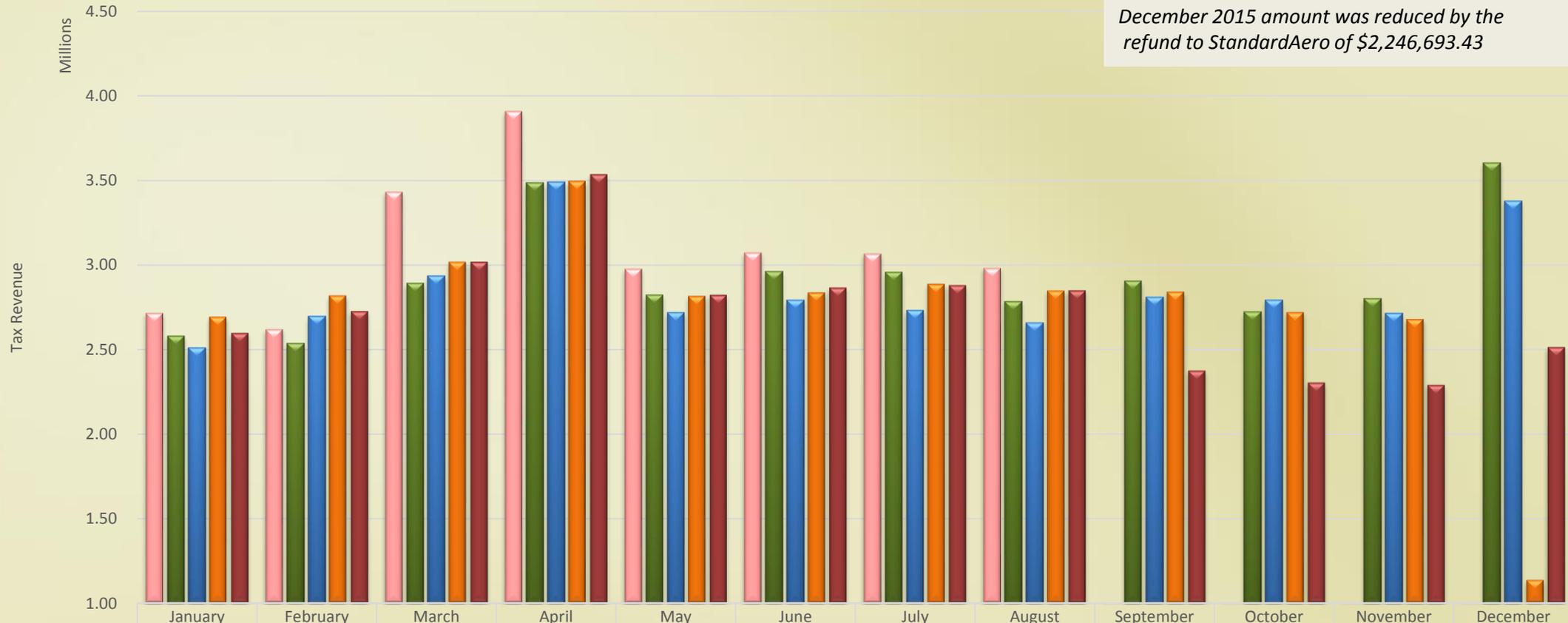
- As Ad Valorem taxes are billed and revenues are recorded in the third quarter, total revenue percentages may be skewed toward an enhanced favorable variance. As a result, expenditure levels against budget are used as key indicators.

Ad Valorem Revenue Update

- **Billed 3rd Quarter** (final collection amounts will be vary from billed amounts)
 - Changes in digest resulted in total billings 1.79% above budget
 - Increases shown in
 - General Fund/ Law Enforcement – \$735,000
 - Urban Services District - \$98,500
 - Fire Protection - \$217,700

Sales Tax Collections

December 2015 amount was reduced by the refund to StandardAero of \$2,246,693.43



| | 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 | 3,067,004 | 2,982,310 | - | - | - | - |
| 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 | 2,881,716 | 2,851,497 | 2,378,101 | 2,306,200 | 2,292,820 | 2,516,188 |

Annual Sales Tax Comparison

| <u>Year</u> | <u>Total</u> | <u>Increase / (Decrease)</u> | <u>% Change</u> |
|-------------|-----------------|----------------------------------|-----------------|
| 2013 | \$ 34,187,518 | | |
| 2014 | \$ 35,754,844 | \$ 1,567,326 | 4.58% |
| 2015 | \$ 35,056,908 * | \$ (697,936) | -1.95% |
| 2016 | \$ 34,237,131 | \$ (819,778) | -2.34% |
| 2017 | \$ 35,064,709 | \$ 827,578 | 2.42% |
| 2018 | \$ 27,785,169 | | |

* 2015 total is prior to refund to Standard Aero of \$2,246,693.43

Year to date as of 9/30

| | <u>Total</u> | <u>Increase</u> | <u>% Change</u> |
|------|---------------|-----------------|-----------------|
| 2016 | \$ 25,344,593 | | |
| 2017 | \$ 25,934,860 | \$ 590,267 | 2.33% |
| 2018 | \$ 27,785,169 | \$ 1,850,309 | 7.13% |

Third Quarter Revenue Update

- *Franchise Fees from Electricity:*
 - 8.1 % lower than budgeted, \$1.1 Million lower than 2017
 - \$2.2 million lower than amount received in 2016
- *State Court collections*

| State Court Revenues | | | |
|-----------------------------|------------------------|------------------------|------------------------|
| | Budget | Actual | Variance |
| 2018 | \$ 3,000,000.00 | \$ 1,477,818.47 | \$ (1,522,181.53) |
| <i>2018 Projected</i> | <i>\$ 3,000,000.00</i> | <i>\$ 2,216,727.71</i> | <i>\$ (783,272.30)</i> |
| 2017 | \$ 3,362,100.00 | \$ 1,701,139.00 | \$ (1,660,961.00) |

Adult Probation Services

| | 2016 | | 2017 | | 2018 | |
|------------------|---------------------|---------------------|--------------|---------------------|---------------------|---------------------|
| | Budget | Actual | Budget | Actual | Budget | Projection |
| Revenues | \$ 209,500 | \$ 209,404 | \$ 1,601,200 | \$ 494,485 | \$ 695,000 | \$ 582,723 |
| Personnel Exp | 427,250 | 427,227 | 1,206,070 | 861,653 | 1,093,460 | 805,449 |
| Operating Exp | 198,070 | 198,093 | 395,130 | 277,806 | 336,990 | 333,100 |
| Total Exp | 625,320 | 625,319 | 1,601,200 | 1,139,459 | 1,430,450 | 1,138,549 |
| excess/(deficit) | <u>\$ (415,820)</u> | <u>\$ (415,915)</u> | <u>\$ -</u> | <u>\$ (644,974)</u> | <u>\$ (735,450)</u> | <u>\$ (555,826)</u> |
| GF Transfer | 415,820 | 415,820 | - | - | 735,450 | 555,826 |
| year end net | <u>\$ -</u> | <u>\$ (95)</u> | <u>\$ -</u> | <u>\$ (644,974)</u> | <u>\$ -</u> | <u>\$ (0)</u> |

Upcoming discussions

- *2019 Budget*
 - Upcoming work sessions
 - November 2, 2018
 - November 7, 2018
 - November 14, 2018
 - *Adoption Date: November 20, 2018*

Questions / Comments

