



City of Fresno
Monthly Financial Report FY2015/2016
For the Twelve Months Ended June 30, 2016
Unaudited – Intended for Internal Management Purposes Only

GENERAL FUND AT-A-GLANCE

(in thousands) Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	285,063	283,216	99%	272,217
Expenditures	(282,490)	(273,709)	97%	(251,588)
Revenues Over Expenditures	2,573	9,507		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	82,233	73,666	90%	78,019
Prop. 172 Sales Tax	2,730	2,534	93%	2,802
Property Tax	112,936	116,292	103%	111,776
Business Tax	17,880	18,259	102%	17,154
Franchise Tax	12,635	12,968	103%	12,420
Other Local Taxes	11,612	13,203	114%	11,978
Card Room Receipts	1,010	1,091	108%	1,047
Charges for Services	16,420	17,738	108%	16,653
Development Fees	13,734	15,474	113%	14,704
Intergovernmental Revenues	6,251	6,384	102%	8,028
Intragovernmental Revenues	11,522	10,369	90%	13,354
Transfers In/Out	(26,979)	(27,590)	102%	(38,245)
All Other Revenue Sources	23,079	22,828	99%	22,527
Total	285,063	283,216	99%	272,217

GENERAL FUND REVENUES

General Fund revenues for the fiscal year ended June 30, 2016 were \$283.2 million. Revenues for the prior fiscal year were \$272.2 million, including the transfer out of \$8.2 million to repay monies previously advanced to it by Water and Solid Waste. If the loan repayment is excluded from total revenues during Fiscal Year 2015, the adjusted total is \$280.4 million; resulting in an adjusted increase of \$2.8 million in Fiscal Year 2016 as compared to total revenues last fiscal year. Overall, total revenues are at 99.4% of the annual estimate.

Sales Tax revenues, including those from the Sales Tax Swap were \$73.7 million for Fiscal Year 2016 and were \$78.0 million for last fiscal year; a -5.6% decrease due to lower Sales Tax Swap receipts caused by a State-imposed change in the distribution schedule delaying receipt by the City until August 2016. Once the Sales Tax Swap revenues of \$5.6 million in FY2016 and \$19.2 million in FY2015 are factored out, Sales Tax receipts are up \$9.2 million (15.7%) over last year. Property Tax revenues of \$116.3 million were 3.0% higher than projected and \$4.5 million (4.0%) greater than last year's revenues of \$111.8 million, primarily due to Real & Secured Personal Property tax and VLF swap.

GENERAL FUND REVENUES – continued

Business Taxes collected were \$18.3 million for Fiscal Year 2016, an increase of \$1.1 million (6.4%) over last fiscal year. Other Local Taxes were \$13.2 million; an increase of \$1.2 million (10.2%) over last year, due to increased revenues from Room Tax and Real Estate Transfer 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. Development Fees increased \$0.7 million (5.2%) over Fiscal Year 2015 due to higher construction/alteration permit and plan check fees. Intergovernmental Revenues decreased \$1.6 million (-20.5%) compared to last fiscal year due to decreased reimbursements for state mandated costs. Intragovernmental Revenues decreased \$3.0 million (-22.4%) compared to last fiscal year due to lower equipment and overhead reimbursements from capital funds. The \$22.8 million under All Other Revenue Sources includes General Fund carryover of \$20.4 million posted at the beginning of December 2015.

As of June 30, 2016, the City maintained \$16.3 million in the General Fund Emergency Reserve. \$2.7 million of those funds are associated with the repayment of loans made by the City to the former RDA which were received in September 2015, \$4.0 million transfer from the General Fund in June, and \$0.4 million transfer of one-time unencumbered funds. 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	149,238	145,381	97%	137,193
Fire Department	53,944	55,822	103%	51,957
Parks, Recreation & Community Services	15,768	15,677	99%	13,683
Finance/Budget/Purchasing/Central Printing	8,245	7,522	91%	7,509
Public Works	9,178	7,438	81%	7,097
City Council Offices	3,335	2,447	73%	2,360
City Clerk's Office	709	694	98%	624
Office of the Mayor/City Manager	2,414	2,382	99%	2,154
Development and Resource Management (DARM)	22,986	21,125	92%	19,338
Personnel	2,936	2,918	99%	2,841
City Attorney's Office	4,295	4,218	98%	3,854
General City Purposes	11,415	8,085	71%	2,978
Pending Concessions	(1,973)	0	0%	0
Total	282,490	273,709	97%	251,588

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	156,520	153,017	98%	146,473
Salaries and Benefits Others	35,345	36,524	103%	32,368
Overtime Public Protection	3,869	6,175	160%	4,698
Overtime Others	54	162	301%	86
Pension Obligation Bonds	12,740	12,740	100%	12,718
Operations and Maintenance	37,595	31,847	85%	26,057
Interdepartmental Charges	31,012	29,258	94%	26,635
Capital	5,355	3,986	74%	2,553
Total	282,490	273,709	97%	251,588

GENERAL FUND EXPENDITURES

General Fund expenditures for the fiscal year ended June 30, 2016 were \$273.7 million. This is an increase of \$22.1 million (8.8%) over last fiscal year. Total expenditures this fiscal year were 97% of budget. Overall, except for the Fire Department, all departments achieved expenditure levels below their appropriated amounts for the fiscal year.

Comparing Fiscal Year 2016 with Fiscal Year 2015, the Police and Fire Departments experienced \$8.2 million (6.0%) and \$3.9 million (7.4%) increases respectively, due primarily to both overtime expenditures and costs associated with the addition of new staff added as part of the Fiscal Year 2016 budget plus additional costs for training, personal supplies, computer software, equipment purchases and leases. PARCS experienced a \$2.0 million (14.6%) increase this year compared to last year mainly due to increased personnel costs associated with the transfer of five staff to PARCS from Public Works and the addition of fourteen new permanent positions. Additional increased costs factoring into PARCS' overall increase include those for outside professional services, and capital expenditures for improvements.

GENERAL FUND EXPENDITURES – continued

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. General City Purposes expenditures during Fiscal Year 2016 were up \$5.1 million (171.5%) compared to last fiscal year due to increased worker's compensation, support for outside agencies, interdepartmental charges, land acquisitions, and special projects costs.

By category, salaries are at reasonable levels and are consistent with the prior year. Public Protection Overtime however, is up \$1.5 million (31.4%) over last year due to spikes in Fire interagency support during fire season, additional police coverage as a result of high crime rates, the addition of 48 new officers in field training, and 69 police officers out on various long term absences. While explainable, it must be noted that actual Public Protection Overtime expenses are approximately 1.6 times the annual budget for those costs.

Operations and Maintenance costs for the current year were up \$5.8 million (22.2%) over the prior fiscal year due to costs for outside legal and consulting fees, outside agency support, special projects, computer software, training and conference, inventory, and landscaping. Interdepartmental charges during Fiscal Year 2016 are up \$2.6 million (9.8%) compared to last fiscal year due to new ISD replacement charges, Fleet lease purchase charges, and facilities repair and replacement charges. Capital expenditures during Fiscal Year 2016 are up \$1.4 million (56.1%) compared to last fiscal year due to contract construction, equipment leases, land acquisition, and improvements.

Expenditures are monitored and appropriations 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	12,484	14,215	114%	13,856
Expenditures	(8,500)	(7,668)	90%	(8,038)
Total	3,984	6,547		5,818
Transportation/FAX				
Revenues	41,676	31,987	77%	26,598
Expenditures	(30,638)	(26,996)	88%	(26,583)
Total	11,038	4,991		15
Airport Operating				
Revenues	26,964	34,332	127%	28,905
Expenditures	(14,237)	(13,963)	98%	(13,365)
Total	12,727	20,369		15,540
Sewer System				
Revenues	156,183	166,131	106%	120,801
Expenditures	(99,557)	(73,150)	73%	(46,569)
Total	56,626	92,981		74,232
Solid Waste System				
Revenues	31,146	30,752	99%	35,273
Expenditures	(29,965)	(26,968)	90%	(32,538)
Total	1,181	3,784		2,735
Water System				
Revenues	127,202	119,978	94%	121,681
Expenditures	(99,676)	(72,961)	73%	(74,958)
Total	27,526	47,017		46,723

ENTERPRISE OPERATING FUNDS

Actual revenues and expenditures for Enterprise Operations are recorded on the cash basis of accounting for monthly financial reporting purposes, which means revenues are recognized when the cash is receipted 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 2016 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 2015 to Fiscal Year 2016 are noted below, and are reflected in the revenue figures presented above. Because carryover is posted in August, early fiscal year Revenue results may appear high.

Transportation/FAX carryover dropped between fiscal years largely due to State funding (normally received during the month of June) which was received after fiscal year end and deposited on July 6, 2015. Excluding carryover and treating this deposit as FY2015 revenue, Transportation/FAX Fiscal Year 2016 Revenues increased \$5.3 million (26.7%) compared to the prior year as a result of increased State TDA funding, and less funds transferred for capital projects. Excluding carryover, Airport Operating and Sewer System Revenues for Fiscal Year 2016 increased \$0.3 million (1.8%) and increased \$1.4 million (2.2%) respectively compared to the same period last year.

ENTERPRISE OPERATING FUNDS – continued

Community Sanitation had about \$1.9 million more in carryover compared to the budget estimate. The carryover represents 41% of the total revenue received in Fiscal Year 2016. Carryover this year is about \$0.7 million (12.6%) over last year's carryover. Water had slightly less carryover than estimated; but, the carryover of \$46.7 million is 39% of total revenues received in Fiscal Year 2016. Water's carryover this year is up \$5.4 million (13.1%) over last year's carryover.

Sewer expenditures during Fiscal Year 2016 are up \$26.6 million (57.1%) compared to last year, primarily due to an increase in contract construction, and engineering and design expenses. Solid Waste expenditures are down \$5.6 million (-17.1%) due to lower ID charges and landfill tipping fees.

Fiscal Year 2016 Enterprise Operating Carryover Amounts:

Community Sanitation - \$5.8 million

Transportation/FAX - \$0.1 million

Airports - \$15.5 million

Sewer System - \$101.2 million

Solid Waste System - \$2.8 million

Water System - \$46.7 million

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$28,955		\$28,955
No Neighborhood Left Behind/Selland Arena	20,415		20,415
Parks Impact Fee Projects	29,655	\$2,090	31,745
City Hall Chiller/Convention Center Improvements	3,405	17,690	21,095
Public Safety Impact Fee Projects	36,710		36,710
City Hall Refinancing/Bee Building/Granite Park	34,405		34,405
Exhibit Hall Expansion Project		18,668	18,668
Stadium Project		33,090	33,090
Judgment Bonds:			
Pension Obligation Bonds	138,975		138,975
Judgment Obligation Bonds	1,025		1,025
Enterprise Bonds:			
Water		141,395	141,395
Sewer		195,615	195,615
Airport		52,630	52,630
Total Bonds	\$293,545	\$461,178	\$754,723
Notes and Loans:			
CEC – MSC Solar System	\$276		\$276
HUD – Regional Medical Center	525		525
HUD – FMAAA	470		470
HUD – Neighborhood Streets and Parks	754		754
CIEDB – Roeding Business Park	1,787		1,787
SMG – Employee Benefits Cost Reimbursement		\$349	349
State Water Resources Control Board Loans		48,862	48,862
Total Notes and Loans	\$3,812	\$49,211	\$53,023
Capital Leases	\$16,020		\$16,020
Total City Debt	\$313,377	\$510,389	\$823,766

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.