



**City of Fresno**  
**Monthly Financial Report FY2016/2017**  
**For the Twelve Months Ended June 30, 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>	307,098	312,937	102%	283,216
<b>Expenditures</b>	(305,504)	(295,265)	97%	(273,709)
<b>Revenues Over Expenditures</b>	1,594	17,672		

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
<b>Sales &amp; Use Tax</b>	93,846	93,190	99%	73,666
<b>Prop. 172 Sales Tax</b>	2,785	3,194	115%	2,534
<b>Property Tax</b>	120,768	122,072	101%	116,292
<b>Business Tax</b>	18,148	18,082	100%	18,259
<b>Franchise Tax</b>	13,158	13,482	102%	12,968
<b>Other Local Taxes</b>	12,894	14,171	110%	13,203
<b>Card Room Receipts</b>	1,070	1,049	98%	1,091
<b>Charges for Services</b>	16,535	16,543	100%	17,738
<b>Development Fees</b>	15,456	17,435	113%	15,474
<b>Intergovernmental Revenues</b>	6,124	7,572	124%	6,384
<b>Intragovernmental Revenues</b>	10,933	9,835	90%	10,369
<b>Transfers In/Out</b>	(18,318)	(17,593)	96%	(27,590)
<b>All Other Revenue Sources</b>	13,699	13,905	102%	22,828
<b>Total</b>	307,098	312,937	102%	283,216

**GENERAL FUND REVENUES**

General Fund revenues for the fiscal year ended June 30, 2017 were \$312.9 million. This is an increase of \$29.7 million in Fiscal Year 2017 when compared to total revenues for last fiscal year. Total revenues are at 102% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$93.2 million for Fiscal Year 2017 as opposed to \$73.7 million for last fiscal year: a \$19.5 million (26.5%) 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 Fiscal Year 2017 increased \$15.0 million (22.0%) from \$68.0 million last year to \$83.0 million in FY2017.

Property Tax revenues of \$122.1 million were 1.1% higher than project and \$5.8 million (5.0%) greater than last year's revenues of \$116.3 million, primarily due to increased real and secured personal property taxes, VLF swap, personal secured & unsecured override, and supplemental tax.

## **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 decreased \$1.2 million (-6.7%) from last fiscal year, mostly due to reduced receipts from Vehicle Releases and Vehicle Code Violations.

Development Fees increased \$2.0 million (12.7%) primarily due to increased new construction plan check and permit fees, and miscellaneous inspections. All Other Revenue Sources, which includes FY2017 General Fund carryover of \$10.0 million, is down \$8.9 million (-39.1%) from FY2016 levels, primarily due to a reduction in carryover.

Intergovernmental Revenues increased \$1.2 million (18.6%) primarily due to increased reimbursements from schools for resource officers and Federal grant receipts. Transfers Out are down \$9.8 million (-35.8%) mainly due to one-time transfer from the General Fund to the reserve fund at the end of Fiscal Year 2016, and reduced debt service payments due to timing of the bond refunding in Spring 2017.

As of June 30<sup>th</sup>, the City maintained \$20.5 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 and April 2017. 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	152,517	97%	145,381
Fire Department	59,148	59,311	100%	55,822
Parks, Recreation & Community Services	15,803	14,956	95%	15,677
Finance/Budget/Purchasing/Central Printing	8,331	7,459	90%	7,522
Public Works	9,894	8,356	84%	7,438
City Council Offices	3,627	2,688	74%	2,447
City Clerk's Office	788	770	98%	694
Office of the Mayor/City Manager	2,414	2,400	99%	2,382
Development and Resource Management (DARM)	28,801	26,642	93%	21,125
Personnel	3,213	3,105	97%	2,918
City Attorney's Office	4,989	4,985	100%	4,218
General City Purposes	13,485	12,076	90%	8,085
Attrition Savings	(2,206)	0	0%	0
<b>Total</b>	<b>305,504</b>	<b>295,265</b>	<b>97%</b>	<b>273,709</b>

### GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,196	165,508	97%	153,017
Salaries and Benefits Others	40,312	41,040	102%	36,524
Overtime Public Protection	4,235	5,541	131%	6,175
Overtime Others	93	236	255%	162
Pension Obligation Bonds	12,751	12,696	100%	12,740
Operations and Maintenance	33,442	31,959	96%	31,847
Interdepartmental Charges	32,836	30,245	92%	29,258
Capital	11,639	8,040	69%	3,986
<b>Total</b>	<b>305,504</b>	<b>295,265</b>	<b>97%</b>	<b>273,709</b>

### GENERAL FUND EXPENDITURES

General Fund expenditures for the fiscal year ended June 30, 2017 were \$295.3 million. This is an increase of \$21.6 million (7.9%) over last fiscal year. Total expenditures this fiscal year were 97% of budget. Overall, except for the Fire Department, all departments achieved expenditure levels below their appropriated amounts for the fiscal year.

Comparing Fiscal Year 2017 with Fiscal Year 2016, the Police and Fire Departments experienced \$7.1 million (4.9%) and \$3.5 million (6.3%) 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 \$0.9 million (12.3%) during Fiscal Year 2017 compared to last year mostly due to insurance costs, and new fleet equipment purchases. DARM experienced a \$5.5 million (26.1%) increase this fiscal year compared to 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 in accordance with current year budget estimates. Expenditures for General City Purposes during Fiscal Year 2017 increased \$4.0 million (49.4%) compared to last fiscal year due to costs for the animal control contract which was paid by PARCS division last year, and increased liability insurance costs.

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$12.5 million (8.2%) and \$4.5 million (12.4%) increases respectively. These are consistent with expectations this fiscal year as a result of increased staffing levels. Public Protection Overtime for Fiscal Year 2017 is down \$0.6 million (-10.3%) compared to last year primarily due to additional police officers positions becoming available, thus reducing the need for overtime.

Interdepartmental Charges for fiscal year ended June 30, 2017 increased \$1.0 million (3.4%) due to purchase and lease of new fleet equipment. Capital expenditures for Fiscal Year 2017 are up \$4.1 million (101.7%) compared to last year due to the purchase of new software for DARM, equipment purchases & leases related to the addition of new police officers and firefighters, and park improvements.

Expenditures are 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	14,589	106%	14,215
Expenditures	(11,029)	(8,780)	80%	(7,668)
<b>Total</b>	<b>2,740</b>	<b>5,809</b>		<b>6,547</b>
<b>Transportation/FAX</b>				
Revenues	31,284	31,398	100%	31,987
Expenditures	(32,114)	(29,997)	93%	(26,996)
<b>Total</b>	<b>(830)</b>	<b>1,401</b>		<b>4,991</b>
<b>Airport Operating</b>				
Revenues	39,196	39,349	100%	34,332
Expenditures	(15,882)	(15,072)	95%	(13,963)
<b>Total</b>	<b>23,314</b>	<b>24,277</b>		<b>20,369</b>
<b>Sewer System</b>				
Revenues	68,101	70,913	104%	166,131
Expenditures	(68,144)	(52,230)	77%	(73,150)
<b>Total</b>	<b>(43)</b>	<b>18,683</b>		<b>92,981</b>
<b>Solid Waste System</b>				
Revenues	31,308	31,850	102%	30,752
Expenditures	(30,532)	(28,332)	93%	(26,968)
<b>Total</b>	<b>776</b>	<b>3,518</b>		<b>3,784</b>
<b>Water System</b>				
Revenues	131,777	147,894	112%	119,978
Expenditures	(94,735)	(78,445)	83%	(72,961)
<b>Total</b>	<b>37,042</b>	<b>69,449</b>		<b>47,017</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 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 51.8% of total Fiscal Year 2017 revenues.

Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 45.0% of the total Fiscal Year 2017 revenues.

## **ENTERPRISE OPERATING FUNDS – continued**

Sewer System revenues during Fiscal Year 2017 decreased \$95.2 million (-57.3%) from a transfer out of funds into an escrow account to partially defease the Series 2008 Sewer Bonds when they become callable in September 2018.

Water System carryover increased \$4.5 million (9.7%) over last year's carryover and is 34.6% of total Fiscal Year 2017 revenues. Excluding carryover, Water System revenues during Fiscal Year 2017 increased \$23.4 million (31.9%) over last year primarily due to increased user charges, payment received from Kern-Tulare Water District for water sold during FY2016, environmental prp contributions, and interdepartmental revenues.

Transportation/FAX expenditures during Fiscal Year 2017 increased \$3.0 million (11.1%) over last year, primarily due to increased personnel costs. Sewer System expenditures for fiscal year ended June 30, 2017 decreased \$20.9 million (-28.6%) from last year, primarily due to lower contract construction and engineering costs. Water System expenditures are up \$5.5 million (7.5%) over last fiscal year, primarily due to the pay down of the outstanding loan from the U.S. Bureau of Reclamation, fees for June 2016 water purchases, interdepartmental charges, 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	\$26,315		\$26,315
No Neighborhood Left Behind/Selland Arena	15,580		15,580
Parks Impact Fee Projects	23,825	\$1,675	25,500
City Hall Chiller/Convention Center Improvements	2,710	15,215	17,925
Public Safety Impact Fee Projects	32,065		32,065
City Hall Refinancing/Bee Building/Granite Park	32,105		32,105
Exhibit Hall Expansion Project		14,306	14,306
Stadium Project		29,390	29,390
Judgment Bonds:			
Pension Obligation Bonds	131,840		131,840
Enterprise Bonds:			
Water		136,190	136,190
Sewer		186,505	186,505
Airport		51,090	51,090
<b>Total Bonds</b>	<b>\$264,440</b>	<b>\$434,371</b>	<b>\$698,811</b>
Notes and Loans:			
CEC – MSC Solar System	\$0		\$0
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		\$314	314
State Water Resources Control Board Loans		121,240	121,240
Clean Water – Southwest Quadrant		32,176	32,176
Safe Drinking Water Loans		46,151	46,151
<b>Total Notes and Loans</b>	<b>3,016</b>	<b>199,881</b>	<b>202,897</b>
<b>Capital Leases</b>	<b>\$20,884</b>		<b>\$20,884</b>
<b>Total City Debt</b>	<b>\$288,340</b>	<b>\$634,252</b>	<b>\$922,592</b>

\* The outstanding principal of the Lease Revenue Bonds reflect balances after the bond refinancing completed in May 2017.

### 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.