



City of Fresno
Monthly Financial Report FY2016/2017
For the Seven Months Ended January 31, 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
Revenues	301,906	169,543	56%	158,315
Expenditures	(300,261)	(169,238)	56%	(158,156)
Revenues Over Expenditures	1,645	305		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	93,846	52,182	56%	33,575
Prop. 172 Sales Tax	2,785	1,936	70%	1,613
Property Tax	116,402	62,770	54%	59,733
Business Tax	18,148	10,853	60%	11,163
Franchise Tax	13,158	4,025	31%	3,618
Other Local Taxes	12,894	8,428	65%	7,751
Card Room Receipts	1,070	596	56%	571
Charges for Services	16,535	7,934	48%	8,237
Development Fees	15,456	9,315	60%	8,423
Intergovernmental Revenues	6,098	2,452	40%	3,321
Intragovernmental Revenues	10,933	5,334	49%	6,096
Transfers In/Out	(19,118)	(8,354)	44%	(7,325)
All Other Revenue Sources	13,699	12,072	88%	21,539
Total	301,906	169,543	56%	158,315

GENERAL FUND REVENUES

General Fund revenues for the seven months ended January 31st were \$169.5 million. This is an increase of \$11.2 million thus far in Fiscal Year 2017 as compared to total revenues for the first seven months of last fiscal year. Total revenues for the first seven months are at 56% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$52.2 million through January 2017 as opposed to \$33.6 million for the same period last fiscal year: an \$18.6 million (55.4%) 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 seven months increased \$11.2 million (36.6%) from \$30.8 million last year to \$42.0 million in FY2017.

Property Tax revenues through January 31st increased \$3.0 million (5.1%) from the same period last year, primarily due to increased real and secured personal property taxes and override.

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 seven months increased \$0.9 million (10.6%) primarily due to increased new construction plan check and permit fees. Intergovernmental Revenues during the first seven months decreased \$0.9 million (-26.2%) from the same period last year primarily due to lower reimbursement for State mandated costs (SB-90), and lower reimbursement for school resource officers. Transfers In/Out through January 31st increased \$1.0 million (14.0%) 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 January 31st, 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	87,454	56%	85,727
Fire Department	59,018	35,610	60%	33,286
Parks, Recreation & Community Services	15,777	8,001	51%	8,738
Finance/Budget/Purchasing/Central Printing	8,331	4,420	53%	4,654
Public Works	9,894	4,635	47%	3,321
City Council Offices	3,627	1,683	46%	1,597
City Clerk's Office	788	488	62%	443
Office of the Mayor/City Manager	2,414	1,396	58%	1,457
Development and Resource Management (DARM)	28,491	16,446	58%	12,825
Personnel	3,213	2,005	62%	1,864
City Attorney's Office	4,903	2,945	60%	2,520
General City Purposes	8,794	4,155	47%	1,724
Attrition Savings	(2,206)	0	0%	0
Total	300,261	169,238	56%	158,156

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,877	98,943	58%	93,111
Salaries and Benefits Others	39,535	23,114	58%	20,919
Overtime Public Protection	4,235	3,671	87%	4,213
Overtime Others	93	127	137%	54
Pension Obligation Bonds	12,750	3,552	28%	3,734
Operations and Maintenance	32,008	18,313	57%	16,397
Interdepartmental Charges	29,771	16,362	55%	17,696
Capital	10,992	5,156	47%	2,032
Total	300,261	169,238	56%	158,156

GENERAL FUND EXPENDITURES

General Fund expenditures for the seven months ended January 31st were \$169.2 million. This is an increase of \$11.1 million (7.0%) over the same period last fiscal year.

Comparing the first seven months this year with last year, the Police and Fire Departments experienced \$1.7 million (2.0%) and \$2.3 million (7.0%) 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 \$1.3 million (39.6%) during the first seven months of Fiscal Year 2017 compared to the same period last year mostly due to insurance, interdepartmental charges, rock & mineral products, specialty chemicals, and personnel costs. DARM experienced a \$3.6 million (28.2%) increase for the seven months ended January 31st 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 seven months ended January 31st increased \$2.4 million (141.0%) 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 \$5.8 million (6.3%) and \$2.2 million (10.5%) increases respectively. These are consistent with expectations this fiscal year as a result of increased staffing levels. Public Protection Overtime for the first seven months of FY2017 is down \$0.5 million (-12.9%) 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 seven months of FY2017 increased \$1.9 million (11.7%) over the same period last year primarily due to special projects, outside repairs of building & improvements, outside agency support, and rock & minerals. Interdepartmental Charges through January 31st decreased \$1.3 million (-7.5%) due to reduced costs for property and liability self-insurance, and fleet fuel charges. Capital expenditures for the first seven months of FY2017 are up \$3.1 million (153.7%) 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
Community Sanitation				
Revenues	13,769	11,770	85%	10,780
Expenditures	(11,029)	(4,409)	40%	(4,257)
Total	2,740	7,361		6,523
Transportation/FAX				
Revenues	31,284	13,684	44%	14,349
Expenditures	(32,114)	(16,884)	53%	(15,964)
Total	(830)	(3,200)		(1,615)
Airport Operating				
Revenues	39,196	29,479	75%	26,265
Expenditures	(15,882)	(8,201)	52%	(7,734)
Total	23,314	21,278		18,531
Sewer System				
Revenues	68,101	135,736	199%	135,113
Expenditures	(68,144)	(29,443)	43%	(26,160)
Total	(43)	106,293		108,953
Solid Waste System				
Revenues	31,308	20,130	64%	19,376
Expenditures	(30,532)	(15,194)	50%	(15,556)
Total	776	4,936		3,820
Water System				
Revenues	131,777	111,286	84%	93,747
Expenditures	(94,735)	(43,034)	45%	(35,088)
Total	37,042	68,252		58,659

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 seven 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 69.1% of total revenues through January 31st.

Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 55.8% of the total revenue received through January 31st.

ENTERPRISE OPERATING FUNDS – continued

Water System carryover increased \$4.5 million (9.7%) over last year's carryover and is 46.0% of total revenues received through January 31st. Excluding carryover, Water System revenues during the first seven months of Fiscal Year 2017 increased \$13.0 million (27.6%) 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 seven months increased \$3.3 million (12.6%) over the same period last year, primarily due to contract construction, interdepartmental charges, personnel costs, and specialty chemicals. Water System expenditures are up \$7.9 million (22.6%) 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	\$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		\$327	327
State Water Resources Control Board Loans		79,806	79,806
Total Notes and Loans	\$3,154	\$80,133	\$83,287
Capital Leases	\$15,120		\$15,120
Total City Debt	\$306,904	\$529,079	\$835,983

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.