



DEPARTMENT OF FINANCE
FY2021 THIRD QUARTER
FINANCIAL STATUS REPORT

AUGUST 11, 2021

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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





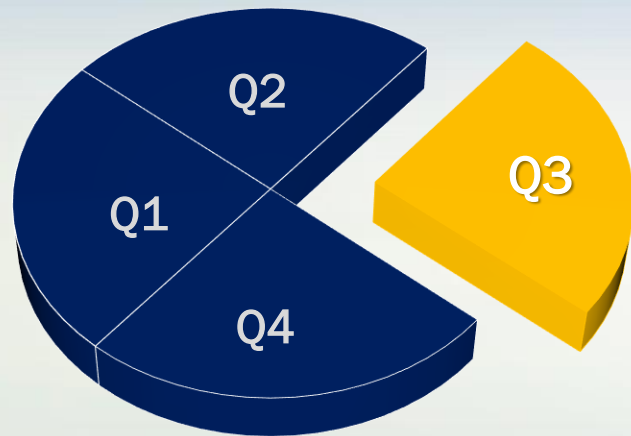
QUARTERLY FINANCIAL REPORT

FY2021 THIRD QUARTER FINANCIAL STATUS REPORT

As of March 31, 2021



Quarterly Financial Report



- Q3 Report covers the Third Quarter of FY 2021 (Jul - Mar 2021)
- 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 second quarter.



GOVERNMENTAL FUNDS OVERVIEW

GENERAL FUND YEAR TO DATE – REVENUES VS EXPENSES

(Q3 2021)



SUMMARY OF KEY POINTS

Revenues

- Property Tax and Sales Tax are on track to meet or exceed forecasts.
- Three revenue categories are at risk of not meeting budget forecasts:
 - Alcoholic beverage taxes
 - Fines and penalties
 - Hotel/Motel taxes
- Licenses and permits revenue decrease driven by deferred license renewals into FY22
- The projected revenue shortfall associated with these risks is \$29.7M or 4.6% of the revenue budget.

Expenses

- Two expense categories are at risk of ending the year over budget:
 - Personnel and Employee Benefits
 - Fleet-related charges
- The projected expense overrun associated with these risks is \$12.9M or 1.9% of the expense budget.
- There is approximately \$25M of general fund expenses that is reimbursable, but these reimbursements have not yet been netted from projected expenses.

Based upon the end of Q3 report, the allocations from the American Rescue Plan continue to support covering projected shortfalls or overruns

FY21 GENERAL FUND REVENUE PROJECTION

(Q3 2021)



Revenue Category	FY21 Funded Budget	FY21 Actuals (Jul-Mar)	FY21 % Variance	Projected Revenues (Apr-Jun)	Total Projected Revenues (Year-End)	FY21 Variance (Year-End)	FY21 Variance (Year-End)
Property Taxes	232,106,376	229,729,415	99.0%	4,437,472	234,166,887	2,060,511	0.9%
Public Utility, Alcohol Beverage & Taxes	100,626,410	90,072,580	89.5%	11,232,577	101,305,157	678,747	0.7%
Local Option Sales Taxes	102,150,372	84,138,782	82.4%	30,625,554	114,764,336	12,613,964	12.3%
Licenses and Permits	105,528,046	45,707,842	43.3%	26,731,670	72,439,512	(33,088,534)	-31.4%
Other Revenues	11,775,057	9,854,658	83.7%	974,943	10,829,601	(945,456)	-8.0%
Charges For Services	3,383,385	3,502,261	103.5%	1,251,391	4,753,652	1,370,267	40.5%
Fines and Penalties	14,430,426	6,240,036	43.2%	3,654,555	9,894,591	(4,535,835)	-31.4%
Building Rentals and Concessions	4,285,096	3,089,364	72.1%	413,052	3,502,416	(782,680)	-18.3%
Indirect Cost Recovery	34,877,555	28,269,817	81.1%	9,423,272	37,693,089	2,815,534	8.1%
Hotel & Motel Tax	15,985,075	3,735,374	23.4%	2,149,293	5,884,667	(10,100,408)	-63.2%
PILOT & Franchise Fees	20,697,855	15,657,590	75.6%	5,219,196	20,876,786	178,931	0.9%
Subtotal	645,845,653	519,997,719	80.5%	96,112,975	616,110,694	(29,734,959)	-4.6%
Intrafund Transfer (Fund Balance - GF)	26,571,302	-	-	-	-	-	-
Intrafund Transfer (Fund Balance - BP)	19,326,725	-	-	-	-	-	-
Total Revenues	691,743,680	519,997,719	75.6%	96,112,975	616,110,694	(29,734,959)	-4.3%

The FY21 budget of \$691.7M includes a \$45.8M Fund Balance supplement.

3rd Qtr. (Jul – Mar) actuals were \$520M, which represents 75.6% of the total budget.

Projections for the remaining three (3) months of the fiscal year (Apr – Jun) are \$96.1M. The resulting FY21 YE forecast of \$616.1M is **\$29.7M** less (4.6%) than the FY21 total budget.

FY21 YE projections were based on two (2) key assumptions:

- 1) 3rd Qtr. revenue trend will continue through the remainder of the fiscal year. Thus, declines will continue in COVID impacted revenues such as, Alcohol & Business Licenses, Municipal Court Fines, and Hotel/Motel tax revenue.
- 2) Property tax revenue will be primarily unaffected by COVID. Budgeted CY Fulton/Dekalb property taxes are \$225M and represent @ 35% of the FY21 operational budget of \$645M.

GENERAL FUND EXPENDITURE BUDGET PROJECTION

(Q3 2021)



Major Category	FY21 Budget Funded Budget	FY21 Actual (July-Mar)	FY21 % Variance	FY21 Projections (Apr-June)	FY21 Year-End Projections	FY21 Year-End Variance	FY21 Year-End Variance
Personnel Services and Employee Benefits	440,222,246	344,322,367	78%	114,334,656	458,657,022	(18,434,776)	(4.2%)
Purchased / Contracted Services	93,284,176	42,119,530	45%	40,464,511	82,584,041	10,700,135	11.5%
Supplies	38,654,798	29,795,698	77%	10,629,906	40,425,604	(1,770,806)	(4.6%)
Capital Outlays	7,044,547	475,188	7%	2,565,750	3,040,938	4,003,609	56.8%
Interfund / Interdepartmental Charges	15,640,542	12,854,281	82%	6,449,726	19,304,007	(3,663,465)	(23.4%)
Other Costs	41,050,194	27,265,163	66%	13,782,391	41,047,554	2,640	0.0%
Debt Service	31,490,970	5,877,729	19%	25,519,824	31,397,553	93,417	0.3%
Conversion / Summary	2,914,363	18,045	1%	(22,616)	(4,571)	2,918,934	100.2%
Other Financing Uses	21,441,845	42,711,861	199%	(14,540,106)	28,171,756	(6,729,910)	(31.4%)
Expenses	691,743,680	505,439,861	73%	199,184,043	704,623,903	(12,880,223)	(1.9%)

FY2021 Total Expenses as of March represent 73% of the \$692M Funded Budget. Full Year Projections as of the Third Quarter indicate that Year-End Expenses will exceed the budget by **(\$12.9M)** or 1.9% over budget.

Personnel Services and Employee Benefits are projected to be over budget by **(\$18.4M)** primarily attributed to:

- Employee Hazardous Pay **(\$11.1M)**
- Salaries and Benefits **(\$7.6M)**

Purchased/Contracted Services variance is due to anticipated transfers to Other Financing Uses for capital related activity including the continuance of the Oracle Cloud ERP Implementation Project and support @ \$6.9M and to support Building Permitting activities under the Department of City Planning.

Interfund/Interdepartmental Charges projected to be over budget by **(\$3.7M)** based on projected costs associated with fleet repair and maintenance.

Other Financing Uses variance is due to required General Fund transfers inclusive of the Oracle Cloud ERP Implementation / Post Implementation Support Project..

GENERAL FUND EXPENDITURE BUDGET PROJECTION

(Q3 2021)



Department	FY21 Funded Budget	FY21 Actuals (Jul-Mar)	FY21 % Variance	Projected Expenses (Apr-Jun)	Total Projected Expenses (Year-End)	FY21 Variance (Year-End)	FY21 Variance (Year-End)
City Council	12,290,732	6,085,802	50%	2,308,964	8,394,766	3,895,966	31.7%
Executive Offices	31,785,778	23,780,474	75%	9,552,948	33,333,422	(1,547,644)	(4.9%)
Dept. of Atlanta Information Management	29,339,224	18,635,797	64%	12,171,224	30,807,021	(1,467,797)	(5.0%)
Department Of Law	6,989,969	6,263,435	90%	4,110,239	10,373,674	(3,383,705)	(48.4%)
Department Of Corrections	3,572,252	2,072,262	58%	318,930	2,391,192	1,181,060	33.1%
Department Of Finance	16,305,154	13,111,438	80%	3,682,723	16,794,162	(489,008)	(3.0%)
Department Of Procurement	2,981,816	2,067,695	69%	821,517	2,889,212	92,604	3.1%
Dept of Parks & Recreation	41,065,054	29,669,118	72%	11,559,092	41,228,210	(163,156)	(0.4%)
Judicial Agencies	13,016,665	8,958,385	69%	4,205,841	13,164,226	(147,561)	(1.1%)
Non-Departmental	100,708,579	69,739,852	69%	34,005,371	103,745,223	(3,036,644)	(3.0%)
Department Of Human Resources	6,280,048	5,084,169	81%	1,539,088	6,623,257	(343,209)	(5.5%)
Department Of Fire Services	96,762,247	79,773,248	82%	23,320,000	103,093,248	(6,331,001)	(6.5%)
Department Of Police Services	215,013,960	166,727,573	78%	55,719,137	222,446,710	(7,432,750)	(3.5%)
Department of City Planning	27,239,983	15,022,189	55%	7,265,345	22,287,534	4,952,449	18.2%
Department Of The Solicitor	6,703,402	5,809,698	87%	2,037,077	7,846,775	(1,143,373)	(17.1%)
The Office of the Inspector General	1,644,168	594,211	36%	694,063	1,288,273	355,895	21.6%
Atlanta Citizens Review Board	1,367,940	703,124	51%	622,816	1,325,940	42,000	3.1%
Department Of Audit	2,048,652	1,458,332	71%	526,415	1,984,747	63,905	3.1%
Department Of Public Defender	3,898,181	2,890,328	74%	930,082	3,820,410	77,771	2.0%
Dept. Of Enterprise Assets Management	17,142,890	10,431,060	61%	5,930,051	16,361,111	781,779	4.6%
Department Of Customer Service	2,848,117	1,956,436	69%	648,259	2,604,694	243,423	8.5%
Atlanta Department of Transportation	51,743,399	34,255,809	66%	16,953,594	51,209,403	533,996	1.0%
Dept. of Grants and Community Development	995,470	349,426	35%	261,267	610,693	384,777	38.7%
Total City Wide	691,743,680	505,439,861	73%	199,184,043	704,623,903	(12,880,223)	(1.9%)

Fiscal Year 2021 Total Expenses as of March represent 73% of the \$692M Funded Budget. However, Full Year Projections as of the Third Quarter indicate that Year-End Expenses will exceed the budget by **(\$12.9M)** or 1.9% over budget.

- **Police Services (\$7.4M)**
 - Hazardous Pay (\$5M)
 - Salaries and Benefits (\$1.1M)
 - Supplies (\$.4M)
 - Fleet Fuel and Repairs & Maint. (\$.5M)
- **Fire Services (\$6.3M)**
 - Hazardous Pay (\$2.2M)
 - Salaries and Benefits (\$2.5M)
 - Fleet Fuel and Repair & Maint. (\$1.6M)

The impact of COVID-19 expenses in **Hazardous Pay at \$11.1M** and **other eligible COVID-19 related expenses at \$6M** will be absorbed with FEMA reimbursement.



PROPRIETARY FUNDS OVERVIEW

FY2021 ENTERPRISE FUND PROJECTION (Q3 2021)



Enterprise Funds	FY21 Funded Budget	Actuals Y-T-D (Mar)	Projected Revenues/Expenses	Total Projected Revenues/Expenses	Variance (\$)	Variance (%)
Aviation Revenue Fund						
Revenues	470,458,552	261,731,954	97,415,853	359,147,807	(111,310,745)	(23.66%)
Expenses	470,458,552	212,299,590	221,629,495	433,929,084	36,529,468	7.76%
Water & Wastewater Revenue Fund						
Revenues	569,728,208	444,891,087	157,076,568	601,967,655	32,239,447	5.66%
Expenses	569,728,208	348,441,224	146,334,079	494,775,303	74,952,905	13.16%
Solid Waste Service Fund						
Revenues	66,371,350	73,902,970	2,713,602	76,616,572	10,245,222	10.71%
Expenses	66,371,350	49,920,070	20,457,553	70,377,624	(4,006,274)	(6.04%)

Aviation Revenue Fund

- **Revenues** are projected to fall below the budget due to travel declines from the pandemic.
- **Expenses** are projected to be under budget by \$36.5M
 - \$ 39M Contractual Services
 - \$ 3.6M Supplies/Capital Outlays
 - (\$2.7M) Other Financing Uses
 - (\$ 2M) Interfund Charges
 - (\$1.2M) Personnel Services

Water & Wastewater Revenue Fund

- **Revenues** are projected to exceed the budget due to increase in MOST subsidy.
- **Expenses** are projected to be under budget by \$75M
 - \$ 21M Fund Wide Reserves
 - \$ 18M Bad Debt Reserves
 - \$ 18M GEFA Loan Reserves
 - \$ 16M Contractual Services
 - \$ 4M Supplies
 - \$ 4M Interfund Charges
 - (\$3.8M) Personnel Services

Solid Waste Services Revenue Fund

- **Revenues** have exceeded the budget which was conservatively set for the year.
- **Expenses** are projected to be over budget by \$4M
 - \$ 2.1M Personnel Services
 - (\$ 2M) Fleet Repairs/Maintenance
 - (\$1.5M) Other Costs/Financing Uses
 - (\$1.4M) Contractual Services
 - (\$ 1M) Supplies

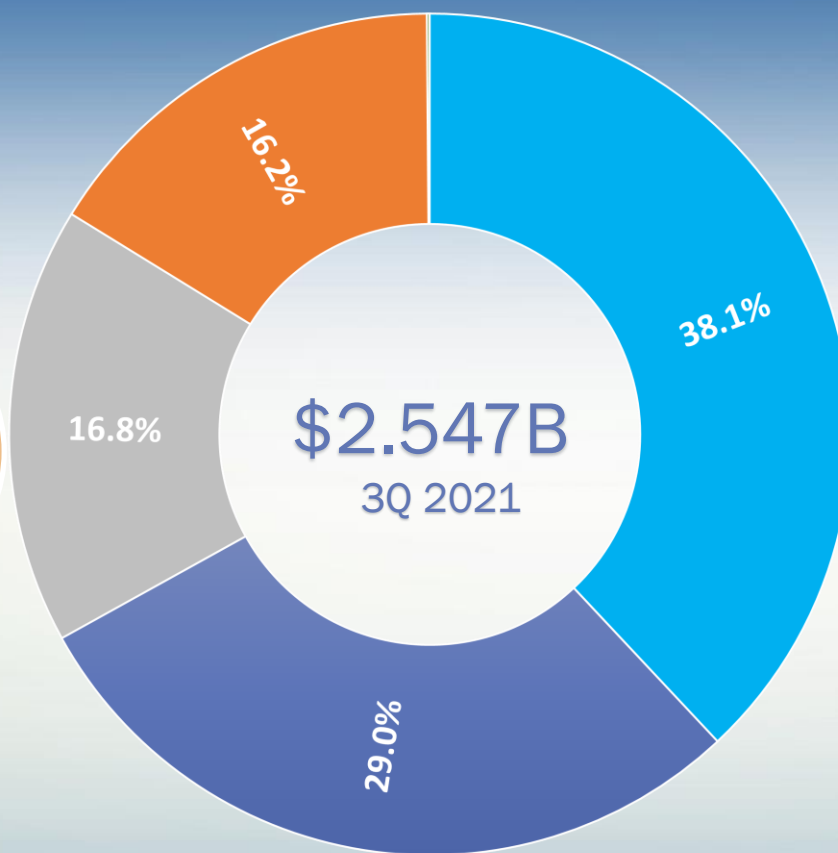


DEBT/INVESTMENT PORTFOLIOS



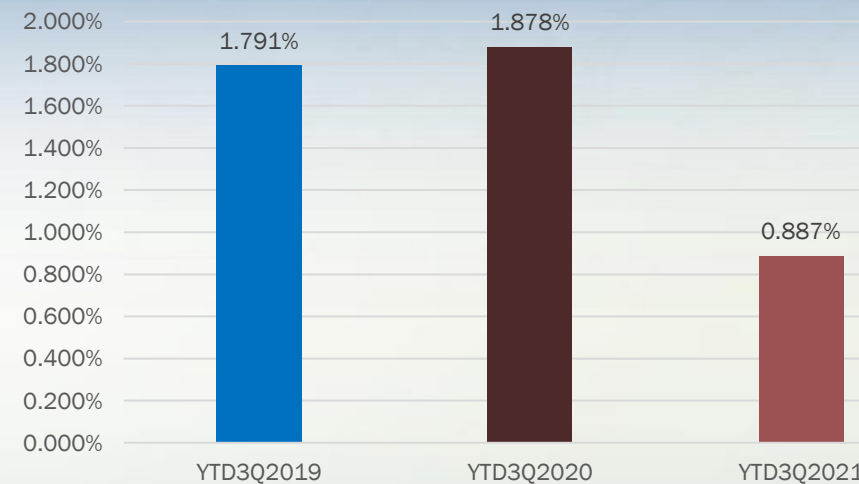
INVESTMENT PORTFOLIO OVERVIEW

Portfolio Objectives



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

Portfolio Yield



Net decrease
\$101.5 M
Compared to 3Q 2020



DEBT PORTFOLIO OVERVIEW



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

	General Obligation	General Fund & Other	Tax Allocation Districts	Dept. of Aviation	Dept. of Watershed
Q3 FY21	\$244,195	\$344,165	\$290,205	\$2,571,359	\$3,040,164
Q3 FY20	273,900	372,246	323,960	2,824,078	3,046,339
	(\$29,705)	(\$28,081)	(\$33,755)	(\$252,719)	(\$6,175)
	(10.85%)	(7.54%)	(10.42%)	(8.95%)	(0.00%)

Net Decrease
\$350.4M
Outstanding Debt

0%
Variable Rate
Debt

\$154.5M
Total NPV Savings
On Refunded Debt
during FY21

\$111.9M
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	A+	AA-
Airport Revenue Bonds- PFC/Subordinate Lien GARBs	Aa3	A+	AA-
Airport Revenue Bonds Senior Lien Customer Facility Charge	A2	BBB+	A
Hotel & Motel Tax Bonds*	A1	A	-
Car Rental Tax Bonds	A1	A+	-

*The Hotel/Motel Car Rental Tax backed securities were recently downgraded a notch by S&P. Moody's affirmed their previous rating(s) on each series respectively.



QUESTIONS/ANSWERS SESSION