



**City of Fresno**  
**Monthly Financial Report**  
**For the Four Months Ended October 31, 2017**  
**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	309,778	49,174	16%	51,411
Expenditures	(302,207)	(91,300)	30%	(96,163)
Revenues Over (Under) Expenditures	<u>7,571</u>	<u>(42,126)</u>		<u>(44,752)</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	84,518	21,443	25%	31,450
Prop. 172 Sales Tax	3,092	1,024	33%	1,225
Property Tax	126,531	795	1%	400
Business Tax	18,961	5,780	30%	4,948
Franchise Tax	13,487	1,666	12%	1,901
Other Local Taxes	13,641	4,366	32%	4,899
Card Room Receipts	1,092	336	31%	256
Charges for Services	16,670	5,219	31%	4,497
Development Fees	17,233	5,823	34%	5,224
Intergovernmental Revenues	6,025	2,490	41%	1,391
Intragovernmental Revenues	13,244	2,959	22%	2,498
Transfers In/Out	(16,735)	(3,437)	21%	(8,135)
All Other Revenue Sources	12,019	710	6%	857
Total General Fund Revenues	<u>309,778</u>	<u>49,174</u>	<u>16%</u>	<u>51,411</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the four months ended October 31, 2017 were \$42.1 million. This is a decrease of \$2.2 million, or -4.4%, below actual revenues during the first four months of last fiscal year. Total revenues at the end of October 2017 are at 15.9% of the annual estimate for Fiscal Year 2018.

Sales Tax revenues during the first four months decreased \$10.0 million (-31.8%) compared to the first four months last fiscal year. This is primarily due to the receipt of \$10.2 million of prior year Sales Tax Swap during July 2016 for which similar revenue was not received in Fiscal Year 2018. Property Tax revenues during the four months ended October 31, 2017 increased \$0.4 million (98.8%) due to supplemental and delinquent taxes.

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. Business Tax during the first four months of Fiscal Year 2018 increased \$0.8 million (16.8%) over the same period last fiscal year, primarily due to businesses reporting higher gross receipts and collection of past due amounts.

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Development Fees during the first four months of Fiscal Year 2018 increased \$0.6 million (11.5%) compared to the first four months of last fiscal year primarily due to permit fees, signs, tents & inspection miscellaneous fees, and parking fees. Intergovernmental Revenues during the first four months increased \$1.1 million (79.0%) from the same period last year mostly due to payment from the RDA Successor Agency, as well as State and Federal grants. Transfers In/Out during the four months ended October 31, 2017 were down \$4.7 million (-57.8%) compared to the same time last year due to a transfer last fiscal year to the Convention Center that was not replicated this year, as well as timing difference in the transfer for City Hall rent, and the Bee Building & Granite Park debt service obligations after the bond refunding in May 2017.

As of October 31<sup>st</sup>, the City maintained \$23.7 million in the General Fund Emergency Reserve. \$3.2 million of those funds are associated with the repayment of loans made by the City to the former RDA which were received in July 2017. 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	161,629	48,257	30%	48,557
Fire Department	60,443	19,102	32%	20,128
Parks, Recreation & Community Services	13,700	4,970	36%	4,411
Finance/Purchasing/Central Printing	7,110	1,888	27%	2,628
Public Works	9,654	3,307	34%	2,533
City Council Offices	3,670	825	22%	1,070
City Clerk's Office	814	296	36%	307
Office of the Mayor/City Manager/Budget	3,908	1,122	29%	803
Development and Resource Management (DARM)	28,046	7,020	25%	10,530
Personnel	3,149	919	29%	1,203
City Attorney's Office	5,645	1,638	29%	1,675
General City Purposes	9,386	1,956	21%	2,318
Attrition Savings	(4,947)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>302,207</b>	<b>91,300</b>	<b>30%</b>	<b>96,163</b>

**GENERAL FUND EXPENDITURES BY TYPE**

<b>Expenditure Type</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year Actuals</b>
Salaries and Benefits Public Protection	174,041	52,480	30%	55,826
Salaries and Benefits Others	38,862	13,000	33%	13,320
Overtime Public Protection	4,387	2,456	56%	2,400
Overtime Others	60	47	78%	82
Pension Obligation Bonds	12,751	0	0%	0
Operations and Maintenance	34,826	12,633	36%	10,347
Interdepartmental Charges	31,585	8,588	27%	9,796
Capital	5,695	2,096	37%	4,392
<b>Total General Fund Expenditures</b>	<b>302,207</b>	<b>91,300</b>	<b>30%</b>	<b>96,163</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the four months ended October 31, 2017 were \$91.3 million. This is a decrease of \$4.9 million (-5.1%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first four months this year with last year, the Police and Fire Departments experienced \$0.3 million (-0.6%) and \$1.0 million (-5.1%) decreases respectively, due primarily to savings in personnel costs. Public Works expenditures increased \$0.8 million (30.6%) during the first four months of Fiscal Year 2017 compared to the same period last fiscal year mostly due to contract construction, costs for rock and mineral products, and specialty chemicals & gases. DARM experienced a \$3.5 million (-33.3%) decrease for the four months ended October 31, 2017 compared to the same period last year mostly due to the purchase and licensing of new software last fiscal year and timing difference in City Hall rent.

Expenditures for Council Offices, the Clerk’s Office, the Mayor/City Manager’s Offices, Finance, City Attorney, and Personnel Departments were materially consistent with the amounts expended in the prior year, and are at acceptable levels in accordance with current year budget estimates. The Finance Department expenditures are down and Mayor/City Manager expenditures are up mostly due to the move of Budget Division to the Mayor/City Manager’s Office.

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$3.3 million (-6.0%) and \$0.3 million (-2.4%) decreases respectively. Operations and Maintenance for the first four months of FY2018 is up \$2.3 million (22.1%) compared to the same period last year primarily due to professional services, equipment repairs, utilities, rock & mineral products, and clothing & personal supplies expenditures.

Interdepartmental Charges during the first four months of FY2018 decreased \$1.2 million (-12.3%) from the same period last year due to delay in billing the City Hall rent charge. Capital expenditures during the first four months of Fiscal Year 2018 are down \$2.3 million (-52.3%) compared to last year due to last year’s purchase of new software for DARM.

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.

<b>Enterprise Fund</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year</b>
<b>Community Sanitation</b>				
Revenues	7,846	3,067	39%	3,120
Carryover	5,266	5,810	110%	6,566
Expenditures	<u>(11,439)</u>	<u>(2,858)</u>	25%	<u>(2,353)</u>
Revenues (Incl Carryover) Over/(Under) Expenditures	<u>1,673</u>	<u>6,019</u>		<u>7,333</u>
<b>Transportation/FAX</b>				
Revenues	30,990	3,475	11%	2,763
Carryover	3,459	1,411	41%	5,003
Expenditures	<u>(34,421)</u>	<u>(9,070)</u>	26%	<u>(9,098)</u>
Revenues (Incl Carryover) Over/(Under) Expenditures	<u>28</u>	<u>(4,184)</u>		<u>(1,332)</u>
<b>Airport Operating</b>				
Revenues	18,701	6,137	33%	4,950
Carryover	23,623	24,328	103%	20,372
Expenditures	<u>(16,701)</u>	<u>(5,301)</u>	32%	<u>(4,979)</u>
Revenues (Incl Carryover) Over/(Under) Expenditures	<u>25,623</u>	<u>25,164</u>		<u>20,343</u>
<b>Sewer System</b>				
Revenues	71,961	17,050	24%	14,219
Carryover	18,954	20,634	109%	101,318
Expenditures	<u>(92,478)</u>	<u>(24,461)</u>	26%	<u>(16,376)</u>
Revenues (Incl Carryover) Over/(Under) Expenditures	<u>(1,563)</u>	<u>13,223</u>		<u>99,161</u>
<b>Solid Waste System</b>				
Revenues	35,327	10,482	30%	10,417
Carryover	3,257	3,521	108%	3,866
Expenditures	<u>(35,288)</u>	<u>(8,265)</u>	23%	<u>(8,237)</u>
Revenues (Incl Carryover) Over/(Under) Expenditures	<u>3,296</u>	<u>5,738</u>		<u>6,046</u>
<b>Water System</b>				
Revenues	98,658	43,400	44%	37,056
Carryover	57,324	70,997	124%	51,176
Expenditures	<u>(105,641)</u>	<u>(19,540)</u>	18%	<u>(23,156)</u>
Revenues (Incl Carryover) Over/(Under) Expenditures	<u>50,341</u>	<u>94,857</u>		<u>65,076</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 receipted 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.

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The budgeted figures for Fiscal Year 2018 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 2017 to Fiscal Year 2018 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 and Transportation/FAX decreased YTD Revenues for the first four months of Fiscal Year 2018 are primarily due to decreased carryover this fiscal year of \$0.8 million and \$3.6 million respectively from carryover reflected in Fiscal Year 2017. Community Sanitation and Transportation/FAX carryovers represent about 65.4% and 28.9%, respectively, of total revenues during the first four months of this fiscal year.

The increased Airport Operating YTD Revenues for the first four months of Fiscal Year 2018 is primarily due to increased carryover this fiscal year of \$4.0 million over carryover reflected in Fiscal Year 2017. Airport Operating carryover represents about 79.9% of total revenues through October 31<sup>st</sup>.

The decreased Sewer System YTD Revenues for the period ended October 31, 2017 is primarily due to decreased carryover this fiscal year of \$80.7 million below carryover reflected in last fiscal year plus the budgeted transfer out to a reserve fund to cover one year's debt service for the tertiary treatment project's Clean Water loan from the State of California.

The increased Water System YTD Revenues for the first four months of this fiscal year is primarily due to increased carryover of \$19.8 million over last year and increased customer charges. Water System carryover represents about 62.1% of total revenues through October 31, 2017.

Sewer System expenditures during the first four months of Fiscal Year 2018 increased \$8.1 million (49.4%) compared to last fiscal year primarily due to contract construction, and costs for specialty chemicals & gases. Water System expenditures during the four months ended October 31, 2017 decreased \$3.6 million (-15.6%) compared to the same period last fiscal year mostly due to contract construction, equipment purchases, and fees for June 2016 water purchases paid at the beginning of FY2017 for which no similar expenditure was made during FY2018.

**CITY DEBT**

<b>Debt Source (in thousands)</b>	<b>Governmental</b>	<b>Business-Type</b>	<b>Principal Outstanding</b>
<b>Lease Revenue Bonds*:</b>			
Various Capital Projects	\$25,570		\$25,570
No Neighborhood Left Behind/Selland Arena	15,580		15,580
Parks Impact Fee Projects	23,825	\$1,675	25,500
City Hall Chiller/Convention Center Improvements	2,710	15,215	17,925
Public Safety Impact Fee Projects	32,065		32,065
City Hall Refinancing/Bee Building/Granite Park	32,105		32,105
Exhibit Hall Expansion Project		14,017	14,017
Stadium Project		29,390	29,390
<b>Judgment Bonds:</b>			
Pension Obligation Bonds	131,840		131,840
<b>Enterprise Bonds:</b>			
Water		136,190	136,190
Sewer		176,915	176,915
Airport		49,455	49,455
<b>Total Bonds</b>	<b>\$263,695</b>	<b>\$422,857</b>	<b>\$686,552</b>
<b>Notes and Loans:</b>			
HUD – FMAAA	\$255		\$255
HUD – Neighborhood Streets and Parks	572		572
CIEDB – Roeding Business Park	1,639		1,639
SMG – Employee Benefits Cost Reimbursement		\$301	301
State Water Resources Control Board Loans		120,348	120,348
Clean Water – Southwest Quadrant		32,176	32,176
Safe Drinking Water Loans		44,821	44,821
<b>Total Notes and Loans</b>	<b>2,466</b>	<b>197,646</b>	<b>200,112</b>
<b>Capital Leases</b>	<b>\$20,201</b>		<b>\$20,201</b>
<b>Total City Debt</b>	<b>\$286,362</b>	<b>\$620,503</b>	<b>\$906,865</b>

\*The outstanding principal of the Lease Revenue Bonds reflect balances after the bond refinancing completed in May 2017.

**SUMMARY**

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.