



Finance Department

Donna B. Williams, CGFM
Director

Timothy E. Schroer, CPA, CGMA
Deputy Director

Preliminary Financials - Year Ended 12/31/2019

- General and Law Enforcement funds combined show \$3,500,183 excess of revenue over expenditures to be added to fund balance reserves. This amount is 2.16% of the total budget.
- As we enter into a very uncertain period dealing with the pandemic, having a solid fund balance is imperative to maintaining our fiscal health. Currently 85 days of operations held in reserves.
- Revenues remain difficult to predict and control –
Below 2019 budget projections:
 - State Court
 - Alcohol beverage taxes
 - Alcohol licensesExceeded 2019 budget projections:
 - Electric Franchise fees
 - Sales Tax revenues
- A few departments require additional support to cover expenditures that exceeded budgeted expenditure levels.
- Fire Protection Fund will add \$2,608,607 to its fund balance. Insurance premium tax distributed from the State of Georgia exceeded budget projections by \$800,000. The state formula for distribution will be adjusted in 2022. Historically this has caused a decrease in the amount received.
- Stormwater Utility program completed its fourth year of operation. Revenues exceeded expenditures by \$981,000, which will be added to fund balance for use in future years.
- Streetlight fund's deficit increased by \$717,400 in 2019 and now stands at \$2,320,375. An updated method of funding must be addressed.



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First Quarter 2020 Financials with an April update

- Revenues during the first quarter are not accurate indicators of financial position. Instead we concentrate our analysis on the expenditure side of the budget equation, which occurs at a more even pace.
- Covid-19 pandemic has caused our world to shift; however, the financial impact to each organization is unique. The state of Georgia has been in the news because they are facing 14% budget cuts. However, what is not being pointed out is the income tax deadline was moved from one fiscal year to the next.
- Augusta's fiscal year end is December 31, therefore we have a longer period of recovery after March-April shutdowns.
- Sales tax for April was down 59% from the previous year because the Masters was postponed. However April is never a month on which to base the rest of the year. As business begin to reopen in May, when those sales tax amounts are known we can better evaluate the effects on the local economy.
- Ad Valorem taxes account for 46% of tax revenues and are not billed until the third quarter. Because of this timing, we have an opportunity to evaluate our revenues in a more systematic manner.
- Approximately \$2 million has been spent on PPE supplies and hazard pay. We will be submitting a reimbursement request to FEMA for the eligible PPE supplies.
- Available Options:
 - Defer to October or eliminate the 2020 COLA which will become effective on the July 2 paycheck. Deferral would save \$561,500. Elimination would save \$1,042,800. Of those amounts the effect on the General Fund is \$358,000 and \$664,800 respectively.
 - Across the board reductions – disproportionately burdensome on small departments
 - Strategic budget reductions in departmental budgets – either in specific programs or by freezing vacancies
 - Eliminate budgeted increase to fund balance of \$250,000
 - Use of Fund Balance – not the obvious “go to” option for Finance Directors, the reason for its existence is to maintain operations during periods of stress. The next action is to replace its use.