

First Quarter 2020 Financial Report

Finance Department



May 19, 2020



First Quarter Financial Report

2

- Reports unaudited activity for 2020
- Compares results to the 2020 Adopted Budget
- Identifies trends or issues that may impact 2020

Key Points

- General Fund performed well in Q1 2020
- The General Fund is projected to face shortfalls in 2020 due to COVID-19
- Golf Fund continues to face significant challenges

General Fund Revenues

4

- GF revenues were \$2.8 million higher in Q1 2020 as compared to Q1 2019
- Nearly all revenues in the General Fund performed well in Q1 2020

General Fund Expenditures

5

- GF expenditures were \$1.7 million higher in Q1 2020 as compared to Q1 2019 and were consistent with budgeted amounts
- Public safety continues to be a priority, representing 57% of budgeted expenditures

General Fund Revenues Over Expenditures

6

	Q1 2020	Q1 2019
Revenue	\$91.2 million	\$88.4 million
Expenditures	\$57.3 million	\$55.6 million
Net Change	\$33.9 million	\$32.8 million

General Fund – Key Takeaways ⁷

- General Fund performed consistent with expectations in Q1 2020
- Public Safety continues to be a priority
- Q1 performance will not be indicative of expectations for the remainder of 2020

Golf Fund

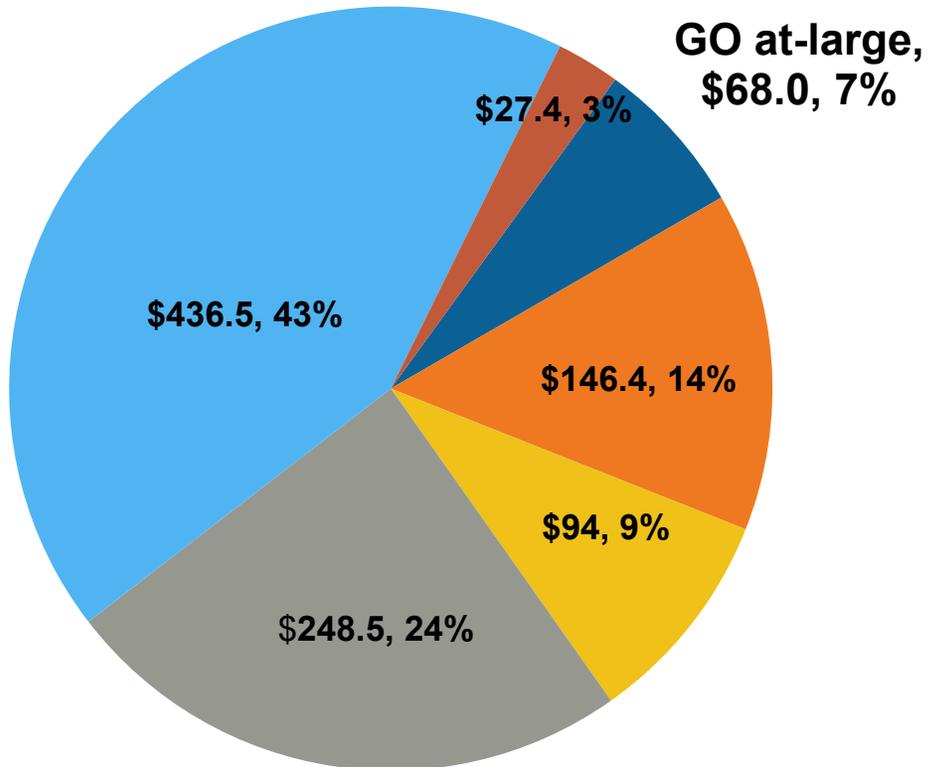
8

- Golf rounds were up 14.3% in Q1 2020 as compared to Q1 2019; however, revenue was only up 1.8%
- Golf expenditures were down 19.4% in Q1 2020 compared to the prior year
- The operating deficit in Q1 2020 was \$306,982

Golf Fund

- The Golf Fund continues to face challenges
- The Q1 2020 unencumbered cash balance is (\$221,844)

Total Bonded Debt – in millions



General obligation (GO) at-large debt (\$68 million) is 7% of total bonded debt (\$1.02 billion)

- GO at-large
- Special Assessment (SA)
- Local Sales Tax (LST)
- Enterprise GO
- Revenue Bonds
- Other

Debt Activity - Takeaways

11

- Financing activity in Q1 consisted only of small principal payments totaling \$3.5 million
- GO at-large debt is only 7% of total bonded debt
- The City remains over \$914 million below the legal debt limit

Looking Forward

12

- COVID-19 has altered City revenue and expenditure forecasts – a GF deficit of approximately \$10 million is projected
- Significant decreases in sales tax, court fines, interest earnings and charges for services are expected
- Preliminary estimates are included in the Quarterly Report and will be refined during the Revised Budget process

Summary

- General Fund performed well in Q1 2020; however, performance in the remaining three quarters of 2020 will be significantly worse than budgeted
- Golf Fund is challenged and has a negative net position

Recommendation

14

- Receive and file the Quarterly Financial Report for the period ending March 31, 2020

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