



City of Fresno
Monthly Financial Report
For the Two Months Ended August 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	365,585	23,701	6%	15,179
Expenditures	(326,506)	(52,172)	16%	(47,042)
Revenues Over (Under) Expenditures	<u>39,079</u>	<u>(28,471)</u>		<u>(31,863)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	0	0%	0
Prop. 172 Sales Tax	3,223	484	15%	852
Property Tax	140,218	0	0%	0
Business Tax	20,092	2,098	10%	1,946
Franchise Tax	15,423	622	4%	838
Other Local Taxes	15,792	1,605	10%	3,033
Card Room Receipts	1,070	30	3%	166
Charges for Services	18,796	2,586	14%	3,212
Development Fees	18,705	3,219	17%	3,448
Intergovernmental Revenues	9,947	3,877	39%	1,220
Intragovernmental Revenues	13,651	50	0%	969
Transfers In/Out	(14,108)	8,824	63%	(949)
All Other Revenue Sources	27,605	306	1%	444
Total General Fund Revenues	<u>365,585</u>	<u>23,701</u>	6%	<u>15,179</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the two months ended August 31, 2020 were \$23.7 million. This is an increase of \$8.5 million, or 56.1%, above actual revenues during last fiscal year. Total revenues at the end of August 2020 are at 6.5% of the annual estimate for Fiscal Year 2021.

Franchise Tax revenues during the first two months of Fiscal Year 2021 decreased \$0.2 million (-25.8%) compared to last fiscal year due to timing differences in the receipt of commercial solid waste and roll off bin franchise taxes. COVID-19 impacts on the business community were the driving factor behind the \$1.4 million (-47.1%) decline in Other Local Taxes (specifically, Room 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.

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Charges for Services during the first two months of Fiscal Year 2021 decreased \$0.6 million (-19.5%) compared to the same period last fiscal year mostly due to timing of Transverse Fees' receipt, and a payment from North Central Fire District last year for which there was no similar payment this year.

Intergovernmental Revenues during the two months ended August 31, 2020 increased \$2.7 million (217.8%) compared to the same period last fiscal year mostly due to timing of the payment from the Successor Agency. This increase was partially offset by lower State reimbursements, and reduced revenues for school resource officers. Transfers In/Out during the two months ended August 31, 2020 increased \$9.8 million (1029.8%) mostly due to increased Transfers In from the CARES Grant Fund for eligible expenditures.

As of August 31st, the City maintained \$35.1 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	165,012	23,290	14%	25,070
Fire Department	62,003	9,802	16%	9,445
Parks, Recreation & Community Services	20,760	2,888	14%	2,447
Finance/Purchasing	13,783	5,453	40%	771
Public Works	10,084	1,141	11%	1,379
City Council Offices	4,657	619	13%	403
City Clerk's Office	919	114	12%	140
Office of the Mayor/City Manager/Budget	4,359	634	15%	638
Planning and Development	19,066	2,027	11%	2,729
Personnel	3,210	422	13%	488
City Attorney's Office	16,281	2,162	13%	2,157
General City Purposes	13,285	3,620	27%	1,375
Attrition Savings	(6,913)	0	0%	0
Total General Fund Expenditures	326,506	52,172	16%	47,042

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	175,469	28,677	16%	28,873
Salaries and Benefits Others	40,153	7,871	20%	7,706
Overtime Public Protection	4,366	922	21%	786
Overtime Others	138	29	21%	35
Pension Obligation Bonds	11,613	0	0%	0
Operations and Maintenance	46,633	12,822	27%	6,385
Interdepartmental Charges	38,700	865	2%	2,910
Capital	9,434	986	10%	347
Total General Fund Expenditures	326,506	52,172	16%	47,042

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the two months ended August 31, 2020 were \$52.2 million. This is an increase of \$5.1 million (10.9%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of August 2020 were at 16.0% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced a decrease of \$1.8 million (-7.1%) and an increase of \$0.4 million (3.8%) respectively. The changes in the Police Department's expenditures are primarily due to timing of fixed interdepartmental charges, lower expenditures for new and leased equipment, and service contracts on equipment. The Fire Department's results stemmed from increased minimum staffing pay and increased costs for personal protective supplies.

Expenditures for General City Purposes during the two months ended August 31, 2020 increased \$2.2 million (163.3%) compared to the same period last year mostly due to expenditures for CARES Save Our Small Business and Outdoor Dining grants 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 two months ended August 31, 2020 increased \$4.7 million (607.3%) compared to the same period last fiscal year mostly due to COVID-19 professional services contracts for which there were no similar expenditures last year.

By category, Salaries/Benefits for Public Protection and Others decreased \$0.2 million (-0.7%) and increased \$0.2 million (2.1%) respectively during the first two months of Fiscal Year 2021 compared to the same period last year. Overtime for Public Protection during the two months ended August 31, 2020 increased \$0.1 million (17.3%) compared to last year.

Operations and Maintenance expenditures experienced a \$6.4 million (100.8%) increase for the first two months of Fiscal Year 2021 compared to the same period last year, mostly due to COVID-19 professional services contracts and Save Our Small Business and Outdoor Dining grants for which there were no similar expenditures last year.

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Interdepartmental charges during the first two months of Fiscal Year 2021 decreased \$2.0 million (-70.3%) compared to the same period last year mostly due to timing of billing the annual fixed interdepartmental charges. Capital expenditures experienced a \$0.6 million (184.2%) increase for the first two months of Fiscal Year 2021, mostly due to purchase of property located on North Sixth Street for which there was no similar expenditure last 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	1,581	17%	1,639
Carryover	874	2,040	233%	1,192
Available Resources	10,384	3,621	35%	2,831
Expenditures	(9,345)	(1,235)	13%	(1,416)
Available Resources Over/(Under) Expenditures	1,039	2,386		1,415
Transportation/FAX				
Revenues	31,556	9,486	30%	6,094
Carryover	(1,260)	4,528	-359%	(1,795)
Available Resources	30,296	14,014	46%	4,299
Expenditures	(26,622)	(3,256)	12%	(3,102)
Available Resources Over/(Under) Expenditures	3,674	10,758		1,197
Airport Operating				
Revenues	3,121	330	11%	2,202
Carryover	37,316	33,458	90%	37,015
Available Resources	40,437	33,788	84%	39,217
Expenditures	(17,584)	(2,398)	14%	(3,280)
Available Resources Over/(Under) Expenditures	22,853	31,390		35,937
Sewer System				
Revenues	49,529	12,261	25%	(12,403)
Carryover	56,335	67,536	120%	65,274
Available Resources	105,864	79,797	75%	52,871
Expenditures	(77,952)	(4,425)	6%	(9,180)
Available Resources Over/(Under) Expenditures	27,912	75,372		43,691
Solid Waste System				
Revenues	34,010	5,111	15%	5,424
Carryover	4,989	4,609	92%	4,840
Available Resources	38,999	9,720	25%	10,264
Expenditures	(32,295)	(4,289)	13%	(4,543)
Available Resources Over/(Under) Expenditures	6,704	5,431		5,721
Water System				
Revenues	117,532	24,835	21%	24,774
Carryover	108,256	121,519	112%	112,593
Available Resources	225,788	146,354	65%	137,367
Expenditures	(127,086)	(11,504)	9%	(17,164)
Available Resources Over/(Under) Expenditures	98,702	134,850		120,203

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 2021 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 2021 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 56.3% of total available resources during the two months ended August 31, 2020. Transportation/FAX Revenues during the first two months of this fiscal year increased \$3.4 million (55.7%) from the same period last fiscal year mostly due to higher State of California TDA payments. Transportation/FAX carryover represents about 32.3% of total available resources through August 31, 2020.

Airport YTD Revenues for the two months ended August 31, 2020 decreased \$1.9 million (-85.0%) from the same period last fiscal year primarily due to lower parking lot, landing, and customer fees. Airport Operating carryover represents about 99.0% of total available resources through August 31st.

Sewer System YTD Revenues for the two months ended August 31, 2020 increased \$24.7 million (198.9%) primarily due to a transfer out last year to deposit funds into an escrow account to defease the Series 2008 Sewer bonds. Sewer System carryover represents about 84.6% of total available resources for this fiscal year.

Solid Waste carryover represents about 47.4% of total available resources for this fiscal year. Water System carryover represents about 47.5% of total available resources through August 31, 2020. Water carryover represents about 83.0% of total available resources during the two months ended August 31, 2020.

Airport Operating expenditures for the two months ended August 31, 2020 decreased \$0.9 million (-26.9%) compared to the same period last fiscal year primarily due to lower costs for technical/professional services, and timing of fixed interdepartmental charges.

Sewer System expenditures for the first two months of Fiscal Year 2021 decreased \$4.8 million (-51.8%) compared to the same period last fiscal year mostly due to lower costs for professional and technical services, lower construction costs, timing of fixed interdepartmental charges, and a payment on the State loan last year for which there was no similar payment this year. Water System expenditures during the two months ended August 31, 2020 decreased \$5.7 million (-33.0%) compared to the same period last fiscal year mostly due to timing of payments on State loans, timing of fixed interdepartmental charges, and lower costs for outside repairs.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
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
Judgment Bonds:			
Pension Obligation Bonds	107,555		107,555
Enterprise Bonds:			
Water		118,975	118,975
Sewer*		6,935	6,935
Airport		78,144	78,144
Total Bonds	\$215,580	\$251,184	\$466,764
Notes and Loans:			
HUD – Neighborhood Streets and Parks	\$251		\$251
CIEDB – Roeding Business Park	1,397		1,397
State Water Resources Control Board Loans		\$328,321	328,321
Clean Water – Southwest Quadrant		38,780	38,780
Safe Drinking Water Loans		36,711	36,711
Total Notes and Loans	\$1,648	\$403,812	\$405,460
Capital Leases	43,421		43,421
Total City Debt	\$260,649	\$654,996	\$915,645

* Final defeasance of Sewer 2008 Bonds during September 2019 reduced principal by \$27.3 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.