

Assembly Budget/Finance Committee

September 15, 2022

Revenue Summary Highlights* from MOA Treasury

*per SAP extract report generated as of 9/12/22; 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: \$671.3M
- 2022 YTD Revenue Realization: 85%
- Projected variances cited below represent "net" positive variance of \$7.9M

Highlights of Select Major Revenues: Preliminary Outlook or Trend

	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
2022 PFD Garnishment Revenues (mostly APD)	\$4.85M	\$6.9M	n/a	n/a	2022 announced PFD + energy relief payment amount of \$3,284. 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.
MUSA/MESA	\$20.0M	\$20.1M	\$19.0M	95%	Based on SAP postings thru 9/12/22.	Projected negative variance of <\$1.1M>.	Municipal utilities and enterprises to pay their annual MUSA/ MESA payments during Q3 2022.
Private PILT	\$12.4M	\$12.7M	\$11.8M	93%	Based on contractual payments	Potential negative variance of <\$900K>.	Includes actual annual payments received from

	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
					payable to MOA.		Aurora Base Housing and Chugach Electric.
Real Property Tax (incl. ASD)	\$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.
Personal Property Tax (incl. ASD)	\$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.
Cash Pool Earnings Revenue Accounts (incl. TANS)	<\$2.3M>	\$712.2K	<\$4.4M>	n/a	SAP revenue postings reflect actual earnings allocations for Jan-July 2022. Remainder of 2022 cash	Budget set at lower amount than prior year. Potential negative variance of	Earnings and market value of Cash Pool investments can vary significantly

	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
					pool/TANS earnings projection is based on past earnings allocations during comparable time periods.	<\$2.5M> as of early Sept 2022 per projection received from Public Finance & Investments Division.	month-to-month.
Room Tax (GG portion) – QUARTERLY REPORTED REVENUE	\$29.0M	\$29.6M	\$18.6M	63%	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.
Rental Vehicle Tax – QUARTERLY REPORTED REVENUE	\$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 \$7M-\$8M. Q1 & Q2, combined, typically represent 33% of annual rental vehicle tax. Q3 is the dominant quarter.	Similar to assumptions and trends used for room tax (see above).

	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
Rental Vehicle Tax – Interest and Penalty	\$3K	\$34K	\$478K	--	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.
Tobacco Tax	\$20.2M	\$20.7M	\$13.0M	63%	Based on 7 months of filings.	Appears on pace to at least meet budget, however year end revenue is subject to timing of acquisitions by Distributors.	Tobacco tax remittances are historically higher during the summer months.
Motor Fuel Excise Tax	\$12.2M	\$13.3M	\$6.9M	52%	Based on 7 months of filings.	Possible negative variance of <\$1M>. MOA is mirroring national fuel consumption trends. Fuel consumption was down during first half of 2022 in part due to higher gas prices.	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 auto-matically increase \$0.01, from \$0.10 to \$0.11.
Auto Registration Tax	\$10.5M	\$10.8M	\$6.3M	58%	Based on 7 months of DMV payments posted or to-be posted in SAP.	Expected to meet budget.	Percentage realization is slightly ahead of 2019 (i.e., pre-COVID).

	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
Marijuana Tax	\$5.7M	\$6.0M	\$3.3M	55%	Based on 7 months of filings.	Expected to meet budget given that YTD postings do not reflect seasonal increases, coupled with increased 2022 PFD.	Seasonal increases expected around major holiday, summer season and PFD.
Municipal Assistance	\$1.7M	\$1.7M	\$0	0%	Based on SAP postings thru 9/12/22. 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 from OMB of \$7.2M (rounded).	SOA expected to make payment to MOA following receipt of annual financial report from MOA for year-end 2021.
APD Counter Fines	\$2.2M	\$2.2M	\$1.5M	67%	Based on 8 months of timely paid traffic citations.	Expected to meet budget.	Grant funds are used for traffic enforcement.
Ambulance Service Fees	\$9.2M	\$13.4M	\$5.8M	43%	Based on SAP postings as of 9/12/22.	Potential negative revenue variance of <\$3.5M> to <\$4.0M>. Currently significantly lagging the straight-line revenue realization percentage of 67% (i.e., 8	Revenues are adjusted quarterly by Controller Division based on collectability.

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						mos. div. by 12 mos.)	
MOA Trust Fund	\$18.8M	\$17.1M	\$14.3M	84%	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 st Quarter Budget Revision.	Annual dividend calc is determined as of March 31 of each year. Initial \$11.6M portion of 2022 dividend was paid on 1/14/22.
Bldg Safety Fund (163000)	\$5.7M	\$5.9M	\$5.1M	86%	Based on SAP postings thru 9/12/22.	Potential to exceed budget. 2022 YTD realization thru first 8 mos. is 86% (as compared to 79% for same time period in 2021).	Separate fund associated with Bldg. Permit Center.
Alcohol Retail Sales Tax (Fund 206000)	\$14.0M	\$15.4M	\$8.0M	52%	Based on 7 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.