



City of Fresno
Monthly Financial Report FY2015/2016
For the Eight months Ended February 29, 2016
Unaudited - Intended For Internal Management Purposes Only

GENERAL FUND AT-A-GLANCE

(in millions) Category	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Revenues	281,583	171,789	61%	162,661
Expenditures	(278,956)	(178,415)	64%	(167,584)
Revenues Over Expenditures	2,627	(6,626)		

GENERAL FUND REVENUES

Revenues	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Sales & Use Tax	82,233	39,324	48%	44,762
Prop. 172 Sales Tax	2,730	1,613	59%	1,839
Property Tax	111,136	60,629	55%	59,493
Business Tax	17,880	11,324	63%	10,387
Franchise Tax	12,225	5,218	43%	4,838
Other Local Taxes	11,612	8,616	74%	7,390
Card Room Receipts	1,010	712	70%	673
Charges For Services	16,420	10,586	64%	10,573
Development Fees	13,734	9,623	70%	9,256
Intergovernmental Revenues	4,981	3,701	74%	3,089
Intragovernmental Revenues	11,522	7,020	61%	8,707
Transfers In/Out	(26,979)	(8,269)	31%	(19,492)
All Other Revenue Sources	23,079	21,692	94%	21,146
Total	281,583	171,789	61%	162,661

GENERAL FUND REVENUES

General Fund revenues for the eight months ended February 29, 2016 were \$171.8 million. Revenues for the first eight months of the prior fiscal year were \$162.7 million, including the transfer out of \$8.2 million to repay monies previously advanced to it by Water and Solid Waste. If the loan repayment is excluded from total revenues during the first eight months of Fiscal Year 2015, the adjusted total is \$170.9 million; resulting in an adjusted increase of \$0.9 million thus far in Fiscal Year 2016 as compared to total revenues through the first eight months of last fiscal year. Overall, total revenues are at 61.0% of the annual estimate with 67% of the year completed.

Sales Tax revenues, including those from the Sales Tax Swap were \$40.9 million through February 2016. Sales Tax revenues were \$46.6 million for the same period last fiscal year; a -12.2% decrease due to lower Sales Tax Swap receipts caused by a State-imposed change in the distribution schedule delaying receipt by the City until August 2016. Yet, once the Sales Tax Swap revenues are factored out, Sales Tax receipts are up \$1.1 million (3.0%) over the same time period last year. Property Tax received through February 29, 2016 increased \$1.1 million (1.9%) from the same period last year, primarily due to increased real and secured personal property taxes and VLF swap. Business Taxes collected were \$11.3 million for the first eight months of Fiscal Year 2016, an increase of \$0.9 million (9.0%) over the same period last fiscal year. Other Local Taxes received through February were \$8.6 million; an increase of \$1.2 million (16.6%) over the same period last year, due to increased revenues from Room Tax and Real Estate Transfer 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. Development Fees increased \$0.4 million (4.0%) from the first eight months of last fiscal year due to plan check and construction/alteration permit fees. Intergovernmental Revenues increased \$0.6 million (19.8%) compared to the first eight months of last year due to increased reimbursements for state mandated costs, County contributions for police officers working on the Adult Compliance Team (ACT), and federal reimbursements. Intragovernmental Revenues decreased \$1.7 million (-19.4%) compared to the same period last fiscal year due to lower equipment and overhead reimbursements from capital funds. The \$21.7 million under All Other Revenue Sources includes General Fund carryover of \$20.4 million posted at the beginning of December 2015.

As of February 29, 2016, the City maintained nearly \$11.8 million in the General Fund Emergency Reserve. \$2.7 million of those funds are associated with the repayment of loans made by the City to the former RDA which were received in September 2015. 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	149,128	96,795	65%	91,696
Fire Department	52,784	37,238	71%	34,475
Parks, Recreation & Community Services	15,768	9,942	63%	8,206
Finance/Budget/Purchasing/Central Printing	8,245	5,120	62%	4,879
Public Works	9,178	3,803	41%	4,825
City Council Offices	3,335	1,772	53%	1,701
City Clerk's Office	709	511	72%	501
Office of the Mayor/City Manager	2,414	1,631	68%	1,428
Development and Resource Management (DARM)	22,986	14,291	62%	13,500
Personnel	2,933	2,101	72%	1,972
CAO	4,244	2,822	66%	2,640
General City Purposes	9,205	2,389	26%	1,761
Pending Concessions	(1,973)	0	0%	0
Total	278,956	178,415	64%	167,584

GENERAL FUND EXPENDITURES BY TYPE

Expenditure Type	Amended Budget	YTD Actual	% of Budget	Prior Year Actuals
Salaries and Benefits Public Protection	157,407	105,043	67%	101,148
Salaries and Benefits Others	34,528	23,530	68%	22,186
Overtime Public Protection	3,800	4,569	120%	3,455
Overtime Others	54	64	119%	64
Pension Obligation Bonds	12,740	3,734	29%	3,890
Operations and Maintenance	35,130	18,791	53%	16,471
Interdepartmental Charges	30,469	20,771	68%	18,844
Capital	4,828	1,913	40%	1,526
Total	278,956	178,415	64%	167,584

GENERAL FUND EXPENDITURES

General Fund expenditures for the eight months ended February 29, 2016 were \$178.4 million. This is an increase of \$10.8 million (6.5%) over the same period last fiscal year.

Expenditures for departments significantly funded by the General Fund (Police, Fire, DARM, and PARCS) were at acceptable levels for the eight months ended February 29, 2016. Comparing the first eight months this year with last year, the Police and Fire Departments experienced \$5.1 million (5.6%) and \$2.8 million (8.0%) increases respectively, due primarily to both overtime expenditures and costs associated with the addition of new staff added as part of the Fiscal Year 2016 budget plus additional costs for personal supplies, computer software, equipment purchases and leases. PARCS experienced a \$1.7 million (21.2%) increase compared to the same period last year mainly due to increased personnel costs associated with the transfer of five staff to PARCS from Public Works and the addition of fourteen new permanent positions plus increased costs for technical services, utilities, capital expenditures for equipment and improvements.

Savings for personnel costs related to the transfer of the employees to PARCS plus lower costs for utilities, rock & mineral products, and lower ID charges all contributed to the decrease of \$1.0 million (-21.2%) in Public Works expenditures compared to the same period last year.

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 FUND EXPENDITURES – continued

By category, salaries are at reasonable levels and are consistent with the prior year. Overtime Public Protection however, is up \$1.1 million (32.2%) over the same period last year due to spikes in Fire interagency support during fire season, additional police coverage as a result of high crime rates, the addition of 48 new officers in field training, and 69 police officers out on various long-term absences. While explainable, it must be noted that actual Overtime Public Protection expenses have already exceeded the annual budget for those costs. Operations and Maintenance costs for the first eight months were up \$2.3 million (14.1%) over the same period last year due to costs for outside legal and consulting fees, landscaping, inventory, personal supplies, special projects, training and conferences. Expenditures related to Pension Obligation Bonds are recognized when paid.

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	12,484	11,568	93%	10,708
Expenditures	(8,500)	(4,764)	56%	(4,829)
Total	3,984	6,804		5,879
Transportation/FAX				
Revenues	41,676	15,442	37%	24,177
Expenditures	(30,638)	(18,347)	60%	(17,844)
Total	11,038	(2,905)		6,333
Airport Operating				
Revenues	26,964	27,592	102%	21,807
Expenditures	(14,237)	(8,821)	62%	(8,510)
Total	12,727	18,771		13,297
Sewer System				
Revenues	156,183	137,321	88%	92,060
Expenditures	(87,639)	(31,840)	36%	(24,488)
Total	68,544	105,481		67,572
Solid Waste System				
Revenues	31,146	21,924	70%	22,722
Expenditures	(29,965)	(17,676)	59%	(19,820)
Total	1,181	4,248		2,902
Water System				
Revenues	127,202	98,753	78%	96,839
Expenditures	(99,676)	(38,454)	39%	(42,605)
Total	27,526	60,299		54,234

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 2016 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 2015 to Fiscal Year 2016 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 carryover dropped between fiscal years largely due to State funding (normally received during the month of June) which was received after fiscal year end and deposited on July 6, 2015. Excluding this deposit and carryover, Transportation/FAX YTD Revenues decreased \$2.0 million (-19.2%) compared to the prior year as a result of decreased passenger revenues, lower State TDA funding, and delayed receipt of Federal alternative fuel rebate recently reinstated by Congress. Excluding carryover, Airport Operating and Sewer System YTD Revenues for the first eight months of Fiscal Year 2016 increased \$0.7 million (6.1%) and \$1.4 million (3.9%) respectively compared to the same period last year.

Community Sanitation had about \$1.9 million more in carryover compared to the budget estimate. The carryover represents 50% of the total revenue received through February 29, 2016. Carryover this year is about \$0.7 million (12.6%) over last year's carryover. Water had slightly less carryover than estimated; but, the carryover of \$47 million is 47.2% of total revenues received through February 29, 2016. Water's carryover this year is up \$5.4 million (13.1%) over last year's carryover.

Sewer expenditures are up \$7.4 million (30.0%) over the same period last year, primarily due to an increase in contract construction expenses, professional services, utilities, and specialty chemicals. Solid Waste expenditures are down \$2.1 million (-10.8%) due to lower ID charges and landfill tipping fees. Water expenditures are down \$4.2 million (-9.7%). Items contributing to that decrease include reductions in professional and technical services, specialty chemicals, utilities, ID charges, property, and outside repairs.

ENTERPRISE OPERATING FUNDS – continued

Fiscal Year 2016 Enterprise Operating Carryover Amounts:

Community Sanitation - \$5.8 million
Transportation/FAX - \$0.1 million
Airports - \$15.5 million
Sewer System - \$101.2 million
Solid Waste System - \$2.8 million
Water System - \$46.7 million

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	22,790		22,790
Parks Impact Fee Projects	30,455	\$2,145	32,600
City Hall Chiller/Conv. Center Improvements	3,405	19,175	22,580
Public Safety Impact Fee Projects	37,870		37,870
City Hall Refinancing/Bee Bldg./Granite Park	34,405		34,405
Exhibit Hall Expansion Project		18,668	18,668
Stadium Project		34,425	34,425
Judgment Bonds:			
Pension Obligation Bonds	145,675		145,675
Judgment Obligation Bonds	1,025		1,025
Enterprise Bonds:			
Water		146,405	146,405
Sewer		195,615	195,615
Airport		52,630	52,630
Total Bonds	\$304,580	\$469,063	\$773,643
Notes and Loans			
CEC - MSC Solar System	\$412		\$412
HUD - Regional Medical Center	525		525
HUD - FMAAA	470		470
HUD - Neighborhood Streets/Parks	754		754
CIEDB - Roeding Business Park	1,787		1,787
SMG - Employee Benefits Cost Reimbursement		\$368	368
State Water Resources Control Board Loans		48,931	48,931
Total Notes and Loans	\$3,948	\$49,299	\$53,247
Capital Leases	\$15,962		\$15,962
Total City Debt	\$324,490	\$518,362	\$842,852

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.