



City of Fresno
Monthly Financial Report FY2015/2016
For the Nine Months Ended March 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	281,583	181,727	65%	171,052
Expenditures	(278,954)	(198,658)	71%	(185,782)
Revenues Over Expenditures	2,629	(16,931)		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	82,233	45,907	56%	49,986
Prop. 172 Sales Tax	2,730	2,127	78%	2,143
Property Tax	111,136	64,307	58%	63,691
Business Tax	17,880	11,422	64%	10,489
Franchise Tax	12,225	5,367	44%	5,182
Other Local Taxes	11,612	9,648	83%	8,654
Card Room Receipts	1,010	806	80%	762
Charges for Services	16,420	12,162	74%	11,695
Development Fees	13,734	11,117	81%	10,712
Intergovernmental Revenues	4,981	4,787	96%	3,214
Intragovernmental Revenues	11,522	7,969	69%	9,940
Transfers In/Out	(26,979)	(15,801)	59%	(27,005)
All Other Revenue Sources	23,079	21,909	95%	21,589
Total	281,583	181,727	65%	171,052

GENERAL FUND REVENUES

General Fund revenues for the nine months ended March 31, 2016 were \$181.7 million. Revenues for the first nine months of the prior fiscal year were \$171.1 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 the first nine months of Fiscal Year 2015, the adjusted total is \$179.3 million; resulting in an adjusted increase of \$2.4 million thus far in Fiscal Year 2016 as compared to total revenues through the first nine months of last fiscal year. Overall, total revenues are at 64.5% of the annual estimate with 75% of the year completed.

Sales Tax revenues, including those from the Sales Tax Swap were \$45.9 million through March 2016. Sales Tax revenues were \$50.0 million for the same period last fiscal year; a -8.2% 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. Yet, once the Sales Tax Swap revenues are factored out, Sales Tax receipts are up \$2.7 million (6.7%) over the same time period last year. Property Tax received through March 31, 2016 increased \$0.6 million (1.0%) from the same period last year, primarily due to VLF swap. Business Taxes collected were \$11.4 million for the first nine months of Fiscal Year 2016, an increase of \$0.9 million (8.9%) over the same period last fiscal year. Other Local Taxes received through March were \$9.6 million; an increase of \$1.0 million (11.5%) over the same period last year, due to increased revenues from Room Tax and Real Estate Transfer Taxes.

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 increased \$0.4 million (3.8%) from the first nine months of last fiscal year due to construction/alteration permit fees. Intergovernmental Revenues increased \$1.6 million (48.9%) compared to the first nine months of last year due to increased reimbursements for state mandated costs, County contributions for police officers working on the Adult Compliance Team (ACT), and federal grant reimbursements. Intragovernmental Revenues decreased \$2.0 million (-19.8%) compared to the same period last fiscal year due to lower equipment and overhead reimbursements from capital funds. The \$21.9 million under All Other Revenue Sources includes General Fund carryover of \$20.4 million posted at the beginning of December 2015.

As of March 31, 2016, the City maintained \$11.8 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. 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	149,128	107,527	72%	101,467
Fire Department	52,784	41,386	78%	38,230
Parks, Recreation & Community Services	15,768	11,383	72%	9,444
Finance/Budget/Purchasing/Central Printing	8,245	5,656	69%	5,426
Public Works	9,178	4,269	47%	5,372
City Council Offices	3,335	1,944	58%	1,863
City Clerk's Office	709	550	78%	507
Office of the Mayor/City Manager	2,414	1,801	75%	1,609
Development and Resource Management (DARM)	22,986	15,914	69%	14,783
Personnel	2,933	2,247	77%	2,222
City Attorney's Office	4,242	3,127	74%	2,924
General City Purposes	9,205	2,854	31%	1,935
Pending Concessions	(1,973)	0	0%	0
Total	278,954	198,658	71%	185,782

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	156,478	116,932	75%	112,310
Salaries and Benefits Others	34,518	26,156	76%	24,652
Overtime Public Protection	3,800	4,937	130%	3,710
Overtime Others	54	78	145%	68
Pension Obligation Bonds	12,740	3,734	29%	3,890
Operations and Maintenance	35,914	21,088	59%	18,760
Interdepartmental Charges	30,482	23,179	76%	20,785
Capital	4,968	2,554	51%	1,607
Total	278,954	198,658	71%	185,782

GENERAL FUND EXPENDITURES

General Fund expenditures for the nine months ended March 31, 2016 were \$198.7 million. This is an increase of \$12.9 million (6.9%) over the same period last fiscal year.

Comparing the first nine months this year with last year, the Police and Fire Departments experienced \$6.1 million (6.0%) and \$3.2 million (8.3%) 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 personal supplies, computer software, equipment purchases and leases. PARCS experienced a \$1.9 million (20.5%) increase compared to the same period 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 technical services, utilities, and capital expenditures for equipment and improvements.

Savings for personnel costs related to the transfer of the employees to PARCS plus lower costs for utilities, rock & mineral products, and lower ID charges all contributed to the decrease of \$1.1 million (-20.5%) in Public Works expenditures compared to the same period last year.

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 nine months ended March 31, 2016 were up \$0.9 million (47.5%) compared to the same period last year due to increased interdepartmental charges and special projects costs.

By category, salaries are at reasonable levels and are consistent with the prior year. Overtime Public Protection however, is up \$1.2 million (33.1%) over the same period 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 Overtime Public Protection expenses have already exceeded the annual budget for those costs. Operations and Maintenance costs for the first nine months were up \$2.3 million (12.4%) over the same period last year due to costs for outside legal and consulting fees, special projects, landscaping, inventory, personal supplies, training and conferences. Interdepartmental charges during the first nine months are up \$2.4 million (11.5%) compared to the same period last year due to new Fleet lease purchase charges, ISD replacement charges, and facilities repair and replacement charges. Expenditures related to Pension Obligation Bonds are recognized when paid.

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	12,484	12,393	99%	11,520
Expenditures	(8,500)	(5,235)	62%	(5,388)
Total	3,984	7,158		6,132
Transportation/FAX				
Revenues	41,676	16,539	40%	36,985
Expenditures	(30,638)	(20,380)	67%	(20,066)
Total	11,038	(3,841)		16,919
Airport Operating				
Revenues	26,964	28,826	107%	23,139
Expenditures	(14,237)	(9,983)	70%	(9,382)
Total	12,727	18,843		13,757
Sewer System				
Revenues	156,183	143,693	92%	99,031
Expenditures	(87,639)	(35,907)	41%	(27,341)
Total	68,544	107,786		71,690
Solid Waste System				
Revenues	31,146	25,035	80%	25,352
Expenditures	(29,965)	(19,746)	66%	(22,047)
Total	1,181	5,289		3,305
Water System				
Revenues	127,202	103,343	81%	101,093
Expenditures	(99,676)	(44,101)	44%	(45,455)
Total	27,526	59,242		55,638

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 this deposit and carryover, Transportation/FAX YTD Revenues decreased \$13.7 million (-58.7%) compared to the prior year as a result of lower State TDA funding, decreased passenger revenues, and delayed receipt of Federal alternative fuel rebate recently reinstated by Congress. Excluding carryover, Airport Operating and Sewer System YTD Revenues for the first nine months of Fiscal Year 2016 increased \$0.6 million (4.7%) and \$0.8 million (1.8%) 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 47% of the total revenue received through March 31, 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 45% of total revenues received through March 31, 2016. Water's carryover this year is up \$5.4 million (13.1%) over last year's carryover.

Sewer expenditures are up \$8.6 million (31.3%) over the same period last year, primarily due to an increase in contract construction expenses, professional services, utilities, and specialty chemicals. Solid Waste expenditures are down \$2.3 million (-10.4%) due to lower ID charges and landfill tipping fees. Water expenditures are down \$1.4 million (-3.0%). Items contributing to that decrease include reductions in professional and technical services, specialty chemicals, and utilities.

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	22,790		22,790
Parks Impact Fee Projects	30,455	\$2,145	32,600
City Hall Chiller/Convention Center Improvements	3,405	19,175	22,580
Public Safety Impact Fee Projects	37,870		37,870
City Hall Refinancing/Bee Building/Granite Park	34,405		34,405
Exhibit Hall Expansion Project		18,668	18,668
Stadium Project		34,425	34,425
Judgment Bonds:			
Pension Obligation Bonds	145,675		145,675
Judgment Obligation Bonds	1,025		1,025
Enterprise Bonds:			
Water		146,405	146,405
Sewer		195,615	195,615
Airport		52,630	52,630
Total Bonds	\$304,580	\$469,063	\$773,643
Notes and Loans:			
CEC – MSC Solar System	\$412		\$412
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		\$365	365
State Water Resources Control Board Loans		48,931	48,931
Total Notes and Loans	\$3,948	\$49,296	\$53,244
Capital Leases	\$16,601		\$16,601
Total City Debt	\$325,129	\$518,359	\$843,488

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.