



**City of Fresno**  
**Monthly Financial Report**  
**For the Twelve Months Ended June 30, 2019**  
**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	332,494	342,834	103%	324,897
Expenditures	(325,414)	(317,334)	98%	(306,385)
Revenues Over (Under) Expenditures	<u>7,080</u>	<u>25,500</u>		<u>18,512</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	100,344	103%	86,785
Prop. 172 Sales Tax	3,156	2,917	92%	3,103
Property Tax	131,683	137,164	104%	129,109
Business Tax	19,640	20,030	102%	19,349
Franchise Tax	14,350	14,216	99%	13,399
Other Local Taxes	14,544	15,783	109%	14,961
Card Room Receipts	971	1,055	109%	1,052
Charges for Services	16,592	19,143	115%	17,487
Development Fees	19,266	18,384	95%	16,932
Intergovernmental Revenues	10,542	11,761	112%	8,884
Intragovernmental Revenues	14,591	14,396	99%	12,757
Transfers In/Out	(31,856)	(33,043)	104%	(19,434)
All Other Revenue Sources	21,350	20,684	97%	20,513
Total General Fund Revenues	<u>332,494</u>	<u>342,834</u>	103%	<u>324,897</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the year ended June 30, 2019 were \$342.8 million. This is an increase of \$17.9 million, or 5.5%, above actual revenues during last fiscal year. Total revenues at the end of June 2019 are at 103.1% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during Fiscal Year 2019 increased \$13.6 million (15.6%) compared to last fiscal year. Property Tax revenues increased \$8.1 million (6.2%) compared to last fiscal year due to increased Real and Personal Property Tax, VLF Swap revenues, and Secured Personal-Override Tax receipts. Other Local Taxes during Fiscal Year 2019 increased \$0.8 million (5.5%) compared to the same period last year mainly due to increased Real Estate Transfer Tax and Room Tax revenues.

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.

**Monthly Financial Report**

For the Twelve Months Ended June 30, 2019

(All figures in thousands)

Charges for Services increased \$1.7 million (9.5%) compared to last fiscal year mostly due to higher revenues from plan check and inspection fees, vehicle releases and fines, and street work permits. Development fees during Fiscal Year 2019 increased \$1.5 million (8.6%) compared to last year mostly due to increased revenue from building alteration plan checks and workers compensation insurance verifications. Intergovernmental Revenues occurring in Fiscal Year 2019 increased \$2.9 million (32.4%) compared to the last fiscal year mostly due to increased repayments from the RDA Successor Agency, and reimbursements for school resource officers. These reimbursements were partially offset by reduced Federal reimbursements.

Intragovernmental Revenues increased \$1.6 million (12.8%) compared to the same period last fiscal year primarily due to increased fixed and variable reimbursements. Transfers Out increased \$13.6 million (70.0%) compared to last fiscal year mostly due to transfers this year of sales tax revenue to the Emergency Reserve and a budgeted transfer to the Housing Fund for which there was no similar transfer last year.

As of June 30<sup>th</sup>, the City maintained \$34.3 million in the General Fund Emergency Reserve. The balance is up from the beginning of the fiscal year due to interest/investment revenue plus the budgeted transfer from the General Fund. 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	167,977	167,658	100%	159,815
Fire Department	65,682	63,851	97%	60,538
Parks, Recreation & Community Services	18,992	15,250	80%	14,498
Finance/Purchasing/Central Printing	6,977	6,741	97%	6,795
Public Works	9,697	9,183	95%	9,100
City Council Offices	4,707	3,243	69%	2,897
City Clerk's Office	910	869	95%	793
Office of the Mayor/City Manager/Budget	4,134	4,104	99%	3,732
Development and Resource Management (DARM)	30,352	28,395	94%	26,426
Personnel	3,198	3,130	98%	3,016
City Attorney's Office	6,381	6,340	99%	5,620
General City Purposes	11,854	8,570	72%	13,155
Attrition Savings	(5,447)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>325,414</b>	<b>317,334</b>	<b>98%</b>	<b>306,385</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	180,137	180,259	100%	168,751
Salaries and Benefits Others	40,966	45,614	111%	41,923
Overtime Public Protection	4,787	6,575	137%	6,427
Overtime Others	68	210	310%	187
Pension Obligation Bonds	12,720	12,730	100%	12,749
Operations and Maintenance	40,473	35,436	88%	35,171
Interdepartmental Charges	28,640	27,723	97%	31,435
Capital	17,623	8,787	50%	9,742
<b>Total General Fund Expenditures</b>	<b>325,414</b>	<b>317,334</b>	<b>98%</b>	<b>306,385</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the fiscal year ended June 30, 2019 were \$317.3 million. This is an increase of \$10.9 million (3.6%) from actual General Fund expenditures during the same period last fiscal year. Total expenditures at the end of June 2019 were at 97.5% of the annual budgeted amounts.

Comparing this fiscal year with last fiscal year, the Police and Fire Departments experienced increases of \$7.8 million (4.9%) and \$3.3 million (5.5%) respectively. The changes in those two departments' expenditures are primarily due to increased Police and Fire personnel costs which were partially offset by savings on rent for Fire Headquarters and lower Fleet service charges. DARM expenditures increased \$2.0 million (7.5%) compared to the same period last fiscal year mainly due to increased personnel and professional services costs.

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. City Attorney's Office expenditures increased \$0.7 million (12.8%) during Fiscal Year 2019 compared to last fiscal year mostly due to increased salaries and benefits, and fees for outside legal services. General City Purpose expenditures during Fiscal Year 2019 decreased \$4.6 million (-34.9%) compared to last fiscal year due to the purchase of the Fire Headquarters in June 2018 for which there is no similar expenditure this year.

By category, Salaries/Benefits for Public Protection and Others increased \$11.5 million (6.8%) and \$3.7 million (8.8%) respectively during Fiscal Year 2019 compared to last year. Overtime for Public Protection during the fiscal year ended June 30, 2019 increased \$0.1 million (2.3%) compared to last year.

Interdepartmental Charges for Fiscal Year 2019 decreased \$3.7 million (-11.8%) primarily due to lower Fleet charges that were partially offset by increased charges from other Internal Service Funds. Capital expenditures experienced a \$1.0 million (-9.8%) decrease for Fiscal Year 2019 compared to last fiscal year mostly due to the purchase of the Fire Headquarters during last fiscal year which was partially offset by FY2019 lease payments for police cars paid by Public Safety Fleet within the General Fund.

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	8,296	8,115	98%	8,765
Carryover	<u>3,265</u>	<u>3,954</u>	121%	<u>5,810</u>
Available Resources	11,561	12,069	104%	14,575
Expenditures	<u>(11,494)</u>	<u>(10,878)</u>	95%	<u>(10,689)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>1,191</u>		<u>3,886</u>
<b>Transportation/FAX</b>				
Revenues	31,791	26,179	82%	28,696
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	23,539	74%	30,107
Expenditures	<u>(30,172)</u>	<u>(26,439)</u>	88%	<u>(32,745)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(2,900)</u>		<u>(2,638)</u>
<b>Airport Operating</b>				
Revenues	9,924	20,267	204%	26,319
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	42,320	54,583	129%	50,647
Expenditures	<u>(17,561)</u>	<u>(17,572)</u>	100%	<u>(16,197)</u>
Available Resources Over/(Under) Expenditures	<u>24,759</u>	<u>37,011</u>		<u>34,450</u>
<b>Sewer System</b>				
Revenues	87,338	70,660	81%	74,213
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	111,760	91%	94,847
Expenditures	<u>(109,097)</u>	<u>(54,848)</u>	50%	<u>(54,788)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>56,912</u>		<u>40,059</u>
<b>Solid Waste System</b>				
Revenues	38,640	32,206	83%	27,590
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	35,241	85%	31,111
Expenditures	<u>(38,432)</u>	<u>(30,368)</u>	79%	<u>(28,085)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>4,873</u>		<u>3,026</u>
<b>Water System</b>				
Revenues	117,542	114,564	97%	108,968
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	204,183	98%	179,965
Expenditures	<u>(120,426)</u>	<u>(93,447)</u>	78%	<u>(91,589)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>110,736</u>		<u>88,376</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 2019 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 2018 to Fiscal Year 2019 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 32.8% of total available resources during this fiscal year. Transportation/FAX Revenues during this fiscal year decreased \$2.5 million (-8.8%) from last fiscal year mostly due to increased transfers out for capital projects and alternative fuel rebate received last year for which there is no similar payment this year. Airport YTD Revenues for the fiscal year ended June 30, 2019 decreased \$6.1 million (-23.0%) from last fiscal year primarily due to increased transfers out for capital projects. Airport Operating carryover represents about 62.9% of total available resources through June 30<sup>th</sup>.

Sewer System YTD Revenues for the fiscal year ended June 30, 2019 decreased \$3.6 million (-4.8%) primarily due to a large transfer in made during the last fiscal year from the SRF loan to reimburse for construction costs for which there is no similar transfer this fiscal year, as well as lower City of Clovis share payments. Sewer System carryover represents about 36.8% of total available resources for this fiscal year. Solid Waste Revenues for Fiscal Year 2019 increased \$4.6 million (16.7%) primarily due to transfers out last year to the Fleet Replacement Fund for which there were no similar transfers this fiscal year, and increased customer charges. Solid Waste carryover represents about 8.6% of total available resources for this fiscal year.

Water System YTD Revenues for this fiscal year increased \$5.6 million (5.1%) primarily due to increased customer charges, a PG&E refund related to the Southeast Water Treatment Facility for which there was no similar refund last fiscal year, and higher interest revenue. These increases were partially offset by a transfer out to the rate stabilization fund this year for which there was no similar transfer last year. Water System carryover represents about 43.9% of total available resources through June 30, 2019.

Transportation/FAX expenditures for this fiscal year decreased \$6.3 million (19.3%) compared to last fiscal year mainly due to year-end transfer of personnel expenses from operating fund to capital funds. Airport expenditures for the fiscal year ended June 30, 2019 increased \$1.4 million (8.5%) compared to the same period last fiscal year primarily due to increased costs for salaries and benefits, and technical and professional services.

Solid Waste expenditures for this fiscal year increased \$2.3 million (8.1%) compared to the same period last fiscal year mostly due to increased costs for salaries and benefits, landfill tipping fees, and Fleet charges. Water System expenditures during the fiscal year ended June 30, 2019 increased \$1.9 million (2.0%) compared to the same period last fiscal year mostly due to higher costs for specialty chemicals, inventory, and salaries and benefits. These increases are partially offset by savings for the cost of outside professional services.

**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	\$24,255		\$24,255
No Neighborhood Left Behind/Selland Arena	10,580		10,580
Parks Impact Fee Projects	22,270	\$1,565	23,835
City Hall Chiller/Convention Center Improvements	2,710	11,160	13,870
Public Safety Impact Fee Projects	31,050		31,050
City Hall Refinancing/Bee Building/Granite Park	25,985		25,985
Exhibit Hall Expansion Project		12,912	12,912
Stadium Project		26,545	26,545
<b>Judgment Bonds:</b>			
Pension Obligation Bonds	116,160		116,160
<b>Enterprise Bonds:</b>			
Water		124,995	124,995
Sewer*		34,285	34,285
Airport**		82,715	82,715
<b>Total Bonds</b>	<b>\$233,010</b>	<b>\$294,177</b>	<b>\$527,187</b>
<b>Notes and Loans:</b>			
HUD – Neighborhood Streets and Parks	\$472		\$472
CIEDB – Roeding Business Park	1,561		1,561
SMG – Employee Benefits Cost Reimbursement		-	-
State Water Resources Control Board Loans		\$329,469	329,469
Clean Water – Southwest Quadrant		33,426	33,426
Safe Drinking Water Loans		40,717	40,717
<b>Total Notes and Loans</b>	<b>\$2,033</b>	<b>\$403,612</b>	<b>\$405,645</b>
<b>Capital Leases</b>	<b>39,696</b>		<b>39,696</b>
<b>Total City Debt</b>	<b>\$274,739</b>	<b>\$697,789</b>	<b>\$972,528</b>

\* Partial defeasance of Sewer 2008 Bonds during September 2018 reduced principal by \$132.5 million.

\*\* Issuance of Airport Parking Garage Bonds during May 2019 increased principal by \$35 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.