



**City of Fresno**  
**Monthly Financial Report**  
**For the Nine Months Ended March 31, 2020**  
**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	355,120	225,700	64%	216,129
Expenditures	(350,482)	(240,220)	69%	(226,069)
Revenues Over (Under) Expenditures	<u>4,638</u>	<u>(14,520)</u>		<u>(9,940)</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	58,262	61%	62,084
Prop. 172 Sales Tax	3,223	2,849	88%	2,456
Property Tax	140,218	74,389	53%	72,362
Business Tax	20,091	11,919	59%	12,259
Franchise Tax	15,423	6,392	41%	6,183
Other Local Taxes	15,792	12,207	77%	11,811
Card Room Receipts	1,070	740	69%	776
Charges for Services	18,796	14,976	80%	12,774
Development Fees	18,705	15,653	84%	13,025
Intergovernmental Revenues	9,947	6,927	70%	8,976
Intragovernmental Revenues	13,651	9,738	71%	10,270
Transfers In/Out	(24,572)	(15,254)	62%	(16,810)
All Other Revenue Sources	<u>27,605</u>	<u>26,902</u>	97%	<u>19,963</u>
Total General Fund Revenues	<u>355,120</u>	<u>225,700</u>	64%	<u>216,129</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the nine months ended March 31, 2020 were \$225.7 million. This is an increase of \$9.6 million, or 4.4%, above actual revenues during the first nine months of last fiscal year. Total revenues at the end of March 2020 are at 63.6% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first nine months of Fiscal Year 2020 decreased \$3.8 million (-6.2%) compared to the first nine months of last fiscal year because Sales Tax revenue received during August 2019 was accrued as Fiscal Year 2019 revenue. Property Tax revenues during the nine months ended March 31, 2020 increased \$2.0 million (2.8%) compared to last year due to increased Real and Personal Property tax, and VLF Swap revenue. This was partially offset by lower supplemental tax revenue compared to last fiscal year.

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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 nine months ended March 31, 2020 increased \$2.2 million (17.2%) 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 Fig Garden Fire Protection contract, fire surcharge on permits, and subdivision tract and parcel maps. Development Fee revenues during the first nine months of Fiscal Year 2020 increased \$2.6 million (20.2%) due to higher revenues for building permits, plan checks, and parking.

Intergovernmental Revenues during the nine months ended March 31, 2020 decreased \$2.0 million (-22.8%) compared to the same period last fiscal year mostly due to lower payment from the Successor Agency, lower State reimbursements, and timing of payments for school resource officers. Transfers Out during the nine months ended March 31, 2020 decreased \$1.6 million (-9.3%) mostly due to reversal of the transfer out earlier this fiscal year for the construction of Fire Station 18 as well as timing of transfers for debt service. All Other Revenues during the first nine months of Fiscal Year 2020 increased \$6.9 million (34.8%) mostly due to higher General Fund carryover into Fiscal Year 2020 compared to last fiscal year.

As of March 31<sup>st</sup>, the City maintained \$34.8 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	181,481	127,335	70%	120,438
Fire Department	68,354	48,719	71%	44,332
Parks, Recreation & Community Services	21,137	12,134	57%	10,672
Finance/Purchasing/Central Printing	6,583	4,479	68%	5,083
Public Works	13,031	6,750	52%	7,059
City Council Offices	5,521	2,570	47%	2,465
City Clerk's Office	969	732	76%	667
Office of the Mayor/City Manager/Budget	4,499	3,197	71%	3,008
Planning and Development	21,997	13,656	62%	19,259
Personnel	3,519	2,536	72%	2,410
City Attorney's Office	16,590	11,567	70%	4,705
General City Purposes	13,714	6,545	48%	5,971
Attrition Savings	(6,913)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>350,482</b>	<b>240,220</b>	<b>69%</b>	<b>226,069</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	192,874	142,180	74%	131,823
Salaries and Benefits Others	44,044	35,760	81%	33,099
Overtime Public Protection	4,410	3,662	83%	5,304
Overtime Others	149	164	110%	135
Pension Obligation Bonds	12,674	2,979	24%	3,187
Operations and Maintenance	41,692	24,097	58%	25,380
Interdepartmental Charges	42,065	28,705	68%	21,169
Capital	12,574	2,673	21%	5,972
<b>Total General Fund Expenditures</b>	<b>350,482</b>	<b>240,220</b>	<b>69%</b>	<b>226,069</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the nine months ended March 31, 2020 were \$240.2 million. This is an increase of \$14.2 million (6.3%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of March 2020 were at 68.5% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$6.9 million (5.7%) and \$4.4 million (9.9%) 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 wildfires).

Parks, Recreation & Community Services' expenditures increased \$1.5 million (13.7%) during the first nine months of Fiscal Year 2020 compared to the same period last fiscal year, mostly due to higher costs for professional and consulting services, utility expense, and increased cost for temporary summer help.

City Attorney's Office expenditures increased \$6.9 million (145.8%) while Planning and Development's expenditures decreased \$5.6 million (-29.1%) compared to the first nine months of last fiscal year mostly due to the transfer in Fiscal Year 2020 of Code Enforcement from the former Development and Resource Management Department to the City Attorney's Office.

Expenditures for Council Offices, the Clerk's Office, the Mayor/City Manager's Offices, Finance, 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. Finance's expenditures during the nine months ended March 31, 2020 decreased \$0.6 million (-11.9%) compared to the same period last fiscal year mostly due to the transfer in Fiscal Year 2020 of Central Printing from the General Fund to an Internal Service Fund.

By category, Salaries/Benefits for Public Protection and Others increased \$10.4 million (7.9%) and \$2.7 million (8.0%) respectively during the first nine months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the nine months ended March 31, 2020 decreased \$1.6 million (-31.0%) compared to last year.

Operations and Maintenance expenses during the first nine months of Fiscal Year 2020 decreased \$1.3 million (-5.1%) compared to the same period last year primarily due to decreased costs for inventory, outside agency support, and printing.

Interdepartmental charges during the first nine months of Fiscal Year 2020 increased \$7.5 million (35.6%) 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 \$3.3 million (-55.2%) decrease for the first nine months of Fiscal Year 2020 compared to the same period last year, mostly due to police car lease payments and contract construction last fiscal year for which there are no similar expenditures 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	6,799	71%	6,201
Carryover	874	1,192	136%	3,954
Available Resources	10,384	7,991	77%	10,155
Expenditures	(10,384)	(6,555)	63%	(7,449)
Available Resources Over/(Under) Expenditures		1,436		2,706
<b>Transportation/FAX</b>				
Revenues	31,556	29,657	94%	19,215
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	27,862	92%	16,575
Expenditures	(29,581)	(18,703)	63%	(23,376)
Available Resources Over/(Under) Expenditures	715	9,159		(6,801)
<b>Airport Operating</b>				
Revenues	3,121	14,526	465%	15,825
Carryover	37,316	37,015	99%	34,316
Available Resources	40,437	51,541	127%	50,141
Expenditures	(19,540)	(13,502)	69%	(11,924)
Available Resources Over/(Under) Expenditures	20,897	38,039		38,217
<b>Sewer System</b>				
Revenues	49,529	36,733	74%	44,514
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	102,007	96%	85,614
Expenditures	(86,617)	(34,694)	40%	(35,085)
Available Resources Over/(Under) Expenditures	19,247	67,313		50,529
<b>Solid Waste System</b>				
Revenues	34,010	21,206	62%	24,687
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	26,046	67%	27,722
Expenditures	(35,885)	(22,958)	64%	(22,149)
Available Resources Over/(Under) Expenditures	3,114	3,088		5,573
<b>Water System</b>				
Revenues	117,532	98,421	84%	94,943
Carryover	108,256	112,593	104%	89,619
Available Resources	225,788	211,014	93%	184,562
Expenditures	(141,208)	(70,918)	50%	(58,606)
Available Resources Over/(Under) Expenditures	84,580	140,096		125,956

## **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 14.9% of total available resources during the nine months ended March 31, 2020. Transportation/FAX Revenues during the first nine months of this fiscal year increased \$10.4 million (54.3%) from the same period last fiscal year mostly due to timing of the receipt of State of California TDA payments. This was partially offset by a transfer out last year for capital projects for which there was no similar transfer this year. Airport YTD Revenues for the nine months ended March 31, 2020 decreased \$1.3 million (-8.2%) from the same period last fiscal year primarily due to increased transfers out for capital projects. This was partially offset by increased parking, customer, rental, and concession fees. Airport Operating carryover represents about 71.8% of total available resources through March 31<sup>st</sup>.

Sewer System YTD Revenues for the nine months ended March 31, 2020 decreased \$7.8 million (-17.5%) 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, City of Clovis share payments, and interest revenue. Sewer System carryover represents about 64.0% of total available resources for this fiscal year. Solid Waste Revenues for the first nine months of Fiscal Year 2020 decreased \$3.5 million (-14.1%) primarily due to a transfer out this year to the Fleet Replacement Fund for which there were no similar transfers last fiscal year. This was partially offset by increased customer charges. Solid Waste carryover represents about 18.6% of total available resources for this fiscal year.

Water System YTD Revenues for the first nine months of this fiscal year increased \$3.5 million (3.7%) primarily due to increased customer charges, BAB Subsidy payment, 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 53.4% of total available resources through March 31, 2020.

Community Sanitation expenditures for the first nine months of this fiscal year decreased \$0.9 million (-12.0%) compared to the same period last fiscal year mainly due to lower interdepartmental overhead charges. Transportation/FAX expenditures for the first nine months of this fiscal year decreased \$4.7 million (-20.0%) 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.

Airport Operating expenditures for the nine months ended March 31, 2020 increased \$1.6 million (13.2%) compared to the same period last fiscal year primarily due to increased costs for personnel, interdepartmental reimbursement to the General Fund, technical/professional services, utilities, and materials and parts. Water System expenditures during the nine months ended March 31, 2020 increased \$12.3 million (21.0%) compared to the same period last fiscal year mostly due to higher costs for contract construction, water purchases, 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 inventory, and 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		\$328,334	328,334
Clean Water – Southwest Quadrant		36,997	36,997
Safe Drinking Water Loans		38,072	38,072
<b>Total Notes and Loans</b>	<b>\$1,846</b>	<b>\$403,403</b>	<b>\$405,249</b>
<b>Capital Leases</b>	<b>37,445</b>		<b>37,445</b>
<b>Total City Debt</b>	<b>\$271,466</b>	<b>\$668,118</b>	<b>\$939,584</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.