



City of Fresno
Monthly Financial Report FY2016/2017
For the Five Months Ended November 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	301,906	80,269	27%	55,046
Expenditures	(300,261)	(120,526)	40%	(111,784)
Revenues Over Expenditures	1,645	(40,257)		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	93,846	38,862	41%	20,756
Prop. 172 Sales Tax	2,785	1,442	52%	898
Property Tax	116,402	465	0%	1,287
Business Tax	18,148	10,098	56%	9,947
Franchise Tax	13,158	2,938	22%	2,966
Other Local Taxes	12,894	5,937	46%	5,242
Card Room Receipts	1,070	419	39%	390
Charges for Services	16,535	5,548	34%	6,359
Development Fees	15,456	6,573	43%	6,143
Intergovernmental Revenues	6,098	1,728	28%	2,237
Intragovernmental Revenues	10,933	3,317	30%	4,009
Transfers In/Out	(19,118)	(8,018)	42%	(5,874)
All Other Revenue Sources	13,699	10,960	80%	686
Total	301,906	80,269	27%	55,046

GENERAL FUND REVENUES

General Fund revenues for the five months ended November 30th were \$80.3 million. This is an increase of \$25.2 million thus far in Fiscal Year 2017 as compared to total revenues for the first five months of last fiscal year. Total revenues for the first five months are at 27% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$38.9 million through November 2016 as opposed to \$20.8 million for the same period last fiscal year: a \$18.1 million (87.2%) increase. 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 contributed to this increase. Once the Sales Tax Swap revenues are factored out, Sales Tax receipts are up \$7.9 million (38.2%) over the same time period last year.

Property Tax revenues through November 30th decreased \$0.8 million (-63.9%) 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

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 during the first five months decreased \$0.5 million (-22.7%) from the same period last year primarily due to lower reimbursement for State mandated costs (SB-90). Transfers In/Out through November 30th increased \$2.1 million (36.5%) compared to the same period last year due to budgeted transfers to the Convention Center and for various debt service obligations.

As of November 30th, 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	157,217	61,593	39%	60,145
Fire Department	59,018	25,546	43%	23,574
Parks, Recreation & Community Services	15,777	5,592	35%	6,132
Finance/Budget/Purchasing/Central Printing	8,331	3,176	38%	3,276
Public Works	9,894	3,464	35%	2,387
City Council Offices	3,627	1,263	35%	1,181
City Clerk's Office	788	368	47%	341
Office of the Mayor/City Manager	2,414	977	40%	1,036
Development and Resource Management (DARM)	28,491	12,246	43%	9,304
Personnel	3,213	1,447	45%	1,360
City Attorney's Office	4,903	2,048	42%	1,761
General City Purposes	8,794	2,806	32%	1,287
Attrition Savings	(2,206)	0	0%	0
Total	300,261	120,526	40%	111,784

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	171,207	68,067	40%	64,069
Salaries and Benefits Others	39,347	16,175	41%	14,642
Overtime Public Protection	4,235	2,888	68%	3,216
Overtime Others	58	96	166%	30
Pension Obligation Bonds	12,750	3,552	28%	3,734
Operations and Maintenance	32,338	12,953	40%	12,040
Interdepartmental Charges	29,608	11,956	40%	12,937
Contingencies	10	0	0%	0
Capital	10,708	4,839	45%	1,116
Total	300,261	120,526	40%	111,784

GENERAL FUND EXPENDITURES

General Fund expenditures for the five months ended November 30th were \$120.5 million. This is an increase of \$8.7 million (7.8%) over the same period last fiscal year.

Comparing the first five months this year with last year, the Police and Fire Departments experienced \$1.4 million (2.4%) and \$2.0 million (8.4%) 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. Public Works expenditures increased \$1.1 million (45.1%) during the first five months of Fiscal Year 2017 compared to the same period last year mostly due to insurance, interdepartmental charges, rock & mineral products, and specialty chemicals. DARM experienced a \$2.9 million (31.6%) increase for the five months ended November 30th compared to the same period last year due to the purchase and licensing of new software.

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 thus far in accordance with current year budget estimates. General City Purposes expenditures during the five months ended November 30th were up \$1.5 million (118.0%) compared to the same period last year due to increased costs for professional and technical services, and support for outside agencies.

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$4.0 million (6.2%) and \$1.5 million (10.5%) increases respectively. These are consistent with the expected increases this fiscal year for increased staffing levels. Public Protection Overtime for the first five months of FY2017 is down \$0.3 million (-10.2%) compared to the same period last year primarily due to additional police officers positions becoming available, thus reducing the need for overtime. Interdepartmental Charges through November 30th decreased \$1.0 million (7.6%) due to reduced costs for property and liability self-insurance. Capital expenditures for the first five months of FY2017 are up \$3.7 million (333.6%) 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	10,466	76%	9,178
Expenditures	(11,029)	(3,004)	27%	(2,814)
Total	2,740	7,462		6,364
Transportation/FAX				
Revenues	31,284	8,761	28%	13,215
Expenditures	(32,114)	(11,511)	36%	(10,719)
Total	(830)	(2,750)		2,496
Airport Operating				
Revenues	39,196	26,778	68%	23,348
Expenditures	(15,882)	(6,016)	38%	(5,886)
Total	23,314	20,762		17,462
Sewer System				
Revenues	67,959	121,702	179%	122,105
Expenditures	(67,366)	(20,320)	30%	(18,544)
Total	593	101,382		103,561
Solid Waste System				
Revenues	31,308	16,785	54%	16,355
Expenditures	(30,532)	(10,344)	34%	(10,902)
Total	776	6,441		5,453
Water System				
Revenues	131,777	97,738	74%	82,233
Expenditures	(94,735)	(31,251)	33%	(25,882)
Total	37,042	66,487		56,351

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 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 November 30th are down \$4.5 million (-33.7%) 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.

Increased Airport Operating YTD Revenues for the first five months of Fiscal Year 2017 are primarily due to increased carryover this fiscal year of \$4.8 million over carryover reflected in Fiscal Year 2016. Airport Operating carryover represents about 76.1% of total revenues through November 30th. Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 62.7% of the total revenue received through November 30th.

ENTERPRISE OPERATING FUNDS – continued

Water System carryover increased \$4.5 million (9.7%) over last year's carryover and is 52.4% of total revenues received through November 30th. Excluding carryover, Water System revenues during the first five months of Fiscal Year 2017 increased \$11.0 million (30.9%) over last year primarily due to increased user charges, and payment received from Kern-Tulare Water District for water sold during FY2016.

Sewer System expenditures during the first five months increased \$1.8 million (9.6%) over the same period last year, primarily due to interdepartmental charges, and specialty chemicals. Water System expenditures are up \$5.4 million (20.7%) 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
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		\$333	333
State Water Resources Control Board Loans		81,118	81,118
Total Notes and Loans	\$3,292	\$81,451	\$84,743
Capital Leases	\$15,525		\$15,525
Total City Debt	\$307,447	\$530,397	\$837,844

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.