



City of Fresno
Monthly Financial Report
For the Eleven Months Ended May 31, 2018
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	317,750	293,892	92%	288,637
Expenditures	(306,693)	(270,931)	88%	(262,595)
Revenues Over (Under) Expenditures	<u>11,057</u>	<u>22,961</u>		<u>26,042</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	84,518	73,577	87%	79,478
Prop. 172 Sales Tax	3,092	2,806	91%	2,900
Property Tax	126,531	124,476	98%	118,975
Business Tax	18,961	18,913	100%	17,636
Franchise Tax	13,487	10,803	80%	11,731
Other Local Taxes	13,641	13,509	99%	12,774
Card Room Receipts	1,092	965	88%	965
Charges for Services	16,670	15,321	92%	13,925
Development Fees	17,235	15,690	91%	15,692
Intergovernmental Revenues	6,334	8,219	130%	6,425
Intragovernmental Revenues	13,243	11,617	88%	9,157
Transfers In/Out	(18,303)	(22,220)	121%	(14,775)
All Other Revenue Sources	21,249	20,216	95%	13,754
Total General Fund Revenues	<u>317,750</u>	<u>293,892</u>	<u>92%</u>	<u>288,637</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the eleven months ended May 31, 2018 were \$293.9 million. This is an increase of \$5.3 million, or 1.8%, above actual revenues during the first eleven months of last fiscal year. Total revenues at the end of May 2018 are at 92.5% of the annual estimate for Fiscal Year 2018.

Sales Tax revenues during the first eleven months decreased \$5.9 million (-7.4%) compared to the first eleven 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 eleven months ended May 31, 2018 increased \$5.5 million (4.6%) compared to last year primarily due to timing of the VLF Swap payment and increased Real & Secured Personal Property and Override taxes.

Business Tax revenues during the first eleven months increased \$1.3 million (7.2%) mostly due to the improved economy with local businesses reporting increased revenues.

City of Fresno
Monthly Financial Report
For the Eleven Months Ended May 31, 2018
(All figures in thousands)

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.

Charges for Services during the eleven months ended May 31, 2018 increased \$1.4 million (10.0%) mostly due to increased revenue from Fig Garden Fire Protection District, vehicle releases, and vehicle code fines. Intergovernmental Revenues during the first eleven months increased \$1.8 million (27.9%) from the same period last year mostly due to State grants and reimbursements. Intragovernmental Revenues during the eleven months ended May 31, 2018 increased \$2.5 million (26.9%) compared to the same period last fiscal year primarily due to increased variable and fixed reimbursements.

Transfers In/Out during the eleven months ended May 31, 2018 were up \$7.4 million (50.4%) compared to the same time last year due to differences of debt service obligations after the bond refunding in May 2017. All Other Revenue occurring in the first eleven months of Fiscal Year 2018 increased \$6.5 million (47.0%) compared to the first eleven months of last fiscal year mostly due to higher General Fund carryover.

As of May 31st, the City maintained \$23.9 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	161,345	145,051	90%	138,537
Fire Department	61,118	55,044	90%	54,945
Parks, Recreation & Community Services	14,529	12,469	86%	12,404
Finance/Purchasing/Central Printing	6,903	6,056	88%	6,660
Public Works	10,479	7,934	76%	6,660
City Council Offices	3,789	2,658	70%	2,438
City Clerk's Office	813	712	88%	708
Office of the Mayor/City Manager/Budget	3,866	3,276	85%	2,170
Development and Resource Management (DARM)	27,760	22,567	81%	23,994
Personnel	3,112	2,781	89%	2,805
City Attorney's Office	5,645	5,035	89%	4,456
General City Purposes	12,281	7,348	60%	6,818
Attrition Savings	(4,947)	0	0%	0
Total General Fund Expenditures	306,693	270,931	88%	262,595

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	171,561	150,365	88%	149,060
Salaries and Benefits Others	38,629	37,210	96%	34,619
Overtime Public Protection	4,387	5,837	133%	4,925
Overtime Others	64	136	213%	192
Pension Obligation Bonds	12,751	12,749	100%	12,696
Operations and Maintenance	38,261	30,558	80%	28,272
Interdepartmental Charges	32,421	29,074	90%	25,700
Capital	8,619	5,002	58%	7,131
Total General Fund Expenditures	306,693	270,931	88%	262,595

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the eleven months ended May 31, 2018 were \$270.9 million. This is an increase of \$8.3 million (3.2%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first eleven months this year with last year, the Police and Fire Departments experienced \$6.5 million (4.7%) and \$0.1 million (0.2%) increases respectively. The changes in those two departments' expenditures are primarily due to increased Police personnel costs, vehicle leases, fixed interdepartmental charges, and building and improvement repairs, which were partially offset by savings in Fire personnel costs. Public Works expenditures increased \$1.3 million (19.1%) during the first eleven months of Fiscal Year 2018 compared to the same period last fiscal year mostly due to contract construction, costs for rock and mineral products, and building and improvement repairs. DARM experienced a \$1.4 million (-5.9%) decrease for the eleven months ended May 31, 2018 compared to the same period last year mostly due to the purchase and licensing of new software last fiscal year partially offset by increased personnel costs this year.

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 in Fiscal Year 2018.

By category, Salaries/Benefits for Public Protection and Others increased \$1.3 million (0.9%) and \$2.6 million (7.5%) respectively. Operations and Maintenance for the first eleven months of FY2018 is up \$2.3 million (8.1%) compared to the same period last year primarily due to utilities, building and improvement repairs, professional services, and ammunition. Interdepartmental Charges during the eleven months ended May 31, 2018 increased \$3.4 million (13.1%) compared to the same period last year mainly due to increased fleet equipment leases, fleet repair and fuel charges, and information systems equipment and service charges.

Capital expenditures during the first eleven months of Fiscal Year 2018 are down \$2.1 million (-29.9%) compared to last year due to last year's purchase of new software for DARM partially offset by increased costs for contract construction.

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	7,846	8,144	104%	8,388
Carryover	<u>5,266</u>	<u>5,810</u>	110%	<u>6,566</u>
Available Resources	13,112	13,954	106%	14,954
Expenditures	<u>(11,439)</u>	<u>(8,979)</u>	78%	<u>(7,144)</u>
Available Resources Over/(Under) Expenditures	<u>1,673</u>	<u>4,975</u>		<u>7,810</u>
Transportation/FAX				
Revenues	30,990	24,446	79%	23,648
Carryover	<u>3,459</u>	<u>1,411</u>	41%	<u>5,003</u>
Available Resources	34,449	25,857	75%	28,651
Expenditures	<u>(34,421)</u>	<u>(29,421)</u>	85%	<u>(26,868)</u>
Available Resources Over/(Under) Expenditures	<u>28</u>	<u>(3,564)</u>		<u>1,783</u>
Airport Operating				
Revenues	18,701	23,501	126%	14,714
Carryover	<u>23,623</u>	<u>24,328</u>	103%	<u>20,372</u>
Available Resources	42,324	47,829	113%	35,086
Expenditures	<u>(16,701)</u>	<u>(13,529)</u>	81%	<u>(12,824)</u>
Available Resources Over/(Under) Expenditures	<u>25,623</u>	<u>34,300</u>		<u>22,262</u>
Sewer System				
Revenues	74,461	61,687	83%	(39,606)
Carryover	<u>18,954</u>	<u>20,634</u>	109%	<u>101,318</u>
Available Resources	93,415	82,321	88%	61,712
Expenditures	<u>(92,569)</u>	<u>(48,887)</u>	53%	<u>(43,868)</u>
Available Resources Over/(Under) Expenditures	<u>846</u>	<u>33,434</u>		<u>17,844</u>
Solid Waste System				
Revenues	35,327	24,540	69%	27,165
Carryover	<u>3,257</u>	<u>3,521</u>	108%	<u>3,866</u>
Available Resources	38,584	28,061	73%	31,031
Expenditures	<u>(35,288)</u>	<u>(25,684)</u>	73%	<u>(24,853)</u>
Available Resources Over/(Under) Expenditures	<u>3,296</u>	<u>2,377</u>		<u>6,178</u>
Water System				
Revenues	98,658	99,931	101%	89,144
Carryover	<u>57,324</u>	<u>70,997</u>	124%	<u>51,176</u>
Available Resources	155,982	170,928	110%	140,320
Expenditures	<u>(105,641)</u>	<u>(74,172)</u>	70%	<u>(66,137)</u>
Available Resources Over/(Under) Expenditures	<u>50,341</u>	<u>96,756</u>		<u>74,183</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 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 carryover represents about 41.6% of total available resources during the first eleven months of this fiscal year. Transportation/FAX carryover represents about 5.5% of total available resources during the first eleven months of this fiscal year.

Airport Operating YTD Revenues for the first eleven months of Fiscal Year 2018 increased \$8.8 million (59.7%) primarily due to reduced transfers out to other Airport funds, increased rental, concession, use and landing fees, and parking revenue. Airport Operating carryover represents about 50.8% of total available resources through May 31st.

Sewer System YTD Revenues for the period ended May 31, 2018 increased \$101.3 million (255.8%) mainly due to a transfer out last year to deposit funds into an escrow account to partially defease the Series 2008 Sewer bonds and increased customer charges. Sewer System carryover represents about 25.1% of total available resources for the first eleven months of this fiscal year.

Solid Waste YTD Revenues for the eleven months ended May 31, 2018 decreased \$2.6 million (-9.7%) from the same period last fiscal year primarily due to increased transfer out to the Fleet Replacement fund. Solid Waste carryover represents about 12.5% of total available resources for the first eleven months of this fiscal year.

Water System YTD Revenues for the first eleven months of this fiscal year increased \$10.8 million (12.1%) primarily due to increased customer charges. Water System carryover represents about 41.5% of total available resources through May 31, 2018.

Community Sanitation expenditures during the first eleven months of Fiscal Year 2018 increased \$1.8 million (25.7%) mostly due to costs for personnel, specialized services, and interdepartmental charges for projects. Transportation/FAX expenditures during the eleven months ended May 31, 2018 increased \$2.6 million (9.5%) mostly due to costs for personnel, interdepartmental charges, and Handy Ride contract. Sewer System expenditures during the first eleven months of Fiscal Year 2018 increased \$5.0 million (11.4%) compared to last fiscal year primarily due to contract construction. Water System expenditures during the eleven months ended May 31, 2018 increased \$8.0 million (12.1%) compared to the same period last fiscal year mostly due to fees for water purchases, outside repairs of improvements, engineering & design services, and fixed interdepartmental charges.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds*:			
Various Capital Projects	\$25,570		\$25,570
No Neighborhood Left Behind/Selland Arena	12,945		12,945
Parks Impact Fee Projects	22,965	\$1,615	24,580
City Hall Chiller/Convention Center Improvements	2,710	13,315	16,025
Public Safety Impact Fee Projects	32,065		32,065
City Hall Refinancing/Bee Building/Granite Park	29,020		29,020
Exhibit Hall Expansion Project		17,978	17,978
Stadium Project		28,740	28,740
Judgment Bonds:			
Pension Obligation Bonds	131,840		131,840
Enterprise Bonds:			
Water		136,190	136,190
Sewer		176,915	176,915
Airport		49,455	49,455
Total Bonds	\$257,115	\$424,208	\$681,323
Notes and Loans:			
HUD – FMAAA	\$255		\$255
HUD – Neighborhood Streets and Parks	572		572
CIEDB – Roeding Business Park	1,639		1,639
SMG – Employee Benefits Cost Reimbursement		\$277	277
State Water Resources Control Board Loans		255,196	255,196
Clean Water – Southwest Quadrant		32,250	32,250
Safe Drinking Water Loans		43,463	43,463
Total Notes and Loans	\$2,466	\$331,186	\$333,652
Capital Leases	25,790		25,790
Total City Debt	\$285,371	\$755,394	\$1,040,765

*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.