



City of Fresno
Monthly Financial Report
For the Six Months Ended December 31, 2020
Unaudited – Intended for Internal Management Purposes Only
(All figures in thousands)

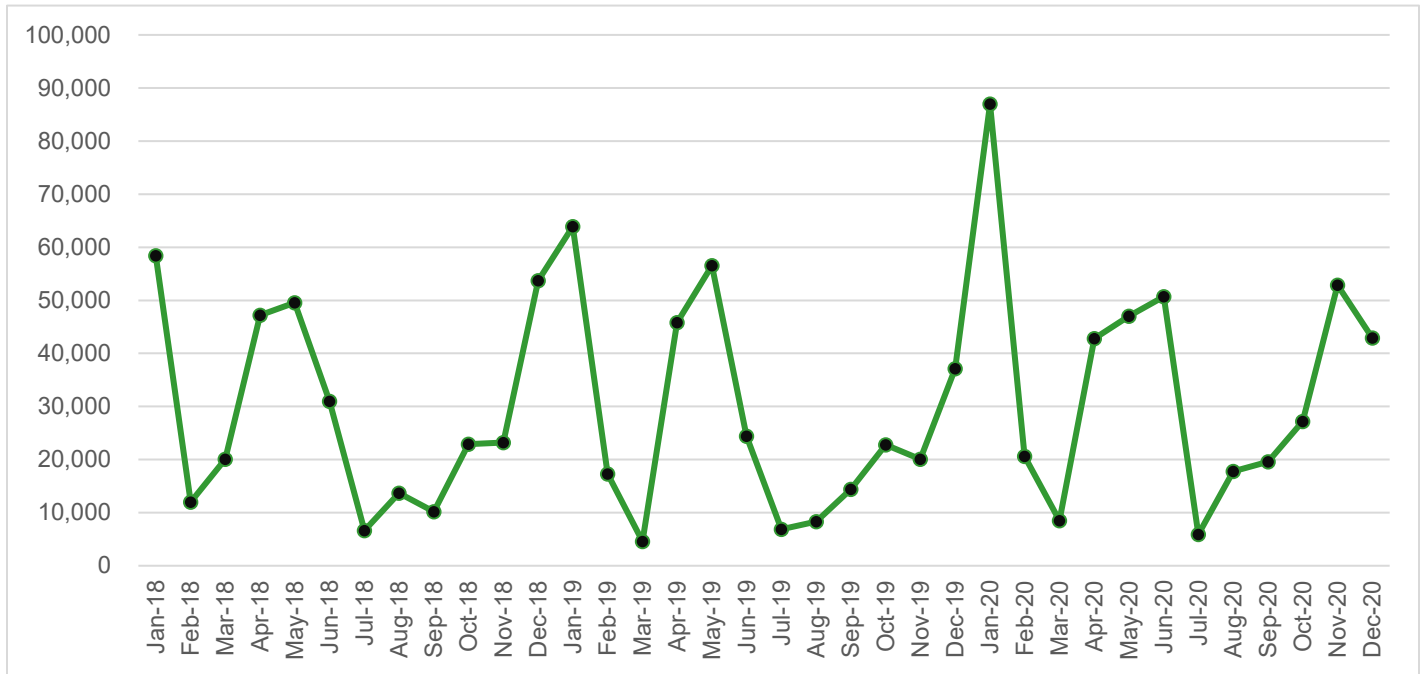
GENERAL FUND AT-A-GLANCE

Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	447,583	166,270	37%	109,601
Expenditures	<u>(434,715)</u>	<u>(208,032)</u>	48%	<u>(161,788)</u>
Revenues Over (Under) Expenditures	<u>12,868</u>	<u>(41,762)</u>		<u>(52,187)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	90,826	33,976	37%	32,531
Prop. 172 Sales Tax	3,284	751	23%	1,951
Property Tax	148,547	26,873	18%	24,311
Business Tax	18,900	11,555	61%	11,678
Franchise Tax	15,339	4,647	30%	3,781
Other Local Taxes	11,836	6,705	57%	8,413
Card Room Receipts	781	30	4%	483
Charges for Services	20,816	8,741	42%	9,336
Development Fees	17,945	8,160	45%	10,264
Intergovernmental Revenues	9,955	5,997	60%	5,421
Intragovernmental Revenues	13,793	5,557	40%	5,914
Transfers In/Out	67,218	27,151	40%	(5,570)
All Other Revenue Sources	<u>28,343</u>	<u>26,127</u>	92%	<u>1,088</u>
Total General Fund Revenues	<u>447,583</u>	<u>166,270</u>	37%	<u>109,601</u>

HISTORICAL MONTHLY REVENUE



ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the six months ended December 31, 2020 were \$166.3 million. This amount is an increase of \$56.7 million, or 51.7%, above actual revenues for the same period last fiscal year. Total revenues at the end of December 2020 are at 37.1% of the annual estimate for Fiscal Year 2021.

Sales Tax revenues during the first six months of Fiscal Year 2020 increased \$1.4 million (4.4%) compared to first six months of last fiscal year. Prop. 172 Sales Tax revenues during the first six months of Fiscal Year 2021 decreased \$1.2 million (-61.5%) compared to the same period last fiscal year mostly due to timing differences in the receipt of these funds.

Property Tax revenues during the six months ended December 31, 2020 increased \$2.6 million (10.5%) compared to the same period last fiscal year mostly due to increased Delinquent Property Tax, Property Tax Penalty & Interest, and Unsecured Personal Tax Override revenues.

COVID-19 impacts on the business community were also the driving factor behind the \$1.7 million (-20.3%) decline in Other Local Taxes (specifically, Room Tax) during the six months ended December 31, 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.

Development Fees during the six months ended December 31, 2020 decreased \$2.1 million (-20.5%) compared to the same period last fiscal year mostly due to lower parking fees and penalties. This was partially offset by increase in building, plumbing, electrical, and mechanical permits.

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(All figures in thousands)

Transfers In/Out during the six months ended December 31, 2020 increased \$32.7 million (587.5%) mostly due to increased Transfers In from the CARES Grant Fund for eligible expenditures. All Other Revenues during the first six months of Fiscal Year 2021 increased \$25.0 million due to timing difference in the posting of General Fund carryover.

As of December 31st, the City maintained \$35.3 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.

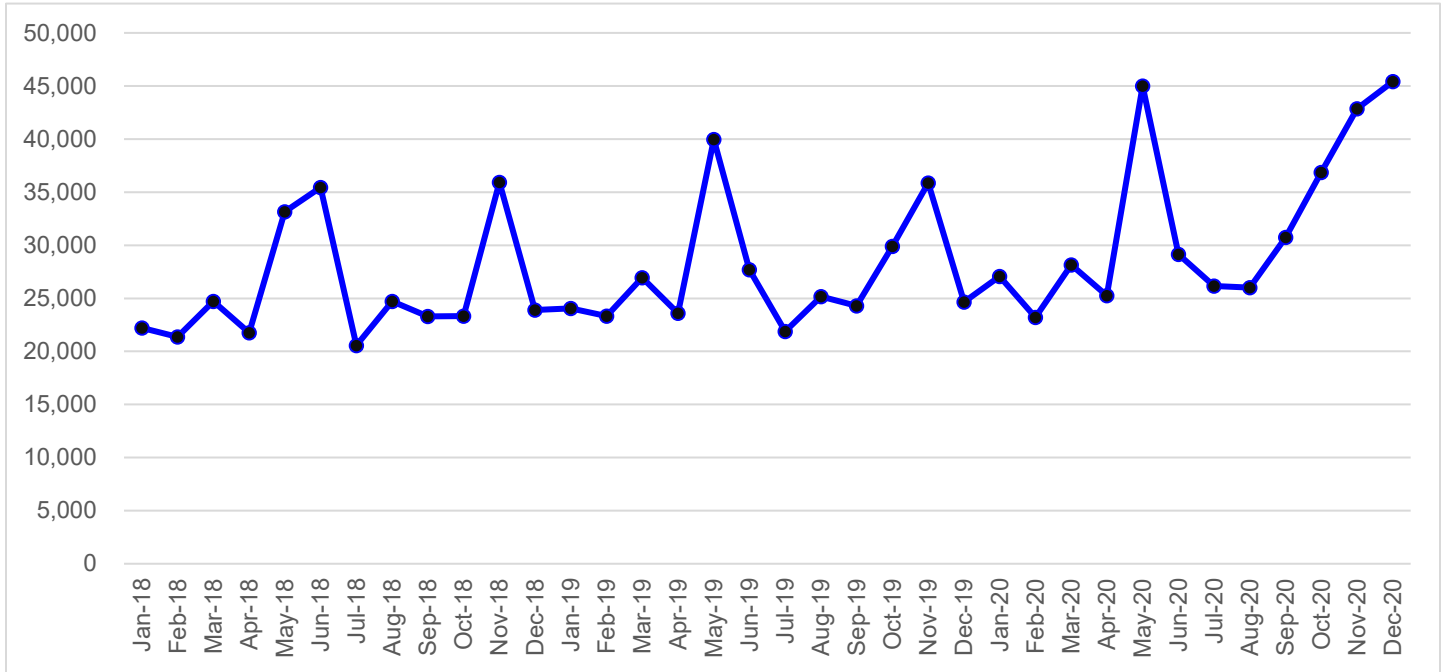
GENERAL FUND EXPENDITURES BY DEPARTMENT

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Police Department	194,323	89,369	46%	87,556
Fire Department	74,121	36,397	49%	33,216
Parks, Recreation & Community Services	28,709	9,519	33%	7,966
Finance/Purchasing	58,823	33,699	57%	2,765
Public Works	10,673	4,631	43%	4,255
City Council Offices	5,001	2,209	44%	1,624
City Clerk's Office	994	423	43%	445
Office of the Mayor/City Manager/Budget	5,114	2,361	46%	2,170
Planning and Development	26,032	8,734	34%	8,861
Personnel	3,850	1,753	46%	1,611
City Attorney's Office	20,090	8,237	41%	7,566
General City Purposes	15,305	10,700	70%	3,753
Attrition Savings	(8,320)	0	0%	0
Total General Fund Expenditures	434,715	208,032	48%	161,788

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	208,101	101,614	49%	97,879
Salaries and Benefits Others	47,866	26,303	55%	24,659
Overtime Public Protection	4,408	5,041	114%	2,748
Overtime Others	146	106	73%	128
Pension Obligation Bonds	12,679	2,738	22%	2,979
Operations and Maintenance	99,607	51,321	52%	15,612
Interdepartmental Charges	50,060	16,945	34%	16,183
Capital	11,848	3,964	33%	1,600
Total General Fund Expenditures	434,715	208,032	48%	161,788

HISTORICAL MONTHLY EXPENDITURES



ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the six months ended December 31, 2020 were \$208.0 million. This is an increase of \$46.2 million (28.6%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of December 2020 were at 47.9% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$1.8 million (2.1%) and \$3.2 million (9.6%), respectively. The changes in the Police Department’s expenditures are primarily due to higher pension contributions, Worker’s compensation, and overtime costs. The Fire Department’s results stemmed from overtime for strike team responses to wild fires, higher pension contributions, and increased minimum staffing pay.

Expenditures for General City Purpose during the six months ended December 31, 2020 increased \$6.9 million (185.1%) compared to the same period last year mostly due to increased costs for Animal Services contract, and expenditures for CARES Save Our Small Business and Outdoor Dining grants, Covid-19 related technical services, and DAWN Initiative payment to Fresno County EOC 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.

Parks and Recreation expenditures during the first six months of Fiscal Year 2021 increased \$1.6 million (19.5%) mostly due to purchase of land, and the cost to refurbish two soccer fields for which there were no similar expenditures last year plus increased costs for personnel. Finance’s expenditures during the six months ended December 31, 2020 increased \$30.9 million compared to the same period last fiscal year mostly due to COVID-19 professional services contracts and Save Our Non-Profit grants for which there were no similar expenditures last year.

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By category, Salaries/Benefits for Public Protection and Others increased \$3.7 million (3.8%) and increased \$1.6 million (6.7%) respectively during the first six months of Fiscal Year 2021 compared to the same period last year. Overtime for Public Protection during the six months ended December 31, 2020 increased \$2.3 million (83.4%) compared to last year.

Operations and Maintenance expenditures experienced a \$35.7 million (228.7%) increase for the first six months of Fiscal Year 2021 compared to the same period last year, mostly due to increased costs for Animal Services contract, and COVID-19 professional services contracts and grants for which there were no similar expenditures last year.

Capital expenditures experienced a \$2.4 million (147.8%) increase for the first six months of Fiscal Year 2021, mostly due to increased cost for leased equipment, cost to refurbish two soccer fields, and 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
Revenues	8,768	4,293	49%	4,376
Carryover	<u>2,040</u>	<u>2,040</u>	100%	<u>1,192</u>
Available Resources	10,808	6,333	59%	5,568
Expenditures	<u>(9,926)</u>	<u>(4,476)</u>	45%	<u>(4,367)</u>
Available Resources Over/(Under) Expenditures	<u>882</u>	<u>1,857</u>		<u>1,201</u>
Revenues	61,452	14,894	24%	12,618
Carryover	<u>4,528</u>	<u>4,528</u>	100%	<u>(1,795)</u>
Available Resources	65,980	19,422	29%	10,823
Expenditures	<u>(29,544)</u>	<u>(13,768)</u>	47%	<u>(12,256)</u>
Available Resources Over/(Under) Expenditures	<u>36,436</u>	<u>5,654</u>		<u>(1,433)</u>
Revenues	6,464	5,886	91%	8,028
Carryover	<u>32,591</u>	<u>33,458</u>	103%	<u>37,015</u>
Available Resources	39,055	39,344	101%	45,043
Expenditures	<u>(19,892)</u>	<u>(9,254)</u>	47%	<u>(8,926)</u>
Available Resources Over/(Under) Expenditures	<u>19,163</u>	<u>30,090</u>		<u>36,117</u>
Revenues	75,924	38,754	51%	16,595
Carryover	<u>67,536</u>	<u>67,536</u>	100%	<u>65,274</u>
Available Resources	143,460	106,290	74%	81,869
Expenditures	<u>(98,363)</u>	<u>(22,132)</u>	23%	<u>(24,039)</u>
Available Resources Over/(Under) Expenditures	<u>45,097</u>	<u>84,158</u>		<u>57,830</u>
Revenues	42,438	16,841	40%	13,181
Carryover	<u>4,609</u>	<u>4,609</u>	100%	<u>4,840</u>
Available Resources	47,047	21,450	46%	18,021
Expenditures	<u>(44,333)</u>	<u>(16,235)</u>	37%	<u>(15,023)</u>
Available Resources Over/(Under) Expenditures	<u>2,714</u>	<u>5,215</u>		<u>2,998</u>
Revenues	114,578	74,298	65%	74,989
Carryover	<u>121,519</u>	<u>121,519</u>	100%	<u>112,593</u>
Available Resources	236,097	195,817	83%	187,582
Expenditures	<u>(142,725)</u>	<u>(72,091)</u>	51%	<u>(58,418)</u>
Available Resources Over/(Under) Expenditures	<u>93,372</u>	<u>123,726</u>		<u>129,164</u>

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 2020 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 32.2% of total available resources during the six months ended December 31, 2020. Transportation/FAX Revenues during the first six months of this fiscal year increased \$2.3 million (18.0%) from the same period last fiscal year mostly due to higher State of California TDA payments which were partially offset by lower fare revenues. Transportation/FAX carryover represents about 23.3% of total available resources through December 31, 2020.

Airport YTD Revenues for the six months ended December 31, 2020 decreased \$2.1 million (-26.7%) from the same period last fiscal year primarily due to lower customer facility charges, and fees for parking, landing, concessions, and federal inspection. Airport Operating carryover represents about 85.0% of total available resources through December 31st.

Sewer System YTD Revenues for the six months ended December 31, 2020 increased \$22.2 million (133.5%) primarily due to a transfer out last year to deposit funds into an escrow account to defease the Series 2008 Sewer bonds for which a similar entry does not exist this fiscal year. This was partially offset by lower customer charges. Sewer System carryover represents about 63.5% of total available resources for this fiscal year.

Solid Waste YTD Revenues for the first six months of Fiscal Year 2021 increased \$3.7 million (27.8%) primarily due to transfers in from the Residential Solid Waste Reserve Fund and the CARES grant fund for which there were no similar transfers last year. Solid Waste carryover represents about 21.5% of total available resources for this fiscal year. Water System carryover represents about 62.1% of total available resources through December 31, 2020.

Transportation/FAX expenditures during the six months ended December 31, 2020 increased \$1.5 million (12.3%) mostly due to increased costs for salaries, Workers' Compensation, and professional and technical services.

Sewer System expenditures for the first six months of Fiscal Year 2021 decreased \$1.9 million (-7.9%) compared to the same period last fiscal year mostly due to lower costs for professional and technical services, utilities, timing of payment for software maintenance, and a payment on the State loan last year for which there was no similar payment this year.

Solid Waste expenditures during the six months ended December 31, 2020 increased \$1.2 million (8.1%) compared to the same period last fiscal year mostly due to higher landfill tipping fees, Fleet ID charges, and costs for new equipment.

Water System expenditures during the six months ended December 31, 2020 increased \$13.7 million (23.4%) compared to the same period last fiscal year mostly due to payoff of the Water 2010-A bonds for which there was no similar payment last year. This was partially offset by lower expense for water purchases and utilities.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$21,985		\$21,985
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
Animal Services Facility ¹	17,145		17,145
Judgment Bonds:			
Pension Obligation Bonds	107,555		107,555
Enterprise Bonds:			
Water ²		91,340	91,340
Sewer		885	885
Airport		78,144	78,144
Total Bonds	\$231,840	\$217,253	\$449,093
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		49,029	49,029
Safe Drinking Water Loans		36,664	36,664
Total Notes and Loans	\$1,648	\$414,014	\$415,662
Capital Leases	40,655		40,655
Total City Debt	\$274,143	\$631,267	\$905,410

¹ Issuance of Animal Services Facility Bonds during November 2020 increased principal by \$17 million.

² Payoff of Water 2010 Series A-1 Bonds during December 2020 reduced principal by \$27.6 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.