



**City of Fresno**  
**Monthly Financial Report**  
**For the Six Months Ended December 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	348,516	109,601	31%	130,337
Expenditures	<u>(345,283)</u>	<u>(161,788)</u>	47%	<u>(151,757)</u>
Revenues Over (Under) Expenditures	<u>3,233</u>	<u>(52,187)</u>		<u>(21,420)</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	32,531	34%	38,986
Prop. 172 Sales Tax	3,223	1,951	61%	1,611
Property Tax	140,218	24,311	17%	23,444
Business Tax	20,091	11,678	58%	11,183
Franchise Tax	15,423	3,781	25%	3,166
Other Local Taxes	15,792	8,413	53%	8,348
Card Room Receipts	1,070	483	45%	507
Charges for Services	18,796	9,336	50%	7,997
Development Fees	18,705	10,264	55%	8,689
Intergovernmental Revenues	9,947	5,421	54%	6,444
Intragovernmental Revenues	13,651	5,914	43%	6,239
Transfers In/Out	(24,572)	(5,570)	23%	(5,549)
All Other Revenue Sources	<u>21,001</u>	<u>1,088</u>	5%	<u>19,272</u>
Total General Fund Revenues	<u>348,516</u>	<u>109,601</u>	31%	<u>130,337</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the six months ended December 31, 2019 were \$109.6 million. This is a decrease of \$20.7 million, or -15.9%, below actual revenues during the first six months of last fiscal year. Total revenues at the end of December 2019 are at 31.4% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first six months of Fiscal Year 2020 decreased \$6.5 million (-16.6%) compared to first six months of last fiscal year because Sales Tax revenue received during August 2019 was accrued as Fiscal Year 2019 revenue.

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(All figures in thousands)

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 six months ended December 31, 2019 increased \$1.3 million (16.7%) 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. Development Fee revenues during the first six months of Fiscal Year 2020 increased \$1.6 million (18.1%) due to higher revenues for plan checks, building permits, and parking.

Intergovernmental Revenues during the six months ended December 31, 2019 decreased \$1.0 million (-15.9%) compared to the same period last fiscal year mostly due to timing of receipt of Federal grant and school resource officers payments, as well as a lower payment from the Successor Agency to the Redevelopment Agency. All Other Revenues during the first six months of Fiscal Year 2020 decreased \$18.2 million (-94.4%) mostly due to timing difference in the posting of General Fund carryover.

As of December 31<sup>st</sup>, the City maintained \$34.7 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**

<b>Expenditure Type</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year Actuals</b>
Police Department	182,289	87,556	48%	82,510
Fire Department	68,355	33,216	49%	31,034
Parks, Recreation & Community Services	19,899	7,966	40%	6,983
Finance/Purchasing/Central Printing	6,753	2,765	41%	3,202
Public Works	10,402	4,255	41%	4,159
City Council Offices	4,585	1,624	35%	1,554
City Clerk's Office	969	445	46%	386
Office of the Mayor/City Manager/Budget	4,499	2,170	48%	2,043
Planning and Development	21,951	8,861	40%	11,837
Personnel	3,540	1,611	46%	1,532
City Attorney's Office	16,840	7,566	45%	3,144
General City Purposes	12,114	3,753	31%	3,373
Attrition Savings	(6,913)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>345,283</b>	<b>161,788</b>	<b>47%</b>	<b>151,757</b>

**GENERAL FUND EXPENDITURES BY TYPE**

<b>Expenditure Type</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year Actuals</b>
Salaries and Benefits Public Protection	193,795	97,879	51%	90,265
Salaries and Benefits Others	44,380	24,659	56%	22,620
Overtime Public Protection	4,409	2,748	62%	3,869
Overtime Others	150	128	86%	99
Pension Obligation Bonds	12,674	2,979	24%	3,187
Operations and Maintenance	38,419	15,612	41%	16,216
Interdepartmental Charges	42,019	16,183	39%	11,965
Capital	9,437	1,600	17%	3,536
<b>Total General Fund Expenditures</b>	<b>345,283</b>	<b>161,788</b>	<b>47%</b>	<b>151,757</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the six months ended December 31, 2019 were \$161.8 million. This is an increase of \$10.0 million (6.6%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of December 2019 were at 46.9% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$5.0 million (6.1%) and \$2.2 million (7.0%) 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 minimum staffing pay 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 \$1.0 million (14.1%) during the first six months of Fiscal Year 2020 compared to the same period last fiscal year, mostly due to increased cost for temporary summer help and permanent employees, utility expense, capital improvements, and replacement equipment.

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 \$4.4 million (140.6%) and Planning and Development expenditures decreased \$3.0 million (-25.1%) compared to the first six months of 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 \$7.6 million (8.4%) and \$2.0 million (9.0%) respectively during the first six months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the six months ended December 31, 2019 decreased \$1.1 million (-29.0%) compared to last year.

Interdepartmental charges during the first six months of Fiscal Year 2020 increased \$4.2 million (35.3%) compared to the same period last year mostly due to increased costs for fleet charges, liability self-insurance, and computer network replacement charges. Capital expenditures experienced a \$1.9 million (-54.8%) decrease for the first six 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.

<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	4,376	46%	3,772
Carryover	874	1,192	136%	3,954
Available Resources	10,384	5,568	54%	7,726
Expenditures	(10,384)	(4,367)	42%	(5,098)
Available Resources Over/(Under) Expenditures		1,201		2,628
<b>Transportation/FAX</b>				
Revenues	31,556	12,618	40%	6,557
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	10,823	36%	3,917
Expenditures	(29,581)	(12,256)	41%	(16,279)
Available Resources Over/(Under) Expenditures	715	(1,433)		(12,362)
<b>Airport Operating</b>				
Revenues	11,971	8,028	67%	9,263
Carryover	28,466	37,015	130%	34,316
Available Resources	40,437	45,043	111%	43,579
Expenditures	(19,540)	(8,926)	46%	(8,314)
Available Resources Over/(Under) Expenditures	20,897	36,117		35,265
<b>Sewer System</b>				
Revenues	49,529	16,595	34%	25,333
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	81,869	77%	66,433
Expenditures	(86,617)	(24,039)	28%	(24,620)
Available Resources Over/(Under) Expenditures	19,247	57,830		41,813
<b>Solid Waste System</b>				
Revenues	34,010	13,181	39%	16,604
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	18,021	46%	19,639
Expenditures	(35,885)	(15,023)	42%	(14,998)
Available Resources Over/(Under) Expenditures	3,114	2,998		4,641
<b>Water System</b>				
Revenues	117,532	74,989	64%	72,175
Carryover	108,256	112,593	104%	89,619
Available Resources	225,788	187,582	83%	161,794
Expenditures	(141,208)	(58,418)	41%	(45,122)
Available Resources Over/(Under) Expenditures	84,580	129,164		116,672

## **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 21.4% of total available resources during the six months ended December 31, 2019. Transportation/FAX Revenues during the first six months of this fiscal year increased \$6.1 million (92.4%) from the same period last fiscal year mostly due to State of California TDA payments received during August and December for which there were no similar payments last year. Airport YTD Revenues for the six months ended December 31, 2019 decreased \$1.2 million (-13.3%) 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 82.2% of total available resources through December 31<sup>st</sup>.

Sewer System YTD Revenues for the six months ended December 31, 2019 decreased \$8.7 million (-34.5%) 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 and interest revenue. Sewer System carryover represents about 79.7% of total available resources for this fiscal year. Solid Waste Revenues for the first six months of Fiscal Year 2020 decreased \$3.4 million (-20.6%) primarily due to a transfer out this year to the Fleet Replacement Fund for which there were no similar transfers last fiscal year. Solid Waste carryover represents about 26.9% of total available resources for this fiscal year.

Water System YTD Revenues for the first six months of this fiscal year increased \$2.8 million (3.9%) 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. This was partially offset by a PG&E refund last year related to the Southeast Water Treatment Facility for which there was no similar payment this year. Water System carryover represents about 60.0% of total available resources through December 31, 2019.

Transportation/FAX expenditures for the first six months of this fiscal year decreased \$4.0 million (-24.7%) 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 for liability self-insurance.

Water System expenditures during the six months ended December 31, 2019 increased \$13.3 million (29.5%) compared to the same period last fiscal year mostly due to higher costs for contract construction, personnel, and payments on State loans this year for which there were no similar payments 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	\$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
<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>\$232,175</b>	<b>\$264,715</b>	<b>\$496,890</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		\$329,713	329,713
Clean Water – Southwest Quadrant		36,997	36,997
Safe Drinking Water Loans		39,386	39,386
<b>Total Notes and Loans</b>	<b>\$1,846</b>	<b>\$406,096</b>	<b>\$407,942</b>
<b>Capital Leases</b>	<b>36,134</b>		<b>36,134</b>
<b>Total City Debt</b>	<b>\$270,155</b>	<b>\$670,811</b>	<b>\$940,966</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.