

# **ARC – Budget and Audit Review Sub-committee (BARS)**

October 26, 2022

# Audit Brief

- Annual Comprehensive Financial Report (ACFR)
- Single Audit

# ACFR – Financial Audit 2021

## Auditor's Opinion

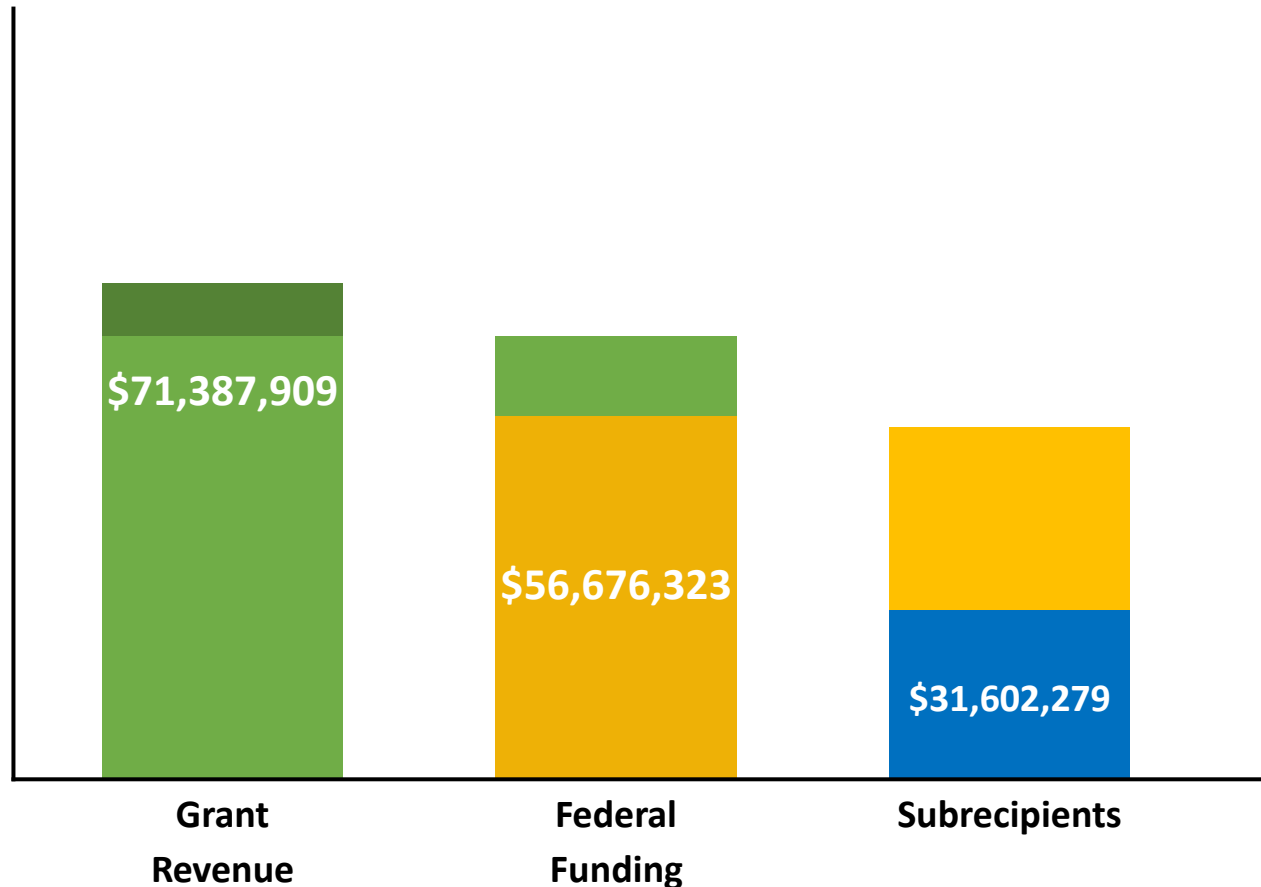
- Financial Statements present fairly, in all material respects the financial position of ARC (Clean Opinion)
- GFOA's Certificate of Achievement for 2020's ACFR

## Items to Note

- Fund Balance Increase (Governmental Funds) - \$520,761 to \$15,042,814
- Measurement date for Pension/OPEB related numbers was revised to be one year prior to ARC's fiscal year end

# Single Audit -2021

## Snapshot of ARC's Funding



## Auditor's Opinion

- Complied, in all material respects, with the compliance requirements (Clean Opinion)
- *No findings, 1<sup>st</sup> since 2015*

# ARC- 2023 Budget & Work Program

- ARC Budget Introduction
- 2023 Budget Schedule
- Executive Investment Council
- 2022 Budget vs Forecast
- 2023 Budget and Work Program
- 2023 Budget and Work Program by Goal (Strategic Framework)
- Budget and Work Program Document

# Budget Schedule FY2023

September				
Mon	Tue	Wed	Thu	Fri
			1	2
5	6	7	8	9
12	13	14 Budget due to Finance	15	16
19	20	21	22	23 Forms due to Strategy
Finance Reconciliation Budget Submissions				
26	27	28	29	30
2022 Expense and Fund Balance Projections / Strategy Reviews Submissions				

November				
Mon	Tue	Wed	Thu	Fri
	1	2	3 Board Retreat	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30		

October				
Mon	Tue	Wed	Thu	Fri
3	4	5	6	7
	Executive Investment Council			
10	11	12	13	14
	Executive Investment Council			
17	18	19	20	21
	Executive Investment Council			
24		26		
Prop. Budget Chair + Treasurer	25	Prop. Work Program & Budget Due	27	28
31				

December				
Mon	Tue	Wed	Thu	Fri
			1	2
5	6	7	8	9
12	13	14 Adoption Budget & Work Program	15	16
19	20	21	22	23
26	27	28	29	30

## Key Dates

Sep 14 / Budget due to Finance

Sep 23 / Forms Due to Strategy

Oct 4-20 / Executive Investment Council

Oct 12 / UPWP Numbers Ready

Oct 17 / Budget Draft Review

Oct 24 / Prop. Budget Chair & Treasurer

Oct 26 / Prop. Budget to Board \*

Nov 3-4 / Retreat  
(Budget Working Session)

Dec 14 / Adoption Budget and Work Program

# 2023 Executive Investment Council

Meetings during the month of October  
Attended by Executive Team

## Objective

1. Review 2022 Revenue, Expenses and Projected Fund Balance
2. Review 2023 Revenue Budget Status Quo (SQ)
  - Discuss new revenue opportunities 2023 & beyond
3. Review Expense Budget Requests 2023 (Submitted to Finance)
  - Program Review for 2023 (Mandate, Existing Commitments, Nice to Do)
  - General Fund Contributions Tally (Availability of Funds for Existing Efforts)
  - New 2023 (new efforts/initiatives) and Increased Funding Requests

# 2022 Budget vs Forecast

<i>In Millions (\$)</i>	Adopted 2022 Budget	Forecast 2022 Actual
Total Revenues	\$ 100.50	\$ 76.59
Total Expenses	\$ 101.06	\$ 76.11
*Projected increase/(-) reduction in Fund Balance	\$ (0.56)	\$ 0.48
Fund Balance - Beginning	\$ 15.04	\$ 15.04
Fund Balance - Ending	\$ 14.48 <b>A</b>	\$ 15.52 <b>B</b>
Fund Balance % Exp.	14.3%	20.4%
Change Fund Balance Budget vs Forecast		\$ 1.04 <b>B-A</b>

## Expenditures : Lower than Budgeted

### Transportation

1. Contracting : Delays with review process and procedures. Long routing process including internal and external partners
2. Long invoicing wait times from planning contracts coming from partners

### Homeland Security

1. Procurement delays resulting from the national supply chain disruption. Affected purchase of equipment



# 2022 Accomplishments

- Strategic changes to the organization to build a performance-driven agency to deliver on our long-term vision
- Board approved a change in rate used to calculate the annual contribution amount provided by local jurisdictions
- Engaged with local funders to speed up the expense recovery process and commercial partners to provide greater financial flexibility to the agency
- Launched information campaign about the opportunities associated with the Infrastructure and Investment Jobs Act (IIJA)
- Introduced Executive Investment Council, which evaluates investment proposals and plays an integral part of the 2023 budget process

# 2023 Proposed Budget and Work Program

*In Millions (\$)*

**Total Revenues**

**Total Expenses**

## Proposed 2023 Budget

\$ 106.79

\$ 107.07

**\*Projected increase/(-) reduction  
in Fund Balance**

\$ (0.28)

**Gov. Funds**

**Fund Balance - Beginning**

**Fund Balance - Ending**

**Fund Balance % Exp.**

\$ 15.52

\$ 15.24

14.2%

Budget and Workplan is balanced with a combination of revenues, expenditures and the use of fund balance

Proposed Appropriated Budget includes unallocated reserve of \$320K (approx. 5% of annual dues)

1. Reserve will provide the agency with resources to address unknown cost pressures and emergencies
2. Reserve will provide the agency with funding to take advantage of IJA and other grant opportunities

# 2023 Proposed Budget and Work Program by Goal (Strategic Framework)

<i>In Millions (\$)</i>	Competitive Economy	Livable Communities	Operational Excellence	Stakeholder Engagement	Strategic Investments	2023 Proposed Budget
<b>Expense Budget by Goal</b>	<b>\$ 10.46</b>	<b>\$ 26.36</b>	<b>\$ 13.02</b>	<b>\$ 5.90</b>	<b>\$ 51.33</b>	<b>\$ 107.07</b>
<b>Percentage of the Budget *</b>	<b>10%</b>	<b>25%</b>	<b>12%</b>	<b>6%</b>	<b>48%</b>	
<b>Key Programs by Goal</b>	<b>A.</b> Workforce Innovation and Opportunity Act <b>B.</b> Dislocated Worker <b>C.</b> Regional Economic Development <b>D.</b> Nexus	<b>A.</b> Georgia Commute Options <b>B.</b> Urban Area Security Initiative <b>C.</b> Water District Activities <b>D.</b> Air Quality Planning	<b>A.</b> Human Resources <b>B.</b> Information Technology <b>C.</b> Finance <b>D.</b> General Counsel and Compliance	<b>A.</b> Executive Director Activities <b>B.</b> Strategy and External Affairs <b>C.</b> Link <b>D.</b> RLI	<b>A.</b> Metropolitan Planning Funds <b>B.</b> Federal Transit Administration 5303 <b>C.</b> American Rescue Plan Act Funds - Seniors <b>D.</b> Community Based Services - Seniors	

\* Numbers may not add due to rounding

# 2023 Initiatives

- Implement the first phase of a comprehensive performance management structure linking programmatic and departmental level metrics to organizational outcomes.
- Pursue supplemental funding opportunities and working with state partners to ensure matching funding amounts are sufficient to leverage federal resources
- Establish a fully staffed Office of General Counsel and Chief Compliance Officer and a new purchasing unit.
- Identify, lead and pursue funding opportunities associated with the Infrastructure Investment & Jobs Act (IIJA). Continue strategic communication initiatives associated with (IIJA).
- Conduct a new Compensation and Equity Study (ARC Labor Market Competitiveness)

# 2023 Budget and Work Program Structure

Section #	Section	Pages	Description
<b>1</b>	<b>Intro</b>	1	Commission Membership & Structure
		2-3	Executive Director Introduction Document
		4	Table of Contents
<b>2</b>	<b>Readers Guide</b>	5	Outline
		6-7	Agency Overview
		7-8	Strategic Plan
		9	Agency Structure
<b>3</b>	<b>Budget Overview</b>	10-11	Budget Process / Schedule
		12-23	Budget Message - 2022 Accomplishments - 2023 Initiatives
		24 - 25	Budget Summary Schedules
		26	Personnel Summary
<b>4</b>	<b>Department Work Program</b>	27 - 159	Mission Objectives
			Budget Schedules
			Performance Measures
<b>5</b>	<b>Fund Schedules</b>	159 - 163	Consolidated Funds Schedules