



# CITY OF SOUTH FULTON

FINANCIALS FOR THE MONTH ENDED MAY 31, 2020  
AS OF JUNE 23, 2020

PRESENTED BY

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CHIEF FINANCIAL OFFICER

## FINANCIAL REVIEW YTD MAY 2020

### General Fund Financial Highlight

The City of South Fulton concludes its eighth month with **\$23.5M** in net cash flow. To date, the General Fund has generated **\$60M in revenue** with **\$36.5M in General Fund expenditures**.

As of May 31, 2020, the City has collected **80%** of its budgeted revenues YTD. While the City's General Fund expenditures are operating at **19% less** than budget to date. This reduction reflects the emergency measures to reduce expenditures to offset revenue shortfalls anticipated through September 30, 2020.

It is recommended to reduce the 2020 expenditures by budget amendment in order to accommodate the revenues shortfall as a result of the negative impact caused by COVID -19 pandemic. Resulting into business closures and the inability to collect revenues as projected for fiscal year 2020 will impact operations for the upcoming 2021 year and beyond.

CITY OF SOUTH FULTON  
GENERAL FUND

STATEMENT OF REVENUES  
& EXPENDITURES

FOR THE MONTH ENDING  
MAY 31, 2020

| REVENUE   | 2020 Budget       | YTD Revenue        |
|---|-------------------|--------------------|
| Property Taxes  | 31,459,536        | 26,230,994         |
| Motor Vehicle   | 300,000           | 569,712            |
| Franchise   | 2,400,000         | 3,118,407          |
| Local Option Sales Tax  | 25,000,000        | 14,465,949         |
| Business and Occupation                                       | 2,024,000         | 1,640,970          |
| Other Taxes   | 7,295,000         | 7,577,412          |
| Licenses and Permits  | 1,888,850         | 2,497,333          |
| IGA FID and City of Atl                                       | 3,793,365         | 2,806,668          |
| Charges for Services  | 712,920           | 434,505            |
| Municipal Court   | 340,000           | 337,997            |
| Other Revenue   | 148,000           | 396,839            |
| <b>TOTAL REVENUES</b>   | <b>75,361,671</b> | <b>60,076,785</b>  |
|   |                   |                    |
| ACCOUNT DESCRIPTION   | 2020 Budget       | YTD<br>Expenditure |
| District Total  | 1,431,155         | 739,661            |
| City Clerk  | 1,118,844         | 703,658            |
| Mayor   | 321,824           | 130,804            |
| City Manager  | 1,459,814         | 627,799            |
| Finance   | 3,479,737         | 1,113,594          |
| Contracts & Procurement                                       | 437,460           | 188,322            |
| Law   | 1,600,000         | 549,271            |
| Information Technology  | 2,681,597         | 1,236,449          |
| Human Resources   | 759,665           | 369,782            |
| Risk Management   | 128,997           | 22,052             |
| Communications  | 828,392           | 325,146            |
| General Administrative Services                               | 4,536,655         | 2,251,058          |
| Municipal Court   | 1,015,083         | 535,250            |
| Police Administration   | 15,803,608        | 8,532,119          |
| Fire Administration   | 15,088,928        | 7,779,977          |
| Public Works  | 7,759,058         | 4,656,229          |
| Parks And Recreation  | 5,372,253         | 2,155,640          |
| Cultural Affairs  | 968,799           | 49,379             |
| Community and Regulatory Affairs                              | 5,062,703         | 2,216,390          |
| Economic Development  | 758,459           | 219,080            |
| Debt Service/ Interfund Transfers                             | 4,748,641         | 2,120,000          |
| <b>GENERAL FUND EXPENDITURES TOTALS</b>                       | <b>75,361,671</b> | <b>36,521,658</b>  |
| <b>Excess (Deficit) of Revenues over (under) Expenditures</b> | <b>0</b>          | <b>23,555,127</b>  |

## FINANCIAL REVENUE REVIEW YTD MAY 2020

### General Fund Revenues Highlights

Overall the City has collected **80%** of the budget revenue to date. Taxes are the City's main source of revenues. Even though there are some tax revenues that have exceeded projections, some of tax revenues are below projections to include: business and occupation, sales tax and property taxes.

Revenues for various services, such as for Municipal Court, Parks and Recreation fees are below estimates due to closure of services. One of the two IGAs that has been under review is catching up now on its payments. IGA revenue is expected to recover 100% by end of July for this fiscal year.

However, several tax related revenues have been impacted by COVID-19 to include sales tax, hotel/motel (other taxes), property tax as well as business and occupation taxes. There are also not enough revenues flowing in from service fees for various operations. Other areas that are still processing during the shut down such as building permits are bringing in revenue but not sufficient to alleviate the shortfall. The reduction of revenues will persist for an extended period beyond our current fiscal year.

# FINANCIAL REVENUE REVIEW YTD MAY 2020

## Revenue Highlights continues

Property tax revenues of **\$672K** were collected in May. Property Tax represents **44%** of all General Fund revenues estimated for fiscal year 2020.

LOST revenues represent **23%** of all General Fund estimated revenues. The LOST revenue stream is decreasing every month since March as a direct reflection of reduced commerce in the state. **\$1.5M** LOST revenues was received in May as compared **\$1.7M** in April, **\$1.9M** in March and **\$2.2M** in February. Budgeted at **\$25M** and only **\$14M** has been received as of May 31, 2020.

Other taxes add up to **13%** of the total budgeted revenues for fiscal year 2020.

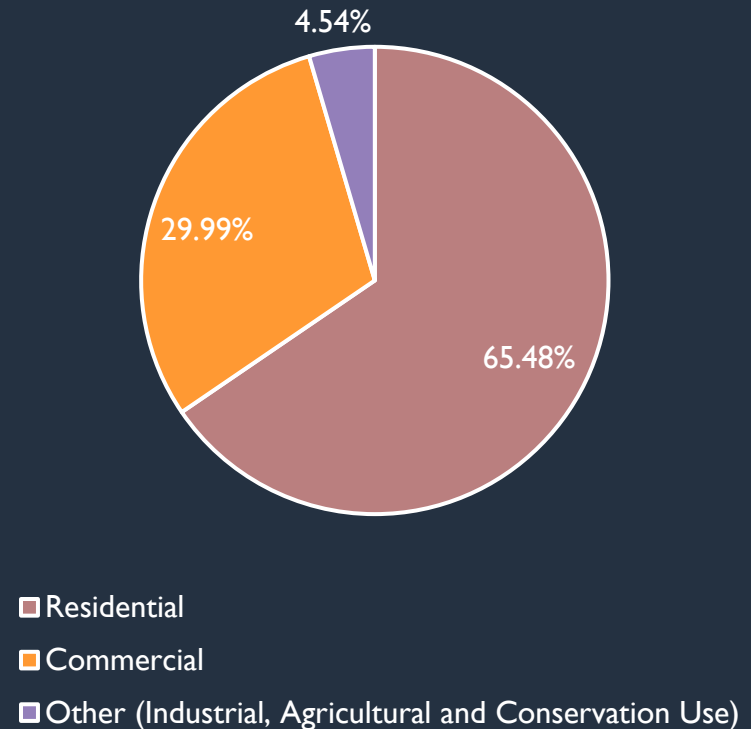
Overall the City has collected **80%** of the budgeted revenues as end of May 2020. It has to be noted that most of the property tax and insurance premium tax revenues are collected at the beginning of the fiscal year while expenditures are occurring throughout the fiscal year.

# FY2020 YTD Tax Revenue Highlights

## as of 5/31/2020

### Property Taxes

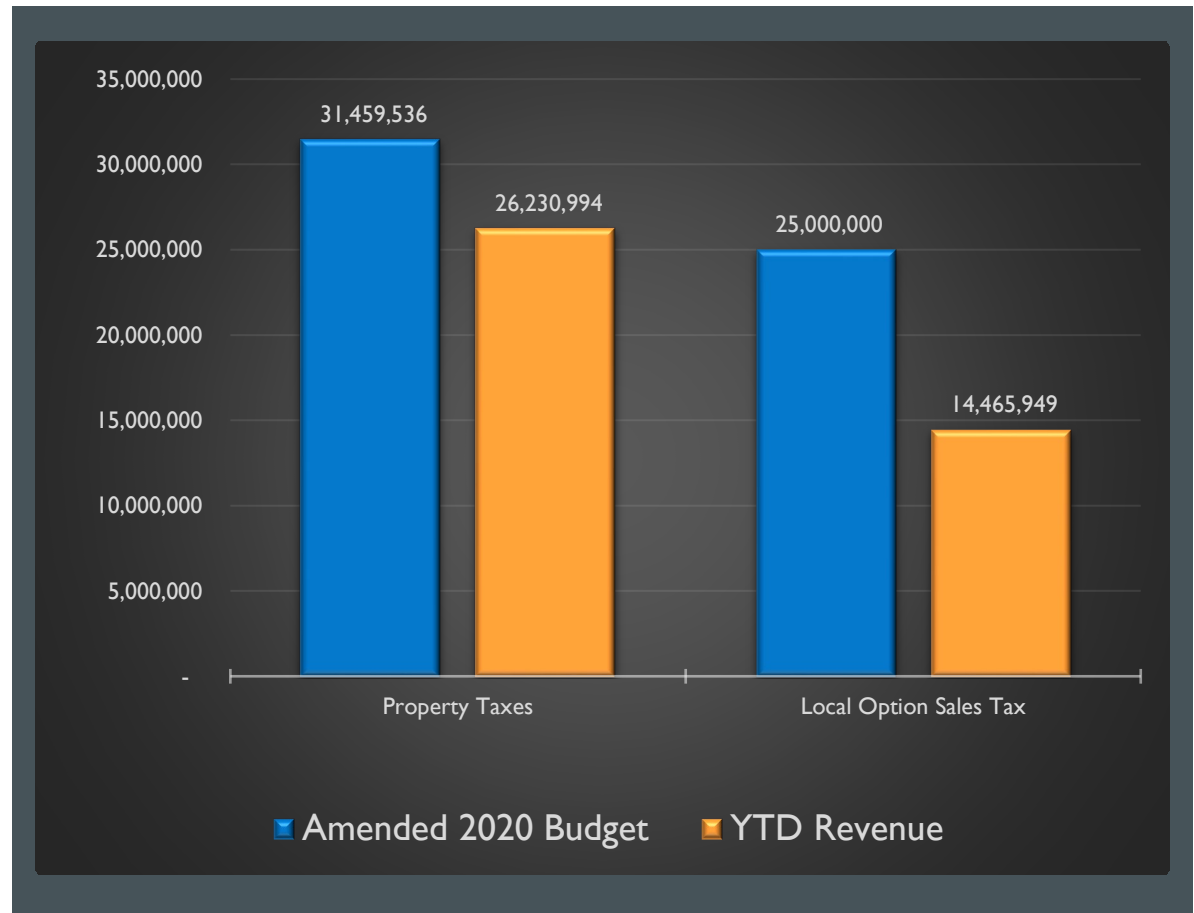
- Tax year **billing amounts**
  - 2019 - \$29,409,341.24
  - 2018 - \$28,740,491.85
  - 2017 - \$14,415,866.64
- Tax year **collection amounts and rate%**
  - 2019 - \$28,939,430.39 (98.40%)
  - 2018 - \$28,537,783.05 (99.29%)
  - 2017 - \$14,200,898.17 (98.51%)



**City of South Fulton – General Fund  
Summary of Revenues  
For the Month Ending May 31, 2020**

| <b>REVENUE</b>          | <b>Amended 2020<br/>Budget</b> | <b>May-20</b>    | <b>YTD Revenue</b> | <b>% of YTD<br/>Revenue</b> | <b>% of Revenue<br/>Collected</b> |
|-------------------------|--------------------------------|------------------|--------------------|-----------------------------|-----------------------------------|
| Property Taxes          | 31,459,536                     | 672,086          | 26,230,994         | 44%                         | 83%                               |
| Motor Vehicle           | 300,000                        | 55,351           | 569,712            | 1%                          | 190%                              |
| Franchise               | 2,400,000                      | 93,224           | 3,118,407          | 5%                          | 130%                              |
| Local Option Sales Tax  | 25,000,000                     | 1,547,744        | 14,465,949         | 24%                         | 58%                               |
| Business and Occupation | 2,024,000                      | 151,103          | 1,640,970          | 3%                          | 81%                               |
| Other Taxes             | 7,295,000                      | 62,802           | 7,577,412          | 13%                         | 104%                              |
| Licenses and Permits    | 1,888,850                      | 353,296          | 2,497,333          | 4%                          | 132%                              |
| IGA FID and City of Atl | 3,793,365                      | 308,333          | 2,806,668          | 5%                          | 74%                               |
| Charges for Services    | 712,920                        | 68,319           | 434,505            | 1%                          | 61%                               |
| Municipal Court         | 340,000                        | 37,566           | 337,997            | 1%                          | 99%                               |
| Other Revenue           | 148,000                        | 26,026           | 396,839            | 1%                          | 268%                              |
| <b>TOTAL REVENUES</b>   | <b>75,361,671</b>              | <b>3,375,852</b> | <b>60,076,785</b>  | <b>100%</b>                 | <b>80%</b>                        |

## BUDGETED VS ACTUAL REVENUE IN PRIMARY CATEGORIES



Property Taxes and Local Option Sales Tax make up 41% and 33% of our budget respectively. With our two largest sources of revenue in jeopardy of not being fully collected, the Finance team is recommending a 15% reduction in the general fund expenditures budget.



**City of South Fulton - All Funds**  
**Summary of Revenues**  
**For the Month Ending May 30, 2020**

| <b>ACCOUNT DESCRIPTION</b>               | <b>Amended 2020</b> |                  |                    |
|--|---------------------|------------------|--------------------|
|  | <b>Budget</b>       | <b>May-20</b>    | <b>YTD Revenue</b> |
| General Fund (includes Court Operations) | 75,361,671          | 3,375,858        | 60,076,785         |
| Confiscated Assets                       | -                   | -                | 4,228              |
| E-911 Fund                               | -                   | -                | -                  |
| Restricted Grants                        | 5,064,602           | -                | -                  |
| Hotel Motel                              | 240,000             | 17,583           | 84,038             |
| T-SPLOST                                 | 17,592,330          | 1,138,223        | 9,444,121          |
| Capital Grants                           | 1,222,516           | -                | 1,222,517          |
| Capital                                  | 10,499,348          | -                | 17,020,000         |
| Solid Waste                              | 520,000             | 10,467           | 201,699            |
| <b>TOTAL REVENUES</b>                    | <b>110,500,467</b>  | <b>4,542,131</b> | <b>88,053,388</b>  |

# FINANCIAL REVIEW YTD MAY 2020

## General Fund Expenditure Highlights

As of May 31, 2020 average expenditures were at **48% or \$36,52,658** of the 2020 amended budget. Freezing of unfilled non essential positions, delayed filling in essential positions (Public Safety) and cancellation of contracts have contributed to the lower expenditures than budgeted.

Expenditure cuts of **15%** on average across the board has been recommended in order to make up for the deep revenue shortfall due to closure of City services as a result of COVID-19 pandemic outbreak.

The City will be able to meet payroll and benefit expenditures for all employees, meet all general obligations, debt service and other monthly bills payment till the end of the fiscal year after implementing expenditure reduction through 2020 budget amendment. Effects of revenue shortfall will continue beyond 2021 fiscal year.

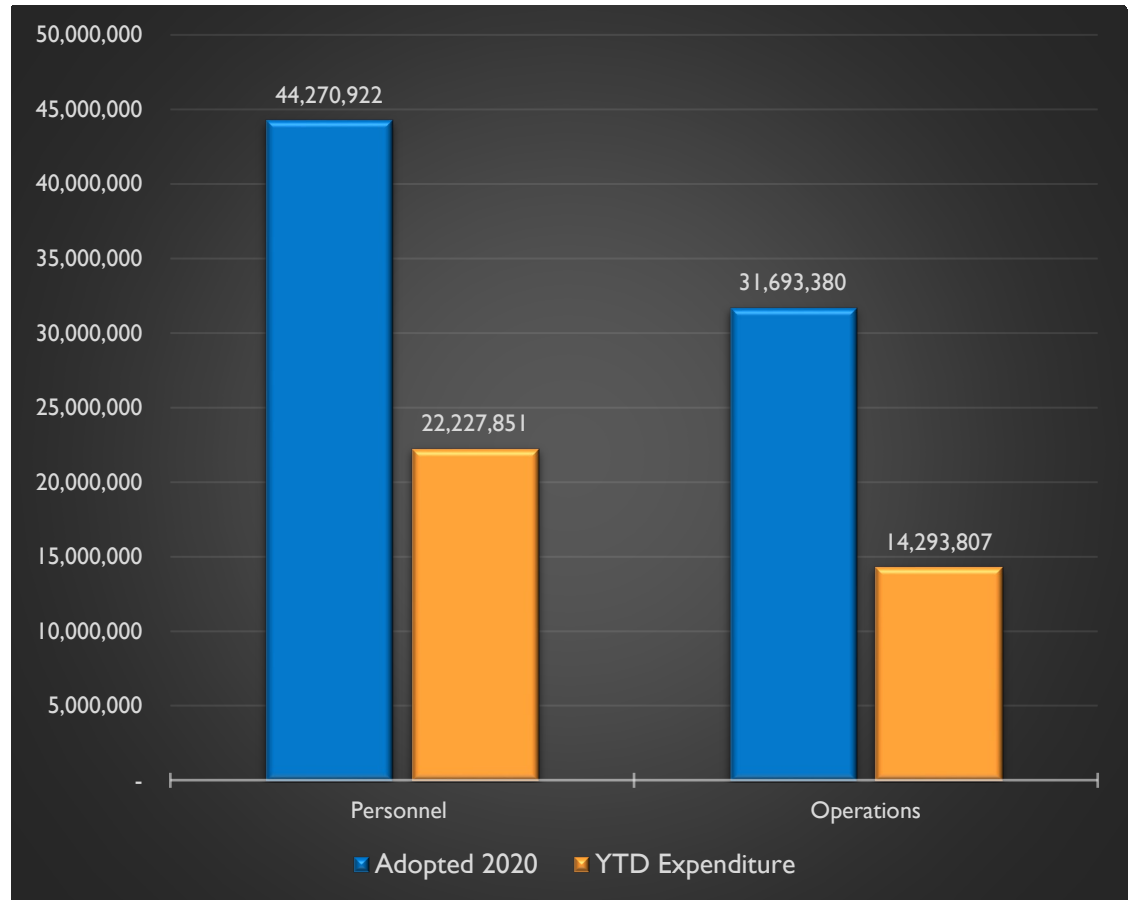
2021 General fund budget will have its foundation on the 2020 amended budget that will include **15%** expenditure reductions. In other words, 2020 amended budget will become our 2021 budget in terms of dollar amount for respective departments.

City of South Fulton - General Fund  
Summary of Expenditures  
For the Month Ending May 31, 2020

| ACCOUNT DESCRIPTION                     | Amended 2020<br>Budget | May-20           | YTD Expenditure   | % YTD<br>Expenditures | % used     |
|---|------------------------|------------------|-------------------|-----------------------|------------|
| District Total                          | 1,431,155              | 98,334           | 739,661           | 2.03%                 | 52%        |
| City Clerk                              | 1,118,844              | 38,155           | 703,658           | 1.93%                 | 63%        |
| Mayor                                   | 321,824                | 23,209           | 130,804           | 0.36%                 | 41%        |
| City Manager                            | 1,459,814              | 95,299           | 627,799           | 1.72%                 | 43%        |
| Finance & Administrative Services       | 3,479,737              | 249,929          | 1,113,594         | 3.05%                 | 32%        |
| Contracts & Procurement                 | 437,460                | 23,057           | 188,322           | 0.52%                 | 43%        |
| Law                                     | 1,600,000              | 5,698            | 549,271           | 1.50%                 | 34%        |
| Information Technology                  | 2,681,597              | 65,170           | 1,236,449         | 3.39%                 | 46%        |
| Human Resources                         | 759,665                | 47,306           | 369,782           | 1.01%                 | 49%        |
| Risk Management                         | 128,997                | -                | 22,052            | 0.06%                 | 17%        |
| Communications                          | 828,392                | 40,649           | 325,146           | 0.89%                 | 39%        |
| General Administrative Services         | 4,536,655              | 331,147          | 2,251,058         | 6.16%                 | 50%        |
| Municipal Court                         | 1,015,083              | 72,776           | 535,250           | 1.47%                 | 53%        |
| Police Administration                   | 15,803,608             | 1,466,376        | 8,532,119         | 23.36%                | 54%        |
| Fire Administration                     | 15,088,928             | 1,306,393        | 7,779,977         | 21.30%                | 52%        |
| Public Works                            | 7,759,058              | 1,109,214        | 4,656,229         | 12.75%                | 60%        |
| Parks and Recreation                    | 5,372,253              | 314,546          | 2,155,640         | 5.90%                 | 40%        |
| Cultural Affairs                        | 968,799                | -                | 49,379            | 0.14%                 | 5%         |
| Community & Regulatory Affairs          | 5,062,703              | 346,851          | 2,216,390         | 6.07%                 | 44%        |
| Economic Development                    | 758,459                | 31,272           | 219,080           | 0.60%                 | 29%        |
| Debt Service/ Interfund Transfers       | 4,748,641              | 1,920,000        | 2,120,000         | 5.80%                 | 45%        |
| <b>GENERAL FUND EXPENDITURES TOTALS</b> | <b>75,361,671</b>      | <b>7,585,383</b> | <b>36,521,658</b> | <b>100%</b>           | <b>48%</b> |

BUDGET VS  
ACTUAL

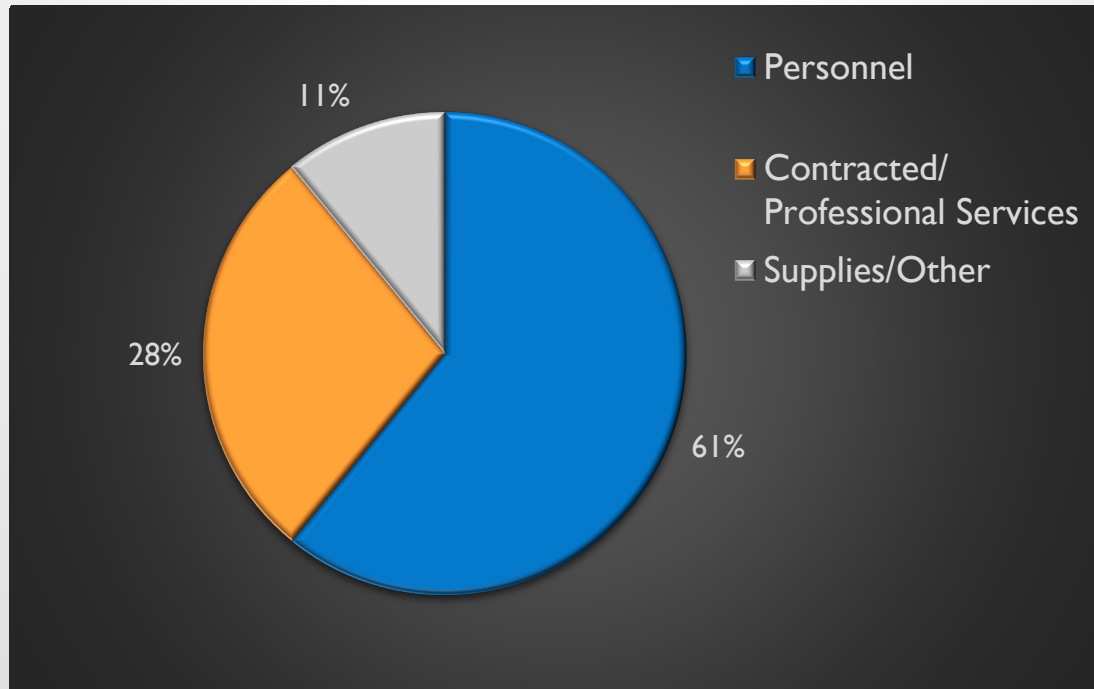
PERSONNEL AND  
OPERATING  
EXPENDITURES  
YEAR TO DATE  
MAY 2020



Personnel and Operational Expenditures are operating under budgeted expenditure amounts at 50% and 46% respectively.

## GENERAL FUND EXPENDITURES BY TYPE

| Type                              | Expended YTD      |
|-----------------------------------|-------------------|
| Personnel                         | 22,227,851        |
| Contracted/ Professional Services | 10,306,692        |
| Supplies/Other                    | 3,987,115         |
| <b>Total Expenditures</b>         | <b>36,521,658</b> |



**City of South Fulton - All Funds**  
**Summary of Expenditures**  
**For the Month Ending May 31, 2020**

| <b>ACCOUNT DESCRIPTION</b>               | <b>Amended 2020<br/>Budget</b> | <b>May-20</b>     | <b>YTD<br/>Expenditures</b> |
|--|--------------------------------|-------------------|-----------------------------|
| General Fund (includes Court Operations) | 75,361,671                     | 7,585,383         | 36,521,658                  |
| Confiscated Assets                       | -                              | -                 | 100                         |
| E-911 Fund                               | -                              | 1,482,242         | 1,976,323                   |
| Restricted Grants                        | 5,064,602                      | 91,867            | 161,379                     |
| Hotel Motel                              | 240,000                        | 9,749             | 78,218                      |
| T-SPLOST                                 | 17,592,330                     | 852,507           | 852,628                     |
| Capital Grant                            | 1,222,516                      | -                 | -                           |
| Capital                                  | 10,499,348                     | 154,282           | 3,311,412                   |
| Solid Waste                              | 520,000                        | 26,747            | 250,095                     |
| <b>TOTAL EXPENDITURES</b>                | <b>110,500,467</b>             | <b>10,202,776</b> | <b>43,151,814</b>           |

# SUMMARY

## Revenues:

- There is an estimated revenue shortfall of \$11.4 million of the 2020 amended budget of \$75,964,302 as a result of the COVID-19 pandemic outbreak resulting in closure of City facilities.
- The economic downward spiral will continue for months to come beyond this current state lifted lockdown. Revenue shortfall being experienced by City of South Fulton is applicable to all neighboring municipalities in the Metro area, across the State and around the Country although the magnitude of shortfall vary from city to city.
- City of South Fulton started fiscal year 2020 with sufficient cash from 2019 that has helped the City to make it safely during this lockdown and with deep revenue short fall but still able to meet all expenditures including payroll for all City employees.
- We expect to experience a big reduction of property tax revenues in 2021 as a result of properties losing values and inability for tax payers to make payments.

## SUMMARY Continue

### Revenues:

- Sales Tax revenue is received one month behind. The City has already experienced a reduction of over \$800,000 in sales tax revenue from February through May, 2020 and the situation is expected to continue to worsen.
- Business and Occupation license renewal is based on previous year's revenues receipts. This means that our business license revenue for next year, 2021 budget will be much less as businesses will be reporting their receipts for 2020 that are currently being affected by the Coronavirus pandemic.
- Hotel/Motel revenues have taken a deep cut with the shutdown as travel came to a standstill and will take time for the industry to recover to pre-COVID-19 levels.
- No revenues from Municipal Court following the closure of court Services as is the same situation with Parks and Recreation, PD service fees, Southwest Art Center service fees, Fire and Rescue Service fees as well as some Community and Regulatory Affairs service fees. Some revenues will slowly be flowing in for some of these services as they open up.



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THANK YOU !!!

# QUESTIONS

# ?