



City of Fresno
Monthly Financial Report
For the Nine Months Ended March 31, 2021
Unaudited – Intended for Internal Management Purposes Only
(All figures in thousands)

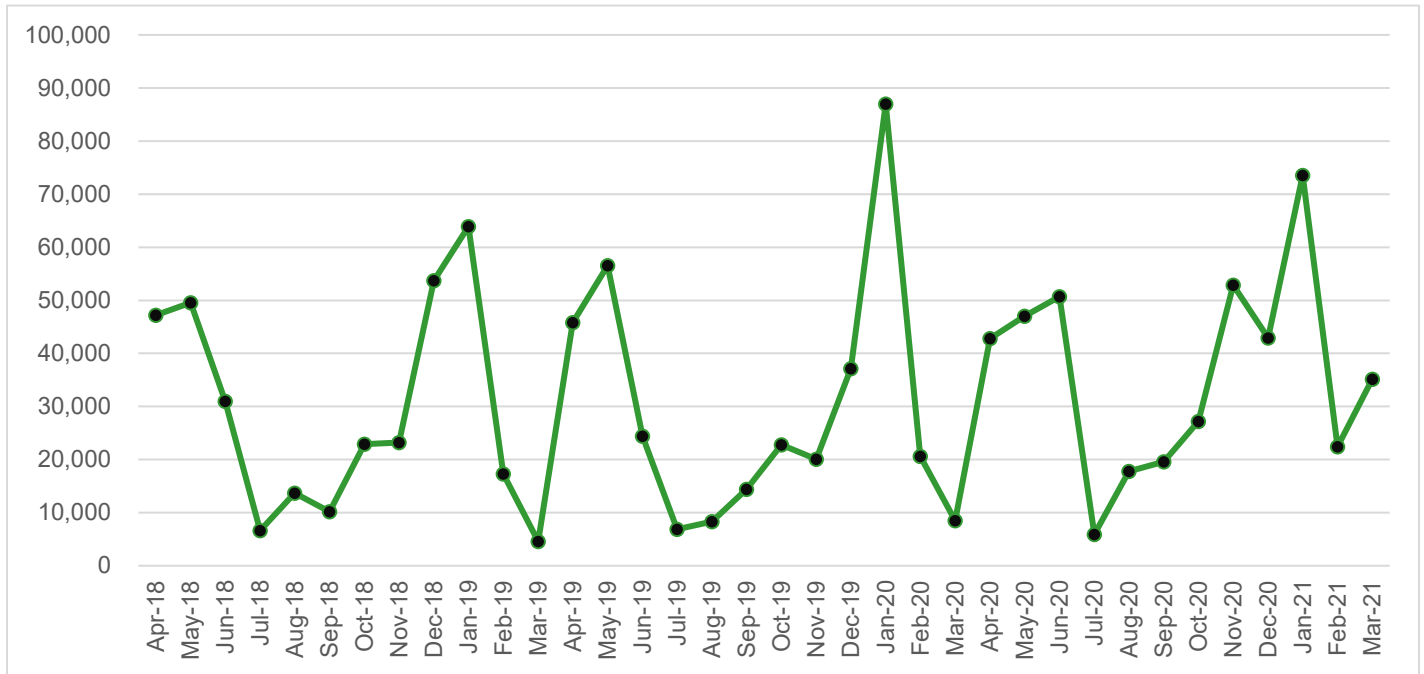
GENERAL FUND AT-A-GLANCE

Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	426,465	297,354	70%	225,700
Expenditures	<u>(408,288)</u>	<u>(291,115)</u>	71%	<u>(240,220)</u>
Revenues Over (Under) Expenditures	<u>18,177</u>	<u>6,239</u>		<u>(14,520)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	90,826	59,758	66%	58,262
Prop. 172 Sales Tax	3,284	2,136	65%	2,849
Property Tax	148,547	82,988	56%	74,389
Business Tax	18,900	12,377	65%	11,919
Franchise Tax	15,339	7,211	47%	6,392
Other Local Taxes	11,836	9,734	82%	12,207
Card Room Receipts	781	30	4%	740
Charges for Services	20,816	14,324	69%	14,976
Development Fees	17,945	11,779	66%	15,653
Intergovernmental Revenues	9,955	9,920	100%	6,927
Intragovernmental Revenues	13,793	9,189	67%	9,738
Transfers In/Out	46,100	50,816	110%	(15,254)
All Other Revenue Sources	<u>28,343</u>	<u>27,092</u>	96%	<u>26,902</u>
Total General Fund Revenues	<u>426,465</u>	<u>297,354</u>	70%	<u>225,700</u>

HISTORICAL MONTHLY REVENUE



ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the nine months ended March 31, 2021 were \$297.4 million. This amount is an increase of \$71.7 million, or 31.7%, above actual revenues for the same period last fiscal year. Total revenues at the end of March 2021 are at 69.7% of the annual estimate for Fiscal Year 2021.

Sales Tax revenues during the first nine months of Fiscal Year 2021 increased \$1.5 million (2.6%) compared to the first nine months of last fiscal year. Property Tax revenues during the nine months ended March 31, 2021 increased \$8.6 million (11.6%) compared to the same period last fiscal year mostly due to increased Unsecured Personal Property and Override Tax, Real & Secured Property Tax, VLF Swap Tax, Delinquent Property Tax, and Property Tax Penalty & Interest. Franchise Tax revenues during the nine months ended March 31, 2021 increased \$0.8 million (12.8%) compared to the same period last fiscal year mostly due to higher fees for commercial solid waste and roll-off bins.

COVID-19 impacts on the business community were the driving factor behind the \$2.5 million (-20.3%) decline in Other Local Taxes (specifically, Room Tax) during the nine months ended March 31, 2021 compared to the same period last year.

Revenues other than taxes, which include Charges for Services, Development Fees, Intergovernmental and Intragovernmental Revenues, Transfers In/Out, and All Other Revenue Sources, will fluctuate from month to month depending upon various activity elements.

Development Fees during the nine months ended March 31, 2021 decreased \$3.9 million (-24.7%) compared to the same period last fiscal year mostly due to lower parking fees and penalties, plan check fees, Housing Code-Enforcement fees, and Worker's Comp Verification fees.

Intergovernmental Revenues during the nine months ended March 31, 2021 increased \$3.0 million (43.2%) compared to the same period last fiscal year mostly due to receipt of a State grant for which there was no similar revenue last fiscal year.

Transfers In/Out during the nine months ended March 31, 2021 increased \$66.1 million (433.1%) mostly due to increased Transfers In from the CARES Grant Fund for eligible expenditures, plus transfers out last year for the construction of Fire Station 18 and parking revenues to Convention Center for which there were no similar transfers out this year.

As of March 31st, the City maintained \$35.4 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.

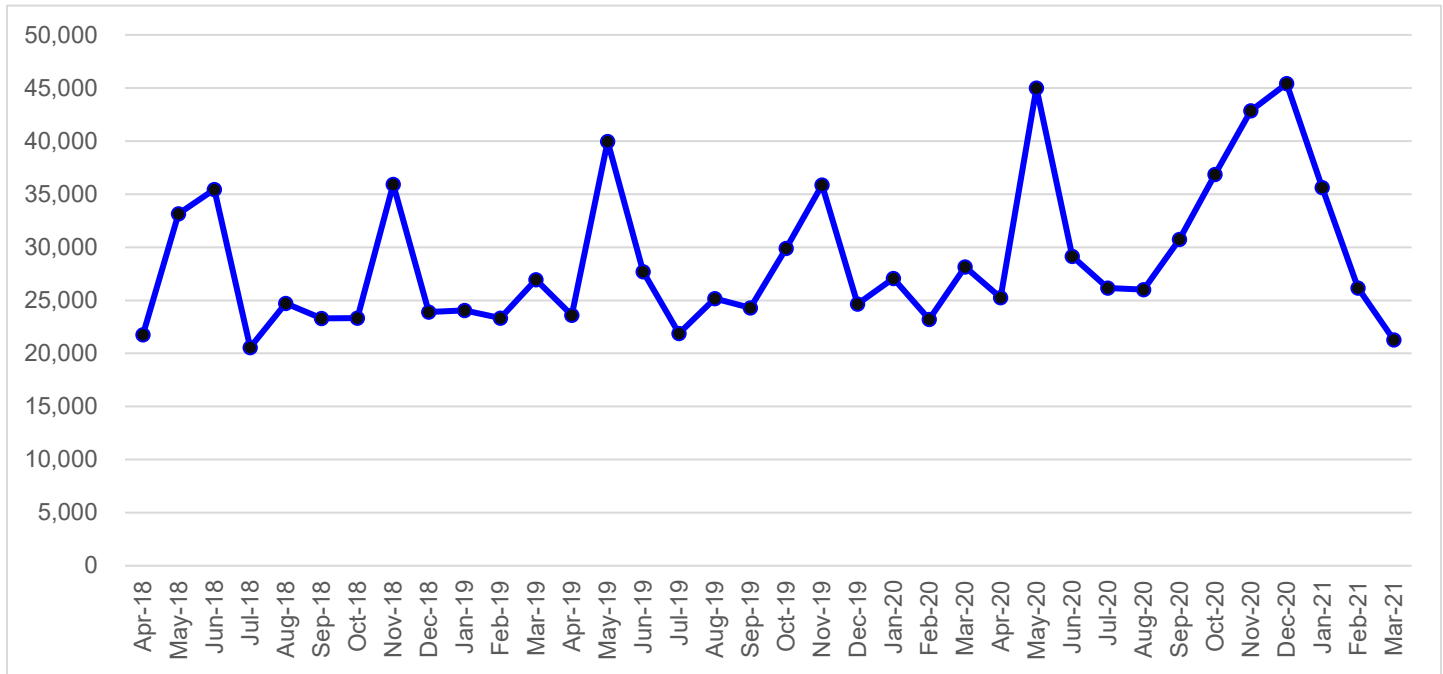
GENERAL FUND EXPENDITURES BY DEPARTMENT

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Police Department	189,993	133,052	70%	127,335
Fire Department	74,121	53,351	72%	48,719
Parks, Recreation & Community Services	29,233	15,653	54%	12,134
Finance/Purchasing	36,877	33,675	91%	4,479
Public Works	11,290	6,690	59%	6,750
City Council Offices	5,580	3,157	57%	2,570
City Clerk's Office	994	643	65%	732
Office of the Mayor/City Manager/Budget	5,114	3,714	73%	3,197
Planning and Development	25,340	13,615	54%	13,656
Personnel	3,731	2,623	70%	2,536
City Attorney's Office	19,030	12,295	65%	11,567
General City Purposes	15,305	12,647	83%	6,545
Attrition Savings	(8,320)	0	0%	0
Total General Fund Expenditures	408,288	291,115	71%	240,220

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	203,770	148,233	73%	142,180
Salaries and Benefits Others	46,914	38,621	82%	35,760
Overtime Public Protection	4,408	6,227	141%	3,662
Overtime Others	146	137	94%	164
Pension Obligation Bonds	12,679	2,738	22%	2,979
Operations and Maintenance	80,681	55,858	69%	24,097
Interdepartmental Charges	48,035	31,799	66%	28,705
Capital	11,655	7,502	64%	2,673
Total General Fund Expenditures	408,288	291,115	71%	240,220

HISTORICAL MONTHLY EXPENDITURES



ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the nine months ended March 31, 2021 were \$291.1 million. This is an increase of \$50.9 million (21.2%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of March 2021 were at 71.3% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$5.7 million (4.5%) and \$4.6 million (9.5%), respectively. The changes in the Police Department’s expenditures are primarily due to higher pension contributions, increased Worker’s Compensation, overtime costs, and interdepartmental charges. 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 nine months ended March 31, 2021 increased \$6.1 million (93.2%) 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, and Personnel were materially consistent with the amounts expended in the prior year and are at acceptable levels in accordance with current year budget estimates.

Parks, Recreation and Community Services Department expenditures during the first nine months of Fiscal Year 2021 increased \$3.5 million (29.0%) mostly due to higher personnel costs, the purchase of land, cost of COVID food distributions, and the cost for remodel of a new community center at Bulldog Lane and 6th Street for which there were no similar expenditures last year. Finance’s expenditures during the nine months ended March 31, 2021 increased \$29.2 million (651.8%) compared to the same period last fiscal year mostly due to COVID-19 mitigation expenses such as the Save Our Non-Profit grants and the purchase of a hotel as homeless housing, for which there were no similar expenditures last year.

Monthly Financial Report

For the Nine Months Ended March 31, 2021

(All figures in thousands)

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others increased \$6.1 million (4.3%) and increased \$2.9 million (8.0%) respectively during the first nine months of Fiscal Year 2021 compared to the same period last year. Overtime for Public Protection during the nine months ended March 31, 2021 increased \$2.6 million (70.0%) compared to last year.

Operations and Maintenance expenditures experienced a \$31.8 million (131.8%) increase for the first nine months of Fiscal Year 2021 compared to the same period last year, mostly due to increased costs for the Animal Services contract, the DAWN Initiative contract with Fresno County EOC, COVID-19 professional services contracts, food distribution, and grants for which there were no similar expenditures last year.

Interdepartmental charges during the first nine months of Fiscal Year 2021 increased \$3.1 million (10.8%) compared to the same period last year mostly due to increased costs for information systems, liability self-insurance, computer network replacement, and Facilities Management charges. Capital expenditures experienced a \$4.8 million (180.7%) increase for the first nine months of Fiscal Year 2021, mostly due to increased cost for leased equipment, cost to refurbish two soccer fields, the purchase of a hotel for homeless housing, and the purchase of property located on North Sixth Street for which there were no similar expenditures 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	6,661	76%	6,799
Carryover	<u>2,040</u>	<u>2,040</u>	100%	<u>1,192</u>
Available Resources	10,808	8,701	81%	7,991
Expenditures	<u>(9,926)</u>	<u>(6,418)</u>	65%	<u>(6,555)</u>
Available Resources Over/(Under) Expenditures	<u>882</u>	<u>2,283</u>		<u>1,436</u>
Revenues	61,452	16,140	26%	29,657
Carryover	<u>4,528</u>	<u>4,528</u>	100%	<u>(1,795)</u>
Available Resources	65,980	20,668	31%	27,862
Expenditures	<u>(29,544)</u>	<u>(19,998)</u>	68%	<u>(18,703)</u>
Available Resources Over/(Under) Expenditures	<u>36,436</u>	<u>670</u>		<u>9,159</u>
Revenues	6,464	7,314	113%	14,526
Carryover	<u>32,591</u>	<u>33,458</u>	103%	<u>37,015</u>
Available Resources	39,055	40,772	104%	51,541
Expenditures	<u>(19,892)</u>	<u>(13,615)</u>	68%	<u>(13,502)</u>
Available Resources Over/(Under) Expenditures	<u>19,163</u>	<u>27,157</u>		<u>38,039</u>
Revenues	75,924	58,421	77%	36,733
Carryover	<u>67,536</u>	<u>67,536</u>	100%	<u>65,274</u>
Available Resources	143,460	125,957	88%	102,007
Expenditures	<u>(98,363)</u>	<u>(35,237)</u>	36%	<u>(34,694)</u>
Available Resources Over/(Under) Expenditures	<u>45,097</u>	<u>90,720</u>		<u>67,313</u>
Revenues	42,438	24,794	58%	21,206
Carryover	<u>4,609</u>	<u>4,609</u>	100%	<u>4,840</u>
Available Resources	47,047	29,403	62%	26,046
Expenditures	<u>(44,333)</u>	<u>(25,319)</u>	57%	<u>(22,958)</u>
Available Resources Over/(Under) Expenditures	<u>2,714</u>	<u>4,084</u>		<u>3,088</u>
Revenues	114,578	98,232	86%	98,421
Carryover	<u>121,519</u>	<u>121,519</u>	100%	<u>112,593</u>
Available Resources	236,097	219,751	93%	211,014
Expenditures	<u>(142,725)</u>	<u>(85,376)</u>	60%	<u>(70,918)</u>
Available Resources Over/(Under) Expenditures	<u>93,372</u>	<u>134,375</u>		<u>140,096</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 23.4% of total available resources during the nine months ended March 31, 2021. Transportation/FAX Revenues during the first nine months of this fiscal year decreased \$13.5 million (-45.6%) from the same period last fiscal year mostly due to timing differences in the State of California TDA payments and lower fare revenues. Transportation/FAX carryover represents about 21.9% of total available resources through March 31, 2021.

Airport YTD Revenues for the nine months ended March 31, 2021 decreased \$7.2 million (-49.6%) from the same period last fiscal year primarily due to lower customer facility charges, and fees for parking, concessions, federal inspections, landing, and airport security which were partially offset by a CARES grant payment for which there was no similar payment last year. Airport Operating carryover represents about 82.1% of total available resources through March 31st.

Sewer System YTD Revenues for the nine months ended March 31, 2021 increased \$21.7 million (59.0%), 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 and interest earnings. Sewer System carryover represents about 53.6% of total available resources for this fiscal year.

Solid Waste YTD Revenues for the first nine months of Fiscal Year 2021 increased \$3.6 million (16.9%) primarily due to lower transfer out to the Vehicle Replacement fund and transfers in from the Residential Solid Waste Reserve Fund and the CARES Grant Fund for which there were no similar transfers in last year. Solid Waste carryover represents about 15.7% of total available resources for this fiscal year. Water System carryover represents about 55.3% of total available resources through March 31, 2021.

Transportation/FAX expenditures during the nine months ended March 31, 2021 increased \$1.3 million (6.9%) mostly due to increased costs for salaries, Workers' Compensation, pension contributions, and CNG bus fuel. Solid Waste expenditures during the nine months ended March 31, 2021 increased \$2.4 million (10.3%) compared to the same period last fiscal year mostly due to higher landfill tipping fees, Fleet ID charges, pension contributions, and replacement garbage cans. Water System expenditures during the nine months ended March 31, 2021 increased \$14.5 million (20.4%) 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 contract construction.

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		\$325,115	325,115
Clean Water – Southwest Quadrant		49,029	49,029
Safe Drinking Water Loans		35,349	35,349
Total Notes and Loans	\$1,648	\$409,493	\$411,141
Capital Leases	39,393		39,393
Total City Debt	\$272,881	\$626,746	\$899,627

¹ Issuance of Animal Services Facility Bonds during November 2020 increased principal by \$17.1 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.