



City of Fresno
Monthly Financial Report
For the Four Months Ended October 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	323,856	53,416	16%	49,174
Expenditures	(320,223)	(91,925)	29%	(91,300)
Revenues Over (Under) Expenditures	<u>3,633</u>	<u>(38,509)</u>		<u>(42,126)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	23,249	24%	21,443
Prop. 172 Sales Tax	3,156	1,056	33%	1,024
Property Tax	131,683	1,210	1%	795
Business Tax	19,640	7,121	36%	5,780
Franchise Tax	14,350	882	6%	1,666
Other Local Taxes	14,544	5,723	39%	4,366
Card Room Receipts	971	341	35%	336
Charges for Services	16,519	5,807	35%	5,219
Development Fees	19,266	6,301	33%	5,823
Intergovernmental Revenues	10,492	1,163	11%	2,490
Intragovernmental Revenues	14,591	4,026	28%	2,959
Transfers In/Out	(31,597)	(4,260)	13%	(3,437)
All Other Revenue Sources	12,576	797	6%	710
Total General Fund Revenues	<u>323,856</u>	<u>53,416</u>	<u>16%</u>	<u>49,174</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the four months ended October 31, 2018 were \$53.4 million. This is an increase of \$4.2 million, or 8.6%, above actual revenues during the first four months of last fiscal year. Total revenues at the end of October 2018 are at 16.5% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first four months of Fiscal Year 2019 increased \$1.8 million (8.4%) compared to the first four months last fiscal year. Property Tax revenues during the four months ended October 31, 2018 increased \$0.4 million (52.2%) compared to last year due to higher amount of delinquent property taxes and penalties received.

Business Tax revenues during the four months ended October 31, 2018 increased \$1.3 million (23.2%) from the same period last year primarily due to timing of business tax payments. Franchise Tax revenues during the first four months of Fiscal Year 2019 decreased \$0.8 million (-47.1%) mostly due to timing differences in the receipt of the commercial solid waste franchise tax. Other Local Taxes during the first four months of Fiscal Year 2019 increased \$1.4 million (31.1%) compared to the same period last year mainly due to increased Room Tax revenues.

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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 four months of Fiscal Year 2019 decreased \$1.3 million (-53.3%) compared to the first four months of last fiscal year mostly due to lower payment from the RDA Successor Agency, lower reimbursements from the State of California, and timing of school resource officer reimbursements.

As of October 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	170,115	49,342	30%	48,257
Fire Department	62,226	18,777	32%	19,102
Parks, Recreation & Community Services	16,968	4,439	26%	4,970
Finance/Purchasing/Central Printing	7,272	2,026	28%	1,888
Public Works	9,088	2,510	28%	3,307
City Council Offices	4,187	959	23%	825
City Clerk's Office	910	255	28%	296
Office of the Mayor/City Manager/Budget	4,134	1,238	30%	1,122
Development and Resource Management (DARM)	30,084	7,299	24%	7,020
Personnel	3,224	914	28%	919
City Attorney's Office	6,331	1,937	31%	1,638
General City Purposes	11,131	2,229	20%	1,956
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	320,223	91,925	30%	91,300

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	183,131	54,244	30%	52,480
Salaries and Benefits Others	41,857	13,761	33%	13,000
Overtime Public Protection	4,787	2,601	54%	2,456
Overtime Others	68	60	89%	47
Pension Obligation Bonds	12,720	0	0%	0
Operations and Maintenance	38,661	11,562	30%	12,633
Interdepartmental Charges	26,634	7,463	28%	8,588
Capital	12,365	2,234	18%	2,096
Total General Fund Expenditures	320,223	91,925	29%	91,300

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the four months ended October 31, 2018 were \$91.9 million. This is an increase of \$0.6 million (0.7%) from actual General Fund expenditures during the same period last fiscal year.

Comparing the first four months this year with last year, the Police Department experienced \$1.1 million (2.2%) 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 during the first four months of Fiscal Year 2019 are down \$0.5 million (-10.7%) from the same period last year primarily due to savings for utilities and outside repairs of building and improvements. Public Works expenditures decreased \$0.8 million (-24.1%) during the first four months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to lower contract construction expenditures, a drop in the cost for rock and mineral products, and lower overhead charges. General City Purpose's expenditures increased \$0.3 million (14.0%) for the four months ended October 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. City Attorney's Office expenditures increased \$0.3 million (18.3%) during the first four 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 \$1.8 million (3.4%) and \$0.8 million (5.9%) respectively during the first four months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the four months ended October 31, 2018 increased \$0.1 million (5.9%) compared to the same period last year.

Operations and Maintenance for the first four months of FY2019 is down \$1.1 million (-8.5%) compared to the same period last year primarily due to lower costs for 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 four months of FY2019 decreased \$1.1 million (-13.1%) primarily due to lower Fleet charges.

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	3,187	38%	3,067
Carryover	3,155	3,954	125%	5,810
Available Resources	11,451	7,141	62%	8,877
Expenditures	(11,384)	(3,179)	28%	(2,858)
Available Resources Over/(Under) Expenditures	67	3,962		6,019
Transportation/FAX				
Revenues	31,791	2,307	7%	3,475
Carryover	196	(2,640)	-1347%	1,411
Available Resources	31,987	(333)	-1%	4,886
Expenditures	(30,172)	(10,123)	34%	(9,070)
Available Resources Over/(Under) Expenditures	1,815	(10,456)		(4,184)
Airport Operating				
Revenues	12,789	7,656	60%	6,137
Carryover	32,396	34,316	106%	24,328
Available Resources	45,185	41,972	93%	30,465
Expenditures	(17,561)	(5,327)	30%	(5,301)
Available Resources Over/(Under) Expenditures	27,624	36,645		25,164
Sewer System				
Revenues	87,338	12,788	15%	17,050
Carryover	35,991	41,100	114%	20,634
Available Resources	123,329	53,888	44%	37,684
Expenditures	(109,097)	(15,073)	14%	(24,461)
Available Resources Over/(Under) Expenditures	14,232	38,815		13,223
Solid Waste System				
Revenues	38,640	10,404	27%	10,482
Carryover	2,846	3,035	107%	3,521
Available Resources	41,486	13,439	32%	14,003
Expenditures	(38,432)	(9,439)	25%	(8,265)
Available Resources Over/(Under) Expenditures	3,054	4,000		5,738
Water System				
Revenues	117,542	48,391	41%	43,400
Carryover	89,909	89,619	100%	70,997
Available Resources	207,451	138,010	67%	114,397
Expenditures	(120,426)	(25,217)	21%	(19,540)
Available Resources Over/(Under) Expenditures	87,025	112,793		94,857

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 55.4% of total available resources during the first four months of this fiscal year. Transportation/FAX YTD Revenues for the first four months of Fiscal Year 2019 decreased \$1.2 million (-33.6%) from the same period last fiscal year mainly due to timing of the State TDA payment.

Airport Operating YTD Revenues for the first four months of Fiscal Year 2019 increased \$1.5 million (24.8%) primarily due to landing and tie down fees, parking revenue, inspection station fees, concessions, and rentals. Airport Operating carryover represents about 81.8% of total available resources through October 31st.

Sewer System YTD Revenues for the four months ended October 31, 2018 decreased \$4.3 million (-25.0%) primarily due to a large transfer in last year for which there is no similar transfer this year. Sewer System carryover represents about 76.3% of total available resources for the first four months of this fiscal year. Solid Waste carryover represents about 22.6% of total available resources for the first four months of this fiscal year.

Water System YTD Revenues for the first four months of this fiscal year increased \$5.0 million (11.5%) primarily due to increased customer charges. Water System carryover represents about 64.9% of total available resources through October 31, 2018.

Transportation/FAX expenditures for the first four months of Fiscal Year 2019 increased \$1.1 million (11.6%) compared to the same period last fiscal year primarily due to higher interdepartmental charges, and increased costs for salaries and benefits. Sewer System expenditures for the first four months of this fiscal year decreased \$9.4 million (-38.4%) compared to the same period last fiscal year primarily due to lower contract construction costs.

Solid Waste expenditures for the first four months of this fiscal year increased \$1.2 million (14.2%) compared to the same period last fiscal year mostly due to increased cost for landfill tipping fees, Fleet charges, and increased costs for salaries and benefits. Water System expenditures during the four months ended October 31, 2018 increased \$5.7 million (29.1%) compared to the same period last fiscal year mostly due to costs for specialty chemicals, fees for water purchases, engineering & design services, contract construction, and Information Services charges.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$24,780		\$24,780
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	\$248,730	\$269,432	\$518,162
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		\$257	257
State Water Resources Control Board Loans		306,244	306,244
Clean Water – Southwest Quadrant		25,420	25,420
Safe Drinking Water Loans		42,105	42,105
Total Notes and Loans	\$2,168	\$374,026	\$376,194
Capital Leases	31,773		31,773
Total City Debt	\$282,671	\$643,458	\$926,129

* 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.