

**Assembly Budget/Finance Committee**

**August 18, 2022**

**Revenue Summary Highlights\* from MOA Treasury**

\*per SAP extract report generated as of 8/12/22; revenue highlights include all 100 Fund Gen'l Gov't Operating Budget Revenues, plus full amount of room tax (all funds) as well as information re: separate fund revenues for Building Safety Fund and Alcohol Tax Fund

**Overall 2022 YTD Revenue Realization**

- 2022 Total Budgeted Revenues: \$786.8M (incl. ASD)
- 2022 YTD Actual Revenues posted in SAP: \$657.2M
- 2022 YTD Revenue Realization: 84%

**Highlights of Select Major Revenues: Preliminary Outlook or Trend**

	<b>2021 Actual</b>	<b>2022 Budget</b>	<b>2022 YTD posted rev in SAP</b>	<b>2022 YTD Realization</b>	<b>Baseline info for projection</b>	<b>Current Outlook or Trend vs. Budget</b>	<b>Add'l Comments</b>
<b>2022 PFD Garnishment Revenues (mostly APD)</b>	\$4.85M	\$6.9M	n/a	n/a	2022 estimated, declared dividend + energy check is \$3,200. Revised Budget assumed lower dividend amount.	Expected to exceed budget by at least \$500K.	Initial PFD payout batch to occur 9/20/22 which will give strongest indication to MOA re: potential realization of garnishments.
<b>MUSA/MESA</b>	\$20.0M	\$20.1M	\$17.7M	88%	Based on SAP postings thru 8/12/22. SWS annual payment not yet posted.	Potential negative variance of <\$1.1M>.	Municipal utilities and enterprises to pay their annual MUSA/ MESA payments during Q3 2022.
<b>Private PILT</b>	\$12.4M	\$12.7M	\$11.8M	93%	Based on contractual payments payable to MOA.	Potential negative variance of <\$900K>.	Includes actual annual payments received from Aurora Base

	2021 Actual	2022 Budget	2022 YTD posted rev in SAP	2022 YTD Realization	Baseline info for projection	Current Outlook or Trend vs. Budget	Add'l Comments
							Housing and Chugach Electric.
<b>Real Property Tax (incl. ASD)</b>	\$563.4M	\$554.5M	\$551.0M	99.4%	Based on 2022 Roll 1 real property tax billing in late June 2022 and to occur in late August 2022, plus payments received each month for delinquent real property.	Expected to meet budget.	Current Year Real (and Personal) Property Tax Revenue is posted when billed and delinquent property tax payments are posted when received and adjusted at Year End by Controller Division per accounting standards.
<b>Personal Property Tax (incl. ASD)</b>	\$48.4M	\$43.2M	n/a	n/a	Actual billing of all personal property Rolls 2-7 is planned to occur October 2022.	Budget set at lower amount than prior year. Personal Property cannot be accurately projected until Personal Property rolls have been finalized and billed by Oct 2022.	See preceding comment re: property tax revenue accounting standards.
<b>Cash Pool Earnings Revenue Accounts (incl. TANS)</b>	<\$2.3M>	\$712.2K	<\$2.2M>	n/a	SAP revenue postings reflect actual earnings allocations for Jan-May 2022. Remainder of 2022 cash pool/TANS	Budget set at lower amount than prior year. Potential negative variance of <\$500K> as of	Earnings and market value of Cash Pool investments can vary significantly month-to-month.

	2021 Actual	2022 Budget	2022 YTD posted rev in SAP	2022 YTD Realization	Baseline info for projection	Current Outlook or Trend vs. Budget	Add'l Comments
					earnings projection is based on past earnings allocations during comparable time periods.	August 2022 per projection received from Public Finance & Investments Division.	
<b>Room Tax (GG portion) – QUARTERLY REPORTED REVENUE</b>	\$29.0M	\$29.6M	\$15.3M	52%	Based on receipt of Q1 & Q2 2022 actual filings.	Gen'l Gov't portion of room tax expected to notably exceed budget by several million dollars. Q2 typically represents 29% of annual room tax. Q3 is the dominant quarter.	Room tax revenues are driven by extraordinary levels of pricing which are not sustainable in years to come. Q1 & Q2 2022 data show an exceptionally strong increase over comparable prior year periods.
<b>Rental Vehicle Tax – QUARTERLY REPORTED REVENUE</b>	\$7.4M	\$8.3M	\$6.2M	75%	Based on receipt of Q1 & Q2 2022 actual filings + large payment of back taxes (principal portion) received in June 2022.	Expected to exceed budget by \$9M or more. Q1 & Q2 typically represent 33% of annual rental vehicle tax. Q3 is the dominant quarter.	Similar to assumptions and trends used for room tax (see above).
<b>Rental Vehicle Tax – Interest and Penalty</b>	\$3K	\$34K	\$475K	--	Based on large payment of back taxes (int. and penalty portion) recv'd in June 2022.	Expected to exceed budget by slightly more than \$440K.	Extraordinary year of interest and penalties associated with Rental Vehicle Tax.

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<b>Tobacco Tax</b>	\$20.2M	\$20.7M	\$10.8M	52%	Based on 6 months of filings.	Appears on pace to meet budget, however year end revenue is subject to timing of acquisitions by Distributors.	Tobacco tax remittances are historically higher during the summer months.
<b>Motor Fuel Excise Tax</b>	\$12.2M	\$13.3M	\$5.9M	44%	Based on 6 months of filings. Back year tax refund paid in April 2022 to large operator.	Possible negative variance of <\$1.5M> due to back year tax refund and higher gas prices during first half of 2022 leading to 3.3% reduction in consumption.	Seasonality impact exists. Fuel Excise Tax is based on gallons of fuel purchased, not on price per gallon. AMC 12.55 provides for a CPI adjustment every 5 years. Effective 1/1/2023 the per gallon excise tax is set to automatically increase \$0.01, from \$0.10 to \$0.11.
<b>Auto Registration Tax</b>	\$10.5M	\$10.8M	\$6.3M	58%	Based on 6 months of DMV payments posted or to-be posted in SAP.	Expected to meet budget.	Percentage realization thru first 6 months is 58% which is in-line with 2019 (i.e., pre-COVID).
<b>Marijuana Tax</b>	\$5.7M	\$6.0M	\$2.8M	47%	Based on 6 months of filings.	Expected to meet budget given that YTD postings do not reflect seasonal	Seasonal increases expected around major holiday, summer

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						increases, coupled with increased 2022 PFD.	season and PFD.
<b>Municipal Assistance</b>	\$1.7M	\$1.7M	\$0	0%	Based on SAP postings thru 8/12/22. Alaska Municipal League (AML) and SOA Dept of Commerce, Community, and Economic Development used as primary sources of projected revenue sharing amount.	Expected to exceed budget by \$5.5M, per current projection received of \$7.2M (rounded).	SOA expected to make payment to MOA following receipt of annual financial report from MOA for year-end 2021.
<b>APD Counter Fines</b>	\$2.2M	\$2.2M	\$1.3M	59%	Based on 7 months of timely paid traffic citations.	Expected to meet budget.	Grant funds are used for traffic enforcement.
<b>Ambulance Service Fees</b>	\$9.2M	\$13.4M	\$5.0M	37%	Based on SAP postings as of 8/12/22.	Currently lagging the straight-line revenue realization percentage of 58% (i.e., 7 mos. div. by 12 mos.)	Revenues are adjusted quarterly by Controller Division based on collectability.
<b>MOA Trust Fund</b>	\$18.8M	\$17.1M	\$11.6M	68%	Based on 2022 dividend amount calculated at 4.00% payout, consistent with AMC 6.50.060 calculation methodology.	Expected to meet dollar amount cited in 2022 1 <sup>st</sup> Quarter Budget Revision.	Annual dividend calc is determined as of March 31 of each year. Initial portion of 2022 dividend was paid on 1/14/22.
<b>Bldg Safety</b>	\$5.7M	\$5.9M	\$4.6M	78%	Based on SAP	Potential to	Separate fund

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<b>Fund (163000)</b>					postings thru 8/12/22.	exceed budget. 2022 YTD realization thru first 6 mos. is 78% (as compared to 66% for same time period in 2021).	associated with Bldg. Permit Center.
<b>Alcohol Retail Sales Tax (Fund 206000)</b>	\$14.0M	\$15.4M	\$7.5M	49%	Based on 6 months of filings.	Expected to meet budget.	Separate, dedicated fund. Projection amount includes tax, interest, penalty and misc. revenues posted to the Alcohol Fund in SAP.