

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



Photo by Brandon Johanson

## Fresno, California

Fiscal Year Ended June 30, 2022

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022  
Prepared by the Finance Department

**Fresno, California**

**Santino Danisi**

Finance Director/Controller

**Kaleb Neufeld**

Assistant Finance Director/Controller

## ANNUAL COMPREHENSIVE FINANCIAL TEAM

Roberta Cope, Principal Accountant	Susanne Galvan, Senior Accountant-Auditor
Phillip Hardcastle, Principal Accountant	Scott Zulewski, Senior Accountant-Auditor
Mang Thao, Administrative Manager	Lilly Banuelos, Executive Assistant
Oscar Ortega, Accountant-Auditor II	Mirissa Kao, Accountant-Auditor II
Jose Barboza, Accountant-Auditor II	Indervir Boparai, Senior Accountant-Auditor
Thomas Sisco, Accountant-Auditor II	Karen Valle, Accountant-Auditor II
Christina Estrada, Accountant-Auditor II	Timothy Tonel, Accountant-Auditor II
Quinn Ringgold, Accountant-Auditor II	Lesa Nino, Accountant-Auditor II
Courtney Espinoza, Business Manager	Yvonne Dedmore, Business Manager
Vanessa Bryant, Senior Management Analyst	Veronica Diaz, Management Analyst II
Jane Mouanoutoua, Payroll Manager	Erica Garcia, Accountant-Auditor I
Kriti Agrawal, Principal Internal Auditor	Isabel Merino, Internal Auditor

### Special Thanks to

Corrina Barbarite, Treasury Officer  
Mary Boyajian, Airports Business Manager  
Shirley Tsutsui, Airports Property Specialist II  
ACFR Grants & Capital Asset Contacts in all City Departments





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# INTRODUCTORY SECTION

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# CONTROLLER'S TRANSMITTAL LETTER

**Jerry Dyer**  
Mayor



**Georgianne A. White**  
City Manager

**2600 Fresno Street, Suite 2156 - Fresno, California 93721-3622**

January 21, 2022

The Honorable Mayor Jerry Dyer and Members of the City Council  
Distinguished Citizens of the City of Fresno

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Fresno, California (City) for the fiscal year ended June 30, 2022 (fiscal year 2021-2022), with the Independent Auditor's Report, submitted in compliance with City Charter Section 804(c) and Section 1216. The ACFR has been prepared by the Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data, as well as the completeness and fairness of the presentation, including all disclosures, rests with the City. The existing comprehensive structure of internal accounting controls in the City provides reasonable assurance that the financial statements are free of any material misstatements. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City recognizes that even sound internal controls have inherent limitations. We believe that the City's internal controls adequately safeguard assets, that the reported data is accurate in all material respects, and that its presentation fairly depicts the City's financial position and changes in its financial position as measured by the financial activity of its various funds. We are confident that the included disclosures provide the reader with an understanding of the City's financial affairs.

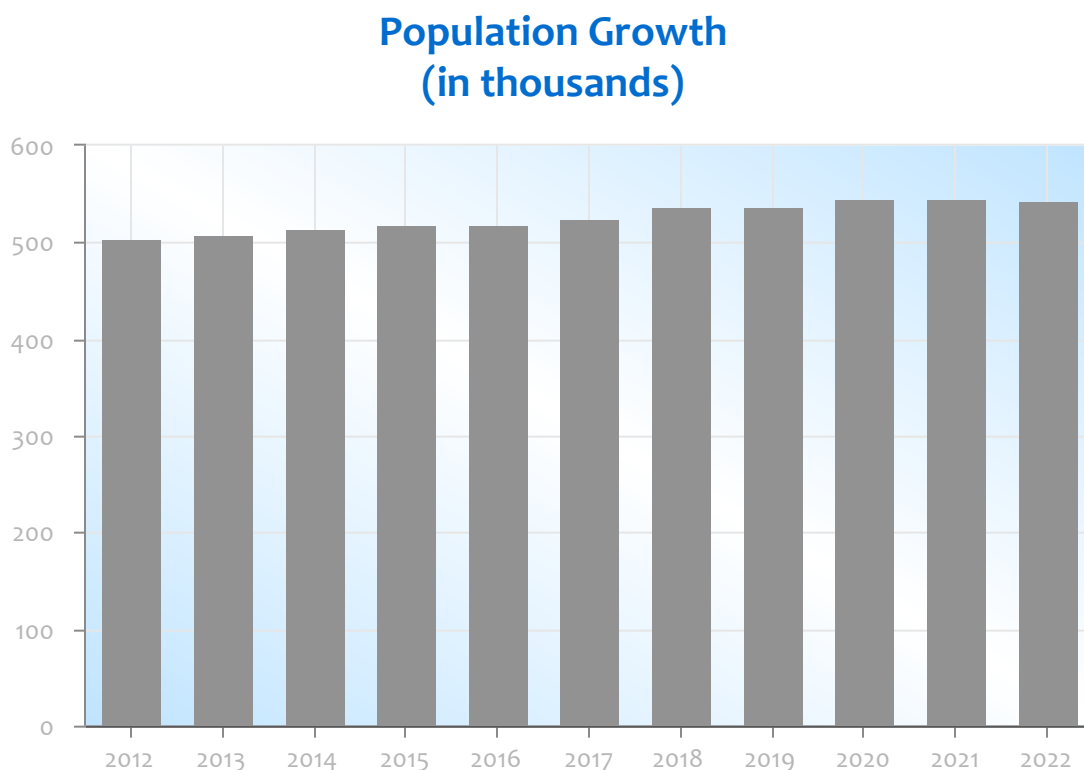
Accounting principles generally accepted in the United States (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors, beginning on page 5.

### **General Background**

The City of Fresno is located near the geographical center of California, approximately 200 miles north of Los Angeles and 170 miles south of the State capital, Sacramento. The City has land area of 115.2 square miles. With over half a million residents (543,660 as of January 1, 2022), Fresno is the 5th largest city in California by population, and 35th largest in the nation. The City is part of the Fresno-Clovis metropolitan area, which is the second largest metropolitan area in the Central Valley after Sacramento.

With its close proximity to Yosemite National Park (60 miles), Fresno also serves as gateway to Sequoia National Park (75 miles), Sierra National Forest (40 miles) and Kings Canyon National Park (75 miles).

Named for the abundant ash trees lining the San Joaquin River, Fresno was founded in 1872 as a railway station of the Central Pacific Railroad before it was incorporated in 1885.



## Government and Budget

The City operates under the strong-Mayor form of government. Under this form of government, the Mayor serves as the City's Chief Executive Officer, appointing and overseeing the City Manager, recommending legislation, and presenting the annual budget to the City Council (Council).

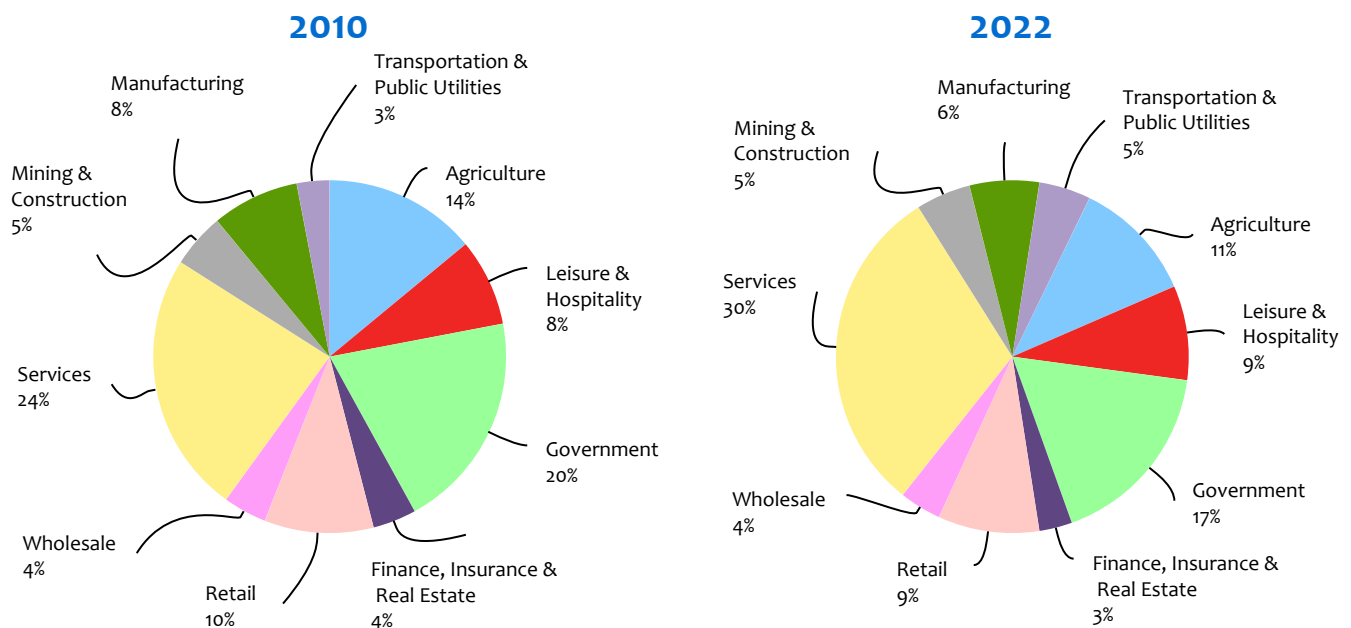
The budget of the City of Fresno, within the meaning and context of Section 1205 of the City's Charter, must be adopted by Council resolution no later than June 30th of a given year. As provided by Section 1206 of the Charter, any adjustments in the amounts appropriated for the purposes indicated at the department/fund level shall be made only upon a motion to amend the resolution adopted by the affirmative votes of at least five Council members. Administrative changes within the department/fund level may be made without approval of Council within written guidelines established by the City Manager.



## Industry and Economy

Fresno is the economic hub of Fresno County and the San Joaquin Valley, with much of the surrounding areas in the Metropolitan region predominantly tied to large-scale agricultural production. While agriculture still makes up a large component of the region's employment base (11% of jobs), the Fresno economy continues to diversify, as evidenced by the fact that services (30% of jobs) and government (17% of jobs) employ more people than agriculture.

### 2010 vs. 2022 Estimated Number of Workers by Industry



Source: CA Employment Development Department

Distribution is playing a growing role in the City's economy, as evidenced by the Old Navy Pacific Distribution Center, the Ulta Beauty Fulfillment Center, and the Amazon Fulfillment Center. Public sector and healthcare employment are also major contributors to the City's economy.

### Principal Employers (Public & Private Sector)

Employer	Employees
Fresno Unified School District	13,669
Community Medical Centers	9,000
County of Fresno	8,870
Amazon	6,500
Clovis Unified School District	6,400
City of Fresno	4,605
Internal Revenue Service	4,230
Foster Farms	3,063
Valley Children's	3,000
Saint Agnes Medical Center	2,900

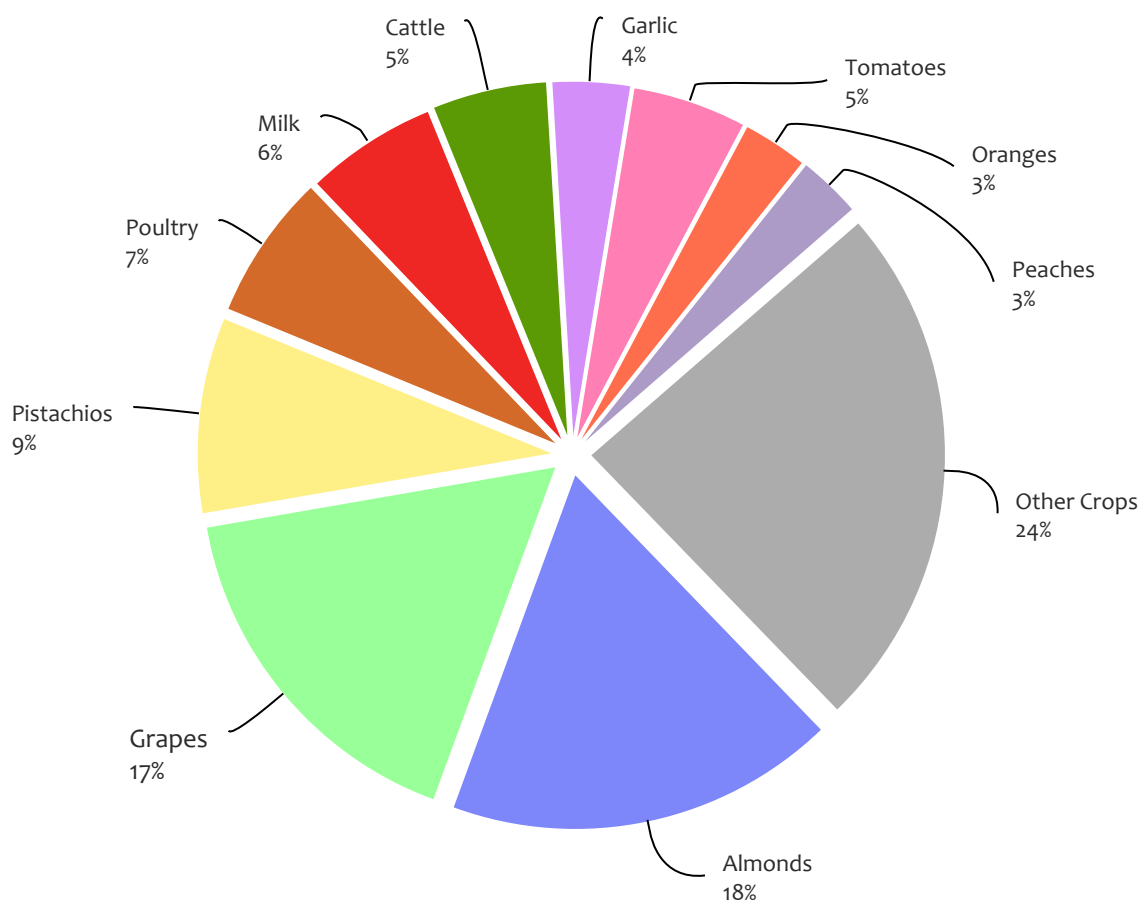
## Economic Overview

Agriculture remains one of the backbones of the Fresno area's economy and continues to be robust. Fresno County's agricultural strength rests in its diversity with more than 400 commercial crops providing gross production of \$8.08 billion in 2021, an increase of 1.47% from 2020.

Almonds continue to be the lead on Fresno County's Top Ten crop ranking with \$1.4 billion gross value in 2021, followed by grapes at \$1.35 billion.

California produces most of the grapes grown in the United States with 99.5% of raisins coming from Fresno County. Additionally, the region is a significant exporter to many countries throughout the world. In 2021, Fresno County exported 89 unique agricultural commodities to 96 countries around the world.

### 2022 Diversified Agricultural Base



Source: Fresno County Agriculture Department

## Fiscal Year 2022 Economic Conditions & Financial Impact

The Fresno economy continued to steadily progress during fiscal year 2022 while continuing to recover from the effects of the COVID-19 pandemic, as is shown in the table below:

Economic Indicator	2021	2022	Change (%)
Assessed Value	\$40,869,953,930	\$42,380,247,793	3.7%
Taxable Sales	\$17,279,862,069	\$26,603,310,345	54.0%
Unemployment Rate	12.13%	5.60%	-53.84%
Building Permits	10,432	12,359	18.5%

Local economic improvements were similarly on display when considering key City of Fresno finance indicators as summarized below:

- Total Assets increased \$868.0 million (21.7%) from the fiscal year 2021 year-end Total Assets balance of \$4,001.0 million.
- Revenues increased \$222.2 million (23.9%) from Revenues for fiscal year 2021, which totaled \$930.5 million.
- Expenses declined \$16.1 million ((1.7%)) to \$927.5 million.
- Total Net Position increased \$218.0 million (8.4%) from fiscal year 2021's total of \$2,604.7 million.

Summarized below are key metrics reflecting changes within the City's General Fund:

- Total Assets increased \$8.7 million (5.3%) over the fiscal year 2021 Total Assets year-end balance of \$163.0 million. Growth in Unrestricted Cash of \$6.9 million was the primary driver behind the overall growth in Total Assets.
- Total Liabilities increased \$5.8 million (15.3%) from the fiscal year 2021 year-end Total Liabilities of \$38.0 million. A \$15.0 million increase in Deposits from Others was the primary reason.
- Revenues increased \$30.6 million (8.1%) from fiscal year 2021's Revenues of \$377.0 million. Significant growth was seen in the economy-driven revenues, such as Sales Tax.
- Expenditures decreased \$-13.7 million (3.5%) from fiscal year 2021's \$388.1 million Expenditure level. Increases in Public Protection and Capital Outlay expenditures were the primary factors of the overall increase in General Fund Expenditures.

These results and others are discussed in greater detail in the Management's Discussion & Analysis, which begins on page 5.



## How Fresno Compares to the 25 Largest California Cities

Though improved, the City of Fresno's financial position still lags behind other large cities in California when it comes to assets available for use to support the City's population. As the table on page VII demonstrates, the difference between population ranking and assets per capita is one of the largest among the 25 largest California cities by population. It is important to note that the City's assets are augmented by the Net Pension Asset, which no other city in the survey possesses. The lack of assets puts the City of Fresno at a disadvantage when it comes to providing services to its citizens, because there is an inadequate asset base to efficiently address the needs. Thus, it is imperative that fiscal prudence is maintained and the plan to build all assets, especially cash and capital assets, is continued.

## Subsequent Events

Summarized below are events that materially affected the City's finances, which occurred after June 30, 2022:

- Moody's upgraded the City's Lease Revenue Bond from A3 to A2, its Pension Obligation Bond rating from Baa1 to A1, and its General Obligation rating from A2 to A1 on December 19, 2022. All three ratings maintained a Stable outlook.
- Standard and Poor's upgraded the City's General Obligation rating from A+ to AA-, its Pension Obligation Bond rating from A+ to AA-, and its Lease Revenue Bond from A to A+ on November 14, 2022. All three ratings maintained a Stable Outlook.
- The Fresno Yosemite International Airport expects to receive \$70 million from the issuance of proposed Bonds to support design and construction of expansion projects.

All of these subsequent events are discussed in detail in Note 17, which begins on page 167.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2021. This was the 29th consecutive year that the City has achieved this prestigious national award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The ACFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

## Total Government-Wide Assets per Capita

### Top 25 California Cities Comparison

City	Total Assets	ACFR Year	Population California Department of Finance As of January 1, 2020	Assets per Capita	Population Ranking	Per Capita Asset Rank	Net Pension Asset/(Liability)
Los Angeles	\$ 87,447,834	2022	3,819,538	\$ 23	1	3	\$ (4,363,649)
San Diego	\$ 17,528,167	2022	1,374,790	\$ 13	2	9	\$ (2,164,171)
San Jose	\$ 11,157,765	2022	976,482	\$ 11	3	10	\$ (2,342,879)
San Francisco	\$ 5,616,481	2022	804,534	\$ 64	4	1	\$ (341,625)
<b>Fresno</b>	<b>\$ 4,869,028</b>	<b>2022</b>	<b>543,660</b>	<b>\$ 9</b>	<b>5</b>	<b>15</b>	<b>\$ 805,653,000**</b>
Sacramento	\$ 5,432,589	2021	518,037	\$ 10	6	12	\$ (936,885)
Long Beach	\$ 11,142,130	2021	460,682	\$ 24	7	2	\$ (527,875)
Oakland	\$ 4,340,474	2022	424,464	\$ 10	8	13	\$ (1,215,883)
Bakersfield	\$ 2,943,909	2021	408,865	\$ 7	9	20	\$ (461,427)
Anaheim	\$ 5,423,174	2022	341,245	\$ 16	10	5	\$ (510,106)
Stockton	\$ 2,847,899	2022	322,489	\$ 9	11	17	\$ (321,906,746)
Riverside	\$ 4,873,976	2022	317,847	\$ 15	12	8	\$ 140,293
Irvine*	\$ 3,280,729	2022	310,250	\$ 11	13	11	\$ (36,051)
Santa Ana	\$ 1,944,849	2022	308,459	\$ 6	14	24	\$ (498,810)
Chula Vista	\$ 2,471,990	2022	276,785	\$ 9	15	16	\$ 160,774
Fremont*	\$ 1,532,408	2022	229,476	\$ 7	16	22	\$ (272,253)
Santa Clarita	\$ 1,722,317	2022	228,835	\$ 8	17	18	\$ 433
San Bernardino	\$ 1,112,174	2021	220,840	\$ 5	18	25	\$ (473,070)
Modesto	\$ 2,071,052	2022	217,880	\$ 10	19	14	\$ (249,804)
Fontana	\$ 1,418,927	2021	212,809	\$ 7	20	23	\$ (177,214)
Moreno Valley	\$ 1,411,693	2022	209,407	\$ 7	21	21	\$ (54,897)
Oxnard	\$ 3,124,356	2022	200,050	\$ 16	22	6	\$ (191,104)
Huntington Beach	\$ 1,418,959	2022	196,100	\$ 7	23	19	\$ (15,152)
Glendale	\$ 2,811,745	2022	193,116	\$ 15	24	7	\$ (388,816)
Ontario	\$ 2,881,638	2022	179,516	\$ 16	25	4	\$ 150,461

\* These cities have Governmental Activities only.

\*\* This figure represents the prefunded Net Pension Asset/overfunding applicable to future years. For peer cities, it represents the underfunding of pension liabilities.

Note: Only figures for each Primary Government were used as of June 30, 2022 ACFRs (2021 when 2022 not available). In cases where Component Units were reflected in separate Columns, Component Unit numbers were excluded.

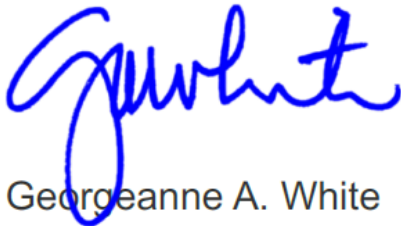
## Acknowledgments

The preparation and completion of the City of Fresno ACFR requires tremendous commitment and would not be possible without the dedication and professionalism of the City's Finance Department staff. This year presented extraordinary challenges for the team, yet they remained steadfast in their resolve to prepare and complete the report.

Additionally, staff throughout each department in the City provide significant supporting working with the Finance team to complete the report. Their invaluable contributions made the preparation of this report possible. Sincere appreciation goes out to the staff in all City departments for their cooperative efforts in responding to the many questions and requests for detailed information that accompanies each annual audit.

Lastly, thank you to the team at The Pun Group for their professional support in the preparation of the ACFR. And thank you to the Mayor, the City Council members, and the members of the City Manager's Office for their continued leadership and support in planning and conducting the City's financial operations.

Respectfully submitted,



Georgeanne A. White  
City Manager



Santino Danisi  
Finance Director/City Controller



## CITY OPERATING FUND STRUCTURE

### ENTERPRISE FUND

Proprietary Fund Types operate as if they were private businesses. One type is Enterprise Funds.

These funds provide services to other governmental and non-governmental entities, including individuals and businesses.

- Transportation (FAX)
- Convention Center
- Airports
- Economic Development
- Public Utilities
- Park (Golf Course)

### GENERAL FUND

The General Fund is used to account for unrestricted revenues. Revenues received by the City that have no legal or contractual restriction are placed in the various funds within the General Fund.

Appropriations may be made from the General Fund for any legal City activity. Revenues such as sales tax, property tax, and business tax are a few examples of General Fund revenues.

- Mayor
- City Manager
- City Council
- City Clerk
- City Attorney
- Finance
- Fire
- Planning & Development
- General City Purpose
- PARCS
- Police
- Personnel Services

### INTERNAL SERVICE FUND

The Proprietary Fund types operate as if they were private businesses. One type of Proprietary Fund is the Internal Service Funds that provide services to departments within the City.

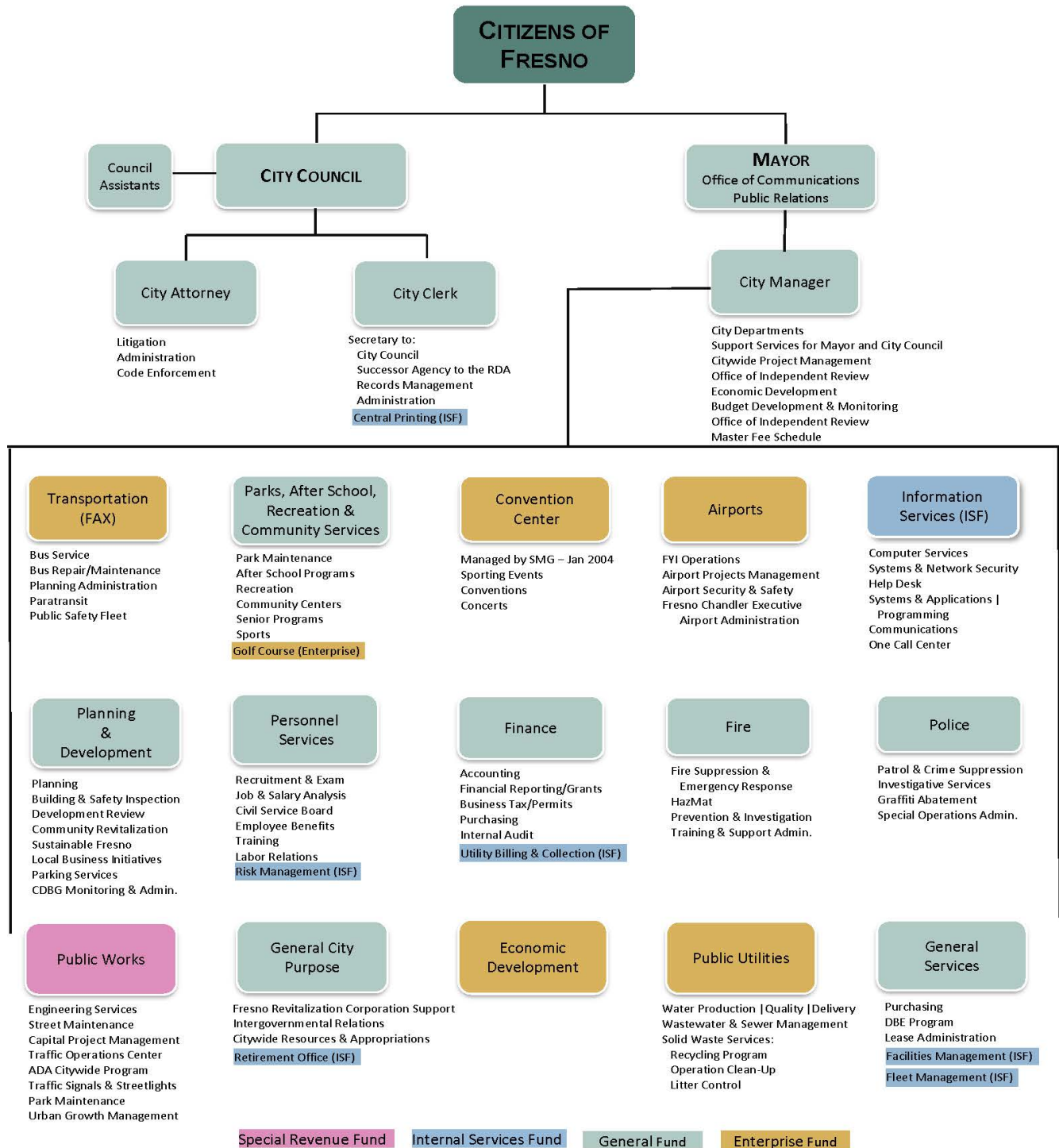
- Retirement
- Personnel Services (Risk Management)
- Transportation (Fleet Management)
- Information Services
- City Clerk (Central Printing)
- Finance (Utility Billing & Collection)
- Public Works (Facilities Management)

### SPECIAL REVENUE FUND

This fund type accounts for a significant amount of revenue that the City receives which is restricted as to its use. Examples of this type of revenue would be assessment districts, Community Development Block Grant, and various gas taxes.

- Public Works

## CITY ORGANIZATIONAL CHART





## CITY OF FRESNO DIRECTORY OF CITY OFFICIALS

*As of January 5, 2023*

### ELECTED OFFICIALS



**Jerry Dyer**  
Mayor



**Analisa Perea**  
District 1



**Mike Karbassi**  
District 2



**Miguel Arias**  
District 3



**Tyler Maxwell**  
District 4



**Luis Chavez**  
District 5



**Garry Bredefeld**  
District 6



**Nelson Esparza**  
District 7

### APPOINTED EXECUTIVE OFFICIALS

**Georgianne A. White, City Manager**

**Gregory Barfield, Assistant City Manager**

**TJ Miller, Assistant City Manager**

**Ruth F. Quinto, Assistant City Manager**

**Andrew Janz, City Attorney**

**Todd Stermer, City Clerk**

**Santino Danisi, Finance Director/Controller**

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Fresno  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrell*

Executive Director/CEO

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# FINANCIAL SECTION





## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members  
of the City Council of the City of Fresno  
Fresno, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fresno, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund (Successor Agency), the financial statements of the Low and Moderate Income Housing Asset Special Revenue Fund (Low and Moderate Income Housing), the financial statements of the Fire and Police Retirement System Pension Trust Fund (Fire and Police Pension Trust), or the financial statements of the Employees Retirement System Pension Trust Fund (Employee Pension Trust) which collectively represent the following percentages of assets/deferred inflows of resources, net position/fund balance, and expenditures/expenses of the following opinion unit as of June 30, 2022:

Opinion Unit	Assets/ Deferred Outflows of Resources	Net Position/ Fund Balance	Expenditures/ Expenses
Aggregate Remaining Fund Information	87.89%	96.12%	30.81%

Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Successor Agency, Low and Moderate Income Housing, Fire and Police Pension Trust, and Employee Pension Trust, are based solely on the report of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Honorable Mayor and Members  
of the City Council of the City of Fresno  
Fresno, California  
Page 2

### ***Emphasis of Matter***

#### ***Implementation of New GASB Pronouncements***

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases* during the year. Our opinion is not modified with respect to this matter.

#### ***Correction of Error***

As discussed in Note 15, the City has restated its beginning net position/fund balance of the government-wide governmental activities, the governmental funds and the custodial funds, in order to correct the previously reported financial statements to comply with the GASB Statement No. 84, *Fiduciary Activities*, that was required to be implemented as of the year ended June 30, 2021. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

To the Honorable Mayor and Members  
of the City Council of the City of Fresno  
Fresno, California  
Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Investment Returns, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Contributions – Pension, Schedules of Changes in Net OPEB Liability and Related Ratios, and Schedule of Contributions – OPEB, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Non-major Fund Financial Statements and Schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Non-Major Fund Financial Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members  
of the City Council of the City of Fresno  
Fresno, California  
Page 4

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California  
March 15, 2023





Photo Courtesy of Brandon Johansen

# MANAGEMENT'S DISCUSSION & ANALYSIS



# MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Fiscal Year Ended June 30, 2022

## CITY OF FRESNO, CALIFORNIA

This section of the City of Fresno's (City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. The reader is encouraged to consider the information presented here in conjunction with the City's financial statements, which follow this section, and the additional information that is furnished in the letter of transmittal at the front of this report. This discussion and analysis provides comparisons primarily for the previous two years; but, may include more extensive comparisons in some instances.

## FINANCIAL HIGHLIGHTS

- The assets of the City stayed over \$4 billion, reaching a total of \$4,869.0 million.
- The City had record revenue of \$1,152.8 million, primarily due to increases in the following areas: Sales Tax Revenue by \$67.6 million (54%), Public Protection by \$72.2 million (302.1%), and Community Development by \$31.0 million (152.4%).
- The City continues to record a Net Pension Asset. For fiscal year 2022, the Net Pension Asset was \$805.7 million. The City of Fresno remains one of very few government entities in the country with a Net Pension Asset.

## OVERVIEW OF FISCAL YEAR 2022 FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which consist of three components: (1) **Government-Wide Financial Statements**, (2) **Fund Financial Statements** and (3) **Notes to the Financial Statements**. This report also contains other **Supplementary Information** in addition to the basic financial statements.

**Government-Wide Financial Statements** are designed to provide both long-term and short-term information about the City's overall financial status in a manner similar to a private-sector business.

- The **Statement of Net Position** presents information on all assets/deferred outflows of resources and liabilities/deferred inflows of resources. The difference between them is reported as net position. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the City's financial position is improving or deteriorating.
- The **Statement of Activities** shows how the net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods. Examples include revenues pertaining to uncollected taxes and fees and expenses pertaining to earned but unused vacation and sick leave.

Both of the Government-Wide Financial Statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). The Governmental Activities of the City include general government, public protection, public ways and facilities, culture and recreation, and community development. The Business-Type Activities of the City include two airports, public transportation system, water, sewer, solid waste, community sanitation, convention center, stadium, and theatre.

The Government-Wide Financial Statements include not only the City (known as the primary government), but also legally separate component units including the Fresno Joint Powers Financing Authority, City of Fresno Fire and Police Retirement System, City of Fresno Employees Retirement System, City of Fresno Employees Healthcare Plan, Fresno Revitalization Corporation, and FRC Canyon Crest, LLC. The component units have been “blended” into the City’s financial statements because the governing board (although legally separate from the City) is substantially the same as the City’s, or they provide services entirely or almost exclusively for the benefit of the City even though they do not provide services directly to the City.

As of February 1, 2012, a Successor Agency was created to replace the Redevelopment Agency of the City of Fresno (RDA). Dissolution law provided that the Successor Agency would pay all “enforceable obligations” of the former RDA. The Successor Agency is considered a separate legal entity under Assembly Bill (AB) 1484 for financial presentation purposes. Effective June 30, 2012, the Successor Agency was reported as a Private-Purpose Trust Fund. This means that the Successor Agency’s assets are considered to be held in a trustee or agency capacity for others and therefore cannot be used to support the City’s own programs.

The Government-Wide Financial Statements can be found on pages 29-30 of this report.

**Fund Financial Statements** focus on individual parts of the City government, reporting the City’s operations in more detail than the Government-Wide Financial Statements. They are used to maintain control over resources that have been segregated for specific activities or objectives and to ensure compliance with finance-related legal requirements. They can be divided into three categories:

- **Governmental Funds** are used to account for essentially the same functions reported as Governmental Activities in the Government-Wide Financial Statements (i.e., most of the City’s basic services are reported in Governmental Funds). These statements, however, focus on (1) how cash and other financial assets can be readily converted to available resources, and (2) the balances left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City’s programs.

Because the focus of Governmental Funds Financial Statements is narrower than that of the Government-Wide Financial Statements, it is helpful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the Governmental Funds

Balance Sheet and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and Governmental Activities. These reconciliations may be found on pages 34 and 36.

The City maintains several individual Governmental Funds organized according to their type: general fund, special revenue, debt service, and capital projects. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Grants Special Revenue Fund (which are considered to be major funds). Data from the remaining Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of the Non major Governmental Funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget. The City's budget reflects its priorities and tells the taxpayers/ratepayers what is being done with their money. Budgetary comparison schedules for the General Fund and the Grants Special Revenue Fund demonstrate compliance with the budget, and also reflect where actual results deviated from expected budgetary estimates.

- **Proprietary Funds** are generally used to account for services for which the City charges customers (either outside customers, or internal units or departments of the City). Proprietary Funds provide the same type of information as shown in the Government-Wide Financial Statements: albeit in more detail. Proprietary Funds (Enterprise and Internal Service) utilize the same method used by the private sector businesses: the accrual basis of accounting. The City maintains the following two types of Proprietary Funds:
  - † **Enterprise Funds** are used to report the same functions as Business-Type Activities in the Government-Wide Financial Statements. The City uses Enterprise Funds to account for the operations of the Public Utilities [**Water System, Sewer System, Solid Waste Management**], Fresno Area Express [**Transit**], Fresno International Airport (FYI) and the Fresno Chandler Downtown Airport (FCH) [**Airports**], **Fresno Convention Center**, and Chukchansi Park Stadium [**Stadium**], all of which are considered to be major funds of the City. **Community Sanitation** and **Parks and Recreation** are considered to be Non major Enterprise Funds of the City. In July 2022, **Parks and Recreation** finalized the acquisition of the Tower Theatre.
  - † **Internal Service Funds** are used to report activities that provide supplies and services for certain City programs and activities. The City uses Internal Service Funds to account for its fleet of vehicles, management information systems, property maintenance, and electronics/communication support (**General Services**); self-insurance (**Risk Management**); billing, collecting, and servicing activities for the Water, Sewer, Solid Waste and Community Sanitation Funds (**Billing and Collection**); and healthcare plans (**Employees Healthcare Plan, Retirees Healthcare Plan, Blue Collar Employees Healthcare Plan**). Because Risk Management, General Services and the healthcare plans predominantly benefit Governmental rather than Business-Type functions, they have been included within Governmental Activities in the Government-Wide Financial Statements, whereas Billing and Collection is included in the

Business-Type Activities in the Government-Wide Financial Statements. The Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund Financial Statements. Individual Fund data for the Internal Service Funds is provided in the form of combining statements.

- **Fiduciary Funds** are used to account for resources held for the benefit of parties outside the City. Since the resources of Fiduciary Funds are not available to support the City's own programs, they are not reflected in the Government-Wide Financial Statements. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The City maintains three types of Fiduciary Funds:

† **Pension Trust Funds** consist of funds for Fire and Police and other Employees.

† **Private-Purpose Trust Fund** is used to account for the assets and liabilities held in trust for the Successor Agency to the former RDA.

† **Custodial Funds** consist of funds used to account for City-related trust activity, such as payroll withholding and bid deposits. Custodial Funds also include *Special Assessment Funds* that account for debt service transactions involving special assessment districts within the City.

The basic financial statements can be found on pages 29-168 of this report.

### **Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information that is essential to the full understanding of the data provided in all of the financial statements. The Notes to the Financial Statements can be found on pages 50-168 of this report.

### **Required Supplementary Information (RSI)**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information including budgetary comparison statements for major governmental funds as well as schedules of investment returns, changes in Net Pension Liability (Asset), employer contribution, and schedule of changes in Net Other Post-Employment Benefits (OPEB) Liability and related ratios. RSI and accompanying notes can be found on pages 171-184 of this report.

### **Combining and Individual Fund Statements and Schedules**

The combining statements referred to earlier in connection with non major governmental funds, non major enterprise funds, internal service funds, fiduciary funds and the Discretely Presented Component Unit are presented immediately following the appropriately labeled tabs. Combining and individual fund statements and schedules can be found on pages 187-213 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis (MD&A) - for State and Local Governments*.

### Net Position - Government-Wide / Primary Government

(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Change from Prior Year	
	2021	2022	2021	2022	2021	2022	\$	%
<b>Assets:</b>								
Current and Other Assets	\$ 636,312	\$ 691,619	\$ 568,880	\$ 640,479	\$ 1,205,192	\$ 1,332,098	\$ 126,906	10.5%
Net Pension Asset	78,323	644,438	14,875	161,215	93,198	805,653	712,455	764.5%
Capital Assets:								
Not Being Depreciated	334,143	356,254	481,193	315,804	815,336	672,058	(143,278)	(17.6)%
Net of Accumulated Depreciation	607,929	650,249	1,279,354	1,408,970	1,887,283	2,059,219	171,936	9.1%
Total Capital Assets	942,072	1,006,503	1,760,547	1,724,774	2,702,619	2,731,277	28,658	1.1%
Total Assets	1,656,707	2,342,560	2,344,302	2,526,468	4,001,009	4,869,028	868,019	21.7%
<b>Deferred Outflows of Resources:</b>								
Charge on Refunding	3,550	3,169	178	138	3,728	3,307	(421)	(11.3)%
Deferred Outflows - Pension	176,324	65,621	43,667	14,115	219,991	79,736	(140,255)	(63.8)%
Deferred Outflows - OPEB	26,069	22,208	10,917	9,338	36,986	31,546	(5,440)	(14.7)%
Total Deferred Outflows of Resources	205,943	90,998	54,762	23,591	260,705	114,589	(146,116)	(56.0)%
<b>Liabilities:</b>								
Long-Term Liabilities Due Within One Year	86,619	82,890	21,459	24,902	108,078	107,792	(286)	(0.3)%
Long-Term Liabilities Due in More than One Year	553,188	551,257	690,944	662,670	1,244,132	1,213,927	(30,205)	(2.4)%
Other Liabilities	166,233	164,384	96,945	102,174	263,178	266,558	3,380	1.3%
Total Liabilities	806,040	798,531	809,348	789,746	1,615,388	1,588,277	(27,111)	(1.7)%
<b>Deferred Inflows of Resources:</b>								
Pension Revenue Applicable to Future Years	16,075	372,040	534	91,838	16,609	463,878	447,269	2,692.9%
Unamortized OPEB Expense	17,662	51,193	7,318	22,487	24,980	73,680	48,700	195.0%
Total Deferred Inflows of Resources	33,737	423,623	7,852	114,325	41,589	537,948	496,359	1,193.5%
<b>Net Position:</b>								
Net Investment in Capital Assets	794,759	836,439	1,120,876	1,094,088	1,915,635	1,930,527	14,892	0.8%
Restricted	304,925	316,891	—	—	304,925	316,891	11,966	3.9%
Unrestricted	(76,811)	56,963	460,988	526,841	384,177	583,804	199,627	52.0%
Total Net Position	\$ 1,022,873	\$ 1,210,293	\$ 1,581,864	\$ 1,620,929	\$ 2,604,737	\$ 2,831,222	\$ 226,485	8.7%



## Changes in Net Position - Government-Wide / Primary Government

(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Change from Prior Year	
	2021	2022	2021	2022	2021	2022	\$	%
<b>Revenues</b>								
Program Revenues:								
Charges for Services	\$ 73,333	\$ 159,176	\$ 268,161	\$ 331,195	\$ 341,494	\$ 490,371	\$ 148,877	43.6%
Operating Grants & Contributions	40,393	74,245	56,334	71,273	96,727	145,518	48,791	50.4%
Capital Grants & Contributions	135,064	128,553	29,884	17,893	164,948	146,446	(18,502)	(11.2)%
General Revenues:								
Property Taxes	149,822	154,130	—	—	149,822	154,130	4,308	2.9%
Business Tax	20,577	21,764	—	—	20,577	21,764	1,187	5.8%
Sales Taxes - Shared Revenues	125,279	192,874	—	—	125,279	192,874	67,595	54.0%
Other Local Taxes	32,120	37,004	—	—	32,120	37,004	4,884	15.2%
Investment Earnings	1,786	(10,409)	(2,206)	(24,697)	(420)	(35,106)	(34,686)	8,258.6%
Other Financing Sources-Leases	—	—	—	(224)	—	(224)	(224)	
Total Revenues	578,374	757,337	352,173	395,440	1,420,918	1,152,777	(268,141)	(18.9)%
<b>Expenses</b>								
General Government	90,218	90,035	—	—	90,218	90,035	(183)	(0.2)%
Public Protection	305,172	270,465	—	—	305,172	270,465	(34,707)	(11.4)%
Public Ways and Facilities	123,068	101,306	—	—	123,068	101,306	(21,762)	(17.7)%
Culture and Recreation	30,882	30,324	—	—	30,882	30,324	(558)	(1.8)%
Community Development	41,053	57,123	—	—	41,053	57,123	16,070	39.1%
Interest on Long-Term Debt	12,552	12,683	—	—	12,552	12,683	131	1.0%
Sewer, Water and Solid Waste	—	—	216,322	232,765	216,322	232,765	16,443	7.6%
Transit	—	—	66,135	71,038	66,135	71,038	4,903	7.4%
Airports	—	—	41,090	40,413	41,090	40,413	(677)	(1.6)%
Fresno Convention Center	—	—	5,096	9,235	5,096	9,235	4,139	81.2%
Community Sanitation	—	—	8,698	8,743	8,698	8,743	45	0.5%
Parks and Recreation	—	—	572	416	572	416	(156)	(27.3)%
Stadium	—	—	2,739	2,925	2,739	2,925	186	6.8%
Total Expenses	602,945	561,936	340,652	365,535	943,597	927,471	(16,126)	(1.7)%
Increase (Decrease) in Net Position Before Transfers	(24,571)	195,401	11,521	29,905	(13,050)	225,306	238,356	(1,826.5)%
Transfers	(7,781)	(7,899)	7,781	7,899	—	—	—	—%
Change in Net Position	(32,352)	187,502	19,302	37,804	(13,050)	225,306	238,356	(1,826.5)%
Net Position - Beginning	1,055,225	1,022,873	1,562,562	1,581,864	2,617,787	2,604,737	(13,050)	(0.5)%
Change in Accounting Estimate	—	—	—	26	—	26	26	
Cumulative Effect of Accounting Change - GASB 87	—	(82)	—	1,235	—	1,153	1,153	—%
Net Position - Beginning Restated	1,055,225	1,022,791	1,562,562	1,583,125	2,617,787	2,605,916	(11,871)	(0.5)%
<b>Net Position - Ending</b>	<b>\$ 1,022,873</b>	<b>\$ 1,210,293</b>	<b>\$ 1,581,864</b>	<b>\$ 1,620,929</b>	<b>\$ 2,604,737</b>	<b>\$ 2,831,222</b>	<b>\$ 226,485</b>	<b>8.7%</b>

## Analysis of Changes in Government-Wide Net Position

The City's overall Net Position increased slightly to \$2,831.2 million: a \$218.0 million (8.4%) increase from fiscal year 2021's Net Position of \$2,604.7 million. Most notably, the Unrestricted Net Position increased; going from \$384.2 million in fiscal year 2021 to \$583.8 million in fiscal year 2022.

Several factors contributed to the overall increase in Net Position:

- City Revenues grew \$222.2 million (23.9%), going from \$930.5 million in fiscal year 2021 to \$1,152.8 million in fiscal year 2022. The overall growth in revenues was caused by a \$148.9 (43.6%) increase in Charges for Services, a \$48.8 million (50.4%) increase in Operating Grants, and \$43.1 (13.2%) million of growth in General Revenues.
- City Expenses decreased from \$943.6 million incurred in fiscal year 2021 to \$927.5 million in fiscal year 2022. That overall decrease can be bifurcated as follows: Governmental Activities Expenses decreased \$41.0 million (-6.8%), while Business-Type Activities Expenses increased \$24.9 million (7.3%). The primary causes behind the decrease in Governmental Activities Expenses were a \$34.7 million decrease in Public Protection expenses and a \$21.8 million reduction in Public Ways and Facilities expenses. On the Business-Type Activities side, a \$12.1 million increase in the Water's expenses, \$4.9 million rise in Transit's expenses, \$4.1 million increase in the Convention Center expenses, and \$4.2 million increase in expenditures in the Sewer Fund.
- Total Assets went from \$4,001.0 million in fiscal year 2021 to \$4,869.0 million in fiscal year 2022: a \$868.0 million (21.7%) increase. The increase in Total Assets was due primarily to a \$712.5 million increase in the Net Pension Asset (from \$93.2 million in fiscal year 2021 to \$805.7 million in fiscal year 2022: a 764.5% increase), which was partially offset by a decrease in two areas:
  - a \$143.3 million decrease in Capital Assets not being depreciated (from \$815.3 million in fiscal year 2021 to \$672.1 million in fiscal year 2022: a -17.6% decrease); and,
  - a \$4.3 million decrease in Net Receivables related to Loans, Notes, Leases, and Other (from \$95.0 million in fiscal year 2021 to \$90.7 million in fiscal year 2022: a -4.6% decrease)
- Total Deferred Outflows of Resources decreased by \$146.1 million (-56.0%) from fiscal year 2021's figure of \$260.7 million, mainly due to a \$140.3 million decrease of Deferred Outflows - Pensions and a \$5.4 million decline in Deferred Outflows - OPEB.
- Total Liabilities shrank \$27.1 million (-1.7%) from \$1,615.4 million in fiscal year 2021 to \$1,588.3 million in fiscal year 2022. The overall decrease in Total Liabilities was mainly attributable to a decrease of \$3.2 million in Accrued Liabilities (primarily caused by decreases in accounts payable and subsequent disbursements at the end of fiscal year 2022) and a decrease of \$30.2 million in Long Term Liabilities (primarily due to a \$16 million decrease in Net OPEB liability in addition to a \$9.4 million decrease in long-term bonds payable due to normal debt service payments).

- A \$522.5 million (1,256.4%) increase in the Deferred Inflows of Resources, specifically, the Pension Revenue Applicable to Future Years.

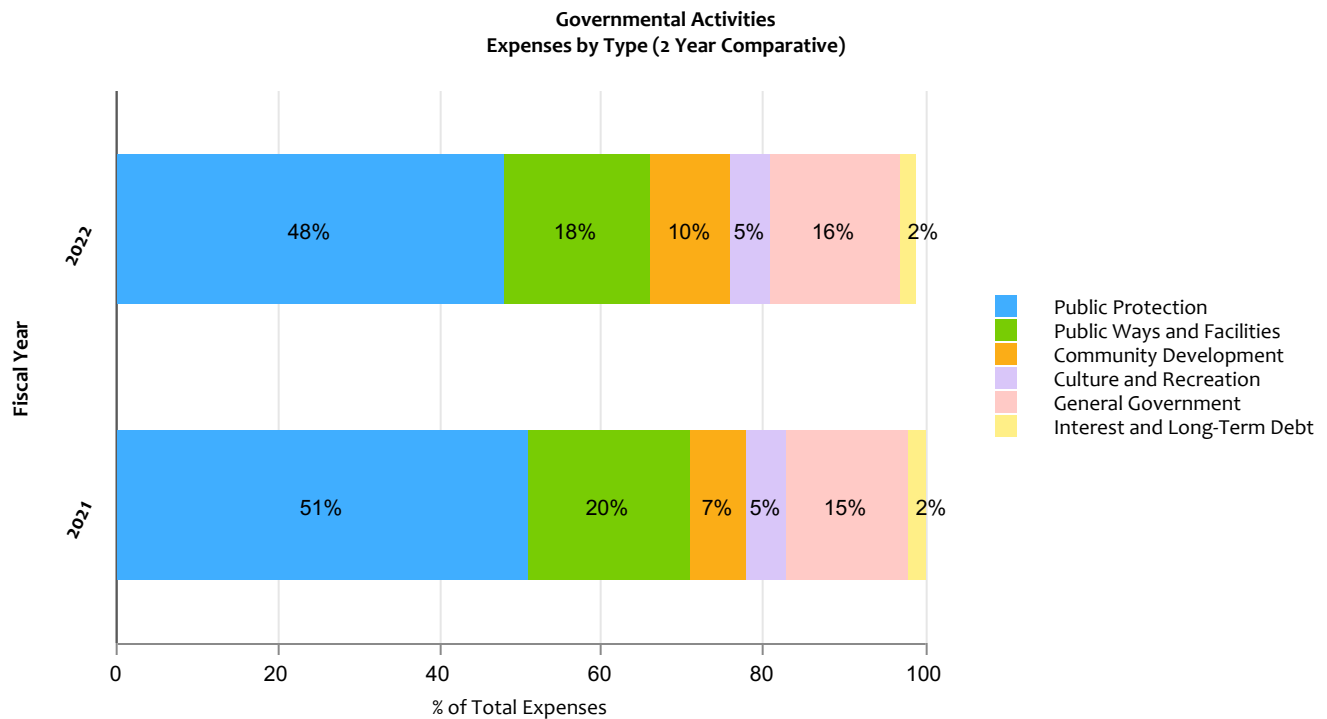
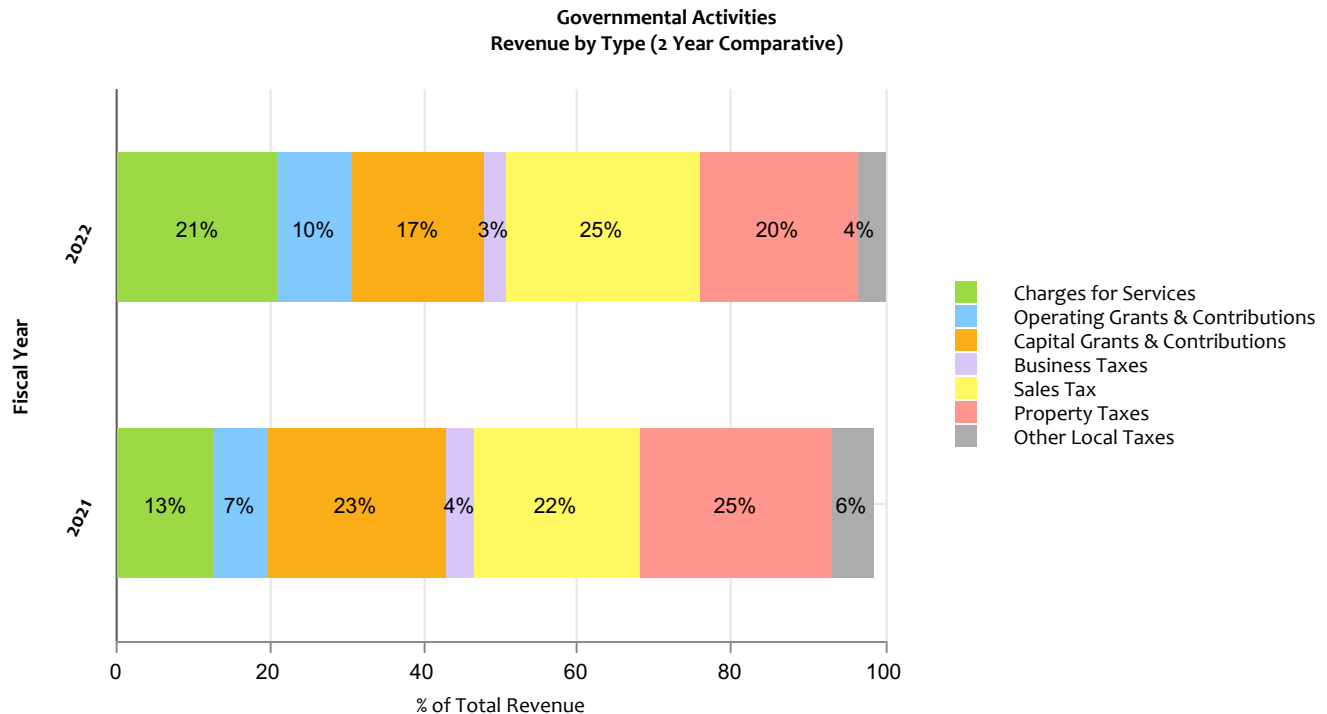
## Governmental Activities

In fiscal year 2022, Governmental Activities increased their Net Position by \$179.0 million (17.5%) to \$1,201.8 million. The increase in Net Position occurred primarily within the Net Investment in Capital Assets, which grew by \$41.7 million to fiscal year 2022's Net Investment in Capital Assets of \$836.4 million, and the Unrestricted Net Position, which increased by \$133.8 million to fiscal year 2022's Unrestricted Net Position Deficit of -\$57.0 million. Key factors affecting the Unrestricted Net Position Deficit were:

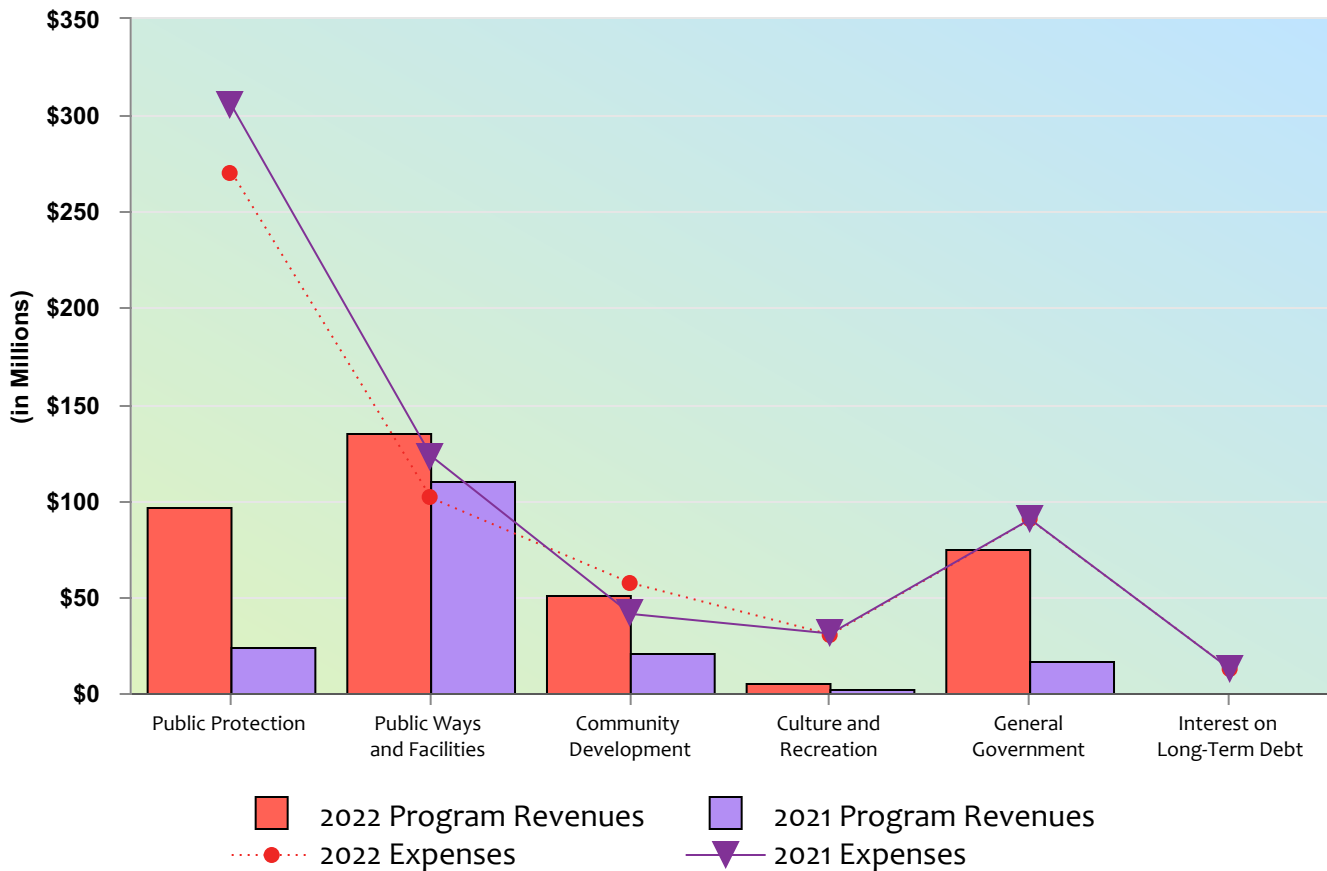
- Revenues grew strongly, going from \$578.4 million in fiscal year 2021 to \$757.3 million in fiscal year 2022: a \$179.0 million (30.9%) increase. The overall increase was primarily the product of growth in two revenue categories. First, Charges for Services rose \$85.8 million (117.1%) to \$159.2 million. Second, General Revenues increased by \$65.8 million (20.0%): from \$329.6 million in fiscal year 2021 to \$395.4 million in fiscal year 2022. Almost all of the growth in this category can be attributed to a \$67.6 million increase in Sales Tax.
- Expenses decreased from \$602.9 million in fiscal year 2021 to \$561.9 million in fiscal year 2022, led by a -17.7% decrease in Public Ways and Facilities expenses (from \$123.1 million in fiscal year 2021 to \$101.3 million in fiscal year 2022), a -11.4% decrease in Public Protection expenses (from \$305.2 million in fiscal year 2021 to \$270.5 million in fiscal year 2022), and a -1.8% decrease in Culture and Recreation costs (from \$30.9 million in fiscal year 2021 to \$30.3 million in fiscal year 2022). Most of the decrease in the Public Protection and Public Ways and Facilities expenses can be attributed to decreased personnel Pension expenses. Decreases in Culture & Recreation expenses can be attributed to a reduction in council motion and Fleet Acquisition expenses.
- Total Assets increased by \$685.9 million (41.4%) from fiscal year 2021's Total Assets balance of \$1,656.7 million. The overall increase in Total Assets was primarily caused by an increase of \$566.1 million (722.8%) in the Net Pension Asset to \$644.4 million. This increase was partially offset by a decrease in Restricted Cash of \$30.0 million (-18.4%) to \$133.2 million. The main driver of the decrease in restricted cash was the result of the distribution of American Rescue Plan Act funding to the residents of the City.
- Total Liabilities decreased by -0.9%, or \$7.5 million, from fiscal year 2021's Total Liabilities of \$806.0 million. A \$7.1 million decrease in Unearned Revenue (from \$113.8 million in fiscal year 2021 to \$106.6 million in fiscal year 2022) generated by unspent grant funds and decrease in total Long-Term Liabilities (Due Within a Year and Due in More than One Year, combined) of \$5.7 million (-0.9%) caused by normal debt service payments made during the year.

## Governmental Activities - Charts and Graphs

The following charts and graphs illustrate the City's governmental revenues by source and its expenses and revenues by function. As can be seen, Public Protection is by far the largest function reflecting the City's greatest overall expenses.



### Program Revenues and Expenses - Governmental Activities (2 Year Comparative)



The following is an analysis of some of the funds within the Governmental Activities category:

#### General Fund

Fund Balance in the General Fund increased from \$102.9 million in fiscal year 2021 to \$104.7 million in fiscal year 2022. It is significant to note that the Unassigned Fund Balance decreased from \$43.0 million in fiscal year 2021 to \$37.1 million in fiscal year 2022: a \$5.9 million (-13.8%) decrease.

Fiscal year 2022's revenues showed marked growth when compared to fiscal year 2021's revenues; increasing by \$30.6 million (8.1%) from fiscal year 2021's total of \$377.0 million. The increase was primarily in Taxes, which increased \$35.2 million (10.8%). The main driver in the overall increase in Tax Revenue came from \$67.6 million of growth in Sales Tax revenue. Additional growth in the Tax Revenue category was provided by Property Taxes, which grew \$4.3 million due to increased property assessed valuations.



General Fund expenditures decreased by \$13.7 million, or -3.5%, to a total of \$374.4 million. The change in expenditures can be explained by the following factors:

- A decrease in General Government expenditures, which decreased from \$58.6 million in fiscal year 2021 to \$27.1 million in fiscal year 2022: a \$31.5 million, or -53.7% decrease.
- A decrease in Culture and Recreation expenditures, which decreased from \$23.7 million in fiscal year 2021 to \$16.7 million in fiscal year 2022: a \$7.0 million, or -29.6% decrease.
- The decreases in expenditures were offset by Public Protection expenditures, which increased from \$250.5 million in fiscal year 2021 to \$263.2 million in fiscal year 2022: a \$12.7 million, or 5.1%, increase. The Public Protection increase was primarily due to additional personnel costs, which increased \$15.2 million over fiscal year 2021's personnel costs. A rise of \$6.3 million in Capital Outlay expenditures, which grew from \$13.4 million to \$19.6 million, or 47.0%. \$7 million of the overall increase was primarily caused by the purchase of the Tower Theater. The Tower Theater purchase was funded with the City's allocation of Measure P dollars.

A large portion of the difference between actual expenditures and actual revenues was funded by transfers from other funds. Overall, Transfers In decreased \$66.4 million (-88.5%) to \$8.6 million.

The additional revenues produced a large increase in Total Assets, which grew \$8.7 million (5.3%) to \$171.6 million. The increase was driven by two accounts:

- Restricted Cash, which rose \$7.5 million (18.5%) to \$48.2 million
- Due from Other Funds, which increased \$8.39 million (135.1%) to \$14.6 million

While Total Assets grew significantly, the percentage growth in Total Liabilities exceeded that of Total Assets. Total Liabilities rose \$5.8 million (15.3%) to \$43.8 million. The overall increase in Total Liabilities can be attributed to an increase of \$0.8 million in Unearned Revenue and an increase of \$5.5 million (58.0%) in Deposits From Others. Deposits From Others increased due to an increase in the balance of deposits held from outside individuals and organizations tied to various City Fees.

Significant committed fund balance amounts of the General Fund include:

- \$39.9 million for the General Fund Emergency Reserve,
- \$4.5 million for the General Fund - Housing Reserve, and
- \$2.57 for the 27th Pay Period Reserve.

### ***General Fund Budget to Actual Comparison***

The fiscal year 2022 Adopted Budget was made up of \$492.6 million of budgeted revenues and \$449.6 million of appropriations. After various amendments were made throughout the fiscal year, the General Fund ended the fiscal year with \$630.8 million of budgeted revenues and \$587.4 million of appropriations. Actual results on a budgetary (cash) basis of accounting were \$560.3 million of revenues and \$460.8 million of expenditures. Thus, the actual revenues were \$70.5 million (-11.2%) under the fiscal year-end budgeted revenues, while the actual expenditures were \$126.6 million (-21.6%) under fiscal year-end appropriations.

The major differences between the budget and the actual results are noted below:

Comparison of Revenues and Expenditures - Budget to Actual / General Fund (in thousands)					
	Budgeted Original	Budgeted Final	Actual Budgetary Basis	Over (Under) Final Budget	Explanation
<b>Revenues:</b>					
Property Taxes	\$160,000	\$160,000	\$154,703	(\$5,297)	Slow down in housing market occurred after County's Assessed Tax Roll was published July 2021, which showed strong assessed valuations at the time.
Sales Tax	\$116,096	\$128,436	\$148,766	\$20,330	Higher than anticipated sales tax was received due to proceeds from increased local consumer spending.
Licenses and Permits	\$14,215	\$14,243	\$9,047	(\$5,196)	Anticipated permit fees for cannabis dispensaries were not received during the fiscal year.
Transfers from Other Funds	\$7,480	\$114,217	\$31,296	(\$82,921)	Lower than budgeted transfers of CARES and ARPA funds into the General Fund.
<b>Expenditures:</b>					
Other General Government	\$37,664	\$52,158	\$32,070	(\$20,088)	COVID-19 mitigation expenditures, and costs for animal control services and shelter operations were less than budget.
Public Ways & Facilities	\$26,308	\$64,463	\$19,173	(\$45,290)	Spending on street repair and replacement, median island maintenance, street sweeping, and ARPA funded neighborhood infrastructure projects was less than budget..
Community Development	\$43,159	\$62,034	\$36,187	(\$25,847)	Expenditures for ARPA funded special projects and specialized services were less than budget.
Capital Outlay	\$5,335	\$44,100	\$21,324	(\$22,776)	Expenditures for ARPA funded capital projects were lower than budget.

A more detailed look at the budget versus actual comparison for the General Fund can be found on page 171 in the Required Supplementary Information section.

### Grants Special Revenue Fund

Fund Balance in the Grants Special Revenue Fund dropped from \$52.6 million in fiscal year 2021 to \$32.3 million in fiscal year 2022. Total Liabilities decreased from \$124.0 million in fiscal year 2021 to \$117.1 million in fiscal year 2022: a \$6.9 million (-5.6%) Decrease. This is mainly due to Unearned Revenue decreasing from \$109.9 million in fiscal year 2021 to \$97.7 million in fiscal year 2022: a -11.1% decrease.

Fiscal year 2022 revenues in the Grants Special Revenue Fund were up \$2.3 million (2.2%) to \$105.0 million. Contributing to the increase in revenue was \$4.6 million of Community Development Block Grant funds which was offset by corresponding expenditure growth. Expenditures grew \$71.5 million (144.0%) from fiscal year 2021's level of \$49.7 million to fiscal year 2022's total of \$121.2 million. Large increases were seen in the General Government category (up \$25.3 million, or 235.6%), Public Protection category (up \$17.9 million, or 474.4%), Capital Outlay category (up \$12.6 million, or 117.8%), and Community Development category (up \$12.5 million, or 178.6%). The increase in the General Government category was due to \$19.4 million of ERAP payments made to recipients and community based organizations. The increase in the Public Protection category was primarily due to \$14.9 million increase for personnel costs.

## Other Governmental Funds

Fund Balance for the Other Governmental Funds rose \$60.8 million between fiscal year 2021 and fiscal year 2022 (\$158.8 million versus \$219.6 million, respectively). The growth in the Fund Balance was primarily due to a \$31.2 million increase in Fund Balance for the Measure P fund, a \$9.2 million increase in the UGM fund, and a \$14.9 million increase in the Measure C fund. The Measure P fund is a source of revenue new to the City in 2022 which helps ensure Fresno's neighborhoods receive funding to improve and maintain parks and facilities, create new parks and trails, and fund recreation, community, and arts programs.

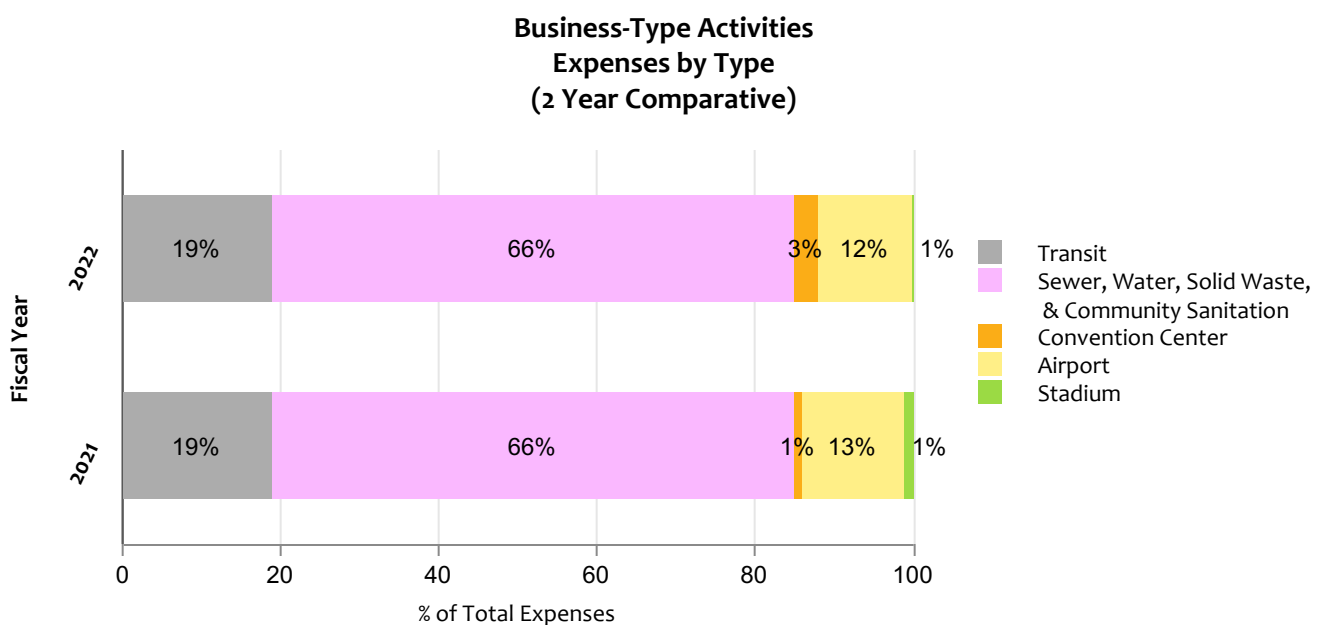
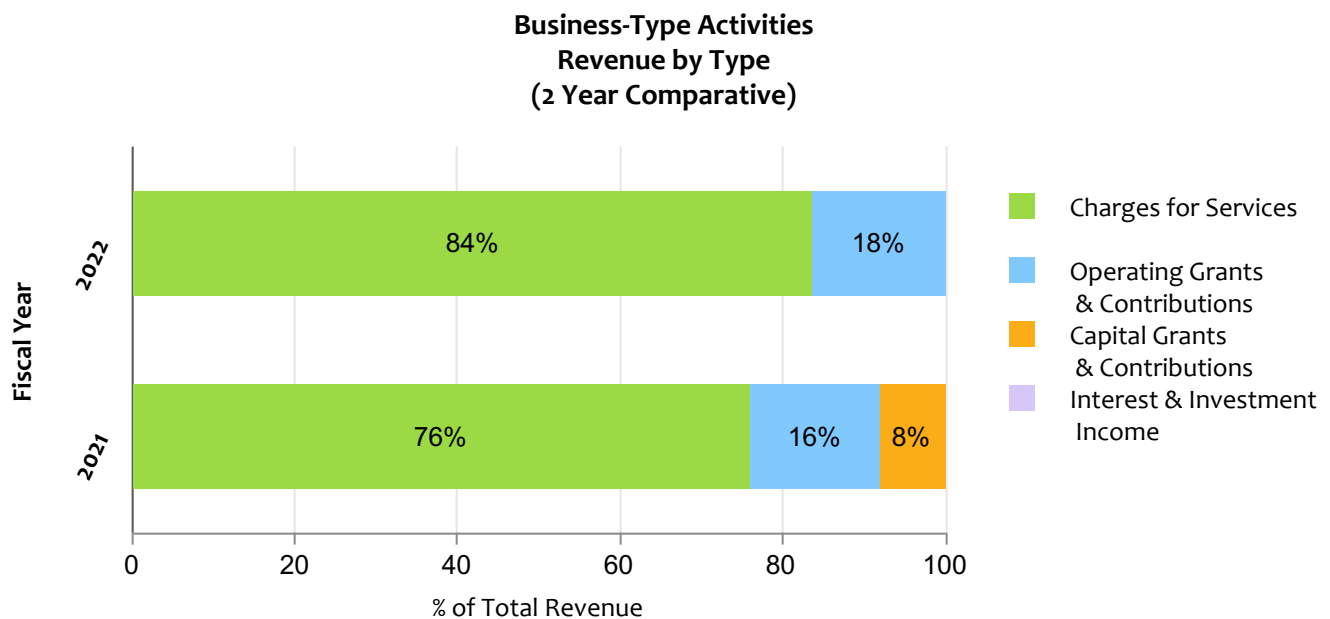
## Business-Type Activities

Business-Type Activities for fiscal year 2022 increased the Net Position by \$39.1 million (2.5%) over fiscal year 2021's Business-Type Activities Net Position of \$1,581.9 million. Key factors affecting the Net Position were:

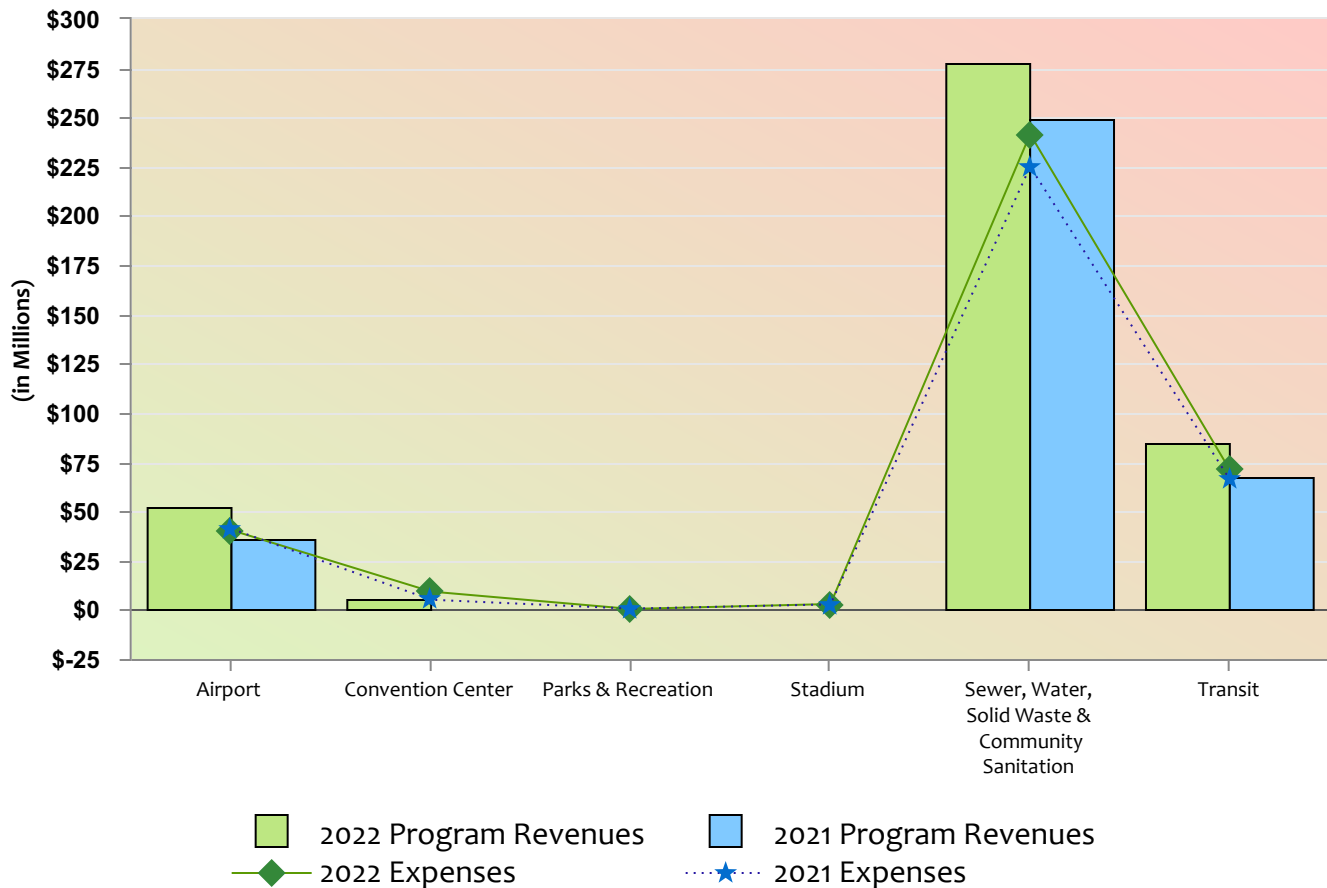
- Total Assets increased by \$182.2 million (7.8%) from fiscal year 2021's Total Asset balance of \$2,344.3 million. This rise was primarily due to an increase of \$146.3 million (983.8%) in the Net Pension Asset to the fiscal year 2022 figure of \$161.2 million and an increase of \$129.6 million (10.1%) in the Net of Accumulated Depreciation to the fiscal year 2022 figure of \$1,409.0 million. This was offset by a \$165.4 million (-34.4%) decrease in assets Not Being Depreciated to the fiscal year 2022 figure of \$315.8 million
- Total Liabilities fell by -2.4%, or \$19.6 million, from fiscal year 2021's Total Liabilities of \$809.3 million. The decline was primarily due to a \$28.3 million (-4.1%) drop in Long-Term Liabilities.
- Revenues went from \$352.2 million in fiscal year 2021 to \$395.6 million in fiscal year 2022: a \$43.4 million (12.3%) increase. This growth can be attributed to a \$15.0 million (57.3%) increase in Transit Operating Grants. The City also saw a \$63.0 million increase in Charges for Services. The increase in Charges for Services were primarily driven by Airports (\$14.9 million, 57.3%) and Transit (\$13.6 million, 582.9%). The increase Operating and Charges for Services revenue was offset by a \$22.5 million decrease in General Revenues compared to the prior year.
- Expenses went from \$340.7 million in fiscal year 2021 to \$365.5 million in fiscal year 2022: a \$24.9 million (7.3%) increase. The primary driver behind this increase was \$12 million (12.1%) of growth in the Water Fund's expenses, partially due to an increase in the cost of purchasing water for the City's residents. Additionally, growth of \$4.9 million (7.4%) in the Transit Fund's expenses and \$4.2 million (5.7%) in the Sewer Fund's expenses. Increases in both Transit and Sewer are due mainly to increased cost of providing service, including repairs and maintenance and fuel cost) added to the overall increase in Business-Type Activities expenses.

## Business-Type Activities - Charts and Graphs

The following charts and graphs illustrate the City's Business-Type revenues and expenses by both source and function. Sewer, Water, and Solid Waste are the largest Business-Type Activities reflecting the City's greatest overall expenses.



**Business-Type Activities**  
**Program Revenues and Expenses**  
**(2 Year Comparative)**



The following is an analysis of some of the funds within the Business-Type Activities category:

### Water

The Water Fund's (Water) Net Position showed an increase over fiscal year 2021's levels. Net Position grew from \$517.1 million in fiscal year 2021 to \$534.8 million in fiscal year 2022: a \$17.8 million (3.4%) increase. The change in net position was driven by the following factors:

- Water revenues increased from \$127.7 million in fiscal year 2021 to \$138.5 million in fiscal year 2022: a \$10.8 million (8.5%) increase. The increase was driven by a \$6.6 million rise in Pension revenue, and \$1.8 million of growth in Water Infrastructure Development Charges.



- Water's Operating Expenses increased by \$12.6 million (14.5%) to \$99.4 million in fiscal year 2022. The increase in expenses was primarily the result of a \$9.1 million (85.7%) increase in Administration costs (primarily in loans within the City) and a \$3.7 million (8.0%) increase in Cost of Services (primarily in water purchases).
- Total Assets increased from \$959.2 million in fiscal year 2021 to \$996.4 million in fiscal year 2022, a \$37.1 million (3.9%) increase. A \$8.2 million increase in Unrestricted Cash was the primary cause of the overall decrease in Water's assets.
- Total Liabilities fell by \$8.5 million (-1.9%) from \$450.8 million in fiscal year 2021 to \$442.4 million in fiscal year 2022. The overall decline in Total Liabilities was caused by a \$9.5 million (-2.9%) decrease in the Long-Term Notes Payable in addition to a \$2.5 million (-33.9%) decrease in Net OPEB Obligation.

## Sewer

The Sewer Fund's Net Position increased by \$6.4 million (0.9%), from \$716.4 million in fiscal year 2021 to \$722.7 million in fiscal year 2022. The driver behind the Net Position increase was an increase of \$21.3 million (18.8%) in Current Assets, an increase of \$11.0 million (21.0%) in Total Restricted Assets, and an increase of \$19.6 million (83.0%). This was offset by a \$20.1 million (1,664.7%) increase in Total Deferred Inflows, a \$16.2 million (-2.5%) decrease in Capital Assets, and a \$4.3 million (3.3%) increase in Total Liabilities from fiscal year 2021's figure of \$131.8 million.

The growth in Current Assets and Total Other Assets powered an increase of \$35.7 million (4.3%) in Total Assets to \$876.4 million. The overall increase in Current Assets was primarily caused by a \$10.1 million increase in Unrestricted Cash. The overall increase in Total Other Assets was due to a \$24.15 million increase in Net Pension Asset. These increases were partially offset by a decrease in Capital Assets of \$16.2 million (-2.5%). The decrease in Capital Assets was mainly caused by a \$25.0 million (7.5%) increase in Accumulated Depreciation and a \$82.4 million (-66.8%) decrease related to Construction in Progress.

The growth in Total Liabilities was primarily caused by a \$7.8 million (9.0%) increase in Long-Term Notes Payable: specifically, those for the Southwest Recycled Water project. The growth in Long-Term Notes Payable was offset by a decrease in Other Liabilities caused by a decrease in the balance of Capacity Rights totaling \$2.7 million (-65.8%) and a decrease in Net OPEB Obligation totaling \$2.3 million (-34%).

The Unrestricted Cash was also bolstered by Operating Income of \$11.7 million, which was an increase from fiscal year 2021's Operating Income of \$8.4 million. Revenues were up slightly (\$9.9 million, or 12.6%) due to increases in Charges for Services; specifically an increase in Customer User Charges of \$4.2 million and an increase in Pension Revenue of \$5.9 million. Operating Expenses grew by \$6.6 million (9.5%). The Operating Expense growth consisted primarily of \$5.8 million in Costs of Services such as an increase of \$2.1 million in Utilities charges and a \$3.1 million increase in repairs & maintenance adjustments.

## ***Solid Waste Management***

The Solid Waste Management Fund's (Solid Waste) Net Position declined from fiscal year 2021's figure of \$32.7 million to fiscal year 2022's figure of \$29.4 million: a \$3.4 million (-10.2%) decrease. The Net Position decrease was primarily due to a \$12.8 million (1,532.7%) increase in Total Deferred Inflows of Resources, which included a \$11.2 million (20,443.6%) increase in Unamortized Pension Expense to the fiscal year 2022 total of \$11.3 million. In addition, Total Restricted Assets decreased by \$6.2 million (-37.7%) to \$10.2 million and this was offset by a \$17.9 million increase in Net Pension Asset to the fiscal year 2022 total of \$20.2 million.

Solid Waste's operational results were reflected on the fund's Statement of Net Position by a decrease of \$4.5 million in Cash and Investments and Total and a \$6.2 million decrease in Total Restricted Assets, offset by a \$17.9 million increase in Net Pension Asset and a \$11.2 million increase in Unamortized Pension Expense.

## ***Transit***

The Transit Fund saw a bounce back from the prior years' impact caused by the COVID-19 pandemic, which had a major impact on the Transit Fund (Transit) during 2020 and 2021. Ridership increased in 2022. Transit transported 7.0 million passengers in fiscal year 2022, a 25% increase from fiscal year 2021's ridership 5.6 million passengers. The 5.6 million passengers was the lowest passenger count that Transit has experienced in over twenty years.

Transit's revenues increased \$13.6 million (582.9%) to \$11.2 million. The main driver of the increase in revenue was a \$11.3 million increase in Pension Revenue. Operating Expenses grew \$4.6 million (7.1%). Increases in contract transportation (up \$1.0 million), and special projects expenses (up \$0.8 million) were the main causes in Transit's overall Operating Expense increase.

Transit's operating results would have resulted in a significant reduction in Net Position were it not for a large influx of grant funding from federal and state agencies. That influx can be seen in a \$15.0 million (31.3%) increase in Operating Grant Revenue to \$62.9 million. These awards also drove growth in Total Restricted Cash, which went from \$25.0 million in fiscal year 2021 to \$53.80 million in fiscal year 2022: a \$28.8 million (114.8%) increase. The increase in Total Restricted Cash was offset by a decrease in Grants Receivable of \$26.3 million (-82.3%). The impact of additional grant funding caused the Transit Fund's Net Position to grow by \$10.1 million (7.0%) from \$144.6 million in fiscal year 2021 to \$154.6 million in fiscal year 2022.

## ***Airports***

Airports' Fund saw a return to pre-pandemic passenger levels with fiscal year 2022's origin and destination passengers numbering 2,210,005, 70.0% higher than the prior fiscal year's passenger count of 1,294,591. The increase in passenger levels brings the ridership above levels seen prior to the pandemic.

The increase in passenger traffic had an impact on Operating Revenues, which increased \$12.6 million (57.9%) to \$34.4 million. The overall increase in Operating Revenues was powered by increases in passenger driven and airline activity revenues, particularly Parking Revenues, which rose to \$4.9 million (26.4%). Yet, while revenues increased by 57.9%, Operating Expenses only increased by \$1.8 million (5.4%) to a total of \$34.6 million. The increase in Operating Expenses was primarily driven by an increase in professional consulting services.

The increase in revenues and small change in expenses had a predictable effect on Total Assets, which increased \$32.8 million (11.8%) to \$310.6 million. The overall increase in Total Assets was due to several factors:

- A \$15.1 million (491.0%) increase in Net Receivables
- A \$9.3 million (25.9) increase in Construction in Progress
- A \$7.5 million (10.6%) increase in Infrastructure
- A \$6.3 million (28.0%) increase in Current Unrestricted Cash.

In addition to the increase in Total Assets, Airports experienced a decrease in Total Liabilities, which shrank \$6.1 million (-6.6%) to \$86.4 million. Current Liabilities also decreased by \$1.7 million (-15.8%) to \$9.0 million; led by a \$2.6 million decrease in Accounts Payable.

The increase in Total Assets and the decrease in Total Liabilities resulted in Total Net Position increasing by \$9.6 million (5.0%) from fiscal year 2021's Net Position of \$189.9 million to \$199.5 million.

## **Convention Center**

While the Convention Center Fund (Convention Center) was the City operation most impacted by COVID-19 restrictions during fiscal year 2021 when no events took place, fiscal year 2022 saw the return of events at the Convention Center. Consequently, Convention Center recorded \$5.7 million of revenue in fiscal year 2022: a \$5.7 million (287,300.0%) increase.

Along with an increase in revenues due to increased event activity, Convention Center's expenses also increased. The total increase of \$4.4 million (107.2%) from fiscal year 2021's expenses of \$4.1 million to a total of \$8.4 million were led by a \$2.3 million increase in Salaries/Benefits expenses and a \$1.1 million increase in Repairs and Maintenance expenses.

Due to a greater increase in revenues than in expenses, the Convention Center's Net Position managed to go from -\$1.2 million in fiscal year 2021 to \$2.6 million in fiscal year 2022: a \$3.8 million (318.9%) improvement. A drop of \$7.1 million (-27.1%) in Total Liabilities, mainly caused by a \$4.0 million decline in Bonds Payable as a result of scheduled debt service payments, contributed significantly to the improvement in Net Position. This decline in Bonds Payable was partially offset by an overall decline in Total Assets of \$3.2 million (-12.9%) from fiscal year 2021's Total Assets figure of \$24.9 million. An increase of \$2.0 million (2.8%) in Accumulated Depreciation was the major contributor to the decline in Total Assets.

## Stadium

Even though baseball was played at the stadium, financial results from those games were impacted both by COVID-19 restrictions and a new operating agreement with Major League Baseball. In December 2020, Major League Baseball completed its overhaul of the minor league system. As a result of that overhaul, Fresno's baseball team moved from a AAA affiliation to an A affiliation. This move to a lower affiliation resulted in modification to the operating lease between the City and the team. Among the changes to the terms of the lease were:

- Annual rent was reduced from \$500,000/year to \$100,000/year.
- City agreed to pay up to \$300,000/year in utility costs.
- Annual capital contribution made by the team and the City decreased from \$300,000/year to \$50,000/year from each party.
- City will receive 15% of any naming rights revenues above \$650,000/year (escalating 2% per year).
- Team will pay \$1/ticket for any turnstile attendance over 150,000/year.

In spite of the reduced financial contribution from the team, the Stadium Fund continued to build on the improvement in Net Position it displayed in fiscal year 2021. Net Position grew from \$5.1 million in fiscal year 2021 to \$6.2 million in fiscal year 2022. Two factors drove the overall increase in Net Position:

- A \$1.7 million (-6.7%) decrease in Total Liabilities, primarily Bonds Payable as a result of scheduled debt service payments.
- A \$1.0 million (3.4%) increase in Total Assets, primarily \$1.3 million of increased Accumulated Depreciation offset by \$1.8 million of increased Construction in Progress and \$1.2 million of increased Machinery and Equipment.

## Internal Service Funds

The Net Position deficit in the Internal Service Funds grew by \$15.3 million (37.1%) to -\$56.6 million in fiscal year 2022. The increase in the Net Position deficit was primarily due to an increase of \$25.0 million (17.2%) in the Short-Term and Long-Term (combined) Liability for Self-Insurance and \$26.1 million (369.6%) increase in Due to Other Funds. Partially offsetting these liability increases were increases of \$29.3 million (28.7%) in Unrestricted Cash and \$11.9 million (14.4%) in Total Net Capital Assets.

The Internal Service Funds' Statement of Revenues, Expenses, and Changes in Net Position mirrored the results of the Statement of Net Position. Contributors to the increase in expenses are a \$2.5 million increase of the Fleet Management Fund's fuel cost and a \$3.4 million increase in Repairs and Maintenance expense from both the Information Services Internal Service Fund and the Fleet Management Fund.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's capital assets for its Governmental and Business-Type Activities, before Component Units, as of June 30, 2022, amount to \$2,722.7 million (net of accumulated depreciation). Capital assets include land, buildings and improvements, machinery and equipment, park facilities, roads, streets, traffic signals, streetlights, bridges, and construction in progress. The City's capital assets net increase for the current fiscal year was approximately 1.1% (a 6.8% increase for Governmental Activities, a -2.0% decrease for Business-Type Activities) as shown in the table below. Capital assets for the fiscal year ended June 30, 2021 amounted to \$2,702,619 million (net of accumulated depreciation). The net increase for 2021 was approximately 0.2% (a 0.3% decrease for Governmental Activities, a 0.4% increase for Business-Type Activities)

#### Changes in Capital Assets, Net of Depreciation

Asset Category	(in thousands)					
	Governmental Activities		Business-Type Activities		Total Government-Wide	
	2021	2022	2021	2022	2021	2022
Land	\$263,040	\$270,918	\$54,426	\$53,867	\$317,466	\$324,785
Intangibles (Indefinite Life)	—	—	17,949	18,897	17,949	18,897
Buildings and Improvements, Net	144,950	178,525	581,285	847,332	726,235	1,025,857
Machinery and Equipment, Net	60,872	65,982	37,733	39,798	98,605	105,780
Infrastructure	402,107	397,715	660,335	521,307	1,062,442	919,022
Construction In Progress	71,103	85,336	408,819	243,040	479,922	328,376
Total	\$942,072	\$998,476	\$1,760,547	\$1,724,241	\$2,702,619	\$2,722,717

Major capital asset events during fiscal year 2022, some of which were in progress during the previous fiscal year, included the following:

#### † **South Van Ness Industrial Roadway and Utilities Infrastructure Improvement Project**

The City's Public Works Department completed the South Van Ness Industrial Project, in coordination with and to benefit many of the South Van Ness industrial area businesses, under a grant from the U.S. Economic Development Administration (EDA). The project consisted of replacing or installing concrete curb and gutter, street widening or pavement replacement as needed and resurfacing, storm drain infrastructure, traffic access & circulation improvements, and safety enhancements for the South Van Ness Industrial Area in the City of Fresno.

#### † **Housing for Homeless Assistance**

In FY22, the City purchased multiple motels to provide emergency shelter for homeless residents. In total, the Valley Inn, Ambassador Inn, Villa Motel, and Parkway Inn provided shelter for more than 270 residents. The Travel Inn, purchased in FY21 finished being rehabilitated in FY 22 and provides shelter for more than 150 residents.



### † **Animal Control Facility**

The Animal Control Facility is located on the 5.1-acre property with an address of 5277 E. Airways Blvd, Fresno, CA 93727. The facility will contain five buildings, ranging in sizes from approximately 6,650 to 14,897 sq. feet and a total building area of 51,928 sq. feet. The five buildings in the complex will consist of a main building for the administrative, operational, and customer service uses; a second building that will house the veterinarian services and isolation rooms for injured and recovering animals; and the remaining three buildings will provide animal housing. The facility allows for the annual intake of approximately 10,000-15,000 animals, with about 8,000-12,000 of those being dogs and 1,000-3,000 being cats. Staff worked with experts in the field to ensure the new facility will be meet the needs of the City of Fresno residents and allow for the humane care and treatment of all animals while they are in the City's animal shelter. The facility provides an adequate number of kennels and play yards for the animals, while also providing adequate space for personnel to intake animals and process adoptions. Additionally, the facility includes a medical suite for veterinarian services, including but not limited to, emergency care for injured animals, spay and neuter surgeries, and the delivery of vaccinations.

At June 30, 2022, the City had commitments related to various construction projects associated with Governmental Activities totaling \$18.9 million. Commitments connected with Business-Type Activities at fiscal year-end amounted to \$60.4 million. The most significant of the Governmental Activities projects were the installation of various traffic signals throughout Fresno (\$13.8 million). The most significant of the Business-Type Activities projects were the Collection System Rehabilitation & Extensions (\$11.0 million) and PTMISEA (\$8.2 million). A complete list of projects appear in Note 13(H) - Commitments and Contingencies, page 160 under Construction and Other Significant Commitments.

### **Debt Administration**

At the end of fiscal year 2022, the City had total long-term bond obligations, notes, and leases payable outstanding of \$880.7 million. Of this amount, \$88.6 million are obligation bonds, backed by the full faith and credit of the City, while \$629.0 million are revenue bonds and notes of the City's business enterprises and \$1.6 million are tax allocation debt issued by the Successor Agency of the Redevelopment Agency. The remaining \$161.5 million includes lease revenue bonds, notes and capital leases for general governmental projects. For detailed information on the City's debt, see Note 7- Long Term Liabilities, pages 101-120.

During fiscal year 2022, the City's total bonded debt decreased by \$16.7 million. This decrease was due to both normal debt service payments made during the year, netted by an increase in loans to the Water Division by the State Water Resources Control Board.

The City also took the following actions in fiscal year 2022:

- Drew down from the California State Water Resources Control Board an additional \$13.3 million in already-approved loans for water transport projects and sewer projects.
- Borrowed an additional \$4.6 million through the Master Equipment Lease Purchase Agreement with Banc of America Public Capital Corp for public safety vehicles.
- Borrowed \$19.9 million for energy efficiency projects that will offset savings in expenses paid to PG&E.

The ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to management, citizens and investors. A comparison of these indicators (as stated in thousands) follows:

	Fiscal Year		
	2022	2021	2020
General Bonded Debt (Par Amount)	\$ 88,640	\$ 98,395	\$ 107,555
General Bonded Debt Per Capita	\$ 163.00	\$ 180.00	\$ 197.00
Debt Service Tax Rate Per \$100 Taxable Valuation	\$ 0.21	\$ 0.24	\$ 0.28

Although the City's Charter imposes a limit on the amount of general obligation bonds that the City can have outstanding at any given time of 20% of the assessed value of property in the City, the City realizes that it cannot currently support debt of that magnitude with its current tax base and is very cautious about issuing general obligation debt. Currently, there are no general obligation bonds outstanding other than Pension Obligation Bonds issued in 2002.

## FINANCIAL OUTLOOK

The City continued to experience a strong rebound in financial performance from the impacts of the pandemic. Sales tax revenue experienced another record year of growth resulting in \$192.9 million for fiscal year 2022. Meanwhile property taxes continued with steady growth due to assessed valuation increases resulting from sales. The City's local economy boasts the second strongest recovery in the United States, evidence of its resiliency. Additionally, the City's allocation of the American Rescue Plan Act (ARPA) continue to support recovery efforts.

Nationally, risks to economic growth are increasingly present. Confronted with concerns of rising inflation, the Federal Reserve has raised interest rates multiple times in an effort to cool economic activity while avoiding a recession, a task the Legislative Analyst's Office labels as "narrow". Already, the effects of Federal Reserve actions can be seen statewide with decreases in home sales, car sales and stock prices. Unemployment rates remain at historic lows creating strain for employers to meet demand. These realities underscore the importance of prudent financial management with a sound reserve management policy. The City concluded the 2022 fiscal year with a \$39.7 million General Fund Emergency Reserve.

The City will continue to monitor sources with particular expertise of influencing factors that may effect the fiscal condition and outlook of economic activity. Publications provided by the Legislative Analyst's Office, the UCLA Anderson Forecast and others provide invaluable insights that help shape planning.

## **CONCLUSION**

Fiscal year 2022 continued to demonstrate financial stability along the path to broader economic recovery from the effects of the pandemic. Certainly these efforts have been significantly buoyed by State and Federal resources provided to mitigate the impacts of COVID. While encouraging, risks remain going forward. In addition to the aforementioned conditions facing the national economic landscape, significant geopolitical pressures exist threatening economic growth. These conditions cannot be understated and will surely shape planning going forward as the City seeks to provide stability in services for the citizens of Fresno.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Below is the contact information for questions about this report or requests for additional financial information.

Documents can be made accessible in alternative ADA compliant formats upon request. To request documents in alternative ADA Compliant formats, contact the Finance Department at [Finance@fresno.gov](mailto:Finance@fresno.gov) or (559) 621-7001.

### **CITY OF FRESNO**

Office of the Controller/Finance Department  
2600 Fresno Street, Room 2156  
Fresno, California 93721-3622

[www.fresno.gov](http://www.fresno.gov)



# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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# CITY OF FRESNO, CALIFORNIA

## Statement of Net Position

June 30, 2022

(in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Investments	\$ 346,173	\$ 307,108	\$ 653,281
Accounts Receivables, Net	108,166	89,378	197,544
Internal Balances	22,403	(22,403)	—
Inventories	1,073	7,634	8,707
Prepaid Items	562	1,371	1,933
Other Assets	1,114	520	1,634
Property Held for Resale	3,600	—	3,600
Restricted Cash and Investments	133,207	241,030	374,237
Restricted Interest Receivable	—	465	465
Loans, Notes, Leases, and Other Receivables, Net	75,321	15,376	90,697
Net Pension Asset	644,438	161,215	805,653
Capital Assets:			
Not Being Depreciated	356,254	315,804	672,058
Net of Accumulated Depreciation	650,249	1,408,970	2,059,219
<b>Total Assets</b>	<b>2,342,560</b>	<b>2,526,468</b>	<b>4,869,028</b>
<b>Deferred Outflows of Resources</b>			
Charge on Refunding	3,169	138	3,307
Deferred Outflows - Pensions	65,621	14,115	79,736
Deferred Outflows - OPEB	22,208	9,338	31,546
<b>Total Deferred Outflows of Resources</b>	<b>90,998</b>	<b>23,591</b>	<b>114,589</b>
<b>Liabilities</b>			
Accrued Liabilities	42,829	26,415	69,244
Unearned Revenue	106,643	55,366	162,009
Deposits from Others	14,912	18,997	33,909
Other Liabilities	—	1,396	1,396
Long-Term Liabilities:			
Due Within One Year	82,890	24,902	107,792
Due in More than One Year	551,257	662,670	1,213,927
<b>Total Liabilities</b>	<b>798,531</b>	<b>789,746</b>	<b>1,588,277</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows - Pension	372,040	91,838	463,878
Deferred Inflows - OPEB	51,193	22,487	73,680
Deferred Inflows - Leases	1,111	25,059	26,170
<b>Total Deferred Inflows of Resources</b>	<b>424,734</b>	<b>139,384</b>	<b>537,948</b>
<b>Net Position</b>			
Net Investment in Capital Assets	836,439	1,094,088	1,930,527
Restricted for:			
General Government	27,372	—	27,372
Public Protection	3,943	—	3,943
Public Ways and Facilities	128,694	—	128,694
Culture and Recreation	34,936	—	34,936
Community Development	73,586	—	73,586
Emergency Reserve	39,913	—	39,913
27th Pay Period Reserve	2,566	—	2,566
Housing Reserve	4,539	—	5,881
Asset Sale Reserve	1,342	—	1,342
Unrestricted (Deficit)	56,963	526,841	583,804
<b>Total Net Position</b>	<b>\$ 1,210,293</b>	<b>\$ 1,620,929</b>	<b>\$ 2,832,564</b>

The notes to the financial statements are an integral part of this statement.

# CITY OF FRESNO, CALIFORNIA

## Statement of Activities

Fiscal Year Ended June 30, 2022

(in thousands)

					Net (Expense) Revenue and Changes in Net Position		
		Program Revenue			Primary Government		
			Operating	Capital			
Functions/Programs	Expenses	Charges for	Grants and	Grants and	Governmental	Business-Type	Total
		Services	Contributions	Contributions	Activities	Activities	
Primary Government							
Governmental Activities							
General Government	\$ 90,035	\$ 22,040	\$ 108	\$ 52,274	\$ (15,613)	\$ —	\$ (15,613)
Public Protection	270,465	62,152	30,645	3,306	(174,362)	—	(174,362)
Public Ways and Facilities	101,306	37,839	31,461	65,698	33,692	—	33,692
Culture and Recreation	30,324	4,840	720	(488)	(25,252)	—	(25,252)
Community Development	57,123	32,305	11,311	7,763	(5,744)	—	(5,744)
Interest on Long-term Debt	12,683	—	—	—	(12,683)	—	(12,683)
Total Governmental Activities	561,936	159,176	74,245	128,553	(199,962)	—	(199,962)
Business-Type Activities							
Water System	112,301	138,492	193	327	—	26,711	26,711
Sewer System	78,646	87,795	—	4,042	—	13,191	13,191
Solid Waste Management	41,818	35,423	206	—	—	(6,189)	(6,189)
Transit	71,038	11,242	62,915	10,253	—	13,372	13,372
Airports	40,413	40,884	7,959	3,221	—	11,651	11,651
Fresno Convention Center	9,235	5,744	—	—	—	(3,491)	(3,491)
Community Sanitation	8,743	10,706	—	—	—	1,963	1,963
Parks and Recreation	416	630	—	—	—	214	214
Stadium	2,925	279	—	50	—	(2,596)	(2,596)
Total Business-Type Activities	365,535	331,195	71,273	17,893	—	54,826	54,826
Total Primary Government	\$ 927,471	\$ 490,371	\$ 145,518	\$ 146,446	\$ (199,962)	\$ 54,826	\$ (145,136)
General Revenues:							
Taxes and Licenses:							
Property Taxes					154,130	—	154,130
Sales Taxes - Shared Revenues					192,874	—	192,874
Franchise Taxes					18,271	—	18,271
Business Tax					21,764	—	21,764
Room Tax					15,205	—	15,205
Other Taxes					3,528	—	3,528
Investment Earnings					(10,409)	(24,697)	(35,106)
Transfers					(7,899)	7,899	—
Total General Revenues and Transfers					387,464	(16,798)	370,666
Change in Net Position					187,502	37,804	225,306
Net Position - Beginning, Restated					1,022,791	1,583,125	2,605,916
Net Position - Ending					\$ 1,210,293	\$ 1,620,929	\$ 2,831,222

The notes to the financial statements are an integral part of this statement.

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# FUND FINANCIAL STATEMENTS

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# CITY OF FRESNO, CALIFORNIA

## Balance Sheet

### Governmental Funds

June 30, 2022

(in thousands)

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 47,810	\$ 2,971	\$ 184,518	\$ 235,299
Receivables, Net	18,207	485	1,892	20,584
Grants Receivable	180	18,354	1,315	19,849
Intergovernmental Receivables	42,676	—	17,511	60,187
Due From Other Funds	14,591	1,749	2,782	19,122
Advances to Other Funds, Net	—	6,848	62	6,910
Property Held for Resale	—	—	3,600	3,600
Restricted Cash	48,180	82,852	1,286	132,318
Loans, Notes, Leases, Other Receivables, Net	—	54,460	20,084	74,544
<b>Total Assets</b>	<b>\$ 171,644</b>	<b>\$ 167,719</b>	<b>\$ 233,050</b>	<b>\$ 572,413</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accrued Liabilities	\$ 12,835	\$ 14,944	\$ 5,303	\$ 33,082
Unearned Revenue	4,101	97,749	15	101,865
Due to Other Funds	1,100	4,393	2,655	8,148
Advances From Other Funds	10,862	—	2,552	13,414
Deposits From Others	14,881	—	31	14,912
<b>Total Liabilities</b>	<b>43,779</b>	<b>117,086</b>	<b>10,556</b>	<b>171,421</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue - Property Tax	4,276	—	—	4,276
Unavailable Revenue - Other	18,898	18,334	2,927	40,159
<b>Total Deferred Inflows of Resources</b>	<b>23,174</b>	<b>18,334</b>	<b>2,927</b>	<b>44,435</b>
<b>Fund Balances</b>				
Restricted	—	32,299	184,623	216,922
Committed	48,360	—	—	48,360
Assigned	19,215	—	37,622	56,837
Unassigned	37,116	—	(2,678)	34,438
<b>Total Fund Balances</b>	<b>104,691</b>	<b>32,299</b>	<b>219,567</b>	<b>356,557</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 171,644</b>	<b>\$ 167,719</b>	<b>\$ 233,050</b>	<b>\$ 572,413</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF FRESNO, CALIFORNIA**

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2022

(in thousands)

<b>Total Governmental Fund Balances</b>	<b>\$ 356,557</b>
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
The Net Pension Asset is not a current financial resource, and therefore, is not reported in the funds.	644,438
Capital assets used in Governmental Activities are not current financial resources, and therefore, are not reported in the funds.	1,006,503
Prepays in Governmental Activities are not current financial resources, and therefore, are not reported in the funds.	562
Deferred outflows of resources reported in the Statement of Net Position	90,998
Accrued interest on long-term debt is not accrued in the funds, but rather, it is recognized as an expenditure when due.	(1,955)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(625,434)
Difference between deferred inflows of resources reported in the Statement of Net Position and unavailable revenue reported in the Balance Sheet - Governmental Funds	(380,299)
Prepaid bond insurance and original issue premium and discount represent costs associated with the issuance of long-term debt, which are deferred and amortized over the period the debt is outstanding. These costs are reported as expenditures of the current period in the funds.	(7,599)
Internal service funds are used by management to charge the costs of various activities, such as fleet and insurance to individual funds. Assets and liabilities of certain internal service funds are included in Governmental Activities in the Statement of Net Position.	126,522
<b>Net Position of Governmental Activities</b>	<b>\$ 1,210,293</b>

The notes to the financial statements are an integral part of this statement.

# CITY OF FRESNO, CALIFORNIA

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 360,831	\$ —	\$ 91,410	\$ 452,241
Licenses and Permits	8,332	—	—	8,332
Intergovernmental	5,398	99,134	34,142	138,674
Charges for Services	32,292	—	34,669	66,961
Fines	2,726	—	—	2,726
Use of Money and Property	(3,213)	1,262	(5,099)	(7,050)
Miscellaneous	1,191	4,630	2,615	8,436
Total Revenues	<u>407,557</u>	<u>105,026</u>	<u>157,737</u>	<u>670,320</u>
<b>Expenditures</b>				
Current:				
General Government	27,126	36,007	2,370	65,503
Public Protection	263,159	21,690	2,791	287,640
Public Ways and Facilities	11,311	19,532	42,600	73,443
Culture and Recreation	16,722	1,263	7,638	25,623
Community Development	33,443	19,493	4,408	57,344
Capital Outlay	19,645	23,233	32,563	75,441
Debt Service:				
Principal	2,580	—	18,202	20,782
Interest	389	—	11,968	12,357
Total Expenditures	<u>374,375</u>	<u>121,218</u>	<u>122,540</u>	<u>618,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,182</u>	<u>(16,192)</u>	<u>35,197</u>	<u>52,187</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	8,587	2,100	54,013	64,700
Transfers Out	(40,021)	(6,238)	(28,431)	(74,690)
Total Other Financing Sources (Uses)	<u>(31,434)</u>	<u>(4,138)</u>	<u>25,582</u>	<u>(9,990)</u>
Net Changes in Fund Balances	1,748	(20,330)	60,779	42,197
Fund Balances - Beginning	<u>102,943</u>	<u>52,629</u>	<u>158,788</u>	<u>314,360</u>
Fund Balances - Ending	<u>\$ 104,691</u>	<u>\$ 32,299</u>	<u>\$ 219,567</u>	<u>\$ 356,557</u>

The notes to the financial statements are an integral part of this statement.

## CITY OF FRESNO, CALIFORNIA

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Fiscal Year Ended June 30, 2022

(in thousands)

Net change in fund balances - total governmental funds	\$	42,197
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which cost of capital assets of \$89,808 exceeded depreciation of \$45,645 in the current period.		44,163
Some expenses, retention payable, and Net OPEB Liability reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		(1,897)
In the Statement of Net Position, acquiring debt increases Long-Term Liabilities and does not affect the Statement of Activities. Additionally, repayment of principal is an expenditure in the governmental funds but reduces liability in the Statement of Net Position.		20,721
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.		(12,594)
Changes to the net pension asset and pension related deferred outflows and inflows of resources do not provide current financial resources, and therefore, are not reported in the governmental funds.		94,670
Revenues recognized in the Statement of Activities in previous years and recognized in the governmental fund statements in the current year were less than revenues recognized in the Statement of Activities in the current year but not reported in the governmental funds as they do not provide current financial resources.		6,627
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The net revenues of certain activities of internal service funds are reported with Governmental Activities in the Statement of Activities.		(6,385)
Change in net position of Governmental Activities	\$	<u>187,502</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF FRESNO, CALIFORNIA

## Statement of Net Position

### Proprietary Funds

June 30, 2022

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
<b>Assets</b>					
Current Assets:					
Cash and Investments	\$ 129,493	\$ 105,566	\$ 2,250	\$ 15,698	\$ 28,840
Interest Receivable	664	533	85	240	238
Accounts Receivables, Net	25,359	15,903	6,607	211	18,161
Grants Receivable	—	—	—	5,671	763
Inventories	1,629	4,840	—	754	345
Prepaid Items	884	32	9	41	269
Intergovernmental Receivables	—	921	—	7,006	137
Due from Other Funds	9,816	6,713	3,024	161	443
Restricted Cash and Investments	—	—	—	—	—
Total Current Assets	167,845	134,508	11,975	29,782	49,196
Noncurrent Assets:					
Restricted:					
Cash and Cash Equivalents	67,638	63,405	10,207	53,804	38,313
Interest Receivable	245	220	—	—	—
Total Restricted Assets	67,883	63,625	10,207	53,804	38,313
Other Assets:					
Other Receivables	1,207	3,089	—	—	—
Other Assets	—	5	—	—	208
Net Pension Asset	30,283	27,792	20,173	51,631	14,704
Unamortized CVP Water Settlement	822	—	—	—	—
Solid Waste Rate Payers	—	—	10,258	—	—
Advances to Other Funds, Net	4,019	12,302	—	—	—
Total Other Assets	36,331	43,188	30,431	51,631	14,912
Capital Assets:					
Land and Intangibles	34,029	17,513	2,803	2,216	11,318
Buildings, Systems and Improvements	496,770	580,678	1,567	74,641	217,398
Machinery and Equipment	1,018	6,114	6,039	80,843	5,589
Infrastructure	318,442	348,797	—	—	78,321
Right to Use Assets Being Amortized	—	209	—	—	507
Construction in Progress	139,449	40,956	2,444	12,951	45,167
Less Accumulated Depreciation	(265,405)	(359,236)	(4,231)	(69,523)	(150,079)
Total Capital Assets, Net	724,303	635,031	8,622	101,128	208,221
Total Noncurrent Assets	828,517	741,844	49,260	206,563	261,446
Total Assets	996,362	876,352	61,235	236,345	310,642
<b>Deferred Outflows of Resources</b>					
Charge on Refunding	—	—	—	—	10
Pension Contributions	1,700	1,530	1,136	3,000	911
Deferred Outflows - Pension	883	801	571	1,499	501
Deferred Outflows - OPEB	1,517	1,413	979	3,400	804
Total Deferred Outflows of Resources	\$ 4,100	\$ 3,744	\$ 2,686	\$ 7,899	\$ 2,226

The notes to the financial statements are an integral part of this statement.



**Business-Type Activities - Enterprise Funds**

Fresno Convention Center	Stadium	Other Enterprise Funds	Total	Internal Service Funds
\$ 1,942	\$ 80	\$ 2,767	\$ 286,636	\$ 131,346
—	6	18	1,784	521
317	2,052	3,511	72,121	1,825
—	—	—	6,434	—
66	—	—	7,634	1,073
136	—	—	1,371	562
—	—	—	8,064	—
—	—	909	21,066	2,844
598	—	—	598	—
3,059	2,138	7,205	405,708	138,171
752	907	969	235,995	5,326
—	—	—	465	—
752	907	969	236,460	5,326
—	—	—	4,296	—
102	191	14	520	—
—	—	6,825	151,408	38,678
—	—	—	822	—
—	—	—	10,258	—
—	—	—	16,321	—
102	191	6,839	183,625	38,678
4,163	710	12	72,764	—
86,632	43,489	3,743	1,504,918	12,526
309	2,783	67	102,762	147,710
—	—	—	745,682	—
—	—	—	716	3,235
—	2,028	—	242,995	27,304
(73,393)	(21,079)	(2,287)	(945,233)	(93,347)
17,711	27,931	1,535	1,724,604	97,428
18,565	29,029	9,343	2,144,689	141,432
21,624	31,167	16,548	2,550,397	279,603
58	20	50	138	—
—	—	392	8,669	2,403
—	—	222	4,477	1,247
17	—	416	8,546	2,346
\$ 75	\$ 20	\$ 1,080	\$ 21,830	\$ 5,996

**Assets**

Current Assets:

Cash and Investments  
Interest Receivable  
Accounts Receivables, Net  
Grants Receivable  
Inventories  
Prepaid Items  
Intergovernmental Receivables  
Due from Other Funds  
Restricted Cash and Investments

Total Current Assets

Noncurrent Assets:

Restricted:

Cash and Investments  
Interest Receivable

Total Restricted Assets

Other Assets:

Other Receivables  
Other Assets  
Net Pension Asset  
Unamortized CVP Water Settlement  
Solid Waste Rate Payers  
Advances to Other Funds, Net

Total Other Assets

Capital Assets:

Land and Intangibles  
Buildings, Systems and Improvements  
Machinery and Equipment  
Infrastructure  
Right to Use Assets Being Amortized  
Construction in Progress  
Less Accumulated Depreciation

Total Capital Assets, Net

Total Noncurrent Assets

Total Assets

**Deferred Outflows of Resources**

Charge on Refunding  
Pension Contributions  
Deferred Outflows - Pension  
Deferred Outflows - OPEB

Total Deferred Outflows of Resources

The notes to the financial statements are an integral part of this statement.

# CITY OF FRESNO, CALIFORNIA

## Statement of Net Position

### Proprietary Funds

June 30, 2022 (continued)

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
<b>Liabilities</b>					
Current Liabilities:					
Accrued Liabilities	\$ 6,313	\$ 5,721	\$ 1,356	\$ 4,169	\$ 5,403
Accrued Compensated Absences and HRA	306	388	313	693	385
Liability for Self-Insurance	—	—	—	—	—
Unearned Revenue	7,597	12,907	—	33,796	—
Due to Other Funds	115	136	564	139	35
Bonds Payable	—	885	—	—	3,055
Accrued Closure Cost	—	—	800	—	—
Capital Finance Obligations	—	—	—	—	—
Notes Payable	11,604	1,013	—	—	—
Lease Liability	—	18	—	—	164
Total Current Liabilities	25,935	21,068	3,033	38,797	9,042
Noncurrent Liabilities					
Accrued Compensated Absences and HRA	1,944	1,860	1,442	2,907	1,536
Capital Finance Obligations	—	—	—	—	—
Liability for Self-Insurance	—	—	—	—	—
Bonds Payable	90,329	—	—	—	72,405
Accreted Interest Payable on Capital					
Appreciation Bonds	—	—	—	—	—
Notes Payable	318,081	94,643	—	—	—
CVP Litigation Settlement	127	—	—	—	—
Lease Liability	—	174	—	—	182
Pollution Remediation Obligation	—	—	—	—	406
Other Liabilities	—	1,396	—	—	—
Accrued Closure Costs	—	—	10,374	—	—
Advances from Other Funds	—	—	2,969	—	—
Net OPEB Liability	4,845	4,601	3,115	9,735	2,360
Deposits Held for Others	1,094	12,351	—	—	464
Total Noncurrent Liabilities	416,420	115,025	17,900	12,642	77,353
Total Liabilities	442,355	136,093	20,933	51,439	86,395
<b>Deferred Inflows of Resources</b>					
Deferred Inflows - Pension	16,765	15,210	11,299	29,833	9,033
Deferred Inflows - OPEB	3,485	3,271	2,318	8,334	1,942
Deferred Inflows - Leases	3,024	2,784	—	—	16,046
Total Deferred Inflows of Resources	23,274	21,265	13,617	38,167	27,021
<b>Net Position</b>					
Net Investment in Capital Assets	304,288	538,298	8,622	101,128	132,426
Unrestricted (Deficit)	230,545	184,440	20,749	53,510	67,026
Total Net Position (Deficit)	\$ 534,833	\$ 722,738	\$ 29,371	\$ 154,638	\$ 199,452

The notes to the financial statements are an integral part of this statement.

Business-Type Activities - Enterprise Funds				
Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds
\$ 1,356	\$ 836	\$ 228	\$ 25,382	\$ 8,824
—	—	37	2,122	733
—	—	—	—	37,746
—	—	—	54,300	5,844
—	—	645	1,634	33,147
3,037	1,870	60	8,907	—
—	—	—	800	—
—	—	—	—	6,925
—	—	—	12,617	—
—	—	—	182	407
4,393	2,706	970	105,944	93,626
—	—	327	10,016	5,246
—	—	—	—	29,843
—	—	—	—	170,181
11,140	20,674	1,488	196,036	—
3,078	—	—	3,078	—
—	—	—	412,724	—
—	—	—	127	—
—	—	—	356	2,431
—	—	—	406	—
—	—	—	1,396	—
—	—	—	10,374	—
—	—	—	2,969	—
69	—	1,158	25,883	3,798
409	—	—	14,318	4,679
14,696	20,674	2,973	677,683	216,178
19,089	23,380	3,943	783,627	309,804
—	—	3,809	85,949	23,695
25	—	982	20,357	8,381
—	1,648	1,557	25,059	343
25	1,648	6,348	131,365	32,419
3,591	5,407	158	1,093,918	57,822
(1,006)	752	7,301	563,317	(114,446)
\$ 2,585	\$ 6,159	\$ 7,459	\$ 1,657,235	\$ (56,624)

#### Liabilities

##### Current Liabilities:

Accrued Liabilities
Accrued Compensated Absences and HRA
Liability for Self-Insurance
Unearned Revenue
Due to Other Funds
Bonds Payable
Accrued Closure Cost
Capital Lease Obligations
Notes Payable
Lease Liability

##### Total Current Liabilities

##### Noncurrent Liabilities

Accrued Compensated Absences and HRA
Capital Lease Obligations
Liability for Self-Insurance
Bonds Payable
Accreted Interest Payable on Capital
Appreciation Bonds
Notes Payable
CVP Litigation Settlement
Lease Liability
Pollution Remediation Obligation
Other Liabilities
Accrued Closure Costs
Advances from Other Funds
Net OPEB Liability
Deposits Held for Others

##### Total Noncurrent Liabilities

##### Total Liabilities

#### Deferred Inflows of Resources

Deferred Inflows - Pension
Deferred Inflows - OPEB
Deferred Inflows - Leases
Total Deferred Inflows of Resources

#### Net Position

Net Investment in Capital Assets
Unrestricted (Deficit)
Total Net Position (Deficit)

Some amounts reported for Business-Type Activities in the Statement of Net Position are different due to certain Internal Service Fund assets and liabilities being included with Business-Type Activities.

	(36,306)
Net position of Business-Type Activities	\$ 1,620,929

The notes to the financial statements are an integral part of this statement.

# CITY OF FRESNO, CALIFORNIA

## Statement of Revenues, Expenses and Changes in Fund Net Position

### Proprietary Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
<b>Operating Revenues:</b>					
Charges for Services	\$ 138,492	\$ 87,795	\$ 35,423	\$ 11,242	\$ 34,439
<b>Operating Expenses:</b>					
Cost of Services	50,163	33,868	21,677	46,059	14,820
Administration	19,691	17,220	16,614	16,014	7,949
Amortization	—	19	—	—	165
Depreciation	29,525	25,024	531	7,592	11,709
Total Operating Expenses	99,379	76,131	38,822	69,665	34,643
Operating Income (Loss)	39,113	11,664	(3,399)	(58,423)	(204)
<b>Non-Operating Revenue (Expenses):</b>					
Operating Grants	192	—	206	62,915	7,959
Interest Income	2,091	1,731	223	276	970
Net Increase (Decrease) in Cash Fair Value	(11,347)	(9,674)	(896)	(3,660)	(3,201)
Interest Expense	(11,137)	(336)	(48)	—	(5,114)
Other Financing Sources - Leases	—	—	—	—	(224)
Passenger Facility Charges	—	—	—	—	4,234
Customer Facility Charges	—	—	—	—	2,211
Gain (Loss) on Disposal of Capital Assets	—	(685)	—	—	—
Total Non-Operating Revenue (Expenses)	(20,201)	(8,964)	(515)	59,531	6,835
Income (Loss) Before Contributions & Transfers	18,912	2,700	(3,914)	1,108	6,631
Capital Contributions	328	4,042	—	10,253	3,221
Transfers In	1	1	1,594	—	—
Transfers Out	(1,473)	(346)	(1,033)	(1,453)	(268)
Change in Net Position	17,768	6,397	(3,353)	9,908	9,584
Total Net Position (Deficit) - Beginning Restated	517,065	716,341	32,724	144,730	189,868
Total Net Position (Deficit) - Ending	\$ 534,833	\$ 722,738	\$ 29,371	\$ 154,638	\$ 199,452

The notes to the financial statements are an integral part of this statement.

**Business-Type Activities - Enterprise Funds**

Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds	
\$ 5,744	\$ 279	\$ 11,335	\$ 324,749	\$ 195,712	<b>Operating Revenues:</b>
					Charges for Services
5,231	254	5,485	177,557	160,607	<b>Operating Expenses:</b>
1,156	172	3,033	81,849	34,447	Cost of Services
—	—	—	184	—	Administration
2,023	1,275	188	77,867	14,145	Amortization
8,410	1,701	8,706	337,457	209,199	Depreciation
(2,666)	(1,422)	2,629	(12,708)	(13,487)	Total Operating Expenses
					Operating Income (Loss)
					<b>Non-Operating Revenue (Expenses):</b>
—	—	—	71,272	—	Operating Grants
—	48	77	5,416	1,308	Interest Income
—	(89)	(168)	(29,035)	(5,243)	Net Increase (Decrease) in Cash Fair Value
(825)	(1,224)	(61)	(18,745)	(778)	Interest Expense
—	—	—	(224)	—	Other Financing Sources - Leases
—	—	—	4,234	—	Passenger Facility Charges
—	—	—	2,211	—	Customer Facility Charges
—	—	—	(685)	—	Gain (Loss) on Disposal of Capital Assets
(825)	(1,265)	(152)	34,444	(4,713)	Total Non-Operating Revenue (Expenses)
(3,491)	(2,687)	2,477	21,736	(18,200)	Income (Loss) Before Contributions & Transfers
—	50	—	17,894	—	Capital Contributions
6,122	3,694	1,300	12,712	4,130	Transfers In
—	—	(1,025)	(5,598)	(1,254)	Transfers Out
2,631	1,057	2,752	46,744	(15,324)	Change in Net Position
(46)	5,102	4,707		(41,300)	Total Net Position (Deficit) - Beginning Restated
<u>\$ 2,585</u>	<u>\$ 6,159</u>	<u>\$ 7,459</u>		<u>\$ (56,624)</u>	Total Net Position (Deficit) - Ending

Some amounts reported for Business-Type Activities in the Statement of Activities are different due to the net revenue (expenses) of certain Internal Service Funds being reported with Business-Type Activities.

Change in net position of Business-Type Activities

(8,940)  
\$ 37,804

The notes to the financial statements are an integral part of this statement.



# CITY OF FRESNO, CALIFORNIA

## Statement of Cash Flows

### Proprietary Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received from Customers	\$ 128,691	\$ 82,806	\$ 31,762	\$ 11,607	\$ 34,786
Cash Received from Interfund Services Provided	205	71	69	—	—
Cash Payments (to) from Suppliers for Services	(41,652)	(29,993)	(11,160)	(18,169)	(8,900)
Cash Paid for Interfund Services Used	(10,636)	(8,841)	(15,840)	(7,226)	(3,448)
Cash Payments to Employees for Services	(19,244)	(17,302)	(15,426)	(45,273)	(12,139)
Cash Payments for Claims and Refunds	—	—	—	—	—
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>57,364</b>	<b>26,741</b>	<b>(10,595)</b>	<b>(59,061)</b>	<b>10,299</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Capital Contributions	328	5,880	—	10,089	3,568
Passenger and Customer Facility Charges					6,445
Interest Payments on Capital Debt	(11,050)	(268)	(47)	—	(3,465)
Proceeds from Issuance of Capital Debt	4,530	8,798	—	—	—
Payment for Cost of Issuance	—	—	—	—	—
Principal Payments on Capital Debt-Bonds	—	—	—	—	(2,885)
Principal Payments on Capital Debt-Notes	(11,537)	(1,003)	—	—	—
Principal Payments on Capital Lease Obligations	—	—	—	—	—
Proceeds (Loss) from Sale of Capital Assets	—	24,826	—	—	(241)
Acquisition and Construction of Capital Assets	(12,182)	(35,451)	(125)	(9,426)	(15,486)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>(29,911)</b>	<b>2,782</b>	<b>(172)</b>	<b>663</b>	<b>(12,064)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Operating Grants	192	—	206	107,456	9,000
Borrowing Receipt from (Payment to) Other Funds	—	—	—	—	—
Change in Accounting Estimate	—	(10)	—	—	—
Transfers In	1	1	1,594	—	—
Transfers Out	(1,473)	(346)	(1,033)	(1,453)	(268)
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>(1,280)</b>	<b>(355)</b>	<b>767</b>	<b>106,003</b>	<b>8,732</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest and Dividends Received (Paid) on Investments	(9,303)	(8,025)	(624)	(3,484)	(2,279)
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>(9,303)</b>	<b>(8,025)</b>	<b>(624)</b>	<b>(3,484)</b>	<b>(2,279)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>16,870</b>	<b>21,143</b>	<b>(10,624)</b>	<b>44,121</b>	<b>4,688</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>180,261</b>	<b>147,828</b>	<b>23,081</b>	<b>25,381</b>	<b>62,465</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 197,131</b>	<b>\$ 168,971</b>	<b>\$ 12,457</b>	<b>\$ 69,502</b>	<b>\$ 67,153</b>

The notes to the financial statements are an integral part of this statement.

**Business-Type Activities - Enterprise Funds**

Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds
\$ 3,741	\$ 344	\$ 10,707	\$ 304,444	\$ 113,684
—	—	—	345	144,337
(3,141)	(679)	(2,792)	(116,486)	(44,601)
—	—	(2,059)	(48,050)	(20,865)
(2,939)	—	(5,084)	(117,407)	(37,330)
—	—	—	—	(119,279)
<u>(2,339)</u>	<u>(335)</u>	<u>772</u>	<u>22,846</u>	<u>35,946</u>
1,235	50	—	21,150	19,071
—	—	—	6,445	—
(1,380)	(1,443)	(78)	(17,731)	(631)
—	—	—	13,328	—
—	—	5	5	—
(3,784)	(1,770)	(55)	(8,494)	—
—	—	—	(12,540)	—
—	—	—	—	(6,276)
—	—	—	24,585	—
—	(2,367)	(53)	(75,090)	(22,962)
<u>(3,929)</u>	<u>(5,530)</u>	<u>(181)</u>	<u>(48,342)</u>	<u>(10,798)</u>
—	—	—	116,854	—
—	—	(512)	(512)	4,506
—	—	—	(10)	—
6,122	3,694	1,300	12,712	4,130
—	—	(1,025)	(5,598)	(1,254)
<u>6,122</u>	<u>3,694</u>	<u>(237)</u>	<u>123,446</u>	<u>7,382</u>
—	(31)	(93)	(23,839)	(3,978)
—	(31)	(93)	(23,839)	(3,978)
(146)	(2,202)	261	74,111	28,552
<u>3,438</u>	<u>3,189</u>	<u>3,475</u>	<u>449,118</u>	<u>108,120</u>
<u>\$ 3,292</u>	<u>\$ 987</u>	<u>\$ 3,736</u>	<u>\$ 523,229</u>	<u>\$ 136,672</u>

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash Received from Customers  
Cash Received from Interfund Services Provided  
Cash Payments (to) from Suppliers for Services  
Cash Paid for Interfund Services Used  
Cash Payments to Employees for Services  
Cash Payments for Claims and Refunds

**Net Cash Provided by (Used for) Operating Activities**

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Capital Contributions  
Passenger and Customer Facility Charges  
Interest Payments on Capital Debt  
Proceeds from Issuance of Capital Debt  
Payment for Cost of Issuance  
Principal Payments on Capital Debt-Bonds  
Principal payments on Capital Debt-Notes  
Principal Payments on Capital Lease Obligations  
Proceeds from Sale of Capital Assets  
Acquisition and Construction of Capital Assets

**Net Cash Provided by (Used for) Capital and Related Financing Activities**

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Operating Grants  
Borrowing Receipt from (Payment to) Other Funds  
Change in Accounting Estimate  
Transfers In  
Transfers Out

**Net Cash Provided by (Used for) Non-Capital Financing Activities**

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest and Dividends Received (Paid) on Investments

**Net Cash Provided by (Used for) Investing Activities**

**Net Increase (Decrease) in Cash and Cash Equivalents**

**Cash and Cash Equivalents, Beginning of Year**

**Cash and Cash Equivalents, End of Year**

(Continued)

The notes to the financial statements are an integral part of this statement.

# CITY OF FRESNO, CALIFORNIA

## Statement of Cash Flows

### Proprietary Funds

Fiscal Year Ended June 30, 2022 (Continued)

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating income (loss)	\$ 39,113	\$ 11,664	\$ (3,399)	\$ (58,423)	\$ (204)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	29,525	25,024	531	7,592	11,709
Amortization Expense	—	19	—	—	165
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	(3,687)	(4,274)	(641)	165	(15,088)
Decrease (increase) in other receivables	21	2,752	914	—	—
Decrease (increase) in due from other funds	(9,816)	(6,713)	(3,024)	(160)	(443)
Decrease (increase) in due from other governments	—	(46)	—	(11,934)	—
Decrease (increase) in material and supplies inventory	134	(111)	—	(86)	(21)
Decrease (increase) in prepaid items	383	59	34	(22)	191
Decrease (increase) in net pension asset & deferred outflows	(20,995)	(19,183)	(14,227)	(37,501)	(11,220)
Decrease (increase) in advances to other funds	946	1,115	(742)	—	—
Decrease (increase) in prepaid insurance	—	9	—	—	18
(Decrease) increase in accounts payable	2,346	1,279	7	(175)	188
(Decrease) increase in salaries payable	97	266	298	829	173
(Decrease) increase in due to other funds	(205)	(158)	(534)	(69)	(51)
(Decrease) increase in other liabilities	—	(2,689)	—	—	—
(Decrease) increase in retention payable	—	—	—	(47)	60
(Decrease) increase in accrued closure costs	—	—	(929)	—	—
(Decrease) increase in unearned revenue	—	—	—	11,497	—
(Decrease) increase in liability for self-insurance	—	—	—	—	—
(Decrease) increase in deposits	—	—	—	—	8
(Decrease) increase in pollution remediation liability	—	—	—	—	(45)
(Decrease) increase in net OPEB liability	(2,486)	(2,332)	(1,666)	(6,116)	(1,417)
(Decrease) increase in deferred inflows of resources	21,988	20,060	12,783	35,389	26,276
<b>Net Cash Provided by (Used For) Operating Activities</b>	<b>\$ 57,364</b>	<b>\$ 26,741</b>	<b>\$ (10,595)</b>	<b>\$ (59,061)</b>	<b>\$ 10,299</b>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>					
Cash and Investments:					
Unrestricted	\$ 129,493	\$ 105,566	\$ 2,250	\$ 15,698	\$ 28,840
Restricted - Current and Noncurrent	67,638	63,405	10,207	53,804	38,313
<b>Cash and Cash Equivalents at End of Year on Statement of Cash Flows</b>	<b>\$ 197,131</b>	<b>\$ 168,971</b>	<b>\$ 12,457</b>	<b>\$ 69,502</b>	<b>\$ 67,153</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Acquisition/construction of capital assets on accounts payable	\$ 1,036	\$ 2,632	\$ 49	\$ 988	\$ 1,756
Amortization of bond premium, discount and loss on refunding	88	—	—	—	(39)
Borrowing under capital financing	—	—	—	—	—
Decrease (increase) in fair value of investments	(9,100)	(7,830)	(597)	(3,331)	(2,643)
Decrease in unamortized CVP water settlement receivable and decrease in CVP litigation settlement payable	(127)	—	—	—	—

The notes to the financial statements are an integral part of this statement.

### Business-Type Activities - Enterprise Funds

Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds
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\$	(2,666)	\$	(1,422)	\$	2,629	\$	(12,708)	\$	(13,487)	<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>
										Operating income (loss)
										Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:
	2,023		1,275		188		77,867		14,145	Depreciation expense
	—		—		—		184		—	Amortization expense
										Change in assets and liabilities:
	1,042		(1,584)		(1,767)		(25,834)		(173)	Decrease (increase) in accounts receivable
	—		—		—		3,687		—	Decrease (increase) in other receivables
	—		—		(910)		(21,066)		1,315	Decrease (increase) in due from other funds
	—		—		—		(11,980)		—	Decrease (increase) in due from other governments
	(35)		—		—		(119)		(186)	Decrease (increase) in material and supplies inventory
	15		—		6		666		22	Decrease (increase) in prepaid items
	4		—		(4,774)		(107,896)		(29,686)	Decrease (increase) in net pension asset & deferred outflows
	—		21		—		1,340		—	Decrease (increase) in advances to other funds
	—		—		1		28		—	Decrease (increase) in prepaid insurance
	334		(273)		(202)		3,504		(2,153)	(Decrease) increase in accounts payable
	(28)		—		(112)		1,523		765	(Decrease) increase in salaries payable
	—		—		421		(596)		21,396	(Decrease) increase in due to other funds
	—		—		—		(2,689)		—	(Decrease) increase in other liabilities
	—		—		—		13		—	(Decrease) increase in retention payable
					—		(929)		—	(Decrease) increase in accrued closure costs
	(23)		—		—		11,474		4,290	(Decrease) increase in unearned revenue
					—		—		15,694	(Decrease) increase in liability for self-insurance
	(3,002)		—		—		(2,994)		195	(Decrease) increase in deposits
					—		(45)		—	(Decrease) increase in pollution remediation liability
	(15)		—		(717)		(14,749)		(6,761)	(Decrease) increase in net OPEB liability
	12		1,648		6,009		124,165		30,570	(Decrease) increase in deferred inflows of resources
<u>\$</u>	<u>(2,339)</u>	<u>\$</u>	<u>(335)</u>	<u>\$</u>	<u>772</u>	<u>\$</u>	<u>22,846</u>	<u>\$</u>	<u>35,946</u>	<b>Net Cash Provided by (Used For) Operating Activities</b>

### Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:

\$	1,942	\$	80	\$	2,767	\$	286,636	\$	131,346	Cash and Investments:
	1,350		907		969		236,593		5,326	Unrestricted
										Restricted - Current and Noncurrent
<u>\$</u>	<u>3,292</u>	<u>\$</u>	<u>987</u>	<u>\$</u>	<u>3,736</u>	<u>\$</u>	<u>523,229</u>	<u>\$</u>	<u>136,672</u>	<b>Cash and Cash Equivalents at End of Year on Statement of Cash Flows</b>

### Noncash Investing, Capital, and Financing Activities:

\$	—	\$	578	\$	—	\$	7,039	\$	2,899	Acquisition/construction of capital assets on accounts payable
	(260)		(207)		(16)		(434)		—	Amortization of bond premium, discount and loss on refunding
	—		—		—		—		20,827	Borrowing under capital financing
	—		(47)		(133)		(23,681)		(4,283)	Decrease (increase) in fair value of investments
					—		(127)		—	Decrease in unamortized CVP water settlement receivable and decrease in CVP litigation settlement payable

The notes to the financial statements are an integral part of this statement.

**CITY OF FRESNO, CALIFORNIA**  
Statement of Fiduciary Net Position  
Fiduciary Funds - Trust and Custodial Funds  
June 30, 2022  
(in thousands)

	Pension Trust Funds	Successor Agency to the Fresno Redevelopment Agency Private- Purpose Trust Fund	Custodial Funds
<b>Assets</b>			
Cash and Investments	\$ 1,968	\$ 3,182	\$ 3,300
Restricted Cash and Investments Held by Fiscal Agent	—	443	554
Total Cash and Investments	1,968	3,625	3,854
Receivables:			
Receivables for Investments Sold	28,983	—	—
Interest and Dividends Receivable	5,598	—	9
Other Receivables	2,339	47	—
Due from Other Governments	—	—	379
Total Receivables	36,920	47	388
Investments, at Fair Value:			
Short-Term Investments	13,112	—	—
Domestic Equity	1,055,209	—	—
Corporate Bonds	371,511	—	—
International Developed Market Equities	443,289	—	—
Government Bonds	205,016	—	—
Alternatives	848,560	—	—
Real Estate	532,153	—	—
Total Investments	3,468,850	—	—
Collateral Held for Securities Lent	131,286	—	—
Capital Assets, Net of Accumulated Depreciation	964	—	—
Other Assets	312	—	—
Property Held for Resale	—	293	—
Total Assets	3,640,300	3,965	4,242
<b>Deferred Outflows of Resources</b>			
Charge on Refunding	—	2	—
Pension Contributions	—	109	—
Total Deferred Outflows of Resources	—	111	—
<b>Liabilities</b>			
Accrued Liabilities	52,128	181	20
Collateral Held for Securities Lent	131,286	—	—
Due To Other Funds	—	—	103
Due to Other Governments	—	—	3
Other Liabilities	3,623	—	—
Long-Term Debt:			
Due Within One Year	—	512	—
Due in More than One Year	—	1,098	—
Advances From Other Funds (Due to City of Fresno)	—	6,848	—
Net Pension Liability	—	318	—
Total Liabilities	187,037	8,957	126
<b>Deferred Inflows of Resources</b>			
Unamortized Pension Expense	—	335	—
<b>Net Position</b>			
Restricted for Pension Benefits	3,453,263	—	—
Restricted for Individuals, Organizations, and Other Governments	—	—	4,116
Held in Trust for Redevelopment Dissolution	—	(5,216)	—
Total Net Position	\$ 3,453,263	\$ (5,216)	\$ 4,116

The notes to the financial statements are an integral part of this statement.



# CITY OF FRESNO, CALIFORNIA

## Statement of Changes in Fiduciary Net Position

### Fiduciary Funds - Trust Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Pension Trust Funds	Successor Agency to the Fresno Redevelopment Agency Private- Purpose Trust Fund	Custodial Funds
<b>Additions</b>			
Contributions:			
Employer	\$ 49,573	\$ —	\$ —
System Members	26,466	—	—
Total Contributions	76,039	—	—
Investment Income:			
Net Appreciation in Fair Value of Investments	(305,756)	—	—
Interest	18,399	—	23
Dividends	30,943	—	—
Other Investment Related	124	—	—
Total Investment Income	(256,290)	—	23
Less Investment Expense	(37,447)	—	—
Total Net Investment Income	(293,737)	—	23
Securities Lending Income:			
Securities Lending Earnings	884	—	—
Less Securities Lending Expense	(291)	—	—
Net Securities Lending Income	593	—	—
Property Taxes	—	3,365	—
Taxes Collected for Organizations and Other Governments	—	—	701
Fees Collected for Organizations and Other Governments	—	—	4,744
Other Income	—	43	—
Total Additions	(217,105)	3,408	5,468
<b>Deductions</b>			
Benefit Payments (including post retirement supplemental benefits)	145,049	—	—
Refund of Contributions	2,014	—	—
Redevelopment Expenses	—	167	—
General and Administrative Expenses	4,176	304	—
Deposits Held for Others	—	—	4,883
Principal on Debt	—	—	270
Interest on Debt	—	193	167
Total Deductions	151,239	664	5,320
Change in Net Position	(368,344)	2,744	148
Net Position - Beginning, Restated	3,821,607	(7,960)	3,968
Net Position - Ending	\$ 3,453,263	\$ (5,216)	\$ 4,116

The notes to the financial statements are an integral part of this statement.

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# NOTES TO THE FINANCIAL STATEMENTS

## Note 1. Summary of Significant Accounting Policies

The financial statements of the City of Fresno (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant accounting policies of the City are described below.

### A. Reporting Entity

The City is a political subdivision chartered by the State of California and, as such, can exercise the powers specified by the Constitution and laws of the State of California. The City operates under its own Charter and is governed by a directly elected strong Mayor and a seven-member City Council (Council). The City Manager serves as the head of the administrative branch of the City and is appointed by the Mayor.

As required by GAAP, these basic financial statements present the financial status of the City (the primary government) and its component units (entities for which the City is considered to be financially accountable). The blended component units, although legally separate entities, are substantially part of the City's operations. Thus, data from these units are combined with data of the primary government.

As a government agency, the City is exempt from both federal income taxes and state franchise taxes.

### B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its blended component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the consolidation process. Governmental Activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from Business-Type Activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the clearly identifiable direct expenses of a given function or segment is offset by program revenues. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues. The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Separate financial

statements are provided for governmental funds, proprietary funds, and fiduciary funds (though the latter are excluded from the Government-Wide Financial Statements). Major individual governmental funds and major individual enterprise funds are reported by separate columns in the Fund Financial Statements.

### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Government-Wide, Proprietary Fund, and Trust Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal, ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Custodial Fund Financial Statements use the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues, local taxes, licenses, interest, and other intergovernmental revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash. Expenditures generally are recorded when a liability is incurred. However, debt service, vacation, sick leave, claims and judgments expenditures are recorded only when payment is due.

The City reports on the following major governmental funds, proprietary (enterprise) funds, and fiduciary funds:

#### 1. Major Governmental Funds

**General Fund** is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

**Grants Special Revenue Fund** accounts for grants received from federal, state, and other agencies, which are to be used for various purposes identified within the confines of the individual grant.

## 2. Major Proprietary (Enterprise) Funds

**Water System Fund** accounts for the construction, operation, and maintenance of the City's water distribution system. Revenues are derived from water service fees and various installation charges.

**Sewer System Fund** accounts for the construction, operation, and maintenance of the City's sewer system. Revenues are derived from sewer service fees and various installation charges.

**Solid Waste Management Fund** accounts for the operations of the City's residential solid waste disposal service. Revenues are primarily derived from solid waste service fees.

**Transit Fund** accounts for the operation and maintenance of the City's mass transportation service. Primary revenue sources are rider fares, federal grants, and state operating grants.

**Airports Fund** accounts for the City's two airport operations. Revenues are primarily derived from fees and rents.

**Fresno Convention Center Fund** accounts for the operation and maintenance of the City's convention center. Revenues are primarily derived from fees charged for using the facilities, supplemented by General Fund support.

**Stadium Fund** accounts for the construction, operation and maintenance of the City's baseball stadium. Revenues are derived from the leasing of the facilities, supplemented by General Fund support.

## 3. Nonmajor Governmental Funds

**Nonmajor Special Revenue Funds** are used to account for the proceeds of revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects. Funds listed under Special Revenue Funds include High Speed Rail Fund, Fresno Revitalization Corporation Fund, Special Gas Tax Fund, Measure C Fund, Community Services Fund, Urban Growth Management (UGM) Impact Fees Fund, Low and Moderate Income Housing Fund, and Special Assessments Fund.

**Debt Service Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Numbers for City debt and Financing Authorities/Corporations debt are presented in separate columns on the financial statements.

**Capital Projects Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

## 4. Nonmajor Proprietary Funds

**Nonmajor Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges. Funds listed under Nonmajor Enterprise Funds include Community Sanitation Fund and Parks and Recreation Fund.



**Internal Service Funds** account for the financing of goods or services provided by one City department to another City department on a cost reimbursement basis. The General Services Fund accounts for the activities of the equipment maintenance services, centralized telecommunications, information services, and central printing. The Risk Management Fund accounts for the City's self-insurance, including provision for losses on property, liability, workers' compensation, and unemployment compensation. The Billing and Collection Fund accounts for the billing, collecting, and servicing activities for the Water System, Sewer System, Solid Waste Management, and Community Sanitation Funds.

The Employees' Healthcare Plan Fund and the Retirees' Healthcare Plan Fund account for the assets held on behalf of the City of Fresno Employees' Healthcare Plan for claim payments on behalf of qualified employees and retirees. While there is only one plan, there is separate accounting for active employees and retirees. There are no standalone financial reports issued for either Healthcare Plan Fund.

## 5. Fiduciary Funds

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for other Proprietary Funds.

The City Departmental and Special Purpose Fund account for City-related trust activity, such as fees collected for other entities. The Special Assessments District Fund accounts for the receipts and disbursements for the debt service activity of bonded assessment districts within the City. Custodial Funds use the economic resources measurement focus.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**Pension Trust Funds** account for the assets held on behalf of the City of Fresno Fire and Police Retirement System and the City of Fresno Employees Retirement System for pension benefit payments to qualified employees and retirees. Pension Trust Funds are accounted for in essentially the same manner as other Proprietary Funds.

- **City of Fresno Fire and Police Retirement System (Fire and Police):** Fire and Police was established on July 1, 1955, to provide benefits to the public safety employees and retirees of the City. Fire and Police is maintained and governed by Articles 3 and 4 of Chapter 3 of the Fresno Municipal Code. Fire and Police responsibilities include: administration of the trust fund; delivery of retirement, death and disability benefits to eligible members; administration of programs; and general assistance in retirement and related benefits. The governing board is made up of two members appointed by the Mayor, an elected police member, an elected fire member and a board-appointed member.

The activity for Fire and Police is reflected within Fiduciary Funds. Separate financial statements are prepared for the Fire and Police Retirement System and may be obtained from the Retirement Office at 2828 Fresno Street, Fresno, CA 93721-3604 or at <https://www.cfrs-ca.org/fire-and-police-retirement-system/financial/>.

- **City of Fresno Employees Retirement System (Employees):** Employees was established on June 1, 1939, to provide benefits to the general employees and retirees of the City. Employees is governed by Article 5 of Chapter 3 of the Fresno Municipal Code. Employees responsibilities include: administration of the trust fund; delivery of retirement, disability, and death benefits to eligible members; administration of programs; and general assistance in retirement and related benefits. The governing board is made up of two Mayor-appointed members, two elected members and one board-appointed member. The activity for Employees is reflected within Fiduciary Funds. Separate financial statements are prepared for the Employees Retirement System and may be obtained from the Retirement Office at 2828 Fresno Street, Fresno, CA 93721-3604, or at <https://www.cfrs-ca.org/employee-retirement-system/ers-financial/>.

**Private-Purpose Trust Funds** account for the custodial responsibilities that are assigned to the Successor Agency to the Redevelopment Agency with the passage of the Redevelopment Dissolution Act.

**Custodial Funds** account for assets held by the City in a custodial capacity on behalf of individuals or other governmental units.

## 6. Component Units

In addition to the primary governmental unit, the City also has several component units whose functions are described below:

### a. Blended Component Units

Although the following component units are legally separate from the City, the component units have been "blended" into the City's basic financial statements for financial reporting purposes because the governing board is substantially the same as the City Council, there is a financial benefit/burden relationship between the component unit and the City, or City management has the operational responsibility for the component unit. In addition, the component unit provides services exclusively to the primary government or the component unit's total debt outstanding is expected to be repaid with resources of the primary government.

All potential component units were evaluated, resulting in the inclusion of the following entities in the basic financial statements.

**Fresno Joint Powers Financing Authority (Authority):** The Authority, an independent public entity created in 1988, acquires telecommunications equipment, office furniture, and streetlights; constructs facilities; and installs street improvements through the issuance of limited obligation bonds, certificates of participation and revenue bonds. The Authority currently is leasing these assets to the City. The Authority's three member governing board, consisting of the Mayor and two Council Members, is responsible for the Authority's fiscal and administrative decisions. The financial activity for the Authority is included in the Financing Authorities and Corporations Debt Service Fund. All lease obligations between the Authority and the City have been eliminated in the financial statements. The Authority does not issue separate financial statements.

**City of Fresno Employees Healthcare Plan:** This component unit provides healthcare to City employees not represented by the Stationary Engineers Local and retired employees who elect to be covered or are covered by the Fresno City Employees Health and Welfare Trusts (Trusts). The Trusts are self-insured trusts administered by an outside third party administrator. The activity for the Trusts is reflected within Internal Service Funds.

**Fresno Revitalization Corporation:** The Fresno Revitalization Corporation (FRC) is a non-profit public benefit corporation created in 1995 for the purpose of developing a revitalization policy and assisting with the downtown Fresno area development, redevelopment and renewal. The organization received a substantial portion of its support from the former Redevelopment Agency (RDA) and the general public. The seven Council Members of the City and the Mayor became members of the FRC's Governing Board on January 26, 2012.

**FRC Canyon Crest, LLC:** FRC Canyon Crest, LLC is a special purpose limited liability company owned by the FRC. The purpose of FRC Canyon Crest, LLC was to acquire, operate, maintain, and rehabilitate a 118-unit low income multi-family complex. The complex was owned by a lender in Chicago as a result of a foreclosure of the previous owner. On March 4, 2010, the City Council approved the award of \$2.7 million in Neighborhood Stabilization Program (NSP) set aside funds to the FRC to acquire the property. FRC Canyon Crest, LLC acquired the property, while the RDA guaranteed the loan from the seller. The RDA also provided administrative, financial, and technical support to FRC Canyon Crest, LLC in the acquisition and operation of the property through a contractual services agreement. The Agency Loan Guarantee and Operating Agreement also contained a Declaration of Restrictions creating the affordability covenants and long-term maintenance and operating restrictions, which were recorded against and run with the property.

The RDA and FRC Canyon Crest, LLC marketed the property for sale upon rehabilitation and stabilization to a qualified affordable housing developer for ongoing management and property improvements. In September 2011, the FRC and FRC Canyon Crest, LLC entered into an Assignment/Assumption Agreement with a developer as required by the U.S. Department of Housing and Urban Development (HUD). Final purchase of the property by the developer occurred on April 2012. However, the FRC and FRC Canyon Crest, LLC still hold a \$500,000 residual receipts note on the property.

As the City is the sole member of FRC Canyon Crest, LLC, the seven City Council members and the Mayor are Board members of FRC Canyon Crest, LLC, the activities of FRC Canyon Crest, LLC are blended into the FRC (and, by extension, the City) because: (1) its governing board is substantially the same as the City Council; (2) it provides services exclusively or almost exclusively for the benefit of the City even though it does not provide services directly to the City; and (3) the City is financially accountable for FRC Canyon Crest, LLC.

**Fresno Enhanced Infrastructure Financing District (Fresno EIFD):** On September 17, 2020, the Fresno City Council approved the creation of the Fresno EIFD. The Fresno EIFD is intended to serve as a catalyst for private sector investment and critical infrastructure in the City's Downtown Planning Area and the southern portion of the Blackstone Avenue Bus Rapid Transit (BRT) Corridor as characterized in the City General Plan. The Fresno EIFD encompasses approximately 4,237 acres of land, representing approximately 5.8% of the City's total (approximately) 73,400 acres. The Fresno EIFD obtains its funding through property tax increment that is generated above the base fiscal year (2021) amount of property tax. The Fresno EIFD intends to utilize the tax increment revenue stream to issue bonds that will fund approximately \$100 million (present value dollars) in multi-modal transportation, mobility, and related improvements, including but not limited to the following:

- Safety and accessibility improvements for car, bicycle, and pedestrian travel modes.
- Roadway and bus infrastructure investments.
- Streetscape, urban greening, and lighting enhancements.
- Improved gateway and wayfinding signage.

The Fresno EIFD is governed by a five member board, which is made up of three City councilmembers and two appointed members of the public that live within the Fresno EIFD.

While there are no financial results from the Fresno EIFD in the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR), there will be results in future fiscal years as the district receives tax increment, issues bonds, and completes projects. The Fresno EIFD will be reported as a Debt Service Fund.

## **b. Fiduciary Component Unit**

**Successor Agency to the Redevelopment Agency of the City of Fresno (Successor Agency):** The Successor Agency was created to serve as custodian for the assets and to wind down the affairs of the former RDA. The Governing Board of the Successor Agency consists of the City Council. Over the Successor Agency's Governing Board is the Countywide Oversight Board, which replaced the fifteen oversight boards previously created by successor agencies in Fresno County. Fresno County Oversight Board is comprised of six-member representatives: a representative from the County Board of Supervisors, a representative from the cities within Fresno County, a representative from the independent special district within Fresno County, a representative from the County Office of Education, a representative of the California Community College districts in Fresno County, and a resident of Fresno County.

In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all of those enforceable obligations have been paid in full and all assets have been liquidated.

The City became the Housing Successor Agency and has the sole legal authority to administer the former RDA's housing assets. The City may move forward with completing projects under contract at the time of the dissolution and liquidate surplus real estate for the purpose of distributing proceeds to taxing entities, pursuant to approval of repayment of the RDA's obligations to the City.

The Successor Agency is a separate legal entity under Assembly Bill (AB) 1484. The Successor Agency is reported as a Private-Purpose Trust Fund in the City's financial statements. This means that the Successor Agency's assets are considered to be held in a trustee or agency capacity for others and cannot be used to support the City's government's own programs. The housing activity of the former RDA is presented within the Low and Moderate Income Housing Fund, a special revenue fund.

Separate financial statements are prepared for the Successor Agency and can be obtained from the Successor Agency Office at 2344 Tulare Street, Suite 200, Fresno, CA 93721. There is no separate financial report prepared for the Housing Successor Agency.

## **D. Budgetary Data**

The budget of the City is a detailed operating plan which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflow) and amounts available for appropriation, and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter prohibits expending funds for which there is no legal appropriation.

### **1. Fund Structure**

The budget document is organized to reflect the fund structure of the City's finances. Fund revenues and expenditures are rolled up to the various object levels by division and department for presentation of information to the public. Budget adoption and subsequent administration is carried out on a fund basis.

### **2. Basis of Accounting**

The City adopts annual budgets for most governmental and business-type funds (except Financing Authorities/Corporations and City Debt Service) on the cash basis of accounting plus

encumbrances. Major General Fund revenues, such as sales tax and property tax, are budgeted on the modified accrual basis of accounting. Supplemental appropriations during the year must be approved by the City Council. Budgeted amounts are reported as amended.

Encumbrances are commitments related to executed contracts for goods or services. Encumbrance accounting is utilized for budgetary control and accountability and to facilitate cash planning and control. Encumbrances outstanding at year-end are reported as part of restricted, committed, or assigned fund balance. As of June 30, 2022, encumbrances totaled \$19.2 million in the General Fund, \$53.1 million in the Grants Special Revenue Fund, and \$51.8 million in the Non major Governmental Funds.

### **3. Revenue Estimation**

The methodology for calculating revenue estimates varies depending on the source of revenue. Considerable weight generally has been given to historical trends. This emphasis on historical trends is used because of the composition of the Fresno economy, which differs from California in general.

The General Fund is the City's most versatile funding source, since it has the fewest restrictions. Its revenue comes from property and sales taxes, business tax fees, room tax (Transient Occupancy Tax), charges for services, development fees, and revenues from other governmental agencies. Property tax is the largest revenue source in the General Fund. The main source for projecting this revenue is assessed value information received from the County of Fresno.

Revenue estimates for Enterprise and Internal Service Funds are also rooted in historical trends. As those funds are generally self-supporting (meaning, they do not generally receive tax dollars to cover operational costs), revenue estimates also take into account any adjustments to fees assessed by the Enterprise or the Internal Service Funds. Additionally, any anticipated changes in service levels are also reflected in the revenue estimates.

### **4. Budget Administration**

The budget establishes appropriation and expenditure levels. Expenditures may be below budgeted amounts at year-end due to unanticipated or mandated savings. The existence of a particular appropriation in the budget does not automatically mean funds are expended. Because of the time span between preparing the budget and the subsequent adoption by the governing body, actual expenditures are likely to be different than the budgeted amounts.

Each expenditure is reviewed prior to any disbursement. These expenditure review procedures assure compliance with the City's requirements and provide some degree of flexibility for modifying programs to meet changing needs and priorities.



## **E. New Accounting Pronouncements - Implemented**

### **1. GASB Statement No. 87 - *Leases***

The objective of GASB Statement No. 87 is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement had a significant effect on the City's financial statements for the year ended June 30, 2022.

### **2. GASB Statement No. 89 - *Accounting for Interest Cost Incurred Before the End of a Construction Period***

Under this GASB Statement, the City will no longer book capitalized interest with respect to construction cost and said interest will no longer be capitalized as part of the assets implementation costs. This statement is effective for reporting periods beginning after December 15, 2020 (was originally December 15, 2019), which for the City is June 30, 2022. The City early implemented GASB Statement No. 89 in fiscal year 2019.

### **3. GASB Statement No. 92 - *Omnibus 2020***

The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2022.

### **4. GASB Statement No. 93 - *Replacement of Interbank Offered Rates***

Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2022.

**5. GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32**

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2022.

**F. New Accounting Pronouncements - Issued But Not Yet Adopted**

The City is assessing what effect, if any, the implementation of the following standards will have on the City's financial statements.

**1. GASB Statement No. 91 - Conduit Debt Obligations**

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

**2. GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the City's fiscal year ending June 30, 2023.

### **3. GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements***

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

### **4. GASB Statement No. 99 - *Omnibus 2022***

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2023.

### **5. GASB Statement No. 100 - *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62***

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2024.

### **6. GASB Statement No. 101 - *Compensated Absences***

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the Authority’s fiscal year ending June 30, 2025.

## **G. Deposits and Investments**

- 1. Investment in the Treasurer’s Pool** - The City Controller/Treasurer invests on behalf of most funds of the City in accordance with the City’s investment policy and the California Government Code Section 53601. The City Treasurer, who reports investments and earnings on a monthly basis to the City Council, manages the Treasurer’s Investment Pool. The Treasurer’s Investment Pool consists of two components: 1) pooled deposits and investments and 2) dedicated investment funds. The dedicated investment funds represent restricted funds related to bond issuances of Enterprise Funds. In addition to the Treasurer’s Investment Pool, the City has other funds that are held by trustees. These funds are related to the issuance of Non-Enterprise Fund bonds and certain loan programs of the City.

2. **Investment Valuation** - The City categorizes its investments at fair value measurement within the fair value hierarchy established by generally accepted accounting principles as codified in GASB Statement No. 72, *Fair Value Measurement and Application*.

All City investments are authorized by statute. The City is invested in the following authorized investment instrumentalities: obligations of the U.S. Treasury, agencies, state and local agencies, and supranationals, negotiable and non-negotiable certificates of deposit, medium term corporate notes, money market mutual funds, and the State Treasurer's investment pool. All are stated at fair value except for the non-negotiable certificates of deposit and money mutual fund which are stated at amortized cost.

3. **Investment Income** - Cash balances of each of the City's funds, except for certain Trust and Custodial Funds and other restricted accounts, are pooled and invested by the City. Interest income from pooled investments is allocated to the individual funds based on the fund participant's average daily cash balance at month end in relation to total pooled investments. The City's policy is to charge interest to those funds that have a negative average daily cash balance at month end. Fiscal year-end deficit cash balances are reclassified as Due to Other Funds and funded by operating funds with positive cash balances.

## H. Loans Receivable

For the purposes of the Fund Financial Statements, Special Revenue and Capital Projects Funds expenditures relating to long-term loans arising from loan subsidy programs are recorded as loans receivable net of an estimated allowance for potentially uncollectible loans. In some instances, amounts due from external participants are recorded with an offset to an allowance account. The balance of long-term loans receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

## I. Inventories

Inventories recorded in the Proprietary Funds primarily consist of construction materials and maintenance supplies. Generally, Proprietary Funds value inventory at cost or average cost. Inventory is expensed as it is consumed (the consumption method of inventory accounting). The City uses the purchases method of accounting for inventories in governmental fund types, whereby inventory items are considered expenditures when purchased and are not reported in the balance sheet.

## J. Former Redevelopment Agency Property Held for Resale

Property of the former RDA, some of which was allocated to Low and Moderate Income Housing (LMIH) (\$3.6 million) and some to the Successor Agency (\$0.3 million), is being held for resale per the law dissolving the RDA. The property is recorded at the current determination of the lower of estimated cost or market as documented in its approved Long-Range Property Management Plan (LRPMP). The LRPMP addresses the anticipated disposition and use of the real properties of the former RDA. At June 30, 2022, the adjusted value of the property was \$3.9 million.

Property held for sale may, during the period it is held by the City, generate rental income. This rental income is recognized as it becomes due and is considered collectible. The property held by the LMIH appears on the Nonmajor Governmental Fund Financial Statements and Government-Wide Financial Statements as Property Held for Resale. Property held for resale by the Successor Agency is included in the fiduciary funds.

## K. Restricted Assets

Restricted cash is classified as restricted assets on the financial statements because it is maintained in separate bank accounts or tracked separately in the City Treasury group of accounts. Use of the proceeds is limited by applicable bond covenants and resolutions. Restricted assets account for the principal and interest amounts accumulated to pay debt service, unspent bond proceeds and amounts restricted for future capital projects. Restricted grants and interest receivable represent cash and receivables contributed for capital projects and the associated interest.

## L. Capital Assets

Capital assets, which include land, buildings and improvements, machinery and equipment, infrastructure, and intangible assets, are reported in the applicable Governmental Activities or Business-Type Activities columns in the Government-Wide Financial Statements and in the Private-Purpose Trust Fund (former RDA). All land not included in property held for resale is defined as Capital Assets, regardless of the acquisition cost of the land. All other acquisitions or constructions (excluding Infrastructure) with an initial cost of \$15,000 or more (excluding bundled purchases) and having an estimated useful life in excess of two years are defined as Capital Assets. Computer purchases acquired through a capital lease are capitalized in bulk and not on an individual basis.

Infrastructure with an initial cost of more than \$50,000 is capitalized. Improvements that extend an asset's life or efficiency by over 25% are also capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed unless they fall below the initial cost threshold.

Asset Category	Capitalization Threshold
Land	All Land
Buildings, Improvements, and Machinery & Equipment	More than \$15,000
Infrastructure	More than \$50,000

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Capital outlay is recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold is met. In prior years, interest cost incurred during the construction phase of capital assets of Business-Type Activities was included as part of the capitalized value of the assets constructed. Amortization of assets acquired under capital lease is included in depreciation and amortization.

Buildings and improvements, infrastructure, and machinery and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated used lives:

Asset Category	Useful Life (Years)
Buildings and Improvements	20 to 40
Infrastructure	15 to 55
Machinery and Equipment	3 to 12

Works of art and historical treasures held for public exhibition, education, or research in furtherance of public service, rather than financial gain, are not capitalized. These items are protected, kept unencumbered, cared for and preserved by the City.

Airports Department capitalizes noise mitigation costs consistent with GASB Statement No. 51 - *Intangible Assets*. Water Rights, in the Water Fund, are also capitalized as Intangible Assets with indefinite useful lives and no amortization. The Airports' Noise Mitigation program consists of improvements made to properties falling within Federal Aviation Administration (FAA) designated high noise impact areas. Although the properties do not belong to Airports, noise insulation measures are installed to reduce the impact of sound decibels inside properties located within the flight path of the airport. In exchange, property owners grant aviation easements to the Airports Department with the easement having an indefinite life. Funding for the program is provided through federal grants.

As of fiscal year end 2022, \$18.9 million has been capitalized as an intangible asset. Included in this amount are noise mitigation assets of \$2.7 million and Water Rights in the amount of \$16.2 million.

### Capital Financing Activities

Property, plant and equipment include the following property held under capital financing obligation at June 30, 2022 (in thousands):

	Governmental Activities
Machinery and Equipment	\$ 42,215
Less: Accumulated Depreciation	(27,013)
Net Machinery and Equipment	<u>\$ 15,202</u>

### M. Bond Prepaid Insurance, Bond Premiums and Discounts and Accreted Interest Payable

In the Government-Wide Financial Statements, as well as in the Proprietary Fund type and the Fiduciary Fund type in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental Activities, Business-Type Activities, or



Proprietary Fund and Fiduciary Fund Statement of Net Position. Bond prepaid insurance is reported as other assets and amortized over the term of the related debt. Bond issuance premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond issuance premium or discount. Interest accrued on capital appreciation bonds is reported as accreted interest payable in the Proprietary Fund and as Long-Term Liabilities, Due In More Than One Year in the Government-Wide Statements.

## N. Deferred Outflows of Resources

### 1. Refunding of Debt

The City records deferred outflows of resources in its Proprietary, Fiduciary, and Government-Wide Financial Statements which represent a consumption of net assets that applies to future periods. These financial statement elements are distinct from assets.

Unamortized losses occurring from advance refunding of debt are reported as deferred outflows of resources. As of June 30, 2022, the ending balance of refunding charges yet to be amortized into expense consists of the following (in thousands):

Bonds	Charge on Refunding
<b>Governmental Activities:</b>	
Lease Revenue Bonds 2017 A&B, NNLB	\$ 14
Lease Revenue Bonds 2017, Parks Impact	716
Lease Revenue Bonds 2017, Various Capital Projects	15
Lease Revenue Bonds 2017, City Hall Chiller	35
Lease Revenue Bonds 2017, Public Safety	2,389
Total Governmental Activities	3,169
<b>Business-Type Activities:</b>	
Airport Revenue Refunding Bonds 2013	10
Lease Revenue Bonds 2017, Convention Center	(4)
Convention Center Improvements 2008 E&F	6
Lease Revenue Bonds 2017, Stadium	20
Lease Revenue Bonds 2017, Exhibit Hall	56
Lease Revenue Bonds 2017, Golf Course	50
Total Business-Type Activities	138
<b>Fiduciary Funds:</b>	
<b>Successor Agency to the Fresno Redevelopment Agency:</b>	
Tax Allocation Bonds Series 2003, Mariposa Project Area	2
Total Charge on Refunding	\$ 3,309

### 2. Pension and OPEB

In the Government-Wide Financial Statements and the Proprietary Fund type in the Fund Financial Statements, deferred outflows of resources are recorded for the current year employer pension contributions to the retirement systems, which represent contributions

made after the measurement period in accordance with GASB Statement No. 71. For the OPEB plan, the the employer contribution made after the measurement period is the implicit subsidy for the current fiscal year. Refer to Note 1 (V) and 1 (W) for additional information.

## O. Unearned Revenues

Unearned revenues arise when resources are received by the City before it has a legal claim to them (i.e., upfront grants or when the City bills certain fixed rate services in advance). Amounts billed, but not yet earned, are amortized over the service period.

## P. Deferred Inflows of Resources

The City records deferred inflows of resources in its Governmental, Proprietary, and Government-Wide Financial Statements which represent an acquisition of net assets that applies to future periods. In the Government-Wide Financial Statements and the Proprietary Fund type in the Fund Financial Statements, deferred inflows of resources are recorded for unamortized pension revenue and unamortized OPEB expense.

In the governmental fund statements, deferred inflows of resources consist of revenues not collected within the availability period after fiscal year-end. The deferred inflows of resources balance as of June 30, 2022 consists of the following unavailable resources (in thousands):

	Deferred Inflows of Resources			
	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Property Taxes	\$ 4,276	\$ —	\$ —	\$ 4,276
Franchise Taxes	3,123	—	—	3,123
Business Tax	5,210	—	—	5,210
Measure C and Other Tax	—	—	1,321	1,321
Code Enforcement Revenue	8,641	—	—	8,641
Fire Revenue	857	—	—	857
Grant Revenue	180	18,334	953	19,467
Parking Citations, Fines and Other Revenue	682	—	—	682
Leases	205	—	653	858
Total	<u>\$ 23,174</u>	<u>\$ 18,334</u>	<u>\$ 2,927</u>	<u>\$ 44,435</u>

## Q. Interfund Transfers

Interfund transfers are generally recorded as transfers in (out). The following types of transactions would not be considered Interfund Transfers, and therefore would not be recorded as an interfund item in the external financial statements. These exceptions include the following:

1. Charges for services are recorded as both revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of the fiscal year.

2. Reimbursements for expenditures initially made by one fund which are properly applicable to another fund are recorded both as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed.

## R. Fund Balance (Deficit)

In the fund financial statements, fund balances of the governmental funds are reported in a hierarchy of classifications which are based on the extent to which the City is bound to honor constraints on the specific purposes for which the amounts in the funds can be spent. Governmental fund balance classifications consist of the following:

1. **Nonspendable** - Includes amounts that are either not in spendable form or are legally/contractually required to be maintained intact. These items include those not expected to be converted to cash, such as inventories, prepaid items, and certain long-term receivables.
2. **Restricted** - Includes amounts which have constraints placed on the use of the resources. The constraints are either externally imposed by creditors, grantors, contributors, the legally enforceable laws or regulations of other governments, or by the legally enforceable laws or enabling legislation of the government itself.
3. **Committed** - Includes amounts that can only be used for specific purposes. Various reserves, including the City's Emergency Reserve, are included as a committed reserve.

Resolution No. 2011-64 established the Reserve Management Act which set forth policy with stringent limitations on the reserve funds. This Act increased the minimum reserve balance to 10% of the adopted budget for the next year's General Fund appropriations.

A November 16, 2012 ballot measure amended Section 1212 of the City Charter to require that the Council establish a policy for managing the City Reserves. The measure also defined several "qualifying events" under which the City's Emergency Reserve could be used. Qualifying events were deemed to be 1) Natural catastrophe; 2) An immediate threat to health and public safety; or 3) A significant decline in General Fund Revenues, which in the opinion of the City Manager, impairs his/her ability to administer the Council adopted budget. All qualifying events must be declared by the Mayor and ratified by a super majority Council vote.

The Reserve Management Act (the Act) was further amended through Resolution 2015-77, which was adopted on May 15, 2015. The amendment to the Act permitted the use of the Emergency Reserve for year-end cash balancing purposes, with the approval of the Council.

On June 30, 2022, the Reserve balance identified as Committed Fund Balance was at \$48.4 million, including \$39.9 million for the General Fund Emergency Reserve.

On December 7, 2017, with the adoption of Resolution No. 2017-334, the Act was again amended. The Resolution stated that any real or personal asset sale of City property with

proceeds greater than \$15,000, which would otherwise be deposited into the General Fund, shall instead be deposited into an Asset Sale/Special Windfall Reserve Fund. Proceeds deposited into this new fund are amortized over a five-to-ten year period and used to provide a revenue stream for General Fund items deemed necessary to deliver core City services for the protection and benefit of the citizens of Fresno. Monies from the Asset Sale/Special Windfall Reserve Fund are currently being used to fund salaries of additional police dispatchers. The Committed Fund Balance as of June 30, 2022 includes \$1.3 million within this fund.

In addition to the City's Emergency Reserve, the Committed Fund Balance as of June 30, 2022 also consists of \$2.6 million designated exclusively for use in a year when a 27<sup>th</sup> pay period occurs. Monies are set aside each year to fund the extra pay period that is a product of paying employees bi-weekly. The next fiscal year containing a 27<sup>th</sup> pay period is fiscal year 2028.

The Committed Fund Balance as of June 30, 2022 also includes \$4.5 million for the Housing Reserve. Funds in this reserve are to be used exclusively for construction of low-income housing, or subsidizing private sector development of low-income housing.

4. **Assigned** - Includes amounts that are not classified as nonspendable, restricted, or committed, but which are intended by the City to be used for specific purposes. Intent is expressed by legislation or action of the City Council, the Mayor, or the City Manager which legislation has delegated the authority to assign amounts for specific purposes.
5. **Unassigned** - The residual classification for fund balance, which includes all amounts not reported as nonspendable, restricted, committed, or assigned. The General Fund may report either a positive or negative unassigned fund balance. Unassigned amounts are available for any purpose. Other governmental funds may report only negative unassigned fund balances if expenditures incurred for specific purposes exceeded amounts restricted, committed or assigned for those purposes.

When multiple classifications of resources are available for use, it is the City's policy to use resources in the order of restricted, committed, assigned, and unassigned.

Fund Balances of the governmental funds at June 30, 2022 consisted of the following (in thousands):

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
<b>Restricted:</b>				
Debt Service	\$ —	\$ —	\$ 5,020	\$ 5,020
CDBG and Home Loans	—	8,995	—	8,995
Revitalization	—	—	627	627
Culture and Recreation	—	—	31,203	31,203
Street Works	—	—	16,337	16,337
Transportation	—	—	25,548	25,548
Pedestrian and Bicycle Program	—	—	1,166	1,166
Prop 42 Traffic Congestion Relief	—	—	215	215
AD #131 UGM Reimbursement	—	—	1,868	1,868
Forfeitures	—	—	39	39
CASP Program Senate Bill 1186	—	—	758	758
Grants	—	3,202	—	3,202
CARES, Emergency Rental Assist, ARPA Grants	—	11,086	—	11,086
Housing and NSP Grants	—	9,016	—	9,016
Impact Fees	—	—	54,133	54,133
Special Assessment Projects	—	—	13,959	13,959
Low to Moderate Income Housing	—	—	33,750	33,750
<b>Committed:</b>				
27th Pay Period Reserve	2,566	—	—	2,566
Emergency Reserve General Fund	39,913	—	—	39,913
Asset Sale Reserve Fund	1,342	—	—	1,342
Housing Reserve	4,539	—	—	4,539
<b>Assigned:</b>				
Public Works Maintenance	3,355	—	—	3,355
Median Island Maintenance	—	—	4	4
Parks Maintenance	1,654	—	1,085	2,739
Right of Ways Acquisition	—	—	2,556	2,556
Street Tree Fees	—	—	86	86
Public Protection	309	—	1,026	1,335
Public Works Projects	—	—	2,388	2,388
General Purpose	11,648	—	—	11,648
Enterprise Zone	—	—	4	4
City Hall Improvements	—	—	176	176
Various Capital Projects	—	—	678	678
Miscellaneous Paving	—	—	4,233	4,233
PD Capital Projects	—	—	126	126
Fire Capital Projects	—	—	25,246	25,246
Parking Garage 7	—	—	108	108
Woodward & Japanese Garden Projects	—	—	92	92
Police Administration & Patrol	454	—	—	454
Planning & Community Revitalization	1,795	—	—	1,795
Local Agency Protects	—	—	6	6
<b>Unassigned</b>	37,116	—	(2,678)	34,438
Total Fund Balance (Deficit)	\$ 104,691	\$ 32,299	\$ 219,567	\$ 356,557

## **S. Net Position/(Deficit)**

Net position/(deficit) represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources in the Government-Wide and Proprietary Fund Statements of Net Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the reported restricted assets. Unrestricted net position represents net position elements which are not restricted.

## **T. Cash Flows**

The Statements of Cash Flows are presented for Proprietary Fund types. Cash and cash equivalents include all unrestricted and restricted highly liquid investments with original purchase maturities of three months or less. Pooled cash and investments in the City's Treasury represent monies in a cash management pool and such accounts are similar in nature to demand deposits.

## **U. Regulatory Assets and Liabilities**

At June 30, 2022, the Statement of Net Position Business-Type Activities reflected approximately \$0.8 million in regulatory assets related to the Central Valley Project (CVP) Water Settlement. These assets will continue to have an impact on water rates which are to be charged to customers over approximately the next 20 years. The settlement for past deficiencies was negotiated between the City and the United States Bureau of Reclamation (USBR). Under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*, regulatory assets represent future revenue associated with certain costs (CVP Litigation Settlement) that will be recovered from customers through the ratemaking process.

## **V. Pensions**

For purposes of measuring the net pension asset, deferred outflows/inflows of resources related to pensions and pension revenue/expense, information about the fiduciary net position of the City's two pension plans, City of Fresno Employees Retirement System and the City of Fresno Fire and Police Retirement System (Plans), and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans, which is the accrual basis of accounting. Employer and employee contributions are recognized as revenue when due. Contributions are recorded in the period the related salaries are earned and become measurable. Investment income is recognized when it is earned. The net appreciation in fair value of investments held by the Plans is recorded as an increase to investment income based on the valuation of investments at fiscal year-end, which includes both realized and unrealized gains and losses on investments. Retirement benefits and refunds are recognized when due and payable under the terms of the Plans.



**W. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB revenue/expense, information about the fiduciary net position of the City's OPEB Plan, and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis, which is the accrual basis of accounting. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. While participant retirees pay 100% of their premium costs, they are allowed to purchase insurance at blended premium rates. Thus, the City's contribution is deemed to be equal to the implicit subsidy, which is that portion of retiree claims costs over premiums contributed by retirees.

**X. Estimates**

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## Note 2. Cash and Investments

### A. City Cash and Investments

#### 1. Sponsored Investment Pool

As part of the City's total cash and investment portfolio, the Treasury Officer and staff, under the supervision of the Controller, manage an investment pool that includes only internal investors and is available for use by all funds. The pool is not registered with the Securities and Exchange Commission as an investment company. Investment activity is reported monthly to the City Council by posting reports to the City's web page and annually through an investment policy submitted to the Council for review and approval. The investments are reported at fair value, which is determined monthly. Participants' shares are determined by the daily cash balance deposited in the pool (the value of its pool shares). Investment income earned by the pooled investments is allocated to the various funds on a monthly basis, based on each fund's daily cash balance. Interest payments are paid to the various funds also on a monthly basis. The value of the pool shares is based upon amortized cost in day-to-day operations, but is adjusted to the fair value at year-end. The value of the shares is supported by the value of the underlying investments. Each fund type's portion of this pool is displayed on the financial statements as "Cash and Investments." In addition, certain funds related to debt issues have investments with trustees.

The following is a summary of cash, deposits, and investments at June 30, 2022 (in thousands):

(in thousands)				
Category	Primary Government			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$ 346,173	\$ 307,108	\$ 8,450	\$ 661,731
Restricted Cash and Investments	133,207	241,030	997	375,234
Pension Trust Investments at Fair Value	—	—	3,468,850	3,468,850
Collateral Held for Securities Lent	—	—	131,286	131,286
<b>Total</b>	<b>\$ 479,380</b>	<b>\$ 548,138</b>	<b>\$ 3,609,583</b>	<b>\$ 4,637,101</b>

#### 2. Cash and Deposits

At year-end, the City's bank balance was \$63.1 million inclusive of Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund and pension trust funds. The recorded balance reflected in the June 30, 2022 financial statements was \$65.2 million. The difference is due to deposits in transit and outstanding checks.

### 3. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly. Inputs to the valuation include prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3: Inputs are unobservable inputs for an asset or liability where there are little market activities. The inputs into the determination of fair value are based upon unobservable sources and may require estimation.

The City uses the market approach as a valuation technique in the application of GASB Statement No. 72. This method uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Securities listed on the fair value hierarchy are valued by the custodial bank using Data Feed purchased from Interactive Data Corporation (IDC). The Level 2 Data Feed provides end of day independent valuations utilizing rules based on logic and standard valuation techniques. It maximizes the use of relevant observable inputs including quoted prices for similar assets, benchmark yield curves, and market corroborated inputs.

The following is a summary of the fair value of the City's investments using the hierarchy previously discussed (in thousands):

<b>Pooled Investments by Fair Value Level</b>	<b>June 30, 2022</b>	<b>Level 1</b>	<b>Level 2</b>
Federal Farm Credit Bank Bonds	\$ 105,015	\$ —	\$ 105,015
Federal Home Loan Bank Bonds	170,113	—	170,113
Federal Home Loan Mortgage Corporation Bonds	33,193	—	33,193
Federal National Mortgage Association Bonds	23,149	—	23,149
Federal Ag Mortgage Corporation	23,326	—	23,326
U.S. Treasury Securities	82,243	82,243	—
U.S. Sovereign Bonds	4,981	—	4,981
Medium Term Corporate Notes	255,296	—	255,296
Negotiable Certificates of Deposit	54,041	—	54,041
<b>Total Pooled Investments by Fair Value</b>	<b>751,357</b>	<b>82,243</b>	<b>669,114</b>
<b>Pooled Investments Not Subject to the Fair Value Hierarchy</b>			
State Local Agency Investment Fund (LAIF)	42,296		
Time Deposits	2,800		
Municipal Bonds	113,360		
Supranationals	27,928		
Money Market Funds	6,000		
<b>Total Pooled Investments Not Subject to the Fair Value Hierarchy</b>	<b>192,384</b>		
<b>Total Pooled Investments</b>	<b>943,741</b>		
<b>Investments Held Outside the Treasurer's Pool by Fair Value Level</b>			
U.S. Treasury Securities	443	443	
<b>Investments Held Outside the Treasurer's Pool Not Subject to the Fair Value Hierarchy</b>			
Money Market Mutual Funds	27,371		
<b>Total Investments Held Outside the Treasurer's Pool Not Subject to the Fair Value Hierarchy</b>	<b>27,371</b>		
<b>Total Investments Held Outside the Treasurer's Pool</b>	<b>27,814</b>		
<b>Grand Total of Investments</b>	<b>\$ 971,555</b>	<b>\$ 82,686</b>	<b>\$ 669,114</b>

Note: There are no level 3 investments.

According to GASB Statement No. 72, money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less should be measured at amortized cost, and as such, are not shown in the fair value hierarchy. In addition, the City's investment in LAIF is also not subject to the fair value hierarchy, as the amount available for withdrawal is based on the amortized cost.

#### 4. Cash, Deposits, and Investments

Cash includes amounts in demand and time deposits. Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as income from property and investments. Income from property and investments includes interest earnings; changes in fair value; any gains or losses realized upon the liquidation, unrealized gains and losses, maturity, or sales of investments; property rentals and the sale of City owned property.

#### **5. Investments Authorized by the California Government Code and the City's Investment Policy**

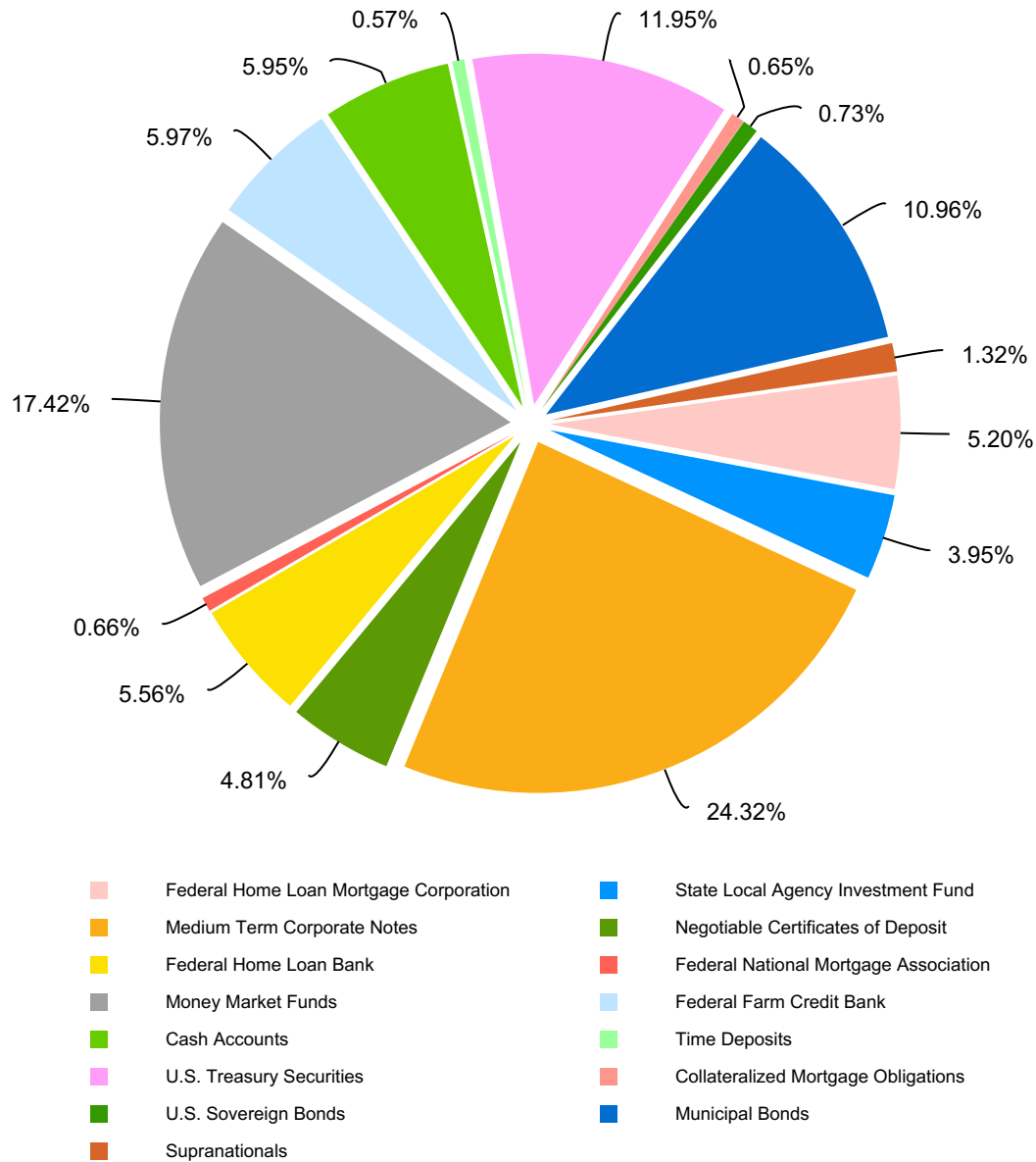
The City maintains a formal investment policy, which is adopted annually by the City Council. All investments held in the Treasurer's Pool are consistent with the City's investment policy objectives of preservation of principal, adequacy of liquidity, and achievement of an average market rate of return.

The policy addresses the soundness of financial institutions in which the City will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity. A copy of the City's current investment policy can be found at **[www.fresno.gov/finance/investmentpolicy.pdf](http://www.fresno.gov/finance/investmentpolicy.pdf)**.

The following graphs depict the allocation of the Treasury Pool's assets among the various authorized investments, as well as maturity periods, as of June 30, 2021 and June 30, 2022:

### City of Fresno Treasurer's Pool (Fair Value)

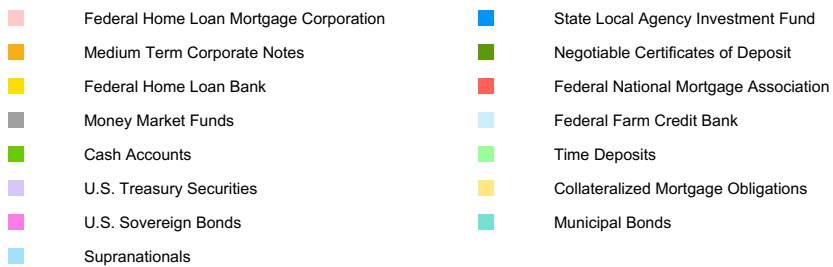
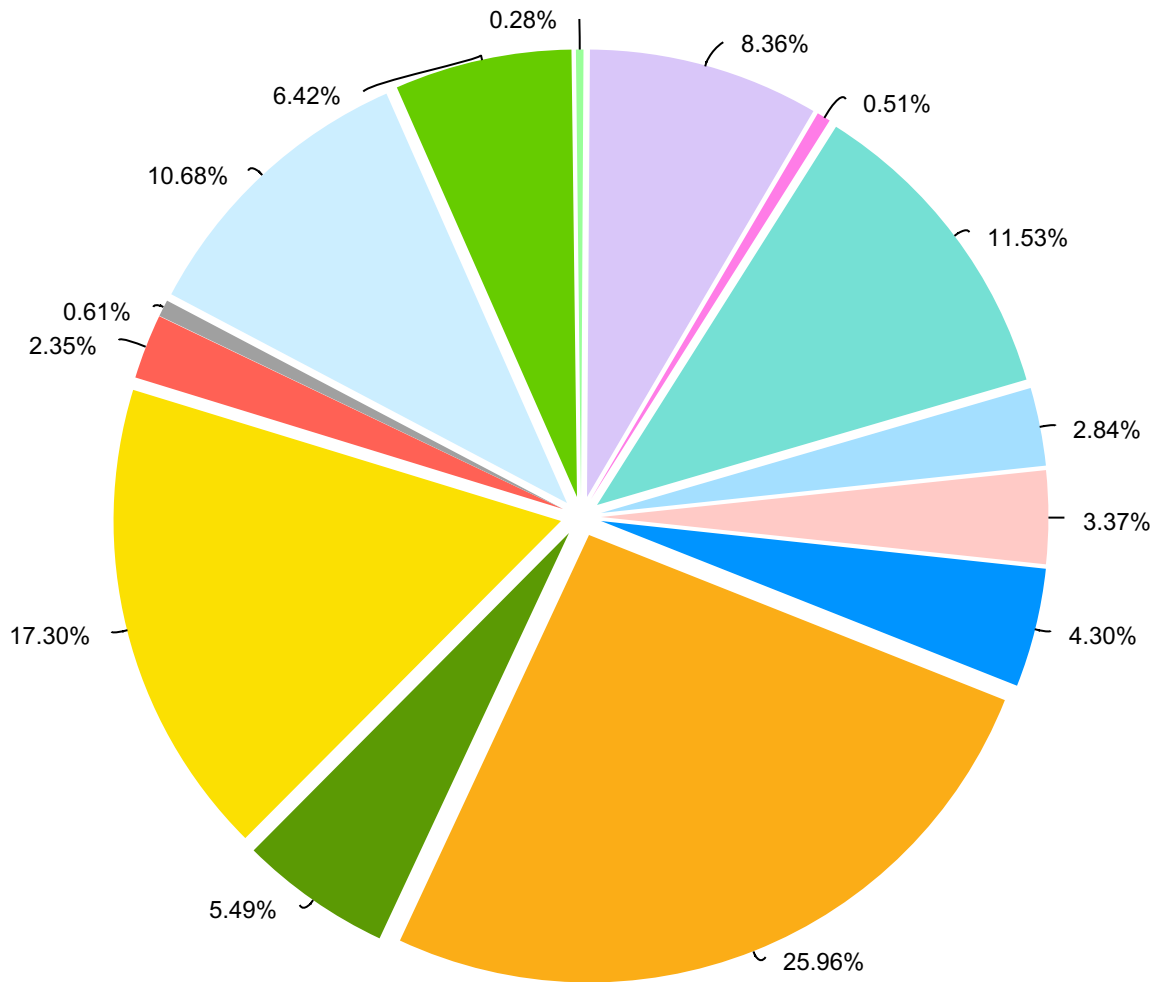
June 30, 2022





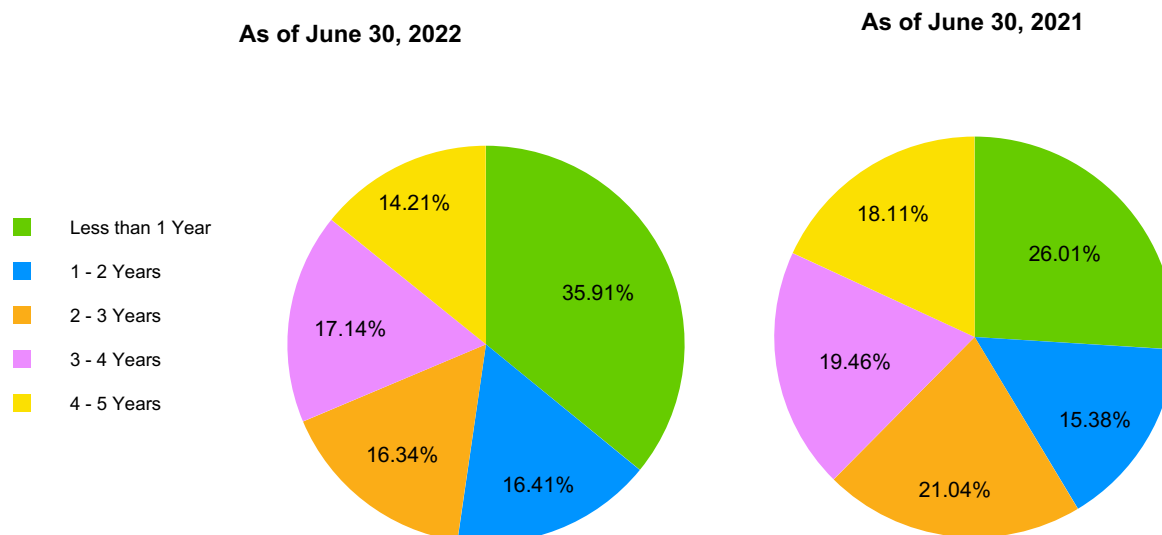
## City of Fresno Treasurer's Pool (Fair Value)

June 30, 2021



## City of Fresno

### Treasurer's Pool Maturity Schedule



## B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees is governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments held outside the Treasurer's Pool consist mainly of required reserve funds for various bond issues. They are held by trustees, and are not available for the City's general expenditures.

Investment agreements are used for the investment of bond proceeds in accordance with the permitted investment provisions of the specific bond indentures, which are prepared in accordance with numerous safeguards to reduce the risk associated with a provider's ability to meet its contractual obligations.

The City has invested bond trust monies into securities with maturity periods of one to three years under a "ladder" approach to investing. Such a structure allows for reinvestment in the short-term until interest rates begin to rise. Staff believes that investing in the long-term at this time would commit the City into low earnings, instead of taking advantage of opportunities in case rates begin to rise. During fiscal year 2022, total interest of \$0.02 million was earned from the following instruments:

- Money Market Funds - \$0.02 million

## C. Types of Risk Associated with the Treasury Pool's Investments

### 1. Investment Risk

The City invests in no derivatives other than structured (step-up) notes, which guarantee coupon payments. These are minimal risk instruments. All investments are held by a third-party custodian in the City's name.

### 2. Deposit and Investment Risk

The risk disclosures below apply to the City's internal investment pool and deposits as well as investments held by trustees for debt service funds or bond proceeds. Portfolio investments are exposed to four main types of risk: concentration, interest rate, default, and custodial risk. Deposits are exposed primarily to custodial credit risk.

### 3. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer, which are more restrictive than those stipulated by the California Government Code. While the State has no limit on the percentage of the portfolio that can be invested in a single U.S. Government Agency Security, the City's Investment Policy limits investment in any one issuer to 50% of the portfolio. Also, while the State limits investments to 30% of the Portfolio for any single issuer of Medium Term Notes, the City's Investment Policy limits investments to 20% of the portfolio invested in any single issuer. Investments in any one issuer (other than U.S. Treasury securities, money market funds, and external investment pools) that represent 5% or more of the total Treasurer's Pool investments or investments with trustees are as follows (in thousands):

Treasurer's Pool Investments			
Issuer	Investment Type	Amount	% of Total
<b>Treasurer's Pool Investments:</b>			
Federal Farm Credit Bank	U.S. Government Agency	\$ 105,015	10.43 %
Federal Home Loan Bank	U.S. Government Agency	170,113	16.90 %
Federal Home Loan Mortgage Corp. (FHLMC)	U.S. Government Agency	33,193	3.30 %
Federal National Mortgage Association (FNMA)	U.S. Government Agency	23,149	2.30 %
Federal Ag Mortgage Corporation	U.S. Government Agency	23,326	2.32 %
		<u>\$ 354,796</u>	<u>35.25 %</u>

#### **4. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater will be the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments. Another way the City mitigates this risk is by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Investment Policy limits the portfolio's weighted average maturity to three years, except for debt agreements held by trustees which are governed by the indentures and may be longer.

Interest rate risk for the Treasurer's Pool and for investments with trustees is disclosed in the following table. As of June 30, 2022, the City had the following cash and investments in its portfolio (in thousands):

Treasurer's Pool	Fair Value	Investment Maturities			
		Less than 1 Year	1 to 5 Years	5 to 10 Years	More than 10 Years
Cash Accounts	\$ 63,120				
<b>Treasurer's Pool Investments</b>					
U.S. Government Agencies:					
Federal Farm Credit Bank	105,015	\$ 14,564	\$ 90,451	\$ —	\$ —
Federal Home Loan Bank	170,113	14,957	155,156	—	—
Federal Home Loan Mortgage Corp.	33,193	—	33,193	—	—
Federal National Mortgage Association	23,149	—	23,149	—	—
Federal Ag Mortgage Corporation	23,326	—	23,326	—	—
<b>Subtotal of U.S. Government Agencies</b>	<b>354,796</b>	<b>29,521</b>	<b>325,275</b>	<b>—</b>	<b>—</b>
U.S. Treasury Securities	82,243	24,915	57,328	—	—
U.S. Sovereign Bonds	4,981	—	4,981	—	—
Medium Term Corporate Notes	255,296	37,700	217,596	—	—
Negotiable Certificates of Deposit	54,041	4,966	49,075	—	—
State Local Agency Investment Fund (CA LAIF)	42,296	42,296	—	—	—
Time Deposits	2,800	2,800	—	—	—
Municipal Bonds	113,360	17,644	95,716	—	—
Supranationals	27,928	4,957	22,971	—	—
Money Market Mutual Funds	6,000	6,000	—	—	—
<b>Total Treasurer's Pool Investments</b>	<b>1,006,861</b>	<b>\$ 170,799</b>	<b>\$ 772,942</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Investments Held Outside the Treasurer's Pool</b>					
Debt Service Funds/Bond Proceeds:					
Mutual Funds	27,371	27,371	—	—	—
U.S. Government & Agency Securities	443	443	—	—	—
		<b>\$ 27,814</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
Other Deposits	16,993				
Outstanding Checks	(16,748)				
Deposits in Transit	1,868				
Petty Cash	177				
Pension Trust Assets (See separate ACFRs)	3,600,136				
<b>Total Cash and Investments</b>	<b>\$ 4,637,101</b>				

## 5. Default Credit Risk

Generally, default credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following table represents the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Issuer	Amount (in thousands)	Minimum Legal Rating	Rating at Year-End	% of Treasurer's Pool
<b>Treasurer's Pool Investments:</b>				
U.S. Government Agency Securities:				
Federal Farm Credit Bank	\$ 105,015	A	AA+	10.43%
Federal Home Loan Bank	170,113	A	AA+	16.90%
Federal Home Loan Mortgage Corporation	33,193	A	AA+	3.30%
Federal National Mortgage Association	23,149	A	AA+	2.30%
Federal Ag Mortgage Corporation	23,326	Unrated	Unrated	2.32%
U.S. Treasury Securities	82,243	A	Aaa	8.17%
U.S. Sovereign Bonds	4,981	A	AA+U	0.49%
Medium Term Corporate Notes:				
AIG Global Funding	4,674	A	A+	0.46%
Apple Inc	18,057	A	AA+	1.79%
Bank of America	17,909	A	A-	1.78%
Bank of New York	7,554	A	A	0.75%
Berkshire Hathaway Inc	5,000	A	AA	0.50%
Caterpillar, Inc.	4,740	A	A	0.47%
Chevron Corp	4,996	A	AA-	0.50%
CIT Group Holdings Inc	10,017	A	A	0.99%
Credit Suisse	4,894	A	A	0.49%
Equitable Financial Life	4,796	A	A+	0.48%
Estee Lauder Co	5,000	A	A+	0.50%
Exxon Mobil Corporation	4,925	A	AA-	0.49%
Florida Power & Light	4,913	A	A+	0.49%
Harvard Pres & Fellows	3,976	A	AAA	0.39%
HSBC USA Inc.	4,972	A	A-	0.49%
JP Morgan Chase	9,036	A	A-	0.90%
Lloyds Bank	4,950	A	A+	0.49%
Massmutual Global Fund	4,886	A	AA+	0.49%
Met Life Global	4,544	a	AA-	0.45%
New York Life	17,766	A	AA+	1.76%
Novartis Capital Corp	5,002	A	AA-	0.50%
Pacific Life	4,832	A	AA-	0.48%
Pricoa Global Funding	5,001	A	AA-	0.50%
Principal Lfe Glb Fnd	4,596	A	A+	0.46%
Protective Life	4,517	A	AA-	0.45%
Royal Bank of Canada	14,053	A	A	1.40%
Sanofi Pharmaceutical	5,002	A	AA	0.50%
Shell International Fin	9,894	A	A+	0.98%
Toyota Motor Credit Corp	25,454	A	A+	2.53%
U.S. Bank Corp	9,637	A	A+	0.96%
UBS Finance Delaware	4,840	A	A+	0.48%
U.S. Bank Na Cincinnati	9,890	A	AA-	0.98%
Wal-Mart Stores	4,974	A	AA	0.49%



Issuer	Amount (in thousands)	Minimum Legal Rating	Rating at Year-End	% of Treasurer's Pool
<b>Municipal Bonds</b>				
Antelope Valley Union High	1,722	NA	NA	0.17%
Chaffey Community College	2,688	NA	NA	0.27%
City of Vallejo	1,481	NA	AA	0.15%
County of Riverside Ca	4,851	NA	AA	0.48%
County of Westchester Ny	1,801	NA	AA+	0.18%
Golden State Tobacco	1,828	NA	A+	0.18%
Golden State Tobacco	5,760	NA	A+	0.57%
Los Altos School Dist	4,769	NA	NA	0.47%
Los Angeles Unified School Dist	3,132	NA	Aa3	0.31%
Los Angeles Unified School Dist	14,563	NA	A+	1.45%
New York State Dormitory	1,534	NA	AA+	0.15%
New York State Dormitory	980	NA	AA+	0.10%
New York State Urban Dev	4,898	NA	Aa1	0.49%
New York State Urban Dev	1,230	NA	Aa1	0.12%
State of California	4,951	NA	AA-	0.49%
State of California	4,980	NA	AA-	0.49%
State of California	9,468	NA	AA-	0.94%
State of Connecticut	5,007	NA	A+	0.50%
State of Hawaii	5,786	NA	AA+	0.57%
State of New York	6,644	NA	AA+	0.66%
State of Wisconsin	3,969	NA	AA	0.39%
Texas A&M University	4,977	NA	AAA	0.49%
Texas A&M University	2,965	NA	AAA	0.29%
University of California	13,375	NA	AA	1.33%
<b>Supranational</b>				
Inter American Development Bank	9,827	AA	AAA	0.98%
International Bank for Reconstruction & Dev	18,101	AA	AAA	1.80%
Negotiable Certificates of Deposit	54,041	NA	Unrated	5.37%
State Local Agency Investment Pool	42,296	NA	Unrated	4.20%
Time Deposits	2,800	NA	Unrated	0.28%
Money Market Mutual Funds	6,000	NA	Unrated	0.60%
<b>Total Treasurer's Pool Investments</b>	<b>\$ 943,741</b>			<b>93.75%</b>

Issuer	Amount (in thousands)	Minimum Legal Rating	Rating at Year-End	% of Investments with Trustees
<b>Investments with Trustees:</b>				
Money Market Funds	\$ 27,371	NA	Unrated	98.41%
U.S. Government & Treasury Securities	443	NA	AAA	1.59%
<b>Total Investments with Trustees</b>	<b>\$ 27,814</b>			<b>100.00%</b>

<sup>1</sup>Standard & Poor's rating of SP-1 indicates a strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation.

The City of Fresno's Investment Policy requires that the City only invest in high quality obligations, which means only those with a rating category of "A" or better by a nationally recognized rating service.

## 6. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City maintains cash accounts at Bank of America. The City maintains separate accounts for payment of general accounts payable checks, payroll checks, and utility refund checks. Amounts in excess of \$250,000 are securitized in accordance with California Government Code Section 53652. The California Government Code and the City's investment policy contain legal or policy requirements that limit the exposure to custodial credit risk for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral pledged to cover the public fund deposits in California is held in the name of the California Collateral Pool Administrator and is held in their name by the Federal Reserve Bank as custodian. The City had no uncollateralized cash at June 30, 2022. As of June 30, 2022, the City's deposits with institutions in excess of federal depository insurance limits were \$59.9 million held in accounts collateralized in accordance with California law as described above.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to the transaction, a government will not be able to recover the value of its investment of securities that are in the possession of the counterparty. As of June 30, 2022, in accordance with the City's investment policy, none of the City's investments were held with a counterparty. All of the City's investments were held with an independent third party custodian bank. The City uses Bank of New York Trust Company (BNY) as a third-party custody and safekeeping service for its investment securities. Custodial credit risk is the risk that the City will not be able to recover the value of its investments in the event of a BNY failure. All City investments held in custody and safe-keeping by BNY are held in the name of the City and are segregated from securities owned by the bank. This is the lowest level of custodial credit risk exposure.

## D. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is

based on the accounting records maintained by LAIF, which are recorded on a fair value cost basis. The total amount invested by all public agencies in LAIF as of June 30, 2022, was \$35.8 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2022, had a balance of \$234.5 billion. Of that amount, 1.88% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 311 days as of June 30, 2022.

LAIF has the following restrictions on withdrawals:

- For same day transactions, the requesting agency must contact LAIF by 10 a.m. PST.
- Transaction calls received after 10 a.m. are processed the following business day.
- A requesting agency can only conduct a maximum of 15 transactions (combination of deposits and withdrawals) per month.
- 24-hour notice is needed for withdrawals of \$10 million or more.
- The minimum transaction amount is \$5,000, with amounts above the minimum transacted in increments of \$1,000.
- Prior to the funds transfer, an authorized person from the requesting agency must call LAIF to do a verbal transaction.

#### **E. Pension Trust (Retirement Systems) Deposits and Investments**

The investment guidelines for the City of Fresno's Retirement Systems (Systems) reflect the duties imposed by an investment standard known as the "prudent expert rule." The prudent expert rule includes anyone who has discretionary authority with respect to the Systems' investments.

The Fire and Police Retirement System's Investment Policy can be found at [https://www.cfrs-ca.org/fire-and-police-retirement-system\\_investments](https://www.cfrs-ca.org/fire-and-police-retirement-system_investments), while the Employees Retirement System's Investment Policy can be found at <https://www.cfrs-ca.org/employee-retirement-system/investments>. Both investment policies can also be obtained by contacting the Retirement Office at 2828 Fresno Street, Suite 201, Fresno, CA 93721.

Northern Trust serves as custodian of the Systems' investments. The Systems' asset classes include U.S. Equity, International Equity, U.S. Fixed Income, International Fixed Income, Direct Lending, and Real Estate. Any class may be held in direct form, pooled form, or both. The Systems have 15 external investment managers, managing 19 individual portfolios.

Investments at June 30, 2022 consist of the following (in thousands):

Investments at Fair Value	
Domestic Equity	\$ 1,055,209
International Developed Market	443,289
Real Estate	532,153
Government Bonds	205,016
Corporate Bonds	371,511
Short-Term Investments	13,112
Alternatives	848,560
Total Investments at Fair Value	<u>\$ 3,468,850</u>

Both Retirement Boards have established policies for investing, specifying the following target allocations with a minimum and maximum range for each of these asset classes:

Asset Class	Minimum	Target	Maximum
Domestic Large Cap Equities	15.0%	25.0%	36.0%
International Developed Market Equities	10.0%	23.0%	25.0%
Core Fixed Income	5.0%	13.0%	20.0%
High Yield Bonds	0.0%	3.0%	5.0%
Core Real Estate	5.0%	10.0%	15.0%
Value Add Real Estate/REITs	2.0%	4.0%	8.0%
Infrastructure	2.0%	5.0%	10.0%
MLPs	0.0%	4.0%	7.0%
Private Equity	0.0%	3.0%	10.0%
Direct Lending/Private Debt	5.0%	10.0%	20.0%
		<u>100.0%</u>	

The Retirement Systems have investments in Tiers 1, 2, and 3 as defined under GASB Statement No. 72. For further information regarding the Retirement Systems' classification of investment, please see the Retirement Systems' Annual Comprehensive Financial Reports (Systems' ACFRs).

Investments of the Systems are exposed to custodial credit risk, credit and interest rate risk, concentration risk, and foreign currency risk. In addition to those risks, the Systems are also exposed to credit risk and market risk associated with their derivatives investments. For a detailed description of all of the risks associated with the Systems' investments, please see the Systems' ACFRs which can be found at <https://www.cfrs-ca.org/fire-and-police-retirement-system/financial/> and <https://www.cfrs-ca.org/employee-retirement-system/ers-financial/> or by contacting the Retirement Office at 2828 Fresno Street, Suite 201 Fresno, CA 93721.

## F. Stewardship, Compliance and Accountability

There have been no material violations of finance-related legal or contractual provisions.

## G. Restricted Assets

Restricted cash includes funds held by trustees relating to bonds payable and those amounts held by each fund for which a specific, non-operating use has been determined. Restricted interest receivable is interest earned with the trustee.

Restricted assets are reported in the following funds at June 30, 2022 (in thousands):

	Cash and Investments Current and Noncurrent	Interest Receivable	Total
<b>Governmental Activities:</b>			
General Fund	\$ 48,180	\$ —	\$ 48,180
Grants Special Revenue Fund	82,852	—	82,852
Nonmajor Governmental Funds	1,286	—	1,286
Internal Service Funds	889	—	889
<b>Subtotal</b>	<b>133,207</b>	<b>—</b>	<b>133,207</b>
<b>Business-Type Activities</b>			
Water System	67,638	245	67,883
Sewer System	63,405	220	63,625
Solid Waste Management	10,207	—	10,207
Transit	53,804	—	53,804
Airports	38,313	—	38,313
Convention Center	1,350	—	1,350
Stadium	907	—	907
Nonmajor Enterprise Funds	969	—	969
Internal Service Funds	4,437	—	4,437
<b>Subtotal</b>	<b>241,030</b>	<b>465</b>	<b>241,495</b>
<b>Fiduciary:</b>			
Private-Purpose Trust Fund	443	—	443
Custodial Funds	554	—	554
<b>Subtotal</b>	<b>997</b>	<b>—</b>	<b>997</b>
<b>Total</b>	<b>\$ 375,234</b>	<b>\$ 465</b>	<b>\$ 375,699</b>

### Note 3. Property Taxes

Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to 1% of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/1976 assessed valuation as the base and limits annual increases to the cost-of-living adjustment, not to exceed 2% for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transaction taxes on real property. Local government may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors.

All property taxes are collected and allocated by the County of Fresno to the various taxing entities. Property taxes are determined annually as of January 1 and attached as enforceable liens on real property. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due on the January 1 (lien date) and become delinquent if unpaid on August 31. Property tax revenues are recognized in the governmental funds in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year.



## Note 4. Receivables

Receivables are presented in the financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to accounts receivable at June 30, 2022 were \$3.4 million for the General Fund, \$3.5 million for Water System, \$3.7 million for Sewer System, \$2.8 million for Solid Waste Management, \$0.4 million for Airports, and \$2.5 million for Other Enterprise Funds. The uncollectible accounts related to notes receivable at June 30, 2022 were \$8.4 million for Grants Special Revenue Fund and \$1.8 million for Other Governmental Funds. Accounts not scheduled for collection during the subsequent year are \$75.1 million for Governmental notes and loans and \$17.4 million for Business-Type notes and loans.

The allowance for doubtful accounts is a Statement of Net Position and/or Balance Sheet account that reduces the reported amount of a receivable. Providing an allowance for doubtful accounts presents a more realistic picture of how much of the receivable is likely to be turned into cash, particularly in the near term. The amount of the allowance for each fund is a determination made by management at the end of the fiscal year through a review of past collections received on each account. This analysis includes reviewing the aging of the receivable balance, past account write-offs and other known variables.

Receivables, net of amounts uncollectible, (in thousands) as of June 30, 2022 were as follows:

				Intergovernmental Receivable				
	Interest	Accounts Receivable	Grants Receivable	Property Taxes	Other	Notes, Loans & Other Receivable	Operating Lease Receivable	Total
Governmental Activities								
General Fund	\$ 382	\$ 17,617	\$ 180	\$ 8,041	\$ 34,635	\$ —	\$ 208	\$ 61,063
Grants Special Revenue Fund	485	—	18,354	—	—	54,460	—	\$ 73,299
Other Governmental Funds	686	637	1,315	—	17,511	20,084	569	\$ 40,802
Internal Service Funds	426	945	—	—	—	—	—	\$ 1,371
Subtotal	\$ 1,979	\$ 19,199	\$ 19,849	\$ 8,041	\$ 52,146	\$ 74,544	\$ 777	\$ 176,535
Advances to Successor Agency and Due To(From) Fiduciary Funds								6,953
Total								\$ 183,488
Business-Type Activities								
Water System	\$ 909	\$ 22,325	\$ —	\$ —	\$ —	\$ 2,029	\$ 3,034	\$ 28,297
Sewer System	753	13,103	—	—	921	3,089	2,800	\$ 20,666
Solid Waste Management	85	6,607	—	—	—	10,258	—	\$ 16,950
Transit	240	211	5,671	—	7,006	—	—	\$ 13,128
Airports	238	1,944	763	—	137	—	16,217	\$ 19,299
Fresno Convention Center	—	317	—	—	—	—	—	\$ 317
Stadium	6	397	—	—	—	—	1,655	\$ 2,058
Other Enterprise Funds	18	1,914	—	—	—	—	1,597	\$ 3,529
Internal Service Funds	95	533	—	—	—	—	347	\$ 975
Total	\$ 2,344	\$ 47,351	\$ 6,434	\$ —	\$ 8,064	\$ 15,376	\$ 25,650	\$ 105,219

Receivables are presented on the Statement of Net Position as follows (in thousands):

	Governmental Activities	Business-Type Activities	Total
Accounts Receivables, Net	\$ 108,166	\$ 89,378	\$ 197,544
Restricted Interest Receivable	—	465	465
Loans, Notes, Leases and Other Receivables, Net	75,321	15,376	90,697
Total	<u>\$ 183,487</u>	<u>\$ 105,219</u>	<u>\$ 288,706</u>

## Note 5. Property, Plant and Equipment - Capital Assets

### A. Citywide Capital Assets

The following is a summary of capital assets as of June 30, 2022 (in thousands):

	Primary Government			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 270,918	\$ 53,867	\$ —	\$ 324,785
Intangibles (Indefinite Life)	—	18,897	—	18,897
Construction in Progress	85,336	243,040	—	328,376
<b>Total Capital Assets Not Being Depreciated</b>	<b>356,254</b>	<b>315,804</b>	<b>—</b>	<b>672,058</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	346,036	1,505,044	—	1,851,080
Machinery and Equipment	184,421	102,881	2,978	290,280
Infrastructure	1,485,807	745,682	—	2,231,489
<b>Total Capital Assets Being Depreciated</b>	<b>2,016,264</b>	<b>2,353,607</b>	<b>2,978</b>	<b>4,372,849</b>
<b>Less: Accumulated Depreciation for:</b>				
Buildings and Improvements	(167,511)	(657,712)	—	(825,223)
Machinery and Equipment	(118,439)	(63,083)	(2,014)	(183,536)
Infrastructure	(1,088,092)	(224,375)	—	(1,312,467)
<b>Total Accumulated Depreciation</b>	<b>(1,374,042)</b>	<b>(945,170)</b>	<b>(2,014)</b>	<b>(2,321,226)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>642,222</b>	<b>1,408,437</b>	<b>964</b>	<b>2,051,623</b>
<b>Total Capital Assets, Net</b>	<b>\$ 998,476</b>	<b>\$ 1,724,241</b>	<b>\$ 964</b>	<b>\$ 2,723,681</b>
<b>Right to Use Assets Being Amortized</b>				
Land	1,273	209	—	(63)
Buildings and Improvements	6,039	508	—	(976)
Machinery and Equipment	1,962	—	—	(392)
<b>Total Right to Use Assets Being Amortized</b>	<b>9,274</b>	<b>717</b>	<b>—</b>	<b>9,991</b>
<b>Less: Accumulated Amortization for:</b>				
Land	(44)	(19)	—	(63)
Buildings and Improvements	(811)	(165)	—	(976)
Machinery and Equipment	(392)	—	—	(392)
<b>Total Accumulated Amortization</b>	<b>(1,247)</b>	<b>(184)</b>	<b>—</b>	<b>(1,431)</b>
<b>Total Right to Use Assets, Net</b>	<b>\$ 8,027</b>	<b>\$ 533</b>	<b>\$ —</b>	<b>\$ 8,560</b>
<b>Total Capital and Right to Use Assets</b>	<b>\$ 1,006,503</b>	<b>\$ 1,724,774</b>	<b>\$ 964</b>	<b>\$ 2,732,241</b>

## B. Governmental Activities

Capital asset activity related to governmental activities for the fiscal year ended June 30, 2022 was as follows (in thousands):

	Beginning Balance as restated	Increases	Transfers	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 263,040	\$ 7,878	\$ —	\$ —	\$ 270,918
Construction in Progress	71,103	51,580	—	(37,347)	85,336
<b>Total Capital Assets Not Being Depreciated</b>	<u>334,143</u>	<u>59,458</u>	<u>—</u>	<u>(37,347)</u>	<u>356,254</u>
<b>Capital Assets Being Depreciated:</b>					
Buildings and Improvements	307,178	46,992	(8,134)	—	346,036
Machinery and Equipment	165,773	19,404	(682)	(74)	184,421
Infrastructure	1,451,934	25,057	8,816	—	1,485,807
<b>Total Capital Assets Being Depreciated</b>	<u>1,924,885</u>	<u>91,453</u>	<u>—</u>	<u>(74)</u>	<u>2,016,264</u>
<b>Less: Accumulated Depreciation for:</b>					
Buildings and Improvements	(162,229)	(9,498)	4,216	—	(167,511)
Machinery and Equipment	(104,901)	(14,237)	625	74	(118,439)
Infrastructure	(1,049,826)	(33,425)	(4,841)	—	(1,088,092)
<b>Total Accumulated Depreciation</b>	<u>(1,316,956)</u>	<u>(57,160)</u>	<u>—</u>	<u>74</u>	<u>(1,374,042)</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>607,929</u>	<u>34,293</u>	<u>—</u>	<u>—</u>	<u>642,222</u>
<b>Total Capital Assets, Net</b>	<u>\$ 942,072</u>	<u>\$ 93,751</u>	<u>\$ —</u>	<u>\$ (37,347)</u>	<u>\$ 998,476</u>
<b>Right to Use Assets Being Amortized</b>					
Land	1,273	—	—	—	1,273
Buildings and Improvements	6,039	—	—	—	6,039
Machinery and Equipment	1,962	—	—	—	1,962
<b>Total Right to Use Assets Being Amortized</b>	<u>9,274</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,274</u>
<b>Less: Accumulated Amortization for:</b>					
Land	—	(44)	—	—	(44)
Buildings and Improvements	—	(811)	—	—	(811)
Machinery and Equipment	—	(392)	—	—	(392)
<b>Total Accumulated Amortization</b>	<u>—</u>	<u>(1,247)</u>	<u>—</u>	<u>—</u>	<u>(1,247)</u>
<b>Total Right to Use Assets Being Amortized, Net</b>	<u>\$ 9,274</u>	<u>\$ (1,247)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,027</u>
<b>Total Capital and Right to Use Assets</b>	<u>\$ 951,346</u>	<u>\$ 92,504</u>	<u>\$ —</u>	<u>\$ (37,347)</u>	<u>\$ 1,006,503</u>

Depreciation/Amortization was charged to functions as follows (in thousands):

Function	Amount
General Government	\$ 13,503
Public Protection	4,688
Public Ways and Facilities	35,206
Culture and Recreation	4,242
Community Development	768
<b>Total Governmental Activities Depreciation and Amortization Expense</b>	<b>\$ 58,407</b>



## C. Business-Type Activities

Capital asset activity related to Business-Type Activities for the fiscal year ended June 30, 2022 was as follows (in thousands):

	Beginning Balance as restated	Increases	Transfers	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 54,426	\$ —	\$ (559)	\$ —	\$ 53,867
Intangibles (Indefinite Life)	17,949	389	559	—	18,897
Construction in Progress	408,819	44,741	—	(210,520)	243,040
<b>Total Capital Assets Not Being Depreciated</b>	<b>481,194</b>	<b>45,130</b>		<b>(210,520)</b>	<b>315,804</b>
<b>Capital Assets Being Depreciated:</b>					
Buildings and Improvements	1,041,179	4,016	459,849	—	1,505,044
Machinery and Equipment	94,579	7,691	611	—	102,881
Infrastructure	1,011,057	195,085	(460,460)	—	745,682
<b>Total Capital Assets Being Depreciated</b>	<b>2,146,815</b>	<b>206,792</b>	<b>—</b>	<b>—</b>	<b>2,353,607</b>
<b>Less: Accumulated Depreciation for:</b>					
Buildings and Improvements	(459,892)	(46,939)	(150,881)	—	(657,712)
Machinery and Equipment	(56,846)	(5,688)	(549)	—	(63,083)
Infrastructure	(350,722)	(25,083)	151,430	—	(224,375)
<b>Total Accumulated Depreciation</b>	<b>(867,460)</b>	<b>(77,710)</b>	<b>—</b>	<b>—</b>	<b>(945,170)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,279,355</b>	<b>129,082</b>	<b>—</b>	<b>—</b>	<b>1,408,437</b>
<b>Total Capital Assets, Net</b>	<b>\$ 1,760,549</b>	<b>\$ 174,212</b>	<b>\$ —</b>	<b>\$ (210,520)</b>	<b>\$ 1,724,241</b>
<b>Right to Use Assets Being Amortized</b>					
Land	209	—	—	—	209
Buildings and Improvements	508	—	—	—	508
Machinery and Equipment	—	—	—	—	—
<b>Total Right to Use Assets Being Amortized</b>	<b>717</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>717</b>
<b>Less: Accumulated Amortization for:</b>					
Land	—	(19)	—	—	(19)
Buildings and Improvements	—	(165)	—	—	(165)
Machinery and Equipment	—	—	—	—	—
<b>Total Accumulated Amortization</b>	<b>—</b>	<b>(184)</b>	<b>—</b>	<b>—</b>	<b>(184)</b>
<b>Total Right to Use Assets Being Amortized, Net</b>	<b>\$ 717</b>	<b>\$ (184)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 533</b>
<b>Total Capital and Right to Use Assets</b>	<b>\$ 1,761,266</b>	<b>\$ 174,028</b>	<b>\$ —</b>	<b>\$ (210,520)</b>	<b>\$ 1,724,774</b>

Depreciation/Amortization was charged to functions as follows (in thousands):

Function	Amount
Water System	\$ 29,525
Sewer System	25,188
Solid Waste Management	531
Transit	7,435
Airports	11,729
Fresno Convention Center	2,023
Stadium	1,275
Other Enterprise Funds	188
<b>Total Business-Type Activities Depreciation and Amortization Expense</b>	<b>\$ 77,894</b>

#### D. Fiduciary Funds

Capital asset activity related to fiduciary funds for the fiscal year ended June 30, 2022 was as follows (in thousands):

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
<b>Capital Assets Being Depreciated:</b>					
Machinery and Equipment	\$ 2,850	\$ 128	\$ —	\$ —	\$ 2,978
<b>Less: Accumulated Depreciation for:</b>					
Machinery and Equipment	(1,742)	(272)	—	—	(2,014)
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,108</b>	<b>(144)</b>	<b>—</b>	<b>—</b>	<b>964</b>
<b>Total Capital Assets, Net</b>	<b>\$ 1,108</b>	<b>\$ (144)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 964</b>

Depreciation was charged to functions as follows (in thousands):

Function	Amount
Fire & Police Retirement System Pension Trust Funds	\$ 136
Employee Retirement System Pension Trust Funds	136
<b>Total Fiduciary Activities Depreciation Expense</b>	<b>\$ 272</b>

**E. Construction in Progress**

At June 30, 2022, Construction in Progress consisted of the following (in thousands):

Project Title	Construction Costs To Date*
<b>Governmental Activities:</b>	
Bike/Trail Projects	\$ 294
Neighborhood Improvements	1,775
Public Works Projects	47,919
Parks General Improvements	575
Fire Station Construction Projects	7,516
Other Miscellaneous Projects	27,257
Total Governmental Activities	<u>\$ 85,336</u>
<b>Business-Type Activities:</b>	
Water Capital Projects	\$ 139,450
Sewer/Wastewater/Solid Waste Capital Projects	43,400
Airports Capital Projects	45,166
Transit Capital Projects	12,951
Miscellaneous Projects	2,073
Total Business-Type Activities	<u>\$ 243,040</u>
<b>Total Construction in Progress</b>	<u><u>\$ 328,376</u></u>

## **Note 6. Leases**

### **A. Leases**

The City has adopted the following policies to account for agreements in accordance with the requirements of GASB 87. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

### **B. Basis of Lease Classification**

In accordance with GASB No. 87, the City does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months or less, including any options to extend, regardless of their probability of being exercised. The City, being a lessee and lessor, recognizes short-term lease payments as outflows of resources (expenditures) or inflows of resources (revenue), respectively, based on the payment provisions of the lease contract.

### **C. Term**

At the time of lease commencement or conversion, the term of the lease will include possible extension periods that are deemed to be reasonably certain given all available information, regarding the likelihood of renewal.

### **D. Discount Rate**

Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities and related lease receivable is the City's incremental borrowing rate at the end of each fiscal year. As of June 30, 2022, the City's incremental borrowing rate was 2.21%. This was the discount rate utilized for applicable leases reported in fiscal year 2022.

### **E. Variable Payments**

Variable payments based on the future performance of the lessee or lessor or usage of the underlying asset are not included in the measurement of lease assets or liabilities.

### **F. The City of Fresno as Lessee**

The City, as lessee, has entered into various agreements for land and buildings with lease terms expiring between 2022 and 2053, with some leases containing options to renew. The terms and conditions for these leases vary by the type of underlying asset. All these agreements have fixed, periodic payments over the lease term, and do not contain variable payments or guaranteed residual

values in the lease agreements. For those agreements that are cancellable by the lessors or the City with an advance notice, they are considered as non-cancellable in accordance with GASB Statement No. 87. In accordance with GASB No. 87, as lessee, the City recognized \$1.4 million of amortization expense in the year ended June 30, 2022. More information on the value of leased assets and their associated amortization can be found in Note 5, beginning on page 93.

Future payments, under these non-regulated leases for each of the next five years and in five- year increments thereafter are as follows (amounts in thousands):

	Beginning Balance	Payments	Interest	Ending Balance
2023 \$	8,688 \$	1,518 \$	178 \$	7,348
2024	7,348	1,448	148	6,048
2025	6,048	1,220	122	4,951
2026	4,950	1,179	98	3,869
2027	3,869	747	79	3,200
2028-2032	3,200	2,425	225	1,001
2033-2037	1,001	395	90	695
2038-2042	695	313	63	445
2043-2047	445	313	34	167
2048-2052	167	172	5	—

## G. The City of Fresno as Lessor

The City, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases and short-term leases. As lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The leases typically include provisions for rent changes based on the consumer price index or other market indexes, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. These variable payments based on index are considered to be 'fixed in substance' and are included in the calculation of the lease receivable. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

Future receipts, under these non-regulated leases for each of the next five years and in five- year increments thereafter are as follows (amounts in thousands):

	Beginning Balance	Lease Receipt	Interest Income	Ending Balance
2023	\$ 26,427	\$ 5,181	\$ 518	\$ 21,765
2024	21,765	5,192	415	16,987
2025	16,987	2,410	337	14,915
2026	14,915	1,720	304	13,499
2027	13,499	1,679	274	12,095
28-32	12,095	5,455	1,022	7,662
33-37	7,662	4,170	642	4,134
38-42	4,134	2,567	332	1,899
43-47	1,899	1,320	107	508
48-52	508	471	30	67
53-57	67	68	1	—

## H. Regulated Leases

In accordance with GASB Statement No. 87, The City does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and air carriers and other aeronautical users.

During the year ended June 30, 2022, the City recognized the following related to its regulated lease agreements:

### Regulated – Hangar Rentals (Fixed)

Lease revenue	\$2,161,472
Revenue from variable payments excluded from the schedule of expected future minimum payments	\$36,277

Future expected minimum payments related to the City's regulated leases at June 30, 2022 are as follows:

### Regulated – Hanger Rentals (Fixed)

	Principal	Interest	Total
2023	\$ 1,828	\$ —	\$ 1,828
2024	1,613	—	1,613
2025	1,599	—	1,599
2026	1,590	—	1,590
2027	3,989	—	3,989
2028	701	—	701
2029	85	—	85
Report Total	\$ 13,424	\$ —	\$ 13,424

## Note 7. Long-Term Liabilities

### A. Summary of Long-Term Liabilities

The following is a summary of the City's Long-Term Liabilities as of June 30, 2022 (in thousands):

	Primary Government			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total Primary Government
<b>Long-Term Debt</b>				
Revenue and Other Bonds	\$ 196,090	\$ 170,220	\$ —	\$ 366,310
Bonds From Direct Placements	—	33,464	—	33,464
Tax Allocation Bonds	—	—	418	418
Notes Payable From Direct Borrowings	1,440	425,341	1,137	427,918
Subtotal Net Principal Due	197,530	629,025	1,555	828,110
Accreted Interest	—	3,078	—	3,078
Issuance Premiums (Discounts)	8,712	1,259	(1)	9,970
Subtotal Accreted Interest, Issuance Prem/(Disc)	8,712	4,337	(1)	13,048
Capital Financing Activities	52,568	—	—	52,568
Total Long-Term Debt	258,810	633,362	1,554	893,726
<b>Other Long-Term Liabilities</b>				
Retention Payable	3,460	—	—	3,460
Compensated Absences and Health Retirement Arrangement (HRA)	84,121	13,883	56	98,060
Net OPEB Liability	71,680	28,080	—	99,760
Liabilities for Self-Insurance	207,927	—	—	207,927
CVP Litigation Settlement	—	127	—	127
Accrued Closure Cost	—	11,174	—	11,174
Pollution Remediation	—	407	—	407
Operating Leases	8,149	539	—	8,688
Total Other Long-Term Liabilities	375,337	54,210	56	429,603
<b>Total Long-Term Liabilities Government-Wide Statement of Net Position</b>	<b>\$ 634,147</b>	<b>\$ 687,572</b>	<b>\$ 1,610</b>	<b>\$ 1,323,329</b>
Due Within One Year	\$ 82,890	\$ 24,902	\$ 512	\$ 108,304
Due Within More Than One Year	551,257	662,670	1,098	1,215,025
<b>Total Long-Term Liabilities Government-Wide Statement of Net Position</b>	<b>\$ 634,147</b>	<b>\$ 687,572</b>	<b>\$ 1,610</b>	<b>\$ 1,323,329</b>

Internal service funds (ISFs), except for Utility Billing and Collection, primarily serve the governmental funds. Accordingly, Long-Term Liabilities for ISFs are included as part of the above totals for governmental activities, while the long-term liabilities for Utility Billing and Collection are included as part of the totals for Business-Type Activities. Governmental Activities also reflect compensated absences which are generally liquidated by the General Fund, claims/judgments which are liquidated by Risk Management and the Employees Healthcare Plan, and net OPEB liability which is liquidated by the Employees Healthcare Plan.



### Activity of Long-Term Liabilities - Governmental (In Thousands)

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds Payable (Revenue and Other Bonds):</b>					
Lease Revenue Bonds, Series 2004	\$ 10,625	\$ —	\$ 935	\$ 9,690	\$ 990
Taxable Pension Obligation Bonds Refunding Series 2002	98,395	—	9,755	88,640	10,385
Lease Revenue Bonds 2017A, City Hall Refunding, Fresno Bee Building, Granite Park, Improvements	19,240	—	1,645	17,595	1,690
Lease Revenue Bonds, Series 2017A, City Hall Chiller	2,710	—	—	2,710	610
Lease Revenue Bonds, Series 2017A Parks Projects	20,775	—	805	19,970	845
Lease Revenue Bonds, Series 2017A&B, NNLB	5,535	—	2,705	2,830	2,830
Lease Revenue Bonds, Series 2017A, Police and Fire/Public Safety	28,875	—	1,170	27,705	1,230
Lease Revenue Bonds, Series 2017A, Various	10,785	—	605	10,180	635
Lease Revenue Bonds, Series 2020A, Animal Svcs	17,145	—	375	16,770	395
<b>Total Revenue and Other Bonds</b>	<b>214,085</b>	<b>—</b>	<b>17,995</b>	<b>196,090</b>	<b>19,610</b>
<b>Less: Unamortized Amounts:</b>					
For Issuance Premiums/(Discounts)	9,774	—	1,062	8,712	—
<b>Notes Payable From Direct Borrowings:</b>					
California Infrastructure Bank - City	1,397	—	87	1,310	90
HUD Sec 108 Note Neighborhood Streets/Parks	251	—	121	130	130
<b>Total Notes Payable From Direct Borrowings</b>	<b>1,648</b>	<b>—</b>	<b>208</b>	<b>1,440</b>	<b>220</b>
<b>Capital Financing Activities</b>	<b>41,153</b>	<b>20,827</b>	<b>9,412</b>	<b>52,568</b>	<b>9,654</b>
<b>Total Long-Term Debt</b>	<b>266,660</b>	<b>20,827</b>	<b>28,677</b>	<b>258,810</b>	<b>29,484</b>
<b>Other Liabilities:</b>					
Retention Payable	2,358	1,102	—	3,460	3,460
Compensated Absences and Health Retirement Arrangement	70,378	25,791	12,049	84,120	11,042
Net OPEB Liability	108,178	—	36,498	71,680	—
Liability for Self-Insurance	192,233	95,695	80,001	207,927	37,746
Operating Leases	9,275	—	1,126	8,149	1,158
<b>Total Other Liabilities</b>	<b>382,422</b>	<b>122,588</b>	<b>128,548</b>	<b>367,187</b>	<b>53,406</b>
<b>Governmental Long-Term Liabilities Total</b>	<b>\$ 649,082</b>	<b>\$ 143,415</b>	<b>\$ 157,225</b>	<b>\$ 625,997</b>	<b>\$ 82,890</b>

### Activity of Long-Term Liabilities - Business-Type (In Thousands)

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
<b>Bonds Payable (Revenue and Other Bonds):</b>					
Water System Revenue Bonds 2010	\$ 91,340	\$ —	\$ —	\$ 91,340	\$ —
Sewer System Revenue Bonds 1993 A	885	—	—	885	885
Lease Revenue Bonds 1998 - Exhibit Hall Expansion	1,569	—	234	1,335	222
Airport Revenue Refunding Bonds 2013	23,515	—	1,670	21,845	1,750
Lease Revenue Bonds 2001 A and B - Stadium	12,750	—	925	11,825	985
Airport Revenue Bonds 2007 - Cons. Rental Car	20,385	—	435	19,950	500
Lease Revenue Bonds 2008 - Convention Center	3,545	—	2,175	1,370	1,370
Lease Revenue Bonds 2017A - Exhibit Hall Expansion	9,060	—	950	8,110	1,000
Lease Revenue Bonds 2017A - Convention Center	2,880	—	425	2,455	445
Lease Revenue Bonds 2017A - Stadium	10,550	—	845	9,705	885
Lease Revenue Bonds 2017A - Riverside Golf Course	1,455	—	55	1,400	60
<b>Total Revenue and Other Bonds</b>	<b>177,934</b>	<b>—</b>	<b>7,714</b>	<b>170,220</b>	<b>8,102</b>
<b>Bonds Payable From Direct Placements:</b>					
Airport Revenue Bonds 2019 - Airport Parking	34,244	—	780	33,464	804
<b>Plus Accreted Interest:</b>					
Accreted Interest on Capital Appreciation Bonds	3,355	239	516	3,078	—
<b>Less: Unamortized Amounts</b>					
For Issuance Premiums/(Discounts)	1,693	—	434	1,259	—
<b>Notes Payable From Direct Borrowings:</b>					
Construction of Water Supply Disinfection Buildings	1,133	—	96	1,037	99
Improvements on the Enterprise and Jefferson Canals	724	—	62	662	63
Water Meter Project	33,414	—	2,571	30,843	2,570
Southeast Surface Water Treatment Facility	163,753	—	4,740	159,013	4,820
Tertiary Treatment Facility	28,336	—	1,003	27,333	1,013
Enterprise Canal Raw Water Pipeline	19,693	—	588	19,105	598
Regional Transmission Mains	64,787	—	1,810	62,977	1,839
Kings River Pipeline	53,187	10	1,590	51,607	1,615
Southwest Quadrant Recycled Water Dist. System	59,525	8,798	—	68,323	—
Northeast Surface Water Treatment Facility	—	4,520	79	4,441	—
<b>Total Notes Payable From Direct Borrowings</b>	<b>424,552</b>	<b>13,328</b>	<b>12,539</b>	<b>425,341</b>	<b>12,617</b>
<b>Total Long-Term Debt</b>	<b>641,778</b>	<b>13,567</b>	<b>21,983</b>	<b>633,362</b>	<b>21,523</b>
<b>Other Long-Term Liabilities:</b>					
Compensated Absences & Health Retirement Arrangement	13,530	3,151	2,798	13,883	2,397
Net OPEB Liability	44,426	—	16,346	28,080	—
CVP Litigation Settlement	113	14	—	127	—
Accrued Closure Cost	12,104	—	930	11,174	800
Pollution Remediation	452	—	45	407	—
Operating Leases	716	—	177	539	182
<b>Total Other Long-Term Liabilities</b>	<b>71,341</b>	<b>3,165</b>	<b>20,296</b>	<b>54,210</b>	<b>3,379</b>
<b>Business-Type Long-Term Liabilities Total</b>	<b>\$ 713,119</b>	<b>\$ 16,732</b>	<b>\$ 42,279</b>	<b>\$ 687,572</b>	<b>\$ 24,902</b>

### Activity of Long-Term Liabilities - Fiduciary (In Thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Fiduciary Funds:</b>					
<b>Successor Agency to the Fresno Redevelopment Agency:</b>					
<b>Tax Allocation Bonds:</b>					
Series 2003, Mariposa Project Area	\$ 815	\$ —	\$ 397	\$ 418	\$ 418
<b>Total Tax Allocation Bonds</b>	<u>815</u>	<u>—</u>	<u>397</u>	<u>418</u>	<u>418</u>
<b>Less: Unamortized Amounts:</b>					
For Issuance Premiums/(Discounts)	(1)	—	1	—	—
<b>Total Unamortized Amounts</b>	<u>(1)</u>	<u>—</u>	<u>1</u>	<u>—</u>	<u>—</u>
<b>Notes Payable From Direct Borrowings:</b>					
California Infrastructure Bank	1,212	—	75	1,137	78
<b>Total Notes Payable From Direct Borrowings</b>	<u>1,212</u>	<u>—</u>	<u>75</u>	<u>1,137</u>	<u>78</u>
<b>Total Long-Term Debt</b>	<u>2,026</u>	<u>—</u>	<u>473</u>	<u>1,555</u>	<u>496</u>
<b>Other Liabilities:</b>					
Compensated Absences	56	14	15	55	16
<b>Total Other Long-Term Liabilities</b>	<u>56</u>	<u>14</u>	<u>15</u>	<u>55</u>	<u>16</u>
<b>Fiduciary Funds Long-Term Liabilities Total</b>	<u>\$ 2,082</u>	<u>\$ 14</u>	<u>\$ 488</u>	<u>\$ 1,610</u>	<u>\$ 512</u>

The following is a description of Long-Term Debt, Excluding Capital Financing Obligations, which had activity in 2022 (in thousands):

	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 2022 Debt Service Payment
<b>Governmental</b>												
Revenue and Other Bonds												
Taxable Pension Obligation Bonds 2002	\$205,335 taxable	Refund 2000 Taxable Pension Obligation Bonds	6.55%	2/21/2002	6/1/2029	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 2022 \$14,033 of PTO revenue was used. In addition to PTO revenue, \$0 of General Fund and \$2,158 of Enterprise Fund/Internal Service Fund revenues were used to make the 2022 debt service payment of \$16,191.	\$10,385 to \$15,195	\$ 88,640	\$ 0	\$ 88,640	\$ 113,332	\$ 16,191
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A&B, No Neighborhood Left Behind (NNLB)	A = \$11,010 tax-exempt; B = \$1,940 taxable	Refinance No Neighborhood Left Behind Projects	3.18% to 5.00%	5/10/2017	4/1/2023	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$2,966 was equal to debt service in 2022.	\$2,830	2,905	(75)	2,830	2,964	2,966
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Chiller) 2017 A, City Hall Chiller	A = \$2,710 tax-exempt	Refinance City Hall Chiller	5.000%	5/10/2017	4/1/2024	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$136 was equal to debt service in 2022.	\$610 to \$2,100	2,838	(128)	2,710	2,951	136
Fresno Joint Powers Financing Authority: Lease Financing Refunding 2017 A&B, City Hall, Garage #7, Bee Bldg & Granite Park	A = \$10,125 tax-exempt; B = \$21,980 taxable	Refinance City Hall, Parking Garage #7, Fresno Bee Building and Granite Park	3.18% to 4.16%	5/10/2017	4/1/2031	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$2,364 was equal to debt service in 2022.	\$1,690 to \$2,270	17,595	0	17,595	21,273	2,364
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Various Capital Projects	A = \$12,435 tax-exempt	Refinance Various Capital Improvement Projects	5.000%	5/10/2017	4/1/2035	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,144 was equal to debt service in 2022.	\$40 to \$1,785	11,342	(1,162)	10,180	14,917	1,144
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2004 A,B,C, Various Capital Projects	A = \$15,810 tax-exempt; B = \$8,100 tax-exempt; C = \$28,870 taxable	Calcot Project, Fire Department Projects, Downtown Parking Projects, Santa Fe Depot Project, Roeding Business Park Project Area, other capital projects	5.900%	4/28/2004	10/1/2034	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,534 was equal to debt service in 2022.	\$990 to \$1,400	9,697	(7)	9,690	12,132	1,534
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Parks Projects) 2017 A, Parks Impact Fee Projects	A = \$22,965 tax-exempt	Refinance Improvements to Various Park Facilities	5.000%	5/10/2017	4/1/2038	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,822 was equal to debt service in 2022.	\$845 to \$1,755	22,072	(2,102)	19,970	29,131	1,822
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Police and Fire/Public Safety	A = \$32,065 tax-exempt	Refinance Public Safety Capital Improvement Projects (Police & Fire)	5.000%	5/10/2017	4/1/2039	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$2,557 was equal to debt service in 2022.	\$1,115 to \$2,300	30,431	(2,726)	27,705	40,750	2,557

	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 2022 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%	11/3/2020	4/1/2046	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,120 was equal to debt service in 2022.	\$395 to \$1,075	\$ 19,282	\$ (2,512)	\$ 16,770	\$ 26,874	\$ 1,120
Revenue and Other Bonds Total								\$ 204,802	\$ (8,712)	\$ 196,090	\$ 264,324	\$ 29,834

Notes Payable

HUD: Neighborhood Streets/Parks	\$1,500 Loaned	Section 108 Note to be used for improvements to various neighborhood streets & parks	6.12%	8/8/2002	8/1/2022	Annual principal payments, semiannual interest payments.	\$121 to \$130	\$ 130	\$ 0	\$ 130	\$ 134	\$ 133
Roeding Business Park	\$2,441 Loaned	Loaned from the California Infrastructure and Economic Development Bank to be used to complete the Roeding Business Park	3.53%	3/18/2004	8/1/2033	Secured by Facility Lease on City Hall Annex. Annual principal payments, semiannual interest payments.	\$87 to \$131	1,310	0	1,310	1,607	134
Notes Payable Total								\$ 1,440	\$ 0	\$ 1,440	\$ 1,741	\$ 267
Governmental Total								\$ 206,242	\$ (8,712)	\$ 197,530	\$ 266,065	\$ 30,101

Business-Type

Revenue and Other Bonds

Water System Revenue Bonds (Taxable Build America Bonds) 2010 A-2, Water	A-2 = \$91,340 taxable	Improvements to the Water System	6.50% to 6.75%	2/3/2010	6/1/2040	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. Principal payable annually, interest semiannually. During Fiscal Year 2022, a federal Build America Bonds subsidy of \$2,017 was received.	\$4,090 to \$7,715	\$ 90,329	\$ 1,011	\$ 91,340	\$ 161,213	\$ 6,097
Sewer System Revenue Bonds 1993 A	A = \$196,280 tax-exempt	Rehabilitation and expansion of the City's Wastewater Treatment Facility	4.50%	10/6/1993	9/1/2023	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. Principal payable annually, interest semiannually.	\$885	885	0	885	905	40
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Convention Center	A = \$4,260 tax-exempt	Refinance Convention Center Improvement Projects (Phase I)	5.00%	5/10/2017	4/1/2027	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2022 the City chose to make these lease payments from the General Fund in the amount of \$569, which was equal to debt service in 2022. 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.	\$445 to \$540	2,649	(194)	2,455	2,835	569
Fresno Joint Powers Financing Authority: Lease Revenue Bonds (Conv. Ctr.) 2008 F, Convention Center	F = \$21,410 taxable	Refund a portion of 2006 Convention Center Bonds & finance various Convention Center improvements	6.70%	8/14/2008	4/1/2023	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2022, the City chose to make these lease payments from the General Fund in the amount of \$2,413, which was equal to debt service in 2022. 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.	\$1,370	1,369	1	1,370	1,462	2,413

	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 2022 Debt Service Payment
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Exhibit Hall Expansion Project Refunding	A = \$11,665 tax-exempt	Refinance Exhibit Hall Expansion Project	5.00%	5/10/2017	4/1/2029	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,403, which was equal to debt service in 2022. 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.	\$1,000 to \$1,330	\$ 8,869	\$ (759)	\$ 8,110	\$ 9,809	\$ 1,403
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 1998, Exhibit Hall Expansion Project	\$32,610 tax-exempt	Construction of an Exhibit Hall	N/A	9/1/1998	9/1/2028	Current Interest Serial Bonds (\$25,395) and Capital Appreciation Serial Bonds (\$7,215). 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 2022, the City chose to make these lease payments from the General Fund in the amount of \$750, 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 to \$222	4,368	(3,033)	1,335	5,250	750
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Stadium Project	A = \$13,510 tax-exempt	Refinance MultiPurpose Stadium Project	5.00%	5/10/2017	4/1/2031	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2022, the City chose to make these lease payments from the General Fund in the amount of \$1,373, 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.	\$885 to \$1,300	10,708	(1,003)	9,705	12,287	1,373
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2001 A & B, Stadium Project	A = \$23,615 tax-exempt; B = \$22,235 taxable	Acquire and construct a MultiPurpose Outdoor Stadium	6.93% to 7.03%	6/12/2001	6/1/2031	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 2022, the City chose to make these lease payments from the General Fund in the amount of \$1,819, 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.	\$985 to \$1,700	11,836	(11)	11,825	16,355	1,819
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Riverside Golf Course) 2017 A, Riverside Golf Course	A = \$1,615 tax-exempt	Refinance Improvements to Riverside Golf Course	5.00%	5/10/2017	4/1/2038	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2022, the City chose to make these lease payments from the General Fund in the amount of \$126, 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.	\$60 to \$125	1,548	(148)	1,400	2,040	126
Airport Revenue Refunding Bonds 2013, Concourse Expansion	A = \$10,810 Non-AMT; B = \$22,820 AMT (Subject to Alternative Minimum Tax)	Refund 2000 Airport Revenue Bonds	4.00% to 5.125%	8/6/2013	7/1/2030	Repayment of bonds solely from operation of the City Airport System. Bond Indenture requires a minimum \$1,600 of PFC Contribution toward annual debt service from Passenger Facility Charges (PFC). During Fiscal Year 2022 \$1,600 of PFC and \$1,163 of eligible Airports operation revenues were used to make the debt service payment.	\$1,750 to \$5,335	22,045	(200)	21,845	27,497	2,763

	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 2022 Debt Service Payment
Airport Revenue Bonds 2007, Consolidated Rental Car Facility	\$22,000 taxable	Construction of a Consolidated Rental Car Facility and related improvements	5.83%	6/14/2007	7/1/2037	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 2022 \$1,611 of CFC revenues was used to fully cover the debt service payment.	\$500 to \$2,265	\$ 19,950	\$ 0	\$ 19,950	\$ 31,566	\$ 1,611
Airport Revenue Bonds 2019, Airport Parking	\$35,000 taxable	Construction of a Parking Garage	3.450%	5/3/2019	7/1/2048	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.	\$804 to \$1,802	33,464	0	33,464	51,197	1,948
Revenue and Other Bonds Total								\$ 208,020	\$ (4,336)	\$ 203,684	\$ 322,416	\$ 20,912
Notes Payable												
Water: Safe-Drinking Water Program	\$51,405 Loaned	Contract between the State Water Resources Control Board and the City for installation of water meters throughout the City of Fresno	0.00%	4/10/2012	10/1/2022	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.	\$2,570	\$ 30,843	\$ 0	\$ 30,843	\$ 30,843	\$ 2,570
Water: Safe Drinking Water Program	\$1,947 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)	2.29%	7/1/2009	7/1/2031	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 \$61.	\$61 to \$119	1,037	0	1,037	1,160	122
Water: Safe Drinking Water Program	\$1,245 Loaned	Contract between the State Water Resources Control Board and the City for improvements on the Enterprise and Jefferson Canals	2.29%	7/1/2009	1/1/2032	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 \$39.	\$39 to \$76	662	0	662	741	78
Water: Drinking Water State Revolving Fund Project 1010007-029C	\$26,520 Loaned	Contract between the State Water Resources Control Board and the City for construction of the Friant-Kern Canal Raw Water Pipeline	1.60%	4/5/2016	7/1/2048	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 \$451.	\$588 to \$889	19,105	0	19,105	23,258	901
Water: Drinking Water State Revolving Fund Project 1010007-028C	\$195,489 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Southeast Surface Water Treatment Facility	1.66%	7/15/2015	1/1/2049	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. \$3 million of the loan was forgiven by the State Water Resources Control Board.	\$3,691 to \$7,292	159,013	0	159,013	187,065	7,444



	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 2022 Debt Service Payment
Water: Drinking Water State Revolving Fund Project 1010007-030C	\$75,900 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	1.60%	8/23/2016	1/1/2049	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 \$1,413.	\$1,409 to \$2,784	\$ 62,977	\$ 0	\$ 62,977	\$ 61,916	\$ 2,840
Water: Drinking Water State Revolving Fund Project 1010007-031C	\$65,876 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Kings River Pipeline	1.60%	4/5/2016	7/1/2048	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 \$1,217.	\$1,589 to \$2,415	51,607	0	51,607	56,859	2,434
Water: Drinking Water State Revolving Fund Project 1010007-032C	\$14,000 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Northeast Surface Water Treatment Facility	1.80%	11/26/2016	1/1/2051	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. Project is not yet complete. 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.	4,441	0	4,441	4,441	100
Sewer: Clean Water State Revolving Fund Project	\$33,213 Loaned	Contract between the State Water Resources Control Board and the City for construction of a tertiary treatment facility	1.00%	10/17/2015	7/12/2046	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 State loans for Sewer. Principal and interest due in annual installments of \$1,286.	\$1,003 to \$1,282	27,333	0	27,333	30,881	1,286
Sewer: Clean Water State Revolving Fund Project No. 8061-110	\$70,600 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	1.00%	8/19/2015	5/30/2047	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 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.	68,323	0	68,323	68,323	0
Notes Payable Total								\$ 425,341	\$ 0	\$ 425,341	\$ 465,487	\$ 17,775
Business-Type Total								\$ 633,361	\$ (4,336)	\$ 629,025	\$ 787,903	\$ 38,687

**Fiduciary**

**Tax Allocation Bonds**

Tax Allocation Refunding Bonds 2003, Mariposa Project Area	\$5,005 tax-exempt	Refund the Agency's 1993 Tax Allocation Bonds (Mariposa Project Area)	5.625%	2/1/2012	2/1/2023	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 \$443 was equal to debt service in 2022.	\$418	\$ 418	\$ 0	\$ 418	\$ 442	\$ 443
Tax Allocation Bonds Total								\$ 418	\$ 0	\$ 418	\$ 442	\$ 443
Notes Payable												

	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 2022 Debt Service Payment
RDA: Roeding Business Park	\$2,118 Loaned	Loaned from the California Infrastructure and Economic Development Bank to be used to complete the Roeding Business Park	3.530%	3/18/2004	8/1/2033	Principal and interest due in annual installments. Secured by Tax Increment revenue received into the Roeding Business Park Project area.	\$75 to \$114	\$ 1,137	\$ 0	\$ 1,137	\$ 1,394	\$ 117
Notes Payable Total								\$ 1,137	\$ 0	\$ 1,137	\$ 1,394	\$ 117
Fiduciary Total								\$ 1,555	\$ 0	\$ 1,555	\$ 1,836	\$ 560
Grand Total								\$ 841,158	\$ (13,048)	\$ 828,110	\$ 1,055,804	\$ 69,348

## B. Debt Service Requirements (Excluding Capital Financing Activities)

The annual debt service requirements excluding capital financings for the City's long-term debt outstanding as of June 30, 2022 are as follows (in thousands):

Year Ending June 30	Governmental Activities		Business-Type Activities			Fiduciary Funds	
	Principal	Interest	Principal	Interest Accretion	Interest	Principal	Interest
2023	\$ 19,610	\$ 10,830	\$ 8,102	\$ 526	\$ 10,809	\$ 418	\$ 24
2024	19,045	9,716	6,177	539	10,399	—	—
2025	17,940	8,610	10,614	551	10,091	—	—
2026	18,270	7,546	11,149	561	9,500	—	—
2027	19,370	6,450	11,700	570	8,872	—	—
2028-2032	61,450	16,548	57,353	1,167	32,094	—	—
2033-2037	25,810	6,460	40,550	—	16,126	—	—
2038-2042	10,535	1,658	24,575	—	3,109	—	—
2043-2047	4,060	414	—	—	—	—	—
2048-2052	—	—	—	—	—	—	—
2053-2057	—	—	—	—	—	—	—
<b>Subtotal</b>	<b>196,090</b>	<b>68,232</b>	<b>170,220</b>	<b>3,914</b>	<b>101,000</b>	<b>418</b>	<b>24</b>
	<b>Direct</b>	<b>Direct</b>	<b>Direct</b>		<b>Direct</b>	<b>Direct</b>	<b>Direct</b>
	<b>Borrowings</b>	<b>Borrowings</b>	<b>Borrowings</b>		<b>Borrowings</b>	<b>Borrowings</b>	<b>Borrowings</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>		<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2023	220	49	12,617		5,059	78	39
2024	92	41	12,776		4,899	81	36
2025	96	38	12,938		4,737	83	33
2026	99	35	13,103		4,573	86	30
2027	103	31	13,270		4,405	89	27
2028-2032	572	97	68,858		19,421	496	84
2033-2037	258	9	64,789		14,878	224	8
2038-2042	—	—	64,513		10,013	—	—
2043-2047	—	—	136,826		4,746	—	—
2048-2052	—	—	25,651		383	—	—
2053-2057	—	—	—		—	—	—
<b>Subtotal</b>	<b>1,440</b>	<b>300</b>	<b>425,341</b>		<b>73,114</b>	<b>1,137</b>	<b>257</b>
<b>Issuance Premiums/ (Discounts)</b>	8,712	—	1,259	—	—	—	—
<b>Unaccreted Interest</b>	—	—	—	(837)	—	—	—
<b>Total</b>	<b>\$ 206,242</b>	<b>\$ 68,532</b>	<b>\$ 596,820</b>	<b>\$ 3,078</b>	<b>\$ 174,114</b>	<b>\$ 1,555</b>	<b>\$ 281</b>

## C. Debt Compliance

There are a number of limitations and restrictions contained in the various loan, note and bond indentures. The City believes it is in compliance with all significant limitations, restrictions and covenants.

## **D. Debt Management Policy**

The City maintains a Debt Management Policy (Policy) which sets forth certain debt management objectives, establishes overall parameters, and provides general direction in the planning, issuing, and administering of the City's debt. The purpose of the Policy is to assist in the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities and equipment which are beneficial to the City and necessary for providing essential services.

The Policy integrates the best practices of other debt management plans utilized by similar California cities and is consistent with the provisions of the City Charter, and any enabling legislation.

As part of the Lease Revenue Bond refinancing that took place in 2017, the City's Debt Management Policy was reviewed to ensure compliance with Senate Bill 1029 (SB 1029). That update was approved by Council on April 6, 2017.

## **E. Legal Debt Limit and Legal Debt Margin**

Article XVI, Section 18 of the California Constitution, (the "debt limit") prohibits cities (including chartered cities), counties, and school districts from entering into indebtedness or liability that in any year exceeds the income and revenue provided for such year unless the local agency first obtains two-thirds voter approval for the obligation. This general limitation has several important exceptions as described below. It is important to remember that this limitation applies not only to traditional bonds, but could apply to many forms of indebtedness or liability, such as installment payment obligations, long-term service or construction contracts, letter-of-credit reimbursement agreements, and other types of arrangements commonly seen in public finance transactions. In determining whether the arrangement under consideration might pose a problem under the debt limit it is useful to ask the following questions:

- Does the arrangement provide for payment in future fiscal years that comes out of revenue generated in those years?
- Does the arrangement call for payments by a city, county, or school district (as opposed to other types of governmental agencies)?

If the answer to these two questions is "yes", then the analysis should proceed to determine if one of the exceptions to the debt limit applies. There are three major exceptions to the debt limit that have been recognized by California courts: the Offner-Dean lease exception, the special fund doctrine, and the "obligations imposed by law" exception.

As of June 30, 2022, the City's debt limit (20% of valuation subject to taxation) was \$8.48 billion. This number was calculated by taking the Total Assessed Values (Gross) from the County of Fresno Tax Rate Book, page 14 multiplied by 20%. This is in comparison with debt limits of \$8.17 billion in 2021. The City's legal debt margin is equal to the City's debt limit because it has no debt subject to the limitation.

## **F. Arbitrage**

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. The requirements stipulate, in general, the earnings from the investment of tax-exempt bond proceeds that exceed related interest expenditures on the bonds must be remitted to the federal government on every fifth anniversary of each bond issue. The City has evaluated each general obligation bond and lease revenue bond issue subject to the arbitrage rebate requirements and has deferred credits and other liabilities in the governmental funds. Each Enterprise Fund has performed a similar analysis of the debt the respective enterprise has issued which is subject to arbitrage rebate requirements. Any material arbitrage liability related to the debt of the Enterprise Funds has been recorded as a liability in the respective fund. In addition, the Successor Agency to the former Redevelopment Agency records any arbitrage liability in deferred credits and other liabilities. As of June 30, 2022, the City had an arbitrage liability of \$68,919 related to the 1993A Sewer Revenue Bonds.

## **G. State Loan Program (Projects Currently In Progress)**

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 is due in semiannual installments for 30 years. As of June 30, 2022, 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 \$70,600,000 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 is due in semiannual installments on the amount received by the City through the interest payment date. As of June 30, 2022, the City has received \$68,322,664 in proceeds. Debt service payments will be funded from revenues of the Sewer Enterprise. Once construction is completed, annual debt 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 is due in semiannual installments for 30 years. As of June 30, 2022, the City has received \$21,379,590 in proceeds. Debt service payments will be funded from revenues of the Water Enterprise. Construction is now completed, the annual debt is \$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 from Kings River to the Southeast Water Treatment Facility. The interest rate is fixed at 1.6% for the term of the loan. Principal and

interest is due in semiannual installments for 30 years. As of June 30, 2022, the City has received \$57,615,335 in proceeds. Debt service payments will be funded from revenues of the Water Enterprise. The project is now complete and the annual debt is \$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 transport water from facilities throughout the City. The interest rate is fixed at 1.6% for the term of the loan. Principal and interest is due in semiannual installments for 30 years. As of June 30, 2022, the City has received \$67,436,972 in proceeds. Debt service payments will be funded from revenues of the Water Enterprise. The project is now complete and the annual debt is \$3,195,506.

On November 26, 2016, the City entered into a 30-year agreement to borrow \$14,000,000 from the California State Water Resources Control Board for construction of a new surface water treatment facility in the northeast portion of the City. 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, 2022, the City has received \$4,520,433 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 \$79,570 plus interest of \$20,303. Once construction is completed, the annual debt is estimated to be \$606,000.

## **H. Capital Financing Activities**

The City has entered into several Master Lease Agreements that allowed for a set amount of financing over the term of the Master Lease. Several financings took place under these Master Leases whose maturities exceeded the term of the agreement. These agreements qualify as capital financing activities for accounting purposes. Prior capital financing agreements with outstanding balances are with Community Leasing Partners and Key Government Finance, Inc.

On December 13, 2013, the City entered into a Master Lease Agreement with Dell Financial Services to finance the purchase of computers. Each schedule represents a separate capital financing purchase with annual upfront payment terms provided by the lender at the time the computers are purchased. To date, there have been forty-five schedules executed totaling \$1,166,318 with interest rates ranging from 3.96% to 10.15% and terms between three and five years. As of June 30, 2022, four of these financed purchases remain outstanding.

On January 13, 2017, the City entered into a Master Equipment Lease-Purchase Agreement with Banc of America Public Capital Corp. (BAPCC). Each schedule represents a separate capital financing with annual upfront payment terms provided by the lender at the time the equipment is purchased. There were nineteen schedules executed totaling \$25,184,972 with interest rates ranging from 1.92% to 3.16% and terms between five and ten years. Early in fiscal year 2019, the City reached the maximum amount available to borrow under this master agreement which was \$25 million.

On December 6, 2018, the City entered into a new Master Equipment Lease-Purchase Agreement with BAPCC. This agreement expired at an aggregate on December 31, 2021. There were twenty schedules executed totaling \$17,832,047 with interest rates ranging between 0.91% and 2.83%.

On October 14, 2019, the City entered into a new \$134,076 lease purchase agreement with AT&T Capital Services, Inc. at a rate of 3.87%. The funds were used to update communication equipment on fire vehicles.

On February 21, 2020, the City entered into a new \$5.6 million lease purchase agreement with Alliance Funding Solution, Inc., at a rate of 2.95%. The funds were used to install solar equipment and other energy efficient equipment at both City Hall and the City's Municipal Service Center.

On January 13, 2022, the City entered into a new Master Equipment Lease-Purchase Agreement with BAPCC. Each schedule represents a separate capital financing with annual upfront payment terms provided by the lender at the time of financing. The purpose of these finance purchases is to finance new and replacement equipment throughout the City. To date, there have been three schedules executed totaling \$4.4 million with interest rates ranging from 1.66% to 2.76% and terms of five years. This new master agreement will expire at an aggregate of \$35 million financed or December 31, 2024, whichever comes first.

On February 10, 2022, the city entered into a 15-year agreement to borrow \$19.9 million from Alliance Building Solutions, Inc for a design-build contract to build turn-key PARCS and Public Safety facilities which will include upgrades to lighting to convert to LED efficient lighting, HVAC upgrades and replacements, system controls and monitoring, lighting controls, and transformer upgrades for implementation of a robust list of energy related and sustainability services. The interest rate is fixed at 2.62% for the term of the lease. Principal and interest due in semiannual installments that begin on August 16, 2022. Expected energy bill savings are expected to exceed \$23 million over the life of the agreement by creating 3.5 million kilowatt hours per year, which is equivalent to taking 539 gas-powered vehicles off the road every year or powering nearly 300 homes annually. This aligns with the City's GHG Reduction Plan (Climate Action Plan) Municipal Strategies section 5.1.7 which targets GHG emissions generated at City facilities and operations.



The following table lists the City's capital financing activities by lender as of June 30, 2022 (in thousands):

Lender	Date of Loan	Term (Years)	Purchased	Interest Rate	Annual (P&I Payment)
Community First National Bank	7/13/2015	10	2015 Smeal Engines on Spartan Metrostar Chassis (4)	2.92%	\$ 105
Community First National Bank	9/22/2015	10	2015 Smeal Engines on Metrostar (3) & Aerial on Gladiator (1)	2.69%	340
Community First National Bank	2/22/2016	10	2015 Smeal Engine & 2016 Water Tender on Kenworth	2.09%	157
Dell Financial Services	9/1/2018	5	Dell OptiPlex 5050SFF(36) & Latitude 3580 (6)	5.63%	10
Dell Financial Services	3/1/2020	4	Dell Latitude Laptops (3)	3.96%	1
Dell Financial Services	5/1/2020	4	Computers Various Models (55)	4.28%	14
Dell Financial Services	5/1/2020	3	Computers Various Models (85)	5.32%	37
Key Government Finance, Inc.	4/10/2019	5	City-Wide Data System	3.88%	1,950
Banc of America Public Capital Corp	4/10/2017	5	Fire Chevy Silverado Pickup	2.07%	10
Banc of America Public Capital Corp	5/2/2017	10	Fire Engines & Pumpers	2.52%	464
Banc of America Public Capital Corp	5/11/2017	5	Police Vehicles (84)	1.96%	692
Banc of America Public Capital Corp	11/20/2017	5	Police Vehicles (55)	2.14%	587
Banc of America Public Capital Corp	8/1/2017	5	Police Motorcycles (14) & Fire Vehicles (9)	1.92%	164
Banc of America Public Capital Corp	11/29/2017	5	DARM Ford F-150 Pickup Trucks (24)	2.14%	115
Banc of America Public Capital Corp	11/23/2017	7	Microwave Data & Radio Console Network	2.46%	783
Banc of America Public Capital Corp	2/2/2018	5	Police MAGEC Vehicles (4)	2.44%	28
Banc of America Public Capital Corp	4/24/2018	5	DARM Ford-150 Pickup Trucks (14) & Parks (4)	2.62%	95
Banc of America Public Capital Corp	6/26/2018	10	Fire Ladder Truck & Pumpers (3)	3.16%	371
Banc of America Public Capital Corp	7/2/2018	5	Police CIT Vehicles (5)	2.76%	134
Banc of America Public Capital Corp	7/17/2018	5	Parks Ford Transit Wagon (1)	2.74%	4
Banc of America Public Capital Corp	7/17/2018	5	Police MAGEC Vehicle (1)	2.74%	7
Banc of America Public Capital Corp	9/14/2018	5	Fire Light Duty Vehicles (5)	2.73%	34
Banc of America Public Capital Corp	9/28/2018	5	Parks John Deere Tractor (1)	2.75%	9
Banc of America Public Capital Corp	10/5/2018	5	Police Vehicles (50)	2.84%	540
Banc of America Public Capital Corp	10/11/2018	5	Police Motorcycles (10)	2.86%	67
Banc of America Public Capital Corp	11/2/2018	5	DARM Ford-150 Pickup Trucks (27)	2.91%	147
Banc of America Public Capital Corp	11/9/2018	5	Police Undercover Vehicles (33)	2.90%	193
Banc of America Public Capital Corp	3/20/2019	5	Police SRO Vehicles (16) & Undercover (2)	2.73%	204
Banc of America Public Capital Corp	4/2/2019	5	Police F-150 Super Crew Pickup Trucks (15)	2.72%	118
Banc of America Public Capital Corp	5/29/2019	10	Fire Pumper Trucks (3)	2.83%	239
Banc of America Public Capital Corp	6/6/2019	5	Police Undercover Vehicles (10)	2.43%	109
Banc of America Public Capital Corp	8/30/2019	5	2019 Police Motorcycles (10)	1.90 %	75
Banc of America Public Capital Corp	11/12/2019	5	2020 Fire Ford Escapes (4), Ford F-250's (2)	1.95 %	60
Banc of America Public Capital Corp	2/11/2020	5	2020 Police U.C. Vehicles (28)	1.97 %	197
Banc of America Public Capital Corp	4/10/2020	5	2020 Police Vehicles (30)	1.11 %	359
Banc of America Public Capital Corp	4/21/2020	5	2020 Police U.C. Vehicles (3)	1.09 %	26
Banc of America Public Capital Corp	5/4/2020	5	2020 Fire Ford F-350 (1) & Ford Interceptor (1)	1.03 %	31
Banc of America Public Capital Corp	5/15/2020	10	2020 Fire Engines (4)	1.34 %	311
AT&T Capital Services, Inc.	10/14/2019	5	Cradlepoint System	3.87 %	33
Alliance Funding Solutions, Inc.	2/21/2020	15	Energy Efficient Equipment and Solar PPA (City Hall & MSC)	2.95 %	417
Banc of America Public Capital Corp	8/17/2020	10	Type III Fire Engines (2)	1.26%	82
Banc of America Public Capital Corp	11/19/2020	5	PARCS Ford Transit Van (1)	0.92%	8
Banc of America Public Capital Corp	11/19/2020	5	Freightliner Street Sweepers (2)	0.92%	163
Banc of America Public Capital Corp	1/19/2021	5	Fire Ford F-250 (1)	0.91%	10
Banc of America Public Capital Corp	2/19/2021	5	Fire Squad Vehicle (1)	0.92%	29
Banc of America Public Capital Corp	3/25/2021	5	IPS Parking Meters	1.03%	413
Banc of America Public Capital Corp	6/9/2021	10	Fire Engines (2) & Truck (1)	1.73%	319
Banc of America Public Capital Corp	6/18/2021	5	Fire Light Duty Vehicle (3)	1.06%	60
Banc of America Public Capital Corp	11/3/2021	5	2021 Undercover Vehicles (5)	1.32%	21

Lender	Date of Loan	Term (Years)	Purchased	Interest Rate	Annual (P&I Payment)
Banc of America Public Capital Corp	2/8/2022	5	2021 Fire Ford F-350 Chassis (8)	1.66%	730
Banc of America Public Capital Corp	5/11/2022	5	2022 Fire Ford Vehicles (13)	2.76%	757
Banc of America Public Capital Corp	6/16/2022	5	2022 Dodge Durangos (33)	2.70%	2,891
Total					<u>\$ 14,720</u>

Capital Financing Activities debt service requirements are presented below (in thousands). Interest rates range from 0.91% to 5.63%.

Year Ended	Governmental Activities	
	Principal	Interest
June 30		
2023	\$ 9,654	\$ 1,218
2024	9,326	993
2025	6,246	785
2026	4,959	653
2027	4,057	544
2028-2032	10,231	1,712
2033-2037	8,095	573
<b>Total</b>	<u>\$ 52,568</u>	<u>\$ 6,478</u>

#### I. General Fund Short-Term Borrowing Obligations

The City did not issue any short-term debt during fiscal year 2022 and did not have any short-term debt outstanding during the fiscal year.

#### J. Unused Lines of Credit

The following table lists the City's unused lines of credit as of June 30, 2022 (in thousands):

Line of Credit	Contract Amount	Used	Unused
<b>CA State Water Resources Control Board</b>			
Drinking Water State Revolving Fund (1010007-32C)	\$ 14,000	\$ 4,520	\$ 9,480
<b>Banc of America Public Capital Corporation</b>			
Police Vehicles	9,233	5,626	3,607
Fire Vehicles	583	517	66
Microwave Data & Radio Console Network	5,018	4,685	333
<b>Key Government Finance, Inc</b>			
Citywide Data System	9,500	9,189	311
<b>Alliance Funding Solutions, Inc.</b>			
Energy Efficient Equipment & Solar	21,803	9,361	12,442
<b>Total</b>	<u>\$ 60,137</u>	<u>\$ 33,898</u>	<u>\$ 26,239</u>

**K. Debt Collateral**

The following table lists the City's assets that are pledged as collateral for various City debts:

Debt	Asset Pledged	Expiration Date
<b>JPFA Lease Revenue Bonds</b>		
1998 B Exhibit Hall Expansion Project	Fresno Convention Center, 848 M. Street	September 1, 2028
2001 A&B Stadium Project	Fire Station #19, 2187 W. Belmont Ave	June 1, 2031
	Saroyan Theater, 730 M. Street	June 1, 2031
2004 A,B,C Various Capital Projects	Convention Center Parking Garage, Inyo & O Streets	October 1, 2034
	Fire Station #15, 5630 E. Park Circle	October 1, 2024
	Fire Station #17, 10512 N. Maple Ave	October 1, 2024
2008 F Convention Center 2017 A Various Refunding Bond	Fresno City Hall, 2600 Fresno Street	April 1, 2046
	Fire Station #16, 2510 N. Polk Ave	April 1, 2039
	Fresno Memorial Auditorium, 2425 Fresno Street	April 1, 2039
	Fresno Municipal Center, 1325 El Dorado Street	April 1, 2039
	Parking Garage #4, 1919 Tulare Street	April 1, 2039
	Parking Garage #8, 1077 Van Ness Ave	April 1, 2024
	Police Regional Training Center, 6375 W. Central Ave	April 1, 2039
	Selland Arena, 700 M Street	April 1, 2024
	Chukchansi Park, 1800 Tulare Street	April 1, 2031
	Valdez Hall, 702 M Street	April 1, 2039
	Southern Portion of Woodward Park, 7775 N. Friant Road	April 1, 2024
2020 A Animal Services Center	Fresno City Hall, 2600 Fresno St.	April 1, 2046
<b>California Infrastructure &amp; Development Bank</b>		
Roeding Business Park Loan	City Hall Annex, 2326 Fresno Street	August 1, 2033
<b>U.S. Department of Housing and Urban Development</b>		
Neighborhood Streets & Parks Loan	Al Radka Park, 5897 E. Belmont Ave	August 1, 2022
	Jaswant Singh Khaira Park, 3861 W. Clinton Ave	August 1, 2022
	Todd Beamer Park, 1890 E. Plymouth Way	August 1, 2022
	Romain Playground, 745 N. First Ave	August 1, 2022

**L. Significant Events of Default, Termination and Subjective Acceleration Clauses**

The City's debt agreements contain the following terms regarding significant Events of Default, Termination and Subjective Acceleration Clauses:

**Bonds**

For all City bonds, an Event of Default is generally classified as one or more of the following (1) nonpayment or late payment of principal and/or interest due on the bonds, (2) failure to be in compliance with debt covenants and agreements, and (3) the City filing for bankruptcy. If an Event of Default occurs, the majority owners of the bonds (not less than 51%) may declare the principal amount of all bonds outstanding and the interest accrued on them to be due and payable immediately. This applies to all City bonds except for the Series 2003 Tax Allocation Bonds. Only 25% of bond owners are required to declare the bonds due and payable immediately.

The City's bond agreements do not contain Subjective Acceleration Clauses.

### **Notes & Loans**

For City loans associated with the construction of Water Supply Disinfection Buildings, improvements to the Enterprise and Jefferson Canals, and the City's Water Meter Project, an Event of Default is generally classified as one or more of the following: (1) nonpayment of any installment when due, (2) failure to make any remittances required by the agreement, (3) substantial breach to the agreement, (4) making any false warranty, representation, or statement with respect to the agreement, and (5) loss, theft or damages to any collateral given as security under the agreement. In an Event of Default, the State of California may do any or all of the following: (1) declare the City's obligations due and payable immediately, (2) terminate any obligation to make further cash disbursements to the City, and (3) exercise all rights and remedies available to a secured creditor after default.

For City loans associated with the Southeast Surface Water Treatment Facility, the Regional Transmission Mains, the Enterprise Canal Raw Water Pipeline, the Kings River Pipeline, the Southwest Quadrant Recycled Water Distribution System, and the Tertiary Treatment Facility, the agreements can be terminated by the State Water Resources Control Board (SWRCB) if the City violates any material provision of the agreement. Some examples of violations would be if the City fails to notify the SWRCB of (1) principal and interest payment delinquencies, (2) unscheduled draws on debt service reserves, (3) bankruptcy or insolvency of the City. If a termination event occurs, the City can be demanded by the SWRCB to immediately repay an amount equal to the funds disbursed to them plus accrued interest and penalties.

For City loans associated with HUD Section 108, an Event of Default under these agreements is generally classified as one or more of the following: (1) failure to pay an installment of principal or interest due, (2) failure to properly comply with any covenant or condition of the agreement, and (3) failure to comply substantially with Title I of The Housing and Community Development Act of 1974. In an Event of Default, the Department of Housing and Urban Development Secretary (Secretary) may do any or all of the following: (1) use funds or security pledged under the agreement to (a) continue to make payments due on the note, (b) make an acceleration payment of the principal amount subject to Optional Redemption, (c) pay any interest due for late payment, or (d) pay any other expense incurred by the Secretary as a result of the City's default; (2) withhold the grants not yet disbursed; (3) direct the City's financial institution to refuse to honor any draws on the Guaranteed Loan Funds Account or the Loan Repayment Account by the City; (4) accelerate the note amount subject to Optional Redemption, and (5) exercise any other remedies available by law including recovery of Guaranteed Loan Funds or reimburse any expense incurred as a result of City's default.

For the City loan associated with Roeding Business Park, an Event of Default under this agreement is classified as one or more of the following: (1) failure to pay principal and interest on the loan, (2) the occurrence of an event of default with any parity debt or subordinate debt which causes all principal of parity or subordinate debt to become due and payable immediately, (3) failure to comply with any of the covenants or conditions of the agreement, (4) filing for bankruptcy, (5) any false representation by the City, and (6) failure to pay amounts due under any other City debt if unpaid amount shall exceed \$50,000. In an Event of Default, the California Infrastructure Bank may (1) declare the principal of the loan and the accrued interest on all unpaid balances to be due and payable immediately and (2) exercise any other remedies available by law.

The City's note and loan agreements do not contain Subjective Acceleration Clauses.

### **Capital Financing Activities**

For all City's financed purchases associated with Banc of America Public Capital Corp (BAPCC), an Event of Default is classified as one or more of the following: (1) failure to pay in full the rental payment due, (2) failure to comply with any covenant or agreement of the lease, (3) filing for bankruptcy, (4) any warranty, representation or statement made by the City to be found materially incorrect, (5) any default occurring under any other debt agreement the City has, and (6) the City selling, leasing, or encumbering any of the equipment under the lease. In an Event of Default, BAPCC may do any or all of the following: (1) immediately terminate the lease and repossess the equipment and (2) exercise any other remedies available by law.

For the City's financed purchases associated with Key Government Finance, Inc., an Event of Default is classified as one or more of the following: (1) failure to pay any rental payment, (2) failure to observe and perform any covenant or condition under the agreement, (3) any warranty, representation or statement made by the City to be found materially incorrect, and (4) filing for bankruptcy by the City. In an Event of Default, Key Government Finance, Inc. may do any or all of the following: (1) declare all rental payments and other amounts payable to the end of the then current budget year to be due, (2) retake possession of the property under the lease, (3) instruct the escrow agent to release all proceeds and any earnings thereon to Key Government Finance, Inc. and (4) take any action that is permitted by law to protect its rights under the agreement.

For the City's financed purchases associated with Alliance Funding Solutions, Inc., an Event of Default is classified as one or more of the following: (1) failure to make rental payments when due, (2) failure to maintain insurance on leased property, (3) failure to perform or observe any obligations, covenants or conditions under the lease, (4) filing for bankruptcy by the City, and (5) any warranty, representation or statement made by the City to be found materially incorrect. In an Event of Default, lessor may do any or all of the following: (1) require the City to pay all amounts currently due and all payments remaining due during the fiscal year in which default occurs, (2) exercise any other remedies available under the law, (3) take possession of the equipment and sell or lease it to pay for past due lease payments owed by the City, (4) terminate the lease, and (5) terminate the escrow fund and apply any remaining amount to the balance owed by the City.

The City's capital lease agreements do not contain Subjective Acceleration Clauses.

## Note 8. Interfund Activity

### A. Due to/from Other Funds

Due to/from Other Funds represents short-term borrowings resulting from a fund's temporary need for additional cash. Primarily, these amounts have been recorded when timing differences between when the services are provided and when they are paid for/reimbursed causes the funds to temporarily overdraw their share of pooled cash. These balances are generally expected to be repaid within the next few months and not longer than a 12-month fiscal operating cycle.

The composition of interfund balances as of June 30, 2022, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 3,734
	Nonmajor Governmental Funds	2,310
	Nonmajor Enterprise Funds	512
	Internal Service Funds	8,035
		<u>14,591</u>
Grants Special Revenue Fund	Internal Service Funds	<u>1,749</u>
Nonmajor Governmental Funds	Grants Special Revenue Fund	161
	Internal Service Funds	2,518
	Fiduciary Funds	103
		<u>2,782</u>
Water System	Grants Special Revenue Fund	78
	Internal Service Funds	9,738
		<u>9,816</u>
Sewer System	Grants Special Revenue Fund	88
	Solid Waste Management	1
	Internal Service Funds	6,624
		<u>6,713</u>
Solid Waste	Grants Special Revenue Fund	41
	Internal Service Funds	2,983
		<u>3,024</u>
Transit	Grants Special Revenue Fund	107
	Internal Service Funds	54
		<u>161</u>

Receivable Fund	Payable Fund	Amount
Airports	Grants Special Revenue Fund	43
	Internal Service Funds	400
		<u>443</u>
Nonmajor Enterprise Funds	Grants Special Revenue Fund	8
	Internal Service Funds	901
		<u>909</u>
Internal Service Funds	General Fund	1,100
	Grants Special Revenue Fund	133
	Nonmajor Government Funds	345
	Water System	115
	Sewer System	136
	Solid Waste Management	563
	Transit	139
	Airports	35
	Nonmajor Enterprise Funds	133
	Internal Service Funds	145
		<u>2,844</u>
<b>Total Due to/from Other Funds</b>		<u><u>\$ 43,032</u></u>



## **B. Advances**

Advances represent long-term borrowing between funds.

### ***Fire Headquarters***

In fiscal year 2018, the General Fund borrowed \$3.1 million from the Wastewater Operation Fund and the Sewer Stabilization Fund in order to provide sufficient funding for the purchase of the Fire Department's Headquarters Building. The governing resolution formalizing this advance was adopted by Council on May 10, 2018. The term of the advance is five years and the rate of interest is equal to the rate of interest paid on the City's pooled deposits and investments. As of the effective date of the agreement (June 25, 2018) the interest rate was 1.35%. As of June 30, 2022, \$2.5 million has been repaid and \$0.6 million remains outstanding.

### ***Fire Station No. 18***

On November 14, 2019, a loan was executed between the City's UGM Area Wide Oversized Sewer fund, the City's UGM Wellhead Treatment Area 101S Fund, and the City of Fresno's Fire Station 18 Construction Fund, whereby funds were loaned to the Fire Station 18 Construction Fund to cover building costs of Fire Station 18. An amount not to exceed \$2.4 million was borrowed from the UGM Area Wide Oversized Sewer Fund and \$1.46 million was borrowed from the UGM Wellhead Treatment Area 101S Fund. The term of the loan will be not more than five (5) years and shall be repaid in full by July 31, 2024. Interest will accrue at a rate equal to the City's Pooled Investment Rate, which was 2.325% as of the effective date of the Loan Agreement. Each year, Fire Station 18 Construction Fund shall pay at least 1/5<sup>th</sup> of the principal balance of the loan plus interest accrued to the payment date. To the UGM Area Wide Oversized Sewer Fund, the annual principal payment is \$480,000, while the annual payment to the UGM Wellhead Treatment Area 101S Fund is \$291,450. As of June 30, 2022, \$3.9 million of proceeds from this loan had been transferred to the Fire Station 18 Construction Fund and \$1.4 million had been repaid.

### ***Animal Shelter***

On June 1, 2020, a loan was budgeted between the City's Water Enterprise Fund and the City of Fresno Animal Shelter Construction Fund, whereby funds were loaned to the Animal Shelter Construction Fund to cover building costs of a new Animal Shelter. An amount not to exceed \$18.5 million was budgeted to be borrowed from the Water Enterprise Fund. The term of the loan will be not more than five (5) years. Interest will accrue at a rate equal to the City's Pooled Investment Rate, which was 2.042% as of March 2020. Each year, the Animal Shelter Construction Fund shall pay at least 1/5<sup>th</sup> of the principal balance of the loan plus interest accrued to the payment date. During fiscal year 2021, bond proceeds from the 2020-A Animal Services Facility Lease Revenue Bonds became available to fund construction. As of June 30, 2021, no proceeds from the Water Fund had been or are expected to be transferred to the Animal Shelter Construction Fund.

### **DPU Facility**

On April 1, 2021, a loan was executed between the City's Water Division and the Solid Waste Division, whereby \$3.7 million 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, which was 1.78% as of the effective date of the loan agreement. 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. As of June 30, 2022, all \$3.7 million of proceeds from this loan had been transferred to the Solid Waste Fund and \$0.7 million had been repaid.

### **Valley Inn**

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 the City's homeless population, as well as providing rehabilitation and property management services. The term of the loan was originally set to expire on June 30, 2022 but was amended in FY '22 and now will expire on December 31, 2022. The loan will accrue interest at a rate equal to the City's pooled rate, which was 1.78% as of the effective date of the loan agreement. As of June 30, 2022, all \$10 million of proceeds from this loan had been transferred to the General Fund and \$0 had been repaid.

### **Redevelopment Agency**

Advances over the years between the City and the former Redevelopment Agency (RDA) were made to provide funds for the purpose of eliminating blight and developing, constructing, rehabilitating, and revitalizing Fresno's inner city neighborhoods, downtown, and industrial areas. The advances had all been secured by and payable from the incremental property tax revenues of the redeveloped properties. Interest rates varied between 5% and 9%, with payments on the advances and related interest based upon budgetary priority as approved by the former RDA.

In June 2011, all California RDAs were required to dissolve effective February 1, 2012. The law dissolving the RDAs called for the creation of a Successor Agency (SA) to wind down RDA business.

The initial dissolution law provided that the SA would pay "enforceable obligations" of the former RDA. However, the law initially excluded debt a former agency owed to the city that created it from the definition of enforceable obligations, unless the debt was created in the first two years following the agency's creation or was debt that represented third party obligations. Subsequent legislation allowed limited, conditional repayment of loans by the SA to the community that created it.

When the RDA dissolution process began, City staff considered it to be premature to consider the debt owed by the former RDA to the City as being current. Thus, an allowance for doubtful accounts was created by the City, which at June 30, 2011, totaled \$80.1 million. This amount, which was equal to the calculated amount of the debt, was reflective primarily of principal and interest accrued over the years on the advances. As payments on the debt have been received and legal decisions have

been rendered, which further defined an "enforceable obligation", staff revisited that initial allowance for doubtful accounts amount and refined it. At the end of fiscal year 2022, the allowance for doubtful accounts stood at \$6.5 million.

As the funds are received, 20% of any loan repayment received by the City must be deducted from the loan repayment amount and be transferred to the Low and Moderate Income Housing Fund. In fiscal year 2022, this amount totaled \$0.4 million. The repayment is reflected on the ACFR on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds, under the Special Revenue Low and Moderate Income Housing Fund.

On June 23, 2016, the City Council approved a resolution requiring any amount of the annual repayments of RDA debt that are received and not related to Enterprise Funds related loans would go toward the rebuilding of the City's Emergency Reserve Fund. Through June 30, 2022, the City had received \$32.4 million in loan repayments from the SA. With the adoption of the fiscal year 2019 budget and the corresponding achievement of a 10% reserve, these repayments became a General Fund revenue source.

#### City of Fresno Advances to Former Redevelopment Agency (In Thousands)

Receivable Fund	Principal Cumulative				Interest Cumulative				Total		
	Beginning Balance	Advances/ Adjustments	Payments/ Write-offs	Ending Balance	Beginning Balance	Accruals/ Adjustments	Payments/ Write-offs	Ending Balance	Total Receivable	Allowance for Doubtful	Receivable (Net of Allowance)
General Fund:											
General Fund	\$ 838	\$ —	\$ —	\$ 838	\$ 621	\$ 25	\$ —	\$ 646	\$ 1,484	\$ (1,484)	\$ —
Parking Trust	150	—	—	150	111	5	—	116	266	(266)	—
	988	—	—	988	732	30	—	762	1,750	(1,750)	—
Grants Special Revenue Fund	4,769	—	—	4,769	6,273	143	(2,165)	4,251	9,020	(2,172)	6,848
Nonmajor Governmental Funds:											
Gas Tax	1,150	—	—	1,150	858	34	—	892	2,042	(2,043)	(1)
	1,150	—	—	1,150	858	34	—	892	2,042	(2,043)	(1)
Fresno Convention Center	304	—	—	304	219	9	—	228	532	(532)	—
	304	—	—	304	219	9	—	228	532	(532)	—
Total	\$ 7,211	\$ —	\$ —	\$ 7,211	\$ 8,082	\$ 216	\$ (2,165)	\$ 6,133	\$ 13,344	\$ (6,497)	\$ 6,847

Subsequent to fiscal year-end, the City received a reimbursement on loans made to the former RDA. The amount received was \$2.3 million, of which \$1.9 million was paid to the City and \$0.5 million was paid to the Housing Successor.

#### Redevelopment Agency - Housing Assets

The City became the "Housing Successor" of the former RDA's Housing Assets. These assets were transferred to the City, who has sole legal authority to administer housing assets pursuant to the Redevelopment Dissolution Laws. This allows the City to complete projects under contract, liquidate surplus real estate and distribute proceeds to taxing entities, pursue repayment of RDA obligations to the City, and administer housing assets.

### Other Advances

The Sewer System sold land to the General Fund for the purpose of constructing a regional public safety training facility. Interest for the advance is equal to two percent (2%) above the City's monthly Pooled Investment Rate. The first interest only payment was due July 31, 2008. Principal, at not less than 1/29<sup>th</sup> of the original principal, and interest payments are due annually thereafter. The remaining advances are interest free and payable on demand. The amounts are not expected to be repaid within the next twelve-month fiscal operating cycle.

The composition of interfund balances (advances from/to other funds) as of June 30, 2022, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount
Grants Special Revenue Fund	Fiduciary Funds	\$ 6,848
Nonmajor Governmental Funds	Nonmajor Governmental Funds	62
Water System	Nonmajor Governmental Funds	1,050
	Solid Waste	2,969
		4,019
Sewer System	General Fund	10,862
	NonMajor Governmental Funds	1,440
		12,302
<b>Total Advances</b>		<b>\$ 23,231</b>

### C. Transfers

Transfers represent subsidies by one fund to another in accordance with the budget and provide for various City programs and provide resources for the payment of debt service.

The following is a summary of interfund transfers for the fiscal year ended June 30, 2022 (in thousands):

Receiving Fund	Paying Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 4,291
	Nonmajor Governmental Funds	2,643
	Solid Waste Management	708
	Transit	597
	Internal Service Funds	348
		<u>8,587</u>
Grants Special Revenue Fund	General Fund	334
	Nonmajor Governmental Funds	1,748
	Internal Service Funds	18
		<u>2,100</u>
Nonmajor Governmental Funds	General Fund	26,120
	Grants Special Revenue Fund	695
	Nonmajor Governmental Funds	24,040
	Water System	378
	Sewer System	346
	Solid Waste Management	325
	Transit	856
	Airports	268
	Nonmajor Enterprise Funds	97
	Internal Service Funds	888
		<u>54,013</u>
Water System	General Fund	<u>1</u>
Sewer System	General Fund	<u>1</u>
Solid Waste Management	General Fund	666
	Nonmajor Enterprise Funds	928
		<u>1,594</u>
Airports	General Fund	<u>—</u>
Fresno Convention Center	General Fund	<u>6,122</u>
Stadium	General Fund	<u>3,694</u>
Nonmajor Enterprise Funds	General Fund	<u>1,300</u>
Internal Service Funds	General Fund	1,783
	Grants Special Revenue Fund	1,252
	Water System	1,095
		<u>4,130</u>
<b>Total Transfers</b>		<u><u>\$ 81,542</u></u>

The General Fund transferred \$26.1 million to Nonmajor Governmental Funds to provide support for debt service payments and capital projects; \$6.1 million to the Convention Center for debt service as well as general operating support; \$1.8 million to Internal Service Funds for provided services; \$0.7 million to Solid Waste for transverse charges and \$3.7 million to the Stadium Fund for debt service payments.

The Grants Special Revenue Fund transferred \$68.3 million to the General Fund, \$0.1 million to Nonmajor Governmental Funds, and \$7.4 million to Proprietary Funds for Coronavirus Aid Relief, and Economic Security (CARES) Act eligible expenses.

Nonmajor Governmental Funds transferred \$28.4 million for debt service and miscellaneous purposes. Internal Service Funds transferred \$0.9 million to Nonmajor Governmental Funds for debt service payments. Enterprise Funds transferred \$2.3 million to Nonmajor Governmental Funds for debt service payments.

#### D. Recap of Interfund Activity

The following schedule recaps Interfund Activity at June 30, 2022 (in thousands):

	Due from Other Funds	Due to Other Funds	Advances Receivable from Other Funds	Advances Payable to Other Funds	Transfers In	Transfers Out
<b>Governmental Funds:</b>						
General Fund	\$ 14,591	\$ 1,100	\$ —	\$ 10,862	\$ 8,587	\$ 40,021
Grants Special Revenue Fund	1,749	4,393	6,848	—	2,100	6,238
Nonmajor Governmental Funds	2,782	2,655	62	2,552	54,013	28,431
Total Governmental Funds	19,122	8,148	6,910	13,414	64,700	74,690
<b>Proprietary Funds:</b>						
Water System	9,816	115	4,019	—	1	1,473
Sewer System	6,713	136	12,302	—	1	346
Solid Waste Management	3,024	564	—	2,969	1,594	1,033
Transit	161	139	—	—	—	1,453
Airports	443	35	—	—	—	268
Fresno Convention Center	—	—	—	—	6,122	—
Stadium	—	—	—	—	3,694	—
Nonmajor Enterprise Funds	909	645	—	—	1,300	1,025
Internal Service Funds	2,844	33,147	—	—	4,130	1,254
Total Proprietary Funds	23,910	34,781	16,321	2,969	16,842	6,852
<b>Fiduciary Funds:</b>						
Major Governmental Funds	—	—	—	6,848	—	—
Total Fiduciary Funds	—	103	—	6,848	—	—
<b>Total</b>	<b>\$ 43,032</b>	<b>\$ 43,032</b>	<b>\$ 23,231</b>	<b>\$ 23,231</b>	<b>\$ 81,542</b>	<b>\$ 81,542</b>

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## **Note 9. Defeasances**

### **Current Year Defeasances**

The City had no defeasance or refunding of debt for the fiscal year ending June 30, 2022.



## Note 10. Risk Management Fund

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; automobile liability and accident claims; natural disasters; employee health benefit claim payments; and injuries to employees (workers' compensation). With certain exceptions, it is the policy of the City to use a combination of self-insurance and purchased commercial insurance against property, liability, or workers' compensation risks. The City believes it is more economical to manage its risks internally and set aside funds as needed for estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations. The City maintains limited coverage for certain risks that cannot be eliminated. The Risk Management Division investigates and manages all liability claims and property losses, evaluates risk exposure and insurance needs, protects against contractual loss by reviewing/preparing insurance and indemnification portions of contractual documents, emphasizes ongoing operational loss control, and purchases all insurance coverage for the City.

The City maintains General Liability insurance, with limits of liability of \$25 million per occurrence and \$35 million aggregate in Excess Liability coverage. There is a \$5 million self-insured retention (SIR). Coverage is provided by the Safety National Insurance Company (\$2 million/\$4 million) or Safety Specialty (\$2 million), depending on the line of coverage, and thereafter Safety Specialty Insurance Company (\$3 million/\$6 million), Allied Insurance Company (\$10 million/\$10 million), Hallmark Insurance (\$5 million / \$5 million) and Gemini Insurance (\$5 million/\$5 million). The City has procured Automobile Physical Damage coverage through Hanover Insurance Company with a \$10 million limit. For this policy, the deductible is \$50,000 for vehicles valued at less than \$150,000, while the deductible is \$100,000 for vehicles valued at \$150,000 or more. The City carries Government Crime coverages with a \$5 million limit secured through Zurich Insurance Company with a \$50,000 deductible. The City has Cyber liability coverage under AXA XL with a \$500,000 SIR and a \$5 million limit and excess Cyber liability coverage under Illinois Union Insurance Company (\$5 million /\$5 million). The City also maintains Airport Owners and Operators General Liability insurance and Aviation (Aircraft Liability), with limits of liability of \$100 million. There is no deductible or SIR. Coverage is provided by Old Republic Insurance Company through Phoenix Aviation Managers (Texas), Inc.

Furthermore, the City maintains Property insurance and Boiler and Machinery insurance with Travelers Insurance, with total insured values of \$2,189,263,752 and limits of liability of \$500,000,000. There is a \$100,000 deductible for most losses. Flood losses have a \$250,000 deductible. Property insurance does not cover losses due to seismic events. Finally, the City maintains Aviation (Aircraft Hull) insurance for two helicopters, with limits of liability of \$50 million. There is a 1.0% of insured value each claim, subject to a maximum of \$15,000, rotors in-motion deductible and \$0 rotors not in-motion deductible of each helicopter. Coverage is provided by Old Republic Insurance Company through Phoenix Aviation Managers (Texas), Inc.

The City's Workers' Compensation Program consists of \$2 million SIR, with purchased excess insurance layers up to the statutory limits. Settled claims have not exceeded the SIR in any of the last five fiscal years. The claims liabilities and workers' compensation liabilities reported on the Statement of Net Position have been actuarially determined and include an estimate of incurred but not reported losses.

The estimated liabilities of the Risk Management ISF as of June 30, 2022 are determined by the City based on recommendations from an independent actuarial evaluation. The liabilities are based on estimates of the ultimate cost of claims (including future claim adjustments expenses) that have been reported but not settled, and claims that have been incurred but not reported (IBNR). The claims liability of \$200.5 million reported in the Risk Management Internal Service Fund at June 30, 2022 is based on the requirement that claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The recorded liabilities for each program at June 30, 2022 are as follows (in thousands):

Workers' Compensation *	\$	145,151
Liability and Property Damage *		55,376
Total	\$	<u>200,527</u>

\* The liabilities for workers' compensation and general liability are presented at present value, using a discount rate of 3%.

Changes in the funds claims liability amount for the last two fiscal years are as follows (in thousands):

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2021	\$ 150,308	\$ 59,722	\$ 24,297	\$ 185,733
2022	\$ 185,733	45,009	30,215	200,527

See Note 10 Section G for changes in funds claims liability related to Employees Healthcare Plan.

## Note 11. Employee Benefit Programs

### A. Retirement Plans

The City sponsors two single-employer, contributory, defined benefit pension plans. The City of Fresno Employees Retirement System and the City of Fresno Fire and Police Retirement System (Systems) were established under Charter Section 910 and are governed by Article 5 Chapter 3 (Employees) and Articles 3 and 4 Chapter 3 (Fire and Police) of the City of Fresno Municipal Code, respectively. The Systems provide lifetime retirement, disability, and death benefits to its members.

The Systems are administered by their respective Retirement Boards (Boards) which operate in compliance with the City of Fresno Municipal Code, and also in accordance with the California Pension Protection Act of 1992. The Boards do not operate under the control of the City Council. Rather, the Boards have the sole and exclusive responsibility to administer the respective Systems in a manner that will assure prompt delivery of benefits and related services to the members and their beneficiaries.

### Membership and Benefit Eligibility

All permanent full-time employees of the City, except sworn Fire and Police personnel, are eligible to participate in the Employees' plan. The Fire and Police is one System with two tiers. Effective August 28, 2008, the City of Fresno added the Fire and Police Tier 2 for all full-time sworn Fire, Police and Airport safety personnel hired on or after that date (and closed the Fire and Police Tier 1 to new entrants). Employees become eligible for membership on their first day of full-time regular employment, and become fully vested after earning 5 years of service credit. Employees working in limited, interim, provisional, temporary, seasonal or part-time positions are not eligible to participate in the Systems. Participation is mandatory if an employee is eligible, except in the case of the City Manager, City Attorney, City Clerk, Department Heads and Council Assistants who may negotiate other retirement benefits if such an agreement is established by resolution of the Council as provided for in the Fresno Municipal Code (FMC) Section 5-318.

Total participants in each System were comprised of the following, as of June 30, 2022:

	Employees	Fire & Police	Total
<b>Active Members</b>			
Vested	1,384	856	2,240
Non-Vested	1,051	280	1,331
Total Active Members	2,435	1,136	3,571
<b>Retirees and Beneficiaries of Deceased Retirees</b>			
Retirees, Currently Receiving Benefits	2,167	1,154	3,321
Inactive Vested Members	202	58	260
Total Retirees and Inactive Members	2,369	1,212	3,581
<b>Grand Total</b>	<b>4,804</b>	<b>2,348</b>	<b>7,152</b>

## **Benefit Provisions**

The retirement (pension) benefits that Employees members receive are based upon a combination of age at retirement, years of credited service, final average monthly salary, and the distribution option selected by the participant. For Fire and Police, the benefits are further based upon the tier and option selected by the participant. Members' contributions, including interest, are 100% vested at all times. Employer contributions do not become vested until completion of five years of credited service, and are not payable until the member attains the age of 55. Effective January 28, 2008, members may retire between ages 50-55 with an actuarially equivalent service retirement benefit. For Fire and Police, the employer contributions do not become vested until completion of ten years of credited service under Tier 1 and five years of credited service under Tier 2. Those benefits are not payable until the member attains the age of 50 under both tiers. Contributions are made by the members and the employer at rates recommended by the Systems' actuary and adopted by the Boards.

## **Member Retirement Benefits**

Employee members are eligible for service retirement benefits upon completion of at least five years of service upon termination of service (if they have left their contributions and interest with the System) and are at least age 55. They are also eligible if their permanent termination from City service was caused by a layoff. In those cases, they can retire at age 50 at a reduced benefit. They may also be eligible for service retirement benefit if they have less than five years of service with the City, have established reciprocity with a prior employer, and are eligible to retire from that agency.

The service retirement monthly benefit calculated pursuant to the provisions of the Fresno Municipal Code is equal to 2% of final compensation times each of the first 25 years of accrued retirement service credit plus 1% of final compensation times any years of accrued retirement service credit in excess of 25 years, multiplied by the age factor at retirement age. Final average compensation consists of the highest average consecutive 36 months of earnable compensation calculated using the rate of pay in effect at the time of retirement.

Fire and Police members of Tier 1 are eligible to retire once they attain the age of 65 regardless of service, or at age 50 and have acquired ten or more years of retirement service credit. The Tier 1 monthly benefit for a member with at least 20 years of service who retires from active status is equal to 55% of final compensation plus 2% of final compensation for each year of service in excess of 20 years completed after age 50. For Tier 1, final average compensation consists of the final highest consecutive 36 months of compensation earnable calculated using the rate of pay actually earned by the member in effect at the time of retirement. Some members can elect to have their final compensation based on a rank average. Members of Tier 2 are eligible to retire once they attain the age of 65 regardless of service or at age 50 and have acquired 5 or more years of retirement service credit. The Tier 2 monthly benefit for a member who is age 55 or older is equal to 2.70% of final compensation times years of accrued retirement service credit. The maximum monthly retirement allowance is 75% of final compensation. Tier 2 final average compensation consists of the highest consecutive 36 months of compensation earnable before the date of retirement.

The members of each System may elect an unmodified retirement allowance, or choose one of four optional retirement allowances. Each of the optional retirement allowances require a reduction in the unmodified retirement allowance in order to allow the members the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member. For Employee members, the unmodified retirement allowance provides the highest monthly benefit and 50% continuance to an eligible surviving spouse or domestic partner. For Fire and Police members, the unmodified retirement allowance also provides the highest monthly benefit and a 66 2/3% continuance to an eligible surviving spouse or domestic partner.

The Municipal Code provides that the Retirement staff must research the percentage change in the Consumer Price Index (CPI) (US city-average for urban wage earners and clerical workers - all items) and propose that percentage to the appropriate Boards as the cost-of-living adjustments (COLA) to be adopted for the following year. This procedure must be completed by the end of April of each year for implementation in July (employees) or January (public safety). The COLA is limited to a 5% maximum change per year (employee) or 3% maximum change (public safety). Any excess over the maximum change is “banked” for use in a year where the percent of CPI change is less than the maximum.

The Fire and Police Tier 1 COLA depends on the type of method chosen by the member at retirement. If the member chose the Career Rank method, the COLA is a recalculation of his/her retirement based on the new salaries adopted for the current year. If the method chosen by the retiree is the final 3-year method, the COLA is based on the change in the weighted mean average compensation attached to all ranks in the department, with a cap of 5% per year. Any excess over the 5% is “banked” for use in years when the COLA calculated is less than 5%.

Each System also has a Deferred Retirement Option Program (DROP), which is an optional voluntary program that allows the member to have his or her retirement benefits deposited in a special account within the Systems while the member continues to work in his or her current position. It is a voluntary method of receiving a distribution of their retirement benefits; it is not an additional retirement benefit. Additional information on DROP may be found in the ACFR for each respective System.

### **Terminated Member Benefits**

If a member terminates before earning five years of credited service, the member forfeits the right to receive his or her service retirement benefit and is entitled to withdraw refundable contributions made, together with accumulated interest. If the member enters a reciprocal retirement system within 180 days (6 months) of terminating employment with the City and elects to leave their accumulated contributions on deposit with the System, then the member will receive a deferred retirement allowance when eligible.

### **Death and Disability Benefits**

Death benefits are based upon whether the death occurred before or after retirement. Disability benefits are based upon whether the member has at least ten years of credited service, over or under age 55 and whether the permanent incapacity is found to be service or non-service connected.

### **Basis of Accounting**

The Systems' financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America (GAAP), under which revenues are recognized when earned and deductions are recorded when the liability is incurred. Securities lending transactions are accounted for in accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*.

### **Valuation of Investments**

For financial reporting purposes, the Systems' investments are reported at fair value. Fair value for investments of publicly traded securities is based upon closing sales prices reported on recognized securities exchanges on the last business day of the period or, for listed securities having no sales reported and for unlisted securities, based upon last reported bid prices. All purchases and sales of securities are accounted for on a trade date basis. Dividends declared but not received are accrued on the ex-dividend date. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments in both bonds and mortgage backed pass-through certificates are carried at fair value. Cost values are derived from Master Custodial Transaction Records. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

For asset/liability calculation purposes and for actuarial purposes, asset valuation is based on market value of assets less unrecognized returns from each of the last five years. Unrecognized returns are equal to the difference between the actual market return and the expected return on a market value basis and are recognized over a five-year period. The Actuarial Value of Assets is reduced by the value of the non-valuation reserves.

### **Rate of Return**

For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of investment expense was 7.28%, for the Employees and Fire and Police. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



## **Reporting**

The following data is for employer reporting as required by GASB Statement No. 68 as of June 30, 2022. The results used in preparing the GASB Statement No. 68 report are comparable to those used in preparing the GASB Statement No. 67 report for the plan based on a reporting date and measurement date as of June 30, 2021. The valuation is based upon:

- The benefit provisions of the Systems as administered by the Boards;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2021;
- The assets of each Plan as of June 30, 2021;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee termination, retirement, death, etc.

The Total Pension Liability (TPL) and the Plans' Fiduciary Net Positions include liabilities and assets held for DROP, Post-Retirement Supplemental Benefits (PRSB) and City Surplus reserves. The Net Pension Liability (NPL) is equal to the difference between the TPL and the each Plan's Net Position. Each Plan's Fiduciary Net Position is equal to the market value of assets and, therefore, the NPL measure is very similar to an Unfunded/(Prefunded) Actuarial Accrued Liability calculated on a market value basis. The NPL was measured as of June 30, 2021 and determined from the actuarial valuations as of June 30, 2021. The Plans' Fiduciary Net Positions (Plan Assets) were valued as of the measurement dates. Consistent with the provisions of GASB Statement No. 68, the assets and liabilities measured as of June 30, 2021 were not adjusted or rolled forward to the June 30, 2022 reporting date. The discount rates used for each Plan to determine the TPL and NPL as of June 30, 2021 was 7.00%, following the same assumptions used by the Retirement Systems in the funding valuations as of the same dates.

## **Funding Policy**

The City contributes to the retirement plans based upon actuarially determined contribution rates adopted by the Boards. Employer contribution rates are adopted annually based upon recommendations received from the Retirement Systems' actuary after the completion of the annual actuarial valuation.

For the Employees System, the average employer contribution rate as of June 30, 2022, for 2021-2022 (based on the June 30, 2019 valuation) was 13.35% of compensation. The average employee member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2019 valuation) was 9.49% of compensation.

For the Fire and Police System, the average employer contribution rate as of June 30, 2022, for 2021-2022 (based on the June 30, 2019 valuation) was 22.56% of compensation. The average employee member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2019 valuation) was 8.89% of compensation.



All active Fire and Police members are required to make contributions to the System. Employee contribution rates vary in the First Tier according to entry age. The Tier 1 average member contribution rate as of June 30, 2022 for 2021-2022 (based on the June 30, 2019 valuation) was 0.00% of compensation. Employee contribution rates in the Second Tier are established at 9% of pensionable base pay.

The aggregate employer contribution rate for the Fire and Police System as of June 30, 2022 for 2021-2022 (based on the June 30, 2019 valuation) was 22.56% of compensation.

### **Actuarial Funding Policy and Actuarial Cost Methodology for Funding Purposes**

The City currently funds, at a minimum, the amounts recommended by the actuary and approved by the Boards. These minimum contributions are recognized currently in each System's statement of changes in fiduciary net position. Employees' contributions are funded and recognized currently through payroll deductions in amounts recommended by the actuary. Costs of administering the System are charged against System assets.

### **Funding Status and Method**

The Employees System Board adopted a Comprehensive Actuarial Funding Policy on November 7, 2012. For the Employees Retirement System, this policy included a change in actuarial cost methodology from the Projected Unit Credit (PUC) method previously used for funding purposes to the Entry Age Normal (EAN) method.

On the same date, the Fire and Police Board adopted a Comprehensive Actuarial Funding Policy. For the Fire and Police Retirement System, this policy included a change in actuarial cost methodology from the aggregate EAN funding method to the individual EAN method. The Boards made the change due to the adoption of GASB Statement No. 67 in fiscal year 2014.

### **Funding Requirements and Policy Components**

The Systems' annual funding requirements are comprised of a payment of the Normal Cost and a payment on the Unfunded Actuarial Accrued Liability (UAAL), if applicable. The Normal Cost and the amount of the payment on UAAL are determined by three components of the respective Board's funding policy: 1) Actuarial Cost Method - the techniques used to allocate the cost/liability of retirement benefits to a given period; 2) Asset Smoothing Method - the techniques that spread the recognition of investment gains or losses over a period of time for the purposes of determining the Actuarial Value of Assets used in the actuarial valuation process; and 3) Amortization Policy - the decisions on how, in terms of duration and pattern, to fund the difference between the UAAL and the Actuarial Value of Assets in a systematic manner.

As of June 30, 2022, the Systems did not have UAAL.

The Boards adopted an Amortization Policy, which sets forth the amortization procedures for funding any UAAL or amortization and allocation of any available Surplus in the Systems. A detailed

description of the policy can be found in the Notes to the Financial Statements for the Retirement Systems, which are located at <http://www.cfrs-ca.org/Employee/Communications/Reports.asp> for the Employees System or at <http://www.cfrs-ca.org/Fire-Police/Communications/Reports.asp> for the Fire and Police System.

The Systems use a 5-year smoothing of market gains and losses above and below the assumed actuarial rate of return to derive the actuarial value of assets. As of the fiscal year ended June 30, 2022, the actuarial valuation value of the Employees' System assets was \$1.450 billion with a funded percentage of 113.7% on a valuation value of assets, whereas the actuarial value of Fire and Police assets was \$1.791 billion with a funded percentage of 120.5% on a valuation value of assets.

### **Contributions Required and Contributions Made**

The employer's required normal contributions to the Systems have two components: basic and COLA. For fiscal year 2022, the City's required normal contributions (basic and COLA) to the Systems were as follows (in thousands):

	Normal Cost Employees System	
	FY 2022	
Employer Contributions	\$	21,950
Prior Year Contribution (Surplus)/Shortfall		70
Net Employer Contributions	\$	22,020
Pensionable Payroll	\$	154,031
Member Contributions	\$	15,493
Employer Contribution Rate		13.33%

Employer and employee contributions represented 13.35% and 9.49% respectively, of the fiscal year 2022 covered payroll for the Employees System.

	Normal Cost Fire and Police System (In Thousands)		
	FY 2022		
	Tier 1	Tier 2	Total
Employer Contributions	\$ 340	\$ 30,594	\$ 30,934
Prior Year Contribution (Surplus)/Shortfall	(93)	(3,285)	(3,378)
Net Employer Contributions	\$ 247	\$ 27,309	\$ 27,556
Pensionable Payroll	\$ 1,563	\$ 121,070	\$ 122,633
Member Contributions	\$ 92	\$ 10,881	\$ 10,973
Employer Contribution Rate	28.76%	25.27%	

Employer and employee contributions represented 22.56% and 8.89%, respectively, of the fiscal year 2022 covered payroll for the Fire and Police System.

**Net Pension Asset**

The net pension liability (asset) reported as of June 30, 2022 was measured as of June 30, 2021, and determined based upon the total pension liability (on GASB Statement No. 68 basis) from actuarial valuations as of June 30, 2021.

The City's total pension liability, plan fiduciary net position, and net pension liability (asset) for each System as of June 30, 2022 were as follows (in thousands):

	Employees System	Fire and Police System
Total Pension Liability	\$ 1,379,432	\$ 1,636,521
Plan Fiduciary Net Position	(1,731,238)	(2,090,370)
Net Pension Liability (Asset)	<u>\$ (351,806)</u>	<u>\$ (453,849)</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	125.5%	127.73%

**Changes in Net Pension Liability (Asset)**

The components of the net pension liability (asset) for each System as of June 30, 2022 and a measurement date of June 30, 2021 were as follows (in thousands):

	Employees System	Fire and Police System
<b>Total Pension Liability (Asset)</b>		
Beginning Balance	\$ 1,337,308	\$ 1,565,630
Service Cost	30,993	37,563
Interest	93,357	109,740
Differences Between Expected & Actual Experience	(12,980)	(5,449)
Benefit Payments, Including Refunds	(69,246)	(70,963)
Changes of Assumptions	—	—
Net Change in Total Pension Liability	42,124	70,891
Ending Balance	\$ 1,379,432	\$ 1,636,521
<b>Plan Fiduciary Net Position</b>		
Beginning Balance	\$ 1,360,837	\$ 1,635,300
Contributions - Employer	20,144	26,315
Contributions - Employee	13,750	10,256
Net Investment Income	407,811	491,744
Benefit Payments (Including Refunds, PRSB)	(69,246)	(70,963)
Administrative & Professional Expense	(2,058)	(2,282)
Net Change in Plan Fiduciary Net Position	370,401	455,070
Ending Balance	1,731,238	2,090,370
Net Pension Liability (Asset)	\$ (351,806)	\$ (453,849)

### **Discount Rate and Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The discount rate used to measure the TPL was 7.00% as of June 30, 2021 and June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarial determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension Plan Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2021 and June 30, 2020.

The following presents the NPL of the Employees and Fire and Police Retirement Systems as of June 30, 2021. The Systems use the current discount rate to measure the TPL for the measurement date of June 30, 2021, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

NPL of Employees and Fire and Police Retirement Systems As of June 30, 2021 (In Thousands)			
	1% Decrease	Current Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Employees System	\$ (190,533)	\$ (351,806)	\$ (483,823)
Fire and Police System	(228,661)	(453,849)	(634,724)

### **Long-Term Expected Real Rate of Return**

The long-term expected rate of return on the Systems' investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and net of inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expense, used in the derivation of the long-term expected rate of return assumption are summarized in the following table:

**Asset Class/Target Allocation/Long-Term Expected  
Rate Return Table**

**As of June 30, 2022**

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Weighted Average Long-Term Expected Rate of Return (Arithmetic)</b>
Large Cap U.S. Equity	18.0%	5.4%
Small Cap U.S. Equity	3.0%	6.17%
Developed International Equity	13.0%	6.13%
Emerging Market Equity	5.0%	8.17%
Private Equity	8.0%	7.18%
U.S. Core Bonds	1.3%	9.53%
Domestic Fixed Income	12.0%	39%
High Yield Bonds	—%	—%
Private Debt/Direct Lending	14.0%	5.93%
Midstream Energy	—%	—%
Real Estate	15.0%	4.59%
Private Real Assets - Infrastructure/Land	7.0%	6.19%
Private Credit - Credit Opportunities	2.5%	7.18%
Hedge Fund Macro	1.3%	2.72%
<b>Total</b>	<b>100.0%</b>	

### **Mortality Rates**

For the Employees System, the mortality rates used in the latest actuarial valuation are based on Pub-2010 General Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) times 105% for healthy members and beneficiaries, projected generationally with the two-dimensional mortality improvement scale MP-2018. For disabled members, the mortality rates used in the latest actuarial valuation are based on Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2018.

For the Fire and Police System the mortality rates used in the latest actuarial valuation are based on Pub-2010 Safety Healthy Retiree Amount-Weighted Mortality Table (separate tables for males and females) for healthy members, projected generationally with the two-dimensional mortality improvement scale MP-2018. For Beneficiaries, Pub-2010 General Healthy Retiree Amount Weighted Mortality Table (separate tables for males and females) times 105%, projected generationally with the two-dimensional mortality improvement scale MP-2018. For disabled members, Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two dimensional mortality improvement scale MP-2018. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

### **Actuarial Assumptions**

The TPL as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2021. The actuarial assumptions used in the valuation were based on the results of an experience study for the period from July 1, 2015 through June 30, 2018.

In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75% to 11.25%, varying by service, including inflation (Employees). 4.00% to 12.75%, varying by service, including inflation (Fire and Police).
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Other assumptions	See the Employees' Plan and the Fire and Police Plan June 30, 2022 Actuary Reports for the service retirement rates after they have been adjusted to treat DROP participation as service retirement.

### **Net Position Restricted for Pension Benefits**

Net position restricted for pension benefits is segregated into Active Members Reserve (members' accumulated contributions) and reserves established by the Boards for various benefit payments. Reserves are established by the Systems from member and employer contributions and the accumulation of investment income after satisfying investment and administrative expenses.

### **Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ending June 30, 2022, the City incurred pension expense of \$36.2 million for the employees Plan and \$39.6 million for the Fire and Police Plan for a total pension expense of \$75.8 million.



As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to the pensions as follows:

**Pension Expense and Deferred Outflows and Inflows of Resources**

(in thousands)

	<b>Employees</b>	<b>Fire and Police</b>
<b>Components of Pension Expense</b>	<b>System</b>	<b>System</b>
Service cost	\$ 30,993	\$ 37,563
Interest on the total pension liability	93,357	109,740
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(3,489)	(1,261)
Actual member contributions	(13,750)	(10,256)
Projected earnings on plan investments	(93,949)	(113,187)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(62,772)	(75,711)
Expensed portion of current-period effects of Assumption Changes	—	—
Administrative expense	2,058	2,282
Recognition of beginning of year deferred outflows of resources as pension expense	31,922	39,207
Recognition of beginning of year deferred inflows of resources as pension expense	(20,541)	(28,024)
<b>Pension Expense</b>	<b>\$ (36,171)</b>	<b>\$ (39,647)</b>

**Deferred Outflows of Resources and Deferred Inflows of Resources**

<b>Deferred Outflows of Resources</b>		
Contributions subsequent to Measurement Date	\$ 20,805	\$ 25,539
Changes of assumptions or other outputs	7,605	21,889
Difference between expected and actual experience in the Total Pension Liability	2,564	1,335
Net difference between projected and actual earnings on pension plan investments	—	—
<b>Deferred Outflows of Resources</b>	<b>\$ 30,974</b>	<b>\$ 48,763</b>
<b>Deferred Inflows of Resources</b>		
Net difference between projected and actual earnings on pension plan investments	\$ 198,793	\$ 240,358
Changes of assumptions	—	8,249
Difference between expected and actual experience in the Total Pension Liability	9,585	6,893
<b>Deferred Inflows of Resources</b>	<b>\$ 208,378</b>	<b>\$ 255,500</b>

The \$20.8 million and \$25.5 million reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total Pension liability during the fiscal year ending June 30, 2023. Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

2022	N/A	N/A
2023	\$ (40,299)	\$ (48,268)
2024	(44,873)	(47,169)
2025	(50,265)	(60,724)
2026	(62,772)	(76,115)
Thereafter	—	—

Any differences between projected and actual investment earnings on pension plan investments are recognized over a period of five years beginning with the year in which they occur. Differences between expected and actual experiences are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through the Retirement Systems determined as of June 30, 2020 (the beginning of the measurement period ending June 30, 2021) and is 3.61 years for the Employees System and 4.32 years for the Fire & Police System.

### **Administrative Expenses**

The Fresno Municipal Code (FMC) provides that all administrative costs of the Systems shall be a charge against the assets of the Systems. Per the FMC, the Administrative expenses are a component of the City's contribution calculation.

The Systems issue publicly available financial reports that include financial statements and required supplementary information for the Employees Retirement System and the Fire and Police Retirement System. The reports may be obtained by writing the City of Fresno Retirement Office, 2828 Fresno Street, Suite 201, Fresno, California 93721, or by visiting:

<https://www.cfrs-ca.org/employee-retirement-system/ers-financial/> for the Employee System, or  
<https://www.cfrs-ca.org/fire-and-police-retirement-system/financial/> for the Fire and Police System.

### **Successor Agency Retirement Plan**

The Successor Agency participates in a public agency cost-sharing multiple-employer defined benefit pension plan (the Plan) administered by the California Public Employees' Retirement System (CalPERS). Employer contribution rates are determined on an annual basis by an actuary and are effective on the July 1 following notice of a change in the rate.

The Plan fiduciary net position disclosed in the Successor Agency's accounting valuation may differ from the Plan assets reported in the Successor Agency's funding actuarial valuation report due to CalPERS keeping various items included in its fiduciary net position which are excluded for rate setting purposes in the Successor Agency's funding actuarial valuation. Differences may also result from timing of financial reporting by CalPERS and final reconciled reserves.

As of the beginning of the measurement period (July 1, 2021), the net pension liability for the Plan is \$574,573. For the measurement period ended June 30, 2022 (the measurement date), the net pension liability for the Plan is \$317,599 and the Successor Agency incurred pension expense of \$83,431 for the Plan.

As of June 30, 2022, the Successor Agency reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 53	\$ —
Difference between expected and actual experience	36	—
Changes in assumptions	—	—
Net difference between projected and actual earnings on pension plan investments		277
Changes in employer's proportions	20	—
Difference between the employer's contributions and the employer's proportionate share of contributions	—	58
Total	<u>\$ 109</u>	<u>\$ 335</u>

For more detailed information related to the Successor Agency's retirement plan, refer to the Successor Agency's separate audited financial statements which can be obtained by contacting the Successor Agency at 2344 Tulare Street, Suite 200, Fresno, CA 92721.

## B. Deferred Compensation Plan

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code (IRC) Section 457. The deferred compensation plan (the Plan), available to all permanent full-time and part-time employees and Council Members, permits deferral of a portion of the employee's salary into a tax-deferred program. The deferred compensation is not available to employees or other beneficiaries for withdrawal until termination, retirement, death, or unforeseeable emergency, or loan program. Upon separation from employment with the City, an individual may roll over their deferred account into another IRS Allowable Plan or, upon receipt, the distribution will become taxable.

The Deferred Compensation Board contracted with Fidelity Management Trust Company (Fidelity) as the trustee and plan administrator. The City's Retirement System Administration assists Fidelity in the administration of the Plan. In addition to the Retirement Office, City staff in the Payroll section of the Finance Department, the City Attorney's Office, and Information Services Department all assist in the administration of the Plan. The City has no fiduciary accountability for the Plan. Accordingly, the Plan assets and related liabilities to Plan participants are not included in the basic financial statements.

## C. Compensated Absences

Vacation pay, which may be accumulated up to 600 hours depending on an employee's bargaining group and length of service, is payable upon termination. Sick leave, which may be accumulated up to 12 hours per month, has no maximum. If eligible, most bargaining units receive a portion of the value of their sick leave balance at termination in their Health Reimbursement Account (HRA). Otherwise, employees do not receive any value from their sick leave balances at termination.

Annual leave, which may be accumulated up to 1,200 hours, depending upon bargaining unit and length of service, is payable upon termination or retirement. Holiday leave may be accumulated indefinitely depending upon the bargaining groups and is payable for active employees as well as at

termination or retirement. Annual leave allows for the cashing out of the higher of 10% of the accumulated balance or 48 hours, once per fiscal year. Supplemental sick leave is awarded to unrepresented management, professionals and to white collar employees at the rate of 40 hours at the beginning of each fiscal year. The balance can only be used after other leave balances are exhausted, or for other specific reasons outlined in the various Memoranda of Understanding (MOU's) or the current Salary Resolution. The balance is payable at termination/retirement or is accounted for as part of an HRA which is unfunded and expended on a pay-as-you-go basis.

Starting in fiscal year 2006, some bargaining units selected to account for some or all of their sick leave and supplemental sick leave balances as an HRA. The book value of these balances is accounted for (by employee) in off-line spreadsheets, administered by HealthComp, is given credit for calculated interest, and is used to pay health premiums for the employee, their spouse and dependents until their individual balance is exhausted. The HRA is not held in a trust, but is funded on a pay-as-you-go-basis.

The portion of the City's obligation relating to employees' rights to receive compensation for leave balances attributable to services already rendered is accrued when incurred in the Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. Compensated absences upon termination are funded through a cost allocation formula which is based upon a citywide history of payouts (approximately \$2 million per year). Accruals are reviewed by bargaining unit and the \$2 million base is allocated in proportion to each unit's current liability for a contribution per unit cost. This unit cost is then converted to a cost per employee and becomes part of the budgeted employee service cost in each department's annual base budget.

Accrued Employee Leave balances as of June 30, 2022, are as follows (in thousands):

Department/Activity	Total Accrued Vacation, Sick Leave, and HRA	Current Portion
<b>Governmental Activities:</b>		
General Fund	\$ 74,959	\$ 10,070
Grants Special Revenue Fund	1,399	104
High Speed Rail	—	2
Special Gas Tax	902	100
Measure C	1,692	210
Measure P	269	4
Community Services	394	45
City Combined	—	47
Special Assessment	272	1
General Services	4,021	420
Risk Management	212	39
Total Governmental Activities	<u>\$ 84,120</u>	<u>\$ 11,042</u>
<b>Business-Type Activities:</b>		
Water System	\$ 2,250	\$ 306
Sewer System	2,248	388
Solid Waste Management	1,755	313
Transit	3,600	693
Airports	1,921	385
Convention Center	—	—
Community Sanitation	359	36
Parks and Recreation	4	1
Billing and Collection	1,746	275
Total Business-Type Activities	<u>\$ 13,883</u>	<u>\$ 2,397</u>
<b>Fiduciary Funds:</b>		
Private-Purpose Trust Fund	\$ 56	\$ 16
Total	<u>\$ 98,059</u>	<u>\$ 13,455</u>

Accrued employee leave balances related to governmental activities are recorded in the Government-Wide Financial Statements under Long-Term Liabilities.

#### **D. Termination Benefits**

During fiscal year 2022, there were no employees who received severance pay.

#### **E. Health Benefit Plan**

The City offers its employees participation in the Fresno City Employees Health and Welfare Trust Plan (Trust). The Trust offers a self-insured medical plan for full-time and permanent part-time employees and their dependents. The Trust also provides dental, vision, pharmacy, mental health, and chiropractic coverage.

There are two medical plan options available to employees. Employees have the opportunity, on an annual basis, to elect either a higher benefit level Preferred Provider Organization (PPO) option or a reduced benefit level PPO option. Employees electing to receive the higher benefit level option pay a percentage of the monthly premium through payroll deductions. Employees electing the lower benefit level pay nothing for their coverage.

The first option is a higher benefit level PPO plan which has a \$200 individual annual deductible and a \$600 family maximum annual deductible. Under this option, the plan pays 80% of covered charges and the employee is responsible for 20% of the covered charges. Once a covered member incurs \$15,000 in covered charges, the plan then pays 100% until the end of the plan year.

The second option is a reduced benefit level PPO plan which has a \$1,300 individual annual deductible with a \$2,600 family maximum annual deductible. The benefit reduction amount is set by the Board of Trustees for the plan and depends on the amount of contributions received by the Trust on behalf of the employee.

The percentage of the premium the employee is required to pay to receive the higher benefit level is negotiated by each bargaining unit.

During fiscal year 2014, a number of units negotiated a 75% - 25% contribution split. For these units, the City contributes 75% of the premium and the employees, if they wish to have the higher benefit level PPO, contribute 25% of the premium. If they choose not to make the contribution, the medical benefits are reduced by 30%. This reduction results in the plan paying 56% of covered charges and the employee is responsible for 44% of covered charges.

Only one bargaining unit continues to have a different contribution amount than the balance of the Unions. For Fresno City Employees Association, Inc. (FCEA) employees hired after July 11, 2011, the City contributes 70% of the premium and the employees, if they wish to have the higher benefit level PPO, contribute 30% of the premium. If they choose not to make the contribution, the medical benefits are reduced by 35%. This reduction results in the plan paying 52% of covered charges and the employee is responsible for 48% of covered charges. Employees in the FCEA hired before July 11, 2011, continue to have an 80% - 20% contribution split as described above.

City retirees are also eligible for participation in the plans by paying the full blended premium cost. The City continues to assess the impact of the federal healthcare reform legislation on the City's liabilities.

The Health and Welfare Trust Board approved the purchase of a \$500,000 stop-loss insurance policy on May 11, 2016. The policy was purchased in fiscal year 2017. The purpose of the policy was to protect the Trust from having to pay any claim or series of claims associated with one case that totaled more than \$500,000. In addition to the stop-loss insurance, the Health and Welfare Trust Board also approved a policy of setting aside a portion of the Health and Welfare Trust Fund's fund balance for the payment of catastrophic health claims.

## **F. Other Post-Employment Benefits**

### **Plan Description**

The City of Fresno Retirees Healthcare Plan is a single-employer defined benefit medical plan administered by HealthComp and funded through the City of Fresno Health and Welfare Trust. It is reported as an Internal Service Fund of the City and provides Other Post-Employment Benefits (OPEB) to eligible retirees and his/her dependents, spouse or domestic partner. The City does not accumulate assets in a dedicated trust, or equivalent arrangement, for the purpose of funding its retirement healthcare obligation. Therefore, the actuarial value of plan assets are zero. The trust does not issue separate publicly available financial statements.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*, requires governments to account for OPEB on an accrual basis of accounting, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefits. The post-employment benefit liability is recognized on the Statement of Net Position over time.

### **Contributions**

The City provides post-employment healthcare benefits for certain eligible retirees. OPEB includes the authorization for retirees to purchase health insurance through the plan at current employee rates. The establishment and amendment of benefit provisions are negotiated between the employee bargaining units and the City, and are recommended by the City Manager subject to the approval of the Mayor and the City Council. While participant retirees pay 100% of their premium costs, they are allowed to purchase insurance at blended premium rates. Thus, the City's contribution is deemed to be that portion of retiree claims costs over premiums required to be contributed by retirees. Currently, the City does not pre-fund retiree health benefits and instead provides for benefits on a pay-as-you-go basis.



**Employees Covered**

As of July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	234
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	3,308
Total participants covered by OPEB Plan	<u>3,542</u>

**Net OPEB Liability**

The City's net OPEB liability of \$99.8 million was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date to determine the June 30, 2022 total OPEB liability.

**Actuarial Assumptions and Other Inputs**

The net OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Reporting Date	June 30, 2022
Measurement Date	June 30, 2021
Valuation Date	July 1, 2021
Discount Rate	3.54%
Healthcare Cost Trend Rates:	
Current Year Trend	0
Second Year Trend	7.00% / 4/24%
Decrement	NA
Ultimate Trend	4.24%
Year Ultimate Trend is Reached	2090 / 2023
Salary Increases	3.00%
Actuarial Cost Method	Entry Age Normal (Percent of Salary)

The discount rate was based on the index provided by *Bond Buyer 20-Year General Obligation Index* based on the 20 year AA municipal bond rate as of June 30, 2020.

Mortality rates were based on the SOA RP-2014 Total Dataset Mortality with Scale MP-2019 (Base Year 2006).

### **Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The July 1, 2021 valuation was prepared using a discount rate of 3.54%. If the discount rate were 1% higher than what was used in this valuation, the Net OPEB Liability would decrease to \$87.8 million or by (12.02)%. If the discount rate were 1% lower than was used in this valuation, the Net OPEB Liability would increase to \$114.4 million, or by 14.70%.

	1% Decrease	Current Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Net OPEB Liability (in thousands)	\$ 114,428	\$ 99,761	\$ 87,774

### **Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The July 1, 2021 valuation was prepared using an initial trend rate of 0.0%. If the trend rate were 1% higher than what was used in this valuation, the Net OPEB Liability would increase to \$118.6 million or by (18.93)%. If the trend rate were 1% lower than was used in this valuation, the Net OPEB Liability would decrease to \$84.9 million or by 14.94%.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	-1%	0.0%	1%
Net OPEB Liability (in thousands)	\$ 84,858	\$ 99,761	\$ 118,649

### **Changes in the Net OPEB Liability**

The changes in the Net OPEB Liability for the City OPEB Plan are as follows:

	Net OPEB Liability
	Increase / (Decrease) (in thousands)
Net OPEB Liability as of June 30, 2021	\$ 152,604
Changes for the Year:	
Service Cost	6,604
Interest	3,221
Assumption Changes	(40,728)
Benefit Payments	(2,912)
Net Changes	(52,843)
Net OPEB Liability as of June 30, 2022	\$ 99,761

**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources**

For the year ended June 30, 2022, the City recognized an OPEB expense of \$13.7 million. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 2,078	\$ —
Changes of Assumptions	29,252	(51,472)
Difference Between Actual and Expected Experience	217	(22,208)
Total	<u>\$ 31,547</u>	<u>\$ (73,680)</u>

The \$2.1 million reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Deferred Outflows/(Inflows) of Resources
2023	\$ (6,452)
2024	(6,452)
2025	(6,452)
2026	(6,452)
2027	(4,992)
Thereafter	(13,410)
Total:	<u>\$ (44,210)</u>

**G. Healthcare Plan Claims Liability**

The recorded liability for the Employees Healthcare Plan at June 30, 2022 for employee health benefit claim payments for direct provider care is \$7.4 million.

Changes in the funds claims liability amount for the last two fiscal years are as follows (in thousands):

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2021	\$ 4,100	\$ 52,046	\$ 49,646	\$ 6,500
2022	6,500	50,685	55,732	7,400

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**Note 12. No-Commitment Debt**

The City is not liable for repayment of any of the following bonds, and accordingly, they are not reflected in the accompanying basic financial statements.

**A. Special District Debt**

The City is not obligated in any manner for the Special District debt, but is acting as an agent for property owners in collecting the taxes/assessments, forwarding the collections to the trustee/paying agent, and initiating foreclosure proceedings, if appropriate. Special District debt payable to bond holders was \$2.57 million at June 30, 2022, as compared to \$2.83 million at June 30, 2021.

## Note 13. Commitments and Contingencies

### A. Closure and Post-Closure Care Cost

The City continues to monitor a former landfill site as part of the Environmental Protection Agency's (EPA) Superfund program. Management estimates the remaining monitoring costs as of June 30, 2022 to be \$11.2 million. A liability in this amount has been recorded in the Solid Waste Management Fund. It is anticipated that approximately \$0.8 million in monitoring costs and landfill site closure costs will be paid in fiscal year 2023. The former landfill site has not received solid waste since 1987. It was redesigned as part of a 350-acre “green” facility to integrate the former landfill site into a championship caliber sports complex/regional park. The estimated total remaining post-closure care costs are based on the equipment, facilities, and services required to monitor/maintain the closed landfill. The liability for post-closure care costs is an estimate and subject to change resulting from inflation, deflation, technology or changes in applicable laws.

Fees paid by utility users will be used to cover the remaining monitoring costs. A receivable totaling \$10.3 million has been recorded in the Solid Waste Management Fund.

### B. CVP Water Contract

The City's 60,000 acre-foot water supply entitlement from the United States Bureau of Reclamation (USBR, or the Bureau) is equivalent to approximately 40% of the City's annual water demand. This supply, derived from the Friant Dam on the San Joaquin River, is the primary resource for the operation of the City's current and future surface water treatment facilities.

The City and the Bureau have what is known as a Repayment Contract. While most traditional federal Reclamation Law provisions continue to apply, the City receives some important benefits by utilizing the Repayment Contract, including:

1. **Permanent water supply** - The Repayment Contract provides for an ongoing, permanent annual supply of up to 60,000 acre-feet of water from the Friant Division of the CVP. No further periodic renewal negotiations are required.
2. **Pricing benefits** - Certain components of the Bureau water rate structure, such as tiered pricing, are eliminated.
3. **Financing cost savings** - Under the previous Bureau rate structure, the City paid certain financing costs and interest on the outstanding capital and operation and maintenance obligations that the Bureau attributed to the City. Under a Repayment Contract, those costs are not passed on to the City.

Because repayment contracts do not require periodic renewal, compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) need not be repeated. This obligation is amortized and included in the volumetric water rates the City pays the USBR. The present value of the City's debt obligation to the Bureau has been fully capitalized in the

Water Fund under the caption “Unamortized CVP Water Settlement”, and is being amortized against expected future revenues generated through water rates. The “Unamortized CVP Water Settlement” totaled \$0.8 million on June 30, 2022, while the related liability reported as “CVP Litigation Settlement” totaled \$0.1 million on June 30, 2022.

### **C. Other Litigation**

There are various other lawsuits and claims pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, management, after consultation with legal counsel, is of the opinion that a majority of these matters will not have a material adverse effect on the financial condition of the City at June 30, 2022.

### **D. Toxics Mitigation**

#### **Old Hammer Field**

Contamination, primarily from the common solvent trichloroethylene (TCE), was discovered and identified in 1989 in soils and groundwater beneath property currently owned by the City. The site known as Old Hammer Field (OHF), a prior Army military base in the 1940's, was the subject of investigation and cleanup efforts which had previously been jointly funded by the Boeing Company (Boeing), the U.S. Army Corps of Engineers and the City of Fresno. The area had been used for the repair, overhaul, maintenance, refurbishing and construction of aircraft during and after World War II. The California Department of Toxic Substances Control (DTSC) was the lead regulatory agency overseeing site cleanup.

After years of legal negotiations, a settlement agreement between the U.S. Army Corps of Engineers, the Boeing Company, and the City was reached. The settlement called for the Airports Department to be responsible, going forward, for 10% of the cleanup costs. The settlement also called for the U.S. Army Corps of Engineers and Boeing to make a joint one-time payment of \$1,350,000 for past costs. This payment was made in fiscal year 2011.

The Court approved the settlement agreement which included the one-time payment noted above, covenants not to sue and an operating agreement for purposes of coordinating further efforts to implement the State-Approved Remedial Action Plan to obtain Site Closure. All parties agreed to bear their own costs and expenses, including attorney's fees in the case.

A liability for future cleanup costs on the Old Hammer Field site is recorded on the fiscal year 2022 ACFR in the amount of \$405,932. Total costs have been estimated to range between \$10 and \$20 million, with the City's share of cleanup costs to be 10%. The cleanup time frame has also been estimated and is expected to continue for 20 to 40 years. Cleanup costs totaled \$45,187 in fiscal year 2022.

The City will re-evaluate this accrual annually and make adjustments as necessary.

### **DBCP Groundwater Contamination**

The occurrence of DBCP, an agricultural pesticide, in certain groundwater has been identified throughout the Fresno Metropolitan Area. At various City well sites, DBCP exceeds drinking water limits and is removed by Granular Activated Carbon (GAC) treatment. The City fronted the costs of clean up with respect to the known wells and reimbursed itself from a litigation settlement in an original amount of approximately \$21 million. \$10 million was stipulated to be used toward past costs, and \$11 million was to be applied toward the installation of additional GAC treatment units, all of which have been completed. Subject to numerical limits, the settlement arrangement also provides for the City to be reimbursed for the capital costs of the installation of GAC treatments at wells exceeding maximum contaminant levels, with reimbursements ranging from \$337,500 to \$540,000 depending on the well site. Funding also is provided for the ongoing operation and maintenance cleanup costs of approximately \$27,900 to \$31,000 per contaminated well (depending on type), adjusted for inflation, with such payment obligations ending on June 26, 2035. The City is not responsible for “cleanup” in the context common to hazardous material remediation.

The City can elect to treat wells or simply shut them down. Future costs to clean up and monitor new discoveries of contamination at existing sites or additional sites that may be identified are eligible for reimbursement under the settlement agreement through June 26, 2035.

An obligating event as defined by GASB Statement No. 49 has not occurred during the fiscal year; therefore, no liability exists.

### **Pollution Remediation**

Although the Successor Agency is generally not involved with operations that pose a high risk for environmental liabilities, properties acquired for redevelopment purposes could be contaminated or may contain hazardous substances, such as petroleum products, lead, and/or asbestos. The former RDA's due diligence property acquisition policies required that the RDA obtain a Phase I Environmental Site Assessment (ESA) report on all properties to be acquired by the RDA to minimize or avoid potential environmental liabilities. If the Phase I ESA findings and conclusions indicate the need for further environmental investigation, a Phase II ESA is commissioned. In the event of an acquisition leading to demolition, the former RDA obtained a Phase I and/or Phase II report and, if necessary, remediated the property according to state and federal laws prior to demolition. In instances where hazardous substances or petroleum products were detected by the Phase II ESA, environmental remediation (cleanup) is subsequently planned and executed. The Phase II ESA and cleanup work are normally supervised and sanctioned by local environmental agencies such as the California Regional Water Quality Control Board (RWQCB). This agency accepts the completion of the cleanup work by issuing a “Case Closure” letter that officially declares the property free of hazardous substances or petroleum products.

During fiscal year 2016, the Successor Agency held one parcel subject to environmental investigation at 655 “G” Street - Chinatown. In February 2009, the City transferred title to four parcels in the Chinatown project area to the RDA. In October 1995, a Phase II ESA was completed for the four



parcels. The parcel at 718 “F” Street and two parcels at 705 “G” Street were free of hazardous substances or petroleum products. The fourth parcel at 655 “G” Street was found to be in need of further assessment (Phase II ESA) because suspected leaking gasoline tanks had been removed from the site. The RWQCB advised the City that additional assessment was necessary to further evaluate impacted soils and groundwater and required a work plan outlining the assessment. Recently, the Successor Agency obtained an EPA grant to assess 655 “G” Street, as required by the RWQCB. The work plan and field work have been completed and test results have been received. Monitoring wells have been installed at the site and water samples are to be tested quarterly. RWQCB will review the results and advise if further action is needed. At this time, any potential costs cannot be estimated with any degree of certainty. Until such time as the costs can be estimated with more certainty, no liability will be accrued.

#### **E. Measure Z, Zoo Accreditation, Fresno Chaffee Zoo Corporation**

In accordance with an agreement between the City and the Fresno Chaffee Zoo Corporation (FCZC), a California benefit corporation, a non-profit board operates the Chaffee Zoo (Zoo). The City and the FCZC also negotiated a lease and a financing arrangement.

The lease agreement, dated January 1, 2006, was negotiated for a 30-year period. There is also a 25-year renewal of the term if the Zoo Tax was reinstated after its initial 10-year term, or two additional 10-year renewal options if the tax was not renewed. On November 4, 2014, a new incarnation of Measure Z which extends the tax for another 10 years was passed triggering the 25-year lease renewal. The lease rate is at \$1.00 per year.

The lease agreement sets forth the terms and conditions between the City and FCZC, with respect to the Zoo premises and any expansion that might occur in a designated expansion area. The City is responsible for all maintenance and operation costs in the expansion area, until such time as the FCZC takes possession of the expansion area by exercising its rights in accordance with lease provisions.

The City retained ownership of the land, buildings, structures, permanent fixtures, and improvements in existence at the commencement date of the lease, while the FCZC is the owner of all buildings, structures, and improvements constructed thereafter until the end of the lease term.

The Financing Agreement conveyed the Zoo animals and Zoo personal property to the FCZC, along with all obligations the City had with respect to the animals exhibited, housed or otherwise kept or cared for at the Zoo during the term of the lease. At the termination of the lease or the end of the lease term, should the City decide not to continue operations of the Zoo, the FCZC has the right to sell or dispose of the Zoo animals and keep the proceeds of any sale or disposition at its sole cost or expense. The FCZC also has the authority to acquire, sell or dispose of Zoo animals in the course of the lease so long as the compliment of animals at all times is similar in type and proportion to the Zoo animals on hand upon commencement of the lease.

The FCZC must maintain Association of Zoo & Aquariums (AZA) accreditation of the Chaffee Zoo.

## **F. Granite Park**

In 2005, the City entered into a Contingent Debt Purchase Agreement guaranteeing a loan regarding a 20-acre sports-related complex under development and adjacent to office and commercial retail amenities, known as Granite Park.

On June 30, 2009, a formal demand was made on the City to purchase the Loan Package for a stipulated purchase price. On September 17, 2009, the City deposited \$5,105,271 in a loan purchase escrow. The City utilized funds from its cash pool with the intention of ultimately issuing long-term bonds to finance the acquisition over 30 years.

The City proceeded to purchase the Granite Park property at a unified foreclosure sale and took title to and possession of Granite Park sports fields pursuant to a Trustee's Deed recorded in Fresno County on March 16, 2010. The City paid \$5,105,218 and holds the property for possible use, development and/or disposition.

The City entered into a 25-year ground lease and 10-year service contract with Central Valley Community Sports Foundation (CVCSF) on September 24, 2015. The ground lease calls for the CVCSF to make rent payments of \$62,500/year, which are increased annually by 2.75%/year. The CVCSF is responsible for maintenance of Granite Park's sports-related complex, as well as the financing of various capital improvements. Under the service contract, the City pays the CVCSF \$150,000/year to provide a variety of sports and recreational programming.

## G. Construction and Other Significant Commitments

At June 30, 2022, the City had commitments for the following major construction projects (in thousands):

Project Title	Remaining Construction Committed
<b>Governmental:</b>	
Ericson Elementary Neighborhood Reconstruction	\$ 1,065
UGM Fire Station #18	1,153
Pedestrian Trls and Bicycle Lanes-Various Locations	1,381
Fire Regional Training Center Construction	1,449
Traffic Signals- Various Locations	13,819
<b>Total Governmental</b>	<b>18,867</b>
<b>Proprietary:</b>	
TCP Plan & Remediation	224
Surface Water Treatment	472
SW Recycled Water Dist Syst	604
South East Fresno Surface Water Treatment Facility	982
Pump Rehabilitations	1,052
Veteran's Boulevard Sewer	1,210
DPU Substation Expansion	2,225
TIRCP- South West Community Connector	3,369
Terminal Renovations & Expansion	3,726
Water Well Construction & Rehabilitation	5,620
FAT Parking Garage	6,512
Regional Wastewater Reclamation Facility Renovations	7,181
Water Main Renewal & Extensions	8,019
PTMISEA	8,236
Collection System Rehabilitation & Extensions	10,995
<b>Total Proprietary</b>	<b>60,427</b>
<b>Total Major Construction Projects</b>	<b>\$ 79,294</b>

## H. Discolored Water

In February 2016, the City undertook a broad investigation into reports of discolored water and the presence of lead in drinking water in certain homes located in Northeast Fresno. The City conducted the investigation with oversight from the State Water Resources Control Board - Division of Drinking Water (DDW), Fresno County Department of Public Health, and the U.S. Environmental Protection Agency (EPA). The investigation has included, for example, water quality sampling, soil sampling, pipe testing, field investigations and home inspections, consultations with national corrosion experts, multiple community meetings and presentations, and public distribution of information and education materials.

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In early 2017, the EPA conducted a comprehensive review of the City and the State of California's oversight of the City's drinking water treatment and testing program. The EPA concluded that the City has historically complied with the regulatory action level for lead, and that the City's water system has been optimized for corrosion control since 1996.

In September 2016 and May 2017, groups of residents filed two lawsuits against the City and other parties seeking damages for harm allegedly caused by the City's water supply. Litigation is currently ongoing. The City will continue to vigorously defend itself in these matters.

The City continues to work with residents by regularly monitoring their water. For more information regarding the City's continued efforts to resolve discolored water issues, please see <https://www.fresno.gov/publicutilities/water-quality-operations-testing/>.

The City has spent \$5,120,931 through June 30, 2022 to investigate and address the discolored water complaints. All of these costs have been and will continue to be recorded in the Water Fund.

## Note 14. Securities Lending

The City does not engage in securities lending with any investment instruments that it holds. The City's Retirement Systems are permitted under the City's Municipal Code and Retirement Boards' policies to enter into securities lending transactions. For a detailed description of the Retirement Systems' security lending policies and the financial effect of such lending, please see the Retirement Systems' ACFRS, which can be found at <https://www.cfrs-ca.org/fire-and-police-retirement-system/financial/> for the Fire and Police Retirement System and <https://www.cfrs-ca.org/employee-retirement-system/ers-financial/> for the Employees Retirement System.

## Note 15. Other Information

### Construction Retainage Escrow Accounts

The City enters into construction contracts with various outside third-party contractors with respect to major capital projects. As the construction progresses, progress payments are made to the contractors. Portions of the payments, called retention payments, are paid into an escrow account. While these funds are earned by the contractors, generally 5% to 10% of the contract amount, they are not released out of the escrow account to the contractor until some agreed upon date, usually the completion of the job. These amounts are retained for a variety of reasons, as an incentive to complete the job in a timely manner, or as a fund for the benefit of suppliers and subcontractors. The City may not convert the funds in these escrow accounts for its use unless a breach of contract occurs.

### COVID-Related Funding

The City has received a substantial amount of funding from the Federal and State government since the beginning of the COVID-19 pandemic to offset the pandemic's health and economic impacts. The following are the major COVID-19 mitigation funding sources that have been awarded to/received by the City as of June 30, 2022.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – The City received \$92.8 million in CARES funding in April 2020 and has fully expended all CARES funding as of December 30, 2021. Funding has been used for services such as expanded COVID testing and contact tracing for residents, food assistance, homeless transitional housing, small business assistance, and residential housing retention grants.

Transit CARES - The City's Transportation Department (Transit) was awarded \$32.5 million to assist in Fixed Route Operation, Handy Ride Operating Support, and bus purchases. This funding was intended to offset funding losses caused due to COVID-related shutdowns of service or ridership restrictions. As of June 30, 2022, Transit has received \$31.8M of the awarded amount, which reimbursed expenses incurred in FY20 and FY21.

American Rescue Plan Act (ARPA) – In March 2021, the City was awarded \$170.8 million of ARPA funding and has allocated all funding to various City led and Community Based Organization led projects. As of June 30, 2022, the City has expended \$223,865.31 in ARPA funding and continues to implement identified projects throughout the City of Fresno.

**Emergency Rental Assistance Program (ERAP)** – The City was awarded \$69.3 million in ERAP funding: \$35.6 million from the Federal government and \$33.7 million from the State. As of June 30, 2022, the City had received \$54.5 million of its awarded total with the remaining amount expected by December 31, 2022. The program is designed to assist qualified residents in retaining housing and utilities by reimbursing landlords and utility providers for past due billings. As of June 30, 2022, the City had spent \$41.7 million of its awarded amount, with \$34.6 million paid directly to landlords and utility providers for delinquent rent and utilities.

**Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA)** - The City's Transit Department was awarded \$5.6 million in CRRSAA funds in 2021. The funds are to be spent on operating expenses incurred during fiscal year 2022. The City's Airports Department was awarded \$4.6 million in CRRSAA funds. A portion of the funding (\$0.2 million) is reserved for concession relief. The remaining funds can be spent on debt service payments, COVID-related expenses and operating expenses. As of June 30, 2022, Airports has expended their CRRSAA award in full. As of June 30, 2022 Transit has not received their CRRSAA award.

### Prior Period Adjustments

**Government-Wide Financial Statements** – The beginning net position at July 1, 2021 of the Government-Wide Financial Statements was restated as follows:

	Governmental Activities	Business-Type Activities
Net position, as previously reported, at July 1, 2021	\$ 1,022,873	\$ 1,581,864
Change in accounting estimate, corrections to capital asset useful life and construction in progress		26
Cumulative effect of accounting change related to revenue recognition - Convention Center		1,235
To implement GASB 87	(82)	
Net position at July 1, 2021, as restated	<u>\$ 1,022,791</u>	<u>\$ 1,583,125</u>

**Proprietary Fund Financial Statements** – The beginning fund balance at July 1, 2021 of the Proprietary Fund Financial Statements was restated as follows:

	Sewer System	Transit	Airports	Fresno Convention Center	Totals
Net position, as previously reported, at July 1, 2021	\$ 716,351	\$ 144,577	\$ 189,885	\$ (1,181)	
Change in accounting estimate, corrections to capital asset useful life and construction in progress	(10)	153	(17)	(100)	\$ 26
Cumulative effect of accounting change related to revenue recognition				1,235	1,235
Net position at July 1, 2021, as restated	<u>\$ 716,341</u>	<u>\$ 144,730</u>	<u>\$ 189,868</u>	<u>\$ (46)</u>	



Fiduciary Fund Financial Statements – The beginning net position at July 1, 2021 of the Fiduciary Fund Financial Statements was restated as follows:

	City Departmental	Special Assess Dists	Total Custodial Funds
Net position, as previously reported, at July 1, 2021	\$ —	\$ —	\$ —
To implement GASB 84. GASB 84 was not fully implemented as required in fiscal year 2021	2,428	1,540	3,968
Net position at July 1, 2021, as restated	<u>\$ 2,428</u>	<u>\$ 1,540</u>	<u>\$ 3,968</u>

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**Note 16. Deficit Fund Equity**

The Risk Management Internal Service Fund and High Speed Rail Fund had deficit net position/fund balances as of June 30, 2022.

The deficit net position in the Risk Management Fund at June 30, 2022 was \$192.9 million, an increase of \$19.5 million. The increase was due to the City reflecting a Liability for Self-Insurance on its Combining Statement of Net Position in the amount of \$200.5 million. This liability grew by \$14.8 million between fiscal years 2021 and 2022. .

The deficit net position in the High Speed Rail Fund at June 30, 2022 was \$2.7 million. The deficit net position of this fund at the end of fiscal year 2021 was \$3.3 million. The decrease in the deficit net position of \$0.6 million is due to a \$10 million increase in capital outlay construction projects alongside a \$13 million increase in federal reimbursements.

The City management continues to carefully monitor these funds and evaluate strategies for reducing and eliminating these deficit fund equity balances.

## Note 17. Subsequent Events

In compliance with accounting standards, management has evaluated events that have occurred after fiscal year-end to determine if these events are required to be disclosed in the basic financial statements. Events were considered through March 17, 2023, which is the date the financial statements were available to be issued.

### A. Bond Ratings

Moody's upgraded the City's Lease Revenue Bond from A3 to A2, its Pension Obligation Bond rating from Baa1 to A1, and its General Obligation rating from A2 to A1 on December 19, 2022. All three ratings maintained a Stable outlook. Moody's cited the City's strengthened financial performance, conservative debt profile, and growing economy among the reasons why they upgraded the City's credit ratings.

Standard and Poor's upgraded the City's General Obligation rating from A+ to AA-, its Pension Obligation Bond rating from A+ to AA-, and its Lease Revenue Bond from A to A+ on November 14, 2022. All three ratings maintained a Stable outlook. As justification for the rating action, the agency cited the recovery in passenger traffic along with the corresponding improvement in revenues and liquidity.

The most current City ratings are as follows:

Rating Agency	Effective Date	Rating	Outlook
<b>Lease Revenue Bonds</b>			
Fitch	6/2016	A-	Stable
Standard & Poor's	11/2022	A+	Stable
Moody's	12/2022	A2	Stable
<b>General Obligation (GO)</b>			
Fitch	6/2016	A	Stable
Standard & Poor's	11/2022	AA-	Stable
Moody's	12/2022	A1	Stable

**A. Terminal/Federal Inspection Service (FIS) Expansion Project**

The Fresno Yosemite International Airport expects to receive \$70 million from the issuance of proposed Series 2023 Bonds for the capital costs of the Terminal/FIS Expansion Project, net of fund deposits and

Issuance Costs. The total estimated cost of the project is anticipated to be \$145.1 million and will provide the design and construction of:

- An expanded security checkpoint to provide a minimum of 5 lanes and related offices for Transportation Security Administration (TSA).
- A new concourse to the east of the expanded security checkpoint, with two additional gates on the second floor equipped with loading bridges.
- A new FIS facility with a target throughput of 400 arrivals per hour compared to the current capacity of 150 arrivals per hour, with a baggage claim unit located on the first floor of the new concourse and the processing facility to the east.
- An in-line baggage screening facility between the expanded security checkpoint and the new concourse.
- Additional airline ticket offices in the existing ticket lobby, converted from prior baggage makeup and screening space.
- Other supporting concession space.

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# REQUIRED SUPPLEMENTARY INFORMATION

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# CITY OF FRESNO, CALIFORNIA

## Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - General Fund

Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget
	Original	Final		
<b>Budgetary Fund Balance, July 1</b>	\$ 71,154	\$ 90,081	\$ 90,983	\$ 902
<b>Resources (inflows):</b>				
Taxes:				
Property Taxes	160,000	160,000	154,703	(5,297)
Sales Taxes	116,096	128,436	148,766	20,330
Other Taxes	39,031	39,031	42,127	3,096
Franchise Taxes	14,483	14,483	15,732	1,249
Licenses and Permits	14,215	14,243	9,047	(5,196)
Intergovernmental:				
State Motor Vehicle In-Lieu	348	348	632	284
Other State Revenue	1,491	1,504	2,346	842
Other Intergovernmental	3,653	3,779	2,966	(813)
Charges for Services:				
Charges for Services	34,238	34,238	33,721	(517)
Fines and Violations	2,641	2,641	2,586	(55)
Use of Money and Property	1,199	1,199	1,615	416
Miscellaneous	26,554	26,646	23,808	(2,838)
Other Financing Sources:				
Transfers from Other Funds	7,480	114,217	31,296	(82,921)
<b>Total Available for Appropriations</b>	<u>492,583</u>	<u>630,846</u>	<u>560,328</u>	<u>(70,518)</u>
<b>Charges to Appropriations (outflows):</b>				
General Government:				
Mayor and City Council	11,237	12,484	8,742	(3,742)
Other General Government	37,664	52,158	32,070	(20,088)
Public Protection:				
Police Department	198,425	212,095	209,055	(3,040)
Fire Department	71,969	80,272	79,407	(865)
Public Ways & Facilities	26,308	64,463	19,173	(45,290)
Culture and Recreation	23,107	23,928	16,977	(6,951)
Community Development	43,159	62,034	36,187	(25,847)
Capital Outlay	5,335	44,100	21,324	(22,776)
Other Financing Uses:				
Transfers to Other Funds	32,396	35,863	37,823	1,960
<b>Total Charges to Appropriations</b>	<u>449,600</u>	<u>587,397</u>	<u>460,758</u>	<u>(126,639)</u>
Less Estimated Attrition Savings	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Excess Resources Over Appropriations</b>	<u>\$ 42,983</u>	<u>\$ 43,449</u>	<u>\$ 99,570</u>	<u>\$ 56,121</u>

See accompanying notes to the required supplementary information.

## CITY OF FRESNO, CALIFORNIA

### Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - General Fund

Fiscal Year Ended June 30, 2022 (Continued)

(in thousands)

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#### Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures:

##### Sources/Inflows of Resources:

Actual amounts (budgetary basis) available for appropriation from the Budget to Actual Comparison Schedule.	\$ 560,328
Differences - Budget to GAAP: The City budgets for taxes, intergovernmental and miscellaneous revenue on the cash basis of accounting, rather than on the modified accrual basis of accounting.	(6,863)
Interfund reimbursements are not revenues and are expenditures for financial reporting.	(20,591)
Carryovers are inflows of budgetary resources but are not revenues for financial reporting purposes.	(90,983)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(31,296)
Nonreciprocal interfund activity is not revenue and is a transfer for financial reporting.	(3,038)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u>\$ 407,557</u>

##### Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the Budget to Actual Comparison Schedule.	\$ 460,758
Differences - Budget to GAAP: The City budgets for expenditures on the cash basis of accounting, rather than on the modified accrual basis of accounting.	(19,459)
Interfund reimbursements are a reduction of expenditures for financial reporting.	(20,591)
Pension Obligation bond debt payments and City Hall rent are recognized as transfers out to other funds.	(13,575)
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes.	(37,823)
Return on capital asset as offset for Advances to Other Funds	
Capital financing activity additions are expenditures for financial reporting purposes.	<u>5,065</u>
Total charges to appropriations as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u>\$ 374,375</u>

See accompanying notes to the required supplementary information.

# CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual  
(Non-GAAP Budgetary Basis) - Grants Special Revenue Fund  
Fiscal Year Ended June 30, 2022  
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget
	Original	Final		
<b>Budgetary Fund Balance, July 1</b>	\$ (25,018)	\$ 55,308	\$ 76,059	\$ 20,751
<b>Resources (inflows):</b>				
Intergovernmental:				
Federal Grants	100,846	151,309	38,651	(112,658)
State Grants	38,753	60,780	46,548	(14,232)
Local Support	10	1,854	1,843	(11)
Charges for Services	1,405	1,405	1,379	(26)
Use of Money and Property	(41)	(41)	2,291	2,332
Miscellaneous	—	25	4,688	4,663
Other Financing Sources:				
Transfers from Other Funds	193	390	2,387	1,997
<b>Total Available for Appropriations</b>	<u>116,148</u>	<u>271,030</u>	<u>173,846</u>	<u>(97,184)</u>
<b>Charges to Appropriations (outflows):</b>				
General Government	30,273	63,170	36,028	(27,142)
Public Protection	4,889	5,955	4,943	(1,012)
Public Ways & Facilities	46,083	47,703	20,288	(27,415)
Culture and Recreation	3,776	4,998	2,061	(2,937)
Community Development	54,908	63,142	16,985	(46,157)
Capital Outlay	61,207	64,238	17,883	(46,355)
Other Financing Uses:				
Transfers to Other Funds	—	106,644	19,329	(87,315)
<b>Total Charges to Appropriations</b>	<u>201,136</u>	<u>355,850</u>	<u>117,517</u>	<u>(238,333)</u>
<b>Excess (Deficit) Resources Over Appropriations</b>	<u>\$ (84,988)</u>	<u>\$ (84,820)</u>	<u>\$ 56,329</u>	<u>\$ 141,149</u>

See accompanying notes to the required supplementary information.

# CITY OF FRESNO, CALIFORNIA

## Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis) - Grants Special Revenue Fund Fiscal Year Ended June 30, 2022 (Continued) (in thousands)

### Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures:

#### Sources/Inflows of Resources:

Actual amounts (budgetary basis) available for appropriation from the Budget to Actual Comparison Schedule.	\$ 173,846
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Differences - Budget to GAAP: Grant reimbursements are budgeted on the cash basis of accounting rather than on the modified accrual basis of accounting.	12,066
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Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(2,387)
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Interfund reimbursements are not revenues and are expenditures for financial reporting.	(1,378)
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Carryovers are inflows of budgetary resources but are not revenues for financial reporting purposes.	(76,059)
--	----------

Payments from the Successor Agency to the Fresno Redevelopment Agency on advances with full allowance are revenues.	(33)
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The receipt of loan payments are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(1,029)</u>
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Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u><u>\$ 105,026</u></u>
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#### Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the Budget to Actual Comparison Schedule.	\$ 117,517
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Differences - budget to GAAP: The City budgets for expenditures on the cash basis of accounting rather than on the modified accrual basis of accounting.	24,367
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Interfund reimbursements are a reduction of expenditures for financial reporting.	(1,378)
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Pension Obligation bond debt, HUD debt, and City Hall rent are recognized as transfers out to other funds.	(102)
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Changes in allowance for doubtful accounts on notes receivable, notes that should become grants, and adjustments are expenditures for financial reporting purposes.	143
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Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(19,329)</u>
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Total charges to appropriations as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u><u>\$ 121,218</u></u>
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See accompanying notes to the required supplementary information.

## Notes to the Required Supplementary Information

### A. Budgetary Data

The City of Fresno (the City) operates under the Strong-Mayor form of government. Under the Strong-Mayor form of government, the Mayor serves as the City's Chief Executive Officer, appointing and overseeing the City Manager, recommending legislation, and presenting the annual budget to the City Council.

The City adopts annual budgets for all governmental and business-type funds (except Fresno Revitalization Corporation, Financing Authorities and Corporations, and City Debt Service) on the cash basis of accounting plus encumbrances. The budget includes: (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation, and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter (the Charter) prohibits expending funds for which there is no legal appropriation.

The budget of the City of Fresno, within the meaning and context of Section No. 1205 of the Charter, must be adopted by resolution of the City Council by June 30 of a given year. The following procedures are used in establishing the budgetary data reflected in the budgetary comparison schedules.

As provided by Section No. 1206 of the Charter, any adjustments in the amounts appropriated for the purposes indicated at the department/fund level are made only upon a motion to amend the resolution adopted by the affirmative votes of at least five City Council members.

### B. Budget Development

The preparation of the budget document is the result of a Citywide effort. Each department is presented with an operating base budget that is used as the foundation for building their requests for the operations of their organizations. All one-time expenditure increases are removed, except for those demonstrable and mandatory. A five-year capital budget is required from all departments. The purpose is to give the Mayor and City Council a tool to plan for the future as well as to more realistically reflect the timing of many capital projects that take more than one year to complete.

Departments submit their requests to be analyzed and reviewed by the City's Budget and Management Studies Division (BMSD). Requests are evaluated based on individual operations, City funding resources, and the goals and strategies identified by each organization related to the impact on performance measures. Recommendations are presented to the Mayor and City Manager in a series of review meetings comprised of the Mayor, Mayor's Chief of Staff, City Manager, Assistant City Managers, Budget Manager, Department Directors and representatives from each department, and BMSD. Upon final decisions of format and content, the Mayor's Recommended Budget Document is printed and presented to the City Council for deliberation and adoption.

## **C. Original Budget**

Prior to June 1, the Mayor submits to the City Council a recommended detailed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comment on the proposed annual budget. The Mayor and his staff analyze, review, and refine the budget submittals.

Prior to July 1, the budget is legally enacted through adoption of a resolution by the City Council.

## **D. Final Budget**

Certain annual appropriations are budgeted on a project or program basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations are carried forward to the following year though either an encumbrance or an amendment to the budget. In certain circumstances, other programs and regular annual appropriations may be carried forward after appropriate approval. Annually appropriated funds not authorized to be carried forward lapse at the end of the fiscal year. Appropriations carried forward from the prior year are included in the final budgetary data.

The City Manager is authorized to transfer funds already appropriated within a department's budget within a fund. However, any revisions that alter the total appropriations of a department within a fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the department level within a fund.

The City adopts an annual budget for all governmental and business-type funds. The Adopted Budget Document is prepared to include all the various changes approved by the City Council. No budgets are legally adopted for Fresno Revitalization Corporation, Financing Authorities and Corporations, and City Debt Service. Budgeted amounts are reported as amended. During the year, several supplementary appropriations were necessary, but were not material in relation to the original appropriations.

## **E. Budgetary Results Reconciliation**

### **1. Basis Differences**

The City's budgetary process is based upon an accounting basis other than generally accepted accounting principles (GAAP). The results of operations (actual) are presented in the budget and actual comparison schedule in accordance with the budgetary process (Budget basis) to provide a meaningful comparison with the budget, while the financial statements are presented using the GAAP basis. Loan proceeds, loan repayments, transfers, and interfund reimbursements primarily cause the basis differences.

## 2. Timing Differences

One of the major differences between the Budget basis and GAAP basis are timing differences. Timing differences represent transactions that are accounted for in different periods for the Budget basis as opposed to the GAAP basis of reporting. Revenues such as grant revenues recognized on a cash basis are unavailable for GAAP reporting, while various expenditures not recognized on a cash basis have been accrued for GAAP reporting.

Administrative amendments within the same department/fund level may be made without approval of the City Council within written guidelines established by the Chief Administrative Officer/City Manager.

For accounting and auditing convenience, appropriations for capital improvements may be established in two or more different funds for the same capital project.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length financial plans are adopted for certain capital projects. The level of budgetary controls (the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the department level by major expenditure category. Purchase orders that result in an overrun (encumbrance exceeding available appropriations) of department-level balances by object are not released until additional appropriations are made available. Open encumbrances at June 30 are reported as restricted, committed, or assigned fund balance in the governmental funds Balance Sheet.

The City assumed an attrition savings amount of \$6.9 million in its fiscal year 2022 budget. The amount was in recognition of the fact that not all positions budgeted in the General Fund are filled during the entire fiscal year. The attrition savings was established as a negative appropriation in each General Fund department's Personnel Services budget. However, no actual savings accrued against the attrition savings account. For purposes of the Budget-to-Actual report in the Required Supplementary Information, the difference between the negative appropriation and the actual lack of activity results in the account appearing to be over-budget.

Actual Transfers from Other Funds were \$(82.9) million lower than budgeted levels in fiscal year 2022. The overage was mostly due to transfers from the CARES Grant fund for eligible expenditures.



## Schedule of Investment Returns

### PENSION TRUST FUNDS EMPLOYEES, FIRE AND POLICE RETIREMENT SYSTEMS Last Ten Fiscal Years

Fiscal Year Ending June 30	Annual Money-Weighted Rate of Return Gross of Investment Expenses	Annual Money-Weighted Rate of Return Net of Investment Expense
2022	(7.12)%	(7.28)%
2021	30.85%	30.43%
2020	1.61%	1.26%
2019	5.54%	5.20%
2018	8.93%	8.57%
2017	17.73%	14.35%
2016	0.82%	0.53%
2015	3.32%	2.93%
2014	17.61%	17.16%
2013	13.65%	13.20%

The Schedule of Investment Returns above shows the annual money-weighted rate of return on the assets of the Systems, both gross and net of investment expense for ten fiscal years (2012-2021). The money-weighted rate of return expresses investment performance adjusted for timing of cash flows and the changing amounts actually invested. These returns differ slightly from the time-weighted rate of returns calculated and reported by the Systems' custodian, Northern Trust, and as independently reported by the Systems' investment consulting firm, NEPC, LLC. The Systems' custodian and investment consulting firm must use time-weighted returns as opposed to money-weighted returns in order to meet Global Investment Performance Standards for the purposes of effectively evaluating and reporting the performance of the Systems' investment managers.

The time-weighted return method is a measure of the compound rate of return of a portfolio over a stated period of time. It requires a set of sub-period returns to be calculated whenever there is an external cash flow, such as a deposit or withdrawal from the portfolio. In essence, it calculates the geometric total and mean return as opposed to the arithmetic total and mean return. This method does not include or have any distortions created when money is deposited or withdrawn from a portfolio. This is in contrast to money-weighted returns.

## Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

### PENSION TRUST FUNDS FIRE AND POLICE RETIREMENT SYSTEMS

#### Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios<sup>(2)</sup>

<b>Change in Net Pension Liability</b> (in thousands)				
For the Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Reporting Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b>Total Pension Liability</b>				
Service Cost	\$ 37,563	\$ 37,619	\$ 33,211	\$ 30,298
Interest	109,740	105,570	100,609	95,274
Differences between expected & actual experience	(5,449)	260	(7,067)	6,722
Changes of assumptions	—	(14,745)	55,856	2,891
Benefit payments, including refunds	(70,963)	(67,202)	(65,962)	(63,071)
<b>Net Change in Total Pension Liability</b>	<b>70,891</b>	<b>61,502</b>	<b>116,647</b>	<b>72,114</b>
Total Pension Liability - Beginning	1,565,631	1,504,129	1,387,482	1,315,368
Total Pension Liability - Ending (a)*	\$1,636,522	\$1,565,631	\$1,504,129	\$1,387,482
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 26,315	\$ 22,324	\$ 20,604	\$ 19,697
Contributions - employee	10,256	10,012	9,597	8,964
Net Investment Income	491,744	24,206	82,872	129,163
Benefit Payments including Refunds, PRSB	(70,963)	(67,202)	(65,962)	(63,071)
Administrative & Professional Expense	(2,282)	(1,839)	(1,897)	(1,710)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>455,070</b>	<b>(12,499)</b>	<b>45,214</b>	<b>93,043</b>
Plan Fiduciary Net Position - Beginning	1,635,301	1,647,800	1,602,586	1,509,543
Plan Fiduciary Net Position - Ending (b)	\$2,090,371	\$1,635,301	\$1,647,800	\$1,602,586
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$(453,849)	\$ (69,670)	\$(143,671)	\$(215,104)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	127.73 %	104.45 %	109.55 %	115.50 %
Covered Payroll <sup>(1)</sup>	\$ 115,341	\$ 113,843	\$ 109,803	\$ 103,934
Plan Net Pension Liability as a percentage of covered payroll	(393.48)%	(61.20)%	(130.84)%	(206.96)%

\* Data above is provided in accordance with provisions of GASB Statement No. 68 for determining Total Pension Liability which for financial reporting purposes uses a version of the Entry Age method whereby the Actuarial Accrued Liability is fully accrued when a member either enters DROP or is expected to elect DROP.

(1) Covered payroll represents payroll in which contributions to the Systems are based.

(2) Ten year data will be presented in future years as information becomes available.

**PENSION TRUST FUNDS  
FIRE AND POLICE RETIREMENT SYSTEMS**

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (cont)

Change in Net Pension Liability (in thousands)				
6/30/2018	6/30/2017	6/30/2016	6/30/2015	For the Fiscal Year Ended:
6/30/2018	6/30/2017	6/30/2016	6/30/2015	Reporting Date:
6/30/2017	6/30/2016	6/30/2015	6/30/2014	Measurement Date:
<b>Total Pension Liability</b>				
\$ 28,838	\$ 26,569	\$ 26,518	\$ 28,058	Service Cost
90,185	88,363	86,771	86,092	Interest
10,896	(42,952)	(36,528)	(49,879)	Differences between expected & actual experience
—	49,427	—	—	Changes of assumptions
(59,273)	(56,581)	(54,612)	(52,720)	Benefit payments, including refunds
70,646	64,826	22,149	11,551	<b>Net Change in Total Pension Liability</b>
1,244,722	1,179,896	1,157,747	1,146,196	Total Pension Liability - Beginning
\$1,315,368	\$1,244,722	\$1,179,896	\$1,157,747	Total Pension Liability - Ending (a)*
<b>Plan Fiduciary Net Position</b>				
\$ 18,543	\$ 18,738	\$ 18,967	\$ 18,575	Contributions - employer
8,169	7,748	7,385	7,294	Contributions - employee
192,315	6,063	39,164	201,838	Net Investment Income
(59,273)	(56,581)	(54,612)	(52,720)	Benefit Payments including Refunds, PRSB
(1,500)	(1,397)	(1,108)	(1,119)	Administrative & Professional Expense
158,254	(25,429)	9,796	173,868	<b>Net Change in Plan Fiduciary Net Position</b>
1,351,289	1,376,718	1,366,922	1,193,054	Plan Fiduciary Net Position - Beginning
\$1,509,543	\$1,351,289	\$1,376,718	\$1,366,922	Plan Fiduciary Net Position - Ending (b)
\$ (194,175)	\$ (106,567)	\$ (196,822)	\$ (209,175)	Plan Net Pension Liability (Asset) - Ending (a) - (b)
114.76 %	108.56 %	116.68 %	118.07 %	Plan Fiduciary Net Position as a percentage of Total Pension Liability
\$ 97,369	\$ 94,266	\$ 91,075	\$ 91,721	Covered Payroll <sup>(1)</sup>
(199.42)%	(113.05)%	(216.11)%	(228.06)%	Plan Net Pension Liability as a percentage of covered payroll

## PENSION TRUST FUNDS EMPLOYEES RETIREMENT SYSTEMS

### Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios<sup>(2)</sup>

<b>Change in Net Pension Liability</b> (in thousands)				
For the Fiscal Year Ended:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Reporting Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Measurement Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b>Total Pension Liability</b>				
Service Cost	\$ 30,993	\$ 28,762	\$ 23,509	\$ 21,275
Interest	93,358	89,222	86,110	82,833
Differences between expected & actual experience	(12,980)	5,748	(446)	(4,164)
Changes of assumptions	—	—	35,773	2,939
Benefit payments, including refunds	(69,246)	(64,519)	(62,144)	(57,666)
<b>Net Change in Total Pension Liability</b>	42,125	59,213	82,802	45,217
Total Pension Liability - Beginning	1,337,309	1,278,096	1,195,294	1,150,077
Total Pension Liability - Ending (a)*	\$1,379,434	\$1,337,309	\$1,278,096	\$1,195,294
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 20,144	\$ 16,554	\$ 14,627	\$ 14,609
Contributions - employee	13,750	11,028	10,515	10,330
Net Investment Income	407,811	20,109	69,389	108,915
Benefit Payments including Refunds, PRSB	(69,246)	(64,519)	(62,144)	(57,666)
Administrative & Professional Expense	(2,058)	(1,749)	(1,663)	(1,619)
<b>Net Change in Plan Fiduciary Net Position</b>	370,401	(18,577)	30,724	74,569
Plan Fiduciary Net Position - Beginning	1,360,838	1,379,415	1,348,691	1,274,122
Plan Fiduciary Net Position - Ending (b)	\$1,731,239	\$1,360,838	\$1,379,415	\$1,348,691
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$(351,805)	\$ (23,529)	\$(101,319)	\$(153,397)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	125.50 %	101.76 %	107.93 %	112.83 %
Covered Payroll <sup>(1)</sup>	\$ 154,031	\$ 149,403	\$ 138,396	\$ 128,461
Plan Net Pension Liability as a percentage of covered payroll	(228.40)%	(15.75)%	(73.21)%	(119.41)%

\* Data above is provided in accordance with provisions of GASB Statement No. 68 for determining Total Pension Liability which for financial reporting purposes uses a version of the Entry Age method whereby the Actuarial Accrued Liability is fully accrued when a member either enters DROP or is expected to elect DROP.

(1) Covered payroll represents payroll in which contributions to the Systems are based.

(2) Ten year data will be presented in future years as information becomes available.

**PENSION TRUST FUNDS**  
**EMPLOYEES RETIREMENT SYSTEMS**

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (cont)

Change in Net Pension Liability (in thousands)				
6/30/2018	6/30/2017	6/30/2016	6/30/2015	For the Fiscal Year Ended:
6/30/2018	6/30/2017	6/30/2016	6/30/2015	Reporting Date:
6/30/2017	6/30/2016	6/30/2015	6/30/2014	Measurement Date:
				<b>Total Pension Liability</b>
\$ 18,885	\$ 18,687	\$ 18,476	\$ 19,342	Service Cost
79,266	79,763	78,212	77,010	Interest
5,263	(24,394)	(24,691)	(29,889)	Differences between expected & actual experience
—	9,612	—	—	Changes of assumptions
(55,550)	(52,529)	(50,546)	(48,581)	Benefit payments, including refunds
47,864	31,139	21,451	17,882	<b>Net Change in Total Pension Liability</b>
1,102,213	1,071,074	1,049,623	1,031,741	Total Pension Liability - Beginning
\$1,150,077	\$1,102,213	\$1,071,074	\$1,049,623	Total Pension Liability - Ending (a)*
				<b>Plan Fiduciary Net Position</b>
\$ 15,205	\$ 13,060	\$ 12,327	\$ 11,440	Contributions - employer
10,181	9,098	8,750	7,945	Contributions - employee
162,374	5,089	33,310	172,773	Net Investment Income
(55,550)	(52,529)	(50,546)	(48,581)	Benefit Payments including Refunds, PRSB
(1,387)	(1,346)	(1,071)	(1,086)	Administrative & Professional Expense
130,823	(26,628)	2,770	142,491	<b>Net Change in Plan Fiduciary Net Position</b>
1,143,299	1,169,927	1,167,157	1,024,666	Plan Fiduciary Net Position - Beginning
\$1,274,122	\$1,143,299	\$1,169,927	\$1,167,157	Plan Fiduciary Net Position - Ending (b)
\$(124,045)	\$ (41,086)	\$ (98,853)	\$(117,534)	Plan Net Pension Liability (Asset) - Ending (a) - (b)
110.79 %	103.73 %	109.23 %	111.20 %	Plan Fiduciary Net Position as a percentage of Total Pension Liability
\$ 119,007	\$ 108,541	\$ 105,820	\$ 103,597	Covered Payroll <sup>(1)</sup>
(104.23)%	(37.85)%	(93.42)%	(113.45)%	Plan Net Pension Liability as a percentage of covered payroll

## Schedule of Employer Contribution - Pension Trust Funds

### FIRE AND POLICE RETIREMENT SYSTEM

Schedule of Employer Contributions

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ending June 30	Actuarially Determined Contribution (ADC) <sup>1</sup>	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 26,315	\$ 26,315	\$ —	\$ 115,341	22.81%
2020	22,324	22,324	—	113,843	19.61%
2019	20,604	20,604	—	109,803	18.76%
2018	19,697	19,697	—	103,934	18.95%
2017	18,543	18,543	—	97,369	19.04%
2016	18,738	18,738	—	94,266	19.88%
2015	18,967	18,967	—	91,075	20.83%
2014	18,575	18,575	—	91,721	20.25%
2013	18,725	18,725	—	94,368	19.84%
2012	22,875	22,875	—	96,195	23.78%

### EMPLOYEES RETIREMENT SYSTEM

Schedule of Employer Contributions

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ending June 30	Actuarially Determined Contribution (ADC) <sup>1</sup>	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 20,144	\$ 20,144	\$ —	\$ 154,031	13.08%
2020	16,554	16,554	—	149,403	11.08%
2019	14,627	14,627	—	138,396	10.57%
2018	14,609	14,609	—	128,461	11.37%
2017	15,205	15,205	—	119,007	12.78%
2016	13,060	13,060	—	108,541	12.03%
2015	12,327	12,327	—	105,820	11.65%
2014	11,440	11,440	—	103,597	11.04%
2013	13,330	13,330	—	105,509	12.63%
2012	11,374	11,374	—	110,492	10.29%

<sup>1</sup> Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. As such, the actuarial valuation dated June 30, 2020, will impact the contribution rate for the fiscal year ended June 30, 2022.

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS****For Fiscal Year Ending June 30**

(in thousands)

	2018	2019	2020	2021	2022
Net OPEB Liability Beginning of Year	\$ 84,639	\$ 92,820	\$ 113,700	\$ 148,672	\$ 152,605
Changes for the Year:					
Service Cost	\$ 4,769	\$ 5,777	\$ 10,885	\$ 10,052	\$ 6,603
Interest	2,995	3,688	3,012	3,045	3,221
Difference between Actual and Expected Experience	417	—	(7,800)	—	(19,028)
Assumption Changes		13,406	30,936	(6,622)	(40,728)
Benefit Payments	—	(1,991)	(2,061)	(2,543)	(2,912)
Net Changes	8,181	20,880	34,972	3,932	(52,844)
Net OPEB Liability End of Year	\$ 92,820	\$ 113,700	\$ 148,672	\$ 152,604	\$ 99,761

Covered-Employee Payroll as of December 31 <sup>1</sup>	\$ 229,256	\$ 236,134	\$ 250,860	\$ 257,132	\$ 294,493
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Net OPEB Liability as a percentage of covered-employee payroll	40.49%	48.15%	59.26%	59.35%	33.88%
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**Notes to Schedule**

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable.

Future years information will be displayed up to 10 years as information becomes available.

The City does not accumulate assets in a dedicated trust, or equivalent arrangement, for the purpose of funding its retiree healthcare obligation. Therefore, the actuarial value of plan assets is zero.

<sup>1</sup> Covered-employee payroll used in the most recent valuation was calculated based on mid-year, as it was considered representative of the payroll during the fiscal year.



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# NONMAJOR GOVERNMENTAL FUNDS

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# CITY OF FRESNO, CALIFORNIA

## Combining Balance Sheet

### Nonmajor Governmental Funds

June 30, 2022

(in thousands)

	Special Revenue						
	High Speed Rail	Fresno Revitalization Corporation	Special Gas Tax	Measure C	Measure P	Community Services	UGM Impact Fees
<b>Assets</b>							
Cash and Investments	\$ —	\$ 676	\$ 15,280	\$ 19,836	\$ 23,633	\$ 12,039	\$ 54,912
Receivables, Net	—	—	74	80	78	722	776
Grants Receivable	953	—	—	—	—	89	—
Intergovernmental Receivables	—	—	1,992	7,859	7,511	8	—
Due From Other Funds	—	103	587	109	529	243	1,200
Advances to Other Funds	—	—	—	—	—	—	—
Property Held for Resale	—	—	—	—	—	—	—
Restricted Cash	—	—	—	—	—	108	—
Loans, Notes, Leases, Other Receivables, Net	—	—	—	—	—	—	—
Total Assets	<u>\$ 953</u>	<u>\$ 779</u>	<u>\$ 17,933</u>	<u>\$ 27,884</u>	<u>\$ 31,751</u>	<u>\$ 13,209</u>	<u>\$ 56,888</u>
<b>Liabilities</b>							
Accrued Liabilities	\$ 368	\$ 90	\$ 1,432	\$ 891	\$ 536	\$ 1,309	\$ 265
Unearned Revenue	—	—	—	—	—	15	—
Due to Other Funds	2,310	—	164	124	12	—	—
Advances From Other Funds	—	62	—	—	—	—	2,490
Deposits From Others	—	—	—	—	—	31	—
Total Liabilities	<u>2,678</u>	<u>152</u>	<u>1,596</u>	<u>1,015</u>	<u>548</u>	<u>1,355</u>	<u>2,755</u>
<b>Deferred Inflows of Resources</b>							
Unavailable Revenue-Other	953	—	—	1,321	—	653	—
Total Deferred Inflows of Resources	<u>953</u>	<u>—</u>	<u>—</u>	<u>1,321</u>	<u>—</u>	<u>653</u>	<u>—</u>
<b>Fund Balances</b>							
Restricted	—	627	16,337	25,548	31,203	4,046	54,133
Assigned	—	—	—	—	—	7,155	—
Unassigned (Deficit)	(2,678)	—	—	—	—	—	—
Total Fund Balances	<u>(2,678)</u>	<u>627</u>	<u>16,337</u>	<u>25,548</u>	<u>31,203</u>	<u>11,201</u>	<u>54,133</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 953</u>	<u>\$ 779</u>	<u>\$ 17,933</u>	<u>\$ 27,884</u>	<u>\$ 31,751</u>	<u>\$ 13,209</u>	<u>\$ 56,888</u>

		Debt Service		Capital Projects			
Low and Moderate Income Housing	Special Assessments	City Debt	Financing Authorities and Corporations	City Combined	Total Nonmajor Governmental Funds		
							<b>Assets</b>
\$ 10,004	\$ 14,030	\$ 4	\$ 3,820	\$ 30,284	\$ 184,518		Cash and Investments
—	64	4	14	80	1,892		Receivables, Net
—	—	—	—	273	1,315		Grants Receivable
—	141	—	—	—	17,511		Intergovernmental Receivables
—	11	—	—	—	2,782		Due From Other Funds
62	—	—	—	—	62		Advances to Other Funds
3,600	—	—	—	—	3,600		Property Held for Resale
—	—	2	1,176	—	1,286		Restricted Cash
20,084	—	—	—	—	20,084		Loans, Notes, Leases, Other Receivables, Net
<u>\$ 33,750</u>	<u>\$ 14,246</u>	<u>\$ 10</u>	<u>\$ 5,010</u>	<u>\$ 30,637</u>	<u>\$ 233,050</u>		Total Assets
							<b>Liabilities</b>
\$ —	\$ 242	\$ —	\$ —	\$ 170	\$ 5,303		Accrued Liabilities
—	—	—	—	—	15		Unearned Revenue
—	45	—	—	—	2,655		Due to Other Funds
—	—	—	—	—	2,552		Advances From Other Funds
—	—	—	—	—	31		Deposits From Others
<u>—</u>	<u>287</u>	<u>—</u>	<u>—</u>	<u>170</u>	<u>10,556</u>		Total Liabilities
							<b>Deferred Inflows of Resources</b>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,927</u>		Unavailable Revenue-Other
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,927</u>		Total Deferred Inflows of Resources
							<b>Fund Balances</b>
33,750	13,959	10	5,010	—	184,623		Restricted
—	—	—	—	30,467	37,622		Assigned
—	—	—	—	—	(2,678)		Unassigned (Deficit)
<u>33,750</u>	<u>13,959</u>	<u>10</u>	<u>5,010</u>	<u>30,467</u>	<u>219,567</u>		Total Fund Balances
<u>\$ 33,750</u>	<u>\$ 14,246</u>	<u>\$ 10</u>	<u>\$ 5,010</u>	<u>\$ 30,637</u>	<u>\$ 233,050</u>		Total Liabilities, Deferred Inflows of Resources and Fund Balances

# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

2022

(in thousands)

	Special Revenue						
	High Speed Rail	Fresno Revitalization Corporation	Special Gas Tax	Measure C	Measure P	Community Services	UGM Impact Fees
<b>Revenues</b>							
Taxes	\$ —	\$ —	\$ 22,226	\$ 23,771	\$ 43,125	\$ 2,288	\$ —
Intergovernmental	6,291	—	—	—	—	2,819	4
Charges for Services	436	210	—	—	—	6,206	21,240
Use of Money and Property	—	103	(725)	230	125	(143)	(2,647)
Miscellaneous	(3)	281	282	1,076	14	21	14
Total Revenues	6,724	594	21,783	25,077	43,264	11,191	18,611
<b>Expenditures</b>							
Current:							
General Government	—	—	—	—	886	1,236	—
Public Protection	—	—	—	—	—	2,621	170
Public Ways and Facilities	1,055	—	15,860	13,099	24	2,698	4,438
Culture and Recreation	—	—	—	—	6,114	1,142	382
Community Development	23	214	—	—	—	2,989	—
Capital Outlay	4,972	—	3,613	1,106	5,028	405	441
Debt Service:							
Principal	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	68
Total Expenditures	6,050	214	19,473	14,205	12,052	11,091	5,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	674	380	2,310	10,872	31,212	100	13,112
<b>Other Financing Sources (Uses)</b>							
Transfers In	30	—	27	2,074	—	246	1,363
Transfers Out	(86)	—	(1,764)	(3,743)	(9)	(646)	(5,279)
Total Other Financing Sources (Uses)	(56)	—	(1,737)	(1,669)	(9)	(400)	(3,916)
Net Change in Fund Balances	618	380	573	9,203	31,203	(300)	9,196
Fund Balances (Deficit) - Beginning	(3,296)	247	15,764	16,345	—	11,501	44,937
Fund Balances (Deficit) - Ending	\$ (2,678)	\$ 627	\$ 16,337	\$ 25,548	\$ 31,203	\$ 11,201	\$ 54,133

		Debt Service		Capital Projects			
Low and Moderate Income Housing	Special Assessments	City Debt	Financing Authorities and Corporations	City Combined	Total Nonmajor Governmental Funds		
						Revenues	
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 91,410	Taxes	
28	—	—	—	25,000	34,142	Intergovernmental	
—	6,577	—	—	—	34,669	Charges for Services	
14	(693)	7	35	(1,405)	(5,099)	Use of Money and Property	
—	6	—	—	924	2,615	Miscellaneous	
42	5,890	7	35	24,519	157,737	Total Revenues	
						Expenditures	
						Current:	
229	—	7	12	—	2,370	General Government	
—	—	—	—	—	2,791	Public Protection	
—	5,426	—	—	—	42,600	Public Ways and Facilities	
—	—	—	—	—	7,638	Culture and Recreation	
1,182	—	—	—	—	4,408	Community Development	
—	6	—	—	16,992	32,563	Capital Outlay	
						Debt Service:	
—	—	9,962	8,240	—	18,202	Principal	
—	—	6,496	5,404	—	11,968	Interest	
1,411	5,432	16,465	13,656	16,992	122,540	Total Expenditures	
(1,369)	458	(16,458)	(13,621)	7,527	35,197	Excess (Deficiency) of Revenues Over (Under) Expenditures	
						Other Financing Sources (Uses)	
433	—	16,465	14,752	18,623	54,013	Transfers In	
—	(746)	—	(15,380)	(778)	(28,431)	Transfers Out	
433	(746)	16,465	(628)	17,845	25,582	Total Other Financing Sources (Uses)	
(936)	(288)	7	(14,249)	25,372	60,779	Net Change in Fund Balances	
34,686	14,247	3	19,259	5,095	158,788	Fund Balances (Deficit) - Beginning	
\$ 33,750	\$ 13,959	\$ 10	\$ 5,010	\$ 30,467	\$ 219,567	Fund Balances (Deficit) - Ending	



# CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual  
(Non-GAAP Budgetary Basis) - High Speed Rail - Special Revenue Fund  
Fiscal Year Ended June 30, 2022  
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ (12,369)	\$ (12,369)	\$ (8,770)	\$ 3,599	\$ 8,770	\$ —
<b>Resources (inflows):</b>						
Intergovernmental	8,830	10,780	6,291	(4,489)	—	6,291
Charges for Services	680	680	436	(244)	—	436
Use of Money and Property	(43)	(43)	(29)	14	29	—
Miscellaneous	—	—	(3)	(3)	—	(3)
Other Financing Sources: Transfers from Other Funds	45	45	30	(15)	—	30
<b>Total Available for Appropriations</b>	<u>(2,857)</u>	<u>(907)</u>	<u>(2,045)</u>	<u>(1,138)</u>	<u>8,799</u>	<u>6,754</u>
<b>Charges to Appropriations (outflows):</b>						
Public Ways and Facilities	1,304	1,304	1,013	(291)	42	1,055
Community Development	330	330	23	(307)	—	23
Capital Outlay	—	1,950	5,849	3,899	(877)	4,972
Other Financing Uses: Transfers to Other Funds	—	—	86	86	—	86
<b>Total Charges to Appropriations</b>	<u>1,634</u>	<u>3,584</u>	<u>6,971</u>	<u>3,387</u>	<u>(835)</u>	<u>6,136</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ (4,491)</u>	<u>\$ (4,491)</u>	<u>\$ (9,016)</u>	<u>\$ (4,525)</u>	<u>\$ 9,634</u>	<u>\$ 618</u>

# CITY OF FRESNO, CALIFORNIA

## Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Special Gas Tax - Special Revenue Fund

Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ 4,205	\$ 6,109	\$ 8,221	\$ 2,112	\$ (8,221)	\$ —
<b>Resources (inflows):</b>						
Taxes	23,065	23,065	22,524	(541)	(298)	22,226
Use of Money and Property	171	170	180	10	(905)	(725)
Miscellaneous	219	219	317	98	(35)	282
Other Financing Sources:						
Transfers From Other Funds	—	32	28	(4)	(1)	27
<b>Total Available for Appropriations</b>	<u>27,660</u>	<u>29,595</u>	<u>31,270</u>	<u>1,675</u>	<u>(9,460)</u>	<u>21,810</u>
<b>Charges to Appropriations (outflows):</b>						
Public Ways and Facilities	19,703	21,526	16,428	(5,098)	(568)	15,860
Capital Outlay	5,796	7,150	4,223	(2,927)	(610)	3,613
Other Financing Uses:						
Transfers to Other Funds	43	43	1,611	1,568	153	1,764
<b>Total Charges to Appropriations</b>	<u>25,542</u>	<u>28,719</u>	<u>22,262</u>	<u>(6,457)</u>	<u>(1,025)</u>	<u>21,237</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ 2,118</u>	<u>\$ 876</u>	<u>\$ 9,008</u>	<u>\$ 8,132</u>	<u>\$ (8,435)</u>	<u>\$ 573</u>

# CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual  
 (Non-GAAP Budgetary Basis) - Measure C - Special Revenue Fund  
 Fiscal Year Ended June 30, 2022  
 (in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ (2,776)	\$ (2,317)	\$ 3,039	\$ 5,356	\$ (3,039)	\$ —
<b>Resources (inflows):</b>						
Taxes	22,192	22,673	20,197	(2,476)	3,574	23,771
Use of Money and Property	199	199	230	31	—	230
Miscellaneous	1,551	1,701	1,089	(612)	(13)	1,076
Other Financing Sources: Transfers from Other Funds	17	125	2,903	2,778	(829)	2,074
<b>Total Available For Appropriations</b>	<u>21,183</u>	<u>22,381</u>	<u>27,458</u>	<u>5,077</u>	<u>(307)</u>	<u>27,151</u>
<b>Charges to Appropriations (outflows):</b>						
Public Ways and Facilities	15,675	16,740	13,310	(3,430)	(211)	13,099
Capital Outlay	31,572	31,855	1,177	(30,678)	(71)	1,106
Other Financing Uses: Transfers to Other Funds	250	250	4,343	4,093	(600)	3,743
<b>Total Charges to Appropriations</b>	<u>47,497</u>	<u>48,845</u>	<u>18,830</u>	<u>(30,015)</u>	<u>(882)</u>	<u>17,948</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ (26,314)</u>	<u>\$ (26,464)</u>	<u>\$ 8,628</u>	<u>\$ 35,092</u>	<u>\$ 575</u>	<u>\$ 9,203</u>

# CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual  
(Non-GAAP Budgetary Basis) - Measure P - Special Revenue Fund  
Fiscal Year Ended June 30, 2022  
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Resources (inflows):</b>						
Taxes	29,573	29,723	35,614	5,891	7,511	43,125
Use of Money and Property	—	—	125	125	—	125
Miscellaneous	—	—	14	14	—	14
Other Financing Sources: Transfers from Other Funds	—	2	—	(2)	—	—
<b>Total Available For Appropriations</b>	<u>29,573</u>	<u>29,725</u>	<u>35,753</u>	<u>6,028</u>	<u>7,511</u>	<u>43,264</u>
<b>Charges to Appropriations (outflows):</b>						
General Government	1,043	1,043	882	(161)	4	886
Public Ways and Facilities	—	902	217	(685)	(193)	24
Culture and Recreation	10,476	12,657	6,314	(6,343)	(200)	6,114
Capital Outlay	10,653	10,958	4,623	(6,335)	405	5,028
Other Financing Uses: Transfers to Other Funds	—	—	5	5	4	9
<b>Total Charges to Appropriations</b>	<u>22,172</u>	<u>25,560</u>	<u>12,041</u>	<u>(13,519)</u>	<u>20</u>	<u>12,061</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ 7,401</u>	<u>\$ 4,165</u>	<u>\$ 23,712</u>	<u>\$ 19,547</u>	<u>\$ 7,491</u>	<u>\$ 31,203</u>

# CITY OF FRESNO, CALIFORNIA

## Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Community Services - Special Revenue Fund

Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget to GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ 1,516	\$ 2,539	\$ 4,048	\$ 1,509	\$ (4,048)	\$ —
<b>Resources (inflows):</b>						
Taxes	2,500	2,500	2,471	(29)	(183)	2,288
Intergovernmental	4,162	4,262	2,834	(1,428)	(15)	2,819
Charges for Services	6,788	16,282	6,134	(10,148)	72	6,206
Use of Money and Property	351	351	575	224	(718)	(143)
Miscellaneous	5	6	21	15	—	21
Other Financing Sources: Transfers from Other Funds	495	495	289	(206)	(43)	246
<b>Total Available For Appropriations</b>	<u>15,817</u>	<u>26,435</u>	<u>16,372</u>	<u>(10,063)</u>	<u>(4,935)</u>	<u>11,437</u>
<b>Charges to Appropriations (outflows):</b>						
General Government	1,250	1,250	1,235	(15)	1	1,236
Public Protection	3,116	3,511	2,687	(824)	(66)	2,621
Public Ways and Facilities	4,111	4,639	1,747	(2,892)	951	2,698
Culture and Recreation	1,552	1,837	964	(873)	178	1,142
Community Development	3,152	3,152	2,989	(163)	—	2,989
Capital Outlay	18,690	28,231	455	(27,776)	(50)	405
Other Financing Uses: Transfers to Other Funds	598	598	616	18	30	646
<b>Total Charges to Appropriations</b>	<u>32,469</u>	<u>43,218</u>	<u>10,693</u>	<u>(32,525)</u>	<u>1,044</u>	<u>11,737</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ (16,652)</u>	<u>\$ (16,783)</u>	<u>\$ 5,679</u>	<u>\$ 22,462</u>	<u>\$ (5,979)</u>	<u>\$ (300)</u>

# CITY OF FRESNO, CALIFORNIA

## Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - UGM Impact Fees - Special Revenue Fund

Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ 44,884	\$ 45,757	\$ 44,420	\$ (1,337)	\$ (44,420)	\$ —
<b>Resources (inflows):</b>						
Charges for Services	19,335	20,081	20,917	836	323	21,240
Use of Money and Property	452	452	594	142	(3,241)	(2,647)
Other Financing Sources: Transfers from Other Funds	32	32	1,654	1,622	(291)	1,363
<b>Total Available for Appropriations</b>	<u>64,703</u>	<u>66,322</u>	<u>67,603</u>	<u>1,281</u>	<u>(47,629)</u>	<u>19,974</u>
<b>Charges to Appropriations (outflows):</b>						
Public Protection	170	170	170	—	—	170
Culture and Recreation	184	201	52	(149)	330	382
Public Ways and Facilities	11,823	12,601	4,423	(8,178)	15	4,438
Capital Outlay	21,581	22,162	907	(21,255)	(466)	441
Debt Service Interest	—	—	—	—	68	68
Other Financing Uses: Transfers to Other Funds	3,628	6,129	6,320	191	(1,041)	5,279
<b>Total Charges to Appropriations</b>	<u>37,386</u>	<u>41,263</u>	<u>11,872</u>	<u>(29,391)</u>	<u>(1,094)</u>	<u>10,778</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ 27,317</u>	<u>\$ 25,059</u>	<u>\$ 55,731</u>	<u>\$ 30,672</u>	<u>\$ (46,535)</u>	<u>\$ 9,196</u>

# CITY OF FRESNO, CALIFORNIA

## Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Low and Moderate Income Housing - Special Revenue Fund

Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis		
	Original							
Budgetary Fund Balance, July 1	\$	—	\$	—	\$	—		
Resources (inflows):								
Intergovernmental		28	28	—	—	28		
Use of Money and Property		534	14	(520)	—	14		
Other Financing Sources: Transfers from Other Funds		830	433	(397)	—	433		
Total Available for Appropriations		1,392	475	(917)	—	475		
Charges to Appropriations (outflows):								
General Government		217	229	12	—	229		
Community Development		30	1,182	1,152	—	1,182		
Total Charges to Appropriations		247	1,411	1,164,000	—	1,411		
Excess (Deficit) Resources Over (Under) Appropriations	\$	1,145	\$	(936)	\$	—	\$	(936)



# CITY OF FRESNO, CALIFORNIA

## Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Special Assessments - Special Revenue Fund

Fiscal Year Ended June 30, 2022

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ 11,741	\$ 12,507	\$ 14,023	\$ 1,516	\$ (14,023)	\$ —
<b>Resources (inflows):</b>						
Charges for Services	6,040	6,102	6,577	475	—	6,577
Use of Money and Property	211	211	166	(45)	(859)	(693)
Miscellaneous	10	10	7	(3)	(1)	6
Other Financing Sources: Transfers from Other Funds	379	397	377	(20)	(377)	—
<b>Total Available for Appropriations</b>	<u>18,381</u>	<u>19,227</u>	<u>21,150</u>	<u>1,923</u>	<u>(15,260)</u>	<u>5,890</u>
<b>Charges to Appropriations (outflows):</b>						
Public Ways and Facilities	9,162	10,014	5,407	(4,607)	19	5,426
Capital Outlay	1,767	1,766	1	(1,765)	5	6
Other Financing Uses: Transfers to Other Funds	377	377	1,072	695	(326)	746
<b>Total Charges to Appropriations</b>	<u>11,306</u>	<u>12,157</u>	<u>6,480</u>	<u>(5,677)</u>	<u>(302)</u>	<u>6,178</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ 7,075</u>	<u>\$ 7,070</u>	<u>\$ 14,670</u>	<u>\$ 7,600</u>	<u>\$ (14,958)</u>	<u>\$ (288)</u>

# CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual  
(Non-GAAP Budgetary Basis) - City Combined - Capital Projects Fund  
Fiscal Year Ended June 30, 2022  
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
<b>Budgetary Fund Balance, July 1</b>	\$ (13,306)	\$ (12,895)	\$ (11,742)	\$ 1,153	\$ 11,742	\$ —
<b>Resources (inflows):</b>						
Intergovernmental	—	25,000	25,000	—	—	25,000
Use of Money and Property	42	42	132	90	(1,537)	(1,405)
Miscellaneous	3,219	5,602	16,294	10,692	(15,370)	924
Other Financing Sources:						
Transfers Budgeted as Bond Proceeds	15,609	18,109	3,520	(14,589)	15,103	18,623
<b>Total Available for Appropriations</b>	<u>5,564</u>	<u>35,858</u>	<u>33,204</u>	<u>(2,654)</u>	<u>9,938</u>	<u>43,142</u>
<b>Charges to Appropriations (outflows):</b>						
Capital Outlay	3,835	34,791	18,593	(16,198)	(1,601)	16,992
Other Financing Uses:						
Transfers to Other Funds	—	—	1,031	1,031	(253)	778
<b>Total Charges to Appropriations</b>	<u>3,835</u>	<u>34,791</u>	<u>19,624</u>	<u>(15,167)</u>	<u>(1,854)</u>	<u>17,770</u>
<b>Excess (Deficit) Resources Over (Under) Appropriations</b>	<u>\$ 1,729</u>	<u>\$ 1,067</u>	<u>\$ 13,580</u>	<u>\$ 12,513</u>	<u>\$ 11,792</u>	<u>\$ 25,372</u>

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# NONMAJOR ENTERPRISE FUNDS

**CITY OF FRESNO, CALIFORNIA**  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2022  
(in thousands)

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Community Sanitation</b>	<b>Parks and Recreation</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets</b>			
Current Assets:			
Cash and Investments	\$ 2,767	\$ —	\$ 2,767
Interest Receivable	15	3	18
Accounts Receivable, Net	1,915	1,596	3,511
Due from Other Funds	909	—	909
Total Current Assets	5,606	1,599	7,205
Noncurrent Assets:			
Restricted:			
Cash and Investments	—	969	969
Total Restricted Assets	—	969	969
Other Assets:			
Other Assets	—	14	14
Net Pension Asset	6,825	—	6,825
Total Other Assets	6,825	14	6,839
Capital Assets:			
Land and Intangibles	—	12	12
Buildings, Systems and Improvements	—	3,743	3,743
Machinery and Equipment	67	—	67
Infrastructure	—	122	122
Less Accumulated Depreciation	(62)	(2,225)	(2,287)
Total Capital Assets, Net	5	1,652	1,657
Total Noncurrent Assets	6,830	2,635	9,465
Total Assets	12,436	4,234	16,670
<b>Deferred Outflows of Resources</b>			
Charge on Refunding	—	50	50
Deferred Outflows - Pensions	614	—	614
Deferred Outflows - OPEB	416	—	416
Total Deferred Outflows of Resources	1,030	50	1,080
<b>Liabilities</b>			
Current Liabilities:			
Accrued Liabilities	157	71	228
Accrued Compensated Absences and HRA	36	1	37
Due to Other Funds	133	512	645
Bonds Payable	—	60	60
Total Current Liabilities	326	644	970
Noncurrent Liabilities:			
Accrued Compensated Absences and HRA	324	3	327
Bonds Payable	—	1,488	1,488
Net OPEB Liability	1,158	—	1,158
Total Noncurrent Liabilities	1,482	1,491	2,973
Total Liabilities	1,808	2,135	3,943
<b>Deferred Inflows of Resources</b>			
Unamortized Pension Expense	3,809	—	3,809
Unamortized OPEB Expense	982	—	982
Deferred Inflows - Leases	—	1,557	1,557
Total Deferred Inflows of Resources	4,791	1,557	6,348
<b>Net Position</b>			
Net Investment in Capital Assets	5	153	158
Unrestricted	6,862	439	7,301
Total Net Position	\$ 6,867	\$ 592	\$ 7,459

# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

### Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Business-Type Activities - Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
<b>Operating Revenues:</b>			
Charges for Services	\$ 10,705	\$ 630	\$ 11,335
<b>Operating Expenses:</b>			
Cost of Services	5,377	108	5,485
Administration	2,971	62	3,033
Depreciation	3	185	188
Total Operating Expenses	8,351	355	8,706
Operating Income (Loss)	2,354	275	2,629
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	36	41	77
Net Increase (Decrease) in Cash Fair Value	(168)	—	(168)
Interest Expense	—	(61)	(61)
Total Non-Operating Revenue (Expenses)	(132)	(20)	(152)
Income (Loss) Before Transfers	2,222	255	2,477
Transfers In	1,300	—	1,300
Transfers Out	(1,025)	—	(1,025)
Change in Net Position	2,497	255	2,752
Total Net Position - Beginning	4,370	337	4,707
Total Net Position - Ending	\$ 6,867	\$ 592	\$ 7,459

# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Cash Flows

### Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Business-Type Activities - Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 9,563	\$ 1,144	\$ 10,707
Cash Payments to Suppliers for Services	(2,486)	(306)	(2,792)
Cash Paid for Interfund Services Used	(2,059)	—	(2,059)
Cash Payments to Employees for Services	(5,084)	—	(5,084)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(66)</u>	<u>838</u>	<u>772</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Interest Payments on Capital Debt	—	(78)	(78)
Payment for Cost of Issuance	—	5	5
Principal Payments on Capital Debt-Bonds	—	(55)	(55)
Acquisition and Construction of Capital Assets	—	(53)	(53)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<u>—</u>	<u>(181)</u>	<u>(181)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Borrowing Receipt from (Payment to) Other Funds	—	(512)	(512)
Transfers In	1,300	—	1,300
Transfers Out	(1,025)	—	(1,025)
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<u>275</u>	<u>(512)</u>	<u>(237)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends Received (Paid) on Investments	(135)	42	(93)
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>(135)</u>	<u>42</u>	<u>(93)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	74	187	261
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,693</u>	<u>782</u>	<u>3,475</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,767</u>	<u>\$ 969</u>	<u>\$ 3,736</u>



# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Cash Flows

### Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2022 (Continued)

	Business-Type Activities - Nonmajor Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating income (loss)	\$ 2,354	\$ 275	\$ 2,629
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	3	185	188
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	(171)	(1,596)	(1,767)
Decrease (increase) in prepaid items	6	—	6
Decrease (increase) in net pension asset and deferred outflows pensions	(4,774)	—	(4,774)
Decrease (increase) in prepaid insurance	—	1	1
(Decrease) increase in accounts payable	(74)	(128)	(202)
(Decrease) increase in salaries payable	(103)	(9)	(112)
(Decrease) increase in due to other funds	(132)	553	421
(Decrease) increase in net OPEB liability	(717)	—	(717)
(Decrease) increase in deferred inflows of resources pensions	4,452	1,557	6,009
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (66)</b>	<b>\$ 838</b>	<b>\$ 772</b>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>			
Cash and Investments:			
Unrestricted	\$ 2,767	\$ —	\$ 2,767
Restricted - Current and Noncurrent	—	969	969
<b>Cash and Cash Equivalents at End of Year on Statement of Cash Flows</b>	<b>\$ 2,767</b>	<b>\$ 969</b>	<b>\$ 3,736</b>
<b>Noncash Investing, Capital, and Financing Activities:</b>			
Amortization of bond premium, discount and loss on refunding	—	(16)	(16)
Decrease (increase) in fair value of investments	(133)	—	(133)



# INTERNAL SERVICE FUNDS

**CITY OF FRESNO, CALIFORNIA**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2022  
(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
<b>Assets</b>						
Current Assets:						
Cash and Investments	\$ 20,472	\$ 72,047	\$ 8,222	\$ 30,605	\$ —	\$ 131,346
Interest Receivable	95	214	51	161	—	521
Accounts Receivable, Net	880	370	248	327	—	1,825
Inventories	—	1,073	—	—	—	1,073
Prepaid Items	—	562	—	—	—	562
Due from Other Funds	186	2,650	8	—	—	2,844
Total Current Assets	21,633	76,916	8,529	31,093	—	138,171
Noncurrent Assets:						
Restricted:						
Cash and Investments	4,437	—	889	—	—	5,326
Total Restricted Assets	4,437	—	889	—	—	5,326
Other Assets:						
Net Pension Asset	9,807	28,871	—	—	—	38,678
Total Other Assets	9,807	28,871	—	—	—	38,678
Capital Assets:						
Buildings, Systems & Improvements	125	12,401	—	—	—	12,526
Machinery & Equipment	121	147,589	—	—	—	147,710
Right to Use Assets Being Amortized	—	3,235	—	—	—	3,235
Construction in Progress	45	27,259	—	—	—	27,304
Less Accumulated Depreciation and Amortization	(121)	(93,226)	—	—	—	(93,347)
Total Capital Assets, Net	170	97,258	—	—	—	97,428
Total Noncurrent Assets	14,414	126,129	889	—	—	141,432
Total Assets	36,047	203,045	9,418	31,093	—	279,603
<b>Deferred Outflows of Resources</b>						
Pension Contributions	612	1,791	—	—	—	2,403
Deferred Outflows - Pension	357	890	—	—	—	1,247
Deferred Outflows - OPEB	792	1,406	148	—	—	2,346
Total Deferred Outflows of Resources	1,761	4,087	148	—	—	5,996

**CITY OF FRESNO, CALIFORNIA**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2022  
(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
<b>Liabilities</b>						
Current Liabilities:						
Accrued Liabilities	1,033	6,604	1,187	—	—	8,824
Accrued Compensated Absences & HRA	274	420	39	—	—	733
Liability for Self-Insurance	—	—	30,346	7,400	—	37,746
Unearned Revenue	1,066	4,778	—	—	—	5,844
Due to Other Funds	18,085	15,062	—	—	—	33,147
Capital Finance Obligations	—	6,925	—	—	—	6,925
Lease Liability	—	407	—	—	—	407
Total Current Liabilities	20,458	34,196	31,572	7,400	—	93,626
Noncurrent Liabilities:						
Accrued Compensated Absences & HRA	1,472	3,601	173	—	—	5,246
Capital Lease Obligations	—	29,843	—	—	—	29,843
Liability for Self-Insurance	—	—	170,181	—	—	170,181
Lease Liability	—	2,431	—	—	—	2,431
Net OPEB Liability	2,198	2,328	(728)	—	—	3,798
Deposits Held for Others	4,679	—	—	—	—	4,679
Total Noncurrent Liabilities	8,349	38,203	169,626	—	—	216,178
Total Liabilities	28,807	72,399	201,198	7,400	—	309,804
<b>Deferred Inflows of Resources</b>						
Unamortized Pension Expense	5,889	17,806	—	—	—	23,695
Unamortized OPEB Expense	2,130	4,976	1,275	—	—	8,381
Deferred Inflows - Leases	—	343	—	—	—	343
Total Deferred Inflows of Resources	8,019	23,125	1,275	—	—	32,419
<b>Net Position</b>						
Net Investment in Capital Assets	170	57,652	—	—	—	57,822
Unrestricted (Deficit)	812	53,956	(192,907)	23,693	—	(114,446)
Total Net Position (Deficit)	\$ 982	\$ 111,608	\$ (192,907)	\$ 23,693	\$ —	\$ (56,624)

# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

### Internal Service Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
<b>Operating Revenues:</b>						
Charges for Services	\$ 12,531	\$ 80,288	\$ 42,559	\$ 53,003	\$ 7,331	\$ 195,712
<b>Operating Expenses:</b>						
Cost of Services	6,860	45,983	52,032	48,987	6,745	160,607
Administration	5,182	13,834	9,459	5,386	586	34,447
Depreciation	—	14,145	—	—	—	14,145
Total Operating Expenses	12,042	73,962	61,491	54,373	7,331	209,199
Operating Income (Loss)	489	6,326	(18,932)	(1,370)	—	(13,487)
<b>Non-Operating Revenue (Expenses):</b>						
Interest Income	226	563	117	402	—	1,308
Net Increase (Decrease) in Cash Fair Value	(1,303)	(3,325)	(615)	—	—	(5,243)
Interest Expense	—	(778)	—	—	—	(778)
Gain (loss) on Disposal of Capital Assets	—	—	—	—	—	—
Total Non-Operating Revenue (Expenses)	(1,077)	(3,540)	(498)	402	—	(4,713)
Income (Loss) Before Contributions & Transfers	(588)	2,786	(19,430)	(968)	—	(18,200)
Transfers In	1,095	3,035	—	—	—	4,130
Transfers Out	(310)	(914)	(30)	—	—	(1,254)
Change in Net Position	197	4,907	(19,460)	(968)	—	(15,324)
Total Net Position (Deficit) - Beginning	785	106,701	(173,447)	24,661	—	(41,300)
Total Net Position (Deficit) - Ending	\$ 982	\$ 111,608	\$ (192,907)	\$ 23,693	\$ —	\$ (56,624)

# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Cash Flows

### Internal Service Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash Received from Customers	\$ 32,050	\$ 64,893	\$ —	\$ 11,815	\$ 4,926	\$ 113,684
Cash Received from Interfund Services Provided	33	25,351	75,359	41,189	2,405	144,337
Cash Payments from (to) Suppliers for Services	8,799	(38,343)	(9,331)	(5,140)	(586)	(44,601)
Cash Paid for Interfund Services Used	(15,840)	(4,857)	(168)	—	—	(20,865)
Cash Payments to Employees for Services	(8,113)	(22,808)	(6,409)	—	—	(37,330)
Cash Payments for Claims and Refunds			(63,546)	(48,988)	(6,745)	(119,279)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>16,929</u>	<u>24,236</u>	<u>(4,095)</u>	<u>(1,124)</u>	<u>—</u>	<u>35,946</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital Contributions	—	19,071	—	—	—	19,071
Interest Payments on Capital Debt	—	(631)	—	—	—	(631)
Principal Payments on Capital Lease Obligations	—	(6,276)	—	—	—	(6,276)
Acquisition and Construction of Capital Assets	(27)	(22,935)	—	—	—	(22,962)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<u>(27)</u>	<u>(10,771)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(10,798)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Borrowing Receipt from (Payment to) Other Funds	(186)	4,692	—	—	—	4,506
Transfers In	1,095	3,035	—	—	—	4,130
Transfers Out	(310)	(914)	(30)	—	—	(1,254)
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<u>599</u>	<u>6,813</u>	<u>(30)</u>	<u>—</u>	<u>—</u>	<u>7,382</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest and Dividends Received (Paid) on Investments	(1,088)	(2,820)	(476)	406	—	(3,978)
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>(1,088)</u>	<u>(2,820)</u>	<u>(476)</u>	<u>406</u>	<u>—</u>	<u>(3,978)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	16,413	17,458	(4,601)	(718)	—	28,552
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>8,496</u>	<u>54,589</u>	<u>13,712</u>	<u>31,323</u>	<u>—</u>	<u>108,120</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 24,909</u>	<u>\$ 72,047</u>	<u>\$ 9,111</u>	<u>\$ 30,605</u>	<u>\$ —</u>	<u>\$ 136,672</u>



# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Cash Flows

### Internal Service Funds

Fiscal Year Ended June 30, 2022 (Continued)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>						
Operating income (loss)	\$ 489	\$ 6,326	\$ (18,932)	\$ (1,370)	\$ —	\$ (13,487)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	—	14,145	—	—	—	14,145
Change in assets and liabilities:						
Decrease (increase) in accounts receivable	541	(348)	(39)	(327)	—	(173)
Decrease (increase) in due from other funds	—	1,323	(8)	—	—	1,315
Decrease (increase) in material and supplies inventory	—	(186)	—	—	—	(186)
Decrease (increase) in prepaid items	(1)	(2)	25	—	—	22
Decrease (increase) in net pension asset and deferred outflows pensions	(7,313)	(22,352)	(21)	—	—	(29,686)
(Decrease) increase in accounts payable	(792)	(969)	(65)	(327)	—	(2,153)
(Decrease) increase in salaries payable	(111)	765	111	—	—	765
(Decrease) increase in due to other funds	18,062	3,334	—	—	—	21,396
(Decrease) increase in unearned revenue	89	4,201	—	—	—	4,290
(Decrease) increase in liability for self-insurance	—	—	14,794	900	—	15,694
(Decrease) increase in deposits	195	—	—	—	—	195
(Decrease) increase in net OPEB liability	(1,596)	(4,007)	(1,158)	—	—	(6,761)
(Decrease) increase in deferred inflows of resources pensions	7,366	22,006	1,198	—	—	30,570
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 16,929</u>	<u>\$ 24,236</u>	<u>\$ (4,095)</u>	<u>\$ (1,124)</u>	<u>\$ —</u>	<u>\$ 35,946</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>						
Cash and Investments:						
Unrestricted	\$ 20,472	\$ 72,047	\$ 8,222	\$ 30,605	\$ —	\$ 131,346
Restricted - Current and Noncurrent	4,437	—	889	—	—	5,326
<b>Cash and Cash Equivalents at End of Year on Statement of Cash Flows</b>	<u>\$ 24,909</u>	<u>\$ 72,047</u>	<u>\$ 9,111</u>	<u>\$ 30,605</u>	<u>\$ —</u>	<u>\$ 136,672</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Acquisition and construction of capital assets on accounts payable	\$ 45	\$ 2,854	\$ —	\$ —	\$ —	\$ 2,899
Borrowing under capital financing	—	20,827	—	—	—	20,827
Decrease (increase) in fair value of investments	(1,193)	(2,653)	(437)	—	—	(4,283)





# FIDUCIARY FUNDS

# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Fiduciary Net Position

### Fiduciary Funds - Pension Trust Funds

June 30, 2022

(in thousands)

	Pension Trust Funds		
	Fire and Police Retirement System	Employees Retirement System	Total
<b>Assets</b>			
Cash and Investments	\$ 1,095	\$ 873	\$ 1,968
Receivables:			
Receivables for Investments Sold	15,858	13,125	28,983
Interest and Dividends Receivable	3,066	2,532	5,598
Other Receivables	1,281	1,058	2,339
Total Receivables	20,205	16,715	36,920
Investments, at Fair Value:			
Short-Term Investments	7,182	5,930	13,112
Domestic Equity	577,968	477,241	1,055,209
Corporate Bonds	203,487	168,024	371,511
International Developed Market Equities	242,802	200,487	443,289
Government Bonds	112,293	92,723	205,016
Alternatives	464,780	383,780	848,560
Real Estate	291,143	241,010	532,153
Total Investments, at Fair Value	1,899,655	1,569,195	3,468,850
Collateral Held for Securities Lent	71,909	59,377	131,286
Capital Assets, Net of Accumulated Depreciation	482	482	964
Other Assets	156	156	312
Total Assets	1,993,502	1,646,798	3,640,300
<b>Liabilities</b>			
Accrued Liabilities	28,552	23,576	52,128
Collateral Held for Securities Lent	71,909	59,377	131,286
Other Liabilities	1,965	1,658	3,623
Total Liabilities	102,426	84,611	187,037
<b>Net Position</b>			
Net Position Restricted for Pension Benefits	\$ 1,891,076	\$ 1,562,187	\$ 3,453,263

# CITY OF FRESNO, CALIFORNIA

## Combining Statement of Changes in Fiduciary Net Position

### Fiduciary Funds - Pension Trust Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	Pension Trust Funds		
	Fire and Police Retirement System	Employees Retirement System	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 27,556	\$ 22,017	\$ 49,573
System Members	10,973	15,493	26,466
Total Contributions	38,529	37,510	76,039
Investment Income:			
Net Appreciation in Fair Value of Investments	(167,440)	(138,316)	(305,756)
Interest	10,070	8,329	18,399
Dividends	16,940	14,003	30,943
Other Investment Related	67	57	124
Total Investment Income	(140,363)	(115,927)	(256,290)
Less Investment Expense	(20,480)	(16,967)	(37,447)
Total Net Investment Income	(160,843)	(132,894)	(293,737)
Securities Lending Income:			
Securities Lending Earnings	484	400	884
Less Securities Lending Expense	(159)	(132)	(291)
Net Securities Lending Income	325	268	593
Total Additions	(121,989)	(95,116)	(217,105)
<b>Deductions</b>			
Benefit Payments (including post retirement supplemental benefits)	74,810	70,239	145,049
Refund of Contributions	369	1,645	2,014
General and Administrative Expenses	2,126	2,050	4,176
Total Deductions	77,305	73,934	151,239
Change in Net Position	(199,294)	(169,050)	(368,344)
Net Position - Beginning	2,090,370	1,731,237	3,821,607
Net Position - Ending	\$ 1,891,076	\$ 1,562,187	\$ 3,453,263

**CITY OF FRESNO, CALIFORNIA**

## Combining Statement of Fiduciary Net Position

## Custodial Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	City Departmental	Special Assessment District	Total Custodial Funds
<b>Assets</b>			
Cash and Investments	\$ 3,073	\$ 227	\$ 3,300
Restricted Cash and Investments Held by Fiscal Agent	—	554	554
Interest Receivable	9	—	9
Due From Other Governments	—	379	379
Total Assets	<u>\$ 3,082</u>	<u>\$ 1,160</u>	<u>\$ 4,242</u>
<b>Liabilities</b>			
Accrued Liabilities	\$ 20	\$ —	\$ 20
Due to Other Funds	103	—	103
Due to Other Governments	3	—	3
Total Liabilities	<u>\$ 126</u>	<u>\$ —</u>	<u>\$ 126</u>
<b>Net Position</b>			
Restricted for:			
Individuals, Organizations, and Other Governments	2,956	1,160	4,116
Total Net Position	<u>\$ 2,956</u>	<u>\$ 1,160</u>	<u>\$ 4,116</u>

**CITY OF FRESNO, CALIFORNIA**

## Combining Statement of Changes in Fiduciary Net Position

## Custodial Funds

Fiscal Year Ended June 30, 2022

(in thousands)

	City Departmental	Special Assessment District	Total Custodial Funds
<b>Additions:</b>			
Fees Collected for Organizations and Other Governments	\$ 4,744	\$ —	\$ 4,744
Taxes Collected for Organizations and Other Governments	601	—	601
Special Assessments for Organizations and Other Governments	—	100	100
Investment Income	22	1	23
Total Additions	<u>5,367</u>	<u>101</u>	<u>5,468</u>
<b>Deductions:</b>			
Payments on Conduit Bonds - Principal	\$ —	\$ 270	\$ 270
Payments on Conduit Bonds - Interest	—	167	167
Payments to Individuals, Organizations, and Other Governments	4,839	44	4,883
Total Deductions	<u>4,839</u>	<u>481</u>	<u>5,320</u>
Change in Net Position	528	(380)	148
<b>Net Position:</b>			
Beginning of Year, Restated	<u>2,428</u>	<u>1,540</u>	<u>3,968</u>
Restricted for Individuals, Organizations, and Other Governments	<u>\$ 2,956</u>	<u>\$ 1,160</u>	<u>\$ 4,116</u>





# STATISTICAL SECTION

## Statistical Section

This section of the City's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's financial health.

### Contents

#### Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (pages 215-219)

#### Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source: The property tax. (pages 220-223)

#### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (pages 224-232)

#### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. (pages 233-234)

#### Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (pages 235-239)

**Source(s):**

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



# CITY OF FRESNO, CALIFORNIA

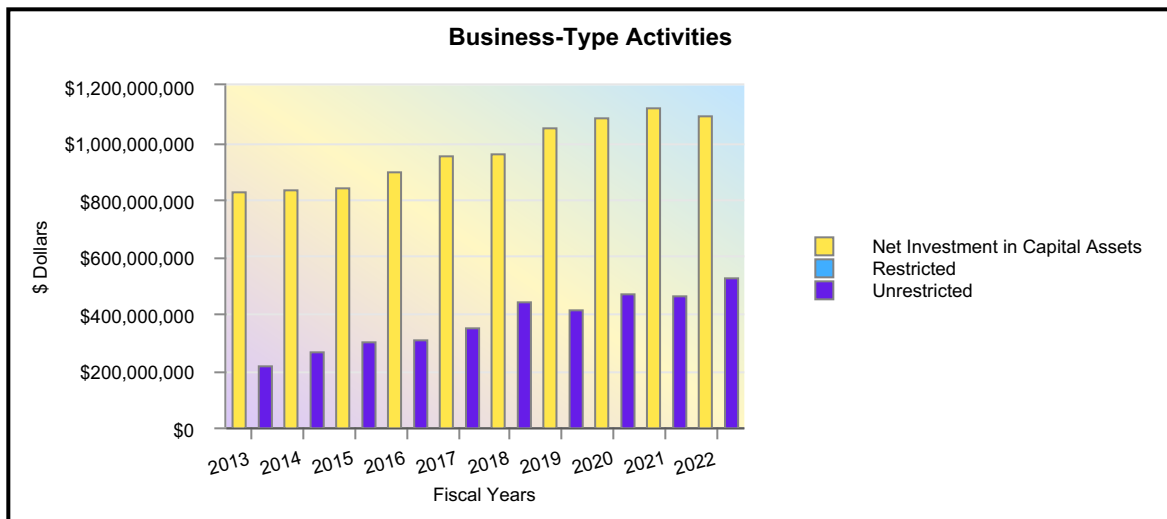
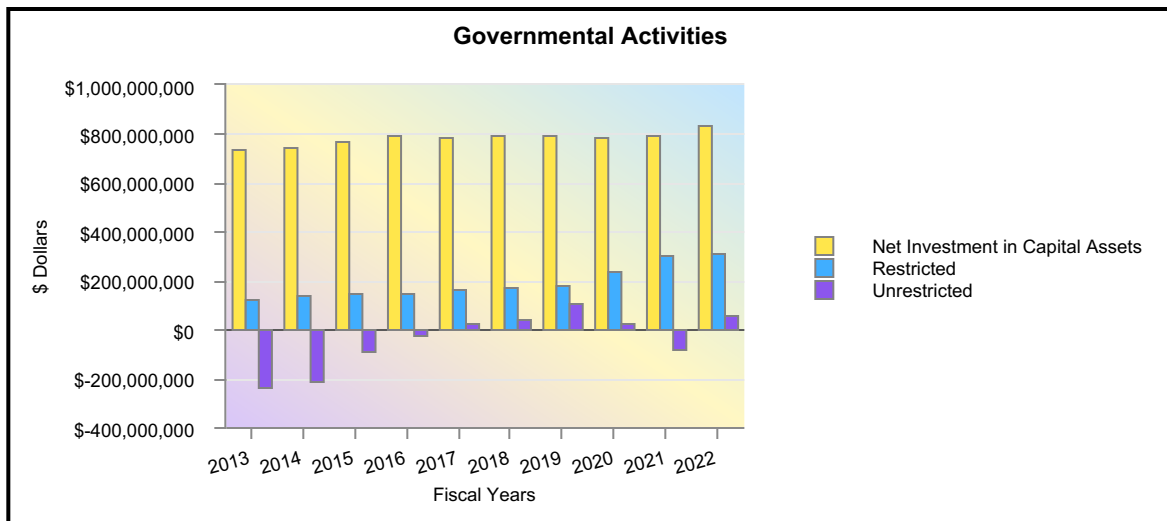
## Net Position By Component

### Last Ten Fiscal Years

(dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 733,961	\$ 744,074	\$ 771,198	\$ 795,884	\$ 787,522	\$ 796,242	\$ 793,963	\$ 787,395	\$ 794,759	\$ 836,439
Restricted	125,618	141,123	146,174	151,345	168,927	171,473	178,858	239,898	304,925	308,444
Unrestricted (Deficit)	(235,759)	(215,416)	(86,424)	(22,058)	28,252	43,380	105,676	27,932	(76,811)	56,963
Total Governmental Activities	\$ 623,820	\$ 669,781	\$ 830,948	\$ 925,171	\$ 984,701	\$ 1,011,095	\$ 1,078,497	\$ 1,055,225	\$ 1,022,873	\$ 1,201,846
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 829,455	\$ 835,290	\$ 841,773	\$ 896,818	\$ 955,128	\$ 958,169	\$ 1,054,185	\$ 1,090,352	\$ 1,120,876	\$ 1,094,088
Restricted	—	—	—	—	—	—	—	—	—	—
Unrestricted (Deficit)	219,983	264,090	300,296	307,315	353,436	440,872	414,184	472,210	460,988	526,841
Total Business-Type Activities	\$ 1,049,438	\$ 1,099,380	\$ 1,142,069	\$ 1,204,133	\$ 1,308,564	\$ 1,399,041	\$ 1,468,369	\$ 1,562,562	\$ 1,581,864	\$ 1,620,929
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 1,563,416	\$ 1,579,364	\$ 1,612,971	\$ 1,692,702	\$ 1,742,650	\$ 1,754,411	\$ 1,848,148	\$ 1,877,747	\$ 1,915,635	\$ 1,930,527
Restricted	125,618	141,123	146,174	151,345	168,927	171,473	178,858	239,898	304,925	308,444
Unrestricted (Deficit)	(15,776)	48,674	213,872	285,257	381,688	484,252	519,860	500,142	384,177	583,804
Total Primary Government	\$ 1,673,258	\$ 1,769,161	\$ 1,973,017	\$ 2,129,304	\$ 2,293,265	\$ 2,410,136	\$ 2,546,866	\$ 2,617,787	\$ 2,604,737	\$ 2,822,775

Source(s): City of Fresno, Finance Department



# CITY OF FRESNO, CALIFORNIA

## Change in Net Position

### Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 34,308	\$ 26,997	\$ 28,590	\$ 32,206	\$ 44,157	\$ 31,319	\$ 42,785	\$ 46,114	\$ 90,218	\$ 90,035
Public Protection	190,050	192,124	177,829	187,733	196,006	206,163	214,903	271,085	305,172	270,465
Public Ways and Facilities	69,771	68,914	64,430	60,875	72,984	76,289	80,369	93,243	123,068	101,306
Culture and Recreation	16,704	17,895	20,036	20,223	23,500	19,771	23,809	26,039	30,882	30,324
Community Development	26,280	23,757	29,257	28,789	28,913	30,412	29,188	31,102	41,053	57,123
Redevelopment	—	—	—	—	—	—	—	—	—	—
Interest on Long-Term Debt	21,037	20,275	19,519	18,787	18,658	14,413	14,101	13,652	12,552	12,683
Total Governmental Activities	358,150	349,962	339,661	348,613	384,218	378,367	405,155	481,235	602,945	561,936
Business-Type Activities:										
Water System	60,749	63,375	62,205	64,454	63,753	73,677	94,066	101,406	100,181	112,301
Sewer System	63,736	65,145	66,148	63,980	64,124	65,991	71,793	65,166	74,428	78,646
Solid Waste Management	30,257	33,345	32,976	26,650	26,605	30,353	31,702	36,915	41,713	41,818
Transit	48,398	45,287	45,435	44,191	47,958	53,937	57,864	62,016	66,135	71,038
Airports	32,413	28,498	28,164	28,509	29,938	31,192	33,262	35,984	41,090	40,413
Fresno Convention Center	14,928	9,982	10,147	9,750	10,798	8,856	8,701	7,108	5,096	9,235
Community Sanitation	7,848	7,949	8,235	6,904	8,978	10,077	10,093	9,147	8,698	8,743
Parking	—	—	—	—	—	—	—	—	—	—
Parks and Recreation	812	372	340	316	410	283	502	586	572	416
Development Services	—	—	—	—	—	—	—	—	—	—
Stadium	3,463	3,336	3,266	3,191	3,539	2,710	2,600	2,702	2,739	2,925
Total Business-Type Activities	262,604	257,289	256,916	247,945	256,103	277,076	310,583	321,030	340,652	365,535
Total Primary Government Expenses	\$ 620,754	\$ 607,251	\$ 596,577	\$ 596,558	\$ 640,321	\$ 655,443	\$ 715,738	\$ 802,265	\$ 943,597	\$ 927,471
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 18,634	\$ 17,038	\$ 23,194	\$ 22,580	\$ 46,742	\$ 17,171	\$ 19,075	\$ 14,805	\$ 15,315	\$ 22,040
Public Protection	20,924	18,898	31,872	44,037	22,382	32,275	40,945	15,599	16,544	62,152
Public Ways and Facilities	16,669	14,898	17,426	20,468	21,911	21,009	20,461	22,219	27,060	37,839
Culture and Recreation	3,021	4,680	4,577	4,949	3,645	3,935	3,711	1,742	1,364	4,840
Community Development	19,529	19,432	21,130	25,239	23,496	23,033	20,347	19,400	13,050	32,305
Operating Grants and Contributions	36,639	48,503	39,550	34,015	25,016	26,488	40,278	39,037	40,393	74,245
Capital Grants and Contributions	35,623	49,651	62,472	57,955	44,586	38,584	37,525	49,161	135,064	128,553
Total Governmental Activities Program Revenues	151,039	173,100	200,221	209,243	187,778	162,495	182,342	161,963	248,790	361,974
Business-Type Activities:										
Charges for Services:										
Water System	71,667	90,096	74,285	77,959	101,895	107,377	119,029	120,252	127,651	138,492
Sewer System	76,324	76,201	81,955	78,186	83,635	81,651	81,085	77,249	77,940	87,795
Solid Waste Management	29,797	29,404	31,208	31,975	31,170	30,100	31,804	29,546	29,132	35,423
Transit	11,054	10,914	13,089	12,479	11,452	10,746	9,348	2,516	(2,328)	11,242
Airports	23,329	24,991	25,670	27,646	27,835	29,634	32,011	29,192	25,991	40,884
Fresno Convention Center	2,594	2,626	2,960	3,634	3,752	3,318	3,796	2,415	(2)	5,744
Community Sanitation	9,108	8,956	9,746	9,733	9,613	9,422	9,841	8,982	8,786	10,706
Parking	—	—	—	—	—	—	—	—	—	—
Parks and Recreation	736	329	329	325	340	323	410	278	411	630
Development Services	—	—	—	—	—	—	—	—	—	—
Stadium	1,089	798	1,248	677	1,082	238	406	344	580	279
Operating Grants and Contributions	40,850	44,211	40,215	29,190	37,187	22,939	37,910	80,766	56,334	71,273
Capital Grants and Contributions	22,224	14,754	14,791	18,015	47,576	69,570	33,249	38,027	29,884	17,893
Total Business-Type Activities Program Revenues	288,772	303,280	295,496	289,819	355,537	365,318	358,889	389,567	354,379	420,361
Total Primary Government Program Revenues	\$ 439,811	\$ 476,380	\$ 495,717	\$ 499,062	\$ 543,315	\$ 527,813	\$ 541,231	\$ 551,530	\$ 603,169	\$ 782,335

# CITY OF FRESNO, CALIFORNIA

## Change in Net Position

### Last Ten Fiscal Years (Continued)

(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$(207,111)	\$(176,862)	\$(139,440)	\$(139,370)	\$(196,440)	\$(215,872)	\$(222,813)	\$(319,272)	\$(354,155)	\$(199,962)
Business-Type Activities	26,168	45,991	38,580	41,874	99,434	88,242	48,306	68,537	13,727	54,826
Total Primary Government Net Expense	<u>\$(180,943)</u>	<u>\$(130,871)</u>	<u>\$(100,860)</u>	<u>\$(97,496)</u>	<u>\$(97,006)</u>	<u>\$(127,630)</u>	<u>\$(174,507)</u>	<u>\$(250,735)</u>	<u>\$(340,428)</u>	<u>\$(145,136)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	\$ 103,745	\$ 107,635	\$ 113,655	\$ 117,048	\$ 123,858	\$ 130,109	\$ 138,201	\$ 142,250	\$ 149,822	\$ 154,130
Sales Taxes - Shared Revenues	56,474	59,328	61,571	74,010	86,128	85,512	96,939	98,531	125,279	192,874
In-Lieu Sales Tax	18,216	19,190	19,907	10,559	—	—	—	—	—	—
Franchise Taxes	12,503	12,751	13,469	13,722	14,335	14,811	14,493	16,101	17,729	18,271
Business Tax	16,470	18,868	17,781	16,879	19,101	20,982	18,162	20,868	20,577	21,764
Room Tax	9,560	10,019	11,006	12,045	13,127	13,936	13,998	12,453	12,566	15,205
Other Taxes	2,104	2,324	2,407	2,521	2,348	2,304	2,855	2,241	1,825	3,528
Investment Earnings	1,889	795	879	1,652	1,215	1,348	8,413	11,863	1,786	(10,409)
Gain on Sale of Capital Assets	416	42	402	218	214	223	2,517	2	—	—
Special Item - Loss on Receivable/Transfer of Assets	—	—	—	—	—	(8,152)	—	—	—	—
Extraordinary (Loss):										
Redevelopment Agency Net Position										
Distributed to Successor Agency	—	—	—	—	—	—	—	—	—	—
Transfers:	(15,662)	(5,699)	(6,290)	(15,061)	(4,356)	(4,820)	(5,363)	(8,309)	(7,781)	(7,899)
Total Governmental Activities	<u>205,715</u>	<u>225,253</u>	<u>234,787</u>	<u>233,593</u>	<u>255,970</u>	<u>256,253</u>	<u>290,215</u>	<u>296,000</u>	<u>321,803</u>	<u>387,464</u>
Business-Type Activities:										
Investment Earnings	1,596	2,316	2,998	5,129	641	2,614	15,624	17,316	(2,206)	(24,697)
Debt Forgiveness	—	—	—	—	—	—	—	—	—	—
Gain on Sale of Capital Assets	3,832	1	38	—	—	36	35	31	—	—
Transfers:	15,662	5,698	6,290	15,061	4,356	4,820	5,363	8,309	7,781	7,899
Total Business-Type Activities	<u>21,090</u>	<u>8,015</u>	<u>9,326</u>	<u>20,190</u>	<u>4,997</u>	<u>7,470</u>	<u>21,022</u>	<u>25,656</u>	<u>5,575</u>	<u>(16,798)</u>
Total Primary Government	<u>\$ 226,805</u>	<u>\$ 233,268</u>	<u>\$ 244,113</u>	<u>\$ 253,783</u>	<u>\$ 260,967</u>	<u>\$ 263,723</u>	<u>\$ 311,237</u>	<u>\$ 321,656</u>	<u>\$ 327,378</u>	<u>\$ 370,666</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (1,397)	\$ 48,391	\$ 95,347	\$ 94,223	\$ 59,530	\$ 40,381	\$ 67,402	\$ (23,272)	\$ (32,352)	\$ 187,502
Business-Type Activities	47,259	54,006	47,906	62,064	104,431	95,712	69,328	94,193	19,302	38,028
Total Primary Government	<u>\$ 45,862</u>	<u>\$ 102,397</u>	<u>\$ 143,253</u>	<u>\$ 156,287</u>	<u>\$ 163,961</u>	<u>\$ 136,093</u>	<u>\$ 136,730</u>	<u>\$ 70,921</u>	<u>\$ (13,050)</u>	<u>\$ 225,530</u>

Source(s): City of Fresno, Finance Department

# CITY OF FRESNO, CALIFORNIA

## Fund Balances, Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nondisposable	\$ 12,691	\$ 12,691	\$ 12,691	\$ 12,691	\$ 18,417	\$ 3,919	\$ 2,071	\$ —	\$ —	\$ —
Restricted	435	7	105	11	37	16	10	6	—	—
Committed	1,903	2,351	5,207	1,610	22,104	25,565	37,004	37,718	40,655	48,360
Assigned	1,095	1,006	1,874	2,811	3,890	2,845	4,562	5,158	19,249	19,215
Unassigned	(9,355)	8,192	24,643	31,808	26,749	19,533	25,312	33,046	43,039	37,116
Total General Fund	<u>\$ 6,769</u>	<u>\$ 24,247</u>	<u>\$ 44,520</u>	<u>\$ 48,931</u>	<u>\$ 71,197</u>	<u>\$ 51,878</u>	<u>\$ 68,959</u>	<u>\$ 75,928</u>	<u>\$ 102,943</u>	<u>\$ 104,691</u>
<b>All other Governmental Funds</b>										
Restricted	\$ 128,100	\$ 145,763	\$ 146,002	\$ 151,726	\$ 163,802	\$ 166,207	\$ 172,587	\$ 197,325	\$ 255	\$ 216,922
Assigned	17,624	15,752	15,928	15,847	12,177	16,115	16,137	11,194	13	37,622
Unassigned	(5,196)	(7,749)	(9,670)	(6,284)	(788)	(809)	(1,950)	(5,590)	(57)	(2,678)
Total all other Governmental Funds	<u>\$ 140,528</u>	<u>\$ 153,766</u>	<u>\$ 152,260</u>	<u>\$ 161,289</u>	<u>\$ 175,191</u>	<u>\$ 181,513</u>	<u>\$ 186,774</u>	<u>\$ 202,929</u>	<u>\$ 211</u>	<u>\$ 251,866</u>

**Source(s):** City of Fresno, Finance Department

# CITY OF FRESNO, CALIFORNIA

## Changes in Fund Balances, Governmental Funds

### Last Ten Fiscal Years

(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$237,956	\$263,470	\$276,847	\$266,521	\$298,425	\$289,140	\$315,903	\$330,423	\$366,645	\$452,241
Licenses and Permits	5,097	6,331	6,569	7,102	7,291	7,829	7,337	7,915	9,276	8,332
Intergovernmental	37,032	48,910	41,915	39,036	38,770	39,318	41,706	55,879	126,391	138,674
Charges for Services	49,995	46,277	44,692	46,398	49,538	51,294	57,413	53,493	64,462	66,961
Fines	4,193	3,746	3,392	4,271	3,487	3,872	3,643	3,315	1,792	2,726
Use of Money and Property	2,539	1,585	1,643	2,105	1,285	1,305	6,542	9,538	1,684	(7,050)
Contributions and Donations	—	—	—	—	—	—	—	—	—	—
Miscellaneous	6,146	5,612	8,800	8,156	36,448	4,504	3,640	2,017	3,125	8,436
<b>Total Revenues</b>	<b>342,958</b>	<b>375,931</b>	<b>383,858</b>	<b>373,589</b>	<b>435,244</b>	<b>397,262</b>	<b>436,184</b>	<b>462,580</b>	<b>573,375</b>	<b>670,320</b>
<b>Expenditures</b>										
General Government	13,039	11,742	13,841	17,490	26,257	21,285	28,077	29,286	71,211	65,503
Public Protection	187,189	185,911	188,050	201,656	212,828	221,043	226,108	243,099	256,635	287,640
Public Ways and Facilities	33,332	39,190	35,607	38,293	42,430	41,682	50,561	53,686	63,186	73,443
Culture and Recreation	13,177	14,247	15,433	17,735	16,928	18,257	18,140	20,911	26,131	25,623
Community Development	25,685	23,666	30,320	29,511	29,360	31,483	30,961	32,970	39,983	57,344
Capital Outlays	19,919	28,375	38,984	23,145	29,990	31,401	26,168	27,605	54,776	75,441
Debt Service:										
Principal	17,484	17,814	19,218	17,435	19,196	17,568	18,956	19,911	21,191	20,782
Interest	21,134	20,347	19,511	18,629	17,779	14,752	14,515	13,692	12,602	12,357
<b>Total Expenditures</b>	<b>330,959</b>	<b>341,292</b>	<b>360,964</b>	<b>363,894</b>	<b>394,768</b>	<b>397,471</b>	<b>413,486</b>	<b>441,160</b>	<b>545,715</b>	<b>618,133</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,999	34,639	22,894	9,695	40,476	(209)	22,698	21,420	27,660	52,187
<b>Other Financing Sources (Uses)</b>										
Transfers In	46,827	42,716	44,695	45,251	55,930	49,397	41,142	51,823	116,697	64,700
Transfers Out	(66,633)	(47,267)	(50,573)	(49,446)	(59,055)	(57,418)	(46,110)	(59,145)	(128,855)	(74,690)
Discount on Debt Issued	—	—	—	—	835	—	—	—	—	—
Issuance of Refunding Bonds	—	—	—	—	108,903	—	—	—	—	—
Refunded Bond Redeemed	—	—	—	—	(128,621)	—	—	—	—	—
Long-Term Debt Issued	—	—	—	—	—	—	—	—	17,145	—
Premium on Debt Issued	—	—	—	—	11,528	—	—	—	2,773	—
Capital Lease Financing	—	621	966	7,331	4,126	3,162	2,228	9,026	83	—
Proceeds for Capital Lease Obligations	1,088	—	—	—	—	—	—	—	—	—
Sale of Capital Assets	1,346	8	785	609	2,046	223	2,382	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>(17,372)</b>	<b>(3,922)</b>	<b>(4,127)</b>	<b>3,745</b>	<b>(4,308)</b>	<b>(4,636)</b>	<b>(358)</b>	<b>1,704</b>	<b>7,843</b>	<b>(9,990)</b>
<b>Special Item</b>										
Loss on Receivable	—	—	—	—	(8,152)	—	—	—	—	—
<b>Net Change in Fund Balances</b>	<b>\$ (5,373)</b>	<b>\$ 30,717</b>	<b>\$ 18,767</b>	<b>\$ 13,440</b>	<b>\$ 36,168</b>	<b>\$ (4,845)</b>	<b>\$ 22,340</b>	<b>\$ 23,124</b>	<b>\$ 35,503</b>	<b>\$ 42,197</b>
Debt Service as a Percentage of Non-Capital Expenditures	12.35 %	12.45 %	11.94 %	11.00 %	10.29 %	9.11 %	8.83 %	8.16 %	6.55 %	6.27 %

**Source(s):** City of Fresno, Finance Department

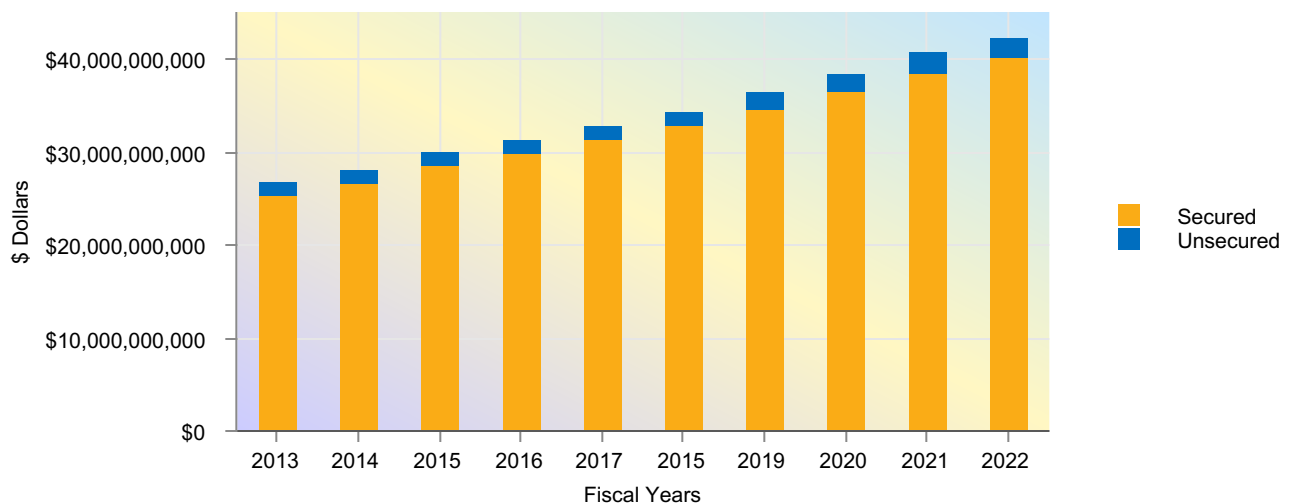
**Note(s):** To properly calculate the ratio of total debt service expenditures to non-capital expenditures, only governmental fund expenditures for the acquisition and construction of assets that are classified as capital assets for reporting in the Government-Wide Financial Statements have been subtracted from the total governmental fund expenditures. These figures by fiscal year are as follows: (2012) \$15,973,001; (2013) \$18,151,306; (2014) \$34,893,624; (2015) \$46,135,229; (2016) \$35,295,704; (2017) \$35,500,989; (2018) \$42,738,629; (2019) \$34,667,433; (2020) \$29,289,000 and (2021) \$29,973,000.

## CITY OF FRESNO, CALIFORNIA

### Gross Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Secured Estimated Actual	Unsecured Estimated Actual	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percent of Estimated Actual Value
2013	\$ 25,446,100,571	\$ 1,511,385,533	\$ 26,957,486,104	1.032438	100%
2014	26,754,005,601	1,449,421,705	28,203,427,306	1.032438	100
2015	28,638,669,937	1,444,805,569	30,083,475,506	1.032438	100
2016	30,026,361,027	1,500,061,596	31,526,422,623	1.032438	100
2017	31,344,820,623	1,596,315,117	32,941,135,740	1.032438	100
2018	32,837,504,668	1,616,397,886	34,453,902,554	1.032438	100
2019	34,713,392,408	1,899,808,202	36,613,200,610	1.032438	100
2020	36,659,070,484	1,899,510,831	38,558,581,315	1.032438	100
2021	38,644,667,812	2,225,286,118	40,869,953,930	1.032438	100
2022	40,198,896,767	2,181,351,026	42,380,247,793	1.032438	100

### Estimated Value of Taxable Property



**Source(s):** County of Fresno

**Note(s):** Fresno County does not collect Actual Value (Market Value) information on taxable properties or on tax exempt properties. The estimated actual value of taxable property is the same as the gross assessed value.

# CITY OF FRESNO, CALIFORNIA

## Direct and Overlapping Property Tax Rates

### Last Ten Fiscal Years

(Percentage per \$100 of Assessed Value)

Fiscal Year	City Direct Rate			Overlapping Rates		Total Direct and Overlapping Property Tax Rate
	Property Tax Rate	Fresno Pension	Total Direct Tax Rate	Schools		
				Fresno Unified School District	State Center Community College District	
2013	1.0	0.032438	1.032438	0.188860	0.009358	1.230656
2014	1.0	0.032438	1.032438	0.188834	0.009602	1.230874
2015	1.0	0.032438	1.032438	0.188860	0.009308	1.230606
2016	1.0	0.032438	1.032438	0.188860	0.008064	1.229362
2017	1.0	0.032438	1.032438	0.188864	0.008480	1.229782
2018	1.0	0.032438	1.032438	0.188864	0.025934	1.247236
2019	1.0	0.032438	1.032438	0.188864	0.022966	1.244268
2020	1.0	0.032438	1.032438	0.178012	0.025786	1.236236
2021	1.0	0.032438	1.032438	0.188864	0.025786	1.247088
2022	1.0	0.032438	1.032438	0.213864	0.018088	1.264390

**Source(s):** County of Fresno

**Note(s):** On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIII A of \$1.00 per \$100.00 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978.



# CITY OF FRESNO, CALIFORNIA

## Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2022			2013		
		Taxable Assessed Value	Rank	% of Total County Assessed Value	Taxable Assessed Value	Rank	% of Total County Assessed Value
River Park Properties	Commercial, Miscellaneous	\$ 175,887,278	1	0.42 %	\$ 142,041,335	1	0.53 %
Gap Inc.	Commercial	167,478,600	2	0.40 %	115,758,800	4	0.43 %
Macerich Fresno Limited Partnership	Commercial	147,314,193	3	0.35 %	132,334,400	2	0.49 %
Meganova LP	Apartments	145,406,430	4	0.34 %	—	—	— %
Gallo E & J Winery	Commercial, Unsecured	143,042,960	5	0.34 %	116,631,937	3	0.43 %
Colony 2019 3 Bulk Industrial LLC	Commercial	100,583,357	6	0.24 %	—	—	—
Comcast of Fresno Inc.	No Secured Property	95,262,900	7	0.22 %	83,053,900	5	0.0031
Amazoncom Services Inc.	No Secured Property	84,989,400	8	0.20 %	—	—	—
Foster Poultry Farms	Industrial	74,725,472	9	0.18 %	—	—	— %
RPI Fig Garden LP	Commercial	73,268,402	10	0.17 %	—	—	— %
Donahue Schriber Realty Group		—	—	—	62,854,390	6	0.23 %
M L Street Properties		—	—	—	52,142,312	7	0.19 %
Capri Sun Inc.		—	—	—	51,025,117	8	0.19 %
Zinkin De Wayne & Sandra		—	—	—	50,723,447	9	0.19 %
Fresno Supreme Inc.		—	—	—	49,755,354	10	0.18 %
Total		<u>\$ 1,207,958,992</u>		<u>2.8600 %</u>	<u>\$ 856,320,992</u>		<u>3.1700 %</u>

**Source(s):** Avenu Insights & Analytics and California Municipal Statistics, Inc., as compiled by Willdan Financial Services.

**Note(s):** 2021/22 Taxable Assessed Valuation: \$42,380,247,793

2012/13 Taxable Assessed Valuation: \$26,957,486,104.

# CITY OF FRESNO, CALIFORNIA

## Property Tax Levies and Collections

### Last Ten Fiscal Years

Fiscal Year	Total Net Tax Levy (Original Levy)	Supplemental Assessments	Redevelopment Return of Increment	Total Adjusted Tax Levy	Current Tax Collections		Delinquent Tax Collections	Total Tax Collections	Percent of Collection of Adjusted Tax Levy
					Amount Collected	Percentage of Net Tax Levy			
2013	\$ 86,530,712	\$ 10,098,582	\$ 2,478,235	\$ 99,107,529	\$ 98,239,898	99.12 %	\$ 867,631	\$ 99,107,529	100.00 %
2014	90,601,174	9,698,694	2,171,963	102,471,831	101,452,992	99.01	421,496	101,874,488	99.42
2015	96,468,363	11,900,327	1,609,109	109,977,799	106,989,456	97.28	395,578	107,385,034	97.64
2016	100,946,941	12,082,212	2,306,017	115,335,170	113,633,713	98.52	508,181	114,141,894	98.97
2017	105,199,432	13,077,130	2,014,329	120,290,891	119,336,199	99.21	386,236	119,722,435	99.53
2018	109,890,834	13,565,677	2,278,284	125,734,795	123,764,163	98.43	649,161	124,413,324	98.95
2019	116,141,387	14,916,496	2,786,268	133,844,151	132,157,601	98.74	543,876	132,701,477	99.15
2020	122,120,737	14,809,607	3,366,768	140,297,112	136,883,021	97.57	745,241	137,628,262	98.10
2021	128,697,400	17,130,950	5,378,795	151,207,145	144,896,990	95.83	1,443,494	146,340,484	96.78
2022	133,834,626	14,994,674	5,750,554	154,579,854	145,788,069	94.31	41,485	145,829,554	94.34
							Average Collections		<u>98.29 %</u>

**Source(s):** County of Fresno

**Note(s):** Supplemental Assessments include voter approved indebtedness for Fire and Police Pensions and supplemental assessments added whenever new construction is completed and whenever real property changes ownership under Chapter 3.5 of Part 0.5 of Division 1 of the California Revenue and Taxation Code.

Beginning in fiscal year 2014, Delinquent Tax Collections do not include penalties and interest. Property tax collection for fiscal years prior to fiscal year 2014 have been adjusted so as not to exceed the levy.

Beginning in fiscal year 2014, collections only reflect those dollars that are related to the fiscal period in which the tax was levied.

# CITY OF FRESNO, CALIFORNIA

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

	Governmental Activities					Business-Type Activities				
Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Notes Payable	Capital Leases	Airport Revenue Bonds	Solid Waste Revenue Bonds	Sewer Revenue Bonds	Water Revenue Bonds
2013	\$ 160,278	\$180,456	\$ —	\$ —	\$ 6,111	\$ 6,718	\$ 56,459	\$ —	\$222,109	\$156,274
2014	153,930	171,806	—	—	5,283	7,738	56,138	—	215,611	152,785
2015	147,177	161,435	—	—	4,569	10,113	54,590	—	207,280	147,569
2016	139,999	153,279	—	—	3,813	17,220	53,098	—	198,436	142,148
2017	131,840	144,697	—	—	3,016	20,884	51,508	—	189,134	136,569
2018	124,245	136,021	—	—	2,466	28,271	49,825	—	179,351	130,774
2019	116,160	126,191	—	—	2,033	39,338	83,039	—	34,943	124,759
2020	107,555	116,139	—	—	1,846	43,121	81,145	—	6,934	118,501
2021	98,395	125,464	—	—	1,648	41,153	78,383	—	885	90,241
2022	88,640	116,162	—	—	1,440	52,568	75,459	—	885	90,329

**Source(s):** Debt Information - City of Fresno, Finance Department

Population Information - State of California Department of Finance, Demographic Research Unit

**Note(s):** See the Schedule of Demographic and Economic Statistics for personal income and population data on page 233.

Information pertaining to Personal Income is obtained from the Bureau of Economic Analysis (BEA).

Personal income and Per Capita Personal Income figures for fiscal year 2021 & 2022 are not currently available from the BEA.

The City is not obligated in any manner for the Special Assessment debt, but is acting as an agent for property owners in collecting the assessments and forwarding the collections to the trustee or paying agent and initiating foreclosure proceedings, if appropriate.

Beginning in fiscal year 2012, the Tax Allocation Bonds are no longer reported on this schedule, due to the dissolution of the Redevelopment Agency, effective February 1, 2012. The bonds are assumed by the Successor Agency.

# CITY OF FRESNO, CALIFORNIA

## Ratios of Outstanding Debt by Type

### Last Ten Fiscal Years (Continued)

(dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities					Primary Government		
	Lease Revenue Bonds	Accreted Interest	Certificates of Participation	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Net Debt per Capita
2013	\$ 87,675	\$ —	\$ —	\$ 46,880	\$ —	\$ 922,960	2.77 %	\$ 1,815
2014	84,106	—	—	54,929	—	902,326	2.57 %	1,750
2015	79,908	—	—	52,080	—	864,721	2.31 %	1,662
2016	75,465	—	—	82,795	—	866,253	2.20 %	1,664
2017	69,492	—	—	208,855	—	955,995	2.33 %	1,818
2018	61,242	—	—	364,624	—	1,076,819	2.51 %	2,000
2019	55,832	—	—	403,612	—	985,907	2.17 %	1,837
2020	50,211	3,595	—	407,096	—	936,143	1.93 %	1,715
2021	44,362	3,355	—	424,550	—	908,436	1.74 %	1,661
2022	38,270	0	—	425,341	—	889,094	N/A	1,635

# CITY OF FRESNO, CALIFORNIA

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

### General Bonded Debt Outstanding

Fiscal Year	General Bonded Debt	Tax Allocation Bonds	Total	Percent of Actual Taxable Value of Property	Population	Net Debt per Capita
2013	\$ 160,277,894	\$ —	\$ 160,277,894	0.595 %	508,453	\$ 315
2014	153,930,355	—	153,930,355	0.546 %	515,609	299
2015	147,177,000	—	147,177,000	0.489 %	520,159	283
2016	139,998,791	—	139,998,791	0.444 %	520,453	269
2017	131,840,000	—	131,840,000	0.400 %	525,832	251
2018	124,245,000	—	124,245,000	0.361 %	538,330	231
2019	116,160,000	—	116,160,000	0.317 %	536,683	216
2020	107,555,000	—	107,555,000	0.279 %	545,769	197
2021	98,395,000	—	98,395,000	0.241 %	546,770	180
2022	88,640,000	—	88,640,000	0.209 %	543,660	163

**Source(s):** General Bonded Debt Information - City of Fresno Department of Finance  
Population Information - State of California Department of Finance, Demographic Research Unit

**Note(s):** Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

See Gross Assessed Value and Estimated Actual Value of Taxable Property schedule for property value information on page 220.

Beginning in fiscal year 2012, the Tax Allocation Bonds are no longer reported on this schedule, due to the dissolution of the Redevelopment Agency, effective February 1, 2012. The bonds were assumed by the Successor Agency.

# CITY OF FRESNO, CALIFORNIA

## Direct and Overlapping Governmental Activities Debt

As of January 10, 2022

2021-22 Gross Assessed Valuation:

\$42,380,247,793

	Estimated Percent Applicable	Debt Applicable
<b>Combined Direct Debt</b>		
City of Fresno Pension Obligation	100%	\$ 88,640,000
Lease Revenue Bonds	100	116,162
Notes Payable	100	1,440
Capital Leases	100	52,568
Total Combined Direct Debt		88,810,170
<b>Overlapping Tax, and Assessment Debt</b>		
City of Fresno Community Facilities District No. 4	100%	\$ 815,000
City of Fresno Community Facilities District No. 5	100	690,000
City of Fresno Community Facilities District No. 7	100	1,220,000
State Center Community College District	42.443	135,970,395
Clovis Unified School District	47.921	173,661,370
Fresno Unified School District	84.495	631,424,048
Central Unified School District	81.471	194,740,296
Other School Districts	Various	79,190,507
California Statewide Communities Development Authority Community Facilities District No. 2012-01	100	4,050,000
Total Overlapping Tax, and Assessment Debt		1,221,761,616
<b>Overlapping General Fund Obligation Debt</b>		
Fresno County Pension Obligations	46.526%	\$ 94,692,269
Fresno County General Fund Obligations	46.526	12,648,093
Clovis Unified School District Certificates of Participation	47.921	57,795,122
Fresno Unified School District Certificates of Participation	84.495	5,289,387
Central Unified School District Certificates of Participation	81.471	22,691,196
Other School District Certificates of Participation	Various	13,416,045
Total Overlapping General Fund Debt		206,532,112
<b>Overlapping Tax Increment Debt (Successor Agency)</b>		
Fresno Redevelopment Mariposa Medical Project Area	100%	\$ 1,185,000
Total Overlapping Tax Increment Debt		1,185,000
Total Overlapping Tax and Assessment, General Fund and Tax Increment Debt		1,429,478,728
<b>Total Overlapping and Direct Debt</b>		<b>\$1,518,288,898</b>

### Ratios to 2021-22 Assessed Valuation:

Combined Direct Debt	0.210 %
Overlapping Tax, and Assessment Debt	2.883 %
Combined Total Overlapping and Direct Debt	3.580 %
Overlapping Tax Increment Debt (Successor Agency)	0.003 %

**Note(s):** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fresno. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

The percentage of overlapping debt applicable to the City of Fresno is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of overlapping district's taxable assessed value that is within the boundaries of the City of Fresno divided by the District's total taxable assessed value.

The Direct and Overlapping Governmental Activities Debt excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

The Overlapping Tax, Assessment Debt and General Fund Debt percentages and figures are provided by Cal Municipal Services, Inc. and are as of January 10, 2022. Direct Debt figures are provided by the Finance Department at the City of Fresno and are as of June 30, 2022.

# CITY OF FRESNO, CALIFORNIA

## Debt Coverage Ratio - Airports

Last Ten Fiscal Years (in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues (1) (2)	\$ 19,876	\$ 21,216	\$ 21,802	\$ 22,976	\$ 24,500	\$ 25,022	\$ 27,308	\$ 26,789	\$ 33,470	\$ 41,093
Less Operating Expenses (3)	14,322	14,262	14,428	14,934	16,117	17,355	18,701	19,962	20,626	21,290
Plus: Other Available Funds (4)	51	95	350	359	368	377	386	395	—	416
<b>Net Revenues</b>	<b>\$ 5,605</b>	<b>\$ 7,049</b>	<b>\$ 7,724</b>	<b>\$ 8,401</b>	<b>\$ 8,751</b>	<b>\$ 8,044</b>	<b>\$ 8,993</b>	<b>\$ 7,222</b>	<b>\$ 12,844</b>	<b>\$ 20,219</b>
<b>Adjusted Debt Service</b>										
Series 2000 Bonds	\$ 3,012	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Series 2013 Bonds (5)	—	3,288,000	2,805	2,808	2,803	2,801	2,802	2,801	—	2,804
<b>Less</b>										
Minimum PFC Contribution (6)	(1,100)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)
Additional PFC Contribution	(500)	(231)	—	(200)	—	—	—	—	—	—
<b>Net Series 2000/2013 Debt Service</b>	<b>\$ 1,412</b>	<b>\$ 1,457</b>	<b>\$ 1,205</b>	<b>\$ 1,008</b>	<b>\$ 1,203</b>	<b>\$ 1,201</b>	<b>\$ 1,202</b>	<b>\$ 1,201</b>	<b>\$ (1,600)</b>	<b>\$ 1,204</b>
Series 2007 Bonds (5)	1,332	1,369	1,399	1,437	1,472	1,509	1,544	1,581	—	1,664
2019 Bonds (5)	—	—	—	—	—	—	—	—	2,141	—
<b>Annual Adjusted Debt Service (7)</b>	<b>\$ 2,744</b>	<b>\$ 2,826</b>	<b>\$ 2,604</b>	<b>\$ 2,445</b>	<b>\$ 2,675</b>	<b>\$ 2,710</b>	<b>\$ 2,746</b>	<b>\$ 2,782</b>	<b>\$ 541</b>	<b>\$ —</b>
<b>Annual Adjusted Debt Service Coverage (8)</b>	<b>2.02</b>	<b>2.46</b>	<b>2.83</b>	<b>3.44</b>	<b>3.27</b>	<b>2.97</b>	<b>3.27</b>	<b>2.60</b>	<b>23.74</b>	<b>7.05</b>

### Note(s):

- (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 \$7.7 million of CARES Act monies. The Indenture of Trust defines Federal operating 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, such as Federal grant-funded Master Plan in fiscal year 2018 and fiscal year 2019.
- (4) Per the Indenture, unencumbered 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 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 percent 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 on September 2020 with existing cash balances.
- (6) Under the Supplemental Indenture that authorized the 2013 Bonds, the Minimum Passenger Facility Charge (PFC) Contribution was 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 2021 Debt Service coverage would have been 2.77.



# CITY OF FRESNO, CALIFORNIA

## Debt Coverage Ratio - Water System

Last Ten Fiscal Years (in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Charges for Services and Other Operating Revenue	\$ 71,667	\$ 90,096	\$ 74,285	\$ 77,959	\$ 101,895	\$ 107,377	\$ 119,029	\$ 120,252	\$ 127,651	\$ 138,341
Less: Connection Fee Charges for Services	(1,331)	(1,667)	(1,496)	(1,563)	(1,917)	(2,531)	(2,138)	(2,596)	(1,835)	(1,641)
Net Charges for Services (1)	70,336	88,429	72,789	76,396	99,978	104,846	116,891	117,656	125,816	136,700
Other Operating Revenues and Interest Income	720	329	573	1,147	17	(238)	4,974	6,906	(627)	(9,378)
Total Revenues	71,056	88,758	73,362	77,543	99,995	104,608	121,865	124,562	125,189	127,322
<b>Operating Expenses</b>										
Labor and Benefits	12,679	13,525	11,378	12,437	12,401	12,176	14,581	13,075	15,428	15,171
Pumping Power	9,113	9,292	8,501	8,150	9,064	9,550	8,358	9,419	10,252	11,516
Source of Supply	6,318	1,780	5,613	6,630	4,188	9,751	6,536	9,027	6,531	8,699
All Other Operating and Maintenance (2)	16,821	18,151	17,473	17,166	21,547	17,692	35,143	26,148	24,728	31,266
Total Operating Expenses (3)	44,931	42,748	42,965	44,383	47,200	49,169	64,618	57,669	56,939	66,652
<b>Net Current Revenue</b>	<b>\$ 26,125</b>	<b>\$ 46,010</b>	<b>\$ 30,397</b>	<b>\$ 33,160</b>	<b>\$ 52,795</b>	<b>\$ 55,439</b>	<b>\$ 57,247</b>	<b>\$ 66,893</b>	<b>\$ 68,250</b>	<b>\$ 60,670</b>
Senior Bond Debt Service (4)	\$ 1,376	\$ 1,378	\$ 1,374	\$ 1,381	\$ 1,380	\$ 1,376	\$ 1,379	\$ 1,379	\$ —	\$ —
State Loans Debt Service (5)	259	120	120	120	—	—	—	—	—	—
Total Senior Debt Service	1,635	1,498	1,494	1,501	1,380	1,376	1,379	1,379	—	—
Senior Coverage Ratio	15.98	30.71	20.35	22.09	38.26	40.29	41.51	48.51	Not Applicable	Not Applicable
<b>Net Revenue Available for Parity Debt Service</b>	<b>\$ 24,490</b>	<b>\$ 44,512</b>	<b>\$ 28,903</b>	<b>\$ 31,659</b>	<b>\$ 51,415</b>	<b>\$ 54,063</b>	<b>\$ 55,868</b>	<b>\$ 65,514</b>	<b>\$ 68,250</b>	<b>\$ 60,670</b>
2010 Series A Bond Debt Service (6)	\$ 12,507	\$ 12,509	\$ 12,509	\$ 12,531	\$ 12,508	\$ 12,509	\$ 12,504	\$ 12,510	\$ 7,020	\$ 6,097
State Loans Debt Service (5)	338	338	2,770	2,786	3,533	6,021	10,937	18,562	16,190	16,489
<b>Total Parity Debt Service</b>	<b>\$ 12,845</b>	<b>\$ 12,847</b>	<b>\$ 15,279</b>	<b>\$ 15,317</b>	<b>\$ 16,041</b>	<b>\$ 18,530</b>	<b>\$ 23,441</b>	<b>\$ 31,072</b>	<b>\$ 23,210</b>	<b>\$ 22,586</b>
<b>Parity Coverage Ratio</b>	<b>1.96</b>	<b>3.46</b>	<b>1.89</b>	<b>2.07</b>	<b>3.21</b>	<b>2.92</b>	<b>2.38</b>	<b>2.11</b>	<b>2.94</b>	<b>2.69</b>

**Note(s):** (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 the Fleet Department).

(3) 1993 Indenture defines "Maintenance and Operation Costs" as all costs 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 FY 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.

# CITY OF FRESNO, CALIFORNIA

## Debt Coverage Ratio - Sewer System

Last Ten Fiscal Years (in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Charges for Services (1)</b>	\$ 76,324	\$ 76,201	\$ 81,955	\$ 78,186	\$ 83,635	\$ 81,651	\$ 81,085	\$ 77,249	\$ 77,940	\$ 87,795
Interest Income	485	1,547	1,787	2,779	492	2,046	5,548	4,702	(720)	(7,943)
Less: Wastewater Facility Connection Fee	(1,853)	(1,981)	(1,709)	(1,844)	(1,968)	(1,996)	(3,290)	(2,600)	(3,426)	(3,393)
Total Senior Lien Revenues	74,956	75,767	82,033	79,121	82,159	81,701	83,343	79,351	73,794	76,459
Operating Expenses (2)	36,431	36,339	37,391	35,935	38,058	37,237	45,835	43,522	44,630	51,088
Net Income Before Debt Service	\$ 38,525	\$ 39,428	\$ 44,642	\$ 43,186	\$ 44,101	\$ 44,464	\$ 37,508	\$ 35,829	\$ 29,164	\$ 25,371
Senior Lien Debt Service (3)	10,724	10,714	10,695	10,387	10,712	10,701	10,684	373	6,234	40
Coverage Ratio (4)	3.59	3.68	4.17	4.16	4.12	4.16	3.51	96.06	4.68	634.28
100% Coverage-Subordinate Lien:										
Net Current Revenue after Senior Lien Debt (before Connection Fees)	\$ 27,801	\$ 28,714	\$ 33,947	\$ 32,799	\$ 33,389	\$ 33,763	\$ 26,824	\$ 35,456	\$ 22,930	\$ 25,331
<b>Available from Senior Lien Revenues</b>	\$ 27,802	\$ 28,714	\$ 33,947	\$ 32,799	\$ 33,389	\$ 33,763	\$ 26,824	\$ 35,456	\$ 22,930	\$ 25,331
Subordinate Lien Debt Service (5)	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 667	\$ 2,280	\$ —	\$ —
State Loan Debt Service (6)	—	—	—	—	—	1,280	1,286	2,573	1,286	1,286
Coverage Ratio	3.50	3.61	4.27	4.13	4.20	4.25	40.22	15.55	17.83	19.70
120% & 125% Coverage Subordinate Lien:										
<b>Net Current Revenue (Excluding Connection Fees)</b>	\$ 27,802	\$ 28,714	\$ 33,947	\$ 32,799	\$ 33,389	\$ 33,763	\$ 26,824	\$ 35,456	\$ 22,930	\$ 25,331
Wastewater Facility Connection Fee	1,853	1,981	1,709	1,844	1,968	1,996	3,290	2,600	3,426	3,393
Transfers From/To Rate Stabilization Fund	—	—	—	—	—	—	—	—	—	—
<b>Net Current Revenue (Including Connection Fees)</b>	\$ 29,655	\$ 30,695	\$ 35,656	\$ 34,643	\$ 35,357	\$ 35,759	\$ 30,114	\$ 38,056	\$ 26,356	\$ 28,724
Available From Senior Lien Revenues	\$ 29,655	\$ 30,695	\$ 35,656	\$ 34,643	\$ 35,357	\$ 35,759	\$ 30,114	\$ 38,056	\$ 26,356	\$ 28,724
Subordinate Lien Debt Service (5)	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ 7,949	\$ —	\$ —
State Loan Debt Service (6)	—	—	—	—	—	1,280	1,286	2,573	1,286	1,286
Coverage Ratio	3.73	3.86	4.49	4.36	4.45	3.87	3.26	3.62	20.49	22.34
Net Income After Debt Service (7)	\$ 21,706	\$ 22,746	\$ 27,707	\$ 26,694	\$ 27,408	\$ 26,530	\$ 20,879	\$ 27,534	\$ 25,070	\$ 27,438

**Note(s):** <sup>(1)</sup> Includes revenue paid by the City of Clovis for Operations & Maintenance pursuant to the 1977 Fresno-Clovis Sewerage System Joint Powers Agreement.

<sup>(2)</sup> The 1993 Indenture specifically excludes from Operating Expenditures: Debt Service, Amortization and Depreciation.

<sup>(3)</sup> 1993 Sewer System Revenue Bonds, Series A

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

<sup>(5)</sup> 2008 Sewer System Revenue Refunding Bonds, Series A.

<sup>(6)</sup> State Loan Debt Service

<sup>(7)</sup> Net Income after Debt Service and before cash financed capital expenditures and any other expenditures for lawful purposes.

# CITY OF FRESNO, CALIFORNIA

## Pledged Revenue Coverage - GASB 44 Methodology

Last Ten Fiscal Years (in thousands)

Fresno Convention Center Revenue Bonds							
Debt Service							
Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	
2013	\$ 2,594	\$ 3,836	\$ (1,242)	\$ 3,308	\$ 2,708	(0.21)	
2014	2,626	3,710	(1,084)	2,799	2,586	(0.20)	
2015	2,960	3,844	(884)	2,904	2,469	(0.16)	
2016	3,634	4,929	(1,295)	3,030	2,346	(0.24)	
2017	3,752	4,929	(1,177)	22,762	2,213	(0.05)	
2018	3,318	3,958	(640)	2,189	1,171	(0.19)	
2019	3,796	4,350	(554)	3,260	1,882	(0.11)	
2020	1,911	3,528	(1,617)	3,422	1,716	(0.31)	
2021	(2)	1,719	(1,721)	3,596	1,541	(0.34)	
2022	5,744	6,387	(643)	3,784	1,351	(0.13)	

Stadium Bonds							
Debt Service							
Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	
2013	\$ 1,089	\$ 9	\$ 1,080	\$ 1,120	\$ 2,322	0.31	
2014	798	30	768	1,185	2,260	0.22	
2015	1,248	31	1,217	1,255	2,189	0.35	
2016	677	224	453	1,335	2,114	0.13	
2017	1,082	224	858	17,210	1,597	0.05	
2018	2,488	90	2,398	1,355	1,714	0.78	
2019	406	111	295	1,490	1,705	0.09	
2020	644	51	593	1,575	1,616	0.19	
2021	580	154	426	1,670	1,522	0.13	
2022	279	426	(147)	1,770	1,422	(0.05)	

Park Bonds							
Debt Service							
Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	
2013	\$ 736	\$ 416	\$ 320	\$ 50	\$ 106	2.06	
2014	329	82	247	50	104	1.61	
2015	329	65	264	55	102	1.68	
2016	325	102	223	55	100	1.44	
2017	340	102	238	2,030	98	0.11	
2018	323	38	285	60	73	2.15	
2019	410	256	154	50	79	1.19	
2020	278	345	(67)	55	77	(0.51)	
2021	411	326	85	55	74	0.66	
2022	630	170	460	55	71	3.65	

**Note(s)** Operating Expenses do not include interest, amortization or depreciation expenses.

The City issued new lease-revenue bonds to refinance several existing lease-revenue bonds for economic savings on May 10, 2017. Any bonds that were callable and produced savings were included, even if it meant redeeming one project in part because there was a non-callable portion that could not be redeemed.

# CITY OF FRESNO, CALIFORNIA

## Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in Thousands)

### Legal Debt Limit Calculation for Fiscal Year 2022

Assessed Value	\$	42,380,248
Debt Limit (20% of assessed value, pursuant to City Charter)		8,476,050
Debt applicable to the limit:		
General obligation bonds		—
repayment of general obligation debt		—
Total net debt applicable to limit		—
Legal debt margin	\$	8,476,050

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2013	\$ 5,391,497	\$ —	\$ 5,391,497	0.00 %
2014	5,640,685	—	5,640,685	0.00
2015	6,016,695	—	6,016,695	0.00
2016	6,305,285	—	6,305,285	0.00
2017	6,588,227	—	6,588,227	0.00
2018	6,890,781	—	6,890,781	0.00
2019	7,322,640	—	7,322,640	0.00
2020	7,711,716	—	7,711,716	0.00
2021	8,173,990	—	8,173,990	0.00
2022	8,476,049	—	8,476,049	0.00

**Source(s):** Assessed Valuation Information - County of Fresno, Tax Rate Book

**Note(s):** The City's Judgment and Pension obligation bonds were the result of legal judgments that were financed to be paid out over a period of time. Per Article XVI, Section 18 of the California Constitution "obligations imposed by law" are deemed exceptions to the debt limit.

## CITY OF FRESNO, CALIFORNIA

### Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Area Square Miles
2013	508,453	\$ 33,354,677,000	\$ 34,886	13.250%	113.13
2014	515,609	35,172,162,000	36,448	11.580%	113.13
2015	520,159	37,359,815,000	38,323	10.200%	114.20
2016	520,453	39,295,335,000	40,101	9.500%	114.34
2017	525,832	41,024,000,000	41,470	8.480%	114.67
2018	538,330	42,842,800,000	43,084	7.500%	115.21
2019	536,683	45,445,944,000	45,487	7.300%	116.48
2020	545,769	48,539,267,000	48,495	12.124%	116.48
2021	546,770	52,120,107,000	51,422	12.131%	116.93
2022	543,660	Not yet available	Not yet available	5.600%	116.93

**Source(s):** Population Information - State of California Department of Finance, Demographic Research Unit

Unemployment Information - California Employment Development Department (EDD), Labor

Market Information Division

Per Capita Income and Personal Income - Bureau of Economic Analysis (BEA).

**Note(s):** Personal Income and Per Capita Personal Income information pertains to Fresno, CA, Metropolitan Statistical Area (MSA).

2020-2022 Personal Income and Per Capita Income data is not yet available from the BEA.

The 2022 Unemployment Rate is the average of estimates for the first 8 months of calendar year 2022 as provided by California Employment Development Department as of October 2022.

The 2022 Population is as of 1/1/2022.

# CITY OF FRESNO, CALIFORNIA

## Principal Employers

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Fresno Unified School District	13,669	1	3.55%	—	—	—
Community Medical Centers	9,000	2	2.34%	3,589	2	1.83%
County of Fresno	8,870	3	2.30%	6,064	1	3.10%
Amazon	6,500	4	1.69%	—	—	—
Clovis Unified School District	6,400	5	1.66%	—	—	—
City of Fresno	4,605	6	1.20%	3,100	3	1.58%
Internal Revenue Service	4,230	7	1.10%	—	—	—%
Foster Farms	3,063	8	0.80%	—	—	—%
Valley Children's	3,000	9	0.78%	—	—	—%
Saint Agnes Medical Center	2,900	10	0.75%	1,906	4	0.97%
California State University, Fresno	—	—	—	1,525	5	0.78%
Kaiser Permanente Medical Center	—	—	—	1,012	7	0.52%
Lyons Magnus	—	—	—	600	8	0.31%
Guarantee Real Estate	—	—	—	455	9	0.23%
Total	<u>62,237</u>		<u>16.17%</u>	<u>19,628</u>		<u>10.03%</u>
Fresno City Employment	384,900			195,800		

**Source(s):** Employer Information - Fresno County Economic Development Corporation (EDC)

City of Fresno Employment information - Employment Development Department (EDD) - Labor Market Information, State of California

**Note(s):** Fiscal year 2022 employer information provided by the Fresno County Economic Development Corporation (EDD) and represents private and public sector full-time employees.

The fiscal year 2022 employer information for the County of Fresno is estimated to be within the City of Fresno.

The Employer Information for the Internal Revenue Service includes employees from all Fresno offices.

Fiscal year 2022 Fresno City Employment figures are for June 2022 as currently available from the California EDD for Fresno (MSA).

# CITY OF FRESNO, CALIFORNIA

## Full-Time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Management	78.80	79.50	79.50	80.25	85.25	96.84	101.50	189.00	199.00	226.25
Finance	56.00	56.00	58.00	58.75	60.75	54.75	55.00	118.00	116.00	115.75
Other	89.75	94.80	95.00	96.25	103.50	106.00	112.00	117.00	121.00	130.00
Enterprise Functions										
Transportation										
Airports										
Sworn	5.00	5.00	15.00	15.00	19.00	19.00	19.00	19.00	19.00	21.00
Civilian	72.30	77.40	72.00	72.00	77.35	80.05	82.00	85.65	99.40	95.40
FAX Department	407.00	407.00	422.00	435.50	492.25	508.00	515.50	533.00	534.00	541.00
Public Utilities	602.25	614.75	634.75	640.50	643.80	643.80	646.80	587.75	589.00	613.50
Economic Growth and Expansion										
Development and Resource Management Department	163.10	166.60	174.60	184.60	204.80	218.70	—	—	—	
Planning and Development Services	—	—	—	—	—	—	218.20	138.70	141.20	161.35
Public Works	268.00	272.50	292.75	288.75	305.25	315.25	339.50	356.75	358.00	392.50
Culture and Recreation										
Parks, Recreation and Community Services	52.00	52.00	66.00	71.00	73.50	75.00	75.75	76.00	88.00	72.00
Public Protection										
Police										
Sworn	748.00	717.00	717.00	775.00	804.00	830.00	835.00	835.00	838.00	850.00
Civilian	202.00	238.00	278.80	244.56	274.65	270.34	273.75	292.00	297.60	316.90
Fire										
Sworn	309.00	304.00	310.00	314.00	334.00	334.00	334.00	302.00	305.00	347.00
Civilian	42.75	42.20	46.75	45.00	42.91	47.75	42.50	43.50	45.30	48.50
Total	<u>3,095.95</u>	<u>3,126.75</u>	<u>3,262.15</u>	<u>3,321.16</u>	<u>3,521.01</u>	<u>3,599.48</u>	<u>3,650.50</u>	<u>3,693.35</u>	<u>3,750.50</u>	<u>3,931.15</u>

**Source(s):** City of Fresno Budget Management & Studies Division - Adopted Budgets, Authorized Positions.

**Note(s):** Figures for Full-Time Equivalents (FTE's) include Permanent and Permanent Part-Time employees only.

Authorized Positions are established by resolution of the City Council and represent the total number of permanent, permanent part-time and permanent intermittent positions in which persons may be employed by the City during a Fiscal Year. Changes in the total number of positions can only be accomplished by resolution of the City Council.

Total permanent positions for each fiscal year are represented as of the following dates: fiscal year 2012 as of May 2012; fiscal year 2013 as of September 2012; fiscal year 2014 as of June 2013; fiscal year 2015 as of September 2014; fiscal year 2016 as of September 2015; fiscal year 2017 as of June 2017; fiscal year 2018 as of June 2018; fiscal year 2019 as of June 2019; fiscal year 2020 as of June 2020 and fiscal year 2021 as of June 2021.

In fiscal year 2017, the Transportation FAX Department added service, management and support staff positions for a variety of service additions such as Bus Rapid Transit (BRT), extended night and weekend service, and increased frequencies on four major avenues.

In fiscal year 2017, positions were added to address reductions that occurred in recent years. Additions to the Police Department included Police Officer Recruits, Police Officer Cadets and a Police Sergeant. Additions to the Fire Department included Firefighters and an administrative position.

In fiscal year 2018, the Budget and Management Studies Division was relocated from the Finance Department to the City Manager's Office.

In fiscal year 2019, Development and Resource Management Department (DARM) became Planning & Development Services.



# CITY OF FRESNO, CALIFORNIA

## Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building Permits Issued										
Commercial	1,756	1,835	1,878	1,641	1,948	1,876	1,688	1,731	1,387	1,322
Residential	7,167	7,931	9,084	8,313	11,227	10,998	7,770	9,753	9,045	9,458
Police										
Physical Arrests	35,489	39,689	43,729	37,816	26,893	27,920	28,337	20,885	18,006	10,939
Traffic Violations (citations issued)	53,485	51,940	44,954	58,927	58,927	39,488	57,691	43,992	21,769	22,892
Calls Received for Police Service	945,989	957,532	950,099	1,026,458	950,099	1,013,411	924,016	920,020	905,206	1,256,230
Fire										
Emergency Medical Service Calls	18,129	19,413	20,191	19,174	21,773	21,430	32,071	27,964	21,640	25,487
Fire Incidents	14,518	15,953	16,326	18,257	16,702	16,830	25,194	14,906	19,352	22,281
Fire Inspections	12,414	11,187	9,780	12,581	13,292	12,679	12,747	13,692	11,329	14,871
Fire Hydrant Inspections	30,342	30,420	26,811	17,025	17,000	17,252	17,252	17,381	17,859	17,004
Wastewater Treatment										
Average Daily Sewage Treatment (million gallons per day)	61.9	60.2	57.2	55.9	56.9	57.1	56.2	56.1	58	57.38
Wastewater Treatment Capacity (million gallons per day)	80	80	80	80	80	80	92	91.5	91.5	94.5
Solid Waste										
Refuse Collected (tons per day)	477	451	505	623	650	648	662	650	750	750
Recyclables Collected (tons per day)	147	116	117	154	156	154	156	159	179	180
Green Waste Collected (tons per day)	378	293	275	348	358	353	365	366	368	359
Other Public Works										
Street Resurfacing (miles)	10.2	12.3	17.0	18.6	16.8	15.1	28.3	13.8	91.4	13.1
Parking Violations (citations issued)	45,730	49,313	49,326	47,531	53,760	54,865	45,407	34,514	16,524	29,251
Parks and Recreation										
Athletic Field Permits Issued	3,281	4,317	5,921	6,949	8,332	5,392	6,795	5,182	556	2,967
Memorial Auditorium User Groups	20	26	16	27	18	13	23	8	1	8
Memorial Auditorium, Audience	15,500	21,600	21,000	45,900	18,900	16,500	19,500	10,800	1,106	5,225
Senior Hot Meal Participants (All Sites)	40,788	38,874	38,103	45,070	44,686	47,605	46,604	29,007	—	—
Meals Served (Not Senior Hot Meals)	—	—	—	—	32,328	40,830	26,879	22,878	—	—
Picnic Shelter/Table Reservations (Roeding & Woodward)	2,754	3,058	2,194	2,457	2,053	1,907	1,841	2,438	21	4,838
Average Daily Attendance (Neighborhood Parks with Centers)	—	—	—	1,653	1,732	1,976	2,083	1,656	357	20

**CITY OF FRESNO, CALIFORNIA**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years (Continued)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Convention Center										
Event Days	360	322	297	209	313	300	296	170	—	155
Gross Ticket Sales	\$ 4,987,646	\$ 7,905,120	\$ 5,594,470	\$ 7,272,305	\$ 8,049,133	\$ 6,741,116	\$12,048,880	\$ 3,792,771	\$ —	\$ 8,537,274
Attendance	553,443	442,070	428,086	455,491	455,587	417,918	478,541	278,299	—	234,718
Water										
Number On-Service Accounts	130,530	131,910	133,163	134,381	135,448	136,408	137,251	138,332	140,140	141,196
Main/Service Leaks Repaired	639	705	558	378	408	663	737	776	842	541
Average Daily Per Capita Consumption (gallons)	241	231	208	183	198	208	189	197	203	198
Peak Daily Consumption (MGD - Million Gallons per Day)	200.46	199.4	187.36	169.88	180.6	183.42	156.91	170.01	174.2	172.44
Transportation										
Airports										
Number of Commercial Airlines	10	10	9	8	8	8	8	8	9	9
Number of Cargo Carriers	3	3	3	3	3	3	3	3	3	2
Total Number Tenant Aircraft	405	408	408	320	303	277	301	287	287	287
Annual Fuel Consumption (gallons)	9,613,371	10,454,758	9,548,919	10,541,916	10,592,430	8,698,431	2,648,061	2,002,465	2,247,020	2,549,932
Origin and Destination Passengers										
Domestic	1,249,960	1,283,770	1,252,962	1,292,784	1,328,929	1,423,248	1,621,990	1,298,554	1,094,020	1,907,434
International	124,453	147,094	153,244	182,225	208,947	212,075	235,667	207,037	200,785	302,571
Origin and Destination Mail (lbs.)	6,661	183	—	316	17,818	9,362	12,649	—	—	—
Origin and Destination Freight (lbs.)	23,621,976	24,393,421	25,843,389	24,546,856	19,873,695	20,965,016	22,399,354	34,921,956	33,956,904	34,348,311
Fresno Area Express (FAX)										
Actual Route Miles	4,151,476	4,218,412	4,157,174	4,175,783	4,208,890	4,337,684	4,649,397	4,701,969	4,693,498	4,788,756
Passengers	12,442,248	12,059,050	11,364,431	10,672,577	9,622,874	9,750,800	10,551,665	9,058,367	5,604,780	6,985,740
Mini-Buses - Purchased Transportation	44	48	50	58	63	69	56	48	43	40

**Source(s):** City of Fresno - Various Departments

**Note(s):** Building Permits Issued includes individual units and structures and is a composite of new construction, additions, alterations, repairs and relocations.

Police department figures are based on calendar year and are as of January 1 of reported year. FY2020 physical arrest figures are reported as of September 2019.

Information is combined for Fresno Yosemite International (FYI) and Chandler Executive Airport (FCH) for Number of Cargo Carriers, Number of Tenant Aircraft, Annual Fuel Consumption and Origin and Destination Freight.

Fire inspection figures reflect only those performed in the City of Fresno and excludes service calls for neighboring fire districts.

Fire hydrant inspections decreased in FY2016 because of an inspection schedule change. Beginning in FY2016, fire hydrant inspections are scheduled for annual inspections instead of bi-annual inspections.

The FY2016 Mini bus figure includes 8 sedans as is consistent with National Transit Database (NTD) reporting.

The FY2019 increase in FAX functional areas was due to a steady increase in FAX ridership due to strategic planning efforts, namely the addition of Bus Rapid Transit service in February 2018 and an additional line (Route 12) west of highway 99.

The FY2019 drop in fuel consumption was due to a loss of a large fixed based operator and a significant drop in the extent of fires, resulting in less military and forest service.

The FY2020 & FY2021 reduction in parking violations was related to relaxed enforcement due to COVID-19.

The FY2021 decrease in number of mini-buses was due to life cycle retirements. Passenger decrease was a direct result of COVID-19, ridership was restricted to allow for social distancing. Beginning March 2020, the passenger limit affected subsequent months and continued through June 20, 2021.

The FY2021 reduction of Parks & Recreation operations was due to the shuttering of facilities due to COVID-19.

The FY2021 increase in street resurfacing miles was due to the inclusion of Street Paving, Slurry & Construction Management miles.

The FY2021 decrease of Convention Center operations was due to the reduction of events hosted in response to COVID-19.

The FY2021 decrease in Police traffic violations was due to less people on the roads in response to COVID-19.

The FY2022 increase of Convention Center operations was due to the increase of events hosted.

Information was not available for all years for all categories.

# CITY OF FRESNO, CALIFORNIA

## Capital Asset Statistics by Function/Program

### Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police Department										
Stations	4	4	4	4	5	5	5	5	5	5
Patrol Bureaus	4	4	4	4	5	5	5	5	5	5
Vehicular Patrol Units	261	261	257	276	334	360	356	390	388	435
Plain Cars (No specialty vehicles)	197	175	175	173	198	197	200	228	239	64
Motorcycles	70	71	85	72	70	74	70	66	74	57
Helicopters	2	2	2	2	2	2	2	2	2	2
Fixed Wing Aircraft	1	1	1	1	1	1	—	—	—	—
Fire Department										
Fire Stations	20	20	20	20	20	20	20	20	20	20
Squad Companies	—	—	—	—	—	—	—	—	—	3
Engine Companies	16	16	18	18	17	17	18	18	18	18
Truck Companies	4	4	4	4	5	5	5	5	5	5
Public Works										
Streets (miles)	1,497	1,490	1,672	1,500	1,511	1,692	1,700	1,714	1,721	1,721
Street Lights	41,556	41,500	42,051	42,207	42,405	43,318	43,450	43,570	43,811	44,048
Traffic Signals	468	466	489	467	468	481	488	486	488	493
Solid Waste Division										
Collection Trucks	83	83	84	89	81	85	86	86	88	88
Water Division										
Water Mains (miles)	1,782	1,803	1,799	1,801	1,809	1,827	1,859	1,871	1,880	1,889
Wells	273	271	260	261	260	263	262	262	264	271
Fire Hydrants	13,001	13,139	13,170	13,218	13,332	13,484	13,536	13,638	13,717	13,784
Sewer Maintenance Division										
Sewer Mainlines (miles)	1,521	1,529	1,533	1,536	1,539	1,613	1,558	1,628	1,579	1,593
Manholes	23,384	23,644	23,776	22,834	23,947	24,146	24,359	25,546	25,546	25,046
Lift Stations	15	15	15	15	15	15	14	16	16	17
Parks										
Metropolitan Parks (Regional)	3	3	3	3	3	3	3	3	3	3
Neighborhood Parks	31	31	32	33	34	34	34	34	34	34
Pocket Parks	21	21	21	21	21	21	21	21	21	21
Zoo	1	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	2	2
Community Parks	1	1	1	1	1	1	1	1	1	1
Skate Parks	6	6	6	8	8	8	8	8	8	8
Tennis Courts	40	40	40	42	42	42	42	42	42	42
Acres of Parks	1,535	1,535	1,384	1,392	1,393	1,393	1,393	1,393	1,393	1,393
Neighborhood Centers	12	12	12	12	12	12	12	12	12	12
Community Center	5	5	5	5	5	7	7	7	7	7
Swimming Pools	5	9	9	9	9	9	8	8	8	8

# CITY OF FRESNO, CALIFORNIA

## Capital Asset Statistics by Function/Program

### Last Ten Fiscal Years (continued)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Transportation										
Airports	2	2	2	2	2	2	2	2	2	2
Municipal Airport Total Acreage	1,875	1,875	1,875	1,875	1,875	2,050	2,050	2,050	2,050	2,050
Length of Longest Runway (surfaced) - Linear Feet	9,227	9,539	9,539	9,539	9,539	9,539	13,165	13,165	13,165	13,165
Number of Runways	3	3	3	3	3	3	3	3	3	3
Number of Terminals	2	2	2	2	2	2	2	2	2	2
Terminals (square footage)	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364
Number of Parking Spaces (surface lot)	2,365	2,365	2,365	2,355	2,664	2,664	2,664	2,812	3,074	4,038
Air Cargo Ramp Spaces	9	9	9	8	8	9	9	9	8	8
Air Cargo Ramp (surface square footage)	806,390	806,390	806,390	806,390	806,390	806,390	806,390	806,390	806,390	806,309
Number of Hangars	302	302	302	303	303	303	303	303	303	303
Buses - Directly Operated	110	111	105	105	129	138	102	100	102	105

**Source(s):** City of Fresno - Various Departments

**Note(s):** Information combined for Fresno Yosemite International (FYI) and Chandler Executive Airport (FCH).

The FY2016 reduction in Street(miles) is due to the non-inclusion of secondary segments on the major divided roads and is not associated with any road removal.

The Regional Sports Complex reported acreage was reduced from 268 acres to 114. While part of the Complex footprint, 154 acres are presently not available for public access.

Three acres were added due to the opening of Martin Ray Reilly Park in FY2015. 8.3 acres were added in FY2016 due to the opening of Inspiration Park.

In FY2020, Airports added stalls to a designated area not previously used for parking. This increased the number of stalls and had no affect on acreage.

In FY2022, there was a significant increase in the number of parking stalls at the airport due to completion of the new parking garage on the current parking lot location. Parking stalls no longer designated Hourly/Daily. They are now Daily/Economy.

In FY2022, Squad companies were established to respond to medical and fire calls in a pickup rather than an engine or a truck.

Information not available for all years for all categories.

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