



City of Fresno
Monthly Financial Report
For the Three Months Ended September 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	323,856	30,524	9%	33,833
Expenditures	(321,183)	(68,599)	21%	69,127
Revenues Over (Under) Expenditures	<u>2,673</u>	<u>(38,075)</u>		<u>(35,294)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	13,932	14%	15,750
Prop. 172 Sales Tax	3,156	809	26%	788
Property Tax	131,683	371	0%	654
Business Tax	19,640	1,740	9%	1,949
Franchise Tax	14,350	716	5%	929
Other Local Taxes	14,544	4,440	31%	3,781
Card Room Receipts	971	256	26%	252
Charges for Services	16,519	3,963	24%	4,051
Development Fees	19,266	4,460	23%	4,458
Intergovernmental Revenues	10,492	1,289	12%	2,261
Intragovernmental Revenues	14,591	2,064	14%	2,033
Transfers In/Out	(31,597)	(4,164)	13%	(3,652)
All Other Revenue Sources	12,576	648	5%	579
Total General Fund Revenues	<u>323,856</u>	<u>30,524</u>	<u>9%</u>	<u>33,833</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the three months ended September 30, 2018 were \$30.5 million. This is a decrease of \$3.3 million, or -9.8%, below actual revenues during the first three months of last fiscal year. Total revenues at the end of September 2018 are at 9.4% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first three months of Fiscal Year 2019 decreased \$1.8 million (-11.5%) compared to the first three months last fiscal year. Property Tax revenues during the three months ended September 30, 2018 decreased \$0.3 million (-43.3%) 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 three months of Fiscal Year 2019 decreased \$0.2 million (-22.9%) mostly 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. Intergovernmental Revenues occurring in the first three months of Fiscal Year

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For the Three Months Ended September 30, 2018

(All figures in thousands)

2019 decreased \$1.0 million (-43.0%) compared to the first three months of last fiscal year mostly due to lower payment from the RDA Successor Agency and lower reimbursements from the State of California.

As of September 30th, 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	170,731	36,994	23%	36,496
Fire Department	62,226	14,103	24%	14,342
Parks, Recreation & Community Services	17,047	3,218	19%	3,533
Finance/Purchasing/Central Printing	7,354	1,529	21%	1,406
Public Works	9,088	1,940	21%	2,875
City Council Offices	4,187	730	17%	637
City Clerk's Office	910	199	22%	238
Office of the Mayor/City Manager/Budget	4,134	916	22%	852
Development and Resource Management (DARM)	30,267	5,086	17%	5,379
Personnel	3,224	672	21%	683
City Attorney's Office	6,331	1,473	23%	1,245
General City Purposes	11,131	1,739	16%	1,441
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	321,183	68,599	22%	69,127

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	183,746	40,483	22%	39,504
Salaries and Benefits Others	42,190	10,278	24%	9,800
Overtime Public Protection	4,787	2,165	45%	1,858
Overtime Others	68	46	68%	36
Pension Obligation Bonds	12,720	0	0%	0
Operations and Maintenance	38,679	8,523	22%	10,103
Interdepartmental Charges	26,592	5,252	20%	6,300
Capital	12,401	1,852	15%	1,526
Total General Fund Expenditures	321,183	68,599	21%	69,127

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the three months ended September 30, 2018 were \$68.6 million. This is a decrease of \$0.5 million (-0.8%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first three months this year with last year, the Police Department experienced \$0.5 million (1.4%) 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.

Public Works expenditures decreased \$0.9 million (-32.5%) during the first three 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 (20.7%) for the three months ended September 30, 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. City Attorney's Office expenditures increased \$0.2 million (18.3%) during the first three months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to increased salaries and benefits costs.

By category, Salaries/Benefits for Public Protection and Others increased \$1.0 million (2.5%) and \$0.5 million (4.9%) respectively during the first three months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the three months ended September 30, 2018 increased \$0.3 million (16.5%) compared to the same period last year.

Operations and Maintenance for the first three months of FY2019 is down \$1.6 million (-15.6%) compared to the same period last year primarily due to lower professional and specialized services, utilities costs, clothing and personal safety items, and lower rent due to purchase of Fire Headquarters. Interdepartmental Charges for the first three months of FY2019 decreased \$1.0 million (-16.6%) primarily due to lower Fleet charges. Capital expenditures during the first three months of Fiscal Year 2019 increased \$0.3 million (21.4%) compared to last year due to equipment 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	8,296	2,367	29%	2,260
Carryover	<u>3,155</u>	<u>3,954</u>	125%	<u>5,810</u>
Available Resources	11,451	6,321	55%	8,070
Expenditures	<u>(11,384)</u>	<u>(2,506)</u>	22%	<u>(2,120)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>3,815</u>		<u>5,950</u>
Transportation/FAX				
Revenues	31,791	1,704	5%	1,873
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	(936)	-3%	3,284
Expenditures	<u>(30,172)</u>	<u>(7,211)</u>	24%	<u>(6,430)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(8,147)</u>		<u>(3,146)</u>
Airport Operating				
Revenues	12,789	5,997	47%	4,589
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	45,185	40,313	89%	28,917
Expenditures	<u>(17,561)</u>	<u>(4,140)</u>	24%	<u>(3,999)</u>
Available Resources Over/(Under) Expenditures	<u>27,624</u>	<u>36,173</u>		<u>24,918</u>
Sewer System				
Revenues	87,338	5,301	6%	5,610
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	46,401	38%	26,244
Expenditures	<u>(109,097)</u>	<u>(10,609)</u>	10%	<u>(12,791)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>35,792</u>		<u>13,453</u>
Solid Waste System				
Revenues	38,640	7,746	20%	7,649
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	10,781	26%	11,170
Expenditures	<u>(38,432)</u>	<u>(6,829)</u>	18%	<u>(5,898)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>3,952</u>		<u>5,272</u>
Water System				
Revenues	117,542	35,450	30%	31,496
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	125,069	60%	102,493
Expenditures	<u>(120,426)</u>	<u>(19,199)</u>	16%	<u>(15,819)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>105,870</u>		<u>86,674</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 62.6% of total available resources during the first three months of this fiscal year.

Airport Operating YTD Revenues for the first three months of Fiscal Year 2019 increased \$1.4 million (30.7%) primarily due to landing and tie down fees, parking revenue, inspection station fees, concessions, and rentals. Airport Operating carryover represents about 85.1% of total available resources through September 30th.

Sewer System carryover represents about 88.6% of total available resources for the first three months of this fiscal year. Solid Waste carryover represents about 28.2% of total available resources for the first three months of this fiscal year.

Water System YTD Revenues for the first three months of this fiscal year increased \$4.0 million (12.6%) primarily due to increased customer charges. Water System carryover represents about 71.7% of total available resources through September 30, 2018.

Sewer System expenditures for the first three months of this fiscal year decreased \$2.2 million (-17.1%) compared to the same period last fiscal year primarily due to timing of purchases of specialty chemicals.

Solid Waste expenditures for the first three months of this fiscal year increased \$0.9 million (15.8%) compared to the same period last fiscal year mostly due to increased cost for landfill tipping fees and Fleet charges.

Water System expenditures during the three months ended September 30, 2018 increased \$3.4 million (21.4%) compared to the same period last fiscal year mostly due to costs for specialty chemicals, fees for water purchases, 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		13,742	13,742
Stadium Project		28,035	28,035
Judgment Bonds:			
Pension Obligation Bonds	124,245		124,245
Enterprise Bonds:			
Water		130,725	130,725
Sewer*		34,285	34,285
Airport		47,715	47,715
Total Bonds	\$249,520	\$269,432	\$518,952
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		\$260	260
State Water Resources Control Board Loans		304,959	304,959
Clean Water – Southwest Quadrant		24,152	24,152
Safe Drinking Water Loans		42,150	42,150
Total Notes and Loans	\$2,168	\$371,521	\$373,689
Capital Leases	30,490		30,490
Total City Debt	\$282,178	\$640,953	\$923,131

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