



ANNUAL COMPREHENSIVE DEBT REPORT



Fresno, California

FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	PAGE
Overview	
Debt Management Program	<u>1</u>
Debt Issued During Fiscal Year 2021	<u>1</u>
Debt Program Work Plan for Fiscal Year 2022	<u>2</u>
Debt Administration	<u>3</u>
Debt Management Projects	<u>3</u>
Debt Management Policies	<u>5</u>
Citywide Debt Service	<u>6</u>
Rating Agency Overview/Actions	<u>9</u>
Debt Financing Team	<u>9</u>
Trustee Activity	<u>10</u>
Investment Activity	<u>11</u>
Debt Detail Report	<u>12</u>
Comparative Statistics	
Municipal Financial Ratio Analysis: Fresno vs. California Top 10 by Population	<u>18</u>
Peer Analysis to Largest 10 Cities	<u>18</u>
Debt Coverage	
Airport Enterprise	<u>19</u>
Water Enterprise	<u>20</u>
Wastewater Enterprise	<u>21</u>
Appendix - Ratings History	
Lease Revenue Bonds	<u>23</u>
Airport Revenue Bonds	<u>23</u>
Water Revenue Bonds	<u>24</u>
Wastewater (Sewer) Revenue Bonds	<u>24</u>

Overview

This section of the report provides an overview of the Debt Management Program, Debt Management Policies, Rating Agency Relations and Credit Maintenance, Composition of the Debt Financing Team, and Trustee activity during the year.

The City has a variety of financing tools at its disposal, with each one having its own benefits that may work best for a particular financing. Short-term debt options include Tax and Revenue Anticipation Notes, Commercial Paper, Bond Anticipation Notes, and Lines of Credit. Long-term debt options included voter approved General Obligation Bonds, Revenue Bonds, Loans, and Capital Leases. Each tool is discussed in detail in the City's Debt Management Policies. The Annual Debt Report does not include discussions on City's obligation for pension and other post-employment benefits.

A. Debt Management Program

Debt Management, a section within the Finance Department, is responsible for managing both the debt issuance process and subsequent debt administration for all City borrowings. This section of the report provides an overview of debt issuance in fiscal year 2021, the debt program work plan in fiscal year 2022, debt administration, debt management projects that have been completed, are currently underway, or are planned for fiscal year 2022.

1. Debt Issued During Fiscal Year 2021

Fiscal year 2021 debt issuance totaled \$30.0 million, composed of the following:

- Equipment lease purchases of \$7.06 million placed directly with Banc of America Public Capital Corp. for street sweepers and fire vehicles and smart parking meters;
- \$8.9 million drawn down from the Drinking Water State Revolving Loan Fund for the various loans to the Water Division from the California State Water Resources Control Board; and,
- \$20.7 million drawn down from the Clean Water State Revolving Loan Fund for the recycled water distribution system loan to the Sewer Division from the California State Water Resources Control Board.
- On November 3, 2020, the City issued \$17.145 million in Lease Revenue Bonds to construct a new Animal Services Center.
- On April 1, 2021, a loan was executed between the City's Water Division and the Solid Waste Division, whereby \$3,711,500 was loaned to the Solid Waste Division for the joint purchase of a facility to bring all Utilities services that can be merged into one facility. The term of the loan will be 5 years from the Effective Date of the loan, or April 1, 2026 and will accrue interest at a rate equal to the City's pooled rate. The Solid Waste Division shall make principal payments in the amount of 1/10th of the loan amount and interest payments twice per year on October 1 and April 1 of each fiscal year.

- On June 29, 2021, a loan was executed between the City's Sewer Operations Fund and the General Fund, whereby \$10 million was loaned to the General Fund for the purchase of a local motel for the purpose of housing for the City's homeless population, as well as providing rehabilitation and property management services. The term of the loan will expire on June 30, 2022 and will accrue interest at a rate equal to the City's pooled rate, which was 1.7806% as of the Effective Date of the Loan Agreement.
- Due to the COVID-19 pandemic and associated passenger traffic losses, the City's Airports Department became concerned that it would have difficulty meeting its debt coverage requirements in fiscal year 2021. To mitigate these concerns, Airports management decided to use approximately \$4.8 million of the \$12.9 million in Coronavirus Aid, Relief, and Economic Security Act (CARES) revenues it received as "surplus revenues" per requirements in the Airport Bond Indenture. These funds, along with other Airports revenues, were deposited into a prepayment escrow account with its Trustee. The effect of taking this action is that the fiscal year 2021 debt service required to be paid from operating revenues goes down to zero, creating no need for a coverage calculation during fiscal year 2021 and thereby satisfying the debt service rate covenant. Debt Management has assisted Airport staff with successfully completing this defeasance.

2. Debt Program Work Plan for Fiscal Year 2022

New Bonds - Debt Management staff continues to look at existing debt to find opportunities to save interest expense. Staff will be working with the Airport Department on issuing new bonds to expand the Airport facility by adding a new wing to the terminal.

New Loans - Debt Management staff continues to assist Water Division staff with a detailed review of the documentation relating to the loans that may be issued in fiscal year 2022.

New Leases - The City has budgeted for new lease payments in fiscal year 2022 totaling \$6.8 million to fund approximately \$0.2 million in vehicles and \$6.6 million for a new Citywide Enterprise Management System (both financials and human resources). The City currently has two Master Leases: one with Dell Financial Corporation for computers and Banc of America Public Capital Corp. for all other equipment. In addition to leases, the City has entered into a Power Purchase Agreement with PG&E to fund replacement of all City streetlights with LED bulbs, and a separate Power Purchase Agreement with Alliance Funding Solutions to upgrade electrical and install solar at City Hall and the City's Municipal Service Center. Payments due on both Power Purchase Agreements are based on savings generated by the replacement. If savings are less than payments due, the difference is forgiven.

3. Debt Administration

After debt has been issued, Debt Management is responsible for administering the debt portfolio. Section I.E of this report, Debt Financing Team, provides a detailed discussion of debt administration tasks performed by Debt Management staff.

New reporting requirements were established in fiscal year 2015 by the California Debt and Investment Advisory Commission (CDIAC) of the California State Department of the Treasury requiring the filing of a Report of Proposed Debt Issuance by any agency that is increasing debt, followed up with a Report of Final Sale. These reporting requirements were codified on September 12, 2016 through California Senate Bill 1029 (SB 1029). In the past, issuers of the original debt instruments were required to file these reports, and borrowers of the debt from the issuer were not required to report. These requirements make it imperative that Debt Management staff be involved in any and all loan transactions that the City is considering.

4. Debt Management Projects

In addition to debt issuance and administration, Debt Management staff serves in a financial advisory role to other City departments and works on other projects as necessary. Various projects and administration efforts are described below and on the following pages:

Water 2010 Series A-1 Bond Defeasance - The City defeased of all of the Water 2010 Series A-1 Bonds in fiscal year 2021. Debt Management worked with Water Management staff to complete this transaction on December 9, 2020. This defeasance will result in annual savings to the Water Division of approximately \$7.85 million through fiscal year 2024.

Master Equipment Lease Purchase Agreement (MELPA) - The City uses a single lender for all of its equipment financing needs. The current MELPA with Banc of America Public Capital Corp. (BAPCC) will expire on December 31, 2021. Debt Management staff will be putting together a new Request for Proposals (RFP) for a new MELPA.

TEFRA Hearings for Conduit Financings - A Tax Equity and Financial Reform Act (TEFRA) hearing is mandated by the IRS to provide a reasonable opportunity for interested individuals to express their views, either orally or in writing, on the issuance of bonds and the nature of the improvements and projects for which bond funds will be allocated. The TEFRA hearing is held in the jurisdiction in which the facilities constructed by bond proceeds are located, and must be held prior to approval by the agency issuing the bonds.

On December 28, 2018, the IRS released updated rules for noticing TEFRA Public Hearings that allows the City to publish TEFRA Public Hearing notices on the City Clerk's website. Previously, the City had to publish TEFRA Public Hearing notices in the daily newspaper of largest circulation in the project location. In addition to the location of the publication, the IRS reduced the minimum number of days that the notice has to be published from at least 14 days prior to the hearing date to at least 7 days prior to the hearing date. These changes substantially minimize the costs of publication and timing for preparation.

The City of Fresno held no TEFRA hearings for conduit financing during fiscal year 2021 due to Emergency Orders that shut down all non-essential services in the City of Fresno.

The City does not issue debt for these projects, but assists other agencies that are formed for this specific type of financing by holding a public hearing to hear public comments regarding the project as required by the Act.

State Revolving Loan Activity - On July 15, 2015, the City entered into a 30-year agreement to borrow \$195,489,000 from the California State Water Resources Control Board for construction of a new surface water treatment facility in southeast Fresno. The interest rate is fixed at 1.663% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2021, the City has received \$177,894,081 in proceeds. This amount is net of \$3,000,000 in loan forgiveness by the State Water Resources Control Board. The loan forgiveness was part of the loan agreement with the State. Debt service payments will be funded from revenues of the Water Enterprise. Construction is now complete and annual debt service is \$7,262,903.

On August 19, 2015, the City entered into a 30-year agreement to borrow \$52,475,049 from the California State Water Resources Control Board's Clean Water State Revolving Fund for construction of a recycled water distribution system in the southwest quadrant of the City. The interest rate is fixed at 1.0% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2021, the City has received \$59,525,038 in proceeds. Debt service payments will be funded from revenues of the Wastewater Enterprise. Once construction is completed, annual debt service is estimated to be \$2,028,979.

On April 5, 2016, the City entered into a 30-year agreement to borrow \$26,520,000 from the California State Water Resources Control Board for construction of a raw water pipeline to replace the Enterprise Canal as a primary conveyance system for the Northeast Surface Water Treatment Facility. The interest rate is fixed at 1.6% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2021, the City has received \$21,379,590 in proceeds. Debt service payments will be funded from revenues of the Water Enterprise. Even though the project was not fully completed, the City was required to make a payment of \$901,110 during the current fiscal year. Once construction is completed, annual debt service is estimated to be \$1,116,533.

On April 5, 2016, the City entered into a 30-year agreement to borrow \$65,875,669 from the California State Water Resources Control Board for construction of a pipeline for the Kings River. The interest rate is fixed at 1.6% for the term of the loan. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2021, the City has

received \$57,605,718 in proceeds. Debt service payments will be funded from revenues of the Water Enterprise. Even though the project was not fully completed, the City was required to make a payment of \$2,429,854. Once construction is completed, annual debt service is estimated to be \$2,773,546.

On August 23, 2016, the City entered into a 30-year agreement to borrow \$75,900,000 from the California State Water Resources Control Board for construction of regional transmission mains to the Southeast Water Treatment Facility. The interest rate is fixed at 1.6% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2021, the City has received \$67,436,972 in proceeds. Debt service payments will be funded from revenues of the Water Enterprise. Even though the project was not fully completed, the City was required to make a payment of \$2,826,368. Once construction is completed, annual debt service is estimated to be \$3,195,506.

Airport Bonds - Staff has been working with Airport staff on plans to issue revenue bonds for the purpose of constructing a new wing of the Airport terminal that will be used for international travel. The new wing will replace a temporary facility that has been used for over 15 years.

B. Debt Management Policies

The City Council adopted the Taxpayer Protection Act on December 3, 2009 in order to institute formal debt financial management policies. The Act was amended on February 25, 2010 and revised again on April 6, 2017 with the latest revision updating language and bringing the policy into compliance with SB 1029. The Debt Management Policies (“Policies”) establish parameters for when and how the City may enter into debt obligations. The Policies permit sufficient flexibility to allow the City to take advantage of opportunities that may arise. Objectives of the Policy are:

- Minimize debt service and issuance costs;
- Provide a scheduling component (planning);
- Maintain access to cost-efficient borrowing;
- Achieve the highest practical credit rating;
- Full and timely repayment of debt;
- Balance use of pay-as-you-go and debt financing;
- Maintain full and complete financial disclosure and reporting; and
- Ensure compliance with applicable State and Federal laws.

The primary goal of the Policies is to achieve the highest practical credit ratings and strive to elevate and maintain those ratings in order to sustain cost-effective access to capital markets. In order to

fulfill this goal and these objectives, certain ratios have been identified to quantify the City's performance relative to direct debt. These measurements are as follows:

- Net Direct Debt (tax-supported General Fund debt, net of self-supporting and revenue anticipation debt) to Assessed Value shall not exceed 3%;
- Percentage of Principal on Net Direct Debt Retired in ten years shall average 35%; and
- Net Direct Debt as a percentage of General Fund Appropriation shall be less than 10%.

The table below is an update of the table in Section 6 of the Debt Policies.

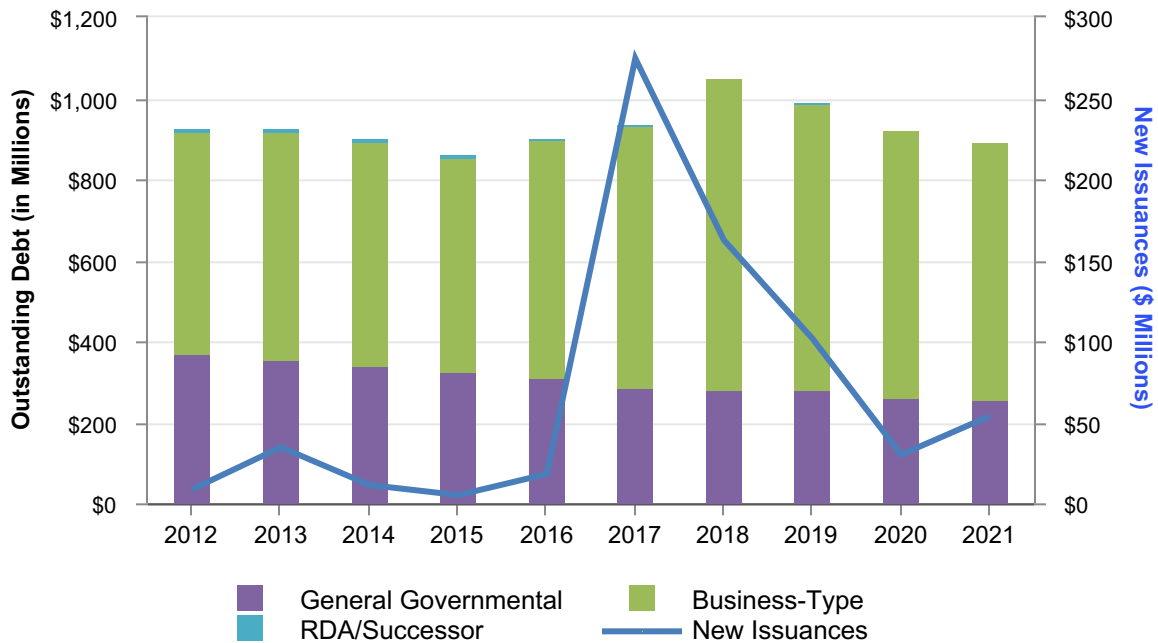
Key Debt Ratios	Description/Trend	City of Fresno FY 2021 Debt Ratios
Net Direct Debt to Assessed Property Value % (Favorable Trend=Lower than 3%)		0.07%
% Of Principal Net Direct Debt Retired in Ten Years (Favorable Trend = Greater than 35%)	GF Backed (2020 - 2021)	50.1%
	GF Paid (2020 - 2021)	34.4%
Net Direct Debt Service as % of General Fund Appropriations (Favorable Trend = Less than 10%)		7.0%

In addition to this table, an additional quantitative goal stated in the Debt Policies is that the average Percentage of principal on Net Direct Debt Retired in 15 years should be at least 40%. During fiscal year 2021, this percentage was 59.73% on GF Backed Principal and 40.32% on GF Paid Principal.

C. Citywide Debt Service

The graph on the next page illustrates the size of the City's debt portfolio and the dollar volume of debt issued in each of the last ten years. It should be noted that with the exception of the Utilities Department, the focus has been on paying down debt in the last few years, and not the issuance of new bond debt. Increases in New Issuances between fiscal year 2015 and fiscal year 2018 were due to Water and Sewer Divisions of the Department of Public Utilities borrowing funds from the California State Water Resources Control Board to meet conservation and recycling requirements imposed by the State. The reduction in Business-Type debt in fiscal year 2019 and fiscal year 2020 was due to the defeasance of \$132.5 million in fiscal year 2019 of Sewer System Revenue Bonds, Series 2008A, and then the subsequent payoff of \$27.3 million in fiscal year 2020. The reduction in Business-Type debt in fiscal year 2021 was due to the defeasance of \$27.6 million of all Water System Revenue Bonds 2010 Series A-1. The City issued Lease Revenue Bonds in the amount of \$17.1 million in fiscal year 2021 for the purpose of constructing an Animal Services Facility.

City Debt Portfolio and Debt Issuance History Fiscal Year 2011-12 through Fiscal Year 2020-21



General Governmental includes debt that is not Business-Type (paid out of the Water, Sewer and Airports enterprise funds), but is paid by either the General Fund or under special circumstances, Special Revenue Funds like the Gas Tax Fund specifically designated for the payment of debt service.

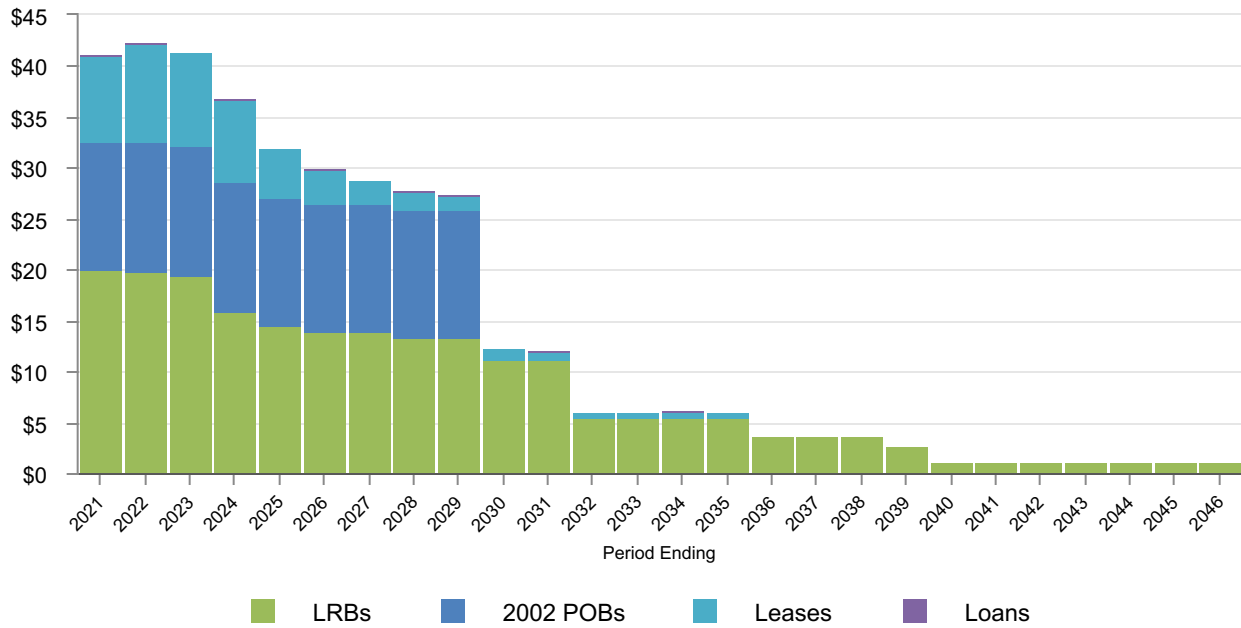
The City of Fresno’s general obligation debt capacity is spelled out in the City charter, Article XII, Section 1213. The capacity is 20% of the assessed valuation of all property within the boundaries of the City of Fresno. The capacity for fiscal year 2021 is calculated as follows:

Assessed valuation as of 06/30/2021	\$40.9 billion
Debt limit	<u>X 20%</u>
City’s Debt Limit	\$ 8.2 billion

The Debt Limit is specifically related to general obligation debt, which is debt that is issued as a result of an election (voter-approved debt). Debt Limit defines voter-approved debt that could legally be outstanding rather than what the City can afford to issue. The City of Fresno has no voter-approved debt. Additionally, the City has never had total debt outstanding of more than \$1.1 billion.

As of June 30, 2021, the City had one general obligation bond, several Lease Revenue Bonds (LRBs), capital loans and capital leases outstanding that are paid in whole or part by the General Fund. The chart on the next page shows only General Fund debt service:

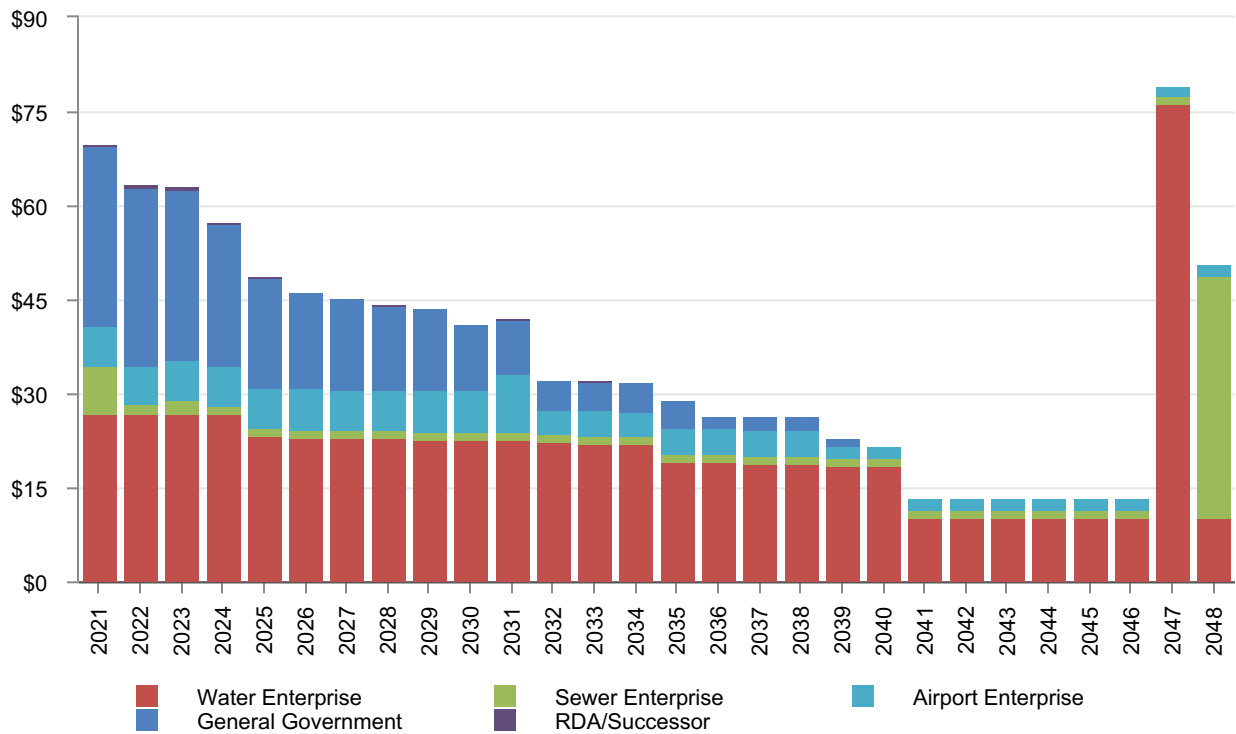
General Fund Debt Service (in Millions)



Fiscal year 2021 General Fund Debt Service was reduced through normal debt service payments.

The chart below shows all of the City’s debt and the source of funding that backs it:

Citywide Debt Service (in Millions)



Payments in 2047 through 2048 include new loan principal from the State Water Resources Control Board which have been drawn down in part, but cannot be amortized until after all loan proceeds have been drawn or the project has been deemed complete. In the previous chart, they are reflected as due in full at the final maturity date.

D. Rating Agency Overview/Actions

The City’s debt is rated by the three primary rating agencies (Moody’s, Standard & Poor’s, and Fitch). Below is a scale of the ratings by each agency:

MOODY’S		FITCH/S&P	
Rating	Rating Description	Rating	Rating Description
Aaa	Strongest	AAA	Highest
Aa1, Aa2, Aa3	Very Strong	AA+, AA, AA-	Very High
A1, A2, A3	Above Average	A+, A, A-	High
Baa1, Baa2, Baa3	Average	BBB+, BBB, BBB-	Good
Ba1, Ba2, Ba3	Below Average	BB+, BB, BB-	Speculative
B1, B2, B3	Weak	B+, B, B-	Highly Speculative
Caa1, Caa2, Caa3	Very Weak	CCC+, CCC, CCC-	High Default Risk

The ratings for the City’s General obligation, lease revenue, enterprise debt and the Agency’s tax allocation bonds are summarized in the Appendix. A brief overview of the City’s current general ratings (equivalent to a general obligation bond) is provided in the section below.

YEAR	MOODY’S		S&P		FITCH	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
2021	A2 ↑	Stable	A+	Stable	A	Stable
2020	A3	Stable	A+	Stable	A	Stable
2019	A3	Stable	A+	Stable	A	Stable
2018	A3	Stable	A+	Stable	A	Stable
2017	A3	Stable	A+ ↑	Stable	A	Stable
2016	A3	Stable	BBB-	Stable	A ↑	Stable
2015	A3 ↑	Stable	BBB-	Stable	BBB+	Neg
2014	Baa1 ↓	Stable	BBB-	Stable	BBB+	Neg
2013	A3	Neg	BBB- ↓	Stable	BBB+ ↓	Neg
2012	A3 ↓	Neg	BBB ↓	Neg	A- ↓	Stable

Arrows indicate an increase (↑) or decrease (↓) from the prior rating.

E. Debt Financing Team

The City of Fresno uses several individuals/organizations with expertise in their specific function to manage and administer the debt. Day-to-day administration is completed in-house by City staff,

including the Controller, Assistant Controller, a Principal Accountant in charge of debt administration and an Accountant/Auditor. The Debt Administration section of the Finance Department manages day-to-day activities; including addressing monthly, semi-annual and annual state and federal reporting requirements, reconciling trustee statements, monitoring arbitrage calculations and continuing disclosure, preparing debt sections of the Annual Comprehensive Financial Report, and budgeting for debt.

The City contracts with various banks to provide trustee, paying agent, and escrow agent services. Selection of the service provider is done through a Request for Qualifications at the time new debt is being considered. Currently, the City uses Bank of New York Mellon Corporate Trust, Wells Fargo Corporate Trust Services, and Bank of America, NA. Annual reporting requirements such as arbitrage calculations and continuing disclosure requirements are completed by Willdan Financial Services in coordination with the Principal Accountant in charge of debt administration. The City has chosen to use outside entities for arbitrage calculation and continuing disclosure reporting in order to have an experienced third party ensure accuracy and integrity of the reports and calculations.

The issuance of new debt can be very complex with many different areas of expertise needed. So, the City of Fresno has chosen to use financing teams consisting of in-house City staff with expertise relating to the projects which are to be funded, along with Finance Department and City Attorney's Office staff with expertise in their respective fields.

In addition to internal staff, the City engages KNN Public Finance as its expert financial adviser, Orrick Herrington & Sutcliff as its bond counsel, and Schiff Hardin as its disclosure counsel. Underwriters are selected by putting together an underwriting pool through a Request for Qualifications process conducted by the financial adviser. A firm or the firms from that pool which are selected are determined by City staff (with input from the financial adviser) to have the best expertise in the projects that will be financed.

F. Trustee Activity

Trustees provide banking services for debt and act as a conduit between the City of Fresno and their client, the bondholders and/or investors. Debt documentation typically requires that a trustee be selected to hold funds on behalf of the investor in order to ensure that the debt is used for its intended purpose. Although selected and paid for by the City of Fresno, the trustee works for the investors.

The next page contains a list of each trustee and the debt instruments for which they provide services:

Trustee	Debt Instrument	Fees Paid to Trustee in FY2021	Interest/ Dividends Earned in FY2021
Bank of New York Mellon Corporate Trust	Fresno JPFA 1998 Lease Revenue Bonds 1999 Community Facilities District #4 2001 Community Facilities District #5 2002 Pension Obligation Bonds Fresno Redevelopment Agency 2003 TARB 2003 Community Facilities District #7 Fresno JPFA 2004 Lease Revenue Bonds Fresno JPFA 2008 Lease Revenue Bonds Fresno JPFA 2017 Lease Revenue Bonds Fresno JPFA 2020 Lease Revenue Bonds All City of Fresno Airport Bonds All City of Fresno Sewer Bonds All City of Fresno Water Bonds	\$35,338	\$67,051
Wells Fargo Corporate Trust	Fresno JPFA 2001 Lease Revenue Bonds State Water Resources Control Board Loans	\$2,400	\$16,690

JPFA = Fresno Joint Powers Financing Authority; TARB = Tax Allocation Revenue Bonds

G. Investment Activity

While bond funds are held in Trust, the City is encouraged to invest them in a manner that is consistent with the Permitted Investments of the bond transaction and yields a favorable rate of return to maximize proceeds available to the City.

With the payoffs of large Sewer and Water bonds, the purchase of surety policies in lieu of funded reserve funds on new bond issuances, and historically low interest rates, funds available for investment were depleted to the point that locking into investments at current investment rates was no longer considered an option for bond proceeds held in trust. All bond proceeds held in trust are now invested in money market funds earning a very low rate of return.

During fiscal year 2021, \$75,177 in interest and dividends was earned on bond proceeds held in trust. All earnings were used to pay a portion of the debt service on City bonds.

Debt Detail Report

Below is a schedule of debt that had activity in fiscal year 2021:

Debt Issue	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2021 Debt Service Payment
Governmental												
Revenue and Other Bonds												
Taxable Pension Obligation Bonds 2002	\$205,335,000 taxable	Refund 2000 Taxable Pension Obligation Bonds	6.46% to 6.55%	02/21/2002	06/01/2029	Repayment of bonds not limited to any special source of City funds. Principal due annually, interest due semiannually. City uses funds throughout the City based on full-time employees assigned to funds. For the General Fund, the City uses dedicated Property Tax Override (PTO) revenue first, and then other General Fund revenues to make its portion of the bond payment. Other citywide revenues make up the difference between total debt service and the General Fund portion. During 2021 \$15,216,883 of PTO revenue was used. In addition to PTO revenue, \$0 of General Fund and \$970,946 of Enterprise Fund/Internal Service Fund revenues were used to make the 2021 debt service payment of 16,187,829	\$9,755,000 to \$15,195,000	\$ 98,395,000	\$ —	\$ 98,395,000	\$ 129,522,956	\$ 16,187,829
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A&B, No Neighborhood Left Behind (NNLB)	A = \$11,010,000 tax-exempt; B = \$1,940,000 taxable	Refinance No Neighborhood Left Behind Projects	2.93% to 5.00%	05/10/2017	04/01/2023	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$2,961,950 was equal to debt service in 2021.	\$2,705,000 to \$2,830,000	5,756,744	(221,744)	5,535,000	5,930,149	2,961,950
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Chiller) 2017 A, City Hall Chiller	A = \$2,710,000 tax-exempt	Refinance City Hall Chiller	5.00%	05/10/2017	04/01/2024	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$135,500 was equal to debt service in 2021.	\$610,000 to \$2,100,000	2,909,970	(199,970)	2,710,000	3,086,000	135,500
Fresno Joint Powers Financing Authority: Lease Refunding 2017 A&B, Garage #7, Bee Bldg & Granite Park	A = \$10,125,000 tax-exempt; B = \$21,980,000 taxable	Refinance City Hall, Parking Garage #7, Fresno Bee Building and Granite Park	2.93% to 4.16%	05/10/2017	04/01/2031	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$4,428,451 was equal to debt service in 2021.	\$1,645,000 to \$2,270,000	19,240,000	0	19,240,000	23,636,673	4,428,451
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Various Capital Projects	A = \$12,435,000 tax-exempt	Refinance Various Capital Improvement Projects	5.000%	05/10/2017	04/01/2035	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,143,000 was equal to debt service in 2021.	\$40,000 to \$1,785,000	12,079,733	(1,294,733)	10,785,000	16,060,750	1,143,000
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2004 A,B,C, Various Capital Projects	A = \$15,810,000 tax-exempt; B = \$8,100,000 tax-exempt; C = \$28,870,000 taxable	Calcot Project, Fire Department Projects, Downtown Parking Projects, Santa Fe Depot Project, Roeding Business Park Project Area, other capital projects	5.900%	04/28/2004	10/01/2034	Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,537,983 was equal to debt service in 2021.	\$935,000 to \$1,400,000	10,634,228	(9,228)	10,625,000	13,666,008	1,537,983
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Parks Projects) 2017 A, Parks Impact Fee Projects	A = \$22,965,000 tax-exempt	Refinance Improvements to Various Park Facilities	5.000%	05/10/2017	04/01/2038	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,820,063 was equal to debt service in 2021.	\$805,000 to \$1,755,000	23,110,242	(2,335,242)	20,775,000	30,952,813	1,820,063
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Police and Fire/ Public Safety	A = \$32,065,000 tax-exempt	Refinance Public Safety Capital Improvement Projects (Police & Fire)	5.000%	05/10/2017	04/01/2039	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$2,552,750 was equal to debt service in 2021.	\$1,115,000 to \$2,300,000	31,890,563	(3,015,563)	28,875,000	43,307,000	2,552,750

Debt Issue	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2021 Debt Service Payment
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2020 A, Animal Services Facility	A = \$17,145,000 tax-exempt	Animal Services Facility	4.00% to 5.00%	11/03/2020	04/01/2046	Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$306,463 was equal to debt service in 2021.	\$375,000 to \$1,075,000	19,842,242	(2,697,242)	17,145,000	27,994,100	306,463
Revenue and Other Bonds Total								\$ 223,858,722	\$ (9,773,722)	\$ 214,085,000	\$ 294,156,449	\$ 31,073,989

Notes Payable												
HUD: Neighborhood Streets/ Parks	\$1,500,000 Loaned	Section 108 Note to be used for improvements to various neighborhood streets & parks	6.07% to 6.12%	08/08/2002	08/01/2022	Annual principal payments, semiannual interest payments.	\$114,000 to \$130,000	251,000	—	251,000	266,606	132,721
Roeding Business Park	\$2,441,000 Loaned	Loaned from the California Infrastructure and Economic Development Bank to be used to complete the Roeding Business Park	3.530%	03/18/2004	08/01/2033	Secured by Facility Lease on City Hall Annex. Annual principal payments, semiannual interest payments.	\$83,582 to \$131,212	1,396,921	—	1,396,921	1,741,313	134,368
Notes Payable Total								\$ 1,647,921	\$ —	\$ 1,647,921	\$ 2,007,919	\$ 267,089
Governmental Total								\$ 225,506,643	\$ (9,773,722)	\$ 215,732,921	\$ 296,164,368	\$ 31,341,078

Business-type												
Water System Revenue Bonds (Non-Taxable) 2010 A-1, Water	A-1 = \$66,810,000 tax-exempt	Current Refund 1998 Water Bonds & improvements to the Water System	N/A	02/03/2010	06/01/2024	Repayment of bonds solely from revenues derived from the operation of the City Water System, except connection fees and charges, refundable deposits and capital contributions. Pledged in parity with the pledges securing State loans for Water. Principal payable annually, interest semiannually. Bonds were fully defeased in fiscal year 2021.	N/A	0	0	0	0	28,405,438
Water System Revenue Bonds (Taxable Build America Bonds) 2010 A-2, Water	A-2 = \$91,340,000 taxable	Improvements to the Water System	6.50% to 6.75%	02/03/2010	06/01/2040	Repayment of bonds solely from revenues derived from the operation of the City Water System, except connection fees and charges, refundable deposits and capital contributions. Pledged in parity with the pledges securing State loans for Water. Principal payable annually, interest semiannually. During fiscal year 2021, a federal Build America Bonds subsidy of \$2,016,534 was received.	\$4,090,000 to \$7,715,000	\$ 90,241,279	\$ 1,098,721	\$ 91,340,000	\$ 167,310,025	\$ 6,097,263
Sewer System Revenue Bonds 1993 A	A = \$196,280,000 tax-exempt	Rehabilitation and expansion of the City's Wastewater Treatment Facility	4.50% to 4.75%	10/06/1993	09/01/2023	Repayment of bonds solely from revenues derived from the operation of the City Sewer System, except connection fees and charges, refundable deposits and capital contributions. Pledged senior to the pledges of State loans for Sewer. Principal payable annually, interest semiannually.	\$885,000	884,722	278	885,000	944,738	6,233,513
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Convention Center	A = \$4,260,000 tax-exempt	Refinance Convention Center Improvement Projects (Phase I)	5.000%	05/10/2017	04/01/2027	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2021, the City chose to make these lease payments from the General Fund in the amount of \$569,250, which was equal to debt service in 2021. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make these future payments, which the Authority will then use to make the debt service payment.	\$425,000 to \$540,000	3,147,663	(267,663)	2,880,000	3,404,250	569,250

Debt Issue	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2021 Debt Service Payment
Fresno Joint Powers Financing Authority: Lease Revenue Bonds (Conv. Ctr.) 2008 F, Convention Center	F = \$21,410,000 taxable	Refund a portion of 2006 Convention Center Bonds & finance various Convention Center improvements	6.700%	08/14/2008	04/01/2023	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2021, the City chose to make these lease payments from the General Fund in the amount of \$2,408,860, which was equal to the debt service payment in 2021. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$1,370,000 to \$2,175,000	3,540,942	4,058	3,545,000	3,874,305	2,408,860
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Exhibit Hall Expansion Project Refunding	A = \$11,665,000 tax-exempt	Refinance Exhibit Hall Expansion Project	5.000%	05/10/2017	04/01/2029	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,408,500, which was equal to debt service in 2021. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make these future payments, which the Authority will then use to make the debt service payment.	\$950,000 to \$1,330,000	10,021,659	(961,659)	9,060,000	11,212,250	1,408,500
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 1998, Exhibit Hall Expansion Project	\$32,609,535 tax-exempt	Construction of an exhibit hall.	N/A	09/01/1998	09/01/2028	Current Interest Serial Bonds (\$25,395,000) and Capital Appreciation Serial Bonds (\$7,214,535). Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments pursuant to a Facilities Lease. Principal due annually, interest due semiannually. During 2021, the City chose to make these lease payments from the General Fund in the amount of \$750,000, which was equal to the debt service payment. All remaining bonds are Capital Appreciation Bonds, so interest is accreted. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$162,405 to \$233,873	\$ 4,866,942	\$ (3,297,702)	\$ 1,569,240	\$ 6,000,050	\$ 750,000
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Stadium Project	A = \$13,510,000 tax-exempt	Refinance MultiPurpose Stadium Project	5.000%	05/10/2017	04/01/2031	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2021, the City chose to make these lease payments from the General Fund in the amount of \$1,372,750, which was equal to the debt service payment. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$845,000 to \$1,300,000	11,757,946	(1,207,946)	10,550,000	13,659,500	1,372,750
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2001 A & B, Stadium Project	A = \$23,615,000 tax-exempt; B = \$22,235,000 taxable	Acquire and construct a multipurpose outdoor stadium	6.93% to 7.03%	06/12/2001	06/01/2031	Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments pursuant to a Facilities Lease. Principal due annually, interest due semiannually. During 2021, the City chose to make these lease payments from the General Fund in the amount of \$1,819,360, which was equal to the debt service payment. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$925,000 to \$1,700,000	12,763,043	(13,043)	12,750,000	18,174,265	1,819,360

Debt Issue	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2021 Debt Service Payment
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Riverside Golf Course) 2017 A, Riverside Golf Course	A = \$1,615,000 tax-exempt	Refinance Improvements to Riverside Golf Course	5.000%	05/10/2017	04/01/2038	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2021, the City chose to make these lease payments from the General Fund in the amount of \$128,938, which was equal to the debt service payment. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$55,000 to \$125,000	1,619,224	(164,224)	1,455,000	2,165,687	128,938
Airport Revenue Bonds 2019, Airport Parking	\$35,000,000 taxable	Construction of a parking garage	3.45%	05/03/2019	07/01/2048	Bonds privately placed with the California Infrastructure and Development Bank (I-Bank). Interest rate includes 3.15% charged by the I-Bank for interest plus 0.30% charged by the I-Bank as a fee. Repayment of bonds solely from operation of the City Airport System. Principal due annually, interest due semiannually.	\$779,914 to \$1,801,839	\$ 34,243,903	\$ —	\$ 34,243,903	\$ 53,144,941	\$ 1,950,554
Airport Revenue Refunding Bonds 2013, Concourse Expansion	A = \$10,810,000 Non-AMT; B = \$22,820,000 AMT (Subject to Alternative Minimum Tax)	Refund 2000 Airport Revenue Bonds	4.00% to 5.125%	08/06/2013	07/01/2030	Repayment of bonds solely from operation of the City Airport System. Bond Indenture requires a minimum \$1,600,000 of PFC Contribution toward annual debt service from Passenger Facility Charges (PFC). During fiscal year 2021 \$1,600,000 of PFC and \$1,163,944 of eligible Airports operation revenues were used to make the debt service payment.	\$1,670,000 to \$5,335,000	\$ 23,753,499	\$ (238,499)	\$ 23,515,000	\$ 30,260,516	\$ 2,763,944
Airport Revenue Bonds 2007, Consolidated Rental Car Facility	\$22,000,000 taxable	Construction of a consolidated rental car facility and related improvements	5.833%	06/14/2007	07/01/2037	Repayment of bonds solely from operation of the City Airport System. While not required under the Bond Indenture, Airports uses Customer Facility Charge (CFC) revenues first to meet the debt payment, and then uses other permitted revenues to cover any difference between CFC's and the debt payment. Principal due annually, interest due semiannually. During fiscal year 2021 \$ 1,569,848 of CFC revenues was used to fully cover the debt service payment.	\$435,000 to \$2,265,000	20,385,000	—	20,385,000	33,177,498	1,569,848
Revenue and Other Bonds Total								\$ 217,225,822	\$ (5,047,679)	\$ 212,178,143	\$ 343,328,025	\$ 55,478,218
Notes Payable												
Water: Safe-Drinking Water Program	\$51,405,432 Loaned	Contract between the State Water Resources Control Board and the City for installation of water meters throughout the City of Fresno	0.000%	04/10/2012	10/01/2022	No interest loan. Repayment of the loan is funded from revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal due in semiannual installments of \$1,285,136.	\$2,570,272	\$ 33,413,531	—	\$ 33,413,531	\$ 33,413,531	\$ 2,570,272
Water: Safe Drinking Water Program	\$1,946,686 Loaned	Contract between the State Water Resources Control Board and the City to protect the City's drinking water supplies from possible contaminating activities (PCA's)	2.292%	07/01/2009	07/01/2031	Repayment of loan is funded from revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$60,975.	\$61,437 to \$118,501	1,133,223	—	1,133,223	1,281,646	121,950
Water: Safe Drinking Water Program	\$1,245,485 Loaned	Contract between the State Water Resources Control Board and the City for improvements on the Enterprise and Jefferson Canals	2.292%	07/01/2009	01/01/2032	Repayment of loan is funded from revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$38,993.	\$38,551 to \$75,798	724,101	—	724,101	818,858	77,986

Debt Issue	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2021 Debt Service Payment
Water: Drinking Water State Revolving Fund Project 1010007-029C	\$26,520,000 Loaned	Contract between the State Water Resources Control Board and the City for construction of the Friant-Kern Canal Raw Water Pipeline	1.600%	04/05/2016	07/01/2048	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$450,555.	\$579,130 to \$889,256	19,693,403	—	19,693,403	23,580,274	901,110
Water: Drinking Water State Revolving Fund Project 1010007-028C	\$195,489,000 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Southeast Surface Water Treatment Facility	1.663%	07/15/2015	01/01/2049	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$3,631,452. \$3 million of the loan was forgiven by the State Water Resources Control Board.	\$2,360,391 to \$7,352,175	163,753,447	—	163,753,447	189,931,633	7,262,903
Water: Drinking Water State Revolving Fund Project 1010007-030C	\$75,900,000 Loaned	Contract between the State Water Resources Control Board and the City for construction of a raw water pipeline to replace the Enterprise Canal for the Northeast Surface Water Treatment Facility	1.600%	08/23/2016	01/01/2049	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest payments due in semiannual installments of \$1,413,184.	\$1,810,330 to \$2,696,400	\$ 64,787,188	\$ —	\$ 64,787,188	\$ 62,979,900	\$ 2,826,368
Water: Drinking Water State Revolving Fund Project 1010007-031C	\$65,875,669 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Kings River Pipeline	1.600%	04/05/2016	07/01/2048	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$1,214,927. Project is not yet complete.	\$1,562,376 to \$2,404,773	53,186,891	—	53,186,891	57,728,460	2,429,854
Sewer: Clean Water State Revolving Fund Project	\$33,212,590 Loaned	Contract between the State Water Resources Control Board and the City for construction of a tertiary treatment facility	1.000%	10/17/2015	07/12/2046	Repayment of loan solely from all revenues derived from the operation of the City Sewer System, except connection fees and charges, refundable deposits and capital contributions. Pledged subordinate to the pledge securing the 1993 Bonds, and in parity with the pledge securing State loans for Sewer. Principal and interest due in semiannual installments of \$1,286,353.	\$993,060 to \$1,282,163	28,336,290	—	28,336,290	32,167,465	1,286,353
Sewer: Clean Water State Revolving Fund Project No. 8061-110	\$70,600,000 Loaned	Contract between the State Water Resources Control Board and the City for construction of a recycled water distribution system in the southwest quadrant of the City	1.000%	08/19/2015	05/30/2047	Repayment of loan solely from all revenues derived from the operation of the City Sewer System, except connection fees and charges, refundable deposits and capital contributions. Pledged subordinate to the pledge securing the 1993 Bonds, and in parity with the pledge securing the State loans for Sewer. Principal and interest due in semiannual installments to begin once project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount drawn down through the interest payment date.	No amortization schedule available until project is complete.	59,525,038	—	59,525,038	59,525,038	—
Notes Payable Total								\$ 424,553,112	\$ —	\$ 424,553,112	\$ 461,426,805	\$ 17,476,796
Business-Type Total								\$ 641,778,934	\$ (5,047,679)	\$ 636,731,255	\$ 804,754,830	\$ 72,955,014

Debt Issue	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2021 Debt Service Payment
Fiduciary												
Tax Allocation Refunding Bonds 2003, Mariposa Project Area	\$5,005,000 tax-exempt	Refund the Agency's 1993 Tax Allocation Bonds (Mariposa Project Area)	5.625%	02/01/2012	02/01/2023	Principal is due in annual installments, interest is due semiannually. Repayment of bonds is payable solely from tax increment revenues allocated by the Successor Agency to the City of Fresno Redevelopment Agency's Mariposa Project area. All such revenues are pledged. Tax increment in Mariposa Project Area of \$436,656 was equal to debt service in 2021.	\$397,000 to \$418,000	813,976	1,024	815,000	884,356	436,656
Tax Allocation Bonds Total								\$ 813,976	\$ 1,024	\$ 815,000	\$ 884,356	\$ 436,656
Notes Payable												
RDA: Roeding Business Park	\$2,118,000 Loaned	Loaned from the California Infrastructure and Economic Development Bank to be used to complete the Roeding Business Park	3.530%	03/18/2004	08/01/2033	Principal and interest due in annual installments. Secured by Tax Increment revenue received into the Roeding Business Park Project area.	\$72,519 to \$113,845	\$ 1,212,027	\$ —	\$ 1,212,027	\$ 1,510,835	\$ 116,584
Notes Payable								\$ 1,212,027	\$ —	\$ 1,212,027	\$ 1,510,835	\$ 116,584
Fiduciary Total								\$ 2,026,003	\$ 1,024	\$ 2,027,027	\$ 2,395,191	\$ 553,240
Grand Total								\$ 869,311,580	\$ (14,820,377)	\$ 854,491,203	\$ 1,103,314,389	\$ 104,849,332

Comparative Statistics

Data in the tables below are from fiscal year 2020 Annual Comprehensive Financial Reports. Fiscal year 2021 Annual Comprehensive Financial Reports for all comparative cities were not available as of the date of this publication.

Municipal Financial Ratio Analysis: Fresno vs. California Top 10 by Population

Selected Medians	Group Medians (Most Recent Available)	
	Moody's Ratings	
	Aa – CA 10	A3–Fresno
General Fund Net Position as % of Revenues	47.08%	21.97%
Direct Net Debt as % of Assessed Value	1.03%	0.97%
Total Assessed Value (in thousands)	\$178,454,847	\$38,558,581
Assessed Value Per Capita	\$168,516	\$70,650
Population Estimates	1,058,976	545,769
Per Capital Income (Estimated)	\$60,274	\$45,487

All California Top 10 in Population cities except for the City and County of San Francisco are in the Aa range.

Peer Analysis to Largest 10 Cities

Metric	Median	City of Fresno	Ranking
General Fund Net Position % of Revenues	32.4%	22.0%	8th
Unassigned General Fund Net Position % of Revenues	8.3%	9.6%	2nd
Direct Net Debt (in thousands)	\$1,689	\$375	8th
Direct Net Debt Per Capita	\$1,676	\$687	8th
Debt Burden	99.5%	108.5%	4th
Per Capital Income	\$58,795	\$45,487	5th
Assessed Value Per Capita	\$163,216	\$70,650	10th

Ranking: 1st is the highest and 10th is the lowest of the largest 10 cities in California (Good , Average , Not Good).

Glossary of Terms

Direct Net Debt: Total Debt less any Pension Bonds Outstanding.

Assessed Value: Total Assessed Valuation within the boundaries of the City.

Debt Burden: Direct Net Debt as a percentage of Revenues.

Debt Coverage Airport Enterprise

(in thousands)

Fiscal Year

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues ⁽¹⁾	\$ 18,804	\$ 19,876	\$ 21,216	\$ 21,802	\$ 22,976	\$ 24,500	\$ 25,891	\$ 27,308	\$ 26,789	\$ 33,470
Less Operating Expenses ⁽²⁾	14,200	14,322	14,262	14,428	14,934	16,117	17,355	18,701	19,962	20,626
Other Available Funds ⁽³⁾	—	51	95	350	359	368	377	386	395	—
Net Revenues	\$ 4,604	\$ 5,605	\$ 7,049	\$ 7,724	\$ 8,401	\$ 8,751	\$ 8,913	\$ 8,993	\$ 7,222	\$ 12,844
Series 2000 Bonds	\$ 3,011	\$ 3,012	\$ 0	\$ 0	\$ 0	\$ —	\$ —	\$ —	\$ —	\$ —
Series 2013 Bonds	—	—	3,288	2,805	2,808	2,803	2,801	2,802	2,801	—
Less										
Minimum PFC Contribution ⁽⁴⁾	(1,100)	(1,100)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)
Bond proceeds	(70)	—	—	—	—	—	—	—	—	—
Additional PFC Contribution	(321)	(500)	(231)	0	(200)	—	—	—	—	—
Net Series 2000/2013 Debt Service	\$ 1,520	\$ 1,412	\$ 1,457	\$ 1,205	\$ 1,008	\$ 1,203	\$ 1,201	\$ 1,202	\$ 1,201	\$ (1,600)
Series 2007 Bonds	1,298	1,332	1,369	1,399	1,437	1,472	1,509	1,544	1,581	—
Series 2019 Bonds	—	—	—	—	—	—	—	—	—	—
Annual Adjusted Debt Service	\$ 2,818	\$ 2,744	\$ 2,826	\$ 2,604	\$ 2,445	\$ 2,675	\$ 2,710	\$ 2,746	\$ 2,782	\$ —
Annual Adjusted Debt Service Coverage ^{(5) (6)}	1.63	2.04	2.49	2.97	3.44	3.27	3.29	3.27	2.60	Not Applicable

- Notes:**
- ⁽¹⁾State of California law requires the exclusion of Customer Facility Charge (CFC) Revenues from the calculation of Debt Service coverage in excess of annual Debt Service on the Series 2007 bonds
- ⁽²⁾Fiscal year 2021 Revenues include \$4.5 million of CARES Act monies. The Indenture of Trust defines federal operation grants as Revenues.
- ⁽³⁾For all fiscal years, reflects Operating Expenses in operating funds only and does not include costs expensed out of Airports capital funds.
- ⁽⁴⁾Per the indenture, unencumbered CFC funds equal to 25% of Adjusted Debt Service may be designated by the City as Other Available Funds prior to the beginning of any fiscal year, and be transferred to the Revenue Fund at the beginning of such fiscal year. Since fiscal year 2015, the City's policy has been to annually designate available CFC funds equal to 25% of debt service associated with 2007 Bonds as Other Available Funds.
- ⁽⁵⁾Fiscal year 2021 Debt Service associated with Series 2013 Bonds, Series 2007 Bonds and 2019 Bonds was prepaid in September 2020 with existing cash balances.
- ⁽⁶⁾Under the Supplemental Indenture, the Minimum Passenger Facility Charge (PFC) Contribution is increased from \$1.1 million to \$1.6 million.
- ⁽⁷⁾Fiscal year 2021 Adjusted Debt Service was prepaid with existing cash balances (and was not paid with fiscal year 2021 Net Revenues).
- ⁽⁸⁾Had fiscal year 2021 Adjusted Debt Service not been prepaid, fiscal year 2020 Debt Service coverage would have been 2.77 times.

Water Enterprise

(in thousands)

Fiscal Year

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Charges for Services	\$ 69,269	\$ 71,667	\$ 90,096	\$ 74,285	\$ 77,959	\$ 101,895	\$ 107,377	\$ 119,029	\$ 120,252	\$ 127,651
Less: Connection Fee Charges for Services	(1,084)	(1,331)	(1,667)	(1,496)	(1,563)	(1,917)	(2,531)	(2,138)	(2,596)	(1,835)
Net Charges for Services ⁽¹⁾	68,185	70,336	88,429	72,789	76,396	99,978	104,846	116,891	117,656	125,816
Other Operating Revenues and Interest Income	1,533	720	329	573	1,147	17	—	4,974	6,906	(627)
Total Revenues	\$ 69,718	\$ 71,056	\$ 88,758	\$ 73,362	\$ 77,543	\$ 99,995	\$ 104,846	\$ 121,865	\$ 124,562	\$ 125,189
Expenses										
Labor and Benefits	\$ 12,517	\$ 12,679	\$ 13,525	\$ 11,378	\$ 12,436	\$ 12,401	\$ 12,176	\$ 14,581	\$ 13,075	\$ 15,428
Pumping Power	8,986	9,113	9,292	8,501	8,150	9,064	9,549	8,358	9,419	10,252
Source of Supply	7,748	6,318	1,780	5,613	6,630	4,188	9,751	6,535	9,027	6,531
All Other Operating and Maintenance ⁽²⁾	18,386	16,821	18,151	17,473	17,166	21,547	17,692	35,143	26,148	24,728
Total Operating Expenses ⁽³⁾	\$ 47,637	\$ 44,931	\$ 42,748	\$ 42,965	\$ 44,382	\$ 47,200	\$ 49,168	\$ 64,617	\$ 57,669	\$ 56,939
Net Current Revenues	\$ 22,081	\$ 26,125	\$ 46,010	\$ 30,397	\$ 33,161	\$ 52,795	\$ 55,678	\$ 57,248	\$ 66,893	\$ 68,250
2003A Senior Bond Debt Service ⁽⁴⁾	\$ 1,374	\$ 1,376	\$ 1,378	\$ 1,374	\$ 1,381	\$ 1,380	\$ 1,376	\$ 1,379	\$ 1,379	\$ 0
State Loans Debt Service	265	259	120	120	120	—	—	—	—	—
Total Senior Debt	\$ 1,639	\$ 1,635	\$ 1,498	\$ 1,494	\$ 1,501	\$ 1,380	\$ 1,376	\$ 1,379	\$ 1,379	\$ —
Senior Coverage Ratio	13.47	15.98	30.71	20.35	22.09	38.26	40.46	41.51	48.51	Not Applicable
Net Revenue Available for Parity Debt Service	\$ 20,442	\$ 24,490	\$ 44,512	\$ 28,903	\$ 31,660	\$ 51,415	\$ 54,302	\$ 55,869	\$ 65,514	\$ 68,250
2010 Series A Bond Debt Service ⁽⁵⁾	\$ 12,515	\$ 12,507	\$12,509	\$12,509	\$12,531	\$12,508	\$12,509	\$12,504	\$12,510	\$7,020
State Loans Debt Service	\$ 75	\$ 266	\$ 338	\$ 2,770	\$ 2,786	\$ 3,533	\$ 6,021	\$ 10,937	\$ 18,562	\$ 16,190
Total Parity Debt Service	\$ 12,590	\$ 12,773	\$ 12,847	\$15,279	\$15,317	\$16,041	\$18,530	\$23,441	\$31,072	\$ 23,210
Parity Coverage Ratio	1.62	1.92	3.46	1.89	2.07	3.21	2.93	2.38	2.11	2.94

Notes:

⁽¹⁾1993 Indenture defines "Current Revenues" as all revenue from the operation of the Water System except for connection fees and charges.

⁽²⁾All Other Operating and Maintenance includes Fleet Depreciation Charge (vehicle replacement fees paid to Fleet Department).

⁽³⁾1993 Indenture defines "Maintenance and Operation Costs" as all expenses incurred for maintaining and operating the Water System except for Debt Service, Depreciation, and Amortization.

⁽⁴⁾2003 Water Bonds were the only remaining Senior Bond Debt Service after fiscal year 2016, and were paid off in fiscal year 2020.

⁽⁵⁾Paid off Remaining 2010 Series A-1 Bonds in fiscal year 2021 with surplus cash.

Wastewater Enterprise

(in thousands)

Fiscal Year

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Charges for Services⁽¹⁾	\$ 76,726	\$ 76,324	\$ 76,201	\$ 81,955	\$ 78,186	\$ 83,635	\$ 81,651	\$ 81,085	\$ 77,249	\$ 77,940
Interest Income	3,797	485	1,546	1,787	2,779	492	2,046	5,548	4,702	(720)
Less: Wastewater Facility Connection Fee	(1,133)	(1,853)	(1,981)	(1,709)	(1,844)	(1,968)	(1,996)	(3,290)	(2,600)	(3,426)
Total Senior Lien Revenues	\$ 79,390	\$ 74,956	\$ 75,766	\$ 82,033	\$ 79,121	\$ 82,159	\$ 81,701	\$ 83,343	\$ 79,351	\$ 73,794
Operating Expenses ⁽²⁾	36,858	36,431	36,339	37,391	35,935	38,058	37,237	45,835	43,522	44,630
Net Income Before Debt Service	\$ 42,532	\$ 38,525	\$ 39,427	\$ 44,642	\$ 43,186	\$ 44,101	\$ 44,464	\$ 37,508	\$ 35,829	\$ 29,164
Senior Lien Debt Service ⁽³⁾	\$ 10,737	\$ 10,724	\$ 10,714	\$ 10,695	\$ 10,723	\$ 10,712	\$ 10,701	\$ 10,684	\$ 373	\$ 6,234
Coverage Ratio ⁽⁴⁾	3.96	3.59	3.68	4.17	4.03	4.12	4.16	3.51	95.96	4.68
100% Coverage-Subordinate Lien: Net Current Revenue after Senior Lien Debt (before Connection Fees)	\$ 31,795	\$ 27,801	\$ 28,713	\$ 33,947	\$ 32,463	\$ 33,389	\$ 33,763	\$ 26,824	\$ 35,456	\$ 22,930
Available from Senior Lien Revenues	\$ 31,795	\$ 27,801	\$ 28,713	\$ 33,947	\$ 32,463	\$ 33,389	\$ 33,763	\$ 26,824	\$ 35,456	\$ 22,930
Subordinate Lien Debt Service ⁽⁵⁾	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 9,229	\$ 5,928	\$ 4,853	\$ 1,286
Coverage Ratio	4.00	3.50	3.61	4.27	4.08	4.20	3.66	4.52	7.31	17.83
120% & 125% Coverage Subordinate Lien: Net Current Revenue (Excluding Connection Fees)	\$ 31,795	\$ 27,801	\$ 28,713	\$ 33,947	\$ 32,463	\$ 33,389	\$ 33,763	\$ 26,824	\$ 35,456	\$ 22,930
Wastewater Facility Connection Fee	1,133	1,853	1,981	1,709	1,844	1,968	1,996	3,290	2,600	3,426
Transfers From/To Rate Stabilization Fund	—	—	—	—	—	—	—	—	—	—
Net Current Revenue (Including Connection Fees)	\$ 32,928	\$ 29,654	\$ 30,694	\$ 35,656	\$ 34,307	\$ 35,357	\$ 35,759	\$ 30,114	\$ 38,056	\$ 26,356
Portion Pledged to Senior Lien Coverage ⁽⁶⁾	\$ 32,928	\$ 29,654	\$ 30,694	\$ 35,656	\$ 34,307	\$ 35,357	\$ 35,759	\$ 30,114	\$ 38,056	\$ 26,356
Available From Senior Lien Revenues	\$ 32,928	\$ 29,654	\$ 30,694	\$ 35,656	\$ 34,307	\$ 35,357	\$ 35,759	\$ 30,114	\$ 38,056	\$ 26,356
Subordinate Lien Debt Service ⁽⁵⁾	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 9,229	\$ 5,928	\$ 4,853	\$ 1,286
Coverage Ratio	4.14	3.73	3.86	4.49	4.32	4.45	3.87	5.08	7.84	20.49
Net Income After Debt Service⁽⁷⁾	\$ 24,979	\$ 21,705	\$ 22,745	\$ 27,707	\$ 26,358	\$ 27,408	\$ 26,530	\$ 24,186	\$ 33,203	\$ 25,070

Notes:

⁽¹⁾Includes revenue paid by the City of Clovis for Operations and Maintenance pursuant to the 1977 Fresno-Clovis Sewerage System Joint Powers Agreement.

⁽²⁾The 1993 Indenture specifically excludes from Operating Expenses Debt Service, Amortization and Depreciation.

⁽³⁾1993 Sewer System Revenue Bonds, Series A.

⁽⁴⁾Coverage Ratio is calculated by dividing Net Income before Debt Service by Senior Lien Debt Service.

⁽⁵⁾2008 Sewer System Revenue Refunding Bonds, Series A & Clean Water Loan for Tertiary Treatment Facility. The City redeemed \$132.54 million of the 2008 Sewer System Revenue Refunding bonds on 09/01/2018, and redeemed the remaining 2008 Sewer System Revenue Refunding bonds on 09/01/2019.

⁽⁶⁾The 1991 Sewer System Revenue Bonds (1991 Series A) matured in August 2003; Repayment of the bonds were funded from revenues of the Sewer System.

⁽⁷⁾Net Income after Debt Service and before cash financed capital expenses and any other expenses for lawful purposes.

Appendix - Ratings History

Lease Revenue Bonds

Year	Moody's		S&P		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
2021	A3 ↑	Pos	A-	Stable	A-	Stable
2020	Baa1	Pos	A	Stable	A-	Stable
2019	Baa1	Pos	A	Stable	A-	Stable
2018	Baa1	Pos	A	Stable	A-	Stable
2017	Baa1 ↑	Pos	A ↑	Stable	A-	Stable
2016	Baa2/Baa3 ↑	Pos	BB+	Stable	A- ↑	Stable
2015	Ba1/Ba2 ↑	Stable	BB+	Stable	BBB-	Stable
2014	Ba2/Ba3 ↓	Pos	BB+	Stable	BBB-	Stable
2013	Ba1/Ba2	Neg	BB+	Stable	BBB-	Neg

Airport Revenue Bonds

Year	Moody's		S&P		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
2021	A3 ↑	Pos	A- ↓	Stable	BBB+	Stable
2020	Baa1	Stable	A	Neg	BBB+	Stable
2019	Baa1	Stable	A	Stable	BBB+	Stable
2018	Baa1	Pos	A ↑	Stable	BBB+ ↑	Stable
2017	Baa1	Pos	BBB+ ↑	Stable	BBB	Pos
2016	Baa1	Pos	BBB	Pos	BBB	Pos
2015	Baa1	Stable	BBB	Pos	BBB	Stable
2014	Baa1	Stable	BBB	Stable	BBB	Stable
2013	Baa1	Stable	BBB	Stable	BBB	Stable

Arrows indicate an increase (↑) or decrease (↓) from the prior rating.

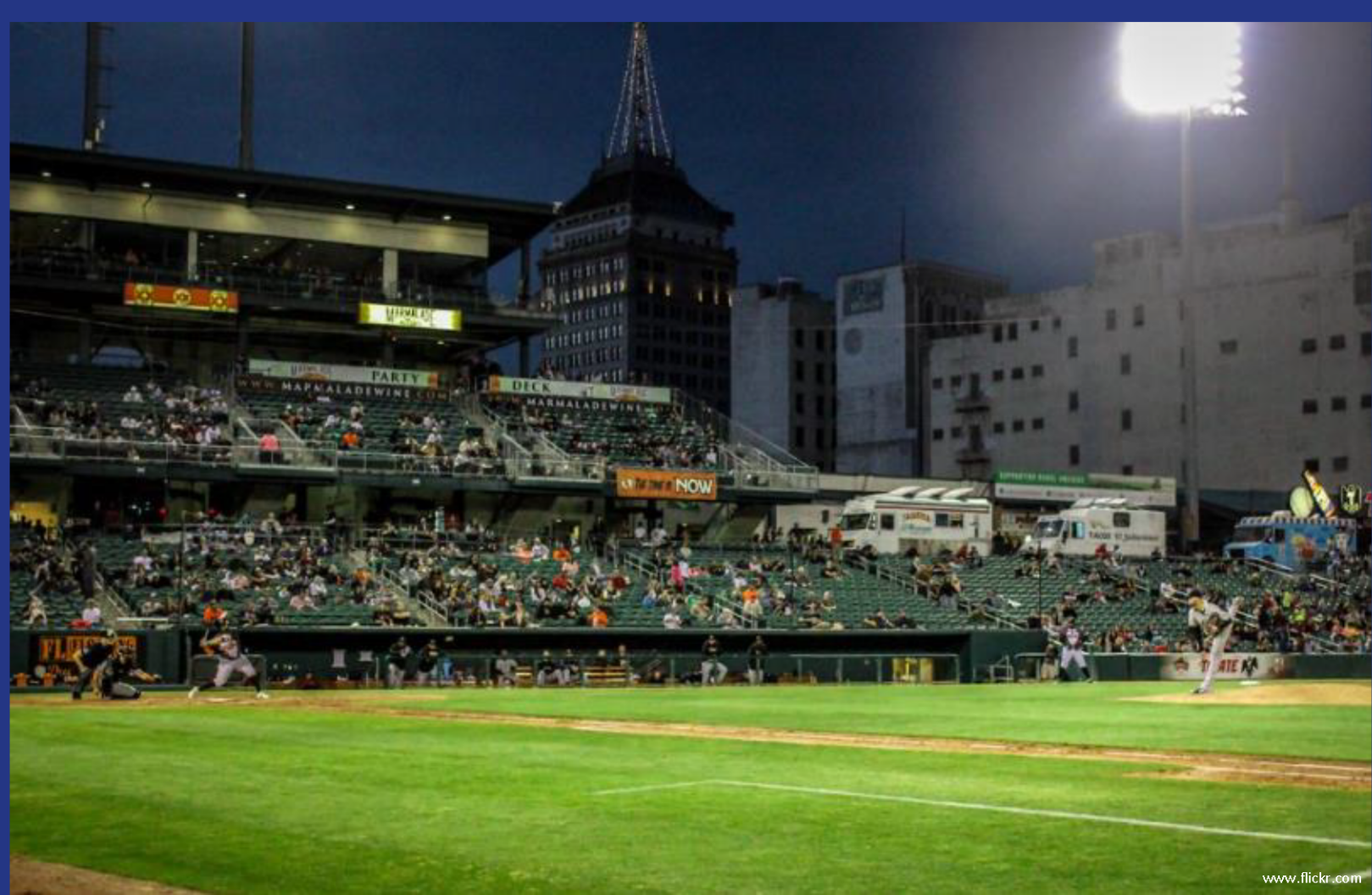
Water Revenue Bonds

Year	Moody's		S&P		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
2021	A3	Pos	AA-	Stable	AA/A+	Stable
2020	A3	Pos	AA-	Stable	AA/A+	Stable
2019	A3	Pos	AA-	Stable	AA/A+	Stable
2018	A3	Pos	AA-	Stable	AA/A+	Stable
2017	A3	Pos	AA-	Stable	AA/A+	Stable
2016	A3	Pos	AA- ↑	Stable	AA/A+	Stable
2015	A3	Pos	A+/A	Stable	AA/A+	Stable
2014	A3	Stable	A+/A	Stable	AA/A+	Stable
2013	A3		A+/A	Stable	AA/A+	Neg

Wastewater (Sewer) Revenue Bonds

Year	Moody's		S&P		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
2021	A1	Pos	AA+/AA	Stable	AA/AA-	Stable
2020	A1	Pos	AA+/AA	Stable	AA/AA-	Stable
2019	A1	Pos	AA+/AA	Stable	AA/AA-	Stable
2018	A1	Pos	AA+/AA	Stable	AA/AA-	Stable
2017	A1	Pos	AA+/AA	Stable	AA/AA-	Stable
2016	A1	Pos	AA+/AA	Stable	AA/AA-	Stable
2015	A1	Pos	AA+/AA	Stable	AA/AA-	Neg
2014	A1	Stable	AA+/AA ↑	Stable	AA/AA-	Neg
2013	A1	Neg	AA+/AA-	Stable	AA/AA-	Neg

Arrows indicate an increase (↑) or decrease (↓) from the prior rating.



City of Fresno
Finance Department
2600 Fresno Street , Room 2156
Fresno, CA 93721
(559) 621-7001

