



Financial Reports

(unaudited)

March 31, 2023

Dear Mayor Johnson, Members of the Commission, and Ms. Douse:

This afternoon we are presenting for your information the financial reports of several major operational funds for the period ended March 31, 2023. The quarterly reports are presented on a cash basis of accounting, which differs from the basis used for the annual financial report. 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 of Taxes. The primary reason is that ad valorem tax revenue is not booked until third quarter and other types of revenue follow cyclical patterns. For this reason, we concentrate much of our analysis on the expenditure side of the budget equation, which occurs at a more even pace.

2023 Alcohol Licenses for existing businesses are due prior to December 31 with revenue recorded in the current year, resulting in the high percentage of budget to actual revenue. Other categories such as Charges for Service and Fines are less seasonal.

Electric franchise fees are a revenue stream received as a single payment in the first quarter. Georgia Power and Jefferson Electric pay 4% of their revenues from the customers in Richmond County to Augusta. The amount received, \$13.3 million is a \$1.6 million increase from 2022. Other fluctuations, both positive and negative, will occur in revenues and expenditures for the remainder of the fiscal year. Our goal is to manage those over which we have control so that year end results are as *expected*.

Sales tax is a major revenue source which has an impact on both Augusta's operations and capital expenditures. Collections for 2023 are \$4,900 higher than the same period for the previous year. This reflects as a 4.47% negative variance from budgeted levels. However, with only January and February collections reported, no downward trend should be implied, this may reflect a normalization of collections.

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

Sincerely
Donna B. Williams, CGFM
Finance Director

Today's Discussion

- Individual Funds
- Electric Franchise fees
- Sales Tax Charts
- Bond Ratings
- Upcoming Events

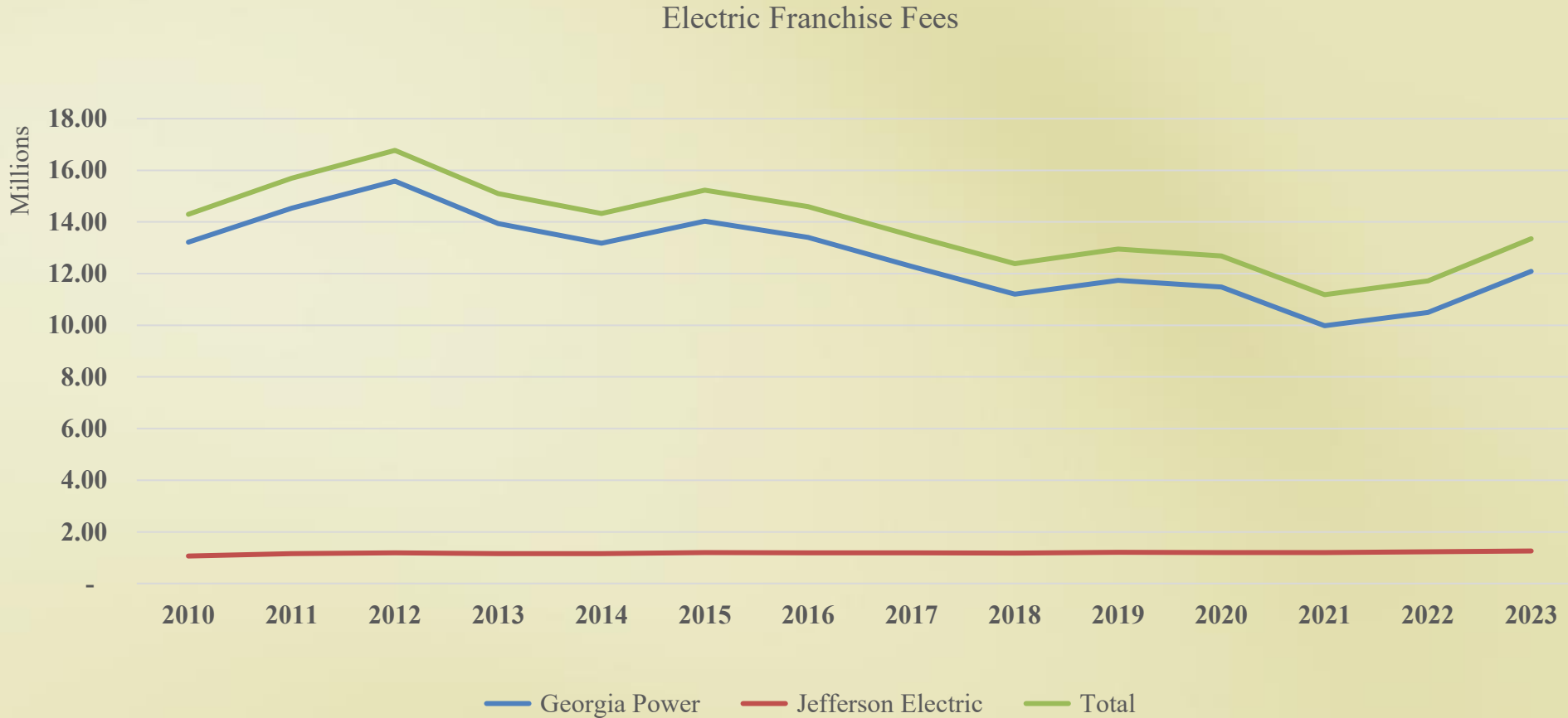
Individual Funds

First Quarter indicators for the General Fund, Law Enforcement, Urban Services & Garbage Collections:

As revenue percentages for these funds tend to be skewed due to the billing of property taxes during the third quarter, the first quarter report may not provide the most complete indication of the actual performance of the government. As a result, expenditure levels against budget are used as key indicators to monitor financial position.

At the end of the first quarter there are no major concerns.

Impact of Electric Franchise Fee



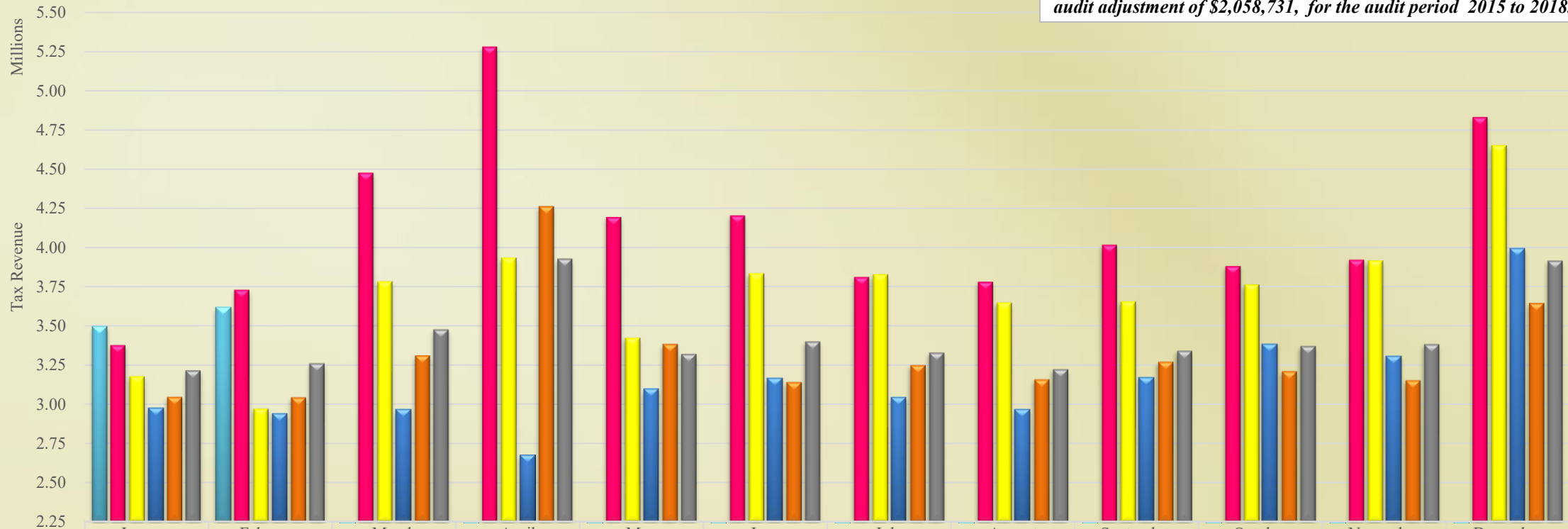
Received as a single payment in first quarter, \$1.1 million higher than budgeted projections.

Sales Tax Collections (LOST) 2023 to 2021



Sales Tax Collections (LOST) 2019 to 2023 by month

the total received in August 2020 was \$5,023,821. Included in total was an audit adjustment of \$2,058,731, for the audit period 2015 to 2018.



	January	February	March	April	May	June	July	August	September	October	November	December
2023	3,496,214	3,618,399	-	-	-	-	-	-	-	-	-	-
2022	3,378,177	3,731,524	4,477,839	5,281,095	4,195,071	4,205,178	3,812,470	3,782,191	4,018,970	3,881,837	3,923,698	4,833,182
2021	3,180,758	2,974,748	3,785,093	3,936,426	3,425,725	3,835,964	3,830,343	3,650,344	3,657,451	3,765,065	3,917,567	4,650,512
2020	2,974,617	2,936,732	2,965,160	2,676,220	3,097,954	3,168,045	3,043,057	2,965,090	3,172,302	3,384,519	3,306,965	3,995,034
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	3,271,978	3,211,903	3,153,967	3,646,566
Average	3,215,618	3,261,347	3,477,499	3,927,984	3,320,288	3,400,443	3,329,092	3,223,742	3,340,325	3,371,862	3,382,097	3,914,128

Bond Ratings - SPLOST 8 Bonds

MOODY'S

Rating Action: Moody's assigns Aa2 rating to Augusta, GA's GOULT bonds, outlook stable

S&P Global

report is expected to be released today.

Upcoming Events

- 2022 Audit Results
- 2023 Millage Rate Process
- 2024 Budget Process

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Questions / Comments