



City of Fresno
Monthly Financial Report
For the Three Months Ended September 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	378,027	43,266	11%	29,572
Expenditures	(338,976)	(82,900)	24%	(71,344)
Revenues Over (Under) Expenditures	<u>39,051</u>	<u>(39,634)</u>		<u>(41,772)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	95,171	8,587	9%	7,951
Prop. 172 Sales Tax	3,223	484	15%	1,110
Property Tax	140,218	841	1%	0
Business Tax	20,091	2,339	12%	2,110
Franchise Tax	15,423	1,412	9%	1,358
Other Local Taxes	15,792	2,398	15%	4,310
Card Room Receipts	1,070	30	3%	252
Charges for Services	18,796	3,575	19%	4,799
Development Fees	18,705	4,533	24%	4,938
Intergovernmental Revenues	9,947	4,997	50%	4,699
Intragovernmental Revenues	13,651	80	1%	1,948
Transfers In/Out	(1,665)	13,476	809%	(4,445)
All Other Revenue Sources	27,605	514	2%	542
Total General Fund Revenues	<u>378,027</u>	<u>43,266</u>	11%	<u>29,572</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the three months ended September 30, 2020 were \$43.3 million. This is an increase of \$13.7 million, or 46.3%, above actual revenues during last fiscal year. Total revenues at the end of September 2020 are at 11.4% of the annual estimate for Fiscal Year 2021.

COVID-19 impacts on the business community were the driving factor behind the \$1.9 million (-44.4%) decline in Other Local Taxes (specifically, Room Tax) during the three months ended September 30, 2020 compared to the same period last year.

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 three months of Fiscal Year 2021 decreased \$1.2 million (-25.5%) compared to the same period last fiscal year mostly due to timing of Transverse Fees' receipt, lower vehicle code fines, vehicle release fees, and a payment from North Central Fire District last year for which there was no similar payment this year.

Intragovernmental Revenues during the three months ended September 30, 2020 decreased \$1.9 million (-95.9%) compared to the same period last fiscal year mostly due to timing of the fixed reimbursements from other funds. Transfers In/Out during the three months ended September 30, 2020 increased \$17.9 million (403.2%) mostly due to increased Transfers In from the CARES Grant Fund for eligible expenditures.

As of September 30th, 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	34,098	21%	37,812
Fire Department	62,003	14,830	24%	14,308
Parks, Recreation & Community Services	20,787	4,066	20%	3,898
Finance/Purchasing	24,264	13,250	55%	1,200
Public Works	10,084	1,604	16%	2,024
City Council Offices	4,657	977	21%	666
City Clerk's Office	919	159	17%	211
Office of the Mayor/City Manager/Budget	4,359	919	21%	948
Planning and Development	20,028	3,342	17%	3,947
Personnel	3,210	634	20%	743
City Attorney's Office	16,281	3,237	20%	3,396
General City Purposes	14,285	5,784	40%	2,191
Attrition Savings	(6,913)	0	0%	0
Total General Fund Expenditures	338,976	82,900	24%	71,344

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	175,469	42,567	24%	43,564
Salaries and Benefits Others	40,173	11,768	29%	11,421
Overtime Public Protection	4,366	1,885	43%	1,288
Overtime Others	138	46	33%	55
Pension Obligation Bonds	11,613	0	0%	0
Operations and Maintenance	58,816	23,977	41%	8,679
Interdepartmental Charges	38,722	1,389	4%	5,677
Capital	9,679	1,268	13%	660
Total General Fund Expenditures	338,976	82,900	24%	71,344

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the three months ended September 30, 2020 were \$82.9 million. This is an increase of \$11.6 million (16.2%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of September 2020 were at 24.5% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced a decrease of \$3.7 million (-9.8%) and an increase of \$0.5 million (3.6%), 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.

Expenditures for General City Purpose during the three months ended September 30, 2020 increased \$3.6 million (164.0%) 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 three months ended September 30, 2020 increased \$12.1 million (1004.2%) 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 \$1.0 million (-2.3%) and increased \$0.3 million (3.0%) respectively during the first three months of Fiscal Year 2021 compared to the same period last year. Overtime for Public Protection during the three months ended September 30, 2020 increased \$0.6 million (46.4%) compared to last year.

Operations and Maintenance expenditures experienced a \$15.3 million (176.3%) increase for the first three months of Fiscal Year 2021 compared to the same period last year, mostly due to COVID-19 professional services contracts and grants for which there were no similar expenditures last year.

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Interdepartmental charges during the first three months of Fiscal Year 2021 decreased \$4.3 million (-75.5%) 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 (92.1%) increase for the first three 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	2,375	25%	2,411
Carryover	874	2,040	233%	1,192
Available Resources	10,384	4,415	43%	3,603
Expenditures	(9,345)	(2,024)	22%	(2,122)
Available Resources Over/(Under) Expenditures	1,039	2,391		1,481
Transportation/FAX				
Revenues	47,030	9,985	21%	6,561
Carryover	(1,260)	4,528	-359%	(1,795)
Available Resources	45,770	14,513	32%	4,766
Expenditures	(26,831)	(5,343)	20%	(5,160)
Available Resources Over/(Under) Expenditures	18,939	9,170		(394)
Airport Operating				
Revenues	3,121	(1,408)	-45%	4,451
Carryover	37,316	33,458	90%	37,015
Available Resources	40,437	32,050	79%	41,466
Expenditures	(17,584)	(3,627)	21%	(4,625)
Available Resources Over/(Under) Expenditures	22,853	28,423		36,841
Sewer System				
Revenues	49,529	18,912	38%	(5,523)
Carryover	56,335	67,536	120%	65,274
Available Resources	105,864	86,448	82%	59,751
Expenditures	(77,952)	(7,896)	10%	(12,563)
Available Resources Over/(Under) Expenditures	27,912	78,552		47,188
Solid Waste System				
Revenues	34,010	7,735	23%	7,963
Carryover	4,989	4,609	92%	4,840
Available Resources	38,999	12,344	32%	12,803
Expenditures	(32,295)	(6,405)	20%	(7,109)
Available Resources Over/(Under) Expenditures	6,704	5,939		5,694
Water System				
Revenues	117,532	38,966	33%	38,477
Carryover	108,256	121,519	112%	112,593
Available Resources	225,788	160,485	71%	151,070
Expenditures	(127,086)	(17,051)	13%	(22,930)
Available Resources Over/(Under) Expenditures	98,702	143,434		128,140

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 September, early fiscal year Revenue results may appear high.

Community Sanitation carryover represents about 46.2% of total available resources during the three months ended September 30, 2020. Transportation/FAX Revenues during the first three months of this fiscal year increased \$3.4 million (52.2%) from the same period last fiscal year mostly due to higher State of California TDA payments which was partially offset by lower fare revenues. Transportation/FAX carryover represents about 31.2% of total available resources through September 30, 2020.

Airport YTD Revenues for the three months ended September 30, 2020 decreased \$5.9 million (-131.6%) from the same period last fiscal year primarily due to increased transfers out for capital projects, and lower parking lot, landing, and customer fees. Airport Operating carryover represents about 104.4% of total available resources through September 30th.

Sewer System YTD Revenues for the three months ended September 30, 2020 increased \$24.4 million (442.4%) 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 78.1% of total available resources for this fiscal year.

Solid Waste carryover represents about 37.3% of total available resources for this fiscal year. Water System carryover represents about 75.7% of total available resources through September 30, 2020.

Airport Operating expenditures for the three months ended September 30, 2020 decreased \$1.0 million (-21.6%) 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 three months of Fiscal Year 2021 decreased \$4.7 million (-37.1%) 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 three months ended September 30, 2020 decreased \$5.9 million (-25.6%) compared to the same period last fiscal year mostly due to timing of payments on State loans, timing of fixed interdepartmental charges, and lower expense for water purchases. This was partially offset by increased cost for utilities.

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		11,539	11,539
Stadium Project		24,970	24,970
Judgment Bonds:			
Pension Obligation Bonds	107,555		107,555
Enterprise Bonds:			
Water		118,975	118,975
Sewer*		885	885
Airport		78,144	78,144
Total Bonds	\$215,580	\$244,888	\$460,468
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	42,755		42,755
Total City Debt	\$259,983	\$648,700	\$908,683

* 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.