



**City of Fresno**  
**Monthly Financial Report FY2014/2015**  
**For the Twelve Months Ended June 30, 2015**  
**Unaudited - Intended For Internal Management Purposes Only**

**GENERAL FUND AT-A-GLANCE**

| (in millions)<br>Category         | Amended<br>Budget | YTD Actual    | %    | Prior<br>Year |
|-----------------------------------|-------------------|---------------|------|---------------|
| Revenues                          | 261,129           | 272,217       | 104% | 262,252       |
| Expenditures                      | (261,129)         | (251,588)     | 96%  | (243,261)     |
| <b>Revenues Over Expenditures</b> | <b>0</b>          | <b>20,629</b> |      |               |

**GENERAL FUND REVENUES**

| Revenues                        | Amended<br>Budget | YTD Actual     | %           | Prior<br>Year  |
|---------------------------------|-------------------|----------------|-------------|----------------|
| Sales & Use Tax                 | 76,333            | 78,019         | 102%        | 75,179         |
| Prop. 172 Sales Tax             | 2,659             | 2,802          | 105%        | 2,625          |
| Property Tax                    | 108,029           | 111,776        | 103%        | 110,089        |
| Business Tax                    | 16,983            | 17,154         | 101%        | 17,048         |
| Franchise Tax                   | 11,985            | 12,420         | 104%        | 12,052         |
| Other Local Taxes               | 11,108            | 11,978         | 108%        | 11,124         |
| Card Room Receipts              | 1,000             | 1,047          | 105%        | 1,025          |
| Charges For Services            | 16,898            | 16,653         | 99%         | 18,116         |
| Parking & Community Development | 15,856            | 14,704         | 93%         | 15,125         |
| Intergovernmental Revenues      | 4,622             | 8,028          | 174%        | 5,909          |
| Intragovernmental Revenues      | 13,419            | 13,354         | 100%        | 13,120         |
| Transfers In/Out                | (25,369)          | (38,245)       | 151%        | (28,918)       |
| All Other Revenue Sources       | 7,606             | 22,527         | 296%        | 9,758          |
| <b>Total</b>                    | <b>261,129</b>    | <b>272,217</b> | <b>104%</b> | <b>262,252</b> |

**GENERAL FUND REVENUES**

General Fund revenues for the fiscal year ended June 30, 2015 were \$272.2 million. Revenues for the prior fiscal year were \$262.3 million. Overall, revenues achieved favorable results compared to the prior year and were 4% greater than total budgeted revenues for the current year.

Every category of tax revenues for the current fiscal year achieved results that exceeded their annual estimates. Overall, tax-related revenues increased by \$6.0 million over the previous year's totals. Sales Tax revenues, including Sales Tax Swap, were \$80.8 million for the year, achieving a 3.9% increase over last year's \$77.8 million and 2.3% greater than the \$79.0 million projected. Property Taxes achieved favorable results as well. Actual revenues of \$111.8 million were 3.5% greater than projected and \$1.7 million greater than last year's revenues of \$110.0 million. Business Taxes collected were \$17.2 million, slightly higher than the \$17.0 million received last year. Franchise Taxes and Other Local Taxes, at \$12.4 million and \$12 million respectively, are moderately higher than the \$12 million and \$11.1 million received in the prior fiscal year. Total tax-related revenues were \$234.1 million this fiscal year: a 2.6% increase over the \$228.1 million realized in the prior year.

Revenues other than taxes, which include Charges for Services, Parking & Community Development, Intergovernmental and Intra-governmental Revenues, Transfers Out, and All Other Revenue Sources will fluctuate depending upon various activity elements. These revenue sources increased \$3.9 million over Fiscal Year 2014's revenues. Charges for Services were \$16.8 million for the current year, slightly below \$16.9 million budget due to lower activity levels for Vehicle Code Fines and Animal Fees. Last fiscal year, Charges for Services revenues were \$18.1 million. Parking & Community Development revenue of \$14.7 million was at 93% of budget due to slight drops in Permits, Miscellaneous Inspections and Plan Check revenues. All Other Revenue Sources (\$22.5 million), including Fiscal Year 2015 carryover of \$18.9 million, was significantly greater than the \$7.6 million projected. The General Fund transferred out \$8.2 million in July 2014 to repay previously advanced monies from Water and Solid Waste well ahead of the anticipated repayment timeline that had been established. This amount is reflected as part of the (\$38.2) million in Transfers In/Out.

As of June 30, 2015, the City maintained just over \$8.9 million in the General Fund Emergency Reserve. \$3.3 million of funds associated with the repayment of loans made by the City to the RDA was received in March 2015. The use of this cash is restricted either until a declaration is made by the Mayor and approved by Council or for temporary year-end cash balancing purposes.

**GENERAL FUND EXPENDITURES BY DEPARTMENT**

| Expenditure Type                           | Amended Budget | YTD Actual     | %          | Prior Year     |
|--|----------------|----------------|------------|----------------|
| Police Department                          | 142,875        | 137,193        | 96%        | 134,587        |
| Fire Department                            | 51,562         | 51,957         | 101%       | 51,561         |
| Parks, Recreation & Community Services     | 14,098         | 13,683         | 97%        | 12,043         |
| Finance/Budget/Purchasing/Central Printing | 7,917          | 7,509          | 95%        | 7,116          |
| Public Works                               | 7,489          | 7,097          | 95%        | 6,264          |
| City Council Offices                       | 2,937          | 2,360          | 80%        | 2,211          |
| City Clerk's Office                        | 662            | 624            | 94%        | 615            |
| Office of the Mayor/City Manager           | 2,299          | 2,154          | 94%        | 1,973          |
| DARM                                       | 20,191         | 19,338         | 96%        | 17,058         |
| Personnel                                  | 2,967          | 2,841          | 96%        | 2,841          |
| CAO  | 4,058          | 3,854          | 95%        | 3,689          |
| General City Purposes                      | 5,374          | 2,978          | 55%        | 3,303          |
| Pending Concessions                        | (1,300)        | 0              | 0%         | 0              |
| <b>Total</b>                               | <b>261,129</b> | <b>251,588</b> | <b>96%</b> | <b>243,261</b> |

**GENERAL FUND EXPENDITURES BY TYPE**

| Expenditure Type                        | Amended Budget | YTD Actual     | %          | Prior Year     |
|---|----------------|----------------|------------|----------------|
| Salaries and Benefits Public Protection | 152,039        | 146,473        | 96%        | 144,423        |
| Salaries and Benefits Others            | 33,006         | 32,368         | 98%        | 30,407         |
| Overtime Public Protection              | 3,938          | 4,698          | 119%       | 4,623          |
| Overtime Others                         | 48             | 86             | 180%       | 74             |
| Pension Obligation Bonds                | 12,726         | 12,718         | 100%       | 12,587         |
| Operations and Maintenance              | 29,209         | 26,057         | 89%        | 23,706         |
| Interdepartmental Charges               | 27,480         | 26,635         | 97%        | 24,420         |
| Contingencies                           | 10             | 0              | 0%         | 0              |
| Capital                                 | 2,673          | 2,553          | 96%        | 3,021          |
| <b>Total</b>                            | <b>261,129</b> | <b>251,588</b> | <b>96%</b> | <b>243,261</b> |

**GENERAL FUND EXPENDITURES**

General Fund expenditures for fiscal year ended June 30, 2015 were \$251.6 million, an increase of \$8.3 million (3.4%) over last year. Total expenditures this fiscal year were 96% of budget.

Expenditures for departments significantly funded by the General Fund (Police, Fire, Parking & Community Development, and PARCS) ended the fiscal year at acceptable levels. The \$2.6 million increase for the Police Department was primarily the result of anticipated personnel-related increases and increased interdepartmental charges over the prior fiscal year. Fire Department expenditures slightly exceeded budget by 1% due to labor-related costs. Parks, Recreation, & Community Services increased \$1.6 million and Public Works increased \$0.8 million. The \$2.3 million increase for Development and Resource Management (DARM) was primarily due to anticipated activity-level changes for Operations and Maintenance. Expenditures for Finance, Personnel, and City Attorney as well as the administrative offices approximated the prior year amounts. Overall, except for the Fire Department, all departments achieved expenditure levels below their appropriated amounts for the fiscal year.

By category, salaries for both Public Safety and Non-Public Safety personnel ended the fiscal year at 97% of budgeted amounts. Public Protection overtime spiked in the early months of the fiscal year, primarily due to fire season which occurs during July through September. However, it has remained relatively flat since that time when compared to last fiscal year. Overtime (other than public safety) has exceeded budgeted amounts primarily from efforts related to drafting the General Plan and the Development Code in DARM. Operations and Maintenance expenditures increased \$2.35 million over the prior fiscal year due to increased activity levels but completed the current year at 89% of budget. Capital expenditures were 96% of budgeted amounts. Overall, expenditure levels finished the fiscal year at 96% of budgeted amounts.

### ENTERPRISE OPERATING FUNDS

The following summarizes year-to-date revenues and expenditures for major City enterprises.

| Enterprise Fund             | Budget    | YTD Actual | %    | Prior Year |
|-----------------------------|-----------|------------|------|------------|
| <b>Community Sanitation</b> |           |            |      |            |
| Revenues                    | 13,457    | 13,856     | 103% | 13,743     |
| Expenditures                | (10,350)  | (8,038)    | 78%  | (8,607)    |
| Total                       | 3,107     | 5,818      |      | 5,136      |
| <b>Transportation/FAX</b>   |           |            |      |            |
| Revenues                    | 40,566    | 26,598     | 66%  | 38,956     |
| Expenditures                | (28,515)  | (26,583)   | 93%  | (25,490)   |
| Total                       | 12,051    | 15         |      | 13,466     |
| <b>Airport Operating</b>    |           |            |      |            |
| Revenues                    | 24,299    | 28,905     | 119% | 24,163     |
| Expenditures                | (13,912)  | (13,365)   | 96%  | (13,748)   |
| Total                       | 10,387    | 15,540     |      | 10,415     |
| <b>Sewer System</b>         |           |            |      |            |
| Revenues                    | 146,774   | 120,801    | 82%  | 136,137    |
| Expenditures                | (88,281)  | (46,569)   | 53%  | (79,957)   |
| Total                       | 58,493    | 74,232     |      | 56,180     |
| <b>Solid Waste System</b>   |           |            |      |            |
| Revenues                    | 37,331    | 35,273     | 94%  | 34,074     |
| Expenditures                | (36,993)  | (32,538)   | 88%  | (32,411)   |
| Total                       | 338       | 2,735      |      | 1,663      |
| <b>Water System</b>         |           |            |      |            |
| Revenues                    | 144,295   | 121,681    | 84%  | 121,064    |
| Expenditures                | (117,529) | (74,958)   | 64%  | (81,654)   |
| Total                       | 26,766    | 46,723     |      | 39,410     |

### 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 received 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. Transfers out from Transportation/FAX operating fund to cover grant-related expenditures were \$13.6 million during FY2015; significantly higher than the \$4.0 million during FY2014. Transfers out decrease total revenues as reported above.

State funding for Transportation/FAX of \$6.8 million normally received during the month of June was received after fiscal year end and deposited on July 6, 2015. If this deposit is added to FY2015 revenue the adjusted total was \$33,409,000 or 82% of budgeted revenues. Adjusted revenues less expenditures including this July 6<sup>th</sup> deposit were \$6,826,000 for Transportation/FAX.

Funds budgeted for Fiscal Year 2015 were set at levels to ensure the ongoing operations and anticipated capital improvements for each enterprise. The budgeted revenue figures include estimated carryover from the prior fiscal year. Actual carryover amounts from Fiscal Year 2014 to Fiscal Year 2015 are noted below, and are reflected in the revenue figures presented above. Sewer carryover dropped between fiscal years primarily due to a large purchase order made in Fiscal Year 2014 (construction contract for the tertiary treatment and disinfection facility) that wasn't made in Fiscal Year 2015. Encumbrances reduce available carryover. Because carryover is posted in August, early fiscal year results may appear high.

Community Sanitation - \$5.2 million  
 Transportation/FAX - \$13.6 million  
 Airports - \$10.4 million  
 Sewer System - \$57.3 million  
 Solid Waste System - \$1.8 million  
 Water System - \$41.3 million

| Debt Source (in thousands)                  | Governmental     | Business-Type    | Principal Outstanding |
|---|------------------|------------------|-----------------------|
| Lease Revenue Bonds:                        |                  |                  |                       |
| Various Capital Projects                    | \$30,095         |                  | \$30,095              |
| No Neighborhood Left Behind/Selland         | 22,790           |                  | 22,790                |
| Parks Impact Fee Projects                   | 30,455           | \$2,145          | 32,600                |
| City Hall Chiller/Conv Center Improvements  | 3,405            | 19,535           | 22,940                |
| Public Safety Impact Fee Projects           | 37,870           |                  | 37,870                |
| City Hall Refinancing/Bee Bldg/Granite Park | 36,995           |                  | 36,995                |
| Exhibit Hall Expansion Project              |                  | 19,853           | 19,853                |
| Stadium Project                             |                  | 34,425           | 34,425                |
| Judgment Bonds:                             |                  |                  |                       |
| Pension Obligation Bonds                    | 145,675          |                  | 145,675               |
| Judgment Obligation Bonds                   | 1,505            |                  | 1,505                 |
| Enterprise Bonds:                           |                  |                  |                       |
| Water                                       |                  | 146,405          | 146,405               |
| Sewer                                       |                  | 204,270          | 204,270               |
| Airport                                     |                  | 54,070           | 54,070                |
| <b>Total Bonds</b>                          | <b>\$308,790</b> | <b>\$480,703</b> | <b>\$789,493</b>      |
| Notes and Loans                             |                  |                  |                       |
| CEC - MSC Solar System                      | \$545            |                  | \$545                 |
| HUD - Regional Medical Center               | 760              |                  | 760                   |
| HUD - FMAAA                                 | 570              |                  | 570                   |
| HUD - Neighborhood Streets/Parks            | 836              |                  | 836                   |
| CIEDB - Roeding Business Park               | 1,858            |                  | 1,858                 |
| SMG - Employee Benefits Cost Reimbursement  |                  | \$387            | 387                   |
| State Water Resources Control Board Loans   |                  | 52,972           | 52,972                |
| <b>Total Notes and Loans</b>                | <b>\$4,569</b>   | <b>\$53,359</b>  | <b>\$57,928</b>       |
| Capital Leases                              | \$9,146          |                  | \$9,146               |
| <b>Total City Debt</b>                      | <b>\$322,505</b> | <b>\$534,062</b> | <b>\$856,567</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.