



Financial Reports

(unaudited)

March 31, 2019

Dear Mayor Davis, Members of the Commission, and Mr. Sims:

This afternoon we are presenting for your information the financial reports of several major operational funds for the period ended March 31, 2019. The quarterly reports are presented on a cash basis of accounting, which differs from the basis used for the annual CAFR. Additionally, information on Local Sales Tax (LOST) collections and Special Purpose Local Sales Tax (SPLOST) collections and projects are included.

Total revenues during the first 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 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.

Electric franchise fees are a revenue stream received as a single payment in the first quarter. For the first time in four years, revenue from Georgia Power franchise fees has increased. The amount received, \$11.7 million is a \$500,000 increase over 2018. Other fluctuations, both positive and negative, in revenues and expenditures for the remainder of the fiscal year, our goal to manage those over which we have control so that year end results are as expected.

The 2019 budget included the continuation of the Sheriff's compensation plan that began in 2018 and a 1.5% COLA for all other employees. On May 10, employees at pay grades 23 and under, with 10 or more years of service received longevity pay adjustments. Additionally, long-term welfare of our employees is also a priority; this was accomplished with the increase in the employee contribution to the GMEBS plans increased to 6.25%. This is final action of the plan that started July 1, 2018 with an increase of the pension multiplier to two and an increase in Augusta's contribution to the plan.

Sales tax is a revenue source that has a major impact on both Augusta's operations and capital expenditures. Each month in 2018 showed collections higher than the same month in 2017, this trend continued to February 2019. March 2019 collections were slightly below the same period in 2018, largely due to the effects of corrections made by the Department of Revenue.

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.

Information Included

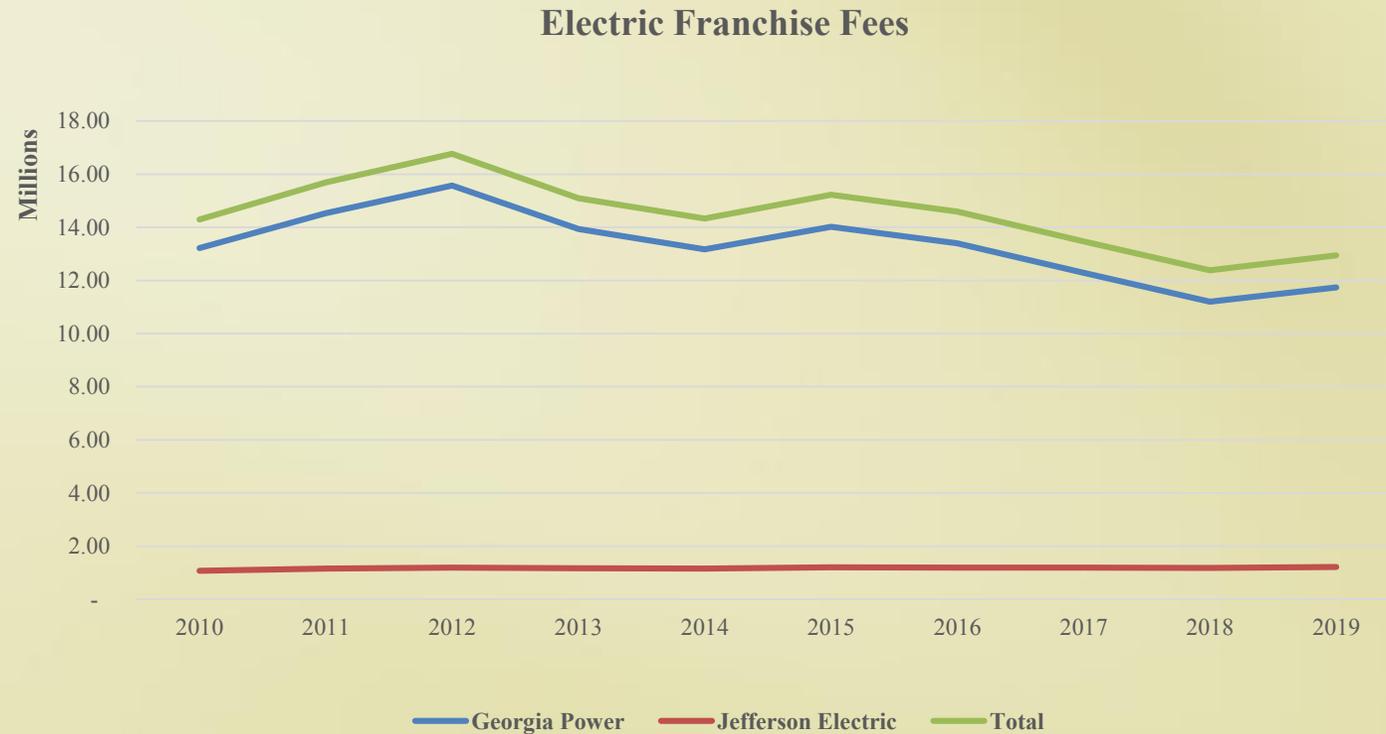
- General Fund
- Law Enforcement Fund
- Urban Services Fund
- Fire Protection Fund
- Water and Sewerage Fund
- Stormwater Utility
- Garbage Collection
- Airport
- Sales Tax (LOST and SPLOST)

Effect of Ad Valorem Tax Billing

- The percentage of **total** revenue in those funds having ad valorem tax revenue is not the most accurate indication of the actual performance of the government because revenue percentages tend to be skewed due to the billing of property taxes during the third quarter. As a result expenditure levels against budget are used as key indicators to monitor financial position.

Impact of Electric Franchise Fee

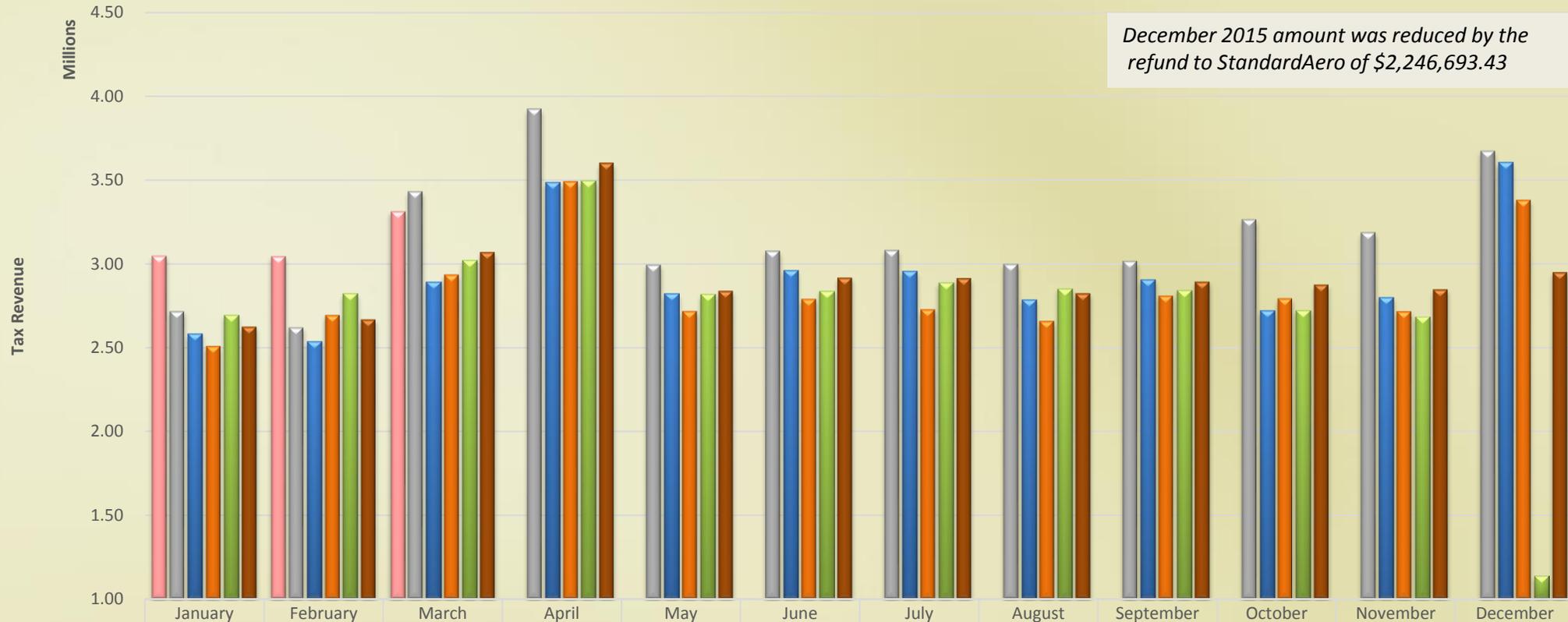
- Received as a single payment in first quarter



Investment in our Employees

- 1.5% Across the board COLA for employees effective on first check in 2019
- Continuation of funding for salary adjustments requested by the Sheriff starting in 2018
- Longevity increases (pay grade 23 and under) for employees with 10 or more years of service implemented May 10 paycheck

Sales Tax Collections



	January	February	March	April	May	June	July	August	September	October	November	December
2019	3,048,690	3,045,717	3,313,435									
2018	2,717,479	2,622,349	3,432,190	3,924,368	2,995,352	3,077,836	3,082,912	2,999,331	3,016,864	3,264,989	3,189,311	3,672,612
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	2,626,050	2,668,901	3,069,862	3,599,077	2,838,748	2,917,475	2,914,182	2,823,567	2,893,475	2,876,073	2,847,473	2,949,529

Sales Tax Collections: 2019 vs. 2018



Positive News

- Sales Tax Revenue continues to be trending upward
- All expenditures are within normal parameters for 1st Quarter

Upcoming discussions

- *Street light fee rate structure*
- *2018 Audit Results*
- *2019 Millage rate*
- *2020 Budget Process*

Questions / Comments