



City of Fresno
Monthly Financial Report
For the One Month Ended July 31, 2017
Unaudited – Intended for Internal Management Purposes Only
 (All figures in thousands)

GENERAL FUND AT-A-GLANCE

(in thousands) Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	309,352	6,152	2%	13,442
Expenditures	(303,194)	(20,687)	7%	(31,620)
Revenues Over (Under) Expenditures	<u>6,158</u>	<u>(14,535)</u>		<u>(18,178)</u>

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	84,518	0	0%	10,181
Prop. 172 Sales Tax	3,092	234	8%	496
Property Tax	126,531	0	0%	0
Business Tax	18,961	971	5%	981
Franchise Tax	13,487	390	3%	202
Other Local Taxes	13,641	1,298	10%	387
Card Room Receipts	1,092	78	7%	83
Charges for Services	16,602	1,300	8%	1,142
Development Fees	17,233	1,479	9%	1,294
Intergovernmental Revenues	5,699	320	6%	121
Intragovernmental Revenues	13,244	22	0%	14
Transfers In/Out	(16,735)	(123)	1%	(1,698)
All Other Revenue Sources	<u>11,987</u>	<u>183</u>	2%	<u>239</u>
Total General Fund Revenues	<u>309,352</u>	<u>6,152</u>	2%	<u>13,442</u>

ANALYSIS OF GENERAL FUND REVENUES

General Fund revenues for Fiscal Year 2017 are projected to be \$309.4 million. This estimated amount is a decrease, in total, from the amount of revenues actually realized in Fiscal Year 2017, which were \$312.9 million. July 2017 actual General Fund revenues were \$7.3 million, or -54.2%, lower than actual revenues for July 2016. Total revenues at the end of July 2017 are at 2.0% of the annual estimate for Fiscal Year 2018.

July 2016 Sales Tax revenues included \$10.2 million of prior year Sales Tax Swap receipts for which similar revenue was not received in July 2017. Timing differences (specifically, Room Tax receipts received in July 2017 that were not received until August in the previous fiscal year) also explain the growth in Other Local Taxes received during July 2017 of \$0.9 million (235.4%).

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 during July 2017 increased \$0.2 million (13.8%) over July 2016, mostly due to receipts from Subdivision Inspections and Vehicle Releases. Transfers In/Out during July 2017 were down \$1.6 million (-92.8%) compared to July 2016 due to transfer last year to the Convention Center and timing difference in the transfer for the Bee Building & Granite Park debt service obligation after the bond refunding in May 2017.

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As of July 31st, the City maintained \$23.7 million in the General Fund Emergency Reserve. \$3.2 million of those funds are associated with the repayment of loans made by the City to the former RDA which were received in July 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	162,382	10,905	7%	14,944
Fire Department	60,049	4,734	8%	6,974
Parks, Recreation & Community Services	13,723	1,009	7%	1,100
Finance/Budget/Purchasing/Central Printing	7,223	407	6%	1,088
Public Works	9,654	1,069	11%	1,022
City Council Offices	3,670	167	5%	384
City Clerk's Office	814	65	8%	162
Office of the Mayor/City Manager	3,953	255	6%	289
Development and Resource Management (DARM)	28,475	1,448	5%	3,827
Personnel	3,167	195	6%	528
City Attorney's Office	5,645	378	7%	630
General City Purposes	9,386	55	1%	672
Attrition Savings	(4,947)	0	0%	0
Total General Fund Expenditures	303,194	20,687	7%	31,620

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	174,793	11,942	7%	18,776
Salaries and Benefits Others	39,321	3,170	8%	4,746
Overtime Public Protection	4,387	555	13%	578
Overtime Others	60	10	17%	24
Pension Obligation Bonds	12,751	0	0%	0
Operations and Maintenance	35,292	3,853	11%	3,212
Interdepartmental Charges	31,517	647	2%	2,622
Capital	5,073	510	10%	1,662
Total General Fund Expenditures	303,194	20,687	7%	31,620

ANALYSIS OF GENERAL FUND EXPENDITURES

Total General Fund expenditures are budgeted to be \$303.2 million for Fiscal Year 2018. This is an increase of \$7.9 million (2.7%) over actual General Fund expenditures in Fiscal Year 2017, which totaled \$295.3 million.

Comparing July 2017 with July 2016, the Police and Fire Departments experienced \$4.0 million (-27.0%) and \$2.2 million (-32.1%) decreases respectively, due primarily to savings in personnel costs. DARM experienced a \$2.3 million (-62.2%) decrease during July 2017 compared to July 2016 due to the purchase and licensing of new software last fiscal year.

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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 July 2017 were down \$0.6 million (-91.8%) compared to last fiscal year due to delay in payment for the animal control contract, and lower interdepartmental charges.

By category, July 2017 Salaries/Benefits for Public Protection and Salaries/Benefits for Others decreased \$6.8 million (-36.4%) and \$1.6 million (-33.2%), respectively from July 2016. Public Protection Overtime during July 2017 is down 4.0% when compared to July 2016.

Interdepartmental Charges in July 2017 decreased \$2.0 million (-75.3%) from July 2016 due to delay in billing City Hall rent charge. Capital expenditures for July 2017 are down \$1.2 million (-69.3%) compared to last year due to last year's purchase of new software for DARM.

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
Community Sanitation				
Revenues	13,112	771	6%	757
Expenditures	(11,439)	(595)	5%	(624)
Revenues Over/(Under) Expenditures	<u>1,673</u>	<u>176</u>		<u>133</u>
Transportation/FAX				
Revenues	34,449	485	1%	500
Expenditures	(34,421)	(2,060)	6%	(2,493)
Revenues Over/(Under) Expenditures	<u>28</u>	<u>(1,575)</u>		<u>(1,993)</u>
Airport Operating				
Revenues	44,277	903	2%	(20)
Expenditures	(16,701)	(1,755)	11%	(1,978)
Revenues Over/(Under) Expenditures	<u>27,576</u>	<u>(852)</u>		<u>(1,998)</u>
Sewer System				
Revenues	90,915	5,388	6%	6,751
Expenditures	(83,481)	(5,140)	6%	(4,182)
Revenues Over/(Under) Expenditures	<u>7,434</u>	<u>248</u>		<u>2,569</u>
Solid Waste System				
Revenues	38,584	2,507	6%	2,478
Expenditures	(35,288)	(2,001)	6%	(1,891)
Revenues Over/(Under) Expenditures	<u>3,296</u>	<u>506</u>		<u>587</u>
Water System				
Revenues	155,982	8,764	6%	9,244
Expenditures	(105,473)	(3,857)	4%	(4,190)
Revenues Over/(Under) Expenditures	<u>50,509</u>	<u>4,907</u>		<u>5,054</u>

ANALYSIS OF 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 2018 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 2017 to Fiscal Year 2018 will be posted in August and reflected in next month's report.

Sewer System revenues during July 2017 decreased \$1.4 million (-20.2%) compared to July 2016 primarily due to a budgeted transfer out to a reserve fund to cover one year's debt service for the tertiary treatment project's Clean Water loan from the State of California.

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Transportation/FAX expenditures during July 2017 decreased \$0.4 million (-17.4%) from July 2016, primarily due to lower personnel costs. Sewer System expenditures during July 2017 increased \$1.0 million (22.9%) compared to July 2016 primarily due to early encumbrance of funds for handling biosolid waste removal throughout the year.

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		49,455	49,455
Total Bonds	\$264,440	\$432,736	\$697,176
Notes and Loans:			
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		\$311	311
State Water Resources Control Board Loans		120,348	120,348
Clean Water – Southwest Quadrant		32,176	32,176
Safe Drinking Water Loans		44,865	44,865
Total Notes and Loans	3,016	197,700	200,716
Capital Leases	\$21,567		\$21,567
Total City Debt	\$289,023	\$630,436	\$919,459

* 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.