



City of Fresno
Monthly Financial Report FY2015/2016
For the Eleven Months Ended May 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	281,694	268,311	95%	256,276
Expenditures	(279,056)	(248,970)	89%	(231,570)
Revenues Over Expenditures	2,638	19,341		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	82,233	60,534	74%	68,266
Prop. 172 Sales Tax	2,730	2,534	93%	2,531
Property Tax	111,136	114,028	103%	108,933
Business Tax	17,880	17,829	100%	16,833
Franchise Tax	12,225	11,868	97%	11,303
Other Local Taxes	11,612	11,733	101%	10,657
Card Room Receipts	1,010	999	99%	951
Charges for Services	16,420	15,420	94%	14,683
Development Fees	13,734	14,107	103%	13,374
Intergovernmental Revenues	5,092	5,348	105%	4,320
Intragovernmental Revenues	11,522	9,953	86%	12,498
Transfers In/Out	(26,979)	(18,490)	69%	(30,371)
All Other Revenue Sources	23,079	22,448	97%	22,298
Total	281,694	268,311	95%	256,276

GENERAL FUND REVENUES

General Fund revenues for the eleven months ended May 31, 2016 were \$268.3 million. Revenues for the first eleven months of the prior fiscal year were \$256.3 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 eleven months of Fiscal Year 2015, the adjusted total is \$264.5 million; resulting in an adjusted increase of \$3.8 million thus far in Fiscal Year 2016 as compared to total revenues through the first eleven months of last fiscal year. Overall, total revenues are at 95.2% of the annual estimate with 92% of the year completed.

Sales Tax revenues, including those from the Sales Tax Swap were \$60.5 million through May 2016 and were \$68.3 million for the same period last fiscal year; a -11.3% 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. Once the Sales Tax Swap revenues of \$5.6 million in FY2016 and \$19.2 million in FY2015 are factored out, Sales Tax receipts are up \$5.8 million (11.9%) over the same time period last year. Property Tax received through May 31, 2016 increased \$5.1 million (4.7%) from the same period last year, primarily due to Real & Secured Personal Property tax and VLF swap.

GENERAL FUND REVENUES – continued

Business Taxes collected were \$17.8 million for the first eleven months of Fiscal Year 2016, an increase of \$1.0 million (5.9%) over the same period last fiscal year. Other Local Taxes received through May were \$11.7 million; an increase of \$1.1 million (10.1%) over the same period last year, due to increased revenues from Room Tax and Real Estate Transfer Taxes.

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 \$0.7 million (5.5%) from the first eleven months of last fiscal year due to construction/alteration permit and plan check fees. Intergovernmental Revenues increased \$1.0 million (23.8%) compared to the first eleven months of last year due to increased federal grant reimbursements, reimbursements for state mandated costs, and County contributions for police officers working on the Adult Compliance Team (ACT). Intragovernmental Revenues decreased \$2.5 million (-20.4%) compared to the same period last fiscal year due to lower equipment and overhead reimbursements from capital funds. The \$22.4 million under All Other Revenue Sources includes General Fund carryover of \$20.4 million posted at the beginning of December 2015.

As of May 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	149,238	135,292	91%	127,339
Fire Department	52,784	51,235	97%	47,997
Parks, Recreation & Community Services	15,768	13,461	85%	11,725
Finance/Budget/Purchasing/Central Printing	8,245	6,868	83%	6,732
Public Works	9,178	6,014	66%	6,669
City Council Offices	3,335	2,308	69%	2,211
City Clerk's Office	709	654	92%	594
Office of the Mayor/City Manager	2,414	2,235	93%	1,957
Development and Resource Management (DARM)	22,986	19,271	84%	17,754
Personnel	2,936	2,728	93%	2,633
City Attorney's Office	4,231	3,825	90%	3,583
General City Purposes	9,205	5,079	55%	2,376
Pending Concessions	(1,973)	0	0%	0
Total	279,056	248,970	89%	231,570

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	156,458	141,030	90%	134,696
Salaries and Benefits Others	34,092	31,507	92%	29,654
Overtime Public Protection	3,800	5,746	151%	4,254
Overtime Others	54	138	257%	82
Pension Obligation Bonds	12,740	12,740	100%	12,718
Operations and Maintenance	36,149	26,649	74%	22,865
Interdepartmental Charges	30,542	27,780	91%	25,168
Capital	5,221	3,380	65%	2,133
Total	279,056	248,970	89%	231,570

GENERAL FUND EXPENDITURES

General Fund expenditures for the eleven months ended May 31, 2016 were \$249.0 million. This is an increase of \$17.4 million (7.5%) over the same period last fiscal year.

Comparing the first eleven months this year with last year, the Police and Fire Departments experienced \$8.0 million (6.2%) and \$3.2 million (6.7%) 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 training, personal supplies, computer software, equipment purchases and leases. PARCS experienced a \$1.7 million (14.8%) 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 utilities, and capital expenditures for equipment and improvements.

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 eleven months ended May 31, 2016 were up \$2.7 million (113.8%) compared to the same period last year due to increased support for outside agencies, land acquisitions, interdepartmental charges and special projects costs.

GENERAL FUND EXPENDITURES – continued

By category, salaries are at reasonable levels and are consistent with the prior year. Public Protection Overtime however, is up \$1.5 million (35.1%) 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 Public Protection Overtime expenses have exceeded 1.5 times the annual budget for those costs. Operations and Maintenance costs for the first eleven months were up \$3.8 million (16.5%) over the same period last year due to costs for outside legal and consulting fees, special projects, computer software, inventory, landscaping, and training. Interdepartmental charges during the first eleven months are up \$2.6 million (10.4%) 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	13,937	112%	13,047
Expenditures	(8,500)	(6,655)	78%	(6,817)
Total	3,984	7,282		6,230
Transportation/FAX				
Revenues	41,676	12,321	30%	39,327
Expenditures	(30,638)	(24,403)	80%	(24,577)
Total	11,038	(12,082)		14,750
Airport Operating				
Revenues	26,964	31,610	117%	25,916
Expenditures	(14,237)	(12,047)	85%	(11,911)
Total	12,727	19,563		14,005
Sewer System				
Revenues	156,183	155,184	99%	111,471
Expenditures	(94,975)	(51,135)	54%	(42,252)
Total	61,208	104,049		69,219
Solid Waste System				
Revenues	31,146	30,072	97%	30,818
Expenditures	(29,965)	(24,292)	81%	(27,233)
Total	1,181	5,780		3,585
Water System				
Revenues	127,202	114,037	90%	110,299
Expenditures	(99,676)	(61,961)	62%	(63,126)
Total	27,526	52,076		47,173

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 \$20.3 million (-78.9%) compared to the prior year as a result of lower State TDA funding, increased transfers for capital projects and equipment, 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 eleven months of Fiscal Year 2016 increased \$0.6 million (3.9%) and decreased \$-0.2 million (-0.4%) 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 42% of the total revenue received through May 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 41% of total revenues received through May 31, 2016. Water's carryover this year is up \$5.4 million (13.1%) over last year's carryover.

Sewer expenditures are up \$8.9 million (21.0%) over the same period last year, primarily due to an increase in contract construction expenses. Solid Waste expenditures are down \$2.9 million (-10.8%) due to lower ID charges and landfill tipping fees.

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	20,415		20,415
Parks Impact Fee Projects	29,655	\$2,090	31,745
City Hall Chiller/Convention Center Improvements	3,405	17,690	21,095
Public Safety Impact Fee Projects	36,710		36,710
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	\$300,245	\$467,523	\$767,768
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		\$352	352
State Water Resources Control Board Loans		48,889	48,889
Total Notes and Loans	\$3,948	\$49,241	\$53,189
Capital Leases	\$16,253		\$16,253
Total City Debt	\$320,446	\$516,764	\$837,210

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.