



Financial Reports
(unaudited)
September 30, 2019

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

This afternoon we are presenting for your information the financial reports of the major operational funds for the period ended September 30, 2019. 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 Services and Fines are less seasonal and are collected more consistently throughout the year.

There are bright spots for the first nine months of the year. Collections of sales tax and electric franchise fees are projected to be higher than budgeted totals. However, one area is not as bright. The Federal Reserve has lowered interest rates several times during 2019, which will affect the interest income from funds invested. Expenditures in all major funds are within acceptable ranges for the third quarter.

The fiscal health of our fund balance, which enables us to absorb unexpected expenses, was both enhanced and tested during this past quarter. First, we received a check for \$1.5 million from GEMA for expenses incurred in the 2014 ice storm. This check closes one of the two open projects. We are still awaiting final FEMA/GEMA reimbursement on the remaining claim. The second event was the settlement of claims from the tragic loss of life that occurred in 2018 at Fleming Athletic Center. This settlement will allow the families and Augusta to move forward with the healing process.

Our reports, charts, and subsequent discussions are intended to provide the governing body with information to measure the status of actual revenue and expenditures when compared to the 2019 budget. Additionally it provides important data with which we make projections of the government's financial position at fiscal year-end.

The 2020 budget process is ongoing, with a scheduled completion date of November 19, 2019. 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

Today's Discussion

- Revenue Update
- Review of Funds
- Other

Information Included

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

Third Quarter Indicators

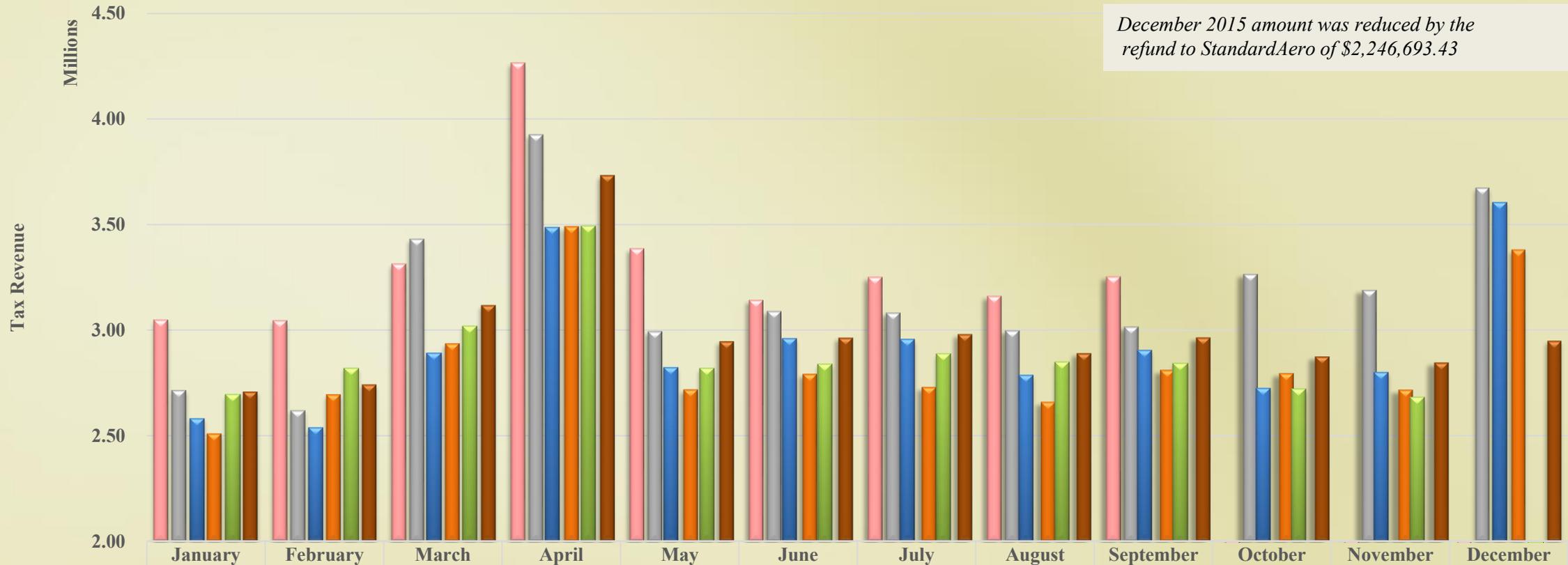
- As Ad Valorem taxes are billed and revenues are recorded in the third quarter, total revenue percentages may be skewed toward an enhanced favorable variance. As a result, expenditure levels against budget are used as key indicators.

Ad Valorem Revenue Update

- Billed 3rd Quarter *(final collection amounts will vary from billed amounts)*
 - Changes in digest resulted in total billings 1.98% above budget
 - Increases shown in
 - General Fund/ Law Enforcement – \$899,600
 - Urban Services District - \$126,200
 - Fire Protection - \$213,200

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
2019	3,048,326	3,045,332	3,312,990	4,263,741	3,385,280	3,141,754	3,250,462	3,160,242	3,252,431	-	-	-
2018	2,717,479	2,622,349	3,432,190	3,924,368	2,995,352	3,090,231	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	2,710,505	2,744,187	3,118,488	3,732,010	2,948,055	2,964,810	2,981,438	2,890,902	2,965,266	2,876,073	2,847,473	2,949,529

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	\$ 38,007,987	\$ 2,943,279	8.39%

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

Year to date as of 9/30

<u>Year</u>	<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%
2019	\$ 29,880,558	\$ 2,095,389	7.54%

Third Quarter Revenue Update

- *Franchise Fees from Electricity:*
 - 3.7 % higher than budgeted
 - \$560,000 higher than 2018

Electric Franchise Fees



Fire Protection

- Insurance Premium Tax received is 6.2% higher than pervious year.
- Expenses are below budgeted target levels of 75%
 - Total expense spend is at 69.4 % of budget
 - Personnel costs are at 71% of budget

Stormwater Utilities

- Revenue billings are 70.7% of annual budget
- Collection rates are improving

Year	Collection Rate
2016	89.0%
2017	94.0%
2018	96.2%

- Expenses are below budgeted target levels of 75%
 - Total expense spend is at 56.1 % of budget
 - Personnel costs are at 74.3% of budget

SPLOST

- Reports of each phase of SPLOST are included.
- Reports include the following:
 - Original Budget
 - Current Budget
 - Amounts previously spent
 - Current year to date expenditures
 - Balance remaining for project

Upcoming discussions

- *2020 Budget*
 - Upcoming work sessions
 - November 13, 2019
 - *Adoption Date: November 19, 2019*

Questions / Comments

