



DEPARTMENT OF FINANCE  
**FY2020 THIRD QUARTER**  
**FINANCIAL STATUS REPORT**

JUNE 24, 2020

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ROOSEVELT COUNCIL, JR. CFO | JOHN GAFFNEY, DEPUTY CFO | TINA WILSON, DEPUTY CFO

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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





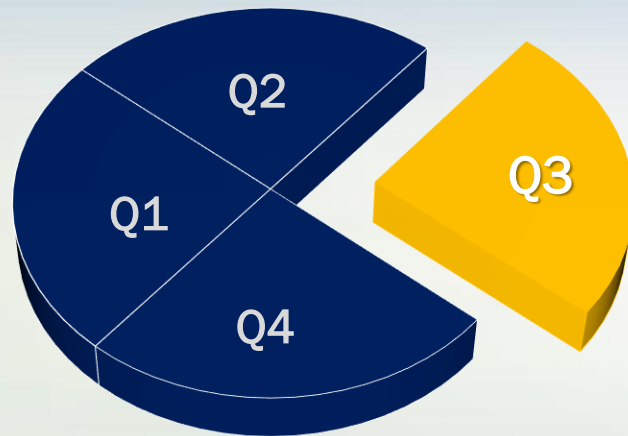
QUARTERLY FINANCIAL REPORT

# FY2020 THIRD QUARTER FINANCIAL STATUS REPORT

*As of March 31, 2020*



## Quarterly Financial Report



- Q3 Report covers the Third Quarter of FY 2020 (Jan -Mar 2020)
- 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 tall skyscrapers in the background. The scene is reflected in water at the bottom. A semi-transparent white text box is centered over the image, containing the title "GOVERNMENTAL FUNDS OVERVIEW".

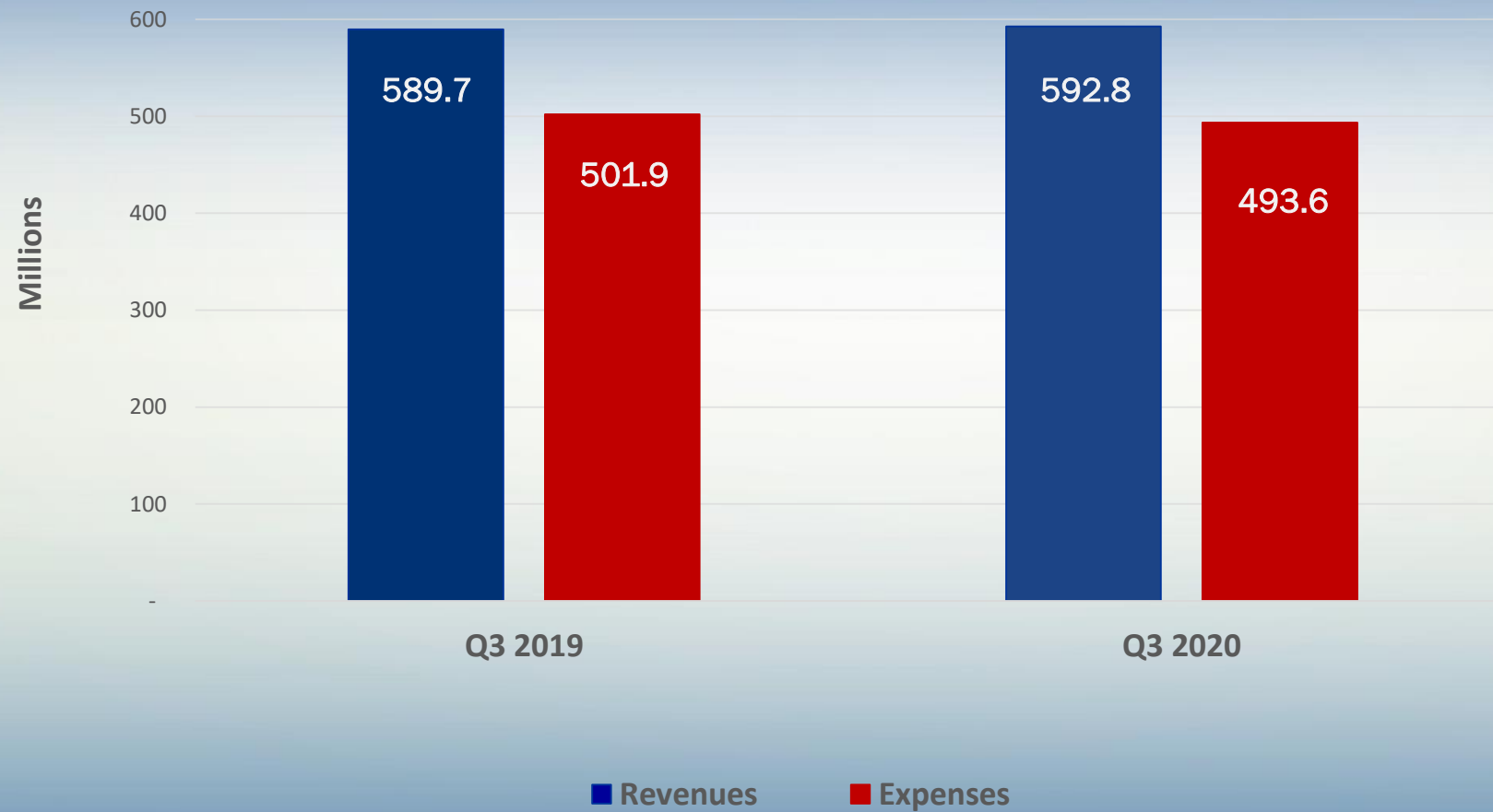
# GOVERNMENTAL FUNDS OVERVIEW

# GENERAL FUND YEAR TO DATE – REVENUES VS EXPENSES

(Q3 2020)



## REVENUES VS EXPENSES



# GENERAL FUND REVENUE ACTUAL TREND (Q3 2020)



## REVENUES



	Property Taxes	Public Utility Alc. Bev. & Taxes	Local Option Sales Taxes	Licenses & Permits	Other Revenue	Charges For Services	Fines, Forfeitures & Penalties	Bldg Rentals & Concessions	Indirect Cost Recovery	Hotel & Motel Tax	PILOT & Franchise	Total
FY20	\$222.5	\$92.9	\$89.3	\$88.0	\$14.2	\$4.4	\$16.0	\$4.1	\$30.8	\$14.8	\$15.7	\$592.7
FY19	\$214.4	\$96.5	\$86.9	\$96.0	\$14.0	\$3.3	\$17.8	\$3.5	\$26.0	\$15.8	\$15.4	\$589.6
FY18	\$201.8	\$94.8	\$81.1	\$86.8	\$23.7	\$4.9	\$16.6	\$11.6	\$27.2	\$12.8	\$15.4	\$576.7

- As of the third quarter, General Fund Revenues are trending above the prior years and is due primarily to growth in property tax revenues received.
- Key Q3 Drivers Impacting Revenues:
  - Property Tax revenues have grown due to valuation increases from new construction.
  - Sales tax collections had improved due to changes to state law which allowed sales taxes to be charged to online retailers.
  - Indirect Cost revenues have grown due to change in indirect cost rate.
  - The third quarter represented the onset of COVID-19 events and the negative impacts to General Fund revenues had not yet been realized.

# GENERAL FUND REVENUE BUDGET PROJECTION (Q3 2020)



Revenue Category	FY20 Funded Budget	Actual Y-T-D (Mar)	Projected Revenues	Total Projected Revenues	Variance \$	Variance %
Property Taxes	219,141,924	222,498,354	4,386,121	226,884,475	7,742,551	3.53%
Public Utility, Alcoholic Beverage & Other Taxes	107,712,019	92,934,008	10,648,741	103,582,749	(4,129,270)	(3.83%)
Local Option Sales Taxes	115,427,417	89,259,794	20,876,924	110,136,718	(5,290,699)	(4.58%)
Licenses And Permits Revenue	121,770,548	88,044,059	19,880,318	107,924,377	(13,846,171)	(11.37%)
Other Revenues	20,799,880	14,208,632	1,236,753	15,445,385	(5,354,495)	(25.74%)
Charges For Services	4,561,607	4,426,929	989,182	5,416,111	854,504	18.73%
Fines, Forfeitures, And Penalties	22,212,306	15,988,961	1,751,889	17,740,850	(4,471,456)	(20.13%)
Building Rentals And Concessions	3,726,871	4,086,421	546,467	4,632,888	906,017	24.31%
Indirect Cost Recovery	34,311,311	30,766,838	10,255,613	41,022,451	6,711,140	19.56%
Hotel & Motel Tax Revenue	21,800,045	14,829,718	1,500,000	16,329,718	(5,470,327)	(25.09%)
Pilot & Franchise Fees	20,677,178	15,742,622	4,924,556	20,667,178	(10,000)	(0.05%)
<b>Total Revenues</b>	<b>692,141,106</b>	<b>592,786,336</b>	<b>76,996,564</b>	<b>669,782,900</b>	<b>(22,358,206)</b>	<b>(3.23%)</b>

- General Fund Revenues as of Q3 are projected to fall below budgeted revenues by fiscal year end by **(\$22.4M) or (3.2%)**.
- The Q3 FY20 projections reflect adjustments from the budget and expected declines in economically influenced revenues due to COVID-19 pandemic events.
- Projected COVID-19 impacted revenues include:
  - Declines in Alcohol Beverage & By The Drink Taxes due to shelter in place mandates & closure of restaurants and retail.
  - Declines in Local Option Sales Taxes due to closure of restaurants and retail.
  - Declines in Business License revenue from closure of businesses and city government building.
  - Declines in Hotel/Motel Tax revenues from shelter in place mandates and suspension of business and leisure travel.
  - Declines in Fines & Forfeitures revenue due to teleworking and closure of City Courts.



# GENERAL FUND EXPENDITURE ACTUAL TREND (Q3 2020)



## EXPENSES



- As of the **Third Quarter**, General Fund Expenses are trending below prior years and is due primarily to overtime cost containment measures and pension related expenses for all three of the City's Defined Pension Plans (Police, Fire and General Employee).
- Other Financing Uses were relatively high due to COVID-19 legislation that provided emergency funding assistance to those affected by the COVID-19 pandemic (\$6M).

	Personnel Services & Employee Benefits	Purchased/ Contracted Services	Supplies	Capital Outlays	Interfund/ Interdepartmental Charges	Other Costs	Debt Service	Other Financing Uses	Total
FY20	\$315.2	\$65.7	\$30.4	\$1.1	\$13.1	\$30.1	\$6.1	\$31.7	\$493.6
FY19	\$325.8	\$64.3	\$31.9	\$6.3	\$10.5	\$30.4	\$9.0	\$23.7	\$501.9
FY18	\$314.1	\$74.9	\$30.2	\$0.5	\$10.8	\$28.4	\$13.7	\$48.1	\$520.7

# GENERAL FUND EXPENDITURE BUDGET PROJECTION

(Q3 2020)



Department	FY20 Funded Budget	FY20 Actuals (Jul-Mar)	FY20 % Variance	Projected Expenses (Apr-Jun)	Total Projected Expenses (Year-End)	FY20 Variance (Year-End)	FY20 Variance (Year-End)
City Council	11,621,205	6,416,889	55.22%	2,368,194	8,785,082	2,836,123	24.4%
Executive Offices	19,850,488	14,122,184	71.14%	7,673,222	21,795,407	(1,944,919)	(9.8%)
Dept. of Atlanta Information Management	31,944,933	26,956,331	84.38%	10,634,239	37,590,571	(5,645,638)	(17.7%)
Department Of Law	6,635,692	5,964,772	89.89%	2,278,375	8,243,147	(1,607,455)	(24.2%)
Department Of Corrections	20,125,320	14,583,354	72.46%	5,533,118	20,116,472	8,848	0.0%
Department Of Finance	17,153,613	11,018,773	64.24%	5,816,570	16,835,342	318,271	1.9%
Department Of Procurement	3,232,746	1,846,367	57.11%	1,285,653	3,132,019	100,727	3.1%
Department Of Public Works	51,727,267	32,527,449	62.88%	17,403,648	49,931,097	1,796,170	3.5%
Dept. of Parks & Recreation	41,799,261	30,661,870	73.36%	11,455,943	42,117,814	(318,553)	(0.8%)
Judicial Agencies	13,385,957	8,831,483	65.98%	3,841,740	12,673,223	712,734	5.3%
Non-Departmental	104,788,960	73,021,461	69.68%	28,466,730	101,488,191	3,300,770	3.1%
Department Of Human Resources	7,028,978	4,719,238	67.14%	1,553,171	6,272,409	756,569	10.8%
Department Of Fire Services	91,213,948	71,414,649	78.29%	25,419,485	96,834,134	(5,620,186)	(6.2%)
Department Of Police Services	205,450,904	152,999,554	74.47%	56,058,413	209,057,968	(3,607,064)	(1.8%)
Department of City Planning	29,006,406	14,313,414	49.35%	9,446,458	23,759,872	5,246,534	18.1%
Department Of The Solicitor	6,703,400	5,683,164	84.78%	1,939,579	7,622,743	(919,343)	(13.7%)
Board of Ethics & Independent Compliance	1,477,864	476,892	32.27%	209,271	686,162	791,702	53.6%
Atlanta Citizens Review Board	917,649	609,703	66.44%	292,043	901,746	15,903	1.7%
Department Of Audit	2,016,044	1,244,403	61.73%	620,347	1,864,751	151,293	7.5%
Department Of Public Defender	3,898,181	2,720,590	69.79%	965,979	3,686,568	211,613	5.4%
Dept. Of Enterprise Assets Management	18,626,071	12,351,242	66.31%	5,652,933	18,004,175	621,896	3.3%
Department Of Customer Service	2,786,218	843,578	30.28%	850,535	1,694,113	1,092,105	39.2%
Atlanta Department of Transportation	750,000	237,069	31.61%	209,773	446,842	303,158	40.4%
Dept. of Grants and Community Development	-	-		-	-	0	
<b>General Fund Sub-Total</b>	<b>692,141,106</b>	<b>493,564,428</b>	<b>71.31%</b>	<b>199,975,419</b>	<b>693,539,847</b>	<b>(1,398,742)</b>	<b>(0.2%)</b>
Support from CARES Act					(8,500,000)		
<b>Total General Fund</b>	<b>692,141,106</b>	<b>493,564,428</b>	<b>71.31%</b>	<b>199,975,419</b>	<b>685,039,847</b>	<b>7,101,258</b>	<b>1.0%</b>

■ General Fund expenses are projected to finish the year \$7.1M under budget.

■ Key Forecast Considerations:

- COVID-19
- Personnel Adjustments (i.e. AFR Pay Increase)
- Overtime & Extra Help
- Body Camera & Maintenance
- Outside Counsel (Litigation Expenses)
- IT Software Subscriptions
- Utilities (Water Expenses)
- Operating Lease Agreements
- Fleet Services Repair and Maintenance

# GENERAL FUND EXPENDITURE BUDGET PROJECTION (Q3 2020)



Major Category	FY20 Funded Budget	FY20 Actuals (Jul -Mar)	FY20 % Variance	Projected Expenses (Apr -Jun)	Total Projected Expenses (Year-End)	FY20 Variance (Year-End)	FY20 Variance (Year-End)
Personnel Services and Employee Benefits	436,129,898	315,235,474	72.28%	120,584,718	435,820,192	309,706	0.1%
Purchased / Contracted Services	101,773,016	65,710,229	64.57%	35,167,760	100,877,988	895,028	0.9%
Supplies	43,072,126	30,399,860	70.58%	17,709,090	48,108,951	(5,036,825)	(11.7%)
Capital Outlays	2,507,450	1,089,661	43.46%	2,219,353	3,309,014	(801,564)	(32.0%)
Interfund / Interdepartmental Charges	15,307,008	13,146,834	85.89%	4,172,798	17,319,632	(2,012,624)	(13.1%)
Other Costs	37,592,764	30,123,170	80.13%	6,783,675	36,906,845	685,919	1.8%
Debt Service	33,922,266	6,122,964	18.05%	27,644,458	33,767,422	154,844	0.5%
Conversion / Summary	5,832,139	-	0.00%	2,698,681	2,698,681	3,133,458	53.7%
Other Financing Uses	16,004,439	31,736,237	198.30%	(17,005,115)	14,731,123	1,273,316	8.0%
<b>General Fund Sub-Total</b>	<b>692,141,106</b>	<b>493,564,428</b>	<b>71.31%</b>	<b>199,975,419</b>	<b>693,539,847</b>	<b>(1,398,742)</b>	<b>(0.2%)</b>
Support from CARES Act					(8,500,000)		
<b>Total General Fund</b>	<b>692,141,106</b>	<b>493,564,428</b>	<b>71.31%</b>	<b>199,975,419</b>	<b>685,039,847</b>	<b>7,101,258</b>	<b>1.0%</b>

## Supplies projected to be over budget:

- COVID-19 related expenses (\$1.7M)
- APD computers/equipment, uniforms, (\$3M)
- Parks utilities/water (\$470K)

## Capital Outlays projected to be over budget:

- APD body worn cameras – (\$1.2M)
- AFR Burn Building Deferment - \$400K

## Interfund/Interdepartmental Charges projected to be over budget:

- Fleet repair and maintenance – (\$3.6M)
- Motor/Fuel - \$1.6M



# PROPRIETARY FUNDS OVERVIEW

# FY2020 ENTERPRISE FUND PROJECTION

(000's)



Enterprise Funds	FY20 Funded Budget	Actuals Y-T-D (Mar)	Projected Revenues/Expenses	Total Projected Revenues/Expenses	Variance (\$)	Variance (%)
<b>Aviation Revenue Fund</b>						
Revenues	587,685,824	406,745,353	31,069,647	437,815,000	(149,870,824)	(25.50%)
Expenses	587,685,824	319,677,466	103,320,268	435,364,000	152,321,824	25.92%
<b>Water &amp; Wastewater Revenue Fund</b>						
Revenues	592,853,534	481,902,492	148,213,384	630,115,876	37,262,342	6.29%
Expenses	592,853,534	351,163,582	141,429,243	492,592,824	100,260,710	16.91%
<b>Solid Waste Service Fund</b>						
Revenues	62,955,593	66,479,223	2,186,681	68,665,904	5,710,311	9.1%
Expenses	62,955,593	45,414,684	20,721,938	66,136,622	(3,181,029)	(5.05%)

### Aviation Revenue Fund

- **Revenues** are projected to fall below budgeted expectations due to COVID-19 events by \$149M or 25.5%.
- **Expenses** are projected to be under budget by \$152M
  - \$ 95M Fund Wide Reserves
  - \$ 43M Contractual Services
  - \$ 5M Supplies
  - \$ 12M Personnel Services
  - (\$ 3M) Interfund Charges

### Water & Wastewater Revenue Fund

- **Revenues** are projected to come in above the budget by \$37M or 6.29%
- **Expenses** are projected to be under budget by \$100M
  - \$40M Fund Wide Reserves
  - \$22M Bad Debt Reserves
  - \$14M GEFA Loan Reserves
  - \$19M Contractual Services
  - \$ 4M Interfund Charges
  - \$ 1M Personnel Services

### Solid Waste Services Revenue Fund

- **Revenues** are projected to exceed budgeted revenues by \$5.7M or 9.07% due to a rate increase.
- **Expenses** are projected to be over budget by \$3.2M due to overages in Fleet Repair and Maintenance. Personnel Services savings are offset by Contractual Services costs
  - \$3.5M Personnel Services
  - (\$2.7M) Fleet Repairs/Maintenance and Supplies
  - (\$3.2M) Contractual Services



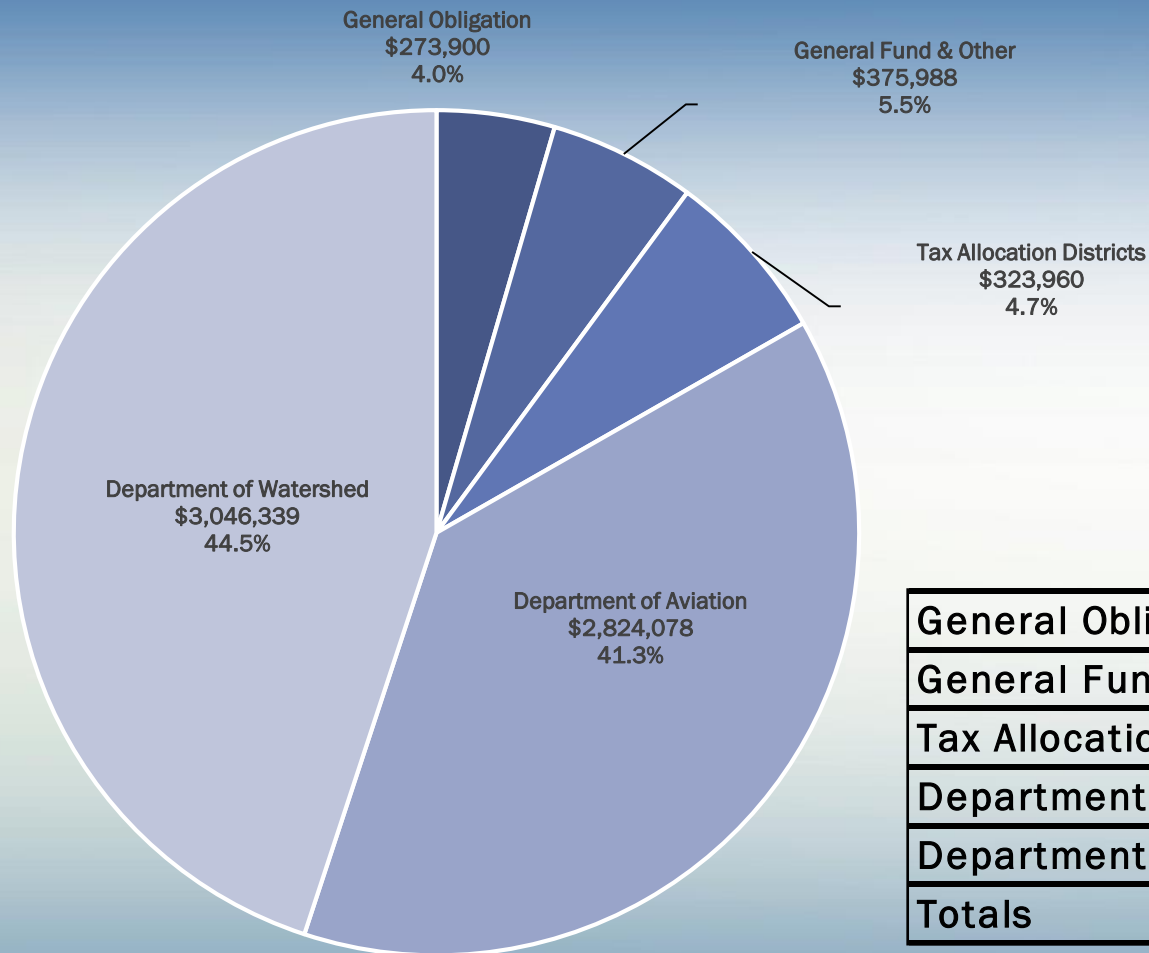
**DEBT/INVESTMENT PORTFOLIOS**

# DEBT PORTFOLIO – TOTAL DEBT OUTSTANDING

As of March 31, 2020 (000's)



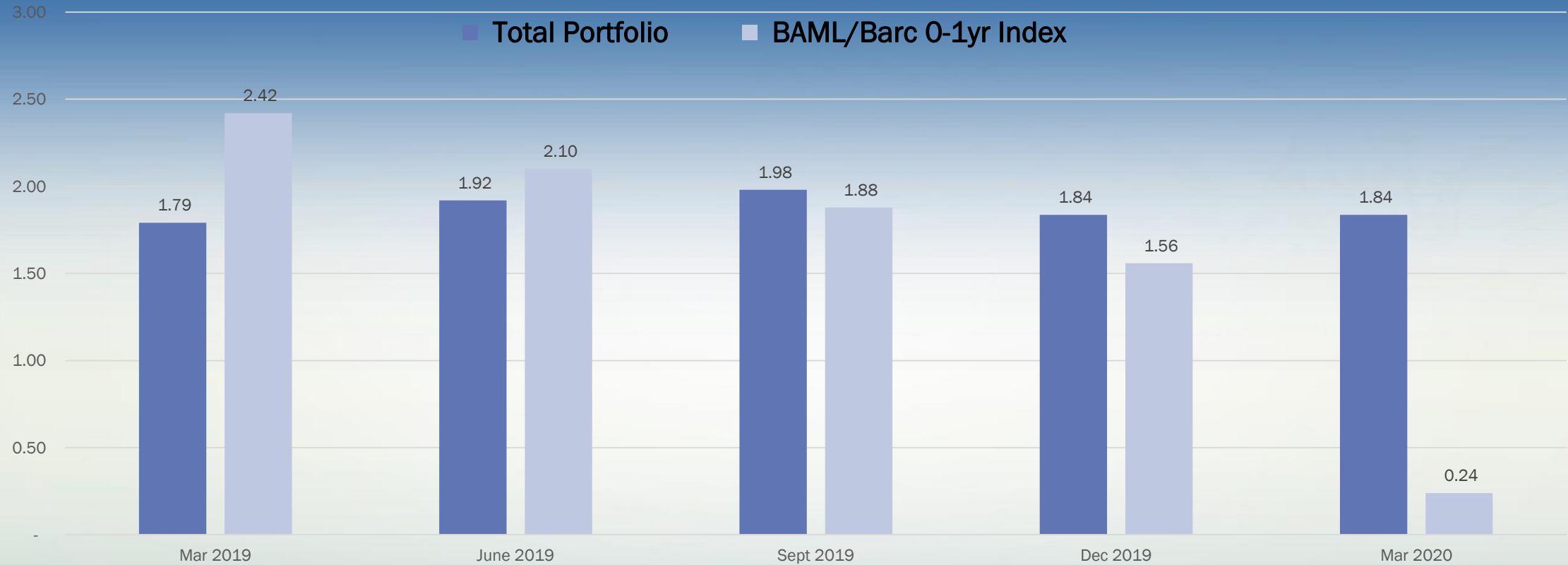
**Total Debt Outstanding is  
\$6.8 billion  
(net increase \$271.5 million)**



	Q3 FY20	Q3 FY19	Difference
General Obligation	\$273,900	\$299,095	(\$25,195)
General Fund & Other	\$375,988	\$411,713	(\$35,725)
Tax Allocation Districts	\$323,960	\$373,300	(\$49,340)
Department of Aviation	\$2,824,078	\$2,327,560	\$496,518
Department of Watershed	\$3,046,339	\$3,161,083	(\$114,744)
<b>Totals</b>	<b>\$6,844,265</b>	<b>\$6,572,751</b>	<b>\$271,514</b>

# INVESTMENT PORTFOLIO

As of March 31, 2020 (000's)



Mar 2019

June 2019

Sept 2019

Dec 2019

Mar 2020

Net Interest  
Earnings:

\$11.12 mm

\$11.08 mm

\$11.37 mm

\$13.04 mm

\$12.69 mm





# QUESTIONS/ANSWERS SESSION