



City of Fresno
Monthly Financial Report FY2016/2017
For the Ten Months Ended April 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
Revenues	302,732	219,278	72%	198,819
Expenditures	(301,088)	(231,823)	77%	(218,681)
Revenues Over Expenditures	1,644	(12,545)		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	93,846	72,595	77%	50,908
Prop. 172 Sales Tax	2,785	2,695	97%	2,327
Property Tax	116,402	68,267	59%	64,762
Business Tax	18,148	14,544	80%	14,896
Franchise Tax	13,158	10,749	82%	10,802
Other Local Taxes	12,894	11,272	87%	10,768
Card Room Receipts	1,070	875	82%	903
Charges for Services	16,535	12,004	73%	13,246
Development Fees	15,456	13,800	89%	12,569
Intergovernmental Revenues	6,124	5,171	84%	5,054
Intragovernmental Revenues	10,933	8,197	75%	8,864
Transfers In/Out	(18,318)	(14,429)	79%	(18,457)
All Other Revenue Sources	13,699	13,538	99%	22,177
Total	302,732	219,278	72%	198,819

GENERAL FUND REVENUES

General Fund revenues for the ten months ended April 30th were \$219.3 million. This is an increase of \$20.5 million thus far in Fiscal Year 2017 when compared to total revenues for the first ten months of last fiscal year. Total revenues for the first ten months are at 72% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$72.6 million through April 2017 as opposed to \$50.9 million for the same period last fiscal year: a \$21.7 million (42.6%) 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 ten months increased \$14.3 million (29.8%) from \$48.1 million last year to \$62.4 million in FY2017.

Property Tax revenues through April 30th increased \$3.5 million (5.4%) from the same period last year, primarily due to increased real and secured personal property taxes, VLF Swap, and supplemental 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 April 30th decreased \$1.2 million (-9.4%) 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 ten months increased \$1.2 million (9.8%) 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 \$8.6 million (-39.0%) from FY2016 levels, primarily due to a reduction in carryover.

As of April 30th, 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	121,180	77%	118,374
Fire Department	59,148	48,279	82%	45,411
Parks, Recreation & Community Services	15,803	11,239	71%	12,370
Finance/Budget/Purchasing/Central Printing	8,331	6,040	73%	6,248
Public Works	9,894	5,973	60%	4,871
City Council Offices	3,627	2,220	61%	2,115
City Clerk's Office	788	645	82%	599
Office of the Mayor/City Manager	2,414	1,949	81%	1,979
Development and Resource Management (DARM)	28,801	21,682	75%	17,404
Personnel	3,213	2,563	80%	2,470
City Attorney's Office	4,939	4,032	82%	3,449
General City Purposes	9,119	6,021	66%	3,391
Attrition Savings	(2,206)	0	0%	0
Total	301,088	231,823	77%	218,681

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,877	136,404	80%	128,912
Salaries and Benefits Others	39,240	31,667	81%	28,799
Overtime Public Protection	4,235	4,639	110%	5,375
Overtime Others	93	169	182%	107
Pension Obligation Bonds	12,750	3,552	28%	3,734
Operations and Maintenance	32,110	25,287	79%	23,117
Interdepartmental Charges	30,169	23,528	78%	25,447
Capital	11,614	6,577	57%	3,190
Total	301,088	231,823	77%	218,681

GENERAL FUND EXPENDITURES

General Fund expenditures for the ten months ended April 30th were \$231.8 million. This is an increase of \$13.1 million (6.0%) over the same period last fiscal year.

Comparing the first ten months this year with last year, the Police and Fire Departments experienced \$2.8 million (2.4%) and \$2.9 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 \$1.1 million (22.6%) during the first ten 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 \$4.3 million (24.6%) increase for the ten months ended April 30th 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 ten months ended April 30th increased \$2.6 million (77.6%) 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 \$7.5 million (5.8%) and \$2.9 million (10.0%) increases respectively. These are consistent with expectations this fiscal year as a result of increased staffing levels. Public Protection Overtime for the first ten months of FY2017 is down \$0.7 million (-13.7%) 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 ten months of FY2017 increased \$2.2 million (9.4%) over the same period last year primarily due to special projects, outside agency support, inventory, materials & parts, and building & grounds maintenance. Interdepartmental Charges through April 30th decreased \$1.9 million (-7.5%) due to reduced costs for property and liability self-insurance, fleet fuel charges, and facilities repair projects. Capital expenditures for the first ten months of FY2017 are up \$3.4 million (106.2%) 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
Community Sanitation				
Revenues	13,769	14,119	103%	13,152
Expenditures	(11,029)	(6,468)	59%	(6,058)
Total	2,740	7,651		7,094
Transportation/FAX				
Revenues	31,284	15,371	49%	17,193
Expenditures	(32,114)	(23,761)	74%	(22,099)
Total	(830)	(8,390)		(4,906)
Airport Operating				
Revenues	39,196	33,681	86%	30,340
Expenditures	(15,882)	(11,542)	73%	(10,916)
Total	23,314	22,139		19,424
Sewer System				
Revenues	68,101	55,008	81%	149,284
Expenditures	(68,144)	(40,919)	60%	(43,642)
Total	(43)	14,089		105,642
Solid Waste System				
Revenues	31,308	28,272	90%	27,531
Expenditures	(30,532)	(22,091)	72%	(22,127)
Total	776	6,181		5,404
Water System				
Revenues	131,777	132,514	101%	107,714
Expenditures	(94,735)	(52,562)	55%	(49,004)
Total	37,042	79,952		58,710

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 ten 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 60.5% of total revenues through April 30th.

Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 46.5% of the total revenue received through April 30th.

ENTERPRISE OPERATING FUNDS – continued

Sewer System YTD Revenues for the first ten months of Fiscal Year 2017 decreased \$94.3 million (-63.2%) 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 38.6% of total revenues received through April 30th. Excluding carryover, Water System revenues during the first ten months of Fiscal Year 2017 increased \$20.3 million (33.2%) over last year primarily due to increased user charges, payment received from Kern-Tulare Water District for water sold during FY2016, environmental prp contributions, interest, and interdepartmental revenues.

Sewer System expenditures during the first ten months decreased \$2.7 million (-6.2%) over the same period last year, primarily due to lower contract construction costs. Water System expenditures are up \$3.6 million (7.3%) 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, interdepartmental charges, utilities, inventory, materials & parts, and specialty chemicals.

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	17,915		17,915
Parks Impact Fee Projects	28,825	\$2,030	30,855
City Hall Chiller/Convention Center Improvements	3,405	15,735	19,140
Public Safety Impact Fee Projects	35,500		35,500
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	\$284,090	\$447,306	\$731,396
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		\$317	317
State Water Resources Control Board Loans		79,762	79,762
Total Notes and Loans	\$3,154	\$80,079	\$83,233
Capital Leases	\$21,298		\$21,298
Total City Debt	\$308,542	\$527,385	\$835,927

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.