



City of Fresno
Monthly Financial Report
For the Ten Months Ended April 30, 2019
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	332,494	261,924	79%	244,317
Expenditures	(326,157)	(249,673)	77%	(237,780)
Revenues Over (Under) Expenditures	6,337	12,251		6,537

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	97,665	69,569	71%	64,915
Prop. 172 Sales Tax	3,156	2,703	86%	2,607
Property Tax	131,683	95,256	72%	93,820
Business Tax	19,640	15,786	80%	15,702
Franchise Tax	14,350	11,588	81%	10,036
Other Local Taxes	14,544	13,014	89%	12,359
Card Room Receipts	971	876	90%	875
Charges for Services	16,592	14,399	87%	13,060
Development Fees	19,266	14,822	77%	14,301
Intergovernmental Revenues	10,542	9,387	89%	6,926
Intragovernmental Revenues	14,591	12,256	84%	10,674
Transfers In/Out	(31,856)	(17,810)	56%	(20,996)
All Other Revenue Sources	21,350	20,078	94%	20,038
Total General Fund Revenues	332,494	261,924	79%	244,317

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for the ten months ended April 30, 2019 were \$261.9 million. This is an increase of \$17.6 million, or 7.2%, above actual revenues during the first ten months of last fiscal year. Total revenues at the end of April 2019 are at 78.8% of the annual estimate for Fiscal Year 2019.

Sales Tax revenues during the first ten months of Fiscal Year 2019 increased \$4.7 million (7.2%) compared to the first ten months last fiscal year. Property Tax revenues during the ten months ended April 30, 2019 increased \$1.4 million (1.5%) compared to last year due to increased Real and Personal Property Tax, and VLF Swap revenues that were partially offset by lower Unsecured Personal Property Tax receipts. Franchise Tax during the first ten months of Fiscal Year 2019 increased \$1.6 million (15.5%) compared to the same period last year mostly due to timing of the Commercial Solid Waste franchise fees. Other Local Taxes during the first ten months of Fiscal Year 2019 increased \$0.7 million (5.3%) compared to the same period last year mainly due to increased Room Tax and Real Estate Transfer Tax revenues.

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.

Charges for Services during the ten months ended April 30, 2019 increased \$1.3 million (10.3%) compared to the same period last year mostly due to higher revenues from plan check and inspection fees, street work and conditional use permits, and vehicle releases and fines. Intergovernmental Revenues occurring in the first ten months of Fiscal Year 2019 increased \$2.5 million (35.5%) compared to the first ten months of last fiscal year mostly due to increased repayments from the RDA Successor Agency that were partially offset by reduced Federal reimbursements. Intragovernmental Revenues during the ten months ended April 30, 2019 increased \$1.6 million (14.8%) compared to the same period last year mostly due to increased fixed and variable reimbursements.

Transfers Out during the ten months ended April 30, 2019 decreased \$3.2 million (-15.2%) compared to the same period last fiscal year mostly due to transfers last year for the Southeast Police station and replenishment of the Self-Insurance fund for which there are no similar transfers this year.

As of April 30th, the City maintained \$24.4 million in the General Fund Emergency Reserve. The balance is up from the beginning of the fiscal year due to interest/investment revenue. 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	168,272	133,299	79%	126,206
Fire Department	65,682	48,993	75%	48,155
Parks, Recreation & Community Services	18,992	11,671	61%	11,374
Finance/Purchasing/Central Printing	7,061	5,535	78%	5,511
Public Works	9,697	7,504	77%	7,257
City Council Offices	4,707	2,690	57%	2,428
City Clerk's Office	910	726	80%	653
Office of the Mayor/City Manager/Budget	4,134	3,330	81%	2,958
Development and Resource Management (DARM)	30,432	21,668	71%	19,918
Personnel	3,224	2,554	79%	2,509
City Attorney's Office	6,381	5,153	81%	4,545
General City Purposes	12,112	6,550	54%	6,266
Attrition Savings	(5,447)	0	0%	0
Total General Fund Expenditures	326,157	249,673	77%	237,780

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	180,882	145,484	80%	137,139
Salaries and Benefits Others	41,588	36,486	88%	33,898
Overtime Public Protection	4,787	5,733	120%	5,481
Overtime Others	68	145	214%	117
Pension Obligation Bonds	12,720	3,187	25%	3,385
Operations and Maintenance	41,128	27,959	68%	27,653
Interdepartmental Charges	27,021	23,236	86%	25,836
Capital	17,963	7,443	41%	4,271
Total General Fund Expenditures	326,157	249,673	77%	237,780

ANALYSIS OF GENERAL FUND EXPENDITURES

General Fund expenditures for the ten months ended April 30, 2019 were \$249.7 million. This is an increase of \$11.9 million (5.0%) 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 increases of \$7.1 million (5.6%) and \$0.8 million (1.7%) respectively. The changes in those two departments' expenditures are primarily due to increased Police and Fire personnel costs which were partially offset by savings on rent for Fire Headquarters and lower Fleet service charges. DARM expenditures during the ten months ended April 30, 2019 increased \$1.7 million (8.8%) compared to the same period last fiscal year mainly due to increased personnel and professional services costs.

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 \$0.6 million (13.4%) during the first ten months of Fiscal Year 2019 compared to the same period last fiscal year mostly due to increased salaries and benefits, and fees for outside legal services.

By category, Salaries/Benefits for Public Protection and Others increased \$8.3 million (6.1%) and \$2.6 million (7.6%) respectively during the first ten months of Fiscal Year 2019 compared to the same period last year. Overtime for Public Protection during the ten months ended April 30, 2019 increased \$0.3 million (4.6%) compared to the same period last year.

Interdepartmental Charges for the first ten months of FY2019 decreased \$2.6 million (-10.1%) primarily due to lower Fleet charges. Capital experienced a \$3.2 million (74.3%) increase for the first ten months of Fiscal Year 2019 compared to the same period last year mostly due to lease payments for police cars paid by Public Safety Fleet within the General Fund.

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	7,014	85%	7,296
Carryover	<u>3,265</u>	<u>3,954</u>	121%	<u>5,810</u>
Available Resources	11,561	10,968	95%	13,106
Expenditures	<u>(11,494)</u>	<u>(8,283)</u>	72%	<u>(8,139)</u>
Available Resources Over/(Under) Expenditures	<u>67</u>	<u>2,685</u>		<u>4,967</u>
Transportation/FAX				
Revenues	31,791	25,101	79%	23,747
Carryover	<u>196</u>	<u>(2,640)</u>	-1347%	<u>1,411</u>
Available Resources	31,987	22,461	70%	25,158
Expenditures	<u>(30,172)</u>	<u>(25,569)</u>	85%	<u>(26,335)</u>
Available Resources Over/(Under) Expenditures	<u>1,815</u>	<u>(3,108)</u>		<u>(1,177)</u>
Airport Operating				
Revenues	9,924	17,805	179%	16,342
Carryover	<u>32,396</u>	<u>34,316</u>	106%	<u>24,328</u>
Available Resources	42,320	52,121	123%	40,670
Expenditures	<u>(17,561)</u>	<u>(13,442)</u>	77%	<u>(12,334)</u>
Available Resources Over/(Under) Expenditures	<u>24,759</u>	<u>38,679</u>		<u>28,336</u>
Sewer System				
Revenues	87,338	51,459	59%	54,517
Carryover	<u>35,991</u>	<u>41,100</u>	114%	<u>20,634</u>
Available Resources	123,329	92,559	75%	75,151
Expenditures	<u>(109,097)</u>	<u>(40,305)</u>	37%	<u>(45,830)</u>
Available Resources Over/(Under) Expenditures	<u>14,232</u>	<u>52,254</u>		<u>29,321</u>
Solid Waste System				
Revenues	38,640	27,397	71%	21,547
Carryover	<u>2,846</u>	<u>3,035</u>	107%	<u>3,521</u>
Available Resources	41,486	30,432	73%	25,068
Expenditures	<u>(38,432)</u>	<u>(24,747)</u>	64%	<u>(22,506)</u>
Available Resources Over/(Under) Expenditures	<u>3,054</u>	<u>5,685</u>		<u>2,562</u>
Water System				
Revenues	117,542	101,981	87%	91,622
Carryover	<u>89,909</u>	<u>89,619</u>	100%	<u>70,997</u>
Available Resources	207,451	191,600	92%	162,619
Expenditures	<u>(120,426)</u>	<u>(62,904)</u>	52%	<u>(59,992)</u>
Available Resources Over/(Under) Expenditures	<u>87,025</u>	<u>128,696</u>		<u>102,627</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 36.0% 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 increased \$1.4 million (5.7%) from the same period last fiscal year mostly due to increased State Transit Assistance payments. Airport YTD Revenues for the ten months ended April 30, 2019 increased \$1.5 million (9.0%) from the same period last fiscal year primarily due to increased parking revenue, use and landing fees, federal inspection station user fees, and customer facility charges. Airport Operating carryover represents about 65.8% of total available resources through April 30th.

Sewer System YTD Revenues for the ten months ended April 30, 2019 decreased \$3.1 million (-5.6%) primarily due to a large transfer in last year from the SRF loan to reimburse for construction costs for which there is no similar transfer this year, as well as lower City of Clovis share payments. Sewer System carryover represents about 44.4% of total available resources for the first ten months of this fiscal year. Solid Waste Revenues for the first ten months of Fiscal Year 2019 increased \$5.9 million (27.2%) primarily due to transfers out last year to the fleet replacement fund for which there were no similar transfers this fiscal year, and increased customer charges. Solid Waste carryover represents about 10.0% 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 \$10.4 million (11.3%) primarily due to increased customer charges, a PG&E refund related to the Southeast Water Treatment Facility for which there was no similar refund last fiscal year, and higher interest revenue. Water System carryover represents about 46.8% of total available resources through April 30, 2019.

Airport expenditures for the ten months ended April 30, 2019 increased \$1.1 million (9.0%) compared to the same period last fiscal year primarily due to increased costs for salaries and benefits, and technical and professional services. Sewer System expenditures for the first ten months of this fiscal year decreased \$5.5 million (-12.1%) compared to the same period last fiscal year primarily due to lower costs for contract construction which are partially offset by increased costs for utilities and outside repairs of building and improvements.

Solid Waste expenditures for the first ten months of this fiscal year increased \$2.2 million (10.0%) compared to the same period last fiscal year mostly due to increased costs for landfill tipping fees, Fleet charges, salaries and benefits, and professional and technical services. Water System expenditures during the ten months ended April 30, 2019 increased \$2.9 million (4.9%) compared to the same period last fiscal year mostly due to higher costs for specialty chemicals, and salaries and benefits. These increases are partially offset by savings for the cost of outside professional services.

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$24,255		\$24,255
No Neighborhood Left Behind/Selland Arena	10,580		10,580
Parks Impact Fee Projects	22,270	\$1,565	23,835
City Hall Chiller/Convention Center Improvements	2,710	11,160	13,870
Public Safety Impact Fee Projects	31,050		31,050
City Hall Refinancing/Bee Building/Granite Park	25,985		25,985
Exhibit Hall Expansion Project		12,912	12,912
Stadium Project		27,300	27,300
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	\$241,095	\$265,662	\$506,757
Notes and Loans:			
HUD – FMAAA	-		-
HUD – Neighborhood Streets and Parks	\$472		\$472
CIEDB – Roeding Business Park	1,561		1,561
SMG – Employee Benefits Cost Reimbursement		\$250	250
State Water Resources Control Board Loans		317,324	317,324
Clean Water – Southwest Quadrant		24,152	24,152
Safe Drinking Water Loans		40,746	40,746
Total Notes and Loans	\$2,033	\$382,472	\$384,505
Capital Leases	38,949		38,949
Total City Debt	\$282,077	\$648,134	\$930,211

* 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.