



**City of Fresno**  
**Monthly Financial Report**  
**For the Twelve Months Ended June 30, 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                           | 363,843        | 366,179       | 101%        | 342,834            |
| Expenditures                       | (356,926)      | (339,615)     | 95%         | (317,334)          |
| Revenues Over (Under) Expenditures | <u>6,917</u>   | <u>26,564</u> |             | <u>25,500</u>      |

**GENERAL FUND REVENUES**

| Revenues                    | Amended Budget | YTD Actual     | % of Budget | Prior Year Actuals |
|-----------------------------|----------------|----------------|-------------|--------------------|
| Sales & Use Tax             | 95,171         | 95,060         | 100%        | 100,344            |
| Prop. 172 Sales Tax         | 3,223          | 3,531          | 110%        | 2,917              |
| Property Tax                | 140,218        | 141,332        | 101%        | 137,164            |
| Business Tax                | 20,091         | 19,805         | 99%         | 20,030             |
| Franchise Tax               | 15,423         | 14,931         | 97%         | 14,216             |
| Other Local Taxes           | 15,792         | 14,736         | 93%         | 15,783             |
| Card Room Receipts          | 1,070          | 781            | 73%         | 1,055              |
| Charges for Services        | 18,796         | 20,107         | 107%        | 19,143             |
| Development Fees            | 18,705         | 18,595         | 99%         | 18,384             |
| Intergovernmental Revenues  | 10,960         | 7,888          | 72%         | 11,761             |
| Intragovernmental Revenues  | 13,651         | 13,237         | 97%         | 14,396             |
| Transfers In/Out            | (16,862)       | (11,300)       | 67%         | (33,043)           |
| All Other Revenue Sources   | <u>27,605</u>  | <u>27,476</u>  | 100%        | <u>20,684</u>      |
| Total General Fund Revenues | <u>363,843</u> | <u>366,179</u> | 101%        | <u>342,834</u>     |

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the twelve months ended June 30, 2020 were \$366.2 million. This is an increase of \$23.3 million, or 6.8%, above actual revenues during last fiscal year. Total revenues at the end of June 2020 are at 100.6% of the annual estimate for Fiscal Year 2020.

Sales Tax revenues during Fiscal Year 2020 decreased \$5.3 million (-5.3%) compared to last fiscal year because Sales Tax revenue received during August 2019 was accrued as Fiscal Year 2019 revenue. Property Tax revenues during the twelve months ended June 30, 2020 increased \$4.2 million (3.0%) compared to last year due to increased Real and Personal Property Tax, Vehicle License Fee (VLF) Swap revenue, and Delinquent Property Tax. This increase was partially offset by lower Supplemental Tax revenue compared to last fiscal year. Business Tax revenues during Fiscal Year 2020 decreased \$0.2 million (-1.1%) compared to last fiscal year due to the City postponing the reporting date for Business Taxes from April 30 to June 1 out of consideration for the effect COVID-19 closures were having on the business community. COVID-19

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impacts on the business community were also the driving factors behind the \$1.0 million (-6.6%) decline in Other Local Taxes (specifically, Room Tax) and the \$0.3 million (-26.0%) decline in Card Room Receipts.

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.

Intergovernmental Revenues during the twelve months ended June 30, 2020 decreased \$3.9 million (-32.9%) compared to the same period last fiscal year mostly due to lower payment from the Successor Agency, lower State reimbursements, and reduced revenues for school resource officers. This decrease was partially offset by increased federal grant receipts. Transfers In/Out during the twelve months ended June 30, 2020 decreased \$21.7 million (-65.8%) mostly due to increased Transfers In from the CARES Grant Fund for eligible expenditures. All Other Revenues during Fiscal Year 2020 increased \$6.8 million (32.8%) mostly due to higher General Fund carryover into Fiscal Year 2020 compared to last fiscal year plus higher revenue for VLF in excess.

As of June 30<sup>th</sup>, the City maintained \$35.0 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                       | 179,635        | 179,307        | 100%        | 167,658            |
| Fire Department                         | 68,354         | 68,883         | 101%        | 63,851             |
| Parks, Recreation & Community Services  | 20,972         | 15,946         | 76%         | 15,250             |
| Finance/Purchasing                      | 11,499         | 6,131          | 53%         | 6,741              |
| Public Works                            | 13,031         | 9,251          | 71%         | 9,183              |
| City Council Offices                    | 5,521          | 3,617          | 66%         | 3,243              |
| City Clerk's Office                     | 969            | 942            | 97%         | 869                |
| Office of the Mayor/City Manager/Budget | 4,499          | 4,373          | 97%         | 4,104              |
| Planning and Development                | 21,925         | 19,111         | 87%         | 28,395             |
| Personnel                               | 3,506          | 3,375          | 96%         | 3,130              |
| City Attorney's Office                  | 16,511         | 15,962         | 97%         | 6,340              |
| General City Purposes                   | 17,417         | 12,717         | 73%         | 8,570              |
| Attrition Savings                       | (6,913)        | 0              | 0%          | 0                  |
| <b>Total General Fund Expenditures</b>  | <b>356,926</b> | <b>339,615</b> | <b>95%</b>  | <b>317,334</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 | 191,029               | 191,819           | 100%               | 180,259                   |
| Salaries and Benefits Others            | 43,843                | 49,299            | 112%               | 45,614                    |
| Overtime Public Protection              | 4,769                 | 4,771             | 100%               | 6,575                     |
| Overtime Others                         | 150                   | 223               | 149%               | 210                       |
| Pension Obligation Bonds                | 12,674                | 12,722            | 100%               | 12,730                    |
| Operations and Maintenance              | 49,715                | 35,907            | 72%                | 35,436                    |
| Interdepartmental Charges               | 42,376                | 40,276            | 95%                | 27,723                    |
| Capital                                 | 12,370                | 4,598             | 37%                | 8,787                     |
| <b>Total General Fund Expenditures</b>  | <b>356,926</b>        | <b>339,615</b>    | <b>95%</b>         | <b>317,334</b>            |

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the twelve months ended June 30, 2020 were \$339.6 million. This is an increase of \$22.3 million (7.0%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of June 2020 were at 95.2% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$11.6 million (6.9%) and \$5.0 million (7.9%) respectively. The changes in the Police Department's expenditures are primarily due to increased Police personnel costs, higher interdepartmental charges, and higher expenditures for new, replacement and leased equipment. 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).

City Attorney's Office expenditures increased \$9.6 million (151.8%) while Planning and Development's expenditures decreased \$9.3 million (-32.7%) compared to 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. The City Attorney's Office also experienced increased personnel and interdepartmental expenditures.

Expenditures for General City Purposes during the twelve months ended June 30, 2020 increased \$4.1 million (48.4%) compared to the same period last year mostly due to expenditures for grant for housing, animal shelter study and design work, and the District 2 special election for which there were no similar expenditures last year.

Expenditures for Council Offices, the Clerk's Office, the Mayor/City Manager's Offices, Finance, Personnel, and Parks and Recreation 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 twelve months ended June 30, 2020 decreased \$0.6 million (-9.0%) compared to the same period last fiscal year mostly due to the transition 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 \$11.6 million (6.4%) and \$3.7 million (8.1%) respectively during Fiscal Year 2020 compared to last year. Overtime for Public Protection during the twelve months ended June 30, 2020 decreased \$1.8 million (-27.4%) compared to last year.

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Interdepartmental charges during Fiscal Year 2020 increased \$12.6 million (45.3%) 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 \$4.2 million (-47.7%) decrease for Fiscal Year 2020 compared to 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         | 10,268            | 108%               | 8,115             |
| Carryover                                     | 874           | 1,192             | 136%               | 3,954             |
| Available Resources                           | 10,384        | 11,460            | 110%               | 12,069            |
| Expenditures                                  | (10,384)      | (9,415)           | 91%                | (10,878)          |
| Available Resources Over/(Under) Expenditures |               | 2,045             |                    | 1,191             |
| <b>Transportation/FAX</b>                     |               |                   |                    |                   |
| Revenues                                      | 31,556        | 32,376            | 103%               | 26,179            |
| Carryover                                     | (1,260)       | (1,795)           | 142%               | (2,640)           |
| Available Resources                           | 30,296        | 30,581            | 101%               | 23,539            |
| Expenditures                                  | (29,581)      | (26,053)          | 88%                | (26,439)          |
| Available Resources Over/(Under) Expenditures | 715           | 4,528             |                    | (2,900)           |
| <b>Airport Operating</b>                      |               |                   |                    |                   |
| Revenues                                      | 2,596         | 15,257            | 588%               | 20,267            |
| Carryover                                     | 37,841        | 37,015            | 98%                | 34,316            |
| Available Resources                           | 40,437        | 52,272            | 129%               | 54,583            |
| Expenditures                                  | (19,540)      | (18,871)          | 97%                | (17,572)          |
| Available Resources Over/(Under) Expenditures | 20,897        | 33,401            |                    | 37,011            |
| <b>Sewer System</b>                           |               |                   |                    |                   |
| Revenues                                      | 49,529        | 56,178            | 113%               | 70,660            |
| Carryover                                     | 56,335        | 65,274            | 116%               | 41,100            |
| Available Resources                           | 105,864       | 121,452           | 115%               | 111,760           |
| Expenditures                                  | (86,617)      | (55,216)          | 64%                | (54,848)          |
| Available Resources Over/(Under) Expenditures | 19,247        | 66,236            |                    | 56,912            |
| <b>Solid Waste System</b>                     |               |                   |                    |                   |
| Revenues                                      | 34,010        | 31,728            | 93%                | 32,206            |
| Carryover                                     | 4,989         | 4,840             | 97%                | 3,035             |
| Available Resources                           | 38,999        | 36,568            | 94%                | 35,241            |
| Expenditures                                  | (35,885)      | (31,922)          | 89%                | (30,368)          |
| Available Resources Over/(Under) Expenditures | 3,114         | 4,646             |                    | 4,873             |
| <b>Water System</b>                           |               |                   |                    |                   |
| Revenues                                      | 98,989        | 124,235           | 126%               | 114,564           |
| Carryover                                     | 108,256       | 112,593           | 104%               | 89,619            |
| Available Resources                           | 207,245       | 236,828           | 114%               | 204,183           |
| Expenditures                                  | (141,208)     | (115,054)         | 81%                | (93,447)          |
| Available Resources Over/(Under) Expenditures | 66,037        | 121,774           |                    | 110,736           |

## **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 10.4% of total available resources during the twelve months ended June 30, 2020. Transportation/FAX Revenues during this fiscal year increased \$6.2 million (23.7%) from last fiscal year mostly due to lower transfers out for capital projects, as well as higher State of California TDA payments. Airport YTD Revenues for the twelve months ended June 30, 2020 decreased \$5.0 million (-24.7%) from the same period last fiscal year primarily due to increased transfers out for capital projects. Airport Operating carryover represents about 70.8% of total available resources through June 30<sup>th</sup>.

Sewer System YTD Revenues for the twelve months ended June 30, 2020 decreased \$14.5 million (-20.5%) 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 City of Clovis share payments, interest revenue, and customer charges. Sewer System carryover represents about 53.7% of total available resources for this fiscal year. Solid Waste carryover represents about 13.2% of total available resources for this fiscal year.

Water System YTD Revenues for this fiscal year increased \$9.7 million (8.4%) primarily due to increased customer charges, BAB Subsidy payment, interest earnings, plus a transfer out to the rate stabilization fund last year for which there was no similar transfer this year. 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 47.5% of total available resources through June 30, 2020.

Community Sanitation expenditures for this fiscal year decreased \$1.5 million (-13.4%) compared last fiscal year mainly due to lower interdepartmental overhead charges and lower Fleet Management charges.

Airport Operating expenditures for the twelve months ended June 30, 2020 increased \$1.3 million (7.4%) compared to the same period last fiscal year primarily due to increased costs for personnel, interdepartmental reimbursement to the General Fund, utilities, and technical/professional services. Water System expenditures during the twelve months ended June 30, 2020 increased \$21.6 million (23.1%) 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                         | \$22,870            |                      | \$22,870                     |
| No Neighborhood Left Behind/Selland Arena        | 8,115               |                      | 8,115                        |
| Parks Impact Fee Projects                        | 21,540              | \$1,510              | 23,050                       |
| City Hall Chiller/Convention Center Improvements | 2,710               | 8,865                | 11,575                       |
| Public Safety Impact Fee Projects                | 29,985              |                      | 29,985                       |
| City Hall Refinancing/Bee Building/Granite Park  | 22,805              |                      | 22,805                       |
| Exhibit Hall Expansion Project                   |                     | 11,785               | 11,785                       |
| Stadium Project                                  |                     | 24,970               | 24,970                       |
| <b>Judgment Bonds:</b>                           |                     |                      |                              |
| Pension Obligation Bonds                         | 107,555             |                      | 107,555                      |
| <b>Enterprise Bonds:</b>                         |                     |                      |                              |
| Water  |                     | 118,975              | 118,975                      |
| Sewer*   |                     | 6,935                | 6,935                        |
| Airport**  |                     | 80,865               | 80,865                       |
| <b>Total Bonds</b>                               | <b>\$215,580</b>    | <b>\$253,905</b>     | <b>\$469,485</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        |                     | \$330,319            | 330,319                      |
| Clean Water – Southwest Quadrant                 |                     | 38,780               | 38,780                       |
| Safe Drinking Water Loans                        |                     | 37,996               | 37,996                       |
| <b>Total Notes and Loans</b>                     | <b>\$1,846</b>      | <b>\$407,095</b>     | <b>\$408,941</b>             |
| <b>Capital Leases</b>                            | <b>43,121</b>       |                      | <b>43,121</b>                |
| <b>Total City Debt</b>                           | <b>\$260,547</b>    | <b>\$661,000</b>     | <b>\$921,547</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.