



**City of Fresno**  
**Monthly Financial Report**  
**For the Three Months Ended September 30, 2019**  
**Unaudited – Intended for Internal Management Purposes Only**  
**(All figures in thousands)**

**GENERAL FUND AT-A-GLANCE**

| Category                           | Amended Budget | YTD Actual      | % of Budget | Prior Year Actuals |
|------------------------------------|----------------|-----------------|-------------|--------------------|
| Revenues                           | 348,491        | 29,572          | 8%          | 30,524             |
| Expenditures                       | (348,488)      | (71,344)        | 20%         | (68,599)           |
| Revenues Over (Under) Expenditures | <u>3</u>       | <u>(41,772)</u> |             | <u>(38,075)</u>    |

**GENERAL FUND REVENUES**

| Revenues                    | Amended Budget | YTD Actual    | % of Budget | Prior Year Actuals |
|-----------------------------|----------------|---------------|-------------|--------------------|
| Sales & Use Tax             | 95,171         | 7,951         | 8%          | 13,932             |
| Prop. 172 Sales Tax         | 3,223          | 1,110         | 34%         | 809                |
| Property Tax                | 140,218        | 0             | 0%          | 371                |
| Business Tax                | 20,091         | 2,110         | 11%         | 1,740              |
| Franchise Tax               | 15,423         | 1,358         | 9%          | 716                |
| Other Local Taxes           | 15,792         | 4,310         | 27%         | 4,440              |
| Card Room Receipts          | 1,070          | 252           | 24%         | 256                |
| Charges for Services        | 18,796         | 4,799         | 26%         | 3,963              |
| Development Fees            | 18,705         | 4,938         | 26%         | 4,460              |
| Intergovernmental Revenues  | 9,947          | 4,699         | 47%         | 1,289              |
| Intragovernmental Revenues  | 13,651         | 1,948         | 14%         | 2,064              |
| Transfers In/Out            | (24,572)       | (4,445)       | 18%         | (4,164)            |
| All Other Revenue Sources   | 20,976         | 542           | 3%          | 648                |
| Total General Fund Revenues | <u>348,491</u> | <u>29,572</u> | 8%          | <u>30,524</u>      |

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the three months ended September 30, 2019 were \$29.6 million. This is a decrease of \$1.0 million, or -3.1%, below actual revenues during the first three months of last fiscal year. Total revenues at the end of September 2019 are at 8.5% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first three months of Fiscal Year 2020 decreased \$6.0 million (-42.9%) compared to first three months of last fiscal year because Sales Tax revenue received during August 2019 was accrued as Fiscal Year 2019 revenue.

Revenues other than taxes, which include Charges for Services, Development Fees, Intergovernmental and Intragovernmental Revenues, Transfers Out, and All Other Revenue Sources, will fluctuate from month to month depending upon various activity elements.

**Monthly Financial Report**

For the Three Months Ended September 30, 2019

(All figures in thousands)

Charges for Services during the three months ended September 30, 2019 increased \$0.8 million (21.1%) compared to same period last fiscal year mostly due to a payment from North Central Fire District this year for which there was no similar payment last year as well as increased fees for traffic signal startups and street work permits.

Intergovernmental Revenues during the first three month of Fiscal Year 2020 increased \$3.4 million (264.5%) due to receipt of a payment from the Redevelopment Successor Agency for which there was no similar payment last fiscal year.

As of September 30<sup>th</sup>, the City maintained \$34.5 million in the General Fund Emergency Reserve. The balance is up from the beginning of the fiscal year due to interest/investment revenue. The use of this Reserve is restricted until such time as a declaration of a fiscal emergency is made by the Mayor and approved by Council or for temporary year-end cash balancing purposes in accordance with provisions in the Reserve Management Act.

**GENERAL FUND EXPENDITURES BY DEPARTMENT**

| Expenditure Type                           | Amended Budget | YTD Actual    | % of Budget | Prior Year Actuals |
|--|----------------|---------------|-------------|--------------------|
| Police Department                          | 184,783        | 37,812        | 20%         | 36,994             |
| Fire Department                            | 68,354         | 14,308        | 21%         | 14,103             |
| Parks, Recreation & Community Services     | 19,974         | 3,898         | 20%         | 3,218              |
| Finance/Purchasing/Central Printing        | 7,104          | 1,200         | 17%         | 1,529              |
| Public Works                               | 10,402         | 2,024         | 19%         | 1,940              |
| City Council Offices                       | 4,585          | 666           | 15%         | 730                |
| City Clerk's Office                        | 969            | 211           | 22%         | 199                |
| Office of the Mayor/City Manager/Budget    | 4,499          | 948           | 21%         | 916                |
| Development and Resource Management (DARM) | 22,234         | 3,947         | 18%         | 5,086              |
| Personnel                                  | 3,567          | 743           | 21%         | 672                |
| City Attorney's Office                     | 16,841         | 3,396         | 20%         | 1,473              |
| General City Purposes                      | 12,089         | 2,191         | 18%         | 1,739              |
| Attrition Savings                          | (6,913)        | 0             | 0%          | 0                  |
| <b>Total General Fund Expenditures</b>     | <b>348,488</b> | <b>71,344</b> | <b>20%</b>  | <b>68,599</b>      |

**GENERAL FUND EXPENDITURES BY TYPE**

| Expenditure Type                        | Amended Budget | YTD Actual    | % of Budget | Prior Year Actuals |
|---|----------------|---------------|-------------|--------------------|
| Salaries and Benefits Public Protection | 196,290        | 43,564        | 22%         | 40,483             |
| Salaries and Benefits Others            | 45,060         | 11,421        | 25%         | 10,278             |
| Overtime Public Protection              | 4,410          | 1,288         | 29%         | 2,165              |
| Overtime Others                         | 152            | 55            | 36%         | 46                 |
| Pension Obligation Bonds                | 12,674         | 0             | 0%          | 0                  |
| Operations and Maintenance              | 38,590         | 8,679         | 22%         | 8,523              |
| Interdepartmental Charges               | 41,813         | 5,677         | 14%         | 5,252              |
| Capital                                 | 9,499          | 660           | 7%          | 1,852              |
| <b>Total General Fund Expenditures</b>  | <b>348,488</b> | <b>71,344</b> | <b>20%</b>  | <b>68,599</b>      |

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the three months ended September 30, 2019 were \$71.3 million. This is an increase of \$2.7 million (4.0%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of September 2019 were at 20.5% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$0.8 million (2.2%) and \$0.2 million (1.5%) respectively. The changes in the Police Department's expenditures are primarily due to increased Police personnel costs, which were partially offset by reduced vehicle lease payments. The Fire Department's results stemmed from decreased Fire overtime (as a result of a drop in requests for personnel fighting fires), which was partially offset by increased salaries. Parks, Recreation & Community Services' expenditures increased \$0.7 million (21.1%) during the first three months of Fiscal Year 2020 compared to the same period last fiscal year, mostly due to higher utility expense and increased cost for temporary summer help.

Expenditures for Council Offices, the Clerk's Office, the Mayor/City Manager's Offices, Finance, City Attorney, and Personnel Departments were materially consistent with the amounts expended in the prior year, and are at acceptable levels in accordance with current year budget estimates. City Attorney's Office expenditures increased \$1.9 million (130.6%) during the first three months of Fiscal Year 2020 compared to same period last fiscal year mostly due to the transfer of Code Enforcement from the former Development and Resource Management Department.

By category, Salaries/Benefits for Public Protection and Others increased \$3.1 million (7.6%) and \$1.1 million (11.1%) respectively during the first three months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the three months ended September 30, 2019 decreased \$0.9 million (-40.5%) compared to last year.

Capital expenditures experienced a \$1.2 million (-64.4%) decrease for the first three months of Fiscal Year 2020 compared to the same period last year mostly due to police car lease payments last year for which there was no similar General Fund payment this year.

Expenditures are monitored and appropriations possibly adjusted throughout the year in accordance with economic conditions and the inflow of General Fund revenues.

**ENTERPRISE OPERATING FUNDS**

The following summarizes year-to-date revenues and expenditures for major City enterprises.

| <b>Enterprise Fund</b>                        | <b>Budget</b> | <b>YTD Actual</b> | <b>% of Budget</b> | <b>Prior Year</b> |
|---|---------------|-------------------|--------------------|-------------------|
| <b>Community Sanitation</b>                   |               |                   |                    |                   |
| Revenues                                      | 9,510         | 2,411             | 25%                | 2,367             |
| Carryover                                     | 874           | 1,192             | 136%               | 3,954             |
| Available Resources                           | 10,384        | 3,603             | 35%                | 6,321             |
| Expenditures                                  | (10,384)      | (2,122)           | 20%                | (2,506)           |
| Available Resources Over/(Under) Expenditures |               | 1,481             |                    | 3,815             |
| <b>Transportation/FAX</b>                     |               |                   |                    |                   |
| Revenues                                      | 31,556        | 6,561             | 21%                | 1,704             |
| Carryover                                     | (1,260)       | (1,795)           | 142%               | (2,640)           |
| Available Resources                           | 30,296        | 4,766             | 16%                | (936)             |
| Expenditures                                  | (29,581)      | (5,160)           | 17%                | (7,211)           |
| Available Resources Over/(Under) Expenditures | 715           | (394)             |                    | (8,147)           |
| <b>Airport Operating</b>                      |               |                   |                    |                   |
| Revenues                                      | 11,712        | 4,451             | 38%                | 5,997             |
| Carryover                                     | 28,092        | 37,015            | 132%               | 34,316            |
| Available Resources                           | 39,804        | 41,466            | 104%               | 40,313            |
| Expenditures                                  | (18,906)      | (4,625)           | 24%                | (4,140)           |
| Available Resources Over/(Under) Expenditures | 20,898        | 36,841            |                    | 36,173            |
| <b>Sewer System</b>                           |               |                   |                    |                   |
| Revenues                                      | 49,529        | (5,523)           | -11%               | 5,301             |
| Carryover                                     | 56,335        | 65,274            | 116%               | 41,100            |
| Available Resources                           | 105,864       | 59,751            | 56%                | 46,401            |
| Expenditures                                  | (86,617)      | (12,563)          | 15%                | (10,609)          |
| Available Resources Over/(Under) Expenditures | 19,247        | 47,188            |                    | 35,792            |
| <b>Solid Waste System</b>                     |               |                   |                    |                   |
| Revenues                                      | 34,010        | 7,963             | 23%                | 7,746             |
| Carryover                                     | 4,989         | 4,840             | 97%                | 3,035             |
| Available Resources                           | 38,999        | 12,803            | 33%                | 10,781            |
| Expenditures                                  | (35,885)      | (7,109)           | 20%                | (6,829)           |
| Available Resources Over/(Under) Expenditures | 3,114         | 5,694             |                    | 3,952             |
| <b>Water System</b>                           |               |                   |                    |                   |
| Revenues                                      | 117,344       | 38,477            | 33%                | 35,450            |
| Carryover                                     | 108,256       | 112,593           | 104%               | 89,619            |
| Available Resources                           | 225,600       | 151,070           | 67%                | 125,069           |
| Expenditures                                  | (136,817)     | (22,930)          | 17%                | (19,199)          |
| Available Resources Over/(Under) Expenditures | 88,783        | 128,140           |                    | 105,870           |

## **ANALYSIS OF ENTERPRISE OPERATING FUNDS**

Actual revenues and expenditures for Enterprise Operations are recorded on the cash basis of accounting for monthly financial reporting purposes: meaning, revenues are recognized when the cash is received and expenses are recognized when the cash is paid. This can result in material timing differences, particularly when grants are involved. Most grants require the City to incur the expenditure before obtaining reimbursement from the granting agency. Transportation/FAX has significant grant-related revenue sources and will accordingly see the greatest impact as a result of these timing differences.

The budgeted figures for Fiscal Year 2020 were established to support the ongoing operations and anticipated capital improvements for each enterprise. The budgeted revenue figures include estimated carryover from the prior year. Actual carryover amounts from Fiscal Year 2019 to Fiscal Year 2020 are treated as a component of operating revenue and are detailed above. Because carryover is posted in August, early fiscal year Revenue results may appear high.

Community Sanitation carryover represents about 33.1% of total available resources during the three months ended September 30, 2019. Transportation/FAX Revenues during the first three months of this fiscal year increased \$4.9 million (285.0%) from the same period last fiscal year mostly due to State of California TDA payments received during August for which there were no similar payments last year. Airport YTD Revenues for the three months ended September 30, 2019 decreased \$1.5 million (-25.8%) from the same period last fiscal year primarily due to increased transfers out for capital projects. This was partially offset by increased parking and customer fees. Airport Operating carryover represents about 89.3% of total available resources through September 30<sup>th</sup>.

Sewer System YTD Revenues for the three months ended September 30, 2019 decreased \$10.8 million primarily due to a transfer out this year to deposit funds into an escrow account to defease the Series 2008 Sewer bonds. Sewer System carryover represents about 109.2% of total available resources for this fiscal year. Solid Waste carryover represents about 37.8% of total available resources for this fiscal year.

Water System YTD Revenues for the first three months of this fiscal year increased \$3.0 million (8.5%) primarily due to timing of the BAB Subsidy payment, increased customer charges, and interest earnings. Water System carryover represents about 74.5% of total available resources through September 30, 2019.

Transportation/FAX expenditures for the first three months of this fiscal year decreased \$2.1 million (-28.4%) compared to same period last fiscal year mainly due to lower costs for personnel, and technical and professional services. These decreases were partially offset by increased interdepartmental charges. Sewer expenditures for the three months ended September 30, 2019 increased \$2.0 million (18.4%) compared to the same period last fiscal year primarily due to increased costs for technical and professional services, computer software, and parts.

Water System expenditures during the three months ended September 30, 2019 increased \$3.7 million (19.4%) compared to the same period last fiscal year mostly due to higher costs for specialty chemicals, and payment on State loan this year for which there was no similar payment last year. These increases are partially offset by lower expenditures for engineering and design services.

**CITY DEBT**

| <b>Debt Source (in thousands)</b>                | <b>Governmental</b> | <b>Business-Type</b> | <b>Principal Outstanding</b> |
|--|---------------------|----------------------|------------------------------|
| <b>Lease Revenue Bonds:</b>                      |                     |                      |                              |
| Various Capital Projects                         | \$24,255            |                      | \$24,255                     |
| No Neighborhood Left Behind/Selland Arena        | 10,580              |                      | 10,580                       |
| Parks Impact Fee Projects                        | 22,270              | \$1,565              | 23,835                       |
| City Hall Chiller/Convention Center Improvements | 2,710               | 11,160               | 13,870                       |
| Public Safety Impact Fee Projects                | 31,050              |                      | 31,050                       |
| City Hall Refinancing/Bee Building/Granite Park  | 25,985              |                      | 25,985                       |
| Exhibit Hall Expansion Project                   |                     | 12,650               | 12,650                       |
| Stadium Project                                  |                     | 26,545               | 26,545                       |
| <b>Judgment Bonds:</b>                           |                     |                      |                              |
| Pension Obligation Bonds                         | 116,160             |                      | 116,160                      |
| <b>Enterprise Bonds:</b>                         |                     |                      |                              |
| Water  |                     | 124,995              | 124,995                      |
| Sewer*   |                     | 6,935                | 6,935                        |
| Airport**  |                     | 80,865               | 80,865                       |
| <b>Total Bonds</b>                               | <b>\$233,010</b>    | <b>\$264,715</b>     | <b>\$497,725</b>             |
| <b>Notes and Loans:</b>                          |                     |                      |                              |
| HUD – Neighborhood Streets and Parks             | \$365               |                      | \$365                        |
| CIEDB – Roeding Business Park                    | 1,481               |                      | 1,481                        |
| State Water Resources Control Board Loans        |                     | \$325,322            | 325,322                      |
| Clean Water – Southwest Quadrant                 |                     | 33,426               | 33,426                       |
| Safe Drinking Water Loans                        |                     | 39,432               | 39,432                       |
| <b>Total Notes and Loans</b>                     | <b>\$1,846</b>      | <b>\$398,180</b>     | <b>\$400,026</b>             |
| <b>Capital Leases</b>                            | <b>38,703</b>       |                      | <b>38,703</b>                |
| <b>Total City Debt</b>                           | <b>\$273,559</b>    | <b>\$662,895</b>     | <b>\$936,454</b>             |

\* Final defeasance of Sewer 2008 Bonds during September 2019 reduced principal by \$27.3 million.

\*\* Issuance of Airport Parking Garage Bonds during May 2019 increased principal by \$35 million.

**SUMMARY AND CONTACT INFORMATION**

This report is based on detailed information produced by the City's Finance Department/Accounting Division. If you would like additional information, or have any questions about this report, please call 621-7001.