



City of Fresno
Monthly Financial Report
For the Seven Months Ended January 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	310,393	165,029	53%	169,543
Expenditures	(300,725)	(169,931)	57%	(169,238)
Revenues Over (Under) Expenditures	<u>9,668</u>	<u>(4,902)</u>		<u>305</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	84,518	43,716	52%	52,182
Prop. 172 Sales Tax	3,092	1,793	58%	1,936
Property Tax	126,531	67,033	53%	62,770
Business Tax	18,961	11,790	62%	10,853
Franchise Tax	13,487	3,645	27%	4,025
Other Local Taxes	13,641	8,626	63%	8,428
Card Room Receipts	1,092	589	54%	596
Charges for Services	16,670	8,405	50%	7,934
Development Fees	17,233	9,862	57%	9,315
Intergovernmental Revenues	6,025	4,712	78%	2,452
Intragovernmental Revenues	13,244	7,072	53%	5,334
Transfers In/Out	(16,735)	(3,460)	21%	(8,354)
All Other Revenue Sources	12,634	1,246	10%	12,072
Total General Fund Revenues	<u>310,393</u>	<u>165,029</u>	<u>53%</u>	<u>169,543</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the seven months ended January 31, 2018 were \$165.0 million. This is a decrease of \$4.5 million, or -2.7%, below actual revenues during the first seven months of last fiscal year. Total revenues at the end of January 2017 are at 53.2% of the annual estimate for Fiscal Year 2018.

Sales Tax revenues during the first seven months decreased \$8.5 million (-16.2%) compared to the first seven 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 seven months ended January 31, 2018 increased \$4.3 million (6.8%) mostly due to increased real and secured personal property taxes this fiscal year compared to the same period last fiscal year.

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.

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For the Seven Months Ended January 31, 2018

(All figures in thousands)

Intergovernmental Revenues during the first seven months increased \$2.3 million (92.2%) from the same period last year mostly due to State and Federal grants, reimbursements to the Police Department for school resources officers, and payment from the RDA Successor Agency. Intragovernmental Revenues during the seven months ended January 31, 2018 increased \$1.7 million (32.6%) compared to the same period last fiscal year primarily due to increased variable reimbursements.

Transfers In/Out during the seven months ended January 31, 2018 were down \$4.9 million (-58.6%) compared to the same time last year due to a transfer last fiscal year to the Convention Center that was not replicated this year, payoff of the Judgment Obligation Bond last fiscal year, as well as timing difference and savings on debt service obligations after the bond refunding in May 2017. All Other Revenue occurring in the first seven months of Fiscal Year 2018 is down \$10.8 million (-89.7%) compared to the first seven months of last fiscal year due to timing difference in the posting of General Fund carryover.

As of January 31st, the City maintained \$23.8 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	160,377	90,874	57%	87,454
Fire Department	60,443	35,044	58%	35,610
Parks, Recreation & Community Services	13,687	8,526	62%	8,001
Finance/Purchasing/Central Printing	6,978	3,737	54%	4,420
Public Works	9,635	5,477	57%	4,635
City Council Offices	3,670	1,522	41%	1,683
City Clerk's Office	813	448	55%	488
Office of the Mayor/City Manager/Budget	3,858	2,038	53%	1,396
Development and Resource Management (DARM)	27,468	13,132	48%	16,446
Personnel	3,112	1,686	54%	2,005
City Attorney's Office	5,645	3,110	55%	2,945
General City Purposes	9,986	4,337	43%	4,155
Attrition Savings	(4,947)	0	0%	0
Total General Fund Expenditures	300,725	169,931	57%	169,238

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	172,788	97,538	56%	98,943
Salaries and Benefits Others	38,191	24,069	63%	23,114
Overtime Public Protection	4,387	4,312	98%	3,671
Overtime Others	64	85	133%	127
Pension Obligation Bonds	12,750	3,385	27%	3,552
Operations and Maintenance	35,146	20,615	59%	18,313
Interdepartmental Charges	31,689	16,526	52%	16,362
Capital	5,710	3,401	60%	5,156
Total General Fund Expenditures	300,725	169,931	57%	169,238

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the seven months ended January 31, 2018 were \$169.9 million. This is an increase of \$0.7 million (0.4%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first seven months this year with last year, the Police and Fire Departments experienced \$3.4 million (3.9%) increase and \$0.6 million (-1.6%) decrease respectively. The changes in those two departments' expenditures are primarily due to increased Police equipment maintenance, vehicle leases, and professional services, and savings in Fire personnel and overtime costs. Public Works expenditures increased \$0.8 million (18.2%) during the first seven 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 outside professional services. DARM experienced a \$3.3 million (-20.2%) decrease for the seven months ended January 31, 2018 compared to the same period last year mostly due to the purchase and licensing of new software last fiscal year, reduced cost for City Hall Rent after the bond refunding in May 2017, and lower costs for special projects.

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. Personnel expenditures during the four months ended January 31, 2018 decreased \$0.3 million (-15.9%) compared to the same period last fiscal year mostly due to reduced cost of City Hall Rent and salary savings.

By category, Salaries/Benefits for Public Protection and Others experienced \$1.4 million (-1.4%) decrease and \$1.0 million (4.1%) increase respectively. Operations and Maintenance for the first seven months of FY2018 is up \$2.3 million (12.6%) compared to the same period last year primarily due to equipment repairs, professional services, utilities, rock & mineral products, and special project expenditures.

Capital expenditures during the first seven months of Fiscal Year 2018 are down \$1.8 million (-34.0%) compared to last year due to last year's purchase of new software for DARM partially offset by increased costs for police vehicle leases.

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	5,453	70%	5,204
Carryover	<u>5,266</u>	<u>5,810</u>	110%	<u>6,566</u>
Available Resources	13,112	11,263		11,770
Expenditures	<u>(11,439)</u>	<u>(5,506)</u>	48%	<u>(4,409)</u>
Available Resources Over/(Under) Expenditures	<u>1,673</u>	<u>5,757</u>		<u>7,361</u>
Transportation/FAX				
Revenues	30,990	5,364	17%	8,681
Carryover	<u>3,459</u>	<u>1,411</u>	41%	<u>5,003</u>
Available Resources	34,449	6,775		13,684
Expenditures	<u>(34,421)</u>	<u>(17,912)</u>	52%	<u>(16,884)</u>
Available Resources Over/(Under) Expenditures	<u>28</u>	<u>(11,137)</u>		<u>(3,200)</u>
Airport Operating				
Revenues	18,701	10,777	58%	9,107
Carryover	<u>23,623</u>	<u>24,328</u>	103%	<u>20,372</u>
Available Resources	42,324	35,105		29,479
Expenditures	<u>(16,701)</u>	<u>(8,931)</u>	53%	<u>(8,201)</u>
Available Resources Over/(Under) Expenditures	<u>25,623</u>	<u>26,174</u>		<u>21,278</u>
Sewer System				
Revenues	74,461	37,671	51%	34,418
Carryover	<u>18,954</u>	<u>20,634</u>	109%	<u>101,318</u>
Available Resources	93,415	58,305		135,736
Expenditures	<u>(92,569)</u>	<u>(35,070)</u>	38%	<u>(29,443)</u>
Available Resources Over/(Under) Expenditures	<u>846</u>	<u>23,235</u>		<u>106,293</u>
Solid Waste System				
Revenues	35,327	18,357	52%	16,264
Carryover	<u>3,257</u>	<u>3,521</u>	108%	<u>3,866</u>
Available Resources	38,584	21,878		20,130
Expenditures	<u>(35,288)</u>	<u>(15,810)</u>	45%	<u>(15,194)</u>
Available Resources Over/(Under) Expenditures	<u>3,296</u>	<u>6,068</u>		<u>4,936</u>
Water System				
Revenues	98,658	71,232	72%	60,110
Carryover	<u>57,324</u>	<u>70,997</u>	124%	<u>51,176</u>
Available Resources	155,982	142,229		111,286
Expenditures	<u>(105,641)</u>	<u>(43,479)</u>	41%	<u>(43,034)</u>
Available Resources Over/(Under) Expenditures	<u>50,341</u>	<u>98,750</u>		<u>68,252</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 51.6% of total available resources during the first seven months of this fiscal year. Transportation/FAX revenues during the first seven months of this fiscal year are down \$3.3 million (-38.2%) compared to the same period last fiscal year primarily due to lower passenger fares and passes, and federal alternative fuel rebate and State TDA funding received last fiscal year for which similar revenues have not been received this fiscal year. Transportation/FAX carryover represents about 20.8% of total available resources during the first seven months of this fiscal year.

Airport Operating YTD Revenues for the first seven months of Fiscal Year 2018 increased \$1.7 million (18.3%) primarily due to reduced transfers out to other Airport funds, increased rental, concession, landing fees, and parking revenue. Airport Operating carryover represents about 69.3% of total available resources through January 31st.

Sewer System YTD Revenues for the period ended January 31, 2018 increased \$3.3 million (9.5%) mainly due to increased transfers in from loan proceeds to cover tertiary treatment facility construction costs paid from the operating fund and increased customer charges. Sewer System carryover represents about 35.4% of total available resources for the first seven months of this fiscal year.

Solid Waste YTD Revenues for the seven months ended January 31, 2018 increased \$2.1 million (12.9%) from the same period last fiscal year primarily due to timing difference in the transfer out to the Fleet Replacement fund and increased customer charges. Solid Waste carryover represents about 16.1% of total available resources for the first seven months of this fiscal year.

Water System YTD Revenues for the first seven months of this fiscal year increased \$11.1 million (18.5%) primarily due to increased customer charges. Water System carryover represents about 49.9% of total available resources through January 31, 2018.

Community Sanitation expenditures during the first seven months of Fiscal Year 2018 increased \$1.1 million (24.9%) mostly due to costs for personnel, interdepartmental charges for projects, and specialized services. Transportation/FAX expenditures during the seven months ended January 31, 2018 increased \$1.0 million (6.1%) mostly due to costs for personnel, outside professional services, and interdepartmental charges. Sewer System expenditures during the first seven months of Fiscal Year 2018 increased \$5.6 million (19.1%) compared to last fiscal year primarily due to contract construction, and costs for technical services.

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	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
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	\$263,695	\$422,857	\$686,552
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		\$291	291
State Water Resources Control Board Loans		130,138	130,138
Clean Water – Southwest Quadrant		32,250	32,250
Safe Drinking Water Loans		43,508	43,508
Total Notes and Loans	2,466	206,187	208,653
Capital Leases	\$27,518		\$27,518
Total City Debt	\$293,679	\$629,044	\$922,723

*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.