



**City of Fresno**  
**Monthly Financial Report FY2016/2017**  
**For the Six Months Ended December 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
<b>Revenues</b>	301,906	95,475	32%	89,401
<b>Expenditures</b>	(300,261)	(148,799)	50%	(138,315)
<b>Revenues Over Expenditures</b>	1,645	(53,324)		

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
<b>Sales &amp; Use Tax</b>	93,846	46,336	49%	26,440
<b>Prop. 172 Sales Tax</b>	2,785	1,717	62%	1,379
<b>Property Tax</b>	116,402	840	1%	1,340
<b>Business Tax</b>	18,148	10,614	58%	10,984
<b>Franchise Tax</b>	13,158	3,429	26%	3,603
<b>Other Local Taxes</b>	12,894	7,228	56%	6,922
<b>Card Room Receipts</b>	1,070	505	47%	480
<b>Charges for Services</b>	16,535	6,936	42%	7,416
<b>Development Fees</b>	15,456	8,180	53%	7,357
<b>Intergovernmental Revenues</b>	6,098	2,342	38%	2,657
<b>Intragovernmental Revenues</b>	10,933	4,266	39%	5,209
<b>Transfers In/Out</b>	(19,118)	(8,018)	42%	(5,724)
<b>All Other Revenue Sources</b>	13,699	11,100	81%	21,338
<b>Total</b>	301,906	95,475	32%	89,401

**GENERAL FUND REVENUES**

General Fund revenues for the six months ended December 31<sup>st</sup> were \$95.5 million. This is an increase of \$6.1 million thus far in Fiscal Year 2017 as compared to total revenues for the first six months of last fiscal year. Total revenues for the first six months are at 32% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$46.3 million through December 2016 as opposed to \$26.4 million for the same period last fiscal year: a \$19.9 million (75.3%) increase. The receipt of \$10.2 million of prior year Sales Tax Swap receipts caused by a State-imposed change in the distribution schedule contributed to this increase. Once the Sales Tax Swap revenues are factored out, Sales Tax receipts are up \$9.7 million (36.7%) over the same time period last year.

Property Tax revenues through December 31<sup>st</sup> decreased \$0.5 million (-37.3%) 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 have not been received 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. Development Fees during the first six months increased \$0.8 million (11.2%) primarily due to increased new construction plan check and permit fees. Intergovernmental Revenues during the first six months decreased \$0.3 million (-11.9%) from the same period last year primarily due to lower reimbursement for State mandated costs (SB-90). Transfers In/Out through December 31<sup>st</sup> increased \$2.3 million (40.1%) compared to the same period last year due to budgeted transfers to the Convention Center and for various debt service obligations. All Other Revenue Sources includes FY2017 General Fund carryover of \$10.0 million which is down \$10.4 million (-51.1%) from FY2016 carryover.

As of December 31<sup>st</sup>, the City maintained \$20.4 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 plus settlement distributions received during December 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	76,658	49%	74,996
Fire Department	59,018	31,443	53%	29,183
Parks, Recreation & Community Services	15,777	7,005	44%	7,552
Finance/Budget/Purchasing/Central Printing	8,331	3,823	46%	3,946
Public Works	9,894	4,119	42%	3,020
City Council Offices	3,627	1,494	41%	1,408
City Clerk's Office	788	431	55%	394
Office of the Mayor/City Manager	2,414	1,218	50%	1,281
Development and Resource Management (DARM)	28,491	14,718	52%	11,231
Personnel	3,213	1,769	55%	1,651
City Attorney's Office	4,903	2,559	52%	2,186
General City Purposes	8,794	3,562	41%	1,467
Attrition Savings	(2,206)	0	0%	0
<b>Total</b>	<b>300,261</b>	<b>148,799</b>	<b>50%</b>	<b>138,315</b>

### GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,879	86,472	51%	81,381
Salaries and Benefits Others	39,483	20,267	51%	18,348
Overtime Public Protection	4,235	3,435	81%	3,840
Overtime Others	93	118	127%	47
Pension Obligation Bonds	12,750	3,552	28%	3,734
Operations and Maintenance	31,987	15,964	50%	14,419
Interdepartmental Charges	29,715	14,049	47%	15,249
Contingencies	10	0	0%	0
Capital	11,109	4,942	44%	1,297
<b>Total</b>	<b>300,261</b>	<b>148,799</b>	<b>50%</b>	<b>138,315</b>

### GENERAL FUND EXPENDITURES

General Fund expenditures for the six months ended December 31<sup>st</sup> were \$148.8 million. This is an increase of \$10.5 million (7.6%) over the same period last fiscal year.

Comparing the first six months this year with last year, the Police and Fire Departments experienced \$1.7 million (2.2%) and \$2.3 million (7.7%) 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 (36.4%) during the first six 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 \$3.5 million (31.0%) increase for the six months ended December 31<sup>st</sup> compared to the same period last year due to the purchase and licensing of new software and increased personnel costs.

## **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. Expenditures for General City Purposes during the six months ended December 31<sup>st</sup> increased \$2.1 million (142.8%) compared to the same period last year due to increased costs for professional and technical services, support for outside agencies, and special projects.

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$5.1 million (6.3%) and \$1.9 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 six months of FY2017 is down \$0.4 million (-10.5%) compared to the same period last year primarily due to additional police officers positions becoming available, thus reducing the need for overtime.

Operations and Maintenance for the first six months of FY2017 increased \$1.5 million (10.7%) over the same period last year primarily due to special projects, outside repairs of equipment, rock & minerals, and outside agency support. Interdepartmental Charges through December 31<sup>st</sup> decreased \$1.2 million (7.9%) due to reduced costs for property and liability self-insurance. Capital expenditures for the first six months of FY2017 are up \$3.6 million (281.0%) 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
<b>Community Sanitation</b>				
Revenues	13,769	10,932	79%	10,027
Expenditures	(11,029)	(3,727)	34%	(3,786)
<b>Total</b>	<b>2,740</b>	<b>7,205</b>		<b>6,241</b>
<b>Transportation/FAX</b>				
Revenues	31,284	9,314	30%	13,843
Expenditures	(32,114)	(14,368)	45%	(14,106)
<b>Total</b>	<b>(830)</b>	<b>(5,054)</b>		<b>(263)</b>
<b>Airport Operating</b>				
Revenues	39,196	28,011	71%	24,664
Expenditures	(15,882)	(7,185)	45%	(6,991)
<b>Total</b>	<b>23,314</b>	<b>20,826</b>		<b>17,673</b>
<b>Sewer System</b>				
Revenues	67,959	129,129	190%	128,897
Expenditures	(67,366)	(25,312)	38%	(21,881)
<b>Total</b>	<b>593</b>	<b>103,817</b>		<b>107,016</b>
<b>Solid Waste System</b>				
Revenues	31,308	17,483	56%	19,097
Expenditures	(30,532)	(12,965)	42%	(13,378)
<b>Total</b>	<b>776</b>	<b>4,518</b>		<b>5,719</b>
<b>Water System</b>				
Revenues	131,777	105,021	80%	88,894
Expenditures	(94,735)	(38,258)	40%	(32,319)
<b>Total</b>	<b>37,042</b>	<b>66,763</b>		<b>56,575</b>

## 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 December 31<sup>st</sup> are down \$4.5 million (-32.7%) 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 six 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 72.7% of total revenues through December 31<sup>st</sup>. Airport Operating Revenues other than carryover, increased \$1.5 million (23.6%) over the same period last year.

## **ENTERPRISE OPERATING FUNDS – continued**

Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 60.1% of the total revenue received through December 31<sup>st</sup>. Community Sanitation revenues other than carryover, increased \$1.3 million (43.5%) compared to last year.

Water System carryover increased \$4.5 million (9.7%) over last year's carryover and is 48.7% of total revenues received through December 31<sup>st</sup>. Excluding carryover, Water System revenues during the first six months of Fiscal Year 2017 increased \$26.2 million (94.7%) 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 six months increased \$3.4 million (15.7%) over the same period last year, primarily due to contract construction, interdepartmental charges, and professional and technical services. Water System expenditures are up \$5.9 million (18.4%) 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
<b>Total Bonds</b>	<b>\$288,630</b>	<b>\$448,946</b>	<b>\$737,576</b>
Notes and Loans:			
CEC – MSC Solar System	\$138		\$138
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		\$330	330
State Water Resources Control Board Loans		81,118	81,118
<b>Total Notes and Loans</b>	<b>\$3,154</b>	<b>\$81,448</b>	<b>\$84,602</b>
<b>Capital Leases</b>	<b>\$15,190</b>		<b>\$15,190</b>
<b>Total City Debt</b>	<b>\$306,974</b>	<b>\$530,394</b>	<b>\$837,368</b>

### 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.