



City of Fresno
Monthly Financial Report FY2016/2017
For the Eleven Months Ended May 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
Revenues	302,732	288,637	95%	268,311
Expenditures	(301,088)	(262,595)	87%	(248,970)
Revenues Over Expenditures	1,644	26,042		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	93,846	79,478	85%	60,534
Prop. 172 Sales Tax	2,785	2,900	104%	2,534
Property Tax	116,402	118,975	102%	114,028
Business Tax	18,148	17,636	97%	17,829
Franchise Tax	13,158	11,731	89%	11,868
Other Local Taxes	12,894	12,774	99%	11,733
Card Room Receipts	1,070	965	90%	999
Charges for Services	16,535	13,925	84%	15,420
Development Fees	15,456	15,692	102%	14,107
Intergovernmental Revenues	6,124	6,425	105%	5,348
Intragovernmental Revenues	10,933	9,157	84%	9,953
Transfers In/Out	(18,318)	(14,775)	81%	(18,490)
All Other Revenue Sources	13,699	13,754	100%	22,448
Total	302,732	288,637	95%	268,311

GENERAL FUND REVENUES

General Fund revenues for the eleven months ended May 31st were \$288.6 million. This is an increase of \$20.3 million thus far in Fiscal Year 2017 when compared to total revenues for the first eleven months of last fiscal year. Total revenues for the first eleven months are at 95% of the annual estimate for Fiscal Year 2017.

Sales Tax revenues, including those from the Sales Tax Swap, were \$79.5 million through May 2017 as opposed to \$60.5 million for the same period last fiscal year: an \$18.9 million (31.3%) 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 eleven months increased \$14.4 million (26.2%) from \$54.9 million last year to \$69.3 million in FY2017.

Property Tax revenues through May 31st increased \$4.9 million (4.3%) from the same period last year, primarily due to increased real and secured personal property taxes, VLF Swap, and personal secured & unsecured override.

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 May 31st decreased \$1.5 million (-9.7%) 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 eleven months increased \$1.6 million (11.2%) 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 \$8.7 million (-38.7%) from FY2016 levels, primarily due to a reduction in carryover.

As of May 31st, 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	138,537	88%	135,292
Fire Department	59,148	54,945	93%	51,235
Parks, Recreation & Community Services	15,803	12,404	78%	13,461
Finance/Budget/Purchasing/Central Printing	8,331	6,660	80%	6,868
Public Works	9,894	6,660	67%	6,014
City Council Offices	3,627	2,438	67%	2,308
City Clerk's Office	788	708	90%	654
Office of the Mayor/City Manager	2,414	2,170	90%	2,235
Development and Resource Management (DARM)	28,801	23,994	83%	19,271
Personnel	3,213	2,805	87%	2,728
City Attorney's Office	4,939	4,456	90%	3,825
General City Purposes	9,119	6,818	75%	5,079
Attrition Savings	(2,206)	0	0%	0
Total	301,088	262,595	87%	248,970

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	170,196	149,060	88%	141,030
Salaries and Benefits Others	38,810	34,619	89%	31,507
Overtime Public Protection	4,235	4,925	116%	5,746
Overtime Others	93	192	207%	138
Pension Obligation Bonds	12,750	12,696	100%	12,740
Operations and Maintenance	33,160	28,272	85%	26,649
Interdepartmental Charges	30,226	25,700	85%	27,780
Capital	11,618	7,131	61%	3,380
Total	301,088	262,595	87%	248,970

GENERAL FUND EXPENDITURES

General Fund expenditures for the eleven months ended May 31st were \$262.6 million. This is an increase of \$13.6 million (5.5%) over the same period last fiscal year.

Comparing the first eleven months this year with last year, the Police and Fire Departments experienced \$3.2 million (2.4%) and \$3.7 million (7.2%) 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 \$0.6 million (10.7%) during the first eleven months of Fiscal Year 2017 compared to the same period last year mostly due to insurance, and interdepartmental charges. DARM experienced a \$4.7 million (24.5%) increase for the eleven months ended May 31st 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 eleven months ended May 31st increased \$1.7 million (34.2%) 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 \$8.0 million (5.7%) and \$3.1 million (9.9%) increases respectively. These are consistent with expectations this fiscal year as a result of increased staffing levels. Public Protection Overtime for the first eleven months of FY2017 is down \$0.8 million (-14.3%) 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 eleven months of FY2017 increased \$1.6 million (6.1%) over the same period last year primarily due to special projects, and outside professional & technical services. Interdepartmental Charges through May 31st decreased \$2.1 million (-7.5%) due to reduced costs for property and liability self-insurance. Capital expenditures for the first eleven months of FY2017 are up \$3.8 million (111.0%) 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	14,954	109%	13,937
Expenditures	(11,029)	(7,144)	65%	(6,655)
Total	2,740	7,810		7,282
Transportation/FAX				
Revenues	31,284	28,651	92%	12,321
Expenditures	(32,114)	(26,868)	84%	(24,403)
Total	(830)	1,783		(12,082)
Airport Operating				
Revenues	39,196	35,086	90%	31,610
Expenditures	(15,882)	(12,824)	81%	(12,047)
Total	23,314	22,262		19,563
Sewer System				
Revenues	68,101	61,712	91%	155,184
Expenditures	(68,144)	(43,868)	64%	(51,135)
Total	(43)	17,844		104,049
Solid Waste System				
Revenues	31,308	31,031	99%	30,072
Expenditures	(30,532)	(24,853)	81%	(24,292)
Total	776	6,178		5,780
Water System				
Revenues	131,777	140,320	106%	114,037
Expenditures	(94,735)	(66,137)	70%	(61,961)
Total	37,042	74,183		52,076

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.

Transportation/FAX revenues during the first eleven months of Fiscal Year 2017 increased \$16.3 million (132.5%) primarily due to timing of State Transportation Development Act (TDA) receipts, and the Federal alternative fuels rebate.

Increased Airport Operating YTD Revenues for the first eleven 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 58.1% of total revenues through May 31st.

ENTERPRISE OPERATING FUNDS – continued

Community Sanitation carryover increased about \$0.7 million (12.8%) over last year's carryover and represents 43.9% of the total revenue received through May 31st.

Sewer System YTD Revenues for the first eleven months of Fiscal Year 2017 decreased \$93.5 million (-60.2%) 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 36.5% of total revenues received through May 31st. Excluding carryover, Water System revenues during the first eleven months of Fiscal Year 2017 increased \$21.8 million (32.3%) 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.

Transportation/FAX expenditures during the first eleven months increased \$2.5 million (10.1%) over the same period last year, primarily due to increased personnel costs. Sewer System expenditures during the first eleven months decreased \$7.3 million (-14.2%) over the same period last year, primarily due to lower contract construction costs. Water System expenditures are up \$4.2 million (6.7%) 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, 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		30,800	30,800
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	\$271,575	\$440,986	\$712,561
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		\$314	314
State Water Resources Control Board Loans		88,120	88,120
Total Notes and Loans	\$3,154	\$88,434	\$91,588
Capital Leases	\$21,218		\$21,218
Total City Debt	\$295,947	\$529,420	\$825,367

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.