



**City of Fresno**  
**Monthly Financial Report**  
**For the Twelve Months Ended June 30, 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	320,918	324,897	101%	312,937
Expenditures	(309,672)	(306,385)	99%	295,265
Revenues Over (Under) Expenditures	<u>11,246</u>	<u>18,512</u>		<u>17,672</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	84,518	86,785	103%	93,190
Prop. 172 Sales Tax	3,092	3,103	100%	3,194
Property Tax	126,531	129,109	102%	122,072
Business Tax	18,961	19,349	102%	18,082
Franchise Tax	13,487	13,399	99%	13,482
Other Local Taxes	13,641	14,961	110%	14,171
Card Room Receipts	1,092	1,052	96%	1,049
Charges for Services	16,670	17,487	105%	16,543
Development Fees	17,235	16,932	98%	17,435
Intergovernmental Revenues	6,402	8,884	139%	7,572
Intragovernmental Revenues	13,243	12,757	96%	9,835
Transfers In/Out	(15,203)	(19,434)	128%	(17,593)
All Other Revenue Sources	21,249	20,513	97%	13,905
Total General Fund Revenues	<u>320,918</u>	<u>324,897</u>	<u>101%</u>	<u>312,937</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the fiscal year ended June 30, 2018 were \$324.9 million. This is an increase of \$12.0 million, or 3.8%, above actual revenues for last fiscal year. Total revenues at the end of June 2018 are at 101.2% of the annual estimate for Fiscal Year 2018.

Sales Tax revenues during Fiscal Year 2018 decreased \$6.4 million (-6.9%) compared to 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 fiscal year ended June 30, 2018 increased \$7.0 million (5.8%) compared to last year primarily due to increased Real & Secured Personal Property and Override taxes and increased receipts from delinquent property tax.

Business Tax revenues during Fiscal Year 2018 increased \$1.3 million (7.0%) mostly due to the improved economy with local businesses reporting increased revenues.

**Monthly Financial Report**

For the Twelve Months Ended June 30, 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 increased \$1.0 million (5.7%) from last fiscal year mostly due to increased revenue from vehicle releases, street work permits, and vehicle code fines. Intergovernmental Revenues during Fiscal Year 2018 increased \$1.3 million (17.3%) from last year mostly due to State reimbursements. Intragovernmental Revenues during the fiscal year ended June 30, 2018 increased \$2.9 million (29.7%) compared to last fiscal year primarily due to increased variable and fixed reimbursements.

Transfers In/Out during the fiscal year ended June 30, 2018 were up \$1.8 million (10.5%) compared to last year due to differences of debt service obligations after the bond refunding in May 2017. All Other Revenue occurring in Fiscal Year 2018 increased \$6.6 million (47.5%) compared to last fiscal year mostly due to higher General Fund carryover.

As of June 30<sup>th</sup>, 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**

<b>Expenditure Type</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year Actuals</b>
Police Department	161,107	159,815	99%	152,517
Fire Department	61,118	60,538	99%	59,311
Parks, Recreation & Community Services	14,597	14,498	99%	14,956
Finance/Purchasing/Central Printing	6,902	6,795	98%	7,459
Public Works	10,479	9,100	87%	8,356
City Council Offices	3,789	2,897	76%	2,688
City Clerk's Office	813	793	97%	770
Office of the Mayor/City Manager/Budget	3,866	3,732	97%	2,400
Development and Resource Management (DARM)	27,760	26,426	95%	26,642
Personnel	3,112	3,016	97%	3,105
City Attorney's Office	5,695	5,620	99%	4,985
General City Purposes	15,381	13,155	86%	12,076
Attrition Savings	(4,947)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>309,672</b>	<b>306,385</b>	<b>99%</b>	<b>295,265</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	171,321	168,751	98%	165,508
Salaries and Benefits Others	37,759	41,923	111%	41,040
Overtime Public Protection	4,387	6,427	147%	5,541
Overtime Others	64	187	293%	236
Pension Obligation Bonds	12,751	12,749	100%	12,696
Operations and Maintenance	39,094	35,171	90%	31,959
Interdepartmental Charges	33,539	31,435	94%	30,245
Capital	10,757	9,742	91%	8,040
<b>Total General Fund Expenditures</b>	<b>309,672</b>	<b>306,385</b>	<b>99%</b>	<b>295,265</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the fiscal year ended June 30, 2018 were \$306.4 million. This is an increase of \$11.1 million (3.8%) from actual General Fund expenditures during last fiscal year.

Comparing Fiscal Year 2018 with last year, the Police and Fire Departments experienced \$7.3 million (4.8%) and \$1.2 million (2.1%) 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. General City Purposes expenditures increased \$1.1 million (8.9%) during Fiscal Year 2018 compared to last fiscal year mostly due to the budgeted purchase of the Fire Headquarters building.

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's expenditures are down and Mayor/City Manager's 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 \$3.2 million (2.0%) and \$0.9 million (2.2%) respectively. Operations and Maintenance during Fiscal Year 2018 is up \$3.2 million (10.1%) compared to last year primarily due to utilities, professional services, service contracts, training and conferences, and ammunition. Interdepartmental Charges during the fiscal year ended June 30, 2018 increased \$1.2 million (3.9%) compared to last year mainly due to increased fleet equipment leases, fleet repair and fuel charges, and information systems equipment/service charges.

Capital expenditures during Fiscal Year 2018 increased \$1.7 million (21.2%) compared to last year due to purchase of the Fire Headquarters.

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	8,765	112%	8,023
Carryover	<u>5,266</u>	<u>5,810</u>	110%	<u>6,566</u>
Available Resources	13,112	14,575	111%	14,589
Expenditures	<u>(11,439)</u>	<u>(10,689)</u>	93%	<u>(8,780)</u>
Available Resources Over/(Under) Expenditures	<u>1,673</u>	<u>3,886</u>		<u>5,809</u>
<b>Transportation/FAX</b>				
Revenues	30,990	28,696	93%	26,395
Carryover	<u>3,459</u>	<u>1,411</u>	41%	<u>5,003</u>
Available Resources	34,449	30,107	87%	31,398
Expenditures	<u>(34,421)</u>	<u>(32,745)</u>	95%	<u>(29,997)</u>
Available Resources Over/(Under) Expenditures	<u>28</u>	<u>(2,638)</u>		<u>1,401</u>
<b>Airport Operating</b>				
Revenues	18,701	26,319	141%	18,977
Carryover	<u>23,623</u>	<u>24,328</u>	103%	<u>20,372</u>
Available Resources	42,324	50,647	120%	39,349
Expenditures	<u>(16,701)</u>	<u>(16,197)</u>	97%	<u>(15,072)</u>
Available Resources Over/(Under) Expenditures	<u>25,623</u>	<u>34,450</u>		<u>24,277</u>
<b>Sewer System</b>				
Revenues	72,781	74,213	102%	(30,405)
Carryover	<u>20,634</u>	<u>20,634</u>	100%	<u>101,318</u>
Available Resources	93,415	94,847	102%	70,913
Expenditures	<u>(92,569)</u>	<u>(54,788)</u>	59%	<u>(52,230)</u>
Available Resources Over/(Under) Expenditures	<u>846</u>	<u>40,059</u>		<u>18,683</u>
<b>Solid Waste System</b>				
Revenues	35,327	27,590	78%	27,984
Carryover	<u>3,257</u>	<u>3,521</u>	108%	<u>3,866</u>
Available Resources	38,584	31,111	81%	31,850
Expenditures	<u>(35,288)</u>	<u>(28,085)</u>	80%	<u>(28,332)</u>
Available Resources Over/(Under) Expenditures	<u>3,296</u>	<u>3,026</u>		<u>3,518</u>
<b>Water System</b>				
Revenues	98,658	108,968	110%	96,718
Carryover	<u>57,324</u>	<u>70,997</u>	124%	<u>51,176</u>
Available Resources	155,982	179,965	115%	147,894
Expenditures	<u>(105,641)</u>	<u>(91,589)</u>	87%	<u>(78,445)</u>
Available Resources Over/(Under) Expenditures	<u>50,341</u>	<u>88,376</u>		<u>69,449</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 39.9% of total available resources during Fiscal Year 2018. Transportation/FAX carryover represents about 4.7% of total available resources this fiscal year. Solid Waste carryover represents about 11.3% of total available resources for this fiscal year.

Airport Operating YTD Revenues for Fiscal Year 2018 increased \$7.3 million (38.7%) 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 48.0% of total available resources through June 30<sup>th</sup>.

Sewer System YTD Revenues for the fiscal year ended June 30, 2018 increased \$104.6 million (344.1%) 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 21.8% of total available resources for this fiscal year.

Water System YTD Revenues for this fiscal year increased \$12.3 million (12.7%) primarily due to increased customer charges. Water System carryover represents about 39.5% of total available resources through June 30, 2018.

Community Sanitation expenditures during Fiscal Year 2018 increased \$1.9 million (21.7%) mostly due to costs for personnel, specialized services, and interdepartmental charges for projects. Transportation/FAX expenditures during the twelve months ended June 30, 2018 increased \$2.7 million (9.2%) mostly due to costs for personnel, interdepartmental charges, and Handy Ride contract. Airport Operating expenditures during Fiscal Year 2018 increased \$1.1 million (7.5%) mostly due to costs for personnel, public relations, and interdepartmental charges. Sewer System expenditures during Fiscal Year 2018 increased \$2.6 million (4.9%) compared to last fiscal year primarily due to contract construction. Water System expenditures during the fiscal year ended June 30, 2018 increased \$13.1 million (16.8%) compared to last fiscal year mostly due to fees for water purchases, outside repairs of improvements, engineering & design services, and fixed interdepartmental charges.

**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	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		14,017	14,017
Stadium Project		28,035	28,035
<b>Judgment Bonds:</b>			
Pension Obligation Bonds	124,245		124,245
<b>Enterprise Bonds:</b>			
Water		130,725	130,725
Sewer		176,915	176,915
Airport		49,455	49,455
<b>Total Bonds</b>	<b>\$249,520</b>	<b>\$414,077</b>	<b>\$663,597</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		\$271	271
State Water Resources Control Board Loans		300,713	300,713
Clean Water – Southwest Quadrant		20,206	20,206
Safe Drinking Water Loans		43,435	43,435
<b>Total Notes and Loans</b>	<b>\$2,466</b>	<b>\$364,625</b>	<b>\$367,091</b>
<b>Capital Leases</b>	<b>28,281</b>		<b>28,281</b>
<b>Total City Debt</b>	<b>\$280,267</b>	<b>\$778,702</b>	<b>\$1,058,969</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.