



**City of Fresno**  
**Monthly Financial Report**  
**For the Eight Months Ended February 28, 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	310,642	177,009	57%	185,189
Expenditures	(300,605)	(191,312)	64%	(189,248)
Revenues Over (Under) Expenditures	<u>10,037</u>	<u>(14,303)</u>		<u>(4,059)</u>

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	84,518	51,495	61%	59,977
Prop. 172 Sales Tax	3,092	2,037	66%	2,153
Property Tax	126,531	67,333	53%	64,012
Business Tax	18,961	11,926	63%	10,993
Franchise Tax	13,487	4,593	34%	4,797
Other Local Taxes	13,641	9,474	69%	9,001
Card Room Receipts	1,092	679	62%	694
Charges for Services	16,670	9,812	59%	9,174
Development Fees	17,235	11,214	65%	10,616
Intergovernmental Revenues	6,273	5,895	94%	4,744
Intragovernmental Revenues	13,243	8,028	61%	6,149
Transfers In/Out	(16,735)	(7,356)	44%	(8,848)
All Other Revenue Sources	12,634	1,879	15%	11,727
Total General Fund Revenues	<u>310,642</u>	<u>177,009</u>	<u>57%</u>	<u>185,189</u>

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the eight months ended February 28, 2018 were \$177.0 million. This is a decrease of \$8.2 million, or -4.4%, below actual revenues during the first eight months of last fiscal year. Total revenues at the end of February 2018 are at 57.0% of the annual estimate for Fiscal Year 2018.

Sales Tax revenues during the first eight months decreased \$8.5 million (-14.1%) compared to the first eight 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 eight months ended February 28, 2018 increased \$3.3 million (5.2%) mostly due to increased real and secured personal property taxes, and higher VLF swap revenue 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.

Intergovernmental Revenues during the first eight months increased \$1.2 million (24.3%) from the same period last year mostly due to State grants and reimbursements. Intragovernmental Revenues during the eight months ended February 28, 2018 increased \$1.9 million (30.6%) compared to the same period last fiscal year primarily due to increased variable and fixed reimbursements.

Transfers In/Out during the eight months ended February 28, 2018 were down \$1.5 million (-16.9%) compared to the same time last year due 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 eight months of Fiscal Year 2018 is down \$9.8 million (-84.0%) compared to the first eight months of last fiscal year due to timing difference in the posting of General Fund carryover.

As of February 28<sup>th</sup>, 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**

<b>Expenditure Type</b>	<b>Amended Budget</b>	<b>YTD Actual</b>	<b>% of Budget</b>	<b>Prior Year Actuals</b>
Police Department	160,275	102,507	64%	98,222
Fire Department	60,445	39,085	65%	39,603
Parks, Recreation & Community Services	13,687	9,469	69%	8,792
Finance/Purchasing/Central Printing	6,958	4,176	60%	4,964
Public Works	9,635	6,011	62%	4,935
City Council Offices	3,670	1,715	47%	1,860
City Clerk's Office	813	473	58%	537
Office of the Mayor/City Manager/Budget	3,858	2,313	60%	1,588
Development and Resource Management (DARM)	27,468	15,253	56%	18,469
Personnel	3,112	1,903	61%	2,218
City Attorney's Office	5,645	3,531	63%	3,310
General City Purposes	9,986	4,876	49%	4,750
Attrition Savings	(4,947)	0	0%	0
<b>Total General Fund Expenditures</b>	<b>300,605</b>	<b>191,312</b>	<b>64%</b>	<b>189,248</b>

**GENERAL FUND EXPENDITURES BY TYPE**

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	172,189	110,767	64%	111,362
Salaries and Benefits Others	38,175	27,322	72%	25,987
Overtime Public Protection	4,387	4,720	108%	3,988
Overtime Others	64	94	147%	136
Pension Obligation Bonds	12,750	3,385	27%	3,552
Operations and Maintenance	35,416	22,805	64%	20,570
Interdepartmental Charges	31,724	18,718	59%	18,397
Capital	5,900	3,501	59%	5,256
<b>Total General Fund Expenditures</b>	<b>300,605</b>	<b>191,312</b>	<b>64%</b>	<b>189,248</b>

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the eight months ended February 28, 2018 were \$191.3 million. This is an increase of \$2.1 million (1.1%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first eight months this year with last year, the Police and Fire Departments experienced \$4.3 million (4.4%) increase and \$0.5 million (-1.3%) decrease respectively. The changes in those two departments' expenditures are primarily due to increased Police personnel costs, vehicle leases, fixed interdepartmental charges, and professional services, which were partially offset by savings in Fire personnel costs. Public Works expenditures increased \$1.1 million (21.8%) during the first eight 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 \$3.2 million (-17.4%) decrease for the eight months ended February 28, 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 February 28, 2018 decreased \$0.3 million (-14.2%) compared to the same period last fiscal year mostly due to salary savings and reduced cost of City Hall Rent.

By category, Salaries/Benefits for Public Protection and Others experienced \$0.6 million (-0.5%) decrease and \$1.3 million (5.1%) increase respectively. Operations and Maintenance for the first eight months of FY2018 is up \$2.2 million (10.9%) compared to the same period last year primarily due to equipment repairs, professional services, utilities, rock & mineral products, and lease expenditures.

Capital expenditures during the first eight months of Fiscal Year 2018 are down \$1.8 million (-33.4%) compared to last year due to last year's purchase of new software for DARM partially offset by increased costs for police vehicle leases and 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.

<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	6,199	79%	5,978
Carryover	<u>5,266</u>	<u>5,810</u>	110%	<u>6,566</u>
Available Resources	13,112	12,009	92%	12,544
Expenditures	<u>(11,439)</u>	<u>(6,311)</u>	55%	<u>(5,068)</u>
Available Resources Over/(Under) Expenditures	<u>1,673</u>	<u>5,698</u>		<u>7,476</u>
<b>Transportation/FAX</b>				
Revenues	30,990	5,966	19%	9,289
Carryover	<u>3,459</u>	<u>1,411</u>	41%	<u>5,003</u>
Available Resources	34,449	7,377	21%	14,292
Expenditures	<u>(34,421)</u>	<u>(20,423)</u>	59%	<u>(19,354)</u>
Available Resources Over/(Under) Expenditures	<u>28</u>	<u>(13,046)</u>		<u>(5,062)</u>
<b>Airport Operating</b>				
Revenues	18,701	12,468	67%	10,513
Carryover	<u>23,623</u>	<u>24,328</u>	103%	<u>20,372</u>
Available Resources	42,324	36,796	87%	30,885
Expenditures	<u>(16,701)</u>	<u>(10,041)</u>	60%	<u>(9,217)</u>
Available Resources Over/(Under) Expenditures	<u>25,623</u>	<u>26,755</u>		<u>21,668</u>
<b>Sewer System</b>				
Revenues	74,461	39,246	53%	35,718
Carryover	<u>18,954</u>	<u>20,634</u>	109%	<u>101,318</u>
Available Resources	93,415	59,880	64%	137,036
Expenditures	<u>(92,569)</u>	<u>(37,902)</u>	41%	<u>(33,874)</u>
Available Resources Over/(Under) Expenditures	<u>846</u>	<u>21,978</u>		<u>103,162</u>
<b>Solid Waste System</b>				
Revenues	35,327	20,787	59%	18,774
Carryover	<u>3,257</u>	<u>3,521</u>	108%	<u>3,866</u>
Available Resources	38,584	24,308	63%	22,640
Expenditures	<u>(35,288)</u>	<u>(18,008)</u>	51%	<u>(17,614)</u>
Available Resources Over/(Under) Expenditures	<u>3,296</u>	<u>6,300</u>		<u>5,026</u>
<b>Water System</b>				
Revenues	98,658	77,491	79%	69,986
Carryover	<u>57,324</u>	<u>70,997</u>	124%	<u>51,176</u>
Available Resources	155,982	148,488	95%	121,162
Expenditures	<u>(105,641)</u>	<u>(50,144)</u>	47%	<u>(45,940)</u>
Available Resources Over/(Under) Expenditures	<u>50,341</u>	<u>98,344</u>		<u>75,222</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 48.4% of total available resources during the first eight months of this fiscal year. Transportation/FAX revenues during the first eight months of this fiscal year are down \$3.3 million (-35.8%) 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 19.1% of total available resources during the first eight months of this fiscal year.

Airport Operating YTD Revenues for the first eight months of Fiscal Year 2018 increased \$2.0 million (18.6%) 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 66.1% of total available resources through February 28<sup>th</sup>.

Sewer System YTD Revenues for the period ended February 28, 2018 increased \$3.5 million (9.9%) 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 34.5% of total available resources for the first eight months of this fiscal year.

Solid Waste YTD Revenues for the eight months ended February 28, 2018 increased \$2.0 million (10.7%) 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 14.5% of total available resources for the first eight months of this fiscal year.

Water System YTD Revenues for the first eight months of this fiscal year increased \$7.5 million (10.7%) primarily due to increased customer charges. Water System carryover represents about 47.8% of total available resources through February 28, 2018.

Community Sanitation expenditures during the first eight months of Fiscal Year 2018 increased \$1.2 million (24.5%) mostly due to costs for personnel, interdepartmental charges for projects, and specialized services. Transportation/FAX expenditures during the eight months ended February 28, 2018 increased \$1.1 million (5.5%) mostly due to costs for personnel, and interdepartmental charges. Sewer System expenditures during the first eight months of Fiscal Year 2018 increased \$4.0 million (11.9%) compared to last fiscal year primarily due to contract construction. Water System expenditures during the eight months ended February 28, 2018 increased \$4.2 million (9.2%) compared to the same period last fiscal year mostly due to fees for water purchases, outside repairs of improvements, and engineering & design 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	\$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		\$287	287
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
<b>Total Notes and Loans</b>	<b>2,466</b>	<b>206,183</b>	<b>208,649</b>
<b>Capital Leases</b>	<b>\$27,383</b>		<b>\$27,383</b>
<b>Total City Debt</b>	<b>\$293,544</b>	<b>\$629,040</b>	<b>\$922,584</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.