



City of Fresno
Monthly Financial Report
For the Two Months Ended August 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	323,634	20,309	6%	20,391
Expenditures	(321,500)	(45,292)	14%	(45,715)
Revenues Over (Under) Expenditures	<u>2,134</u>	<u>(24,983)</u>		<u>(25,324)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	6,810	7%	7,588
Prop. 172 Sales Tax	3,156	543	17%	535
Property Tax	131,683	0	0%	132
Business Tax	19,640	1,529	8%	1,465
Franchise Tax	14,350	667	5%	390
Other Local Taxes	14,544	2,941	20%	2,695
Card Room Receipts	971	167	17%	159
Charges for Services	16,519	2,719	16%	2,717
Development Fees	19,266	3,138	16%	3,065
Intergovernmental Revenues	10,270	1,141	11%	1,303
Intragovernmental Revenues	14,591	1,032	7%	946
Transfers In/Out	(31,597)	(910)	3%	(936)
All Other Revenue Sources	12,576	532	4%	332
Total General Fund Revenues	<u>323,634</u>	<u>20,309</u>	<u>6%</u>	<u>20,391</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the two months ended August 31, 2018 were \$20.3 million. This is a decrease of \$0.1 million, or -0.4%, below actual revenues during the first two months of last fiscal year. Total revenues at the end of August 2018 are at 6.3% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first two months of Fiscal Year 2019 decreased \$0.8 million (-10.3%) compared to the first two months last fiscal year. Property Tax revenues during the two months ended August 31, 2018 decreased \$0.1 million (-100%) compared to last year due to payment for delinquent property taxes received last year for which there is no similar payment this year. Franchise Tax revenues during the first two months of Fiscal Year 2019 increased \$0.3 million (71.0%) due to timing differences in the receipt of the commercial solid waste franchise tax.

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. All Other Revenue occurring in the first two months of Fiscal Year 2019

increased \$0.2 million (60.2%) compared to the first two months of last fiscal year mostly due to reimbursements for property losses due to vehicle accidents.

As of August 31st, the City maintained \$27.5 million in the General Fund Emergency Reserve. \$3.5 million of those funds are associated with the repayment of loans made by the City to the former RDA which were received in July 2018. 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	170,856	24,343	15%	24,041
Fire Department	62,226	9,622	16%	9,670
Parks, Recreation & Community Services	17,082	1,861	11%	2,341
Finance/Purchasing/Central Printing	7,389	1,064	14%	875
Public Works	9,093	1,228	14%	2,046
City Council Offices	4,187	512	12%	402
City Clerk's Office	910	135	15%	125
Office of the Mayor/City Manager/Budget	4,134	596	14%	539
Development and Resource Management (DARM)	30,384	3,283	11%	3,424
Personnel	3,224	433	13%	414
City Attorney's Office	6,331	913	14%	822
General City Purposes	11,131	1,302	12%	1,016
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	321,500	45,292	14%	45,715

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	183,942	26,670	14%	26,474
Salaries and Benefits Others	42,376	6,797	16%	6,655
Overtime Public Protection	4,787	1,586	33%	1,111
Overtime Others	68	37	55%	20
Pension Obligation Bonds	12,720	0	0%	0
Operations and Maintenance	38,782	5,988	15%	7,360
Interdepartmental Charges	26,487	2,813	11%	2,855
Capital	12,338	1,401	11%	1,240
Total General Fund Expenditures	321,500	45,292	14%	45,715

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the two months ended August 31, 2018 were \$45.3 million. This is a decrease of \$0.4 million (-0.9%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first two months this year with last year, the Police Department experienced \$0.3 million (1.3%) increase, while the Fire Department's expenditures were virtually unchanged from last year's levels. The change in Police's expenditures is primarily due to increased Police personnel costs. Parks, Recreation & Community Services' expenditures decreased \$0.5 million (-20.5%) during the first two months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to lower utility costs.

Public Works expenditures decreased \$0.8 million (-40.0%) during the first two months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to lower contract construction expenditures, and a drop in the cost for rock and mineral products. General City Purpose's expenditures increased \$0.3 million (28.2%) for the two months ended August 31, 2018 compared to the same period last year mostly due to a CDBG payment to HUD this year for which there was no similar payment last 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.

By category, Salaries/Benefits for Public Protection and Others increased \$0.2 million (0.7%) and \$0.1 million (2.1%) respectively during the first two months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the two months ended August 31, 2018 increased \$0.5 million (42.8%) compared to the same period last year.

Operations and Maintenance for the first two months of FY2019 is down \$1.4 million (-18.6%) compared to the same period last year primarily due to lower professional and specialized services, and utilities costs. Capital expenditures during the first two months of Fiscal Year 2019 are up \$0.2 million (13.0%) compared to last year due to increased costs for leased equipment.

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	8,296	1,656	20%	1,488
Carryover	<u>3,155</u>	<u>3,954</u>	125%	<u>5,810</u>
Available Resources	11,451	5,610	49%	7,298
Expenditures	<u>(11,384)</u>	<u>(1,219)</u>	11%	<u>(1,194)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>4,391</u>		<u>6,104</u>
Transportation/FAX				
Revenues	31,791	1,823	6%	1,171
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	(817)	-3%	2,582
Expenditures	<u>(30,172)</u>	<u>(4,714)</u>	16%	<u>(4,451)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(5,531)</u>		<u>(1,869)</u>
Airport Operating				
Revenues	12,789	4,167	33%	3,046
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	45,185	38,483	85%	27,374
Expenditures	<u>(17,561)</u>	<u>(2,823)</u>	16%	<u>(2,862)</u>
Available Resources Over/(Under) Expenditures	<u>27,624</u>	<u>35,660</u>		<u>24,512</u>
Sewer System				
Revenues	87,338	(1,157)	-1%	(899)
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	39,943	32%	19,735
Expenditures	<u>(109,097)</u>	<u>(7,457)</u>	7%	<u>(8,131)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>32,486</u>		<u>11,604</u>
Solid Waste System				
Revenues	38,640	5,422	14%	5,132
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	8,457	20%	8,653
Expenditures	<u>(38,432)</u>	<u>(4,068)</u>	11%	<u>(3,610)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>4,389</u>		<u>5,043</u>
Water System				
Revenues	117,542	23,178	20%	20,056
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	112,797	54%	91,053
Expenditures	<u>(119,342)</u>	<u>(12,658)</u>	11%	<u>(9,111)</u>
Available Resources Over/(Under) Expenditures	<u>88,109</u>	<u>100,139</u>		<u>81,942</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 70.5% of total available resources during the first two months of this fiscal year.

Airport Operating YTD Revenues for the first two months of Fiscal Year 2019 increased \$1.1 million (36.8%) primarily due to use and landing fees, concessions, parking revenue, inspection station fees, and rentals. Airport Operating carryover represents about 89.2% of total available resources through August 31st.

Sewer System carryover represents about 102.9% of total available resources for the first two months of this fiscal year. Solid Waste carryover represents about 35.9% of total available resources for the first two months of this fiscal year.

Water System YTD Revenues for the first two months of this fiscal year increased \$3.1 million (15.6%) primarily due to increased customer charges. Water System carryover represents about 79.5% of total available resources through August 31, 2018.

Water System expenditures during the two months ended August 31, 2018 increased \$3.5 million (38.9%) 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

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	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
Judgment Bonds:			
Pension Obligation Bonds	124,245		124,245
Enterprise Bonds:			
Water		130,725	130,725
Sewer		176,915	176,915
Airport		47,715	47,715
Total Bonds	\$249,520	\$412,337	\$661,857
Notes and Loans:			
HUD – FMAAA	\$135		\$135
HUD – Neighborhood Streets and Parks	472		472
CIEDB – Roeding Business Park	1,561		1,561
SMG – Employee Benefits Cost Reimbursement		\$264	264
State Water Resources Control Board Loans		304,959	304,959
Clean Water – Southwest Quadrant		21,474	21,474
Safe Drinking Water Loans		42,150	42,150
Total Notes and Loans	\$2,168	\$368,847	\$371,015
Capital Leases	28,556		28,556
Total City Debt	\$280,244	\$781,184	\$1,061,428

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.