



City of Fresno
Monthly Financial Report
For the Four Months Ended October 31, 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	52,380	15%	53,416
Expenditures	<u>(346,713)</u>	<u>(101,248)</u>	29%	<u>(91,925)</u>
Revenues Over (Under) Expenditures	<u>1,778</u>	<u>(48,868)</u>		<u>(38,509)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	16,192	17%	23,249
Prop. 172 Sales Tax	3,223	1,371	43%	1,056
Property Tax	140,218	936	1%	1,210
Business Tax	20,091	8,068	40%	7,121
Franchise Tax	15,423	2,201	14%	882
Other Local Taxes	15,792	5,909	37%	5,723
Card Room Receipts	1,070	324	30%	341
Charges for Services	18,796	6,406	34%	5,807
Development Fees	18,705	6,890	37%	6,301
Intergovernmental Revenues	9,947	4,840	49%	1,163
Intragovernmental Revenues	13,651	2,918	21%	4,026
Transfers In/Out	(24,572)	(4,448)	18%	(4,260)
All Other Revenue Sources	<u>20,976</u>	<u>773</u>	4%	<u>797</u>
Total General Fund Revenues	<u>348,491</u>	<u>52,380</u>	15%	<u>53,416</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the four months ended October 31, 2019 were \$52.4 million. This is a decrease of \$1.0 million, or -1.9%, below actual revenues during the first four months of last fiscal year. Total revenues at the end of October 2019 are at 15.0% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first four months of Fiscal Year 2020 decreased \$7.1 million (-30.4%) compared to first four months of last fiscal year because Sales Tax revenue received during August 2019 was accrued as Fiscal Year 2019 revenue. Franchise Tax revenues during the four months ended October 31, 2019 increased \$1.3 million (149.5%) compared to the same period last fiscal year mostly due to timing differences in the receipt of commercial solid waste franchise tax.

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.

Charges for Services during the four months ended October 31, 2019 increased \$0.6 million (10.3%) 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. Additionally, there have been increased fee revenues for traffic signal startups and street work permits.

Intergovernmental Revenues during the first four months of Fiscal Year 2020 increased \$3.7 million (316.2%) due to receipt of both a payment from the Redevelopment Successor Agency for which there was no similar payment last fiscal year, and increased reimbursements from the State of California. Intragovernmental Revenues during the four months ended October 31, 2019 decreased \$1.1 million (-27.5%) due to lower variable and fixed reimbursements from other departments.

As of October 31st, the City maintained \$34.6 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	183,449	54,253	30%	49,342
Fire Department	68,355	20,775	30%	18,777
Parks, Recreation & Community Services	19,912	5,269	26%	4,439
Finance/Purchasing/Central Printing	6,888	1,711	25%	2,026
Public Works	10,402	2,650	25%	2,510
City Council Offices	4,585	938	20%	959
City Clerk's Office	969	285	29%	255
Office of the Mayor/City Manager/Budget	4,499	1,328	30%	1,238
Planning and Development	22,090	5,611	25%	7,299
Personnel	3,548	1,017	29%	914
City Attorney's Office	16,840	4,749	28%	1,937
General City Purposes	12,089	2,662	22%	2,229
Attrition Savings	(6,913)	0	0%	0
Total General Fund Expenditures	<u>346,713</u>	<u>101,248</u>	29%	<u>91,925</u>

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	194,955	60,437	31%	54,244
Salaries and Benefits Others	44,616	15,583	35%	13,761
Overtime Public Protection	4,409	1,736	39%	2,601
Overtime Others	152	79	52%	60
Pension Obligation Bonds	12,674	0	0%	0
Operations and Maintenance	38,520	11,444	30%	11,562
Interdepartmental Charges	41,890	10,862	26%	7,463
Capital	9,497	1,107	12%	2,234
Total General Fund Expenditures	346,713	101,248	29%	91,925

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the four months ended October 31, 2019 were \$101.2 million. This is an increase of \$9.3 million (10.1%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of October 2019 were at 29.2% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$4.9 million (10.0%) and \$2.0 million (10.6%) respectively. The changes in the Police Department's expenditures are primarily due to increased Police personnel costs and higher interdepartmental charges. The Fire Department's results stemmed from increased salaries and interdepartmental charges, which were partially offset by decreased Fire overtime (as a result of a drop in requests for personnel fighting fires). Parks, Recreation & Community Services' expenditures increased \$0.8 million (18.7%) during the first four 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 \$2.8 million (145.2%) and Planning and Development expenditures decreased \$1.7 million (-23.1%) during the first four months of Fiscal Year 2020 compared to the same period last fiscal year mostly due to the transfer of Code Enforcement, in Fiscal Year 2020, from the former Development and Resource Management Department to the City Attorney's Office.

By category, Salaries/Benefits for Public Protection and Others increased \$6.2 million (11.4%) and \$1.8 million (13.2%) respectively during the first four months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the four months ended October 31, 2019 decreased \$0.9 million (-33.3%) compared to last year.

Interdepartmental charges during the first four months of Fiscal Year 2020 increased \$3.4 million (45.5%) compared to the same period last year mostly due to increased costs for liability self-insurance and fleet charges. Capital expenditures experienced a \$1.1 million (-50.4%) decrease for the first four months of Fiscal Year 2020 compared to the same period last year mostly due to police car lease payments which were paid by Fleet Management last fiscal year for which there is no similar expenditure this fiscal 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.

Enterprise Fund	Budget	YTD Actual	% of Budget	Prior Year
Community Sanitation				
Revenues	9,510	3,231	34%	3,187
Carryover	874	1,192	136%	3,954
Available Resources	10,384	4,423	43%	7,141
Expenditures	(10,384)	(2,869)	28%	(3,179)
Available Resources Over/(Under) Expenditures		1,554		3,962
Transportation/FAX				
Revenues	31,556	7,162	23%	2,307
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	5,367	18%	(333)
Expenditures	(29,581)	(7,332)	25%	(10,123)
Available Resources Over/(Under) Expenditures	715	(1,965)		(10,456)
Airport Operating				
Revenues	11,712	6,880	59%	7,656
Carryover	28,092	37,015	132%	34,316
Available Resources	39,804	43,895	110%	41,972
Expenditures	(18,906)	(6,083)	32%	(5,327)
Available Resources Over/(Under) Expenditures	20,898	37,812		36,645
Sewer System				
Revenues	49,529	3,064	6%	12,788
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	68,338	65%	53,888
Expenditures	(86,617)	(16,519)	19%	(15,073)
Available Resources Over/(Under) Expenditures	19,247	51,819		38,815
Solid Waste System				
Revenues	34,010	10,646	31%	10,404
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	15,486	40%	13,439
Expenditures	(35,885)	(9,544)	27%	(9,439)
Available Resources Over/(Under) Expenditures	3,114	5,942		4,000
Water System				
Revenues	117,344	52,305	45%	48,391
Carryover	108,256	112,593	104%	89,619
Available Resources	225,600	164,898	73%	138,010
Expenditures	(136,817)	(34,245)	25%	(25,217)
Available Resources Over/(Under) Expenditures	88,783	130,653		112,793

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 26.9% of total available resources during the four months ended October 31, 2019. Transportation/FAX Revenues during the first four months of this fiscal year increased \$4.9 million (210.4%) 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 four months ended October 31, 2019 decreased \$0.8 million (-10.1%) 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 84.3% of total available resources through October 31st.

Sewer System YTD Revenues for the four months ended October 31, 2019 decreased \$9.7 million (-76.0%) primarily due to a transfer out this year to deposit funds into an escrow account to defease the Series 2008 Sewer bonds. This was partially offset by increased customer charges. Sewer System carryover represents about 95.5% of total available resources for this fiscal year. Solid Waste carryover represents about 31.3% of total available resources for this fiscal year.

Water System YTD Revenues for the first four months of this fiscal year increased \$3.9 million (8.1%) primarily due to timing of the BAB Subsidy payment, increased customer charges, interest earnings, and timing of the annual transfer in to cover O&M costs related to DBCP. Water System carryover represents about 68.3% of total available resources through October 31, 2019.

Transportation/FAX expenditures for the first four months of this fiscal year decreased \$2.8 million (-27.6%) compared to same period last fiscal year mainly due to lower costs for personnel, and technical/professional services. These decreases were partially offset by increased interdepartmental charges. Sewer expenditures for the four months ended October 31, 2019 increased \$1.4 million (9.6%) compared to the same period last fiscal year primarily due to increased costs for specialty chemicals, technical and professional services, computer software, and personnel.

Water System expenditures during the four months ended October 31, 2019 increased \$9.0 million (35.8%) compared to the same period last fiscal year mostly due to higher costs for personnel, contract construction, 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

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$23,420		\$23,420
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
Judgment Bonds:			
Pension Obligation Bonds	116,160		116,160
Enterprise Bonds:			
Water		124,995	124,995
Sewer*		6,935	6,935
Airport**		80,865	80,865
Total Bonds	\$232,175	\$264,715	\$496,890
Notes and Loans:			
HUD – Neighborhood Streets and Parks	\$365		\$365
CIEDB – Roeding Business Park	1,481		1,481
State Water Resources Control Board Loans		\$330,462	330,462
Clean Water – Southwest Quadrant		33,426	33,426
Safe Drinking Water Loans		39,386	39,386
Total Notes and Loans	\$1,846	\$403,274	\$405,120
Capital Leases	38,057		38,057
Total City Debt	\$272,078	\$667,989	\$940,067

* 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.