



City of Fresno
Monthly Financial Report FY2016/2017
For the Three Months Ended September 30, 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	295,859	37,091	13%	26,952
Expenditures	(294,215)	(75,058)	26%	(68,501)
Revenues Over Expenditures	1,644	(37,967)		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	93,846	25,833	28%	10,951
Prop. 172 Sales Tax	2,785	999	36%	698
Property Tax	116,402	349	0%	1,189
Business Tax	18,148	1,685	9%	2,194
Franchise Tax	13,158	1,514	12%	2,274
Other Local Taxes	12,894	3,743	29%	3,315
Card Room Receipts	1,070	170	16%	252
Charges for Services	16,535	3,370	20%	3,980
Development Fees	15,456	3,841	25%	3,785
Intergovernmental Revenues	6,099	1,372	22%	1,666
Intragovernmental Revenues	10,933	1,585	14%	1,959
Transfers In/Out	(17,994)	(8,092)	45%	(5,717)
All Other Revenue Sources	6,527	722	11%	406
Total	295,859	37,091	13%	26,952

GENERAL FUND REVENUES

General Fund revenues for the three months ended September 30, 2016 were \$37.1 million. This is an increase of \$10.1 million thus far in Fiscal Year 2017 as compared to total revenues for the first three months of last fiscal year. Total revenues for the first three months are at 13% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$25.8 million through September 2016 as opposed to \$10.9 million for the same period last fiscal year: a \$14.9 million (135.9%) increase. The increase was mostly due to the receipt of \$10.2 million of prior year Sales Tax Swap receipts caused by a State-imposed change in the distribution schedule delaying receipt by the City until July 2016. Once the Sales Tax Swap revenues are factored out, Sales Tax receipts are up \$4.7 million (42.9%) over the same time period last year.

Property Tax revenues through September 30, 2016 were down \$0.8 million (70.7%) from the same period last year due to timing differences. Real and Secured, Penalty and Interest, and Secured Pers-Override taxes were received during September 2015 while similar revenues were received prior to June 30, 2016 rather than the beginning of Fiscal Year 2017.

GENERAL FUND REVENUES – continued

Franchise Taxes received during the first three months were down \$0.8 million (-33.4%) compared to the first three months of last fiscal year mostly due to timing of cable franchise fees.

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. Transfers Out through September 30, 2016 were up \$2.4 million (41.5%) compared to the same period last year due to budgeted transfers to the Convention Center and for various debt service obligations.

As of September 30, 2016, the City maintained \$20.3 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. 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	156,935	37,213	24%	36,422
Fire Department	58,099	15,579	27%	14,421
Parks, Recreation & Community Services	13,929	3,347	24%	3,595
Finance/Budget/Purchasing/Central Printing	8,331	2,090	25%	2,064
Public Works	8,776	2,043	23%	1,525
City Council Offices	3,572	883	25%	812
City Clerk's Office	788	255	32%	253
Office of the Mayor/City Manager	2,414	629	26%	653
Development and Resource Management (DARM)	26,766	9,063	34%	6,072
Personnel	3,213	970	30%	886
City Attorney's Office	4,903	1,322	27%	1,112
General City Purposes	8,695	1,664	19%	686
Attrition Savings	(2,206)	0	0%	0
Total	294,215	75,058	26%	68,501

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,963	43,453	25%	40,515
Salaries and Benefits Others	39,028	10,432	27%	9,373
Overtime Public Protection	3,991	1,772	44%	2,383
Overtime Others	58	53	92%	14
Pension Obligation Bonds	12,751	0	0%	2
Operations and Maintenance	30,683	7,973	26%	7,290
Interdepartmental Charges	29,328	7,149	24%	8,254
Contingencies	10	0	0%	0
Capital	7,403	4,226	57%	670
Total	294,215	75,058	26%	68,501

GENERAL FUND EXPENDITURES

General Fund expenditures for the three months ended September 30, 2016 were \$75.1 million. This is an increase of \$6.6 million (9.6%) over the same period last fiscal year.

Comparing the first three months this year with last year, the Police and Fire Departments experienced \$0.8 million (2.2%) and \$1.2 million (8.0%) 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, computer software, equipment purchases and leases. DARM experienced a \$3.0 million (49.3%) increase for the three months ended September 30, 2016 compared to the same period last year due to the purchase and licensing of new software.

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 three months ended September 30, 2016 were up \$1.0 million (142.6%) compared to the same period last year due to increased costs for professional and technical services, special projects, and support for outside agencies.

GENERAL FUND EXPENDITURES – continued

By category, comparing the first three months this year with last year, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$2.9 million (7.3%) and \$1.1 million (11.3%) increases respectively. These are consistent with the expected increases this fiscal year for increased staffing levels. Public Protection Overtime for the first three months of FY2017 is down \$0.6 million (-25.6%) compared to the same period last year primarily due to additional police officers positions becoming available, thus reducing the need for overtime. Capital expenditures for the first three months of FY2017 are up \$3.6 million (530.7%) compared to the same period last year due to the purchase of new software for DARM, equipment purchases related to the addition of new police officers and firefighters, and contract construction.

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	8,918	65%	8,141
Expenditures	(11,029)	(1,767)	16%	(1,744)
Total	2,740	7,151		6,397
Transportation/FAX				
Revenues	31,284	7,084	23%	9,095
Expenditures	(32,114)	(6,508)	20%	(6,551)
Total	(830)	576		2,544
Airport Operating				
Revenues	39,196	23,988	61%	20,030
Expenditures	(15,882)	(3,996)	25%	(4,007)
Total	23,314	19,992		16,023
Sewer System				
Revenues	148,438	107,948	73%	108,354
Expenditures	(65,346)	(11,535)	18%	(10,418)
Total	83,092	96,413		97,936
Solid Waste System				
Revenues	31,308	11,747	38%	10,314
Expenditures	(30,532)	(6,350)	21%	(6,473)
Total	776	5,397		3,841
Water System				
Revenues	131,777	78,821	60%	67,223
Expenditures	(94,735)	(17,237)	18%	(14,606)
Total	37,042	61,584		52,617

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 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.

Transportation/FAX revenues through September 30, 2016 are down \$2.0 million (-22.1%) from the same period last year largely due to State funding received during July 2015 for which similar revenue has not been received so far in Fiscal Year 2017. Airport Operating and Solid Waste System increased YTD Revenues for the first three months of Fiscal Year 2017 are primarily due to increased carryover this fiscal year of \$4.8 million and \$1.1 million respectively over carryover reflected in the Fiscal Year 2016.

ENTERPRISE OPERATING FUNDS – continued

Community Sanitation carryover represents 74% of the total revenue received through September 30, 2016. Carryover this year is about \$0.7 million (12.8%) over last year's carryover. Water System carryover of \$51.2 million is 65% of total revenues received through September 30, 2016. Water's carryover this fiscal year is up \$4.5 million (9.7%) over last fiscal year's carryover.

Sewer System expenditures through the first three months of Fiscal Year 2017 are up \$1.1 million (10.7%) over the same period last year due to increased costs for specialty chemicals and lubricants. Water System expenditures are up \$2.6 million (18.0%) 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, and contract construction.

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	\$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	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
Judgment Obligation Bonds	525		525
Enterprise Bonds:			
Water		141,395	141,395
Sewer		186,505	186,505
Airport		51,090	51,090
Total Bonds	\$290,365	\$449,321	\$739,686
Notes and Loans:			
CEC – MSC Solar System	\$276		\$276
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		\$340	340
State Water Resources Control Board Loans		81,161	81,161
Total Notes and Loans	\$3,292	\$81,501	\$84,793
Capital Leases	\$15,964		\$15,964
Total City Debt	\$309,621	\$530,822	\$840,443

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.