



City of Fresno
Monthly Financial Report FY2016/2017
For the Four Months Ended October 31, 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	295,859	51,411	17%	38,897
Expenditures	(294,215)	(96,163)	33%	(88,489)
Revenues Over Expenditures	1,644	(44,752)		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	93,846	31,450	34%	15,153
Prop. 172 Sales Tax	2,785	1,225	44%	698
Property Tax	116,402	400	0%	1,288
Business Tax	18,148	4,948	27%	5,042
Franchise Tax	13,158	1,901	14%	1,711
Other Local Taxes	12,894	4,899	38%	4,563
Card Room Receipts	1,070	256	24%	340
Charges for Services	16,535	4,497	27%	5,140
Development Fees	15,456	5,224	34%	5,096
Intergovernmental Revenues	6,099	1,391	23%	2,110
Intragovernmental Revenues	10,933	2,498	23%	3,070
Transfers In/Out	(17,994)	(8,135)	45%	(5,835)
All Other Revenue Sources	6,527	857	13%	521
Total	295,859	51,411	17%	38,897

GENERAL FUND REVENUES

General Fund revenues for the four months ended October 31st were \$51.4 million. This is an increase of \$12.5 million thus far in Fiscal Year 2017 as compared to total revenues for the first four months of last fiscal year. Total revenues for the first four months are at 17% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$31.5 million through October 2016 as opposed to \$15.2 million for the same period last fiscal year: a \$16.3 million (107.5%) increase. The increase was mostly due to the receipt of \$10.2 million of prior year Sales Tax Swap receipts caused by a State-imposed change in the distribution schedule delaying receipt by the City until July 2016. Once the Sales Tax Swap revenues are factored out, Sales Tax receipts are up \$6.1 million (40.4%) over the same time period last year.

Property Tax revenues through October 31st were down \$0.9 million (-68.9%) from the same period last year due to timing differences. Real and Secured, Penalty and Interest, and Secured Pers-Override taxes were received during September 2015, while similar revenues were received prior to end of Fiscal Year 2016 rather than during Fiscal Year 2017.

GENERAL FUND REVENUES – continued

Franchise Taxes received during the first four months were up \$0.2 million (11.1%) compared to the first four months of last fiscal year mostly due to increased commercial solid waste franchise fees.

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. Transfers Out through October 31st increased \$2.3 million (39.4%) compared to the same period last year due to budgeted transfers to the Convention Center and for various debt service obligations.

As of October 31st the City maintained \$20.3 million in the General Fund Emergency Reserve. \$4.0 million of those funds are associated with the repayment of loans made by the City to the former RDA which were received in July 2016. 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	156,935	48,557	31%	47,015
Fire Department	58,099	20,128	35%	18,765
Parks, Recreation & Community Services	13,929	4,411	32%	4,966
Finance/Budget/Purchasing/Central Printing	8,331	2,628	32%	2,694
Public Works	8,776	2,533	29%	1,865
City Council Offices	3,572	1,070	30%	993
City Clerk's Office	788	307	39%	296
Office of the Mayor/City Manager	2,414	803	33%	838
Development and Resource Management (DARM)	26,766	10,530	39%	7,617
Personnel	3,213	1,203	37%	1,092
City Attorney's Office	4,903	1,675	34%	1,431
General City Purposes	8,695	2,318	27%	917
Attrition Savings	(2,206)	0	0%	0
Total	294,215	96,163	33%	88,489

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,944	55,826	33%	52,294
Salaries and Benefits Others	39,036	13,320	34%	11,994
Overtime Public Protection	3,991	2,400	60%	2,785
Overtime Others	58	82	142%	21
Pension Obligation Bonds	12,751	0	0%	2
Operations and Maintenance	30,684	10,347	34%	9,797
Interdepartmental Charges	29,331	9,796	33%	10,621
Contingencies	10	0	0%	0
Capital	7,410	4,392	59%	975
Total	294,215	96,163	33%	88,489

GENERAL FUND EXPENDITURES

General Fund expenditures for the four months ended October 31st were \$96.2 million. This is an increase of \$7.7 million (8.7%) over the same period last fiscal year.

Comparing the first four months this year with last year, the Police and Fire Departments experienced \$1.5 million (3.3%) and \$1.4 million (7.3%) increases respectively, due primarily to costs associated with the addition of new staff added as part of the Fiscal Year 2017 budget as well as additional costs for personal supplies, equipment purchases and leases. DARM experienced a \$2.9 million (38.2%) increase for the four months ended October 31st compared to the same period last year due to the purchase and licensing of new software.

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 thus far in accordance with current year budget estimates. General City Purposes expenditures during the four months ended October 31st were up \$1.4 million (152.8%) compared to the same period last year due to increased costs for professional and technical services, special projects, and support for outside agencies.

GENERAL FUND EXPENDITURES – continued

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$3.5 million (6.8%) and \$1.3 million (11.1%) increases respectively. These are consistent with the expected increases this fiscal year for increased staffing levels. Public Protection Overtime for the first four months of FY2017 is down \$0.4 million (-13.8%) compared to the same period last year primarily due to additional police officers positions becoming available, thus reducing the need for overtime. Capital expenditures for the first four months of FY2017 are up \$3.4 million (350.5%) compared to the same period last year due to the purchase of new software for DARM, equipment purchases related to the addition of new police officers and firefighters, and contract construction.

Expenditures will be 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	13,769	9,686	70%	8,860
Expenditures	(11,029)	(2,353)	21%	(2,347)
Total	2,740	7,333		6,513
Transportation/FAX				
Revenues	31,284	7,766	25%	12,703
Expenditures	(32,114)	(9,098)	28%	(8,739)
Total	(830)	(1,332)		3,964
Airport Operating				
Revenues	39,196	25,322	65%	21,703
Expenditures	(15,882)	(4,979)	31%	(4,914)
Total	23,314	20,343		16,789
Sewer System				
Revenues	148,438	115,537	78%	115,148
Expenditures	(66,736)	(16,376)	25%	(15,642)
Total	81,702	99,161		99,506
Solid Waste System				
Revenues	31,308	14,283	46%	12,680
Expenditures	(30,532)	(8,237)	27%	(8,652)
Total	776	6,046		4,028
Water System				
Revenues	131,777	88,232	67%	74,302
Expenditures	(94,735)	(23,156)	24%	(18,263)
Total	37,042	65,076		56,039

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 2017 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 2016 to Fiscal Year 2017 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 revenues through October 31, 2016 are down \$4.9 million (-38.9%) from the same period last year largely due to State funding received during July and October 2015 for which similar revenue has not been received so far in Fiscal Year 2017. Airport Operating and Solid Waste System increased YTD Revenues for the first four months of Fiscal Year 2017 are primarily due to increased carryover this fiscal year of \$4.8 million and \$1.1 million respectively over carryover reflected in the Fiscal Year 2016.

ENTERPRISE OPERATING FUNDS – continued

Community Sanitation carryover represents 68% of the total revenue received through October 31, 2016. Carryover this year is about \$0.7 million (12.8%) over last year's carryover. Water System carryover of \$51.2 million is 58% of total revenues received through October 31, 2016. Water's carryover this fiscal year is up \$4.5 million (9.7%) over last fiscal year's carryover.

Water System expenditures are up \$4.9 million (26.8%) over the same period last year, primarily due to the pay down of the outstanding loan from the U.S. Bureau of Reclamation, fees for June 2016 water purchases, contract construction, and utilities.

Fiscal Year 2017 Enterprise Operating Carryover Amounts:

Community Sanitation - \$6.6 million

Transportation/FAX - \$5.0 million

Airports - \$20.4 million

Sewer System - \$101.3 million

Solid Waste System - \$3.9 million

Water System - \$51.2 million

CITY DEBT

Debt Source (in thousands)	Governmental	Business-Type	Principal Outstanding
Lease Revenue Bonds:			
Various Capital Projects	\$27,745		\$27,745
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	17,315	20,720
Public Safety Impact Fee Projects	36,710		36,710
City Hall Refinancing/Bee Building/Granite Park	31,725		31,725
Exhibit Hall Expansion Project		17,461	17,461
Stadium Project		33,090	33,090
Judgment Bonds:			
Pension Obligation Bonds	138,975		138,975
Judgment Obligation Bonds	-		-
Enterprise Bonds:			
Water		141,395	141,395
Sewer		186,505	186,505
Airport		51,090	51,090
Total Bonds	\$288,630	\$448,946	\$737,576
Notes and Loans:			
CEC – MSC Solar System	\$276		\$276
HUD – Regional Medical Center	270		270
HUD – FMAAA	365		365
HUD – Neighborhood Streets and Parks	666		666
CIEDB – Roeding Business Park	1,715		1,715
SMG – Employee Benefits Cost Reimbursement		\$336	336
State Water Resources Control Board Loans		81,118	81,118
Total Notes and Loans	\$3,292	\$81,454	\$84,746
Capital Leases	\$15,689		\$15,689
Total City Debt	\$307,611	\$530,400	\$838,011

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.