



City of Fresno
Monthly Financial Report
For the Two Months Ended August 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	15,179	4%	20,309
Expenditures	(348,488)	(47,125)	14%	(45,292)
Revenues Over (Under) Expenditures	<u>3</u>	<u>(31,946)</u>		<u>(24,983)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	0	0%	6,810
Prop. 172 Sales Tax	3,223	852	26%	543
Property Tax	140,218	0	0%	0
Business Tax	20,091	1,946	10%	1,529
Franchise Tax	15,423	838	5%	667
Other Local Taxes	15,792	3,033	19%	2,941
Card Room Receipts	1,070	166	16%	167
Charges for Services	18,796	3,212	17%	2,719
Development Fees	18,705	3,448	18%	3,138
Intergovernmental Revenues	9,947	1,220	12%	1,141
Intragovernmental Revenues	13,651	969	7%	1,032
Transfers In/Out	(24,572)	(949)	4%	(910)
All Other Revenue Sources	20,976	444	2%	532
Total General Fund Revenues	<u>348,491</u>	<u>15,179</u>	4%	<u>20,309</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the two months ended August 31, 2019 were \$15.2 million. This is a decrease of \$5.1 million, or -25.3%, below actual revenues during the first two months of last fiscal year. Total revenues at the end of August 2019 are at 4.4% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during the first two months of Fiscal Year 2020 decreased \$6.8 million (-100%) compared to first two 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.

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Charges for Services during the two months ended August 31, 2019 increased \$0.5 million (18.1%) 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 of August 31st, the City maintained \$34.4 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	25,070	14%	24,343
Fire Department	68,354	9,445	14%	9,622
Parks, Recreation & Community Services	19,974	2,447	12%	1,861
Finance/Purchasing/Central Printing	7,104	771	11%	1,064
Public Works	10,402	1,379	13%	1,228
City Council Offices	4,585	403	9%	512
City Clerk's Office	969	140	14%	135
Office of the Mayor/City Manager/Budget	4,499	638	14%	596
Development and Resource Management (DARM)	22,234	2,729	12%	3,283
Personnel	3,567	488	14%	433
City Attorney's Office	16,841	2,157	13%	913
General City Purposes	12,089	1,375	11%	1,302
Attrition Savings	(6,913)	0	0%	0
Total General Fund Expenditures	348,488	47,042	13%	45,292

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	196,290	28,873	15%	26,670
Salaries and Benefits Others	45,060	7,706	17%	6,797
Overtime Public Protection	4,410	786	18%	1,586
Overtime Others	152	35	23%	37
Pension Obligation Bonds	12,674	0	0%	0
Operations and Maintenance	38,590	6,385	17%	5,988
Interdepartmental Charges	41,813	2,910	7%	2,813
Capital	9,499	347	4%	1,401
Total General Fund Expenditures	348,488	47,042	13%	45,292

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the two months ended August 31, 2019 were \$47.0 million. This is an increase of \$1.8 million (3.9%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of August 2019 were at 13.5% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced an increase of \$0.7 million (3.0%) and a decrease of \$0.2 million (-1.8%) respectively. The changes in those two departments' expenditures are primarily due to increased Police personnel costs which were partially offset by reduced vehicle lease payments, and 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 \$0.6 million (31.5%) during the first two 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 \$1.2 million (136.3%) during the first two months of Fiscal Year 2020 compared to same period last fiscal year mostly due to increased personnel costs associated with the assumption of Code Enforcement personnel.

By category, Salaries/Benefits for Public Protection and Others increased \$2.2 million (8.3%) and \$0.9 million (13.4%) respectively during the first two months of Fiscal Year 2020 compared to the same period last year. Overtime for Public Protection during the two months ended August 31, 2019 decreased \$0.8 million (-50.4%) compared to last year.

Capital expenditures experienced a \$1.0 million (-75.2%) decrease for the first two 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.

Enterprise Fund	Budget	YTD Actual	% of Budget	Prior Year
Community Sanitation				
Revenues	9,510	1,639	17%	1,656
Carryover	874	1,192	136%	3,954
Available Resources	10,384	2,831	27%	5,610
Expenditures	(10,384)	(1,416)	14%	(1,219)
Available Resources Over/(Under) Expenditures		1,415		4,391
Transportation/FAX				
Revenues	31,556	6,094	19%	1,823
Carryover	(1,260)	(1,795)	142%	(2,640)
Available Resources	30,296	4,299	14%	(817)
Expenditures	(29,581)	(3,102)	10%	(4,714)
Available Resources Over/(Under) Expenditures	715	1,197		(5,531)
Airport Operating				
Revenues	11,712	2,202	19%	4,167
Carryover	28,092	37,015	132%	34,316
Available Resources	39,804	39,217	99%	38,483
Expenditures	(18,906)	(3,280)	17%	(2,823)
Available Resources Over/(Under) Expenditures	20,898	35,937		35,660
Sewer System				
Revenues	49,529	(12,403)	-25%	(1,157)
Carryover	56,335	65,274	116%	41,100
Available Resources	105,864	52,871	50%	39,943
Expenditures	(86,617)	(9,180)	11%	(7,457)
Available Resources Over/(Under) Expenditures	19,247	43,691		32,486
Solid Waste System				
Revenues	34,010	5,424	16%	5,422
Carryover	4,989	4,840	97%	3,035
Available Resources	38,999	10,264	26%	8,457
Expenditures	(35,885)	(4,543)	13%	(4,068)
Available Resources Over/(Under) Expenditures	3,114	5,721		4,389
Water System				
Revenues	117,344	24,774	21%	23,178
Carryover	108,256	112,593	104%	89,619
Available Resources	225,600	137,367	61%	112,797
Expenditures	(133,046)	(17,164)	13%	(12,658)
Available Resources Over/(Under) Expenditures	92,554	120,203		100,139

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 42.1% of total available resources during the two months ended August 31, 2019. Transportation/FAX Revenues during the first two months of this fiscal year increased \$4.3 million (234.3%) 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 two months ended August 31, 2019 decreased \$2.0 million (-47.2%) from the same period last fiscal year primarily due to increased transfers out for capital projects. Airport Operating carryover represents about 94.4% of total available resources through August 31st.

Sewer System YTD Revenues for the two months ended August 31, 2019 decreased \$11.2 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 123.5% of total available resources for this fiscal year. Solid Waste carryover represents about 47.2% of total available resources for this fiscal year.

Water System YTD Revenues for the first two months of this fiscal year increased \$1.6 million (6.9%) primarily due to timing of the BAB Subsidy payment. Water System carryover represents about 82.0% of total available resources through August 31, 2019.

Transportation/FAX expenditures for the first two months of this fiscal year decreased \$1.6 million (-34.2%) compared to same period last fiscal year mainly due to lower costs for personnel, and technical and professional services. Sewer expenditures for the two months ended August 31, 2019 increased \$1.7 million (23.1%) 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 two months ended August 31, 2019 increased \$4.5 million (35.6%) 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

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
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		12,912	12,912
Stadium Project		26,545	26,545
Judgment Bonds:			
Pension Obligation Bonds	116,160		116,160
Enterprise Bonds:			
Water		124,995	124,995
Sewer*		34,285	34,285
Airport**		80,865	80,865
Total Bonds	\$233,010	\$292,327	\$525,337
Notes and Loans:			
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
Total Notes and Loans	\$1,846	\$398,180	\$400,026
Capital Leases	39,453		39,453
Total City Debt	\$274,309	\$690,507	\$964,816

* Partial defeasance of Sewer 2008 Bonds during September 2018 reduced principal by \$132.5 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.