



DEPARTMENT OF FINANCE
FY2023 THIRD QUARTER
FINANCIAL STATUS REPORT

JUNE 14, 2023

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AGENDA

QUARTERLY REPORT OVERVIEW

GOVERNMENTAL FUNDS OVERVIEW

General Fund Revenues

General Fund Expenses

PROPRIETARY FUNDS OVERVIEW

Enterprise Funds

DEBT/INVESTMENT PORTFOLIOS





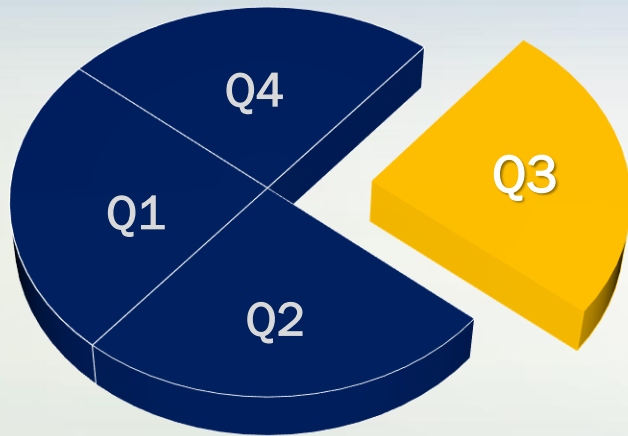
QUARTERLY FINANCIAL REPORT

FY2023 THIRD QUARTER FINANCIAL STATUS REPORT

As of March 31, 2023



Quarterly Financial Report



- Q3 Report covers the Third Quarter of FY2023 (Jul – March 2023)
- Provides a summary analysis of the City of Atlanta’s budget to actual performance
- Forecasts projected revenue and expenditure activity with explanations of variances
- Identifies and addresses significant issues that may impact year-end performance
- Accounts for legislative items adopted and foreseen during the third quarter

A blue-tinted cityscape at night, featuring a prominent bridge in the foreground and several skyscrapers in the background. The scene is reflected in water. A semi-transparent white text box is centered over the image, containing the title "GOVERNMENTAL FUNDS OVERVIEW".

GOVERNMENTAL FUNDS OVERVIEW

GENERAL FUND YEAR TO DATE – REVENUES VS EXPENSES

(Q3 2023)



SUMMARY OF KEY POINTS

Revenues

- Property Tax, Public Utility, Alcohol Beverage & Taxes, Local Option Sales Taxes, and Licenses and Permits are significantly exceeding budget.
- Highly sensitive COVID-impacted revenue categories have returned to pre-COVID levels.

As of Q3, the year-end projected revenue surplus is **\$65.8M** or 8.7% of the operating revenue budget.

Expenses

- Purchased/Contract Services and Supplies are expected to end the year over budget
- Personnel Services and Employee Benefits have a favorable year-end outlook due to significant savings in retirement contributions and group health.

As of Q3, the year-end projected expense overrun is **\$14.9M** or 1.9% of the operating expense budget.

Early estimates indicate a year-end surplus of \$50.9M.

FY23 GENERAL FUND REVENUE PROJECTION

(Q3 2023)



Revenue Category	FY23 Funded Budget	FY23 Actuals (Jul-Mar)	FY23 % Variance	Projected Revenues (Apr-Jun)	Total Projected Revenues (Year-End)	FY23 Variance (Year-End)	FY23 Variance (Year-End)
Property Taxes	263,119,997	284,708,855	108.2%	3,095,361	287,804,216	24,684,219	9%
Public Utility, Alcohol Beverage & Taxes	123,700,000	122,299,999	98.9%	11,455,473	133,755,472	10,055,472	8%
Local Option Sales Taxes	135,100,000	112,403,155	83.2%	35,828,123	148,231,279	13,131,279	10%
Licenses and Permits	117,299,806	116,220,860	99.1%	19,189,982	135,410,842	18,111,036	15%
Other Revenues	8,478,764	6,454,660	76.1%	3,371,190	9,825,850	1,347,086	16%
Charges For Services	5,150,188	3,295,177	64.0%	1,023,191	4,318,368	(831,820)	-16%
Fines and Penalties	17,800,000	13,421,425	75.4%	4,378,794	17,800,220	220	0.001%
Building Rentals and Concessions	13,280,000	2,539,308	19.1%	5,325,865	7,865,173	(5,414,827)	-41%
Indirect Cost Recovery	30,820,000	23,442,526	76.1%	7,814,175	31,256,701	436,701	1%
Hotel & Motel Tax	22,110,000	16,582,198	75.0%	7,407,498	23,989,696	1,879,696	9%
PILOT & Franchise Fees	22,390,000	18,621,550	83.2%	6,207,183	24,828,733	2,438,733	11%
Subtotal	759,248,755	719,989,714	94.8%	105,096,835	825,086,549	65,837,794	8.7%
Fund Balance (Building Permit Fund)	1,350,000	-	-	-	1,350,000	-	-
Fund Balance (General Fund)	27,800,000	-	-	-	27,800,000	-	-
Total Revenues	788,398,755	719,989,714	91.3%	134,246,835	854,236,549	65,837,794	8.4%

The FY23 budget of \$788.4M includes \$1.3M in committed fund balance from the Building Permit Fund and \$27.8M from uncommitted fund balance.

3rd Qtr. (Jul – Mar) actuals were \$720M, which represents 91.3% of the total budget and 94.8% of the operational budget.

Projections for the remaining three (3) months of the fiscal year (Apr – Jun) are \$105.1M. The resulting FY23 YE operational forecast of \$825.09M is \$65.8M or (an 8.7% increase) above the FY23 operational budget of \$759.2M.

Favorable core four contributors to projected year-end increase:

- **Property Taxes** as of Q3 have surpassed the annual budget. Estimates at year-end equate to \$24.7M above budget.
 - Driven by significant property value increases.
- **Public Utility, Alco. Bev & Tax revenues** projected to exceed the budget by \$10.1M at year-end.
 - Driven by uptick in alcohol tax revenues & return to normal alcohol consumption levels.
- **Local Option Sales Tax** projected at year-end ahead of budget by \$13.1M.
 - Driver - consumer shopping trends, rising cost of goods sold & slight increase to distribution percentage.
- **Licenses and Permits** revenues projected to exceed the budget at year-end by \$18.1M.
 - Driver - increase in business license revenue.
- **Building Rentals & Concessions** revenues projected to fall below the budget by **(\$5.4M)** and reflects delays in recording of new 72 Marietta lease and Fulton Corrections IGA revenues.
- **Charge for Services** revenues projected to fall below the budget by **(\$832K)** due to declining inspection activities.

FY2023 GENERAL FUND EXPENDITURE PROJECTION

(Q3 2023)



Major Category	FY23 Funded Budget	FY23 Actuals (Jul-Mar)	FY23 % Budget	FY23 Projections (Apr-Jun)	FY23 Year-End Projections	FY23 Variance (Year-End)	FY23 % Variance (Year-End)
Personnel Services and Employee Benefits	504,157,491	368,458,706	73%	136,062,295	503,321,001	836,490	0.2%
Purchased / Contracted Services	114,791,690	84,643,403	74%	43,961,191	129,503,685	(14,711,995)	(12.8%)
Supplies	38,834,036	33,113,324	85%	16,211,797	49,325,121	(10,491,085)	(27.0%)
Capital Outlays	6,977,947	8,799,207	126%	(750,300)	5,848,907	1,129,040	16.2%
Interfund / Interdepartmental Charges	19,292,163	12,653,344	66%	4,813,824	17,467,168	1,824,995	9.5%
Other Costs	37,832,991	25,523,009	67%	11,356,430	36,480,348	1,352,642	3.6%
Debt Service	30,839,216	6,599,729	21%	5,541,342	10,541,071	20,298,145	65.8%
Other Financing Uses	31,664,533	47,596,174	150%	3,244,797	50,840,971	(19,176,439)	(60.6%)
Conversion / Summary	4,008,689	0	0%	0	0	4,008,689	100.0%
Expenses	788,398,755	587,386,897	75%	220,441,376	803,328,273	(14,929,518)	(1.9%)

FY2023 Total Expenses as of March represent 75% of the \$788.4M Funded Budget. As of the Third Quarter, General Fund actual expenditures are trending slightly above budget. Full Year Projections indicate that Year-End Expenses will exceed the budget by **(\$14.9M)** or 1.9% over budget.

Personnel Services and Employee Benefits expenses are tracking under budget and expected to end the fiscal year with a **\$0.8M** budget surplus primarily attributed to the following main drivers:

- Retirement Contributions: **\$7.8M**; Group Health: **\$4.3M**
- Worker's Comp **\$4.7M**
- Overtime **(\$7.5M)**
- Comp-Time COVID-19 **(\$4.5M)**
- Salaries, Regular/Sworn & Part-time **(\$1.9M)**
- Extra Help Regular & Sworn **(\$3.6M)**

Purchased/Contracted Services are projected to be over budget by **(\$14.7M)** primarily attributed to investments in public safety, technology, and the reclass of AXON expenses budgeted in Capital Outlays.

Supplies are projected to be over budget by **(\$10.4M)** primarily attributed to an increase in uniform costs and public safety equipment/computer purchases.

Capital Outlays are projected to be under budget by **\$1.2M**, primarily attributed to the reclass of public safety vehicles to the Capital Finance Fund.

FY2023 GENERAL FUND EXPENDITURE PROJECTION

(Q3 2023)



Department	FY23 Funded Budget	FY23 Actuals (Jul-Mar)	FY23 % Budget	FY23 Projections (Apr-Jun)	FY23 Year-End Projections	FY23 Variance (Year-End)	FY23 % Variance (Year-End)
City Council	13,479,468	7,272,320	54%	3,213,834	10,486,154	2,993,313	22.2%
Executive Offices	20,767,911	15,254,704	73%	7,837,164	23,091,868	(2,323,957)	(11.2%)
Department of Atlanta Information Management	31,970,639	25,575,268	80%	8,472,041	34,047,309	(2,076,670)	(6.5%)
Department Of Law	10,693,920	8,069,746	75%	4,394,902	12,464,648	(1,770,728)	(16.6%)
Department Of Corrections	17,766,864	11,959,043	67%	5,013,863	16,972,906	793,958	4.5%
Department Of Finance	18,603,223	11,484,736	62%	6,229,967	17,714,703	888,520	4.8%
Department Of Procurement	2,706,785	1,855,016	69%	594,192	2,449,207	257,578	9.5%
Department Of Public Works	20,069,721	1,188,325	6%	18,814,423	20,002,748	66,973	0.3%
Dept of Parks & Recreation	44,816,180	36,447,599	81%	13,380,932	49,828,531	(5,012,351)	(11.2%)
Judicial Agencies	13,680,056	10,519,010	77%	3,589,082	14,108,093	(428,037)	(3.1%)
Non-Departmental	109,990,563	92,014,611	84%	15,376,873	107,391,484	2,599,079	2.4%
Department Of Human Resources	7,464,009	5,833,359	78%	2,018,186	7,851,544	(387,535)	(5.2%)
Department Of Fire Services	108,587,425	83,143,828	77%	28,188,401	111,332,229	(2,744,804)	(2.5%)
Department Of Police Services	241,569,813	185,450,559	77%	69,749,736	251,800,295	(10,230,482)	(4.2%)
Department of City Planning	26,539,994	16,337,839	62%	8,971,269	25,309,109	1,230,885	4.6%
Department Of The Solicitor	9,015,782	6,912,369	77%	2,592,681	9,505,050	(489,268)	(5.4%)
The Office of the Inspector General	2,773,823	1,540,814	56%	567,472	2,108,286	665,537	24.0%
Atlanta Citizens Review Board	1,486,045	734,479	49%	423,640	1,158,119	327,926	22.1%
Department Of Audit	2,043,989	1,443,269	71%	413,983	1,857,252	186,737	9.1%
Department Of Public Defender	4,560,814	3,332,786	73%	1,034,111	4,366,897	193,917	4.3%
Department Of Enterprise Asset Management	17,054,530	11,104,921	65%	6,127,642	16,132,563	921,967	5.4%
Department Of Customer Service	3,693,751	2,230,258	60%	809,481	3,039,739	654,012	17.7%
Atlanta Department of Transportation	57,642,561	46,177,484	80%	12,153,810	58,331,294	(688,733)	(1.2%)
Department of Grants and Community Development	1,420,889	1,504,554	106%	473,690	1,978,244	(557,355)	(39.2%)
Total City Wide	788,398,755	587,386,897	75%	220,441,376	803,328,273	(14,929,518)	(1.9%)

Fiscal Year 2023 Total Expenses as of December represent 75% of the \$788.4M Funded Budget. However, Full Year Projections as of the Third Quarter indicate that Year-End Expenses will exceed the budget by **(\$14.9M)** or 1.9% over budget.

The departments primarily contributing to the overall projected year-end deficit include:

- **APD (\$10.2M)**
 - Overtime **(\$4.8M)**
 - Public Safety Equipment/Uniforms **(\$5.2M)**
- **DPR (\$5M)**
 - Salaries, Regular **(\$1.9M)**; Extra Help **(\$1.2M)**
 - Utilities, Water & Sewer/Electricity **(\$1M)**
 - Building Repair & Maintenance **(1.2M)**
- **AFR (\$2.7M)**
 - Salaries, Sworn **(\$3.7M)**
 - Salaries, Regular/Extra Help **\$0.9M**
- **EXE (\$2.3M)**
 - Salaries, Reg **(\$3.7M)**
 - Salaries, Extra-Help **\$1.2M**
- **AIM (\$2.1M)**
 - Contractual obligations for licenses/311 Technology Enhancements **(\$2.1M)**



PROPRIETARY FUNDS OVERVIEW

FY2023 ENTERPRISE FUND PROJECTION (Q3 2023)



Enterprise Funds	FY23 Funded Budget	Actuals Y-T-D (Mar)	Projected Revenues/Expenses	Total Projected Revenues/Expenses	Variance (\$)	Variance (%)
Aviation Revenue Fund						
Revenues	523,630,306	359,229,657	160,279,343	519,509,000	4,121,306	0.8%
Expenses	523,630,306	179,319,705	252,818,809	432,138,514	91,491,792	17.5%
Water & Wastewater Revenue Fund						
Revenues	622,958,662	522,643,604	170,356,396	693,000,000	70,041,338	11.2%
Expenses	622,958,662	428,424,031	120,859,226	549,283,257	73,675,405	11.8%
Solid Waste Services Revenue Fund						
Revenues	60,769,998	52,413,449	3,562,052	55,975,501	(4,794,497)	(7.9%)
Expenses	60,769,998	48,024,308	11,649,983	59,674,291	1,095,707	1.8%

Aviation Revenue Fund

- **Revenues** are projected to be under budget by \$4.2M.
- **Expenses** are projected to be under budget by \$91.5M
 - \$42.8M Fund Wide Reserves
 - \$29.1M Contractual Services
 - \$ 8.5M Personnel Services
 - \$ 7.8M Other Financing Uses
 - \$ 3.3M Supplies

Water & Wastewater Revenue Fund

- **Revenues** are projected to exceed budget by \$70M due to higher than anticipated MOST revenue.
- **Expenses** are projected to be under budget by \$73.7M
 - \$ 21.1M Fund Wide Reserves
 - \$ 23.8M Bad Debt Reserves
 - \$ 19.8M GEFA Loan Reserves
 - \$ 8.9M Contractual Services

Solid Waste Services Revenue Fund

- **Revenues** are projected to be underbudget by \$4.8M
- **Expenses** are projected to be under budget by \$1.1M
 - \$ 0.8M Contractual Services
 - \$ 0.3M Supplies

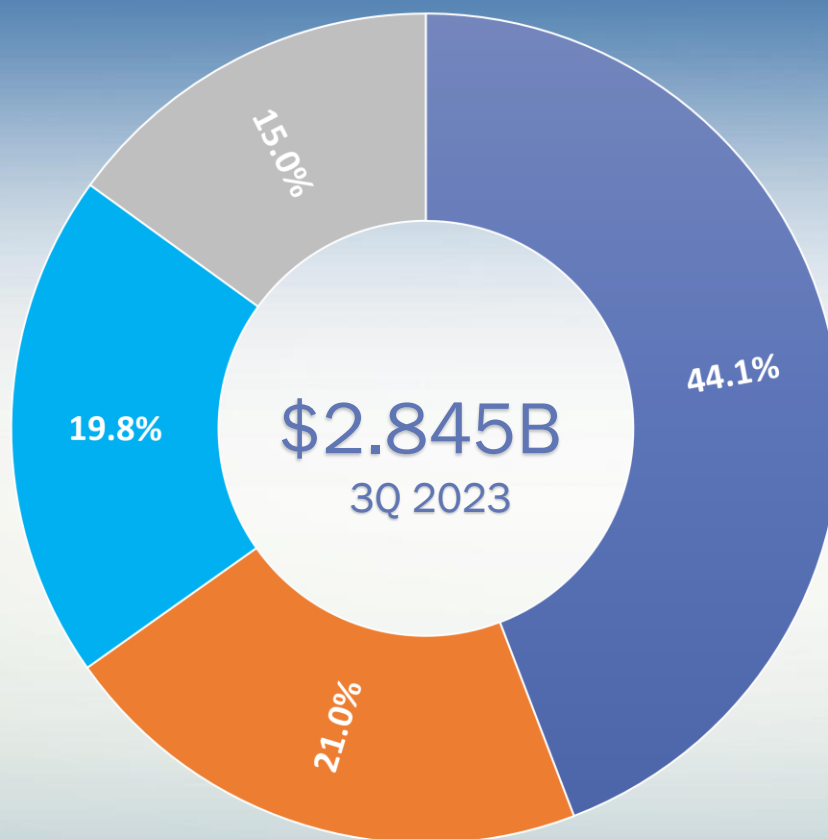


DEBT/INVESTMENT PORTFOLIOS



INVESTMENT PORTFOLIO OVERVIEW

Portfolio Objectives



■ US Agencies ■ Muni's ■ GF1 ■ US Treasuries ■ CD's ■ Currency*

Portfolio Yield



Net Increase

\$121.137 M
Compared to 3Q 2022



Debt Portfolio Overview



- General Obligation
- General Fund
- Tax Allocation Districts
- Aviation
- Water & Wastewater

	General Obligation	General Fund & Other	Tax Allocation Districts	Dept of Aviation	Dept of Watershed
Q3 FY22	\$243,950	\$412,685	\$255,973	\$2,434,646	\$2,950,204
Q3 FY23	\$633,425	\$370,529	\$219,090	\$2,900,569	\$2,820,716
\$	\$389,475	(\$42,156)	(\$36,883)	\$465,922	(\$129,488)
%	159.65%	(10.22%)	(14.41%)	19.14%	(4.39%)

Net Increase
\$647M
Outstanding Debt

0%
Variable Rate
Debt

\$0
Total NPV Savings
On Refunded Debt
during FY23

\$127.2M
Energy Savings
Performance
Contracts



Atlanta Credit Ratings



CITY OF ATLANTA MUNICIPAL BOND RATINGS			
	Moody's	Standard & Poor's	Fitch
General Obligation Bonds	Aa1	AA+	AA+
Water and Wastewater Revenue Bonds	Aa2	AA-	AA
Airport Revenue Bonds - Senior Lien GARBs	Aa3	AA-	AA-
Airport Revenue Bonds- PFC/Subordinate Lien GARBs	Aa3	AA-	AA-
Airport Revenue Bonds Senior Lien Customer Facility Charge	A2	A	A



QUESTIONS/ANSWERS SESSION