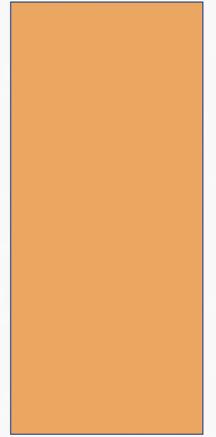
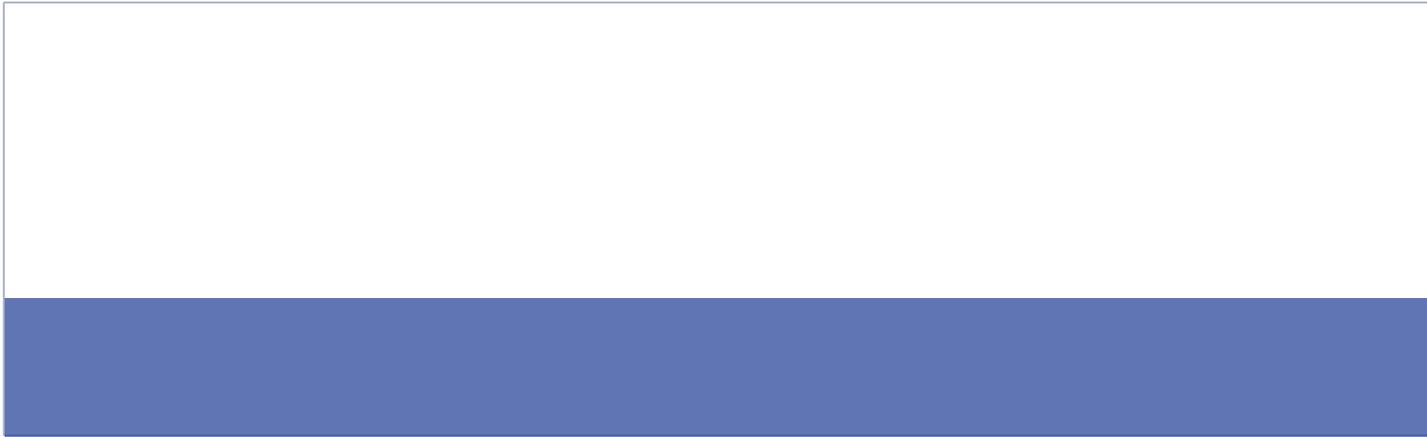




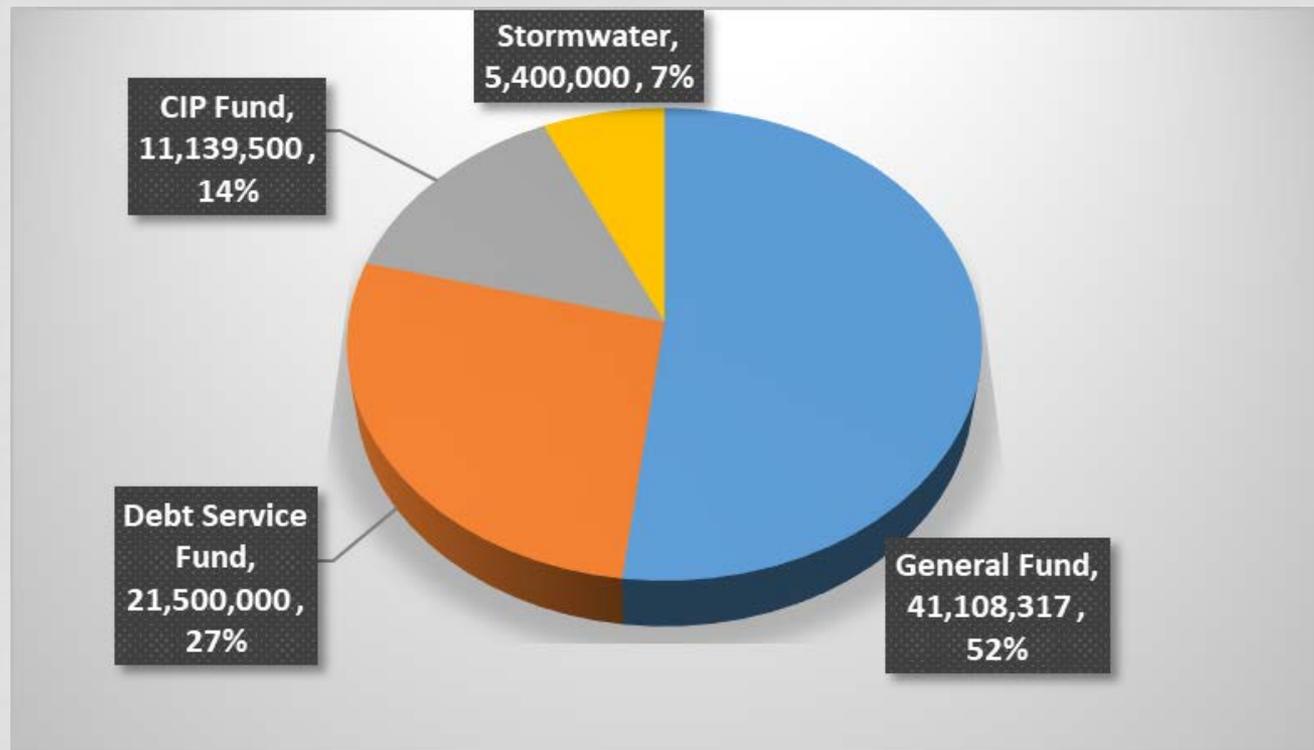
FINANCIAL UPDATE FOR TOWN COUNCIL

*FOR THE TWELVE MONTHS ENDING
JUNE 30, 2020 (PRE-CLOSE)*



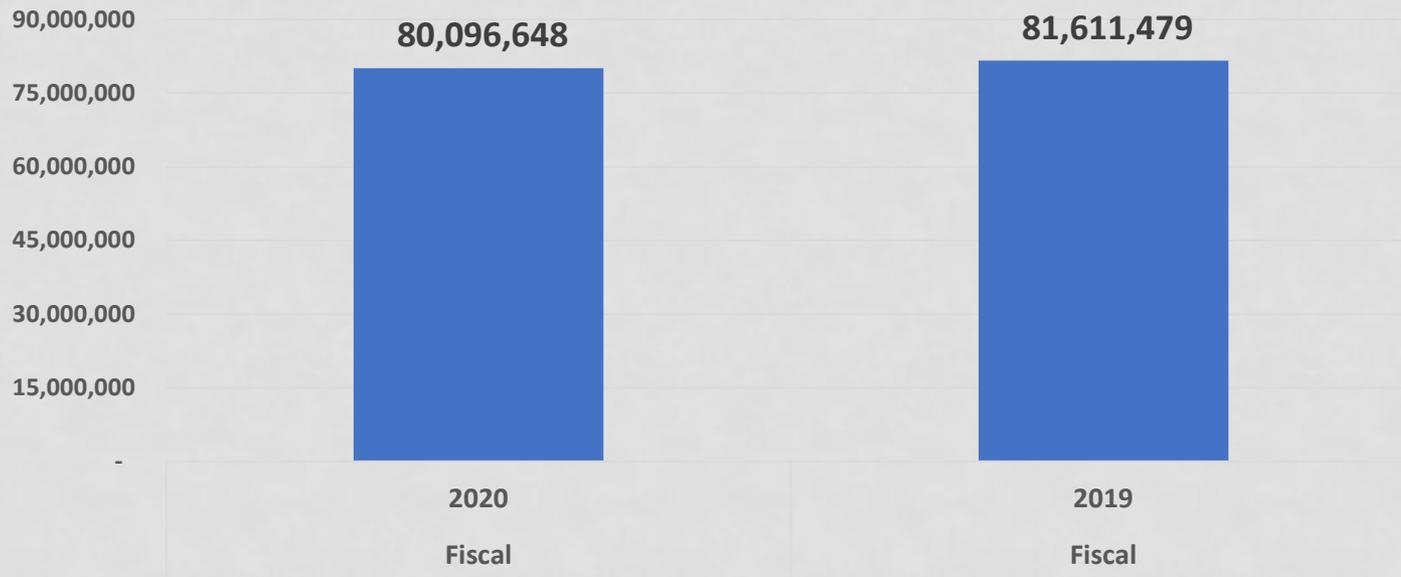
TOWN OF HILTON HEAD ISLAND

FISCAL 2020 BUDGETED REVENUE



The Town's \$79,147,817 budgeted revenue is in four main parts

YTD COLLECTIONS



Current year collections (so far) are 98.1% of all of last year's collections (Budgeted + Special Revenue funds)

PROPERTY TAX COLLECTIONS TO BUDGET

Property Taxes	Current YTD	Budget	Collections Above(Below)	% of Budget
General	15,423,223	15,127,344	295,879	102.0%
CIP	21,118	-	21,118	n/a
Debt	5,378,472	5,336,503	41,969	100.8%
Total Property Taxes	20,822,813	20,463,847	358,966	101.8%

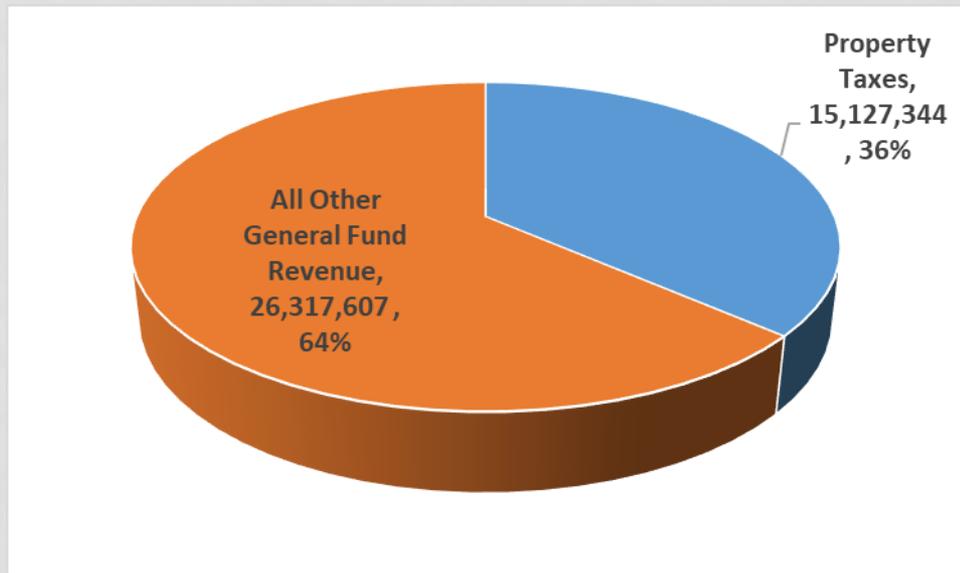
We met budget for property tax collections

PROPERTY TAX COLLECTIONS TO PRIOR YEAR

Property Taxes	Current YTD	Prior YTD	+/- \$	+/- %
General	15,423,223	14,390,696	1,032,527	7.2%
CIP	21,118	737,874	(716,756)	-97.1%
Debt	5,378,472	5,372,835	5,637	0.1%
TIF	5,031,311	4,687,575	343,736	7.3%
Total Property Taxes	25,854,124	25,188,980	665,144	2.6%

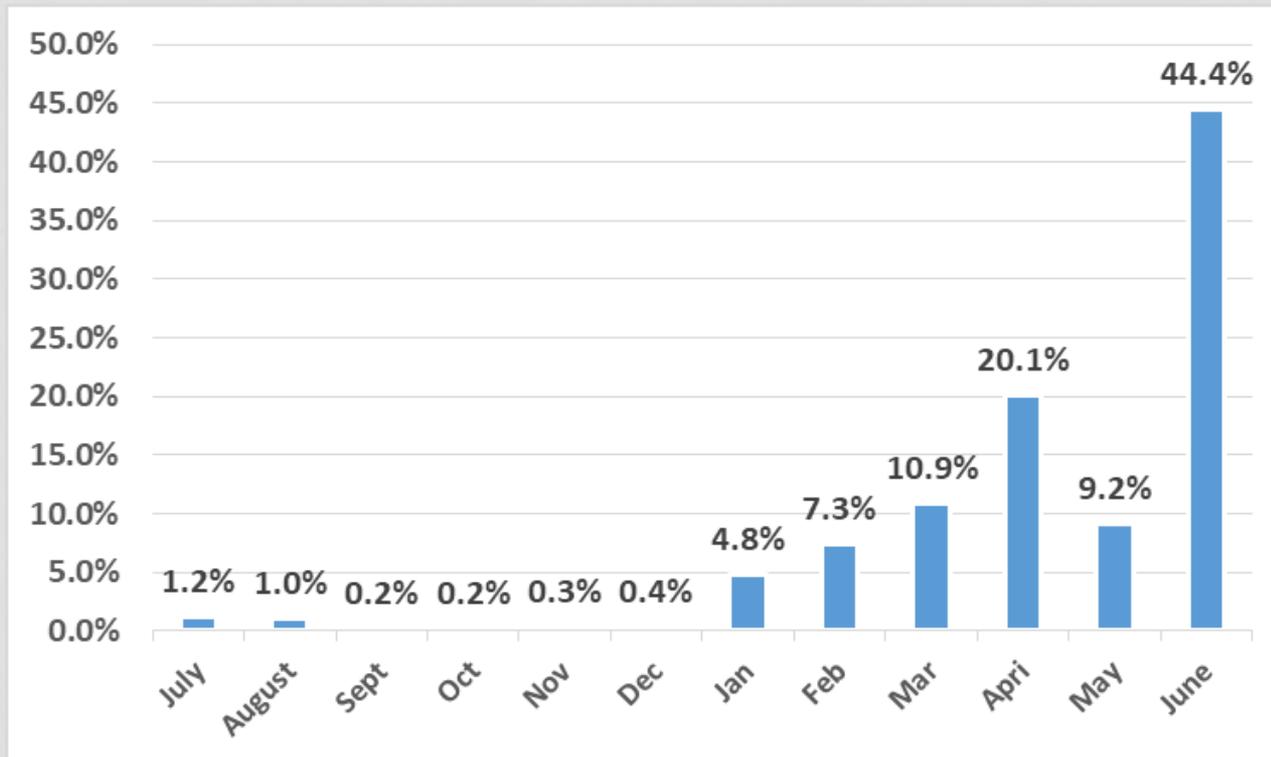
*The Town implemented the CPI adjustment of 1.4% for 2020 –
(this is without the disaster recovery 5 mils)*

HOW MUCH OF THE GENERAL FUND BUDGET IS PROPERTY TAXES?



Property taxes are important to the General Fund's \$41.4 m budget -- but diversification of revenue has been successfully a priority

BUSINESS LICENSE INCOME BY MONTH



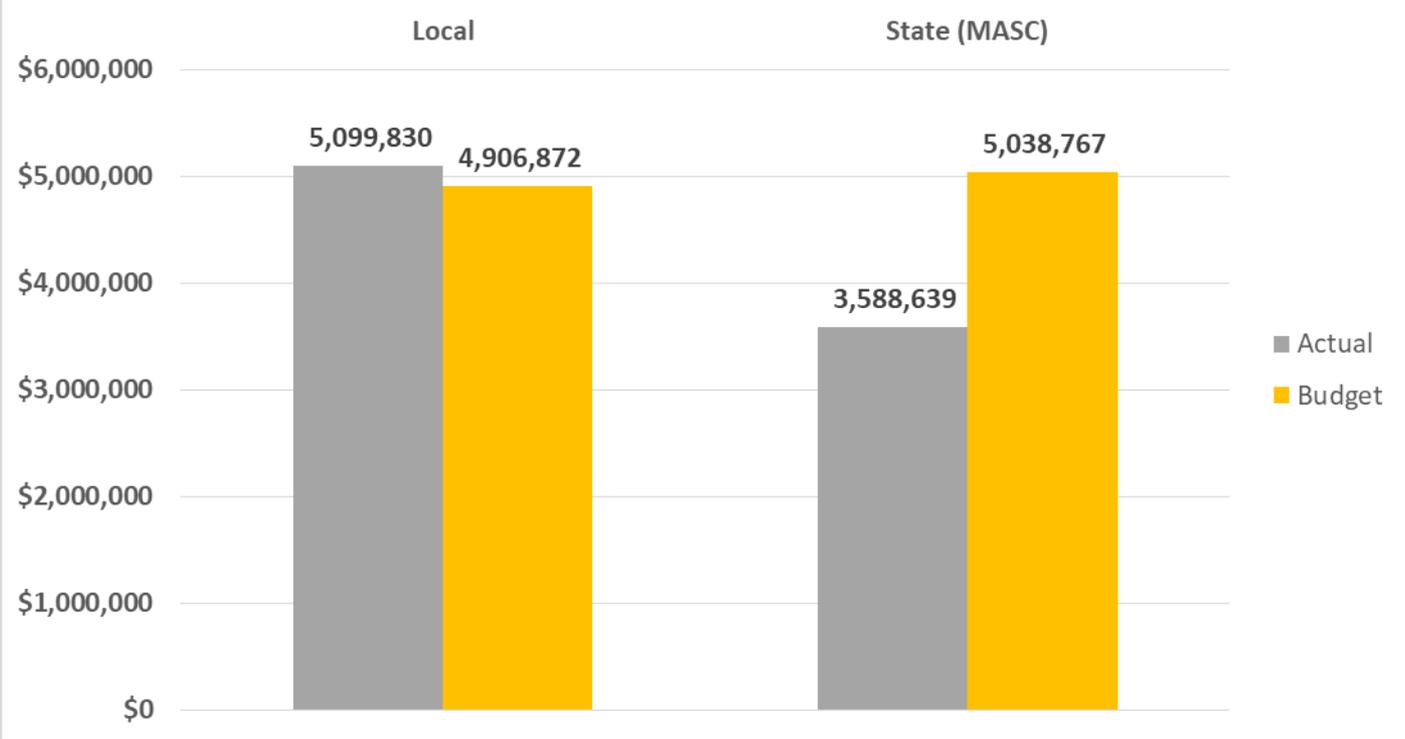
Business license income is even more seasonal than property taxes.

BUSINESS LICENSE INCOME TO BUDGET

	Actual	Budget	Collections	% of
Business Licenses	YTD		To Go in \$	Budget
Local	5,099,830	4,906,872	192,958	103.9%
State (MASC)	3,588,639	5,038,767	(1,450,128)	71.2%
Total Business Licenses	8,688,469	9,945,639	(1,257,170)	87.4%

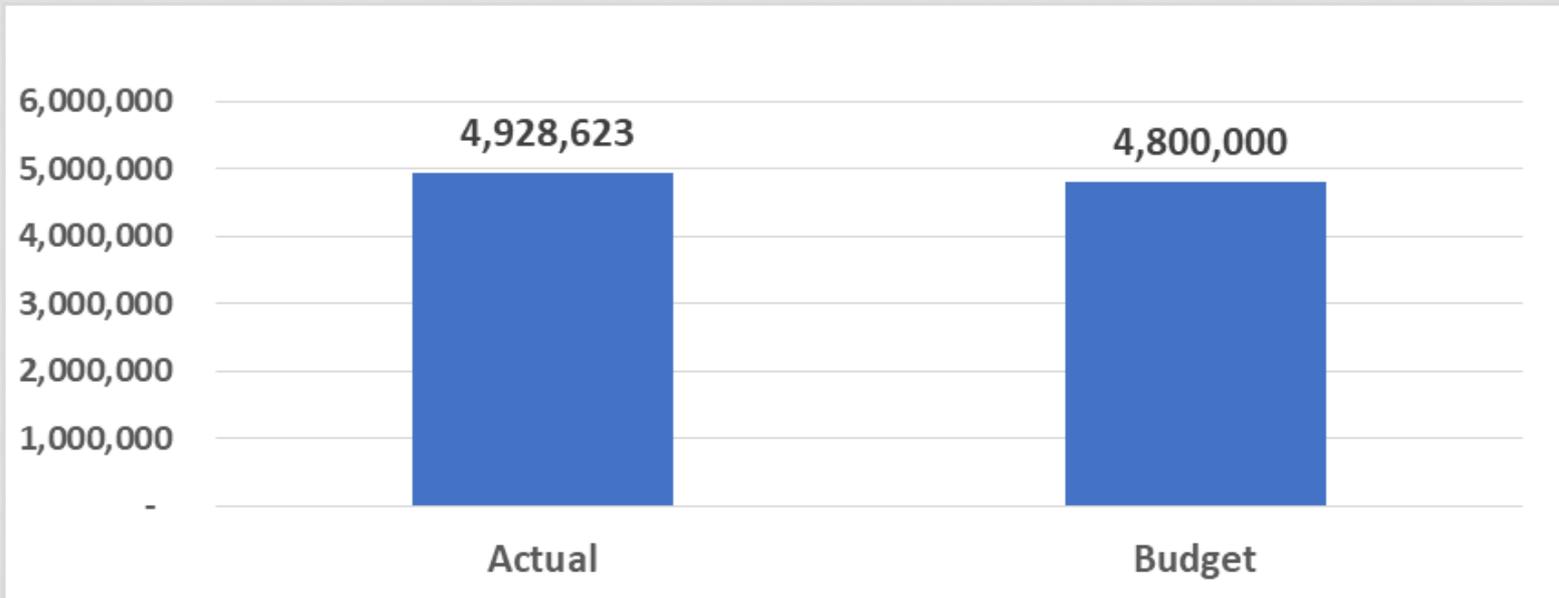
Local Business License income is further along than the State

BUSINESS LICENSE INCOME TO BUDGET



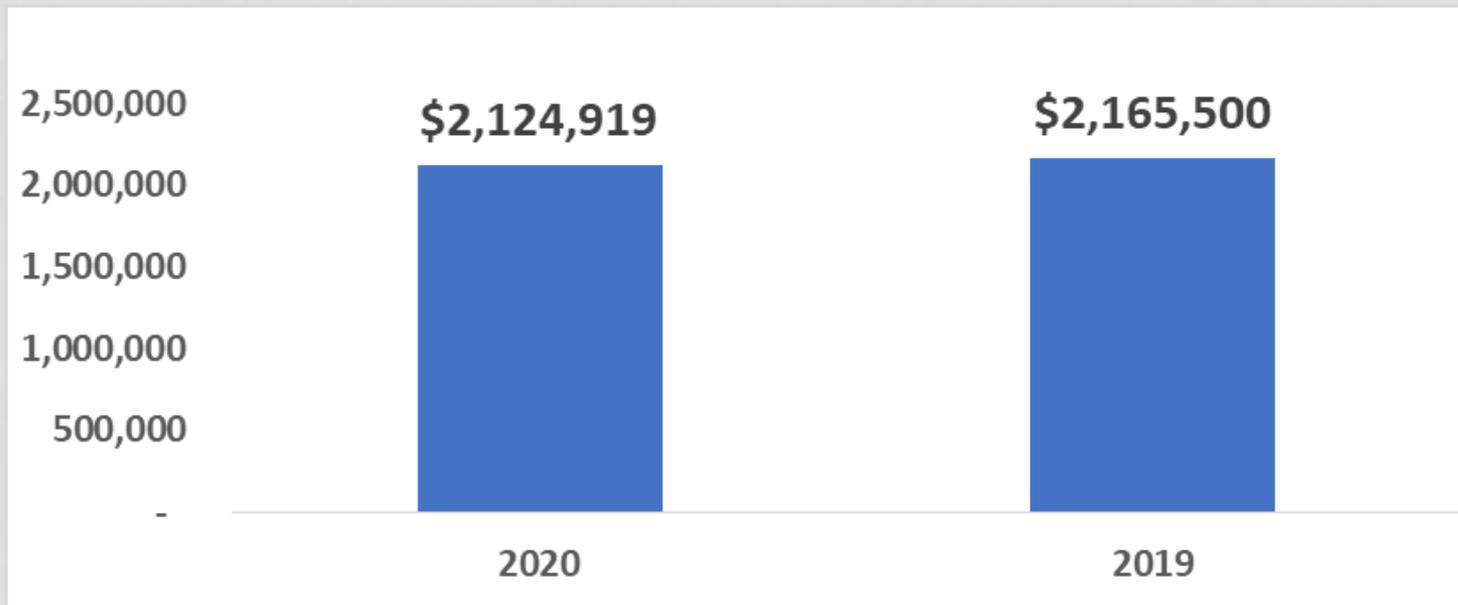
Local Business license collections were 103.9% of budget – while the State is 71%. (The State had a timing change of \$929,000 from PY)

STORMWATER COLLECTIONS



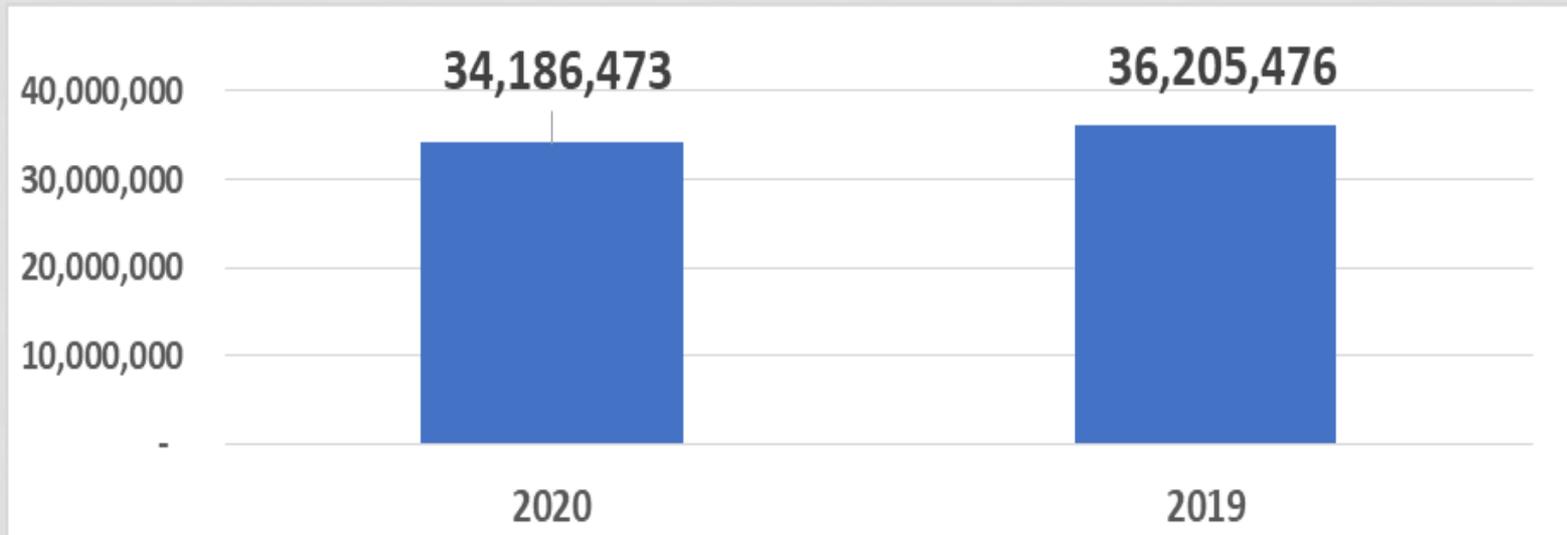
Current year collections were 102.7% of budget.

INTEREST EARNINGS



Current year collections were 98.1% of prior year – in spite of rapidly declining end-of-year rates this year

YTD SPECIAL REVENUES



Special Revenues are 5.6% less than last year as a total.

YTD COLLECTIONS

	Preliminary	Actual
	2020	2019
Road Usage Fee	1,015,865	1,045,628
ATAX	6,490,407	6,880,027
HTAX	6,284,461	7,545,767
RETF	3,552,965	3,380,107
Beach Fee	7,083,230	7,480,143
Electric Franchise Fee	2,706,003	2,812,503
Stormwater Fee	4,928,623	4,895,801
Investment Income	2,124,919	2,165,500
Total	34,186,473	36,205,476

Current year collections were 94.4% of last year's collections from this group of revenues.

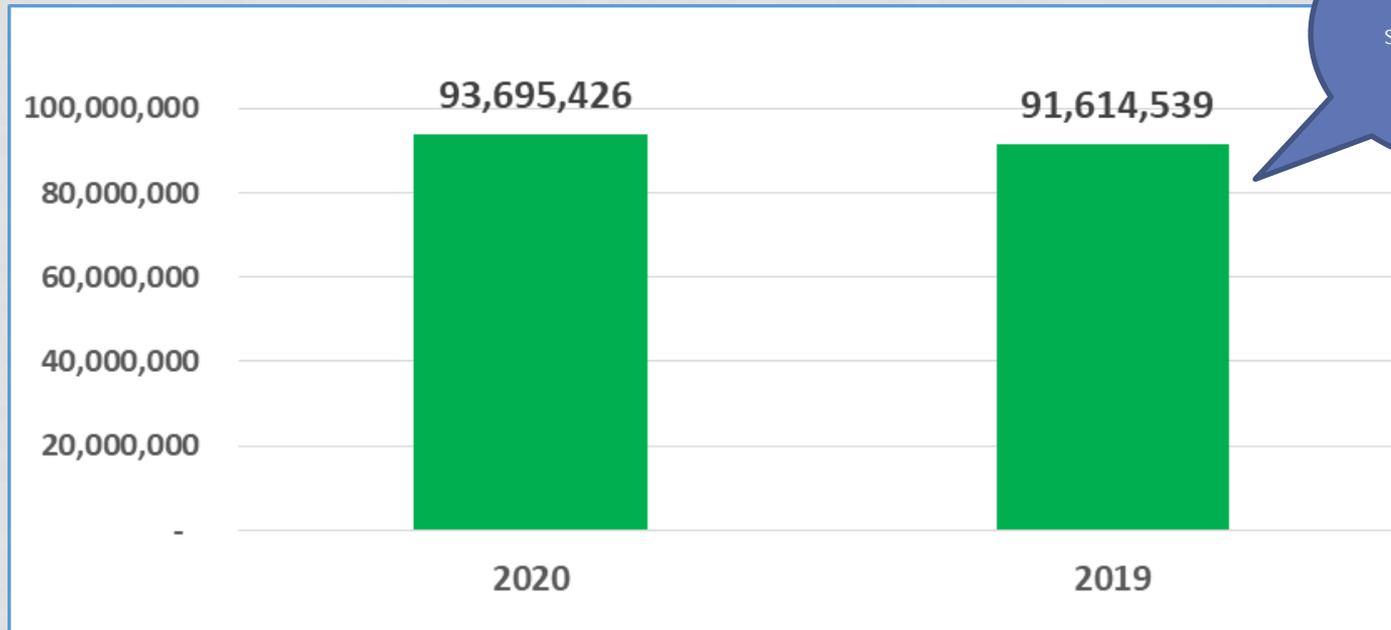
YTD COLLECTIONS

	Preliminary	Actual		
	2020	2019	+/- \$	+/- %
Road Usage Fee	1,015,865	1,045,628	(29,763)	-2.8%
ATAX	6,490,407	6,880,027	(389,620)	-5.7%
HTAX	6,284,461	7,545,767	(1,261,306)	-16.7%
RETF	3,552,965	3,380,107	172,858	5.1%
Beach Fee	7,083,230	7,480,143	(396,913)	-5.3%
Electric Franchise Fee	2,706,003	2,812,503	(106,500)	-3.8%
Stormwater Fee	4,928,623	4,895,801	32,822	0.7%
Investment Income	2,124,919	2,165,500	(40,581)	-1.9%
Total	34,186,473	36,205,476	(2,019,003)	-5.6%

HTAX was impacted more by COVID-19 than any other revenue item.

Hospitality Tax is based on prepared food and beverage sales

YTD EXPENDITURES



Governmental + Stormwater spending from p7 monthly financials.

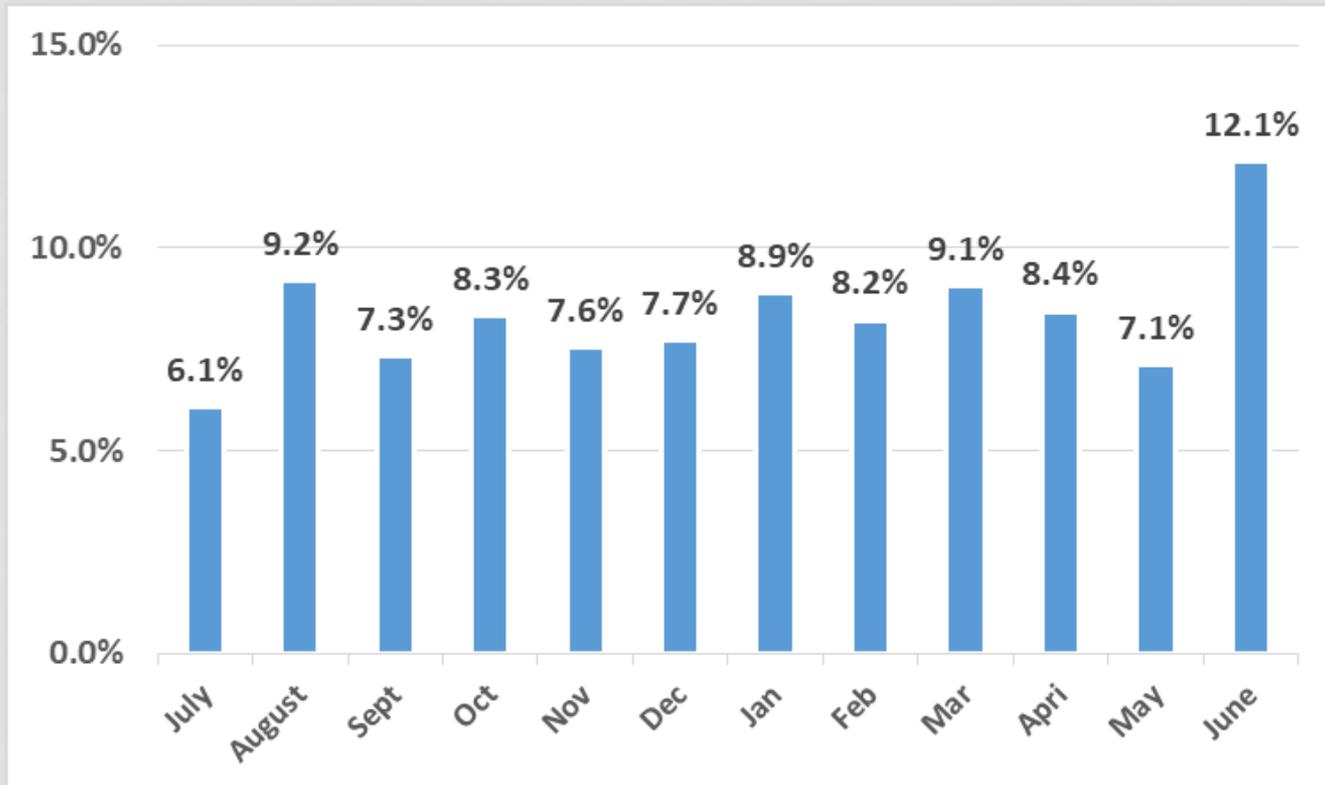
Current year spending is 2.3% more than last year at this time – (CY includes Low Country Celebration Park)

VARIOUS SPENDING BY CATEGORY

Expenditures	YTD	YTD		
Recap	Fiscal	Fiscal		
	2020	2019	+/- \$	+/- %
General Fund	38,850,702	37,671,993	1,178,709	3.1%
Special Revenue	7,870,916	7,466,822	404,094	5.4%
Debt Service Fund	19,788,572	21,182,915	(1,394,343)	-6.6%
CIP Fund	22,787,315	21,408,343	1,378,972	6.4%
Stormwater	4,397,921	3,884,466	513,455	13.2%
Total	93,695,426	91,614,539	2,080,887	2.3%

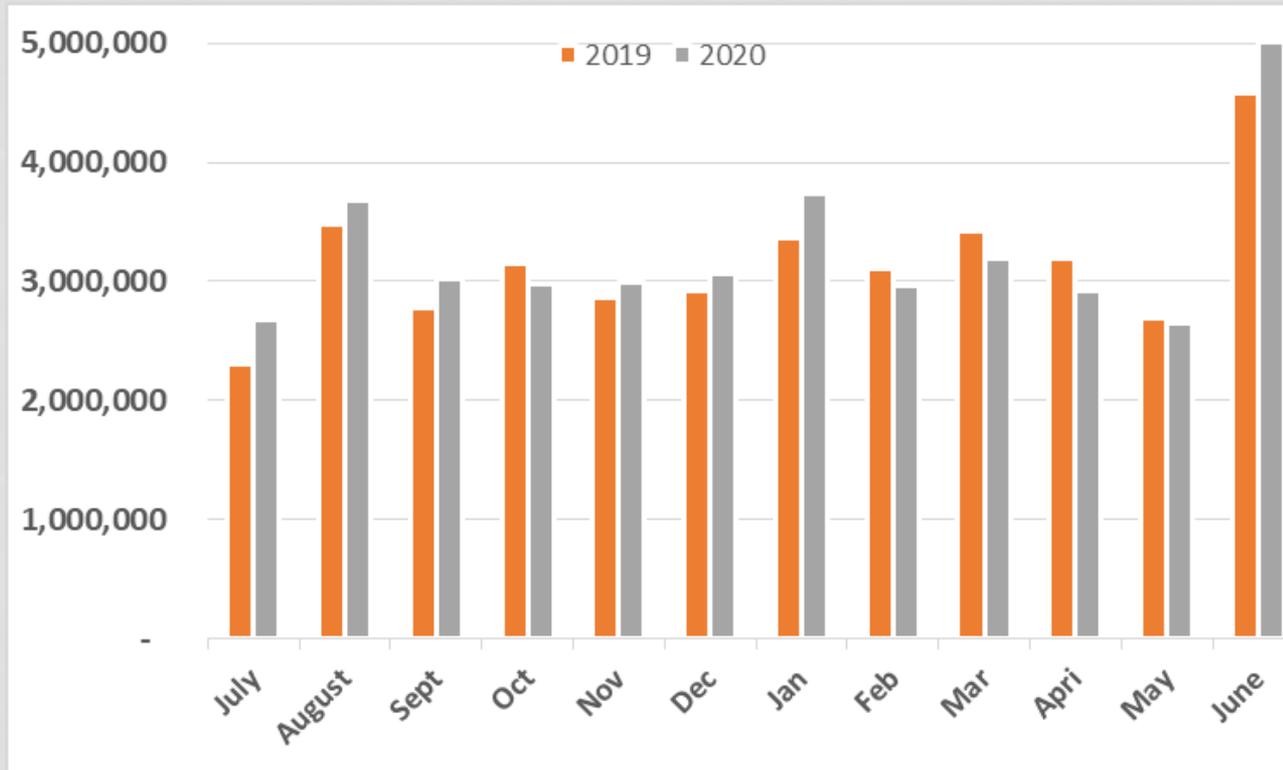
YTD through June

GENERAL FUND EXPENSES BY MONTH



The timing of expenses to operate the Town is independent of the timing of revenues (2019 actuals).

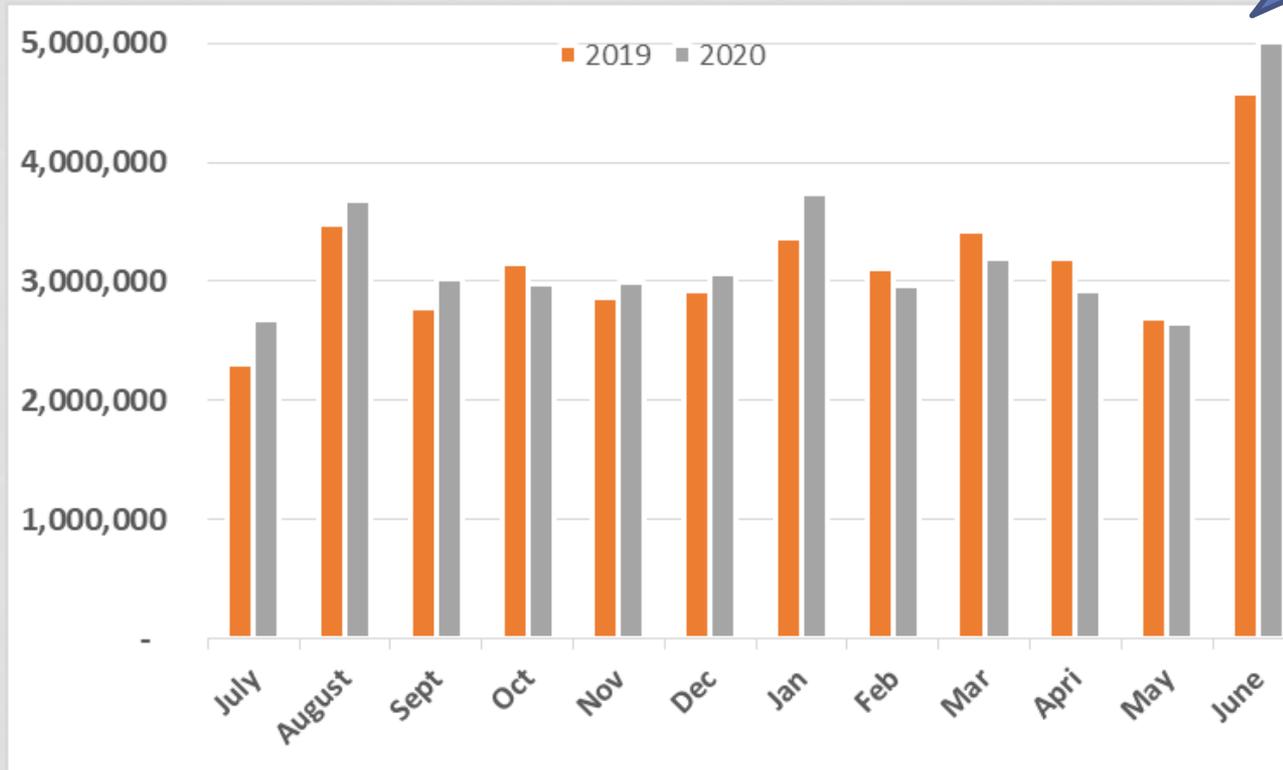
GENERAL FUND EXPENSES BY MONTH



The timing of expenses has a similar pattern to last year

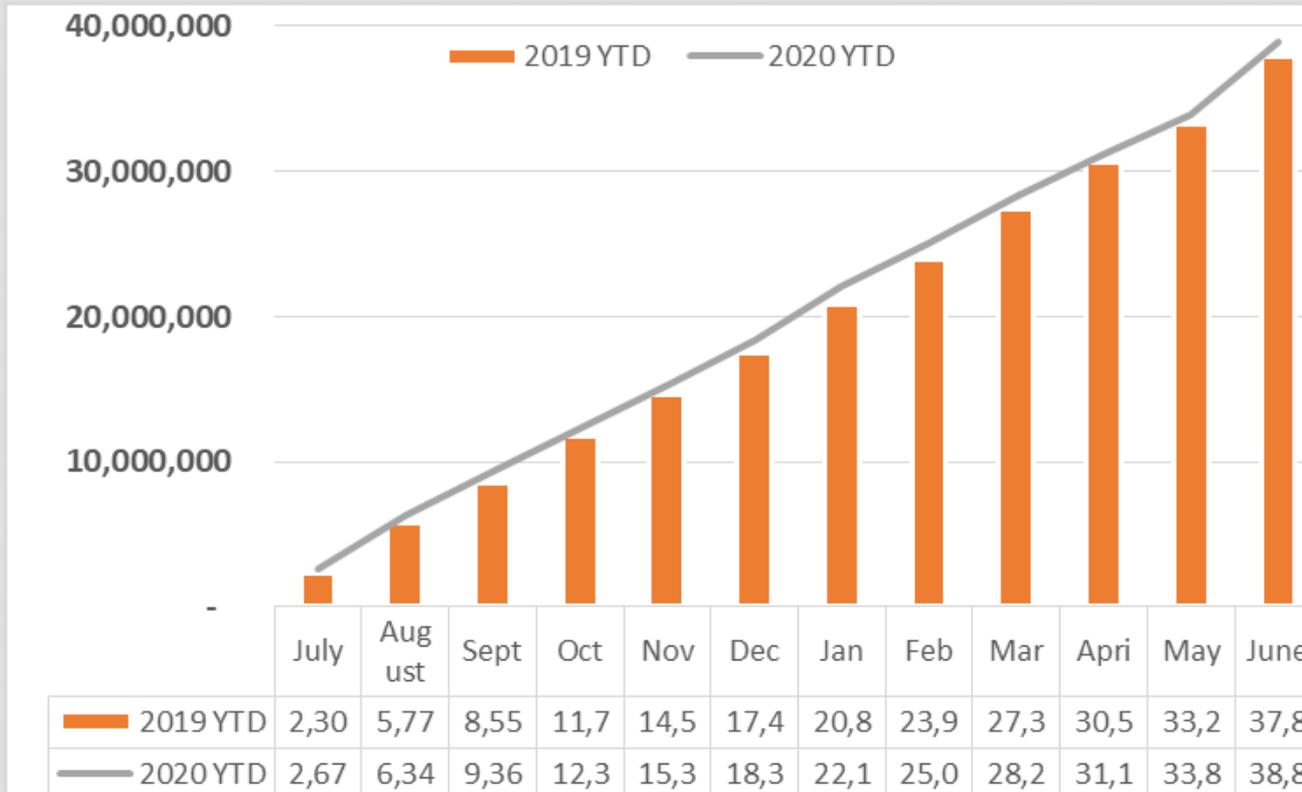
GENERAL FUND EXPENSES BY MONTH

For Feb to
May
Expenses
were all
less in 2020
than 2019



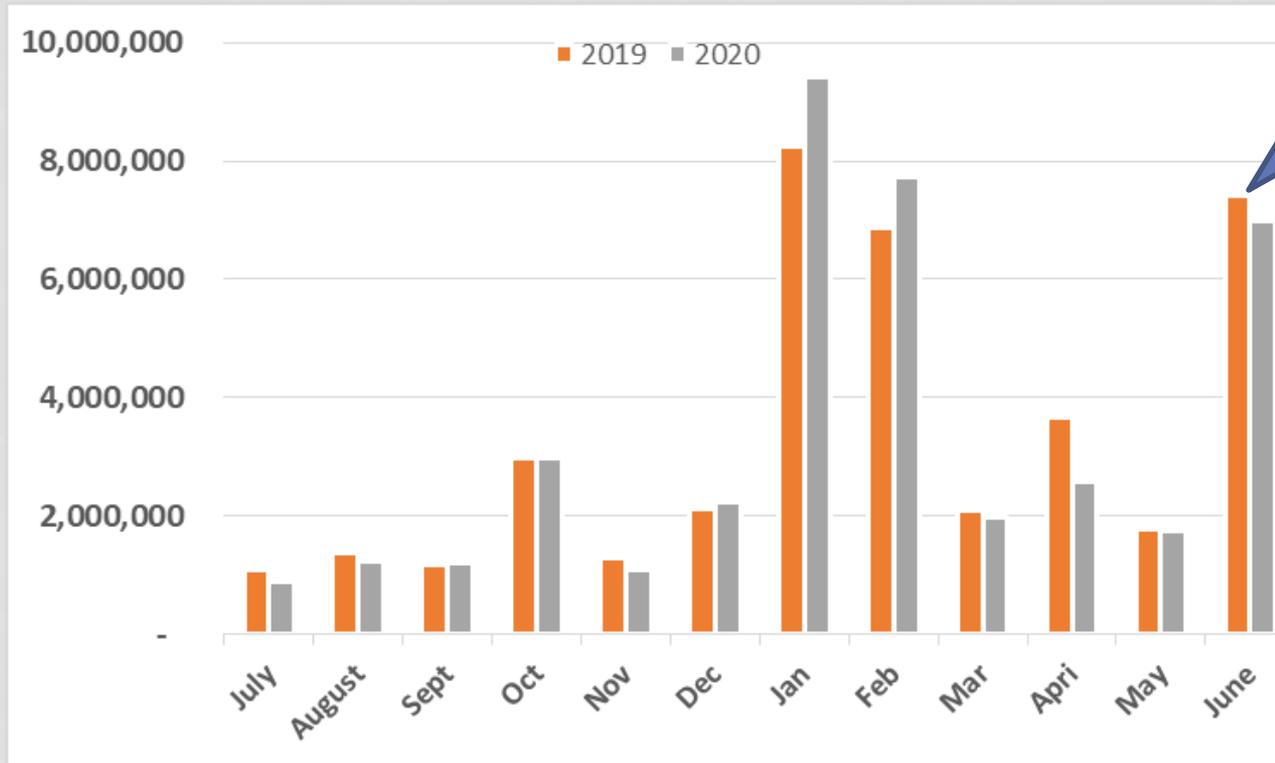
The timing of expenses has a similar pattern to last year

YTD GENERAL FUND EXPENSES BY MONTH



YTD the spending pattern is matching last year

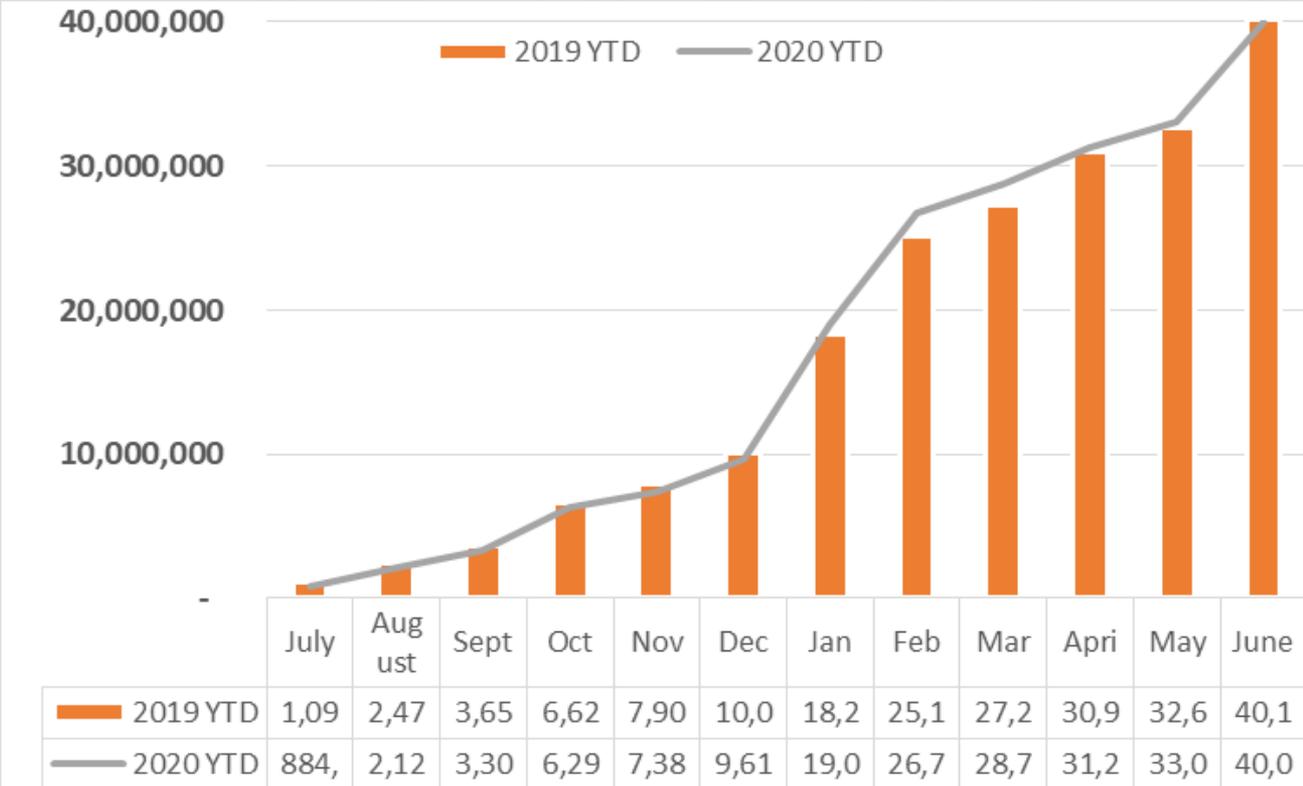
GENERAL FUND REVENUES BY MONTH COMPARED TO PRIOR YEAR



Jan & Feb above last year,
March to June were less than last year

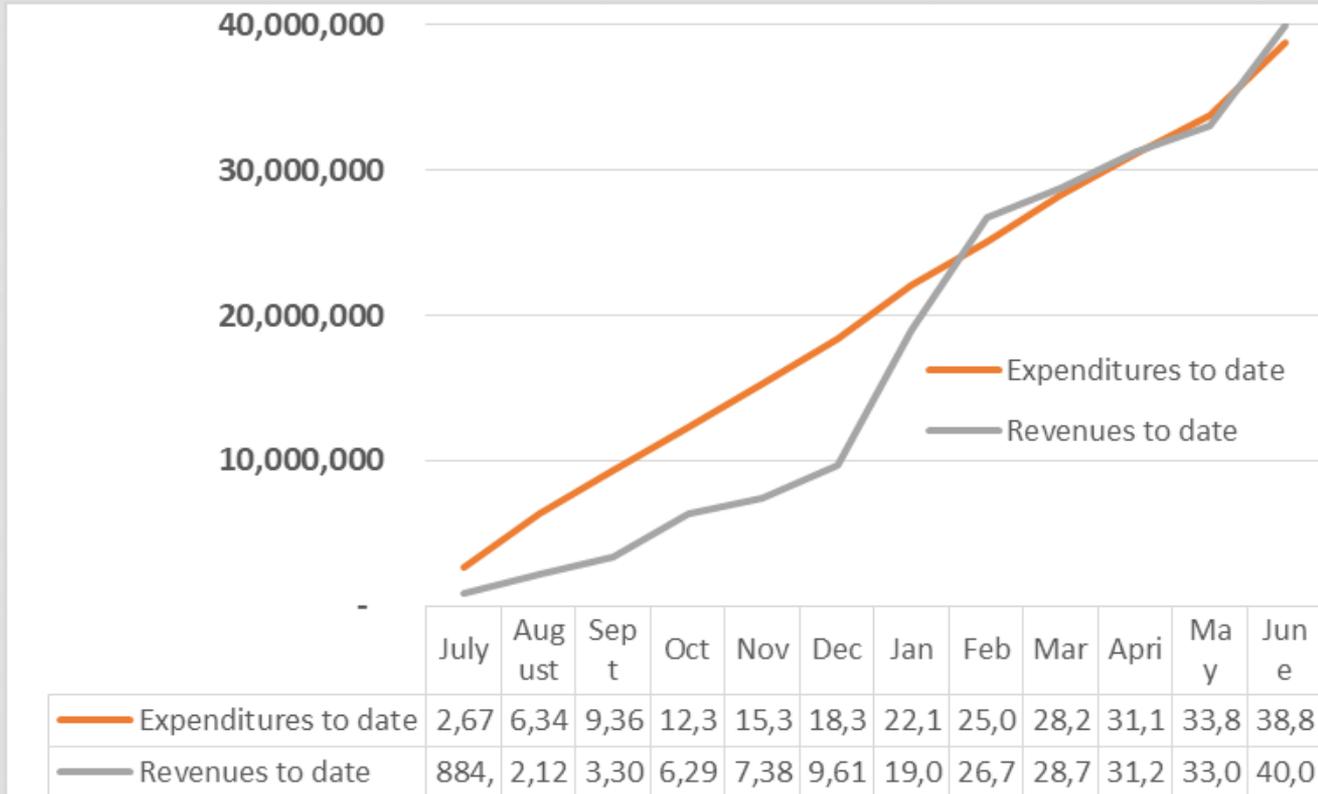
June included a timing delay from the State Business License collections – which we expect in August

GENERAL FUND YTD REVENUES BY MONTH COMPARED TO PRIOR YTD



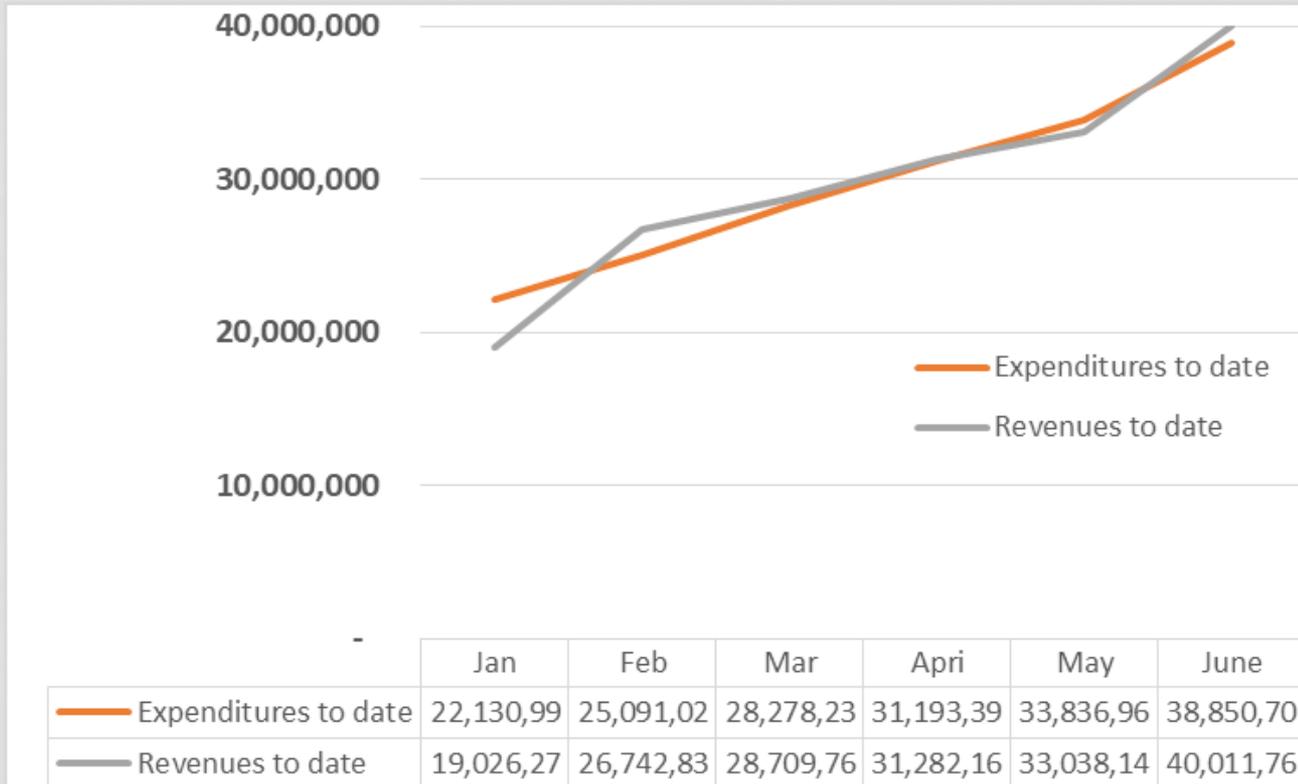
With June in, the totals were nearly identical.

HOW DO GENERAL FUND REVENUES AND EXPENSES COMPARE? (FULL YEAR)



At the end of fiscal 2020, revenues exceeded spending

HOW DO GENERAL FUND REVENUES AND EXPENSES COMPARE?(HALF YEAR)



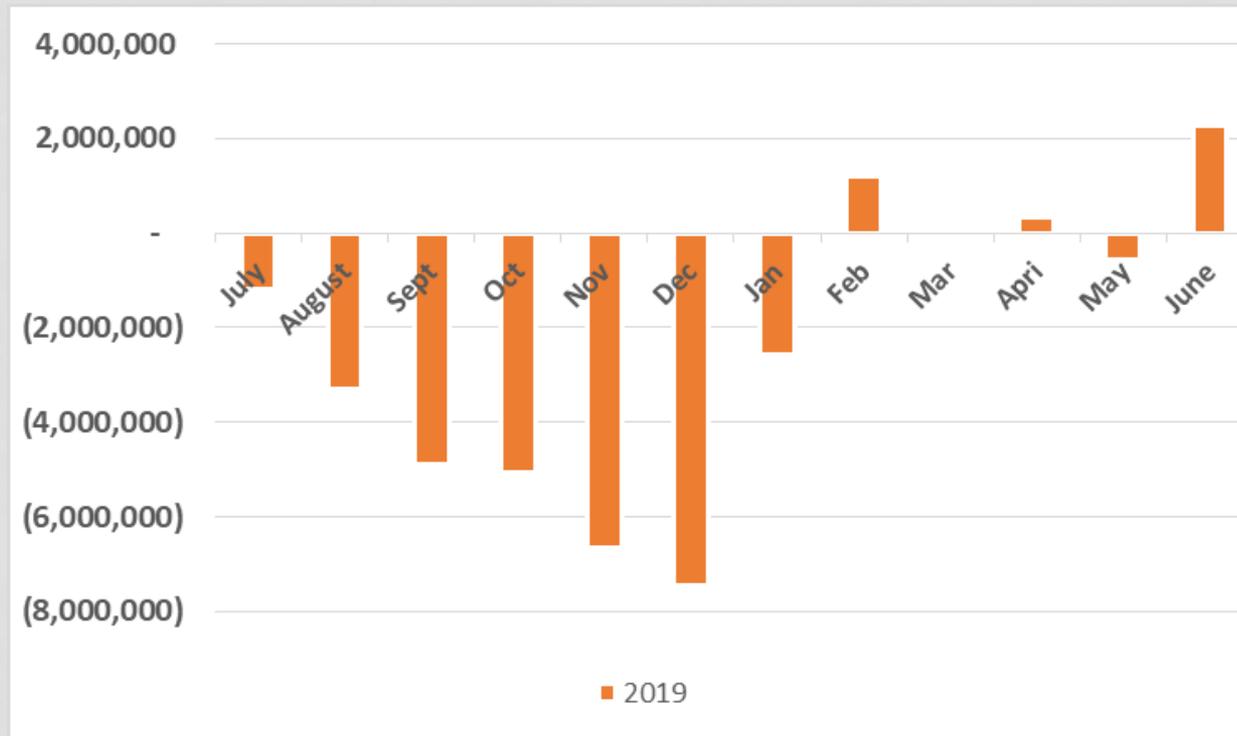
At the end of fiscal 2020, revenues exceeded spending

PERCENTAGES TO PYTD



Current year collections are mixed compared to the Prior Year – this is an example how diversity in revenue streams helps.

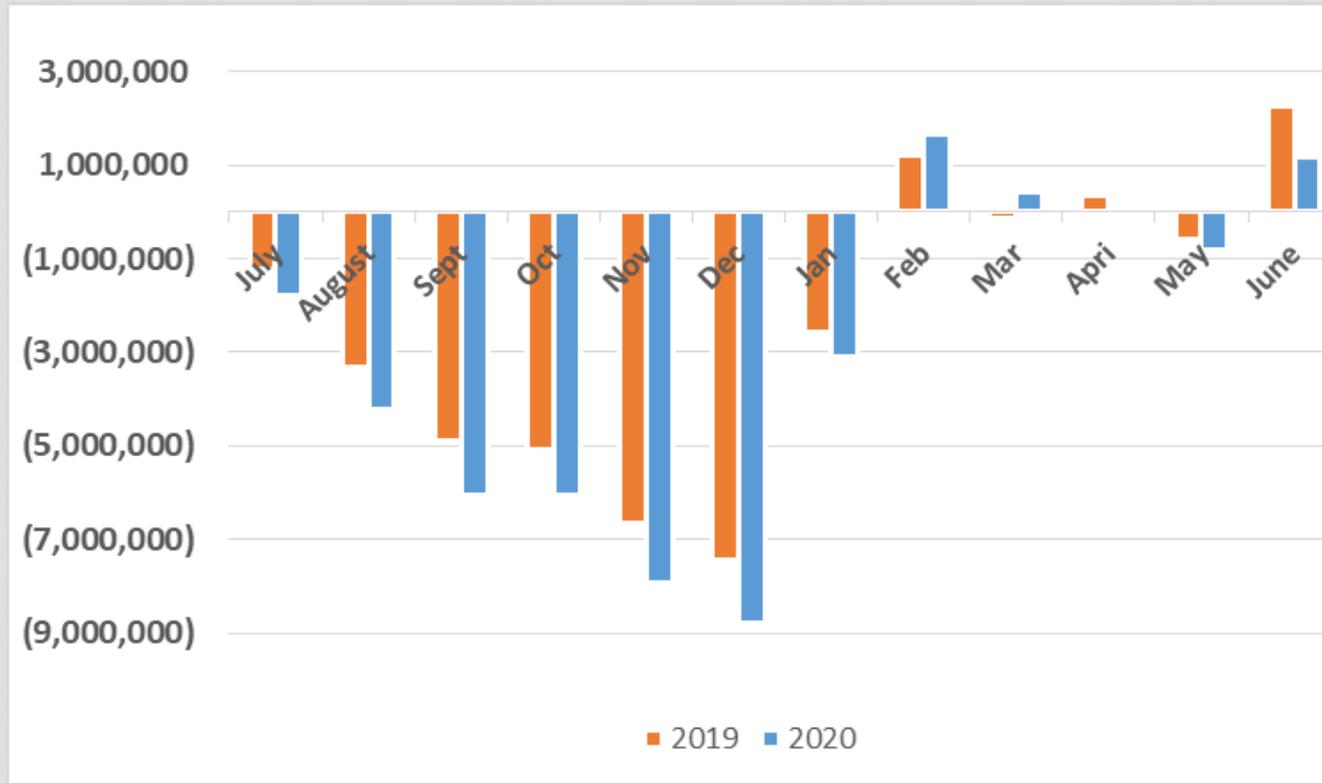
GENERAL FUND TEMPORARY USE OF RESERVES BY MONTH



Note for 2019 – for the first 7 months Expenses exceeded Revenues, and yet the year ended with a surplus.

The Town's strong reserve policy acts as a bridge to keep Town operations running while we wait on revenue receipts

GENERAL FUND TEMPORARY USE OF RESERVES BY MONTH



*For June, known accruals are in-
both revenues and expenditures ;
2020 is reporting a surplus!*

KEY ISSUES – JUNE

- 1. Keeping control over expenditures*
- 2. Continuing to monitor revenues*
- 3. June is an important collection month*
- 4. We are close to putting fiscal 2020 “in the books”*
- 5. Fiscal 2021 is just 15 days from starting . . .*
- 6. Adjust where necessary*



The Town is benefitting now from the wisdom of Town Council's previous actions to build reserves and diversify revenue streams

Our total budget is \$75.979 million – which is less than the \$79.148 million in 2020. Even from this lower amount, spending for merit raises and capital is held until we have a better picture of revenue.

KEY ISSUES – JULY

The Town is benefitting now from the wisdom of Town Council's previous actions to build reserves and diversify revenue streams

1. *Expenditure savings contribute to bottom line*
2. *Continue to monitor revenues esp. tourist related*
3. *July is an important collection month, Beach, ATAX, HTAX and others that count toward June*
4. *We are close to putting fiscal 2020 “in the books”*
5. *Fiscal 2021 is just 21 days in . . .*
6. *Adjust where necessary --*
7. *Special Revenue Fund Balances carry the day*

Our total budget is \$75.979 million – which is less than the \$79.148 million in 2020. Even from this lower amount, spending for merit raises and capital is held until we have a better picture of revenue.

KEY ISSUES – AUGUST

1. *Expenditure savings contributed to bottom line*
2. *Revenues were impacted, but not as much as feared*
3. *The General Fund reports a surplus for 2020*
4. *HTAX was hit the most*
5. *Fiscal 2021 is just 6 weeks in . . .*
6. *Continue to monitor and adjust where necessary*

Our total budget is \$75.979 million – which is less than the \$79.148 million in 2020. Even from this lower amount, spending for merit raises and capital is held until we have a better picture of revenue.

OTHER ISSUES

- 1. Revenues most at risk are tourist-related*
- 2. HTAX is primarily used for Capital*
- 3. State ATAX is used for ATAX grants and DMO*
- 4. Local ATAX is used for current operations*
- 5. Beach is primarily used for Capital/Beach Preservation, and some operations*
- 6. Special Revenue Fund Balances carry the day*

We continue to monitor economic activity- which translates to Town Income

FOR MORE INFORMATION

For more information – see the Town's:

- 1. Monthly financial statements, and*
- 2. the Comprehensive Annual Financial Report (CAFR) –*
- 3. We will keep presenting revenue details each meeting*

The latest monthly financials and annual reports are posted on the Town's website www.hiltonheadislandsc.gov

QUESTIONS OR COMMENTS?



*As we collect accruals to finish the fiscal year,
we will keep you updated on the financial position as the year winds down.*