



**City of Fresno**  
**Monthly Financial Report FY2016/2017**  
**For the Eight Months Ended February 28, 2017**  
**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>	302,178	185,189	61%	171,789
<b>Expenditures</b>	(300,534)	(189,248)	63%	(178,415)
<b>Revenues Over Expenditures</b>	1,644	(4,059)		

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
<b>Sales &amp; Use Tax</b>	93,846	59,977	64%	39,324
<b>Prop. 172 Sales Tax</b>	2,785	2,153	77%	1,613
<b>Property Tax</b>	116,402	64,012	55%	60,629
<b>Business Tax</b>	18,148	10,993	61%	11,324
<b>Franchise Tax</b>	13,158	4,797	36%	5,218
<b>Other Local Taxes</b>	12,894	9,001	70%	8,616
<b>Card Room Receipts</b>	1,070	694	65%	712
<b>Charges for Services</b>	16,535	9,174	55%	10,586
<b>Development Fees</b>	15,456	10,616	69%	9,623
<b>Intergovernmental Revenues</b>	6,098	4,744	78%	3,701
<b>Intragovernmental Revenues</b>	10,933	6,149	56%	7,020
<b>Transfers In/Out</b>	(18,846)	(8,848)	47%	(8,269)
<b>All Other Revenue Sources</b>	13,699	11,727	86%	21,692
<b>Total</b>	302,178	185,189	61%	171,789

**GENERAL FUND REVENUES**

General Fund revenues for the eight months ended February 28<sup>th</sup> were \$185.2 million. This is an increase of \$13.4 million thus far in Fiscal Year 2017 as compared to total revenues for the first eight months of last fiscal year. Total revenues for the first eight months are at 61% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$60.0 million through February 2017 as opposed to \$39.3 million for the same period last fiscal year: a \$20.7 million (52.5%) 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 during the first eight months increased \$13.3 million (36.4%) from \$36.5 million last year to \$49.8 million in FY2017.

Property Tax revenues through February 28<sup>th</sup> increased \$3.4 million (5.6%) from the same period last year, primarily due to increased real and secured personal property taxes and VLF Swap.

## **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. Charges for Services through February 28<sup>th</sup> decreased \$1.4 million (-13.3%) from the same period last year, mostly due to reduced receipts from Vehicle Releases, Vehicle Code Violations, and the Fig Garden Fire Protection District.

Development Fees during the first eight months increased \$1.0 million (10.3%) primarily due to increased new construction plan check and permit fees. Intergovernmental Revenues during the first eight months increased \$1.0 million (28.2%) from the same period last year primarily due to increased federal grant receipts. 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 February 28<sup>th</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	98,222	62%	96,795
Fire Department	59,018	39,603	67%	37,238
Parks, Recreation & Community Services	15,777	8,792	56%	9,942
Finance/Budget/Purchasing/Central Printing	8,331	4,964	60%	5,120
Public Works	9,894	4,935	50%	3,803
City Council Offices	3,627	1,860	51%	1,772
City Clerk's Office	788	537	68%	511
Office of the Mayor/City Manager	2,414	1,588	66%	1,631
Development and Resource Management (DARM)	28,727	18,469	64%	14,291
Personnel	3,213	2,218	69%	2,101
City Attorney's Office	4,939	3,310	67%	2,822
General City Purposes	8,795	4,750	54%	2,389
Attrition Savings	(2,206)	0	0%	0
<b>Total</b>	<b>300,534</b>	<b>189,248</b>	<b>63%</b>	<b>178,415</b>

### GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,877	111,362	65%	105,043
Salaries and Benefits Others	39,224	25,987	66%	23,530
Overtime Public Protection	4,235	3,988	94%	4,569
Overtime Others	93	136	147%	64
Pension Obligation Bonds	12,751	3,552	28%	3,734
Operations and Maintenance	32,142	20,570	64%	18,791
Interdepartmental Charges	30,024	18,397	61%	20,771
Capital	11,188	5,256	47%	1,913
<b>Total</b>	<b>300,534</b>	<b>189,248</b>	<b>63%</b>	<b>178,415</b>

### GENERAL FUND EXPENDITURES

General Fund expenditures for the eight months ended February 28<sup>th</sup> were \$189.2 million. This is an increase of \$10.8 million (6.1%) over the same period last fiscal year.

Comparing the first eight months this year with last year, the Police and Fire Departments experienced \$1.4 million (1.5%) and \$2.4 million (6.4%) 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 equipment purchases and leases. Public Works expenditures increased \$1.1 million (29.8%) during the first eight months of Fiscal Year 2017 compared to the same period last year mostly due to insurance, interdepartmental charges, personnel costs, materials & parts, and inventory. DARM experienced a \$4.2 million (29.2%) increase for the eight months ended February 28<sup>th</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 eight months ended February 28<sup>th</sup> increased \$2.4 million (98.8%) compared to the same period last year due to costs for the animal control contract which was paid by PARCS division last year.

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$6.3 million (6.0%) and \$2.5 million (10.4%) increases respectively. These are consistent with expectations this fiscal year as a result of increased staffing levels. Public Protection Overtime for the first eight months of FY2017 is down \$0.6 million (-12.7%) 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 eight months of FY2017 increased \$1.8 million (9.5%) over the same period last year primarily due to special projects, outside agency support, inventory, materials & parts, and memberships & dues. Interdepartmental Charges through February 28<sup>th</sup> decreased \$2.4 million (-11.4%) due to reduced costs for property and liability self-insurance, fleet fuel charges, and facilities repair projects. Capital expenditures for the first eight months of FY2017 are up \$3.3 million (174.8%) compared to the same period last year due to the purchase of new software for DARM, and equipment purchases related to the addition of new police officers and firefighters.

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	12,544	91%	11,568
Expenditures	(11,029)	(5,068)	46%	(4,764)
<b>Total</b>	<b>2,740</b>	<b>7,476</b>		<b>6,804</b>
<b>Transportation/FAX</b>				
Revenues	31,284	14,292	46%	15,442
Expenditures	(32,114)	(19,354)	60%	(18,347)
<b>Total</b>	<b>(830)</b>	<b>(5,062)</b>		<b>(2,905)</b>
<b>Airport Operating</b>				
Revenues	39,196	30,885	79%	27,592
Expenditures	(15,882)	(9,217)	58%	(8,821)
<b>Total</b>	<b>23,314</b>	<b>21,668</b>		<b>18,771</b>
<b>Sewer System</b>				
Revenues	68,101	137,036	201%	137,321
Expenditures	(68,144)	(33,874)	50%	(31,840)
<b>Total</b>	<b>(43)</b>	<b>103,162</b>		<b>105,481</b>
<b>Solid Waste System</b>				
Revenues	31,308	22,640	72%	21,924
Expenditures	(30,532)	(17,614)	58%	(17,676)
<b>Total</b>	<b>776</b>	<b>5,026</b>		<b>4,248</b>
<b>Water System</b>				
Revenues	131,777	121,162	92%	98,753
Expenditures	(94,735)	(45,940)	48%	(38,454)
<b>Total</b>	<b>37,042</b>	<b>75,222</b>		<b>60,299</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.

Increased Airport Operating YTD Revenues for the first eight 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 66.0% of total revenues through February 28<sup>th</sup>.

Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 52.3% of the total revenue received through February 28<sup>th</sup>.

## **ENTERPRISE OPERATING FUNDS – continued**

Water System carryover increased \$4.5 million (9.7%) over last year's carryover and is 42.2% of total revenues received through February 28<sup>th</sup>. Excluding carryover, Water System revenues during the first eight months of Fiscal Year 2017 increased \$17.9 million (34.3%) over last year primarily due to increased user charges, payment received from Kern-Tulare Water District for water sold during FY2016, interest, and interdepartmental revenues.

Sewer System expenditures during the first eight months increased \$2.0 million (6.4%) over the same period last year, primarily due to contract construction, interdepartmental charges, personnel costs, and specialty chemicals. Water System expenditures are up \$7.5 million (19.5%) 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, utilities, specialty chemicals, and inventory.

### 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		\$324	324
State Water Resources Control Board Loans		79,806	79,806
<b>Total Notes and Loans</b>	<b>\$3,154</b>	<b>\$80,130</b>	<b>\$83,284</b>
<b>Capital Leases</b>	<b>\$14,907</b>		<b>\$14,907</b>
<b>Total City Debt</b>	<b>\$306,691</b>	<b>\$529,076</b>	<b>\$835,767</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.