



**City of Fresno**  
**Monthly Financial Report**  
**For the Ten Months Ended April 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                           | 317,750        | 244,317      | 77%         | 219,278            |
| Expenditures                       | (307,050)      | (237,780)    | 77%         | 231,823            |
| Revenues Over (Under) Expenditures | <u>10,700</u>  | <u>6,537</u> |             | <u>(12,545)</u>    |

**GENERAL FUND REVENUES**

| Revenues                    | Amended Budget | YTD Actual     | % of Budget | Prior Year Actuals |
|-----------------------------|----------------|----------------|-------------|--------------------|
| Sales & Use Tax             | 84,518         | 64,915         | 77%         | 72,595             |
| Prop. 172 Sales Tax         | 3,092          | 2,607          | 84%         | 2,695              |
| Property Tax                | 126,531        | 93,820         | 74%         | 68,267             |
| Business Tax                | 18,961         | 15,702         | 83%         | 14,544             |
| Franchise Tax               | 13,487         | 10,036         | 74%         | 10,749             |
| Other Local Taxes           | 13,641         | 12,359         | 91%         | 11,272             |
| Card Room Receipts          | 1,092          | 875            | 80%         | 875                |
| Charges for Services        | 16,670         | 13,060         | 78%         | 12,004             |
| Development Fees            | 17,235         | 14,301         | 83%         | 13,800             |
| Intergovernmental Revenues  | 6,334          | 6,926          | 109%        | 5,171              |
| Intragovernmental Revenues  | 13,243         | 10,674         | 81%         | 8,197              |
| Transfers In/Out            | (18,303)       | (20,996)       | 115%        | (14,429)           |
| All Other Revenue Sources   | 21,249         | 20,038         | 94%         | 13,538             |
| Total General Fund Revenues | <u>317,750</u> | <u>244,317</u> | <u>77%</u>  | <u>219,278</u>     |

**ANALYSIS OF GENERAL FUND REVENUES**

General Fund revenues for the ten months ended April 30, 2018 were \$244.3 million. This is an increase of \$25.0 million, or 11.4%, above actual revenues during the first ten months of last fiscal year. Total revenues at the end of April 2018 are at 76.9% of the annual estimate for Fiscal Year 2018.

Sales Tax revenues during the first ten months decreased \$7.7 million (-10.6%) compared to the first ten 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 ten months ended April 30, 2018 increased \$25.6 million (37.4%) compared to last year primarily due to timing of the VLF Swap payment and increased Real & Secured Personal Property taxes. Other Local Taxes during the first ten months increased \$1.1 million (9.6%) mostly due to increased Room Taxes.

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 Ten Months Ended April 30, 2018

(All figures in thousands)

Intergovernmental Revenues during the first ten months increased \$1.8 million (33.9%) from the same period last year mostly due to State grants and reimbursements. Intragovernmental Revenues during the ten months ended April 30, 2018 increased \$2.5 million (30.2%) compared to the same period last fiscal year primarily due to increased variable and fixed reimbursements.

Transfers In/Out during the ten months ended April 30, 2018 were up \$6.6 million (45.5%) compared to the same time last year due differences of debt service obligations after the bond refunding in May 2017. All Other Revenue occurring in the first ten months of Fiscal Year 2018 increased \$6.5 million (48.0%) compared to the first ten months of last fiscal year mostly due to higher General Fund carryover.

As of April 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                          | 161,682               | 126,206           | 78%                | 121,180                   |
| Fire Department                            | 61,118                | 48,155            | 79%                | 48,279                    |
| Parks, Recreation & Community Services     | 14,529                | 11,374            | 78%                | 11,239                    |
| Finance/Purchasing/Central Printing        | 6,923                 | 5,511             | 80%                | 6,040                     |
| Public Works                               | 10,479                | 7,257             | 69%                | 5,973                     |
| City Council Offices                       | 3,789                 | 2,428             | 64%                | 2,220                     |
| City Clerk's Office                        | 813                   | 653               | 80%                | 645                       |
| Office of the Mayor/City Manager/Budget    | 3,866                 | 2,958             | 77%                | 1,949                     |
| Development and Resource Management (DARM) | 27,760                | 19,918            | 72%                | 21,682                    |
| Personnel                                  | 3,112                 | 2,509             | 81%                | 2,563                     |
| City Attorney's Office                     | 5,645                 | 4,545             | 81%                | 4,032                     |
| General City Purposes                      | 12,281                | 6,266             | 51%                | 6,021                     |
| Attrition Savings                          | (4,947)               | 0                 | 0%                 | 0                         |
| <b>Total General Fund Expenditures</b>     | <b>307,050</b>        | <b>237,780</b>    | <b>77%</b>         | <b>231,823</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 | 171,897               | 137,139           | 80%                | 136,404                   |
| Salaries and Benefits Others            | 38,590                | 33,898            | 88%                | 31,667                    |
| Overtime Public Protection              | 4,387                 | 5,481             | 125%               | 4,639                     |
| Overtime Others                         | 64                    | 117               | 183%               | 169                       |
| Pension Obligation Bonds                | 12,751                | 3,385             | 27%                | 3,552                     |
| Operations and Maintenance              | 38,501                | 27,653            | 72%                | 25,287                    |
| Interdepartmental Charges               | 32,249                | 25,836            | 80%                | 23,528                    |
| Capital                                 | 8,611                 | 4,271             | 50%                | 6,577                     |
| <b>Total General Fund Expenditures</b>  | <b>307,050</b>        | <b>237,780</b>    | <b>77%</b>         | <b>231,823</b>            |

**ANALYSIS OF GENERAL FUND EXPENDITURES**

General Fund expenditures for the ten months ended April 30, 2018 were \$237.8 million. This is an increase of \$6.0 million (2.6%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first ten months this year with last year, the Police and Fire Departments experienced \$5.0 million (4.1%) increase and \$0.1 million (-0.3%) 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 \$1.3 million (21.5%) during the first ten 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 \$1.8 million (-8.1%) decrease for the ten months ended April 30, 2018 compared to the same period last year mostly due to the purchase and licensing of new software last fiscal 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 \$0.7 million (0.5%) and \$2.2 million (7.0%) increase respectively. Operations and Maintenance for the first ten months of FY2018 is up \$2.4 million (9.4%) compared to the same period last year primarily due to building and improvement repairs, professional services, utilities, and rock & mineral products. Interdepartmental Charges during the ten months ended April 30, 2018 increased \$2.3 million (9.8%) compared to the same period last year mainly due to increased fleet equipment leases, fleet repair and fuel charges, and fixed charges.

Capital expenditures during the first ten months of Fiscal Year 2018 are down \$2.3 million (-35.1%) 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.

| <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            | 7,296             | 93%                | 7,553             |
| Carryover                                     | <u>5,266</u>     | <u>5,810</u>      | 110%               | <u>6,566</u>      |
| Available Resources                           | 13,112           | 13,106            | 100%               | 14,119            |
| Expenditures                                  | <u>(11,439)</u>  | <u>(8,139)</u>    | 71%                | <u>(6,468)</u>    |
| Available Resources Over/(Under) Expenditures | <u>1,673</u>     | <u>4,967</u>      |                    | <u>7,651</u>      |
| <b>Transportation/FAX</b>                     |                  |                   |                    |                   |
| Revenues                                      | 30,990           | 23,747            | 77%                | 10,368            |
| Carryover                                     | <u>3,459</u>     | <u>1,411</u>      | 41%                | <u>5,003</u>      |
| Available Resources                           | 34,449           | 25,158            | 73%                | 15,371            |
| Expenditures                                  | <u>(34,421)</u>  | <u>(26,335)</u>   | 77%                | <u>(23,761)</u>   |
| Available Resources Over/(Under) Expenditures | <u>28</u>        | <u>(1,177)</u>    |                    | <u>(8,390)</u>    |
| <b>Airport Operating</b>                      |                  |                   |                    |                   |
| Revenues                                      | 18,701           | 16,342            | 87%                | 13,309            |
| Carryover                                     | <u>23,623</u>    | <u>24,328</u>     | 103%               | <u>20,372</u>     |
| Available Resources                           | 42,324           | 40,670            | 96%                | 33,681            |
| Expenditures                                  | <u>(16,701)</u>  | <u>(12,334)</u>   | 74%                | <u>(11,542)</u>   |
| Available Resources Over/(Under) Expenditures | <u>25,623</u>    | <u>28,336</u>     |                    | <u>22,139</u>     |
| <b>Sewer System</b>                           |                  |                   |                    |                   |
| Revenues                                      | 74,461           | 54,517            | 73%                | (46,310)          |
| Carryover                                     | <u>18,954</u>    | <u>20,634</u>     | 109%               | <u>101,318</u>    |
| Available Resources                           | 93,415           | 75,151            | 80%                | 55,008            |
| Expenditures                                  | <u>(92,569)</u>  | <u>(45,830)</u>   | 50%                | <u>(40,919)</u>   |
| Available Resources Over/(Under) Expenditures | <u>846</u>       | <u>29,321</u>     |                    | <u>14,089</u>     |
| <b>Solid Waste System</b>                     |                  |                   |                    |                   |
| Revenues                                      | 35,327           | 21,547            | 61%                | 24,406            |
| Carryover                                     | <u>3,257</u>     | <u>3,521</u>      | 108%               | <u>3,866</u>      |
| Available Resources                           | 38,584           | 25,068            | 65%                | 28,272            |
| Expenditures                                  | <u>(35,288)</u>  | <u>(22,506)</u>   | 64%                | <u>(22,091)</u>   |
| Available Resources Over/(Under) Expenditures | <u>3,296</u>     | <u>2,562</u>      |                    | <u>6,181</u>      |
| <b>Water System</b>                           |                  |                   |                    |                   |
| Revenues                                      | 98,658           | 91,622            | 93%                | 81,338            |
| Carryover                                     | <u>57,324</u>    | <u>70,997</u>     | 124%               | <u>51,176</u>     |
| Available Resources                           | 155,982          | 162,619           | 104%               | 132,514           |
| Expenditures                                  | <u>(105,641)</u> | <u>(59,992)</u>   | 57%                | <u>(52,562)</u>   |
| Available Resources Over/(Under) Expenditures | <u>50,341</u>    | <u>102,627</u>    |                    | <u>79,952</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 44.3% of total available resources during the first ten months of this fiscal year. Transportation/FAX revenues during the first ten months of this fiscal year are up \$13.4 million (129.0%) compared to the same period last fiscal year primarily due to increased funds from the State TDA program. Transportation/FAX carryover represents about 5.6% of total available resources during the first ten months of this fiscal year.

Airport Operating YTD Revenues for the first ten months of Fiscal Year 2018 increased \$3.0 million (22.8%) 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 59.8% of total available resources through April 30<sup>th</sup>.

Sewer System YTD Revenues for the period ended April 30, 2018 increased \$100.8 million (217.7%) 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 27.5% of total available resources for the first ten months of this fiscal year.

Solid Waste YTD Revenues for the ten months ended April 30, 2018 decreased \$2.9 million (-11.7%) from the same period last fiscal year primarily due to increased transfer out to the Fleet Replacement fund. Solid Waste carryover represents about 14.0% of total available resources for the first ten months of this fiscal year.

Water System YTD Revenues for the first ten months of this fiscal year increased \$10.3 million (12.6%) primarily due to increased customer charges. Water System carryover represents about 43.7% of total available resources through April 30, 2018.

Community Sanitation expenditures during the first ten months of Fiscal Year 2018 increased \$1.7 million (25.8%) mostly due to costs for personnel, specialized services, and interdepartmental charges for projects. Transportation/FAX expenditures during the ten months ended April 30, 2018 increased \$2.6 million (10.8%) mostly due to costs for personnel, interdepartmental charges, and specialized services. Sewer System expenditures during the first ten months of Fiscal Year 2018 increased \$4.9 million (12.0%) compared to last fiscal year primarily due to contract construction. Water System expenditures during the ten months ended April 30, 2018 increased \$7.4 million (14.1%) 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**

| <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                   |                     | 17,978               | 17,978                       |
| Stadium Project                                  |                     | 28,740               | 28,740                       |
| <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>\$257,115</b>    | <b>\$424,208</b>     | <b>\$681,323</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       |                     | \$281                | 281                          |
| 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                       |
| <b>Total Notes and Loans</b>                     | <b>\$2,466</b>      | <b>\$331,190</b>     | <b>\$333,656</b>             |
| <b>Capital Leases</b>                            | <b>\$26,687</b>     |                      | <b>\$26,687</b>              |
| <b>Total City Debt</b>                           | <b>\$286,268</b>    | <b>\$755,398</b>     | <b>\$1,041,666</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.