



**City of Fresno**  
**Monthly Financial Report FY2016/2017**  
**For the Nine Months Ended March 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
<b>Revenues</b>	302,732	198,335	66%	181,727
<b>Expenditures</b>	(301,088)	(210,839)	70%	(198,658)
<b>Revenues Over Expenditures</b>	1,644	(12,504)		

**GENERAL FUND REVENUES**

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
<b>Sales &amp; Use Tax</b>	93,846	67,363	72%	45,907
<b>Prop. 172 Sales Tax</b>	2,785	2,486	89%	2,127
<b>Property Tax</b>	116,402	68,267	59%	64,307
<b>Business Tax</b>	18,148	11,067	61%	11,422
<b>Franchise Tax</b>	13,158	5,686	43%	5,367
<b>Other Local Taxes</b>	12,894	10,302	80%	9,648
<b>Card Room Receipts</b>	1,070	779	73%	806
<b>Charges for Services</b>	16,535	10,787	65%	12,162
<b>Development Fees</b>	15,456	12,261	79%	11,117
<b>Intergovernmental Revenues</b>	6,124	4,883	80%	4,787
<b>Intragovernmental Revenues</b>	10,933	6,941	63%	7,969
<b>Transfers In/Out</b>	(18,318)	(14,379)	78%	(15,801)
<b>All Other Revenue Sources</b>	13,699	11,892	87%	21,909
<b>Total</b>	302,732	198,335	66%	181,727

**GENERAL FUND REVENUES**

General Fund revenues for the nine months ended March 31<sup>st</sup> were \$198.3 million. This is an increase of \$16.6 million thus far in Fiscal Year 2017 when compared to total revenues for the first nine months of last fiscal year. Total revenues for the first nine months are at 66% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$67.4 million through March 2017 as opposed to \$45.9 million for the same period last fiscal year: a \$21.5 million (46.7%) 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 nine months increased \$14.1 million (32.7%) from \$43.1 million last year to \$57.2 million in FY2017.

Property Tax revenues through March 31<sup>st</sup> increased \$4.0 million (6.2%) from the same period last year, primarily due to increased real and secured personal property taxes, VLF Swap, supplemental, and other property taxes.

## **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 through March 31<sup>st</sup> decreased \$1.4 million (-11.3%) from the same period last year, mostly due to reduced receipts from Vehicle Releases, Vehicle Code Violations, and the Fig Garden Fire Protection District.

Development Fees during the first nine months increased \$1.1 million (10.3%) primarily due to increased new construction plan check and permit fees. All Other Revenue Sources, which includes FY2017 General Fund carryover of \$10.0 million, is down \$10.0 million (-45.7%) from FY2016 levels, primarily due to a reduction in carryover.

As of March 31<sup>st</sup>, 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	110,216	70%	107,527
Fire Department	59,148	44,097	75%	41,386
Parks, Recreation & Community Services	15,803	10,145	64%	11,383
Finance/Budget/Purchasing/Central Printing	8,331	5,484	66%	5,656
Public Works	9,894	5,435	55%	4,269
City Council Offices	3,627	2,043	56%	1,944
City Clerk's Office	788	596	76%	550
Office of the Mayor/City Manager	2,414	1,770	73%	1,801
Development and Resource Management (DARM)	28,801	19,772	69%	15,914
Personnel	3,213	2,437	76%	2,247
City Attorney's Office	4,939	3,663	74%	3,127
General City Purposes	9,119	5,181	57%	2,854
Attrition Savings	(2,206)	0	0%	0
<b>Total</b>	<b>301,088</b>	<b>210,839</b>	<b>70%</b>	<b>198,658</b>

### GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,877	123,859	72%	116,932
Salaries and Benefits Others	39,233	28,876	74%	26,156
Overtime Public Protection	4,235	4,349	103%	4,937
Overtime Others	93	150	162%	78
Pension Obligation Bonds	12,750	3,552	28%	3,734
Operations and Maintenance	32,095	22,439	70%	21,088
Interdepartmental Charges	30,128	21,170	70%	23,179
Capital	11,677	6,444	55%	2,554
<b>Total</b>	<b>301,088</b>	<b>210,839</b>	<b>70%</b>	<b>198,658</b>

### GENERAL FUND EXPENDITURES

General Fund expenditures for the nine months ended March 31<sup>st</sup> were \$210.8 million. This is an increase of \$12.2 million (6.1%) over the same period last fiscal year.

Comparing the first nine months this year with last year, the Police and Fire Departments experienced \$2.7 million (2.5%) and \$2.7 million (6.6%) 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 \$1.2 million (27.3%) during the first nine months of Fiscal Year 2017 compared to the same period last year mostly due to insurance, interdepartmental charges, materials & parts, and inventory. DARM experienced a \$3.9 million (24.2%) increase for the nine months ended March 31<sup>st</sup> 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 nine months ended March 31<sup>st</sup> increased \$2.3 million (81.5%) compared to the same period last year due to costs for the animal control contract which was paid by PARCS division last year.

By category, Salaries/Benefits for Public Protection and Salaries/Benefits for Others experienced \$6.9 million (5.9%) and \$2.7 million (10.4%) increases respectively. These are consistent with expectations this fiscal year as a result of increased staffing levels. Public Protection Overtime for the first nine months of FY2017 is down \$0.6 million (-11.9%) 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 nine months of FY2017 increased \$1.4 million (6.4%) over the same period last year primarily due to special projects, outside agency support, inventory, materials & parts, and building & grounds maintenance. Interdepartmental Charges through March 31<sup>st</sup> decreased \$2.0 million (-8.7%) due to reduced costs for property and liability self-insurance, fleet fuel charges, and facilities repair projects. Capital expenditures for the first nine months of FY2017 are up \$3.9 million (152.3%) compared to the same period last year due to the purchase of new software for DARM, and equipment purchases & leases 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
<b>Community Sanitation</b>				
Revenues	13,769	13,389	97%	12,393
Expenditures	(11,029)	(5,788)	52%	(5,235)
<b>Total</b>	<b>2,740</b>	<b>7,601</b>		<b>7,158</b>
<b>Transportation/FAX</b>				
Revenues	31,284	14,919	48%	16,539
Expenditures	(32,114)	(21,549)	67%	(20,380)
<b>Total</b>	<b>(830)</b>	<b>(6,630)</b>		<b>(3,841)</b>
<b>Airport Operating</b>				
Revenues	39,196	32,398	83%	28,826
Expenditures	(15,882)	(10,362)	65%	(9,983)
<b>Total</b>	<b>23,314</b>	<b>22,036</b>		<b>18,843</b>
<b>Sewer System</b>				
Revenues	68,101	48,194	71%	143,693
Expenditures	(68,144)	(37,337)	55%	(35,907)
<b>Total</b>	<b>(43)</b>	<b>10,857</b>		<b>107,786</b>
<b>Solid Waste System</b>				
Revenues	31,308	25,369	81%	25,035
Expenditures	(30,532)	(19,779)	65%	(19,746)
<b>Total</b>	<b>776</b>	<b>5,590</b>		<b>5,289</b>
<b>Water System</b>				
Revenues	131,777	127,750	97%	103,343
Expenditures	(94,735)	(49,227)	52%	(44,101)
<b>Total</b>	<b>37,042</b>	<b>78,523</b>		<b>59,242</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 the first nine 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 62.9% of total revenues through March 31<sup>st</sup>.

Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 49.0% of the total revenue received through March 31<sup>st</sup>.

## **ENTERPRISE OPERATING FUNDS – continued**

Sewer System YTD Revenues for the first nine months of Fiscal Year 2017 decreased \$95.5 million (-66.5%) from a transfer out to deposit funds into an escrow account to partially defease the Series 2008 Sewer Bonds.

Water System carryover increased \$4.5 million (9.7%) over last year's carryover and is 40.1% of total revenues received through March 31<sup>st</sup>. Excluding carryover, Water System revenues during the first nine months of Fiscal Year 2017 increased \$19.9 million (35.1%) over last year primarily due to increased user charges, payment received from Kern-Tulare Water District for water sold during FY2016, interest, and interdepartmental revenues.

Sewer System expenditures during the first nine months increased \$1.4 million (4.0%) over the same period last year, primarily due to professional & consulting services, interdepartmental charges, personnel costs, and specialty chemicals. Water System expenditures are up \$5.1 million (11.6%) 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, utilities, specialty chemicals, interdepartmental charges, 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	\$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
<b>Total Bonds</b>	<b>\$288,630</b>	<b>\$448,946</b>	<b>\$737,576</b>
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		\$320	320
State Water Resources Control Board Loans		79,806	79,806
<b>Total Notes and Loans</b>	<b>\$3,154</b>	<b>\$80,126</b>	<b>\$83,280</b>
<b>Capital Leases</b>	<b>\$14,189</b>		<b>\$14,189</b>
<b>Total City Debt</b>	<b>\$305,973</b>	<b>\$529,072</b>	<b>\$835,045</b>

### 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.