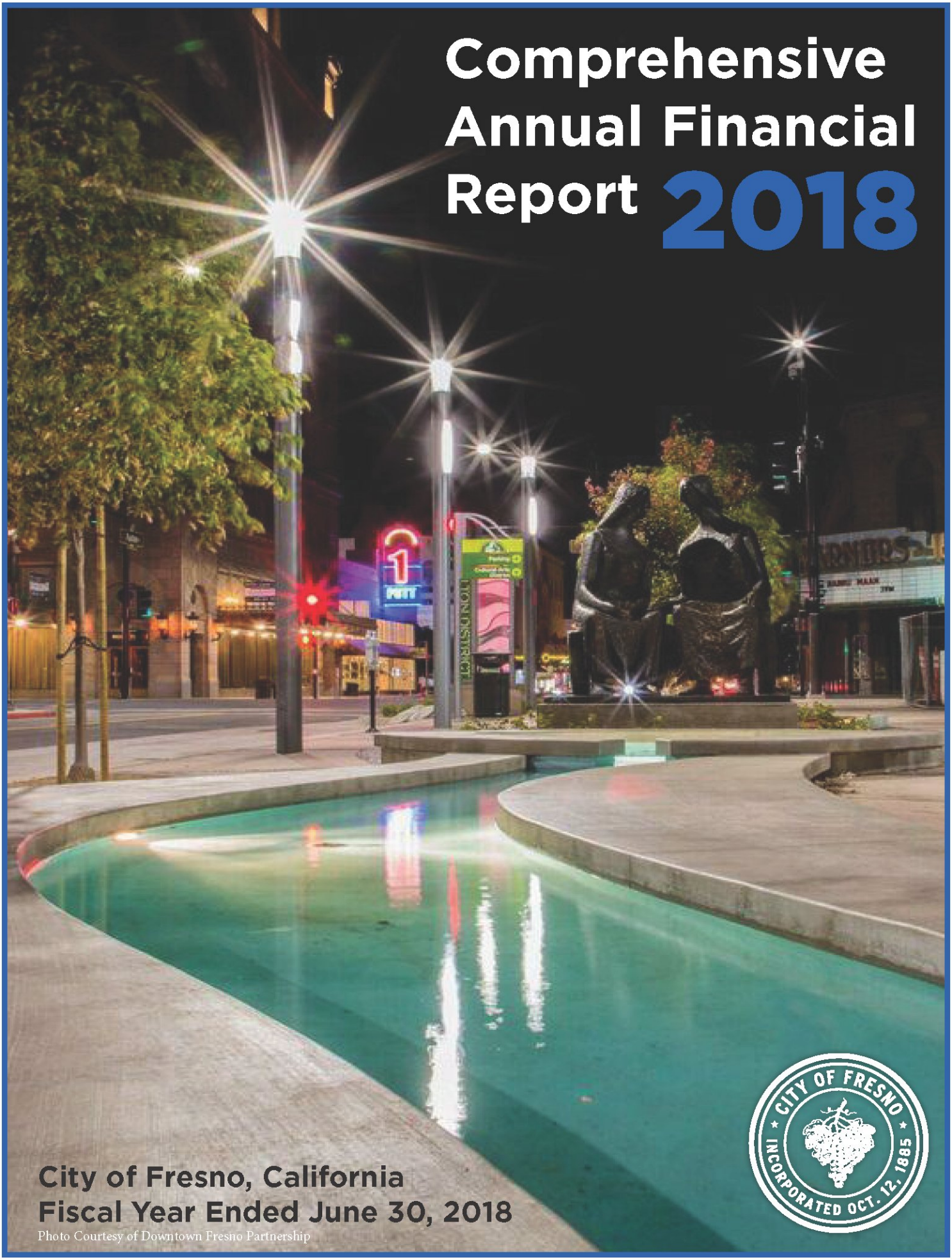
Comprehensive Annual Financial Report 2018



City of Fresno, California
Fiscal Year Ended June 30, 2018

Photo Courtesy of Downtown Fresno Partnership

CITY OF FRESNO
CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2018
Prepared by the Finance Department

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Special Thanks To
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Karen Jenks, Internal Auditor
Corrina Barbarite, Treasury Officer
Kim Jackson, Administrative Manager
CAFR Grants and Capital Asset Contacts in all City Departments

Documents can be made accessible in alternative ADA Compliant format upon request.
To request documents in alternative ADA Compliant format contact
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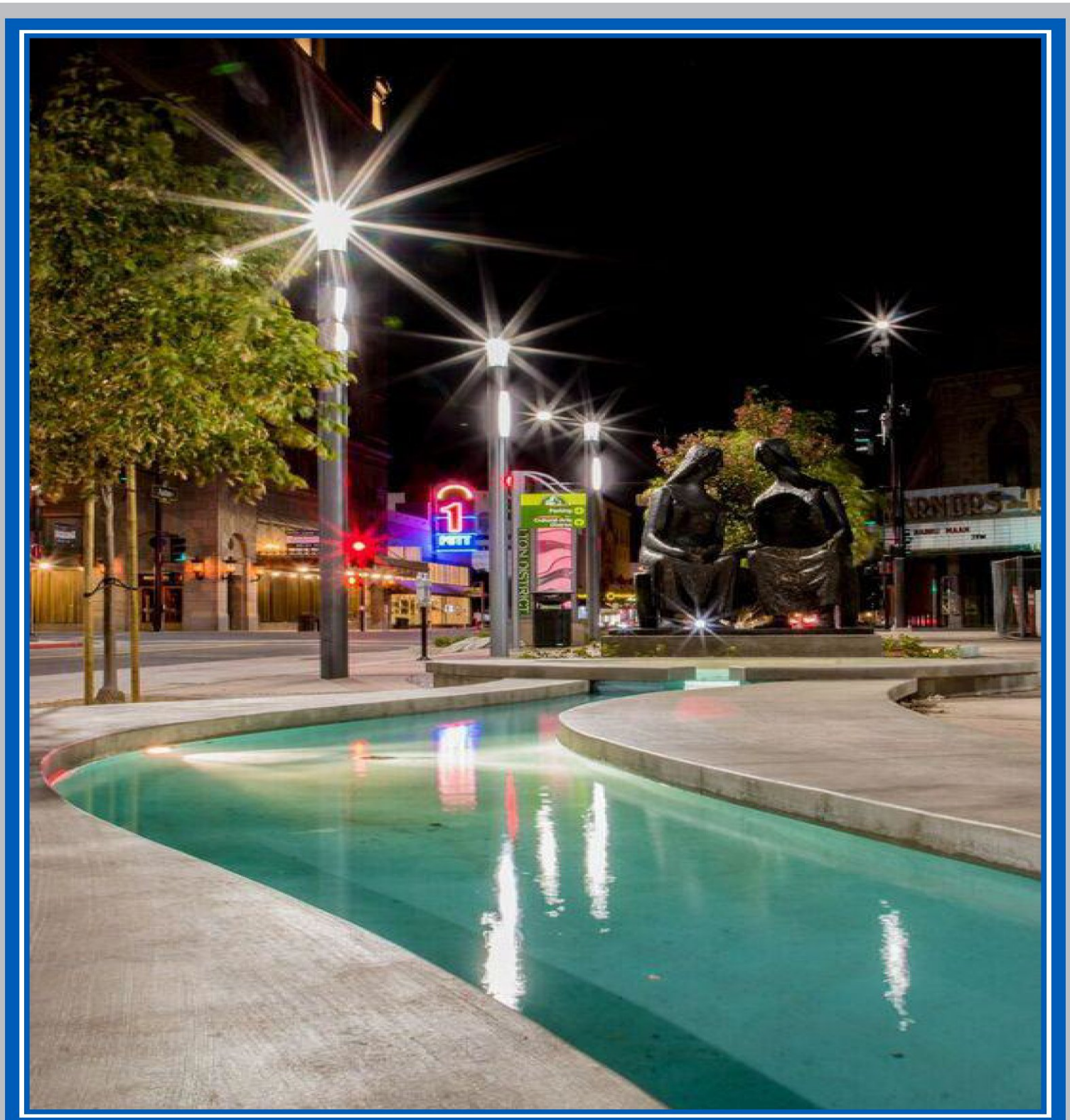
INTRODUCTORY SECTION



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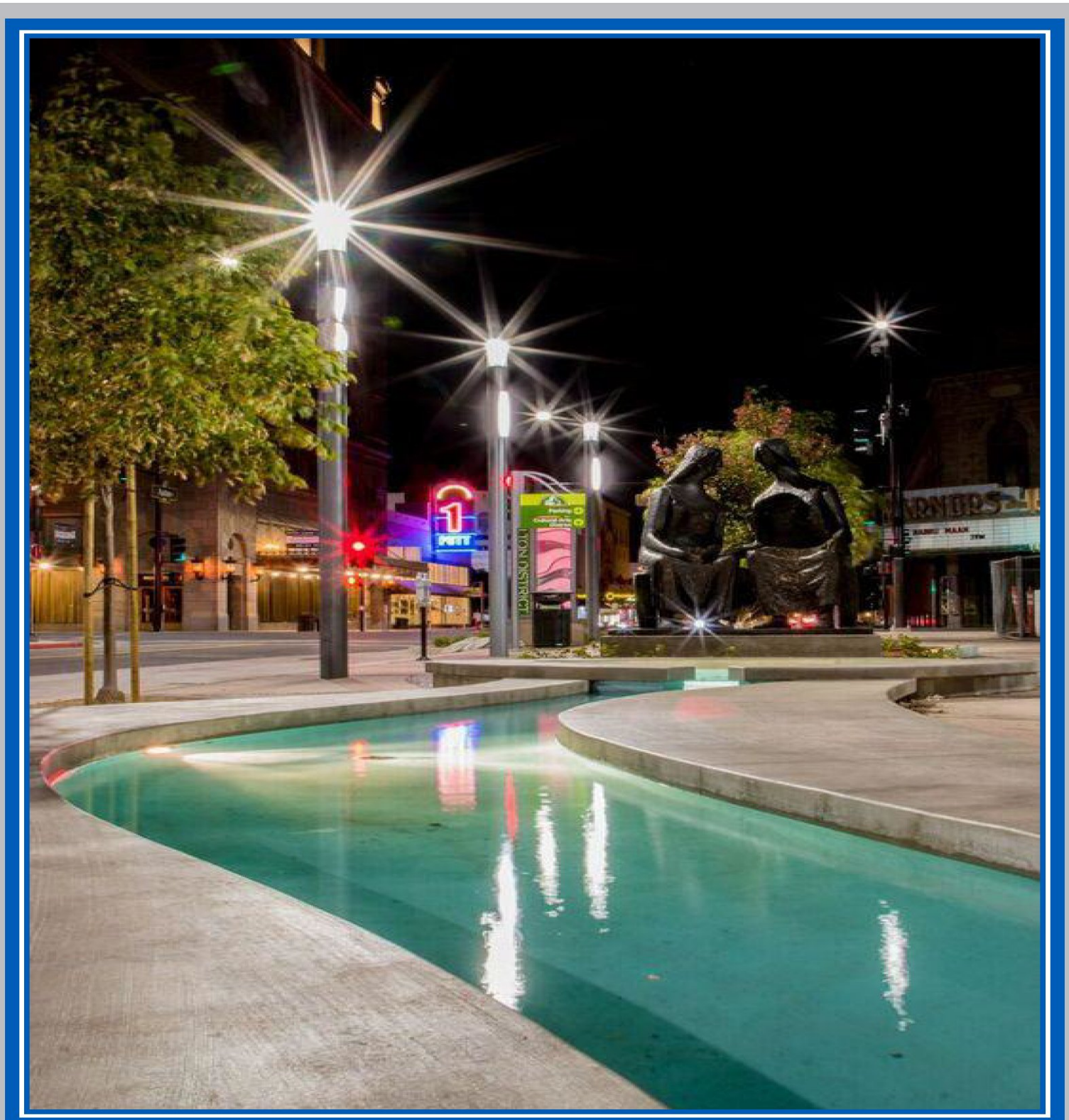


Lee Brand
Mayor

Wilma Quan-Schecter
City Manager

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

January 17, 2019

The Honorable Mayor Lee Brand and Members of the City Council
Distinguished Citizens of the City of Fresno

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Fresno, California (City) for the fiscal year ended June 30, 2018 (Fiscal Year 2017-2018), with the Independent Auditor's Report, submitted in compliance with City Charter Section 804(c) and Section 1216. The CAFR 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 of America (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.

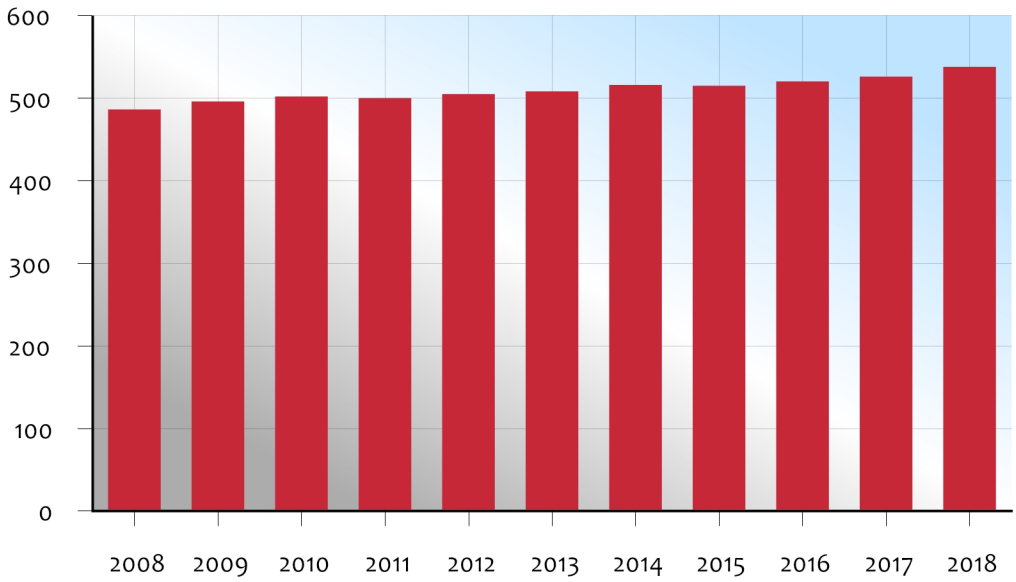
General Background

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 (538,330 as of January 1, 2018), Fresno is the 5th largest city in California by population, and 34th 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.

Population Growth (in thousands)



Government and Budget

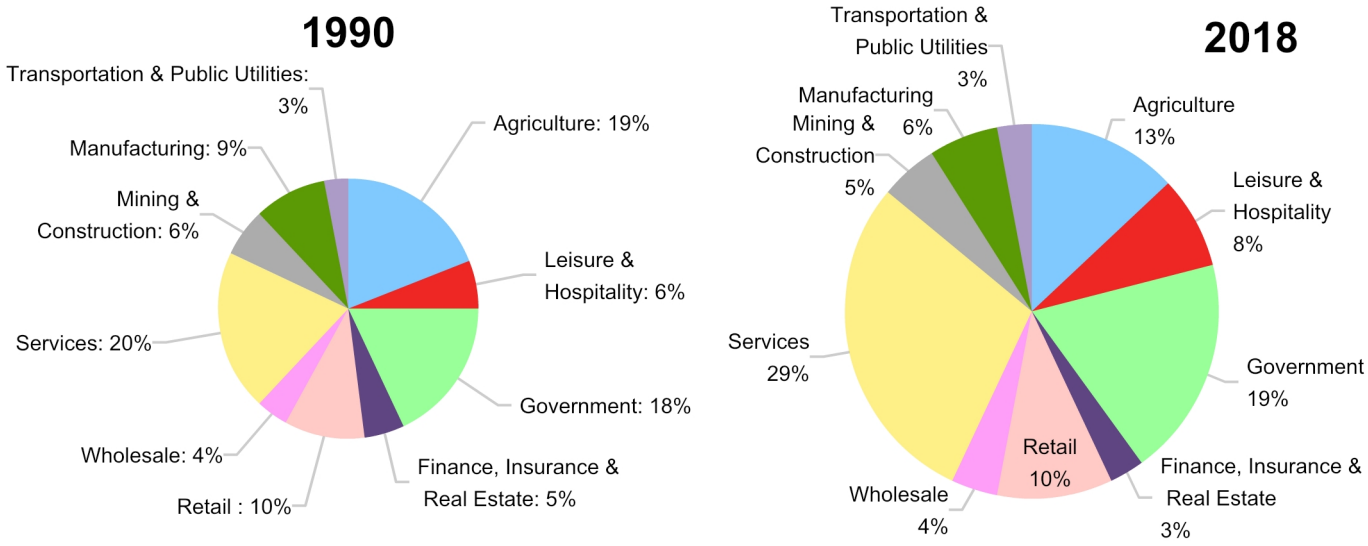
The City operates under the strong-Mayor form of government. Under this form of government, the Mayor serves as the City's Chief Executive Officer, appointing and overseeing the City Manager, recommending legislation, and presenting the annual budget to the City Council.

The budget of the City of Fresno, within the meaning and context of Section 1205 of the City's Charter, must be adopted by resolution by the City Council (Council) by 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

The City of 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 (13% of jobs), the Fresno economy continues to diversify, as evidenced by the fact that services (29% of jobs) and govenment (19% of jobs) employ more people than agriculture.

1990 vs. 2018 Estimated Number of Workers by Industry



Source: CA Employment Development Department

Food processing leads the manufacturing sector with such notable companies as Conagra Foods, Lyons-Magnus, Del Monte, Wawona Foods, E & J Gallo Winery, Kraft Foods, Foster Farms, Harris Ranch and others. Distribution is playing a growing role in the City's economy, as evidenced by the Gap 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	Industry	Full-Time Employees
Fresno Unified School District	Education	10,552
County of Fresno	Government	6,655
Community Regional Medical Center	Medical Care	5,863
Internal Revenue Service	Government	4,040
City of Fresno	Government	3,650
Saint Agnes Medical Center	Medical Care	2,800
California State University, Fresno	Education	2,542
Amazon.com, Inc.	Distribution	2,500
Kaiser Permanente Medical Center	Medical Care	2,450
State Center Community College District	Education	1,780

Economic Overview

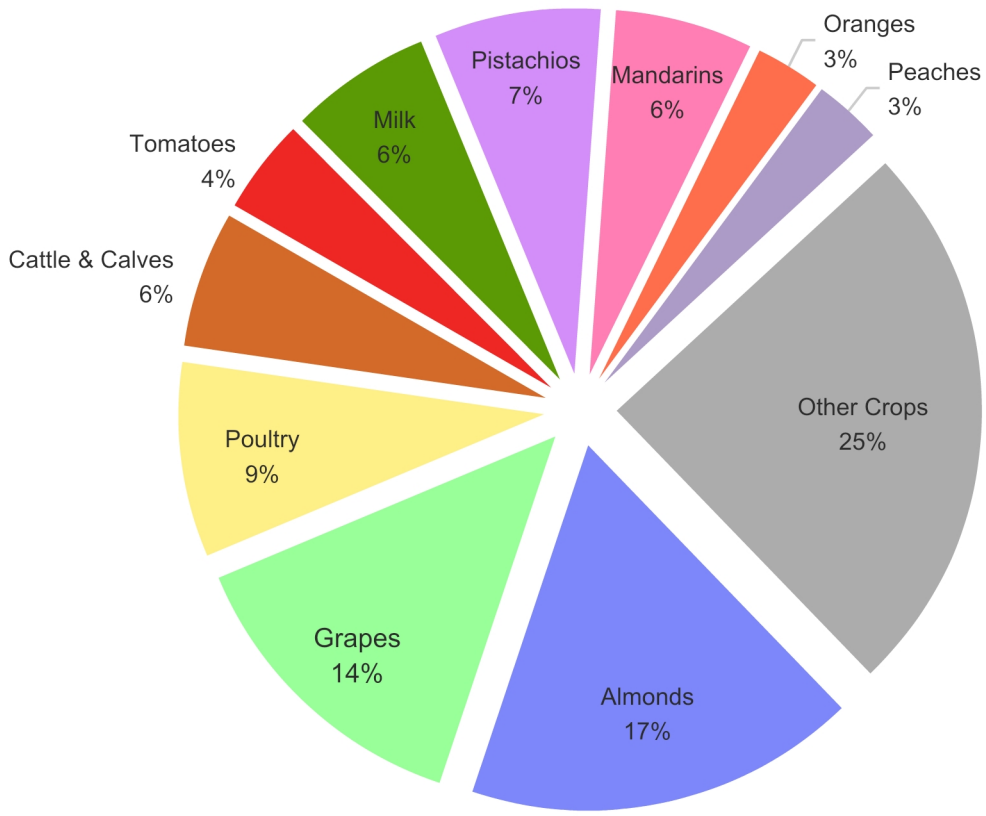
Agriculture remains one of the backbones of the Fresno area and continues to be robust. Fresno County's agricultural strength rests with its diversity with more than 400 commercial crops providing gross production of just over $7 billion in 2018, an increase of 13.6% from 2017.

Almonds again surpassed the $1 billion mark to beat out grapes for the number one spot on Fresno County's Top Ten crop ranking.

California produces most of the grapes grown in the United States with 99.5% of raisins coming from Fresno County. Many specialty crops are almost solely produced in California: almonds, kiwi fruit, nectarines, olives, and pistachios. Growers continue to expand into more lucrative products. In 2017, Fresno County exported 133 agriculture commodities to 97 countries around the world.

Fresno has established itself as an ideal location for manufacturing and distribution due to strategic location, low business costs and affordable housing.

2018 Diversified Agricultural Base



Source: CA Employment Development Department

Fiscal Year 2018 Economic Conditions & Financial Impact

Fresno generally showed little change in its economy during fiscal year 2018, as is shown in the table below:

Economic Indicator	2017	2018	Change (%)
Assessed Value	$32,941,135,740	$34,453,902,554	4.6%
Taxable Sales	$13,250,486,000	$13,155,642,615	-0.7%
Unemployment Rate	8.8%	7.4%	-15.9%
Building Permits	13,175	12,874	-2.3%

The trend of mixed results seen in the local economy had a similar effect on the City of Fresno's finances. This effect was evident in several City-wide financial measures:

- Total Assets increased $365.6 million (10.2%) from the fiscal year 2017 year-end Total Assets balance of $3,594.1 million.
- Revenues decreased $4.6 million (-0.6%) from Revenues for fiscal year 2017, which totaled $804.3 million.
- Expenses grew $15.1 million (2.4%) to $655.4 million .
- Total Net Position grew $136.1 million (6.0%) from fiscal year 2017's total of $2,274.0 million (as restated). Most importantly, Unrestricted Net Position climbed $102.6 million (26.9%) to $484.3 million.

While the City's overall financial position displayed little change, the General Fund displayed a more pronounced change in financial position. It must be noted that many of these changes are related to activity which occurred in fiscal year 2017 but didn't occur again in fiscal year 2018. Key metrics reflecting this change include:

- Total Assets decreased $14.1 million (12.9%) over the fiscal year 2017 Total Assets year-end balance of $109.1 million. The decline was entirely in Advances to the Redevelopment Agency, which were recognized in fiscal year 2017 for which there was not a corresponding transaction in fiscal year 2018.
- Total Liabilities increased $2.5 million (24.6%) from the fiscal year 2017 year- end Total Liabilities of $10.2 million. The increase in Liabilities was completely in the Advances from Other Funds account.
- Revenues decreased $8.1 million (2.5%) from revenues for fiscal year 2017 of $317.5 million. A sharp drop was seen in Miscellaneous Revenues, which reflected one-time revenues in fiscal year 2017 that were not replicated in fiscal year 2018.
- Expenditures increased $13.4 million (4.9%) from fiscal year 2017's $274.4 million expenditure level. Increases in Public Protection expenditures, due to the addition of new positions and Capital Outlay expenditures related to the purchase or return of buildings, drove the overall increase in General Fund expenditures.

How Fresno Compares to the 25 Largest California Cities

Despite recent improvement in its financial position, Fresno still lags behind the 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 our population figure and our assets per capita figure is one of the biggest among the 25 largest California cities by population. It is important to note that Fresno's assets are increased because of the Net Pension Asset which no other city in the survey possesses. The lack of assets puts 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. These metrics and others are discussed in greater detail in the Management's Discussion & Analysis.

Subsequent Events

The City continued to earn positive ratings actions on its bonds from the rating agencies. The latest ratings action was an upgrade of the Sewer bonds' rating outlook from "Stable" to "Positive" by Fitch in October 2018. The upgrade signifies the bond market's continued notice of the improvement in the City's finances.

The City defeased $132.5 million of the $159.8 million in outstanding Series 2008 Sewer Bonds on September 1, 2018. Management is considering whether to defease the remaining Series 2008 Sewer Bonds as part of the fiscal year 2020 budget.

The City finished fiscal year 2018 with a cash balance in its General Fund Emergency Reserve of $23.9 million. As part of the fiscal year 2019 budget adoption, Council voted to accrue the August 2019 Sales Tax revenue and deposit that revenue into the Emergency Reserve. It is estimated that $9.9 million will be deposited into the Emergency Reserve in August 2019, which (if the estimate reaches fruition) will result in the Emergency Reserve having a cash balance of $34.2 million in fiscal year 2020.

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 CAFR for the fiscal year ended June 30, 2017. This was the 25th 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 CAFR whose contents conform to program standards. The CAFR 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 comprehensive annual 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	CAFR Year	Population California Department of Finance As of January 1, 2018	Assets per Capita	Population Ranking	Per Capita Asset Rank	Net Pension Asset/(Liability)
Los Angeles	$ 62,954,746,000	2017	4,054,400	$ 15,528	1	3	$ (10,268,184,000)
San Diego	$ 14,808,611,000	2018	1,419,845	$ 10,430	2	9	$ (2,532,590,000)
San Jose	$ 10,047,376,000	2018	1,051,316	$ 9,557	3	10	$ (3,192,356,000)
San Francisco	$ 32,070,239,000	2017	883,963	$ 36,280	4	1	$ (5,808,216,000)
Fresno	**$ 3,959,732,792**	**2018**	**538,330**	**$ 7,356**	**5**	**15**	**$ 318,219,533****
Sacramento	$ 4,432,286,000	2017	501,344	$ 8,841	6	11	$ (746,901,000)
Long Beach	$ 10,036,731,000	2017	478,561	$ 20,973	7	2	$ (1,186,078,000)
Oakland	$ 3,326,851,000	2018	428,827	$ 7,758	8	13	$ (1,703,925,000)
Bakersfield	$ 2,635,711,836	2017	386,839	$ 6,813	9	17	$ (391,476,697)
Anaheim	$ 4,969,531,000	2018	357,084	$ 13,917	10	5	$ (777,745,000)
Santa Ana	$ 1,546,427,583	2018	338,247	$ 4,572	11	25	$ (548,129,198)
Riverside	$ 4,203,058,000	2018	325,860	$ 12,898	12	6	$ (627,777,000)
Stockton	$ 2,232,379,874	2018	315,103	$ 7,085	13	16	$ (509,212,031)
Irvine*	$ 2,884,285,000	2018	276,176	$ 10,444	14	8	$ (151,025,000)
Chula Vista	$ 1,760,520,247	2017	267,503	$ 6,581	15	18	$ (295,366,230)
Fremont*	$ 1,313,843,253	2018	235,439	$ 5,580	16	23	$ (377,822,524)
San Bernardino	$ 1,026,570,412	2017	221,130	$ 4,642	17	24	$ (374,580,615)
Santa Clarita	$ 1,299,799,782	2017	216,589	$ 6,001	18	20	$ (39,511,900)
Modesto	$ 1,826,668,511	2018	215,692	$ 8,469	19	12	$ (312,416,341)
Fontana	$ 1,299,420,598	2018	212,000	$ 6,129	20	19	$ (146,180,506)
Moreno Valley	$ 1,233,844,181	2018	207,629	$ 5,943	21	21	$ (72,410,028)
Oxnard	$ 2,935,159,815	2017	206,499	$ 14,214	22	4	$ (285,892,601)
Glendale	$ 2,546,875,000	2018	205,536	$ 12,391	23	7	$ (580,175,000)
Huntington Beach	$ 1,143,648,000	2018	202,648	$ 5,644	24	22	$ (429,641,000)
Santa Rosa	$ 1,384,392,000	2017	178,488	$ 7,756	25	14	$ (300,457,000)

* These cities have governmental activities only.

** This figure represents the prefunded 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, 2018 CAFRs (2017 when 2018 not available). In cases where Component Units were reflected in separate Columns, Component Unit numbers were excluded.

Acknowledgments

The 2018 CAFR reflects the financial results of providing services to the citizens of Fresno. But, numbers cannot portray the level of commitment that is displayed by City employees day-in and day-out. Simply put, Fresno's citizens would not have the standard of living that they enjoy without the creativity and perseverance of City staff. Fresnans should be proud to have such dedicated public servants protecting their homes, maintaining their streets, delivering clean water to their residences, and providing many other services that make life manageable.

We would like to express our appreciation to the entire staff of the Finance Department, but especially the core Finance CAFR team and their families, for their months of concerted group effort. The fact that this group has managed to reduce the production time of this document by four months over the past three years is a testament to their talent, professionalism and dedication. While the term "Rock Stars" is usually not associated with accountants, all of the Finance Department staff that worked on this report have earned that moniker.

We would be remiss if we did not also thank the CAFR contacts in each department throughout the City for working with the Finance Department. Their invaluable contributions made the preparation of this report possible. We wish to also extend our sincere thanks 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.

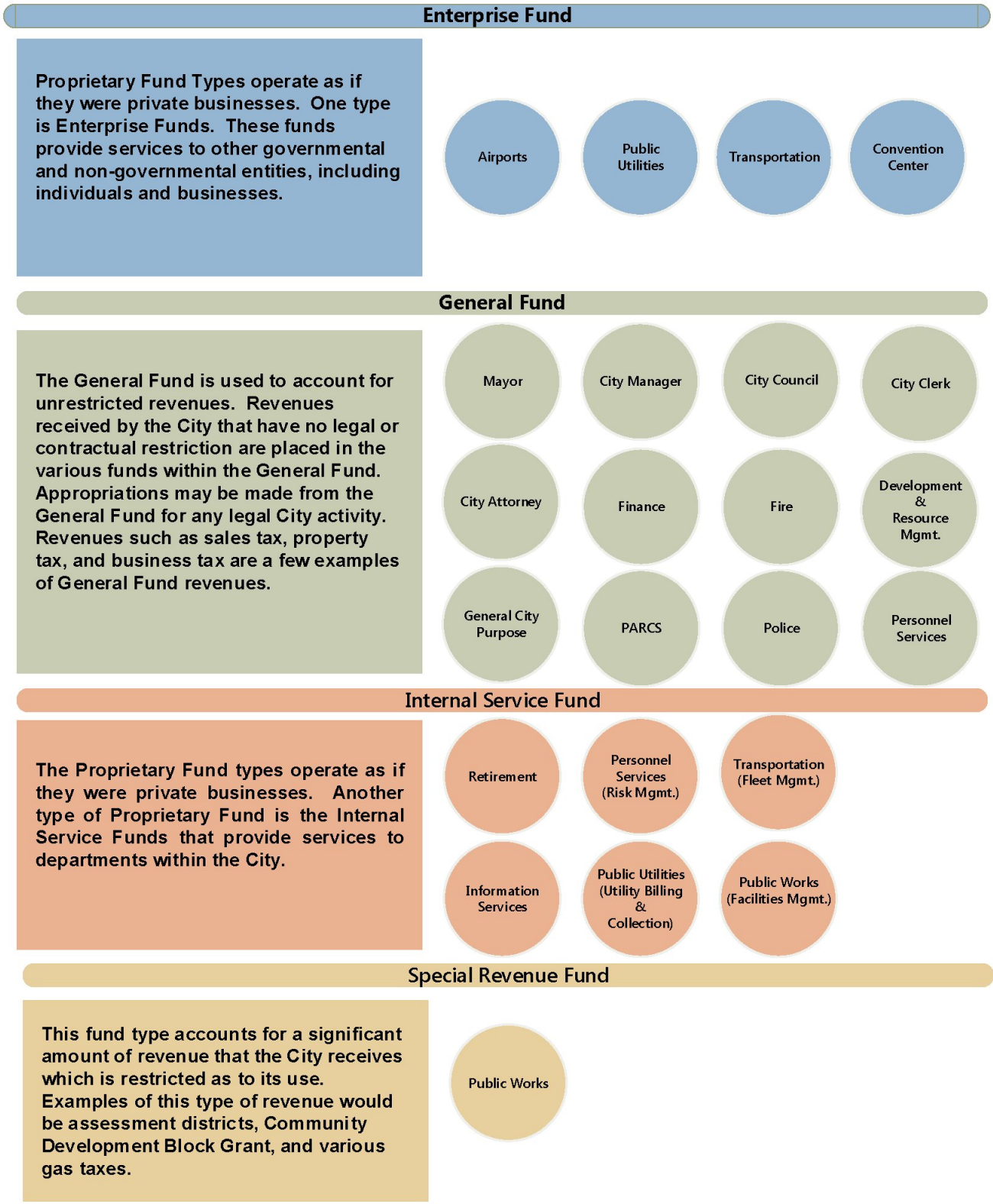
In addition, we would like to acknowledge the role of Brown Armstrong for their professional support in the preparation of the CAFR. Finally, we want to thank the Mayor, the City Council members, and the members of the City Manager's Office for their continued leadership and support in planning and conducting the City's financial operations.

Respectfully submitted,

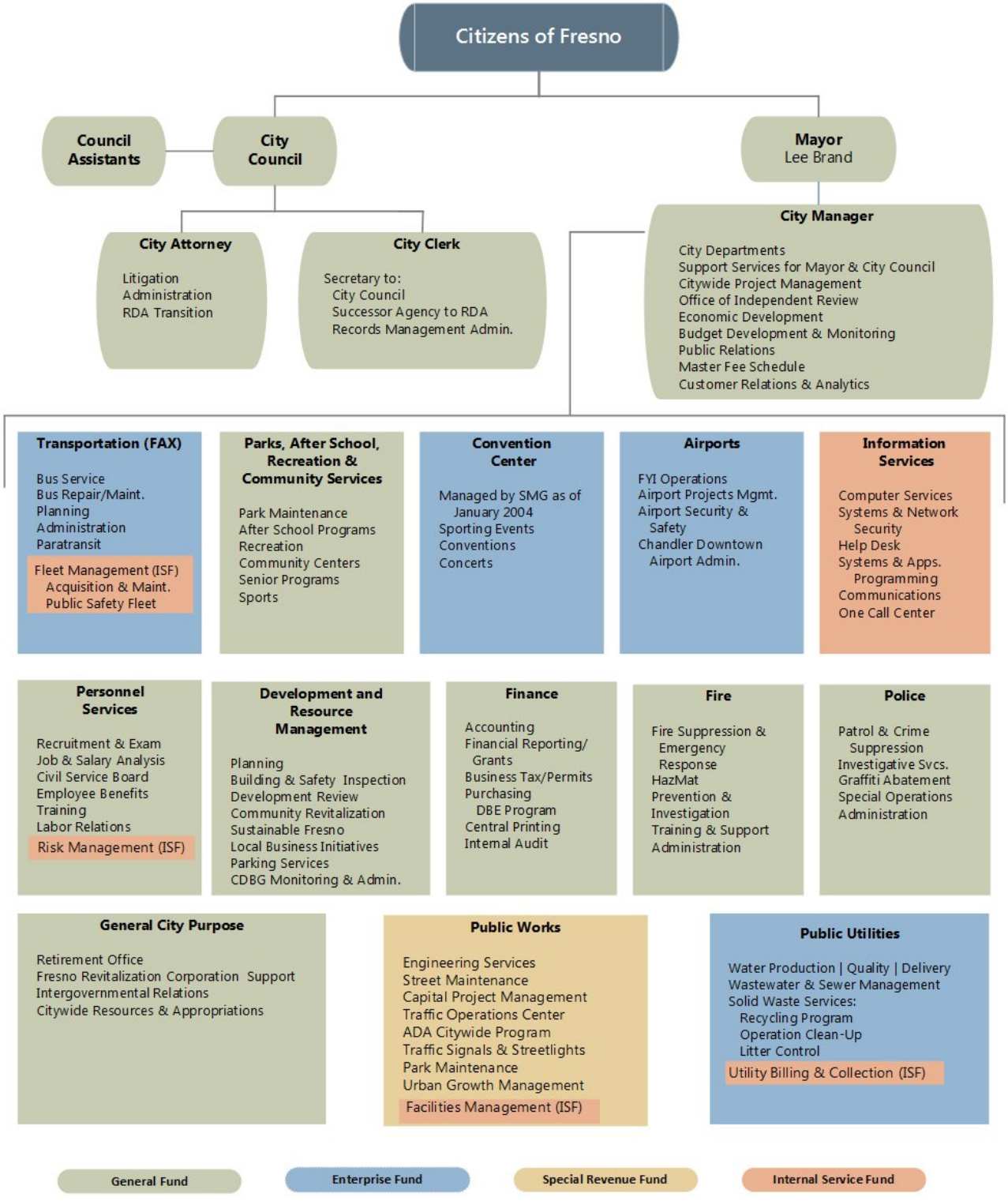
Wilma Quan-Schecter
City Manager

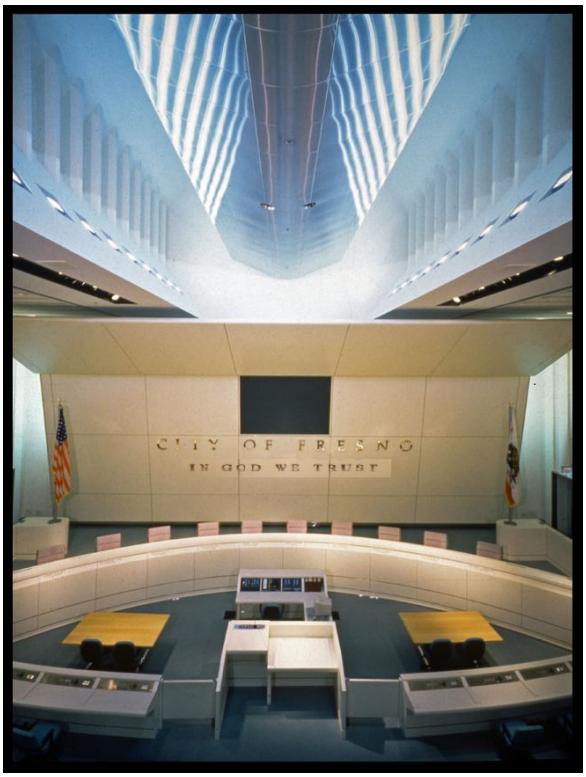
Michael Lima
Finance Director/City Controller

CITY OPERATING FUND STRUCTURE



City Organizational Chart





City of Fresno, California

Directory of Officials

Elected Officials

As of January 10, 2019

Mayor:	Term Expires:
Honorable Lee Brand	*January 2021*

Council Members:

Esmeralda Z. Soria, District 1	*January 2023**
Steve Brandau, District 2	*January 2021*
Miguel Arias, District 3	*January 2023*
Paul Caprioglio, District 4	*January 2021*
Luis Chavez, District 5	*January 2023**
Garry Bredefeld, District 6	*January 2021*
Nelson Esparza, District 7	*January 2023*

**Officials re-elected for a second term*

Appointed Executive Officials

Wilma Quan-Schecter, City Manager
Jane Sumpter, Assistant City Manager
Jim Schaad, Assistant City Manager
Douglas Sloan, City Attorney
Yvonne Spence, City Clerk
Michael Lima, Finance Director/ City Controller

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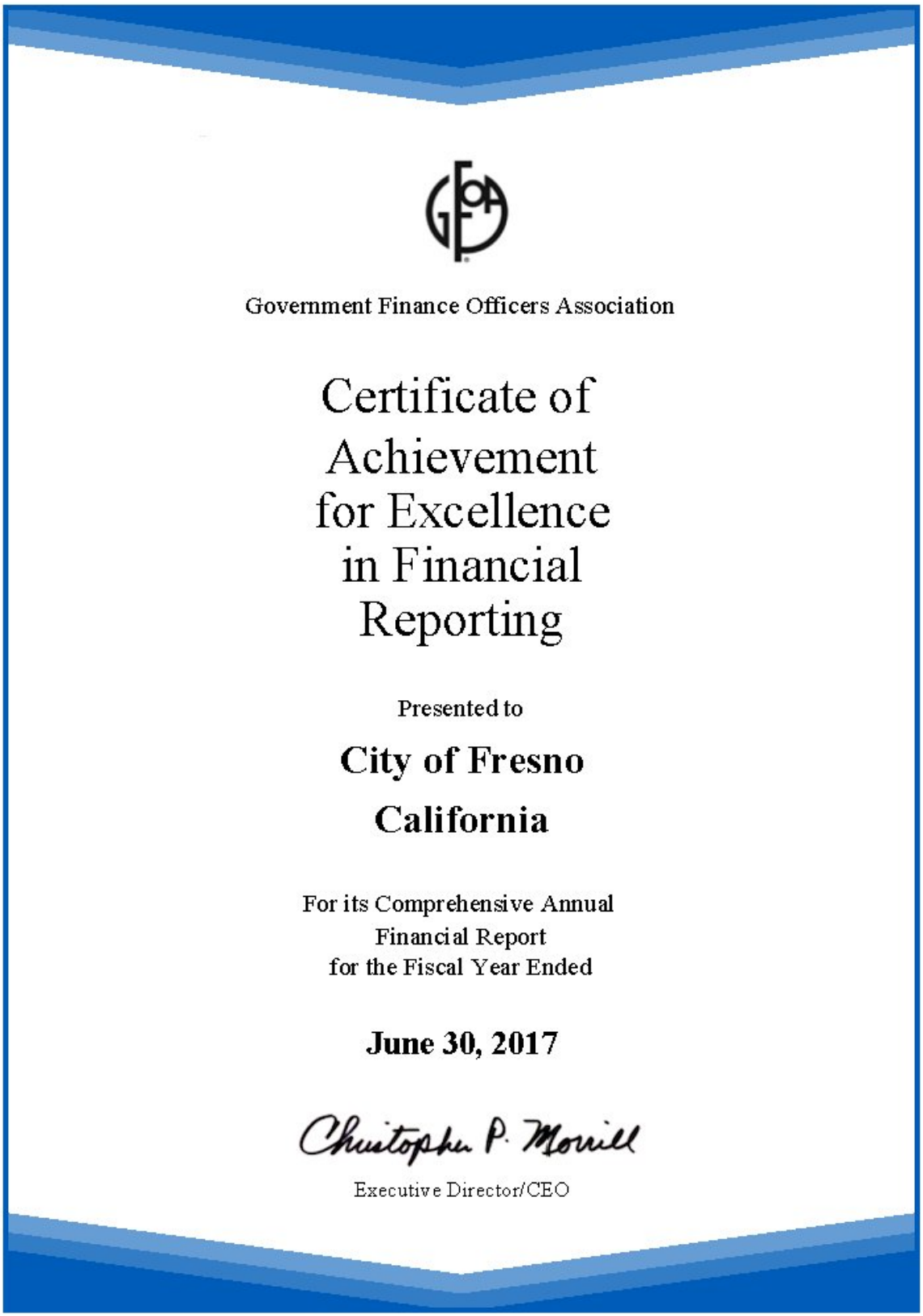

Government Finance Officers Association

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, 2017

Christopher P. Morrill

Executive Director/CEO

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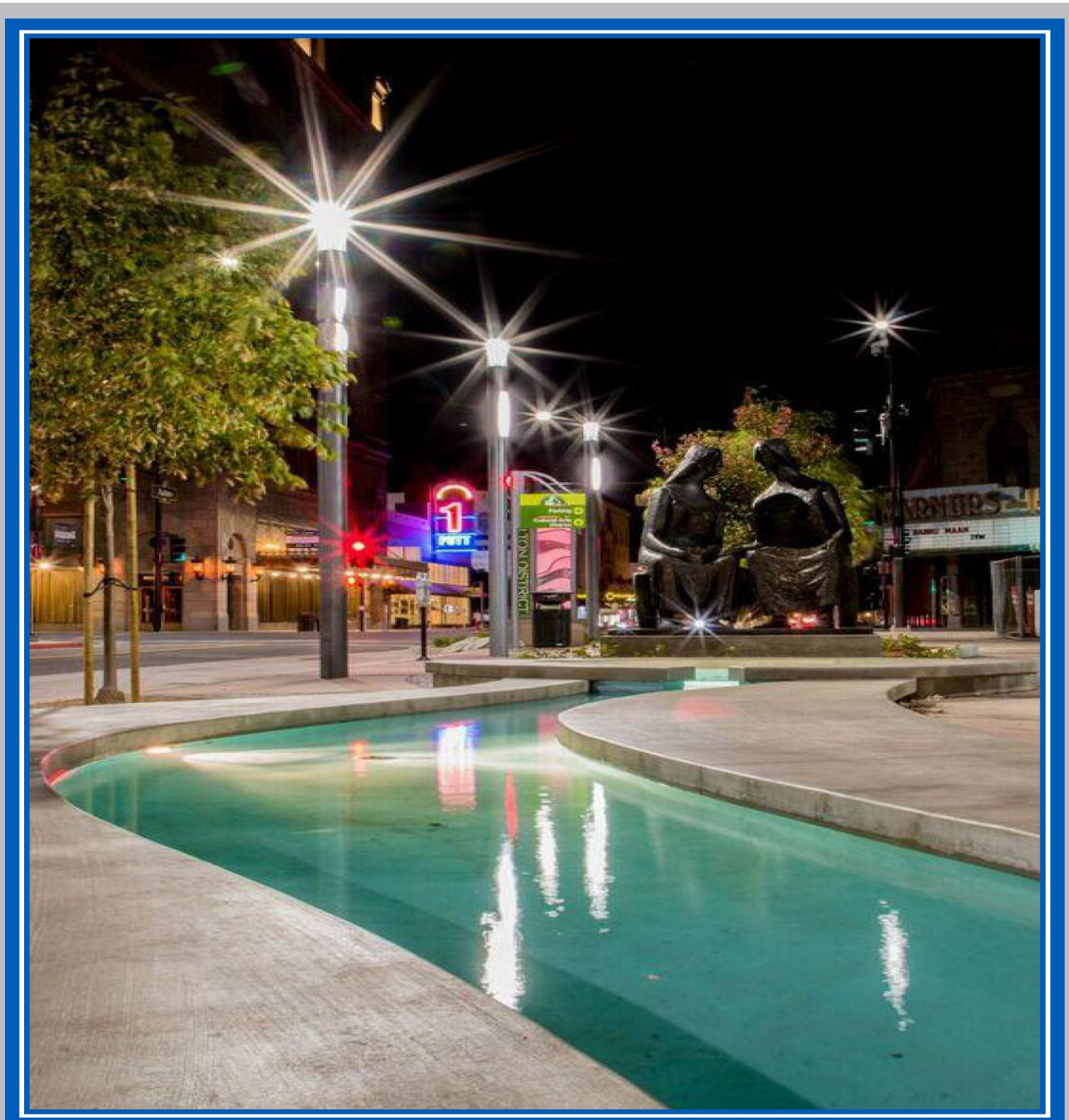
FINANCIAL SECTION



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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council
City of Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund (the Successor Agency), which represents the following percentages of the assets, net position/fund balances, and additions/revenues of the following opinion unit:

Opinion Unit	Assets	Net Position/Fund Balances	Additions/Revenues
Aggregate Remaining Fund Information	0%	0%	1%

The financial statements of the Successor Agency were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Successor Agency, is based on the report of the other auditors.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2018, 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.

Emphasis of Matter

As discussed in Note 1E to the financial statements, during the year ended June 30, 2018, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Also, as discussed in Note 13 to the financial statements, the City Council voted to dissolve the City of Fresno Cultural Arts Properties Corporation (COFCAP) on May 25, 2017. Final separate audited financial statements on the liquidated basis were issued by other auditors as of June 30, 2017. The COFCAP information presented reflects transactions associated with the final closeout. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund and the Grants Special Revenue Fund, schedule of investment returns, schedule of changes in net pension liability and related ratios and schedule of employer contributions for both the Employees Retirement System and the Fire and Police Retirement System, and the Other Postemployment Benefits (OPEB) Plan schedule of changes in the net OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2019, on our consideration of the 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 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 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 the City's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 10, 2019

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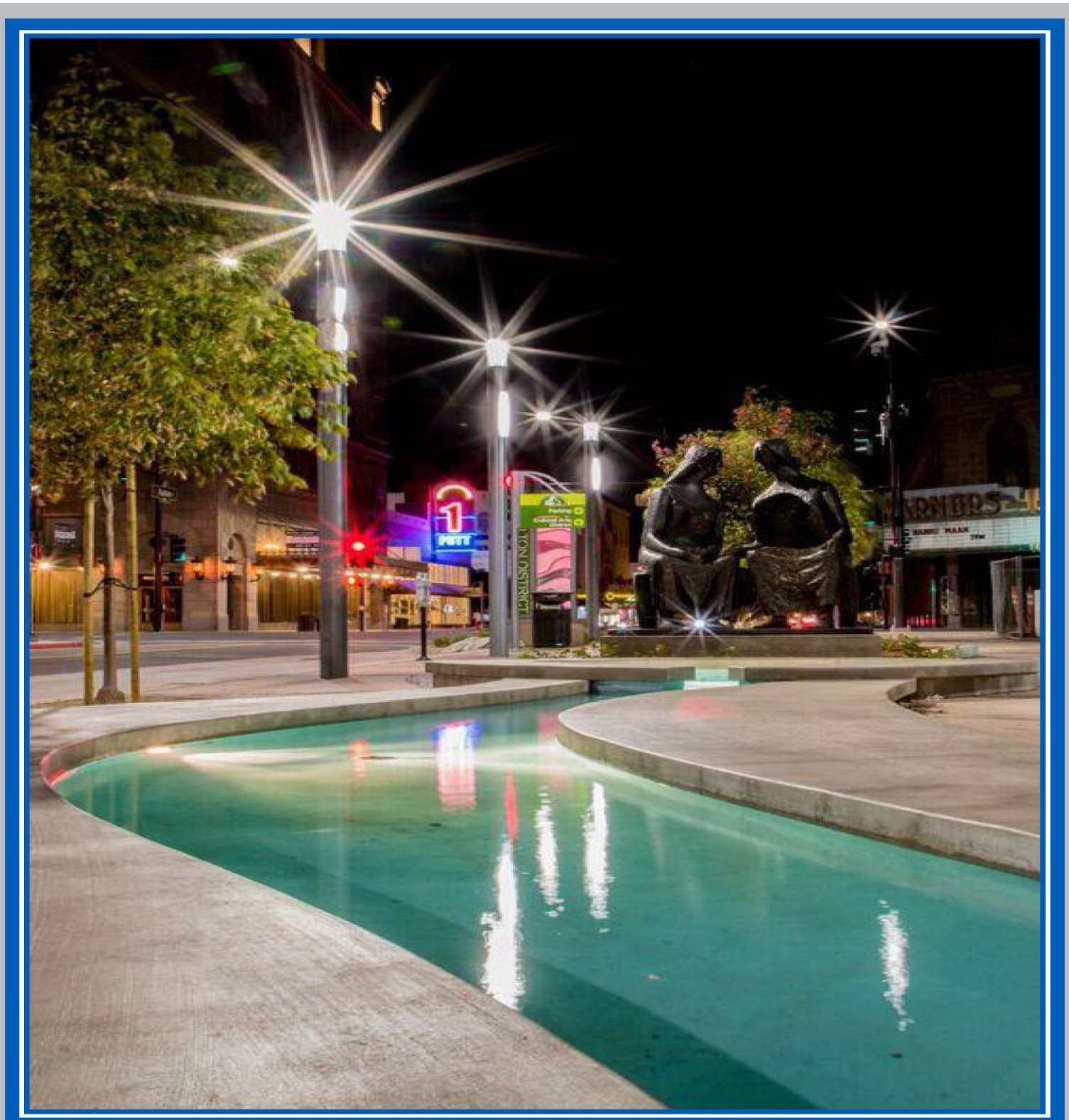
MANAGEMENT'S DISCUSSION & ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Fiscal Year Ended June 30, 2018

CITY OF FRESNO, CALIFORNIA

This section of the City of Fresno's (City) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. 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 our 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 continue to set records, reaching a total of $3,959.7 million for the first time in the City's history.
- Capital assets grew by $144.5 million (5.7%) to $2,698.0 million. The increase reflects the completion or near completion of several major capital improvements.
- Net Position for the entire City improved to a record $2,410.1 million; a $136.1 million (6.0%) increase over fiscal year 2017's Net Position, as restated, of $2,274.0 million, or $116.9 million (5.1%) increase over fiscal year 2017's original Net Position of $2,293.3 million. Most notable, Total Net Position for Governmental Activities surpassed the $1 billion mark for the first time in the City's history.
- The City continues to record a net pension asset. The fiscal year 2018 net pension asset of $318.2 million was up from fiscal year 2017's net pension asset of $147.7 million thanks to strong returns from the stock market. Fresno remains one of very few government entities in the country with a net pension asset.

OVERVIEW OF FISCAL YEAR 2018 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, and stadium.

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.

Also presented in the Government-Wide Financial Statements is a discretely presented component unit, the City of Fresno Cultural Arts Properties Corporation (COFCAP). COFCAP is a component unit because it is a legally separate entity for which the City is financially accountable through the appointment of the corporation's board and the ability to approve the corporation's budget. The tax-exempt entity is, however, discretely presented because it does not provide services exclusively or almost exclusively to the City of Fresno. Financial information for this component unit is reported separately from the financial information presented for the primary government in a separate column on the Government-Wide Financial Statements, as well as in the Notes to the Financial Statements. See Note 13 regarding COFCAP activities.

The Government-Wide Financial Statements can be found on pages 30-31 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 35 and 37.

  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 Nonmajor 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 and 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, only in more detail. Proprietary Funds (Enterprise and Internal Service) utilize the same method used by the private sector businesses, or 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 Nonmajor Enterprise Funds of the City.

- ***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.

  - ***Agency Funds*** consist of funds used to account for City-related trust activity, such as payroll withholding and bid deposits. Agency 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 30-154 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 51-154 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, 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 156-166 of this report.

Combining and Individual Fund Statements and Schedules

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor 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 168-195 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	
	2017	2018	2017	2018	2017	2018	$	%
Assets:								
Current and Other Assets	$ 390,916	$ 384,668	$ 501,998	$ 558,839	$ 892,914	$ 943,507	$ 50,593	5.7%
Net Pension Asset	126,306	256,562	21,347	61,657	147,653	318,220	170,567	115.5%
Capital Assets:								
Not Being Depreciated	305,515	322,234	463,706	589,791	769,221	912,025	142,804	18.6%
Net of Depreciation	644,677	633,684	1,139,643	1,152,297	1,784,320	1,785,981	1,661	0.1%
Total Capital Assets	950,192	955,918	1,603,349	1,742,088	2,553,541	2,698,006	144,465	5.7%
Total Assets	1,467,414	1,597,148	2,126,694	2,362,584	3,594,108	3,959,733	365,625	10.2%
Deferred Outflows of Resources:								
Charge on Refunding	5,293	4,864	1,984	1,627	7,277	6,491	(786)	(10.8)%
Pension Contributions	26,260	64,153	7,480	10,554	33,740	74,707	40,967	121.4%
Deferred Outflows - Pension	141,106	1,711	30,377	695	171,483	2,406	(169,077)	(98.6)%
Total Deferred Outflows of Resources	172,659	70,728	39,841	12,876	212,500	83,604	(128,896)	(60.7)%
Liabilities:								
Long-Term Liabilities Outstanding	547,096	549,479	717,121	849,680	1,264,217	1,399,159	134,942	10.7%
Other Liabilities	23,397	23,600	127,470	108,496	150,867	132,096	(18,771)	(12.4)%
Total Liabilities	570,493	573,079	844,591	958,176	1,415,084	1,531,255	116,171	8.2%
Deferred Inflows of Resources:								
Pension Revenue Applicable to Future Yrs	84,877	69,371	13,381	12,424	98,258	81,795	(16,463)	(16.8)%
Unamortized OPEB Expense	—	14,330	—	5,820	—	20,150	20,150	100.0%
Total Deferred Inflows of Resources	84,877	83,701	13,381	18,244	98,258	101,945	3,687	3.8%
Net Position:								
Net Investment in Capital Assets	787,522	796,242	955,128	958,169	1,742,650	1,754,411	11,761	0.7%
Restricted	168,927	171,473	—	—	168,927	171,473	2,546	1.5%
Unrestricted	28,252	43,381	353,436	440,871	381,688	484,252	102,564	26.9%
Total Net Position	$ 984,701	$ 1,011,095	$ 1,308,564	$ 1,399,041	$ 2,293,265	$ 2,410,136	$ 116,871	5.1%

Changes in Net Position - Government-Wide / Primary Government

(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Change from Prior Year	
	2017	2018	2017	2018	2017	2018	$	%
Revenues								
Program Revenues:								
Charges for Services	$ 118,176	$ 97,422	$ 270,774	$ 272,809	$ 388,950	$ 370,231	$ (18,719)	(4.8)%
Operating Grants & Contributions	25,016	26,488	37,187	22,939	62,203	49,427	(12,776)	(20.5)%
Capital Grants & Contributions	44,586	38,584	47,576	69,570	92,162	108,154	15,992	17.4%
General Revenues:								
Property Taxes	123,858	130,109	—	—	123,858	130,109	6,251	5.0%
Business Tax	19,101	20,982	—	—	19,101	20,982	1,881	9.8%
Sales Taxes - Shared Revenues	86,128	85,512	—	—	86,128	85,512	(616)	(0.7)%
Other Local Taxes	29,810	31,051	—	—	29,810	31,051	1,241	4.2%
Investment Earnings	1,215	1,349	641	2,614	1,856	3,963	2,107	113.5%
Gain on Sale of Capital Assets	214	223	—	37	214	260	46	21.5%
Total Revenues	448,104	431,720	356,178	367,969	804,282	799,689	(4,593)	(0.6)%
Expenses								
General Government	44,157	31,319	—	—	44,157	31,319	(12,838)	(29.1)%
Public Protection	196,006	206,163	—	—	196,006	206,163	10,157	5.2%
Public Ways and Facilities	72,984	76,289	—	—	72,984	76,289	3,305	4.5%
Culture and Recreation	23,500	19,771	—	—	23,500	19,771	(3,729)	(15.9)%
Community Development	28,913	30,412	—	—	28,913	30,412	1,499	5.2%
Interest on Long-term Debt	18,658	14,413	—	—	18,658	14,413	(4,245)	(22.8)%
Sewer, Water and Solid Waste	—	—	154,482	170,020	154,482	170,020	15,538	10.1%
Transit	—	—	47,958	53,937	47,958	53,937	5,979	12.5%
Airports	—	—	29,938	31,192	29,938	31,192	1,254	4.2%
Fresno Convention Center	—	—	10,798	8,855	10,798	8,855	(1,943)	(18.0)%
Community Sanitation	—	—	8,978	10,077	8,978	10,077	1,099	12.2%
Parks and Recreation	—	—	410	283	410	283	(127)	(31.0)%
Stadium	—	—	3,539	2,710	3,539	2,710	(829)	(23.4)%
Total Expenses	384,218	378,367	256,103	277,074	640,321	655,441	15,120	2.4%
Increase in Net Position Before Transfers	63,886	53,353	100,075	90,893	163,961	144,246	(19,715)	(12.0)%
Transfers	(4,356)	(4,820)	4,356	4,820	—	—	—	N/A
Special Item - Loss on Receivable/ Transfer of Asset (Note 13)	—	(8,152)	—	—	—	(8,152)	(8,152)	(100.0)%
Change in Net Position	59,530	40,381	104,431	95,713	163,961	136,094	(27,867)	(17.0)%
Net Position - Beginning	925,171	984,701	1,204,133	1,308,564	2,129,304	2,293,265	163,961	7.7%
Cumulative Effect of Accounting Change	—	(13,987)	—	(5,236)	—	(19,223)	(19,223)	(100.0)%
Net Position - Beginning Restated	925,171	970,714	1,204,133	1,303,328	2,129,304	2,274,042	144,738	6.8%
Net Position - Ending	$ 984,701	$ 1,011,095	$ 1,308,564	$ 1,399,041	$ 2,293,265	$ 2,410,136	$ 116,871	5.1%

Analysis of Changes in Government-Wide Net Position

The City's overall Net Position improved to a record $2,410.1 million: a $136.1 million (6.0%) increase over fiscal year 2017's Net Position as restated of $2,274.0 million, or $116.9 million (5.1%) increase over fiscal year 2017's original Net Position of $2,293.3 million. Most notably, the Unrestricted Net Position showed the most growth, going from $381.7 million in fiscal year 2017 to $484.3 million in fiscal year 2018.

Several factors contributed to the overall increase in Net Position:

- City Revenues fell $4.6 million (0.6%), going from $804.3 million in fiscal year 2017 to $799.7 million in fiscal year 2018. The drop in revenues was driven by decreases of $18.7 million (4.8%) in Charges for Services (specifically, revenues related to Sales Tax and the repayment of loans to the RDA recorded in fiscal year 2017 did not reoccur in fiscal year 2018), and $12.8 million (20.5%) in Operating Grants, mostly in the Transit Fund. These decreases were partially offset by $16.0 million (17.4%) of growth in Capital Grants (specifically, Bus Rapid Transit monies for the Transit Fund).

- City Expenses grew from $640.3 million incurred in fiscal year 2017 to $655.4 million in fiscal year 2018. Governmental Activities expenses declined $5.9 million due to General Government costs incurred in fiscal year 2017 which were not incurred in fiscal year 2018. The drop in Governmental Activities expenses was completely offset by $21.0 million of growth in Business-Type Activities expenses. Most of the growth in Business-Type Activities expenses occurred in the Transit Fund, which reflects the initiation of Bus Rapid Transit service.

- Total Assets grew from $3,594.1 million in fiscal year 2017 to $3,959.7 million in fiscal year 2018, a $365.6 million (10.2%) increase. A major factor in the overall increase was $142.8 million of growth in Land, Intangibles, and Construction in Progress (from $769.2 million in fiscal year 2017 to $912.0 million in fiscal year 2018, a 18.6% increase) that was the product of the construction of the Southeast Surface Water Treatment Plant and other capital projects. Also contributing to the growth in Total Assets was a rise of $170.6 million in the Net Pension Asset (from $147.7 million in fiscal year 2017 to $318.2 million in fiscal year 2018, a 115.5% increase), which was the result of higher than anticipated investment returns generated by the Retirement Systems. Growth in Unrestricted Cash of $86.0 million (28.1%) also contributed to the overall increase.

- Total Deferred Outflows of Resources fell $128.9 million (60.7%) from fiscal year 2017's figure of $212.5 million, primarily as a result of substantially decreased Deferred Outflows - Pensions.

- Total Liabilities rose $116.2 million (8.2%) from $1,415.1 million in fiscal year 2017 to $1,531.3 million in fiscal year 2018. The overall growth in Total Liabilities was entirely attributable to an increase of $122.0 million in Long-Term Liabilities Due in More than One Year. The Long-Term Liabilities which fueled the increase were new loans received from the State Water Resources Control Board for the Southeast Surface Water Treatment Plant's construction.

- A $3.7 million (3.8%) increase in the Deferred Inflows of Resources, specifically, the Pension Revenue Applicable to Future Years.

Governmental Activities

In fiscal year 2018, Governmental Activities increased their Net Position by $40.4 million (4.2%) over fiscal year 2017's Governmental Activities Restated Net Position of $970.7 million. It is the first time in the City's history that the Net Position of Governmental Activities topped $1.0 billion. Almost all of the growth in Net Position occurred within the Unrestricted Net Position, which improved by $15.1 million to fiscal year 2018's Net Position of $43.4 million.

Key factors affecting the Net Position were:

- Revenues went from $448.1 million in fiscal year 2017 to $431.7 million in fiscal year 2018, a $16.4 million (3.7%) decrease. The entire decrease can be attributed to the Charges for Services, which were down $20.8 million, or 17.6%. Within the Charges for Services, most of the decrease of $29.6 million (63.3%) was in the General Government category; specifically, one-time revenues received in fiscal year 2017 for which a counterpart was not received in fiscal year 2018. This drop was partially offset by growth of $9.9 million (44.2%) in the Public Protection revenues. This growth was mostly comprised of an $8.0 million increase in Pension Revenue.

- Expenses fell from $384.2 million in fiscal year 2017 to $378.4 million in fiscal year 2018, led by a 29.1% decrease in General Government expenses (from $44.2 million in fiscal year 2017 to $31.3 million in fiscal year 2018). The decrease in General Government expenses was due to one-time expenses for computer system purchases and other operating needs in fiscal year 2017 that were not duplicated in fiscal year 2018.

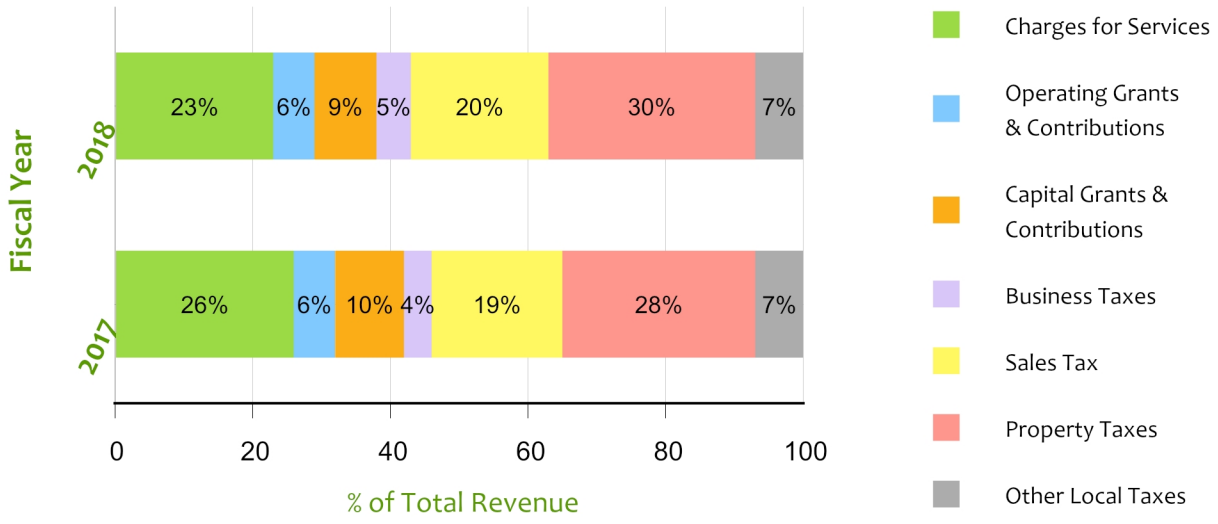
- Total Assets increased by $129.7 million (8.8%) from fiscal year 2017's Total Assets balance of $1,467.4 million. An increase of $130.3 million (103.1%) in the Net Pension Asset to $256.6 million was the primary driver in the overall growth of Total Assets.

- Total Liabilities increased by 0.5%, or $2.6 million, from fiscal year 2017's Total Liabilities of $570.5 million. A rise in total Long-Term Liabilities (Due Within a Year and Due in More than One Year, combined) of $2.4 million (0.4%) explains the overall increase in Total Liabilities.

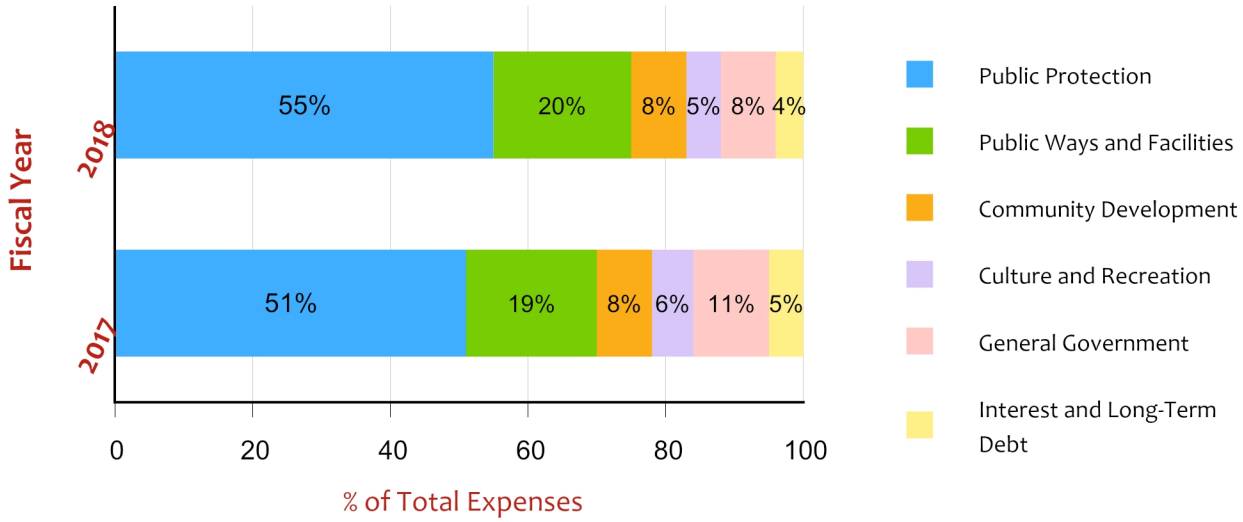
Governmental Activities - Charts and Graphs

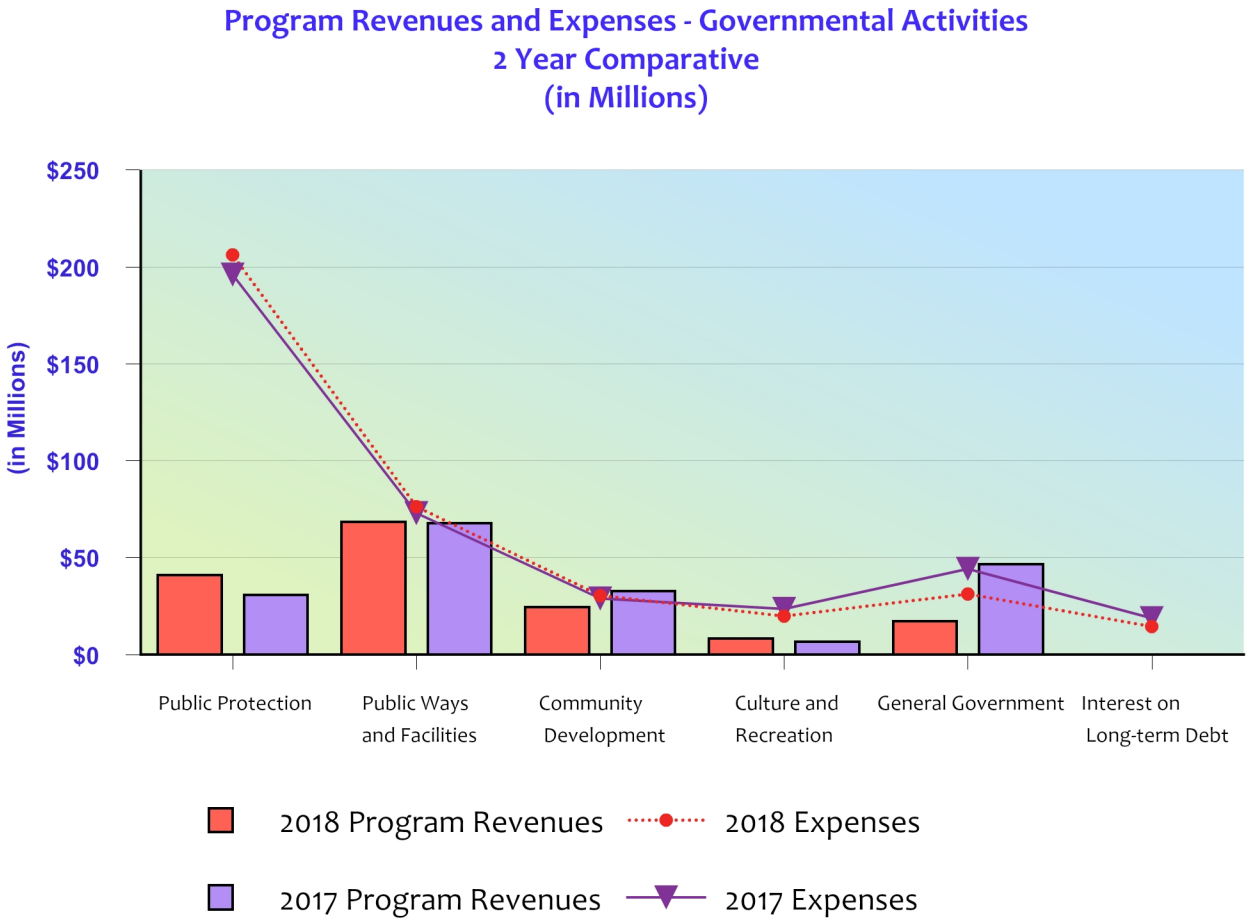
The following charts and graphs illustrate the City's governmental revenues by source and its expenses and revenues by function. As can be seen, Public Protection is by far the largest function reflecting the City's greatest overall expenses.

Governmental Activities
Revenue by Type (2 Year Comparative)



Governmental Activities
Expenses by Type (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 decreased from $71.2 million in fiscal year 2017 to $51.9 million in fiscal year 2018. The decrease is mainly due to the purchase of the Fire Headquarters building and underlying land for $4.4 million, as well as a loss on return of asset involving the Old Bee Building from the COFCAP to the City of $8.2 million. It is significant to note that the Unassigned Fund Balance decreased from $26.7 million in fiscal year 2017 to $19.5 million in fiscal year 2018, a $7.2 million (27.0%) decline.

Fiscal year 2018's revenues showed a marked decline when compared to fiscal year 2017's revenues, decreasing by $8.1 million (2.5%) from fiscal year 2017's total of $317.5 million. The decrease was primarily due to the fact that fiscal year 2017's figures reflected one-time revenues involving Sales Tax and Advances to the Redevelopment Agency for which corresponding revenues were not received in fiscal year 2018. Thus, Taxes Revenues were down $3.0 million (1.1%) and Miscellaneous Revenues dropped $7.6 million (81.1%) from fiscal year 2017's levels. Partially offsetting these declines was an increase of $1.4 million (34.3%) in Intergovernmental Revenues; specifically, State - Miscellaneous reimbursements associated with Fire personnel who assisted in addressing wildfires throughout the state.

While General Fund revenues were down, General Fund expenditures showed substantial growth. General Fund expenditures grew by $13.4 million, or 4.9%, to the fiscal year 2018 expenditure total of $287.8 million. The majority of the growth was attributable to the Public Protection activity, which increased from $201.1 million in fiscal year 2017 to $207.9 million in fiscal year 2018, a $6.8 million, or 3.4%, increase. The Public Protection increase was entirely due to additional personnel costs, partially from new positions added and partially from pay increases provided to current staff. In addition to the Public Protection increase, there was also a material increase in Capital Outlay expenditures. Capital Outlay expenditures rose $6.7 million (148.4%) over fiscal year 2017's figure of $4.5 million. The $4.4 million purchase of the Fire Headquarters Building and the return of the Old Bee Building at a capitalized value of $2.8 million were the primary causes for movement in Capital Outlay expenditures.

Significant committed fund balance amounts of the General Fund include:

- $23.9 million for the General Fund Emergency Reserve, and
- $1.6 million for the 27th Pay Period Reserve.

General Fund Budget to Actual Comparison

The fiscal year 2018 Adopted Budget was made up of $365.1 million of budgeted revenues and $338.6 million of appropriations. After various amendments were made throughout the fiscal year, the General Fund ended the fiscal year with $378.3 million of budgeted revenues and $347.1 million of appropriations. Actual results on a budgetary (cash) basis of accounting were $391.6 million of revenues and $344.8 million of expenditures. Thus, the actual revenues were $13.3 million (3.5%) over the fiscal year-end budgeted revenues, while the actual expenditures were $2.2 million (0.6%) over 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
Revenues:					
Property Taxes	$126,531	$126,531	$129,109	$2,578	A stronger local economy led to an increase in assessed values, which resulted in actual Property Tax revenues above estimated levels.
Sales Taxes	$87,610	$87,610	$89,889	$2,278	A stronger local economy with a diversifying economic base produced sales tax that was higher than budgetary estimates.
Other Taxes	$34,352	$34,352	$35,961	$1,609	Room Tax receipts exceeded budgeted estimates.
Expenditures:					
Fire Department	$57,294	$57,730	$57,333	$(397)	Fire overtime costs were below anticipated levels, generating a small budgetary savings.
Transfers to Other Funds	$19,418	$21,385	$27,062	$5,676	Unbudgeted transfers to replenish the Liability Self-Insurance Reserve and fund the new Southeast Police Sub-station
Capital Outlay	$4,999	$10,885	$10,699	$(186)	The Capital Outlay budget was increased during the fiscal year to account for the Fire HQ purchase and return of the Old Bee Building to the City. Actual costs to obtain those assets came in slightly lower than budget.

A more detailed look at the budget versus actual comparison for the General Fund can be found on page 156 in the Required Supplementary Information section.

The City made a change in its budgetary assumptions for the General Fund's budget. With the adoption of the fiscal year 2019 budget, General Fund revenue estimates now include a recognition period for Sales Tax revenues that goes from September through August. The change is anticipated to bring a one-time revenue of $9.9 million into the General Fund, as it will reflect 13 months of Sales Tax receipts in fiscal year 2019. The City Council (Council) directed that the $9.9 million be deposited in the General Fund Emergency Reserve, which will bring the reserve to a 10% of appropriations level which is required under the City's Reserve Management Act. Once the General Fund Emergency Reserve reaches the 10% of appropriations threshold, repayments of RDA loans that were being deposited in the Reserve will become a General Fund revenue stream.

Grants Special Revenue Fund

Fund Balance in the Grants Special Revenue Fund fell from $70.6 million in fiscal year 2017 to $68.7 million in fiscal year 2018. The drop in Total Fund Balance was concentrated in the Restricted Fund Balance, which declined $2.0 million (2.8%). The decline in Fund Balance was due primarily to a drop of $2.4 million (7.6%) in Intergovernmental Revenues, specifically Federal HOME Grant funding.

Overall, fiscal year 2018 revenues in the Grants Special Revenue Fund exhibited a significant decrease from the $57.3 million shown in fiscal year 2017. Revenues fell $28.6 million (49.8%) to a total of $28.8 million. All of the decline was associated with the one-time recognition of the revenue associated with the repayment of loans made to the former RDA in fiscal year 2017.

Expenditures also reflected a decrease, falling $5.4 million (16.0%) from fiscal year 2017's level of $33.5 million to fiscal year 2018's total of $28.1 million. The decline was due to the fiscal year 2017 completion of the Proposition 84 grant funded construction of Cultural Arts District Park, and a decline in Housing Grant funded Parks programs.

Other Governmental Funds

Fund Balance for the Other Governmental Funds rose $8.3 million between fiscal year 2017 and fiscal year 2018 ($104.5 million versus $112.9 million, respectively). The growth in the Fund Balance was primarily due to a $5.4 million increase in fund balance for the Urban Growth Management (UGM) Impact Fee Fund. The UGM Impact Fee Fund Balance increase was fueled by a $1.2 million increase in revenues generated by increased construction and a $1.5 million decrease in Transfers Out to cover debt service payments as a result of the April 2017 bond refinancing.

Business-Type Activities

Business-Type Activities for fiscal year 2018 increased their Net Position by $95.7 million (7.3%) over fiscal year 2017's Business-Type Activities Restated Net Position of $1,303.3 million. Key factors affecting the Net Position were:

- Total Assets increased by $235.9 million (11.1%) over fiscal year 2017's Total Asset balance of $2,126.7 million. The increase was primarily due to the growth in the Land, Intangibles, and Construction in Progress account, which grew $126.1 million (27.2%) between fiscal year 2017

and fiscal year 2018 mainly because of the ongoing construction work at the Southeast Surface Water Treatment Plant. Supplementing that increase was growth in Unrestricted Cash of $64.3 million (47.8%), primarily from Water as a result of operations.

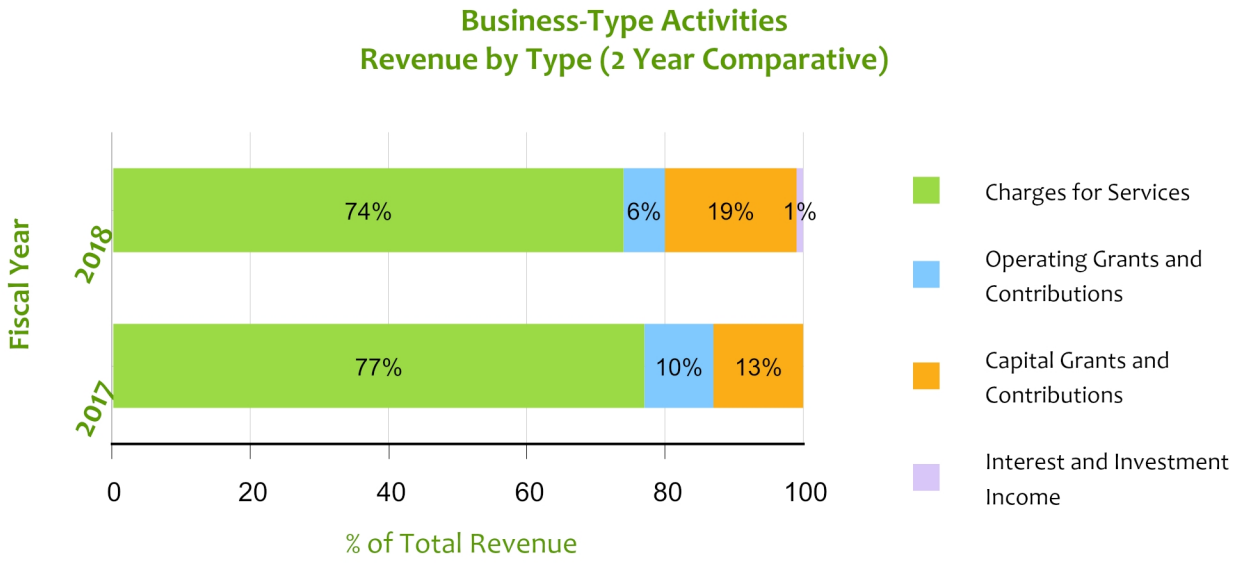
- Total Liabilities rose by 13.4%, or $113.6 million, from fiscal year 2017's Total Liabilities of $844.6 million. The increase was primarily due to a $129.3 million (18.7%) increase in Long-Term Liabilities Due in More than One Year; specifically, loans with the State Water Resources Control Board used as funding for the Southeast Surface Water Treatment Plant.

- Revenues went from $356.2 million in fiscal year 2017 to $369.7 million in fiscal year 2018, a $13.5 million (3.8%) increase. Most of the growth can be attributed to Capital Grant revenues received by the Transit Fund, which went from $32.1 million in fiscal year 2017 to $50.7 million in fiscal year 2018 , an $18.6 million (57.9%) increase. All of the increase was due to funding received for the Bus Rapid Transit system's construction. The other driver in the overall revenue growth was a $5.5 million (5.4%) increase in Charges for Services generated in the Water Fund with an increase in Water rates. Offsetting these increases was a $15.0 million (42.4%) decline in the Transit Fund's Operating Grants, which fell due to a reduction in Federal Transit Operating Grant allocation.

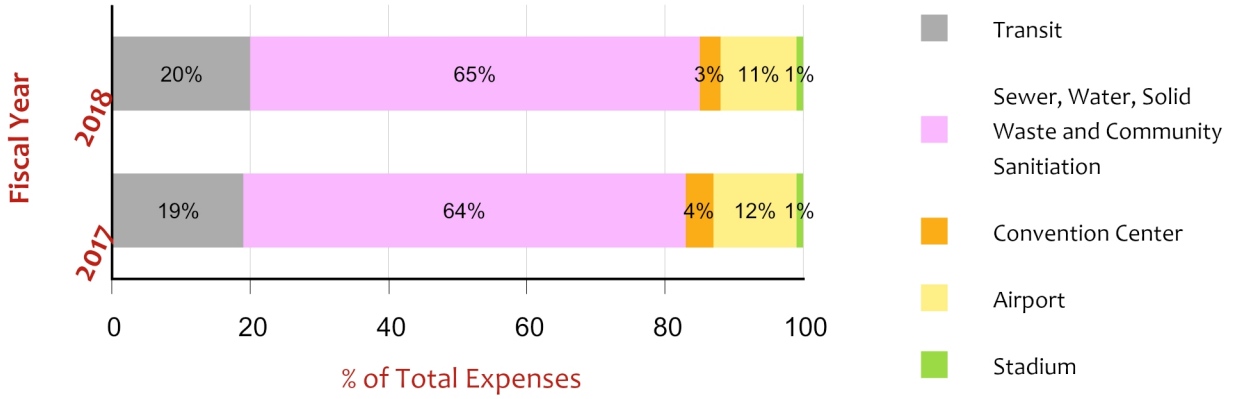
- Expenses went from $256.1 million in fiscal year 2017 to $277.1 million in fiscal year 2018. A $6.0 million, or 12.5%, increase in the Transit Fund's expenses associated with Bus Rapid Transit's inauguration contributed to the rise in overall expenses for Business-Type Activities. Also contributing was a $9.9 million (15.6%) increase in the Water Fund's expenses, due to water purchases.

Business-Type Activities - Charts and Graphs

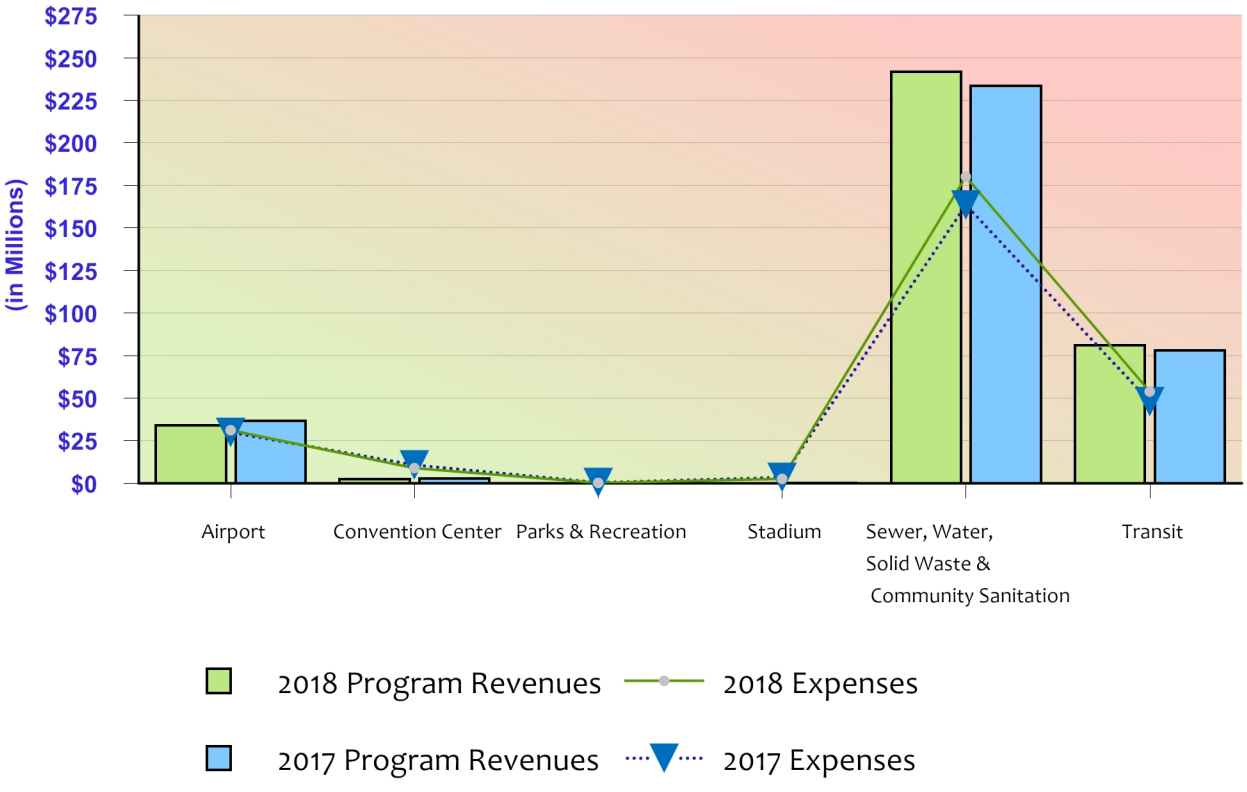
The following charts and graphs illustrate the City's Business-Type revenues and expenses by both source and function. Sewer, Water, and Solid Waste are by far the largest Business-Type Activities reflecting the City's greatest overall expenses.



Business-Type Activities Expenses by Type 2 Year Comparative



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



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

Water

Water's Net Position showed an increase over fiscal year 2017's levels. Net Position grew from $385.8 million in fiscal year 2017, as restated, to $424.0 million in fiscal year 2018, a $38.2 million (9.9%) increase. The change in net position was driven by the following factors:

† Water revenues increased from $101.9 million in fiscal year 2017 to $107.4 million in fiscal year 2018, a $5.5 million (5.4%) increase. The increase was primarily driven by a $13.4 million rise in Customer User Charges, which was partially offset by a $7.3 million decrease in Water Sales revenue. The additional Customer User Charge revenue was the product of a five-year Water rate increase plan's implementation. The five-year rate plan approved in February 2015 is shown below:

Initial Rate	Year 1	Year 2	Year 3	Year 4	Year 5
$24.49	$27.76	$31.92	$36.84	$42.80	$49.22

The new rates went into effect in April 2015. Year 4's rate was implemented in April 2018.

† Operating expenses in the Water Fund increased by $3.7 million (5.8%) to $67.8 million in fiscal year 2018. The increase was mainly generated by a $4.2 million (12.2%) increase in Cost of Services (primarily water purchase expense).

† Total Assets grew from $732.0 million in fiscal year 2017 to $896.4 million in fiscal year 2018, a $164.5 million (22.5%) increase. A $116.7 million (18.8%) increase in Capital Assets (resulting from the construction of the Southeast Surface Water Treatment Plant and associated water pipelines) was augmented by a $43.3 million increase in Unrestricted Cash.

† Total Liabilities rose by $121.9 million (34.8%) from $349.8 million in fiscal year 2017 to $471.7 million in fiscal year 2018. The overall growth in Total Liabilities was fueled by a $147.5 million (91.2%) increase in Notes Payable related to the State Water Resources Board loans received to finance the Southeast Surface Water Treatment Plant.

Sewer

Net Position increased by $24.7 million (3.9%), from $638.6 million in fiscal year 2017, as restated, to $663.3 million in fiscal year 2018. The driver behind the net position increase was an increase of $25.0 million (2.7%) in Total Assets from fiscal year 2017's figure of $919.3 million. Specifically, Sewer saw an increase of $12.3 million in Unrestricted Cash and a $12.1 million increase in Net Capital Assets.

The increase in Unrestricted Cash was generated by operating income of $21.2 million. While revenues were down slightly ($2.0 million, or 2.4%) due to a decrease in Customer User Charges, expenses were also down by $1.0 million (1.6%) as a result of a decrease in Repairs and Maintenance expenses. With revenues down only slightly more than expenses, the Sewer Fund enjoyed an operating income similar to that it earned in Fiscal Year 2017, which bolstered the Unrestricted Cash.

The increase in Net Capital Assets is primarily caused by the capitalization of the Tertiary Treatment Facility and Pump Station at a value of $37.3 million. An increase in Accumulated Depreciation of $21.8 million partially offset the increase from the Tertiary Treatment Facility's capitalization.

Solid Waste Management

The Solid Waste Management Fund's Net Position grew modestly from fiscal year 2017's restated figure of $44.6 million to fiscal year 2018's figure of $44.8 million, a $0.2 million (0.4%) increase. A small decrease in Net Investment in Capital Assets ($0.5 million, or 7.3%) was offset by growth in Unrestricted Net Position ($1.1 million, or 3.0%). The growth in Unrestricted Net Position was due primarily to a $4.8 million (158.1%) increase in the fund's Net Pension Asset. This increase was offset by a decrease of $3.2 million (87.8%) in Deferred Outflows - Pension and a decrease of $1.4 million (4.3%) in Unrestricted Cash.

Transit

Transit (known as Fresno Area Express, or FAX) experienced its first increase in ridership in thirteen years. FAX transported 9.8 million passengers in fiscal year 2018, a 1.3% increase from fiscal year 2017's ridership of 9.6 million passengers. FAX management attributes the increase to the introduction of new service throughout fiscal year 2018, particularly the initiation of Bus Rapid Transit (BRT) service in February 2018.

The introduction of BRT had a major impact on the Transit Fund's Net Position. Net Position grew $26.2 million (31.3%) after the restatement from $83.8 million in fiscal year 2017 to $110.0 million in fiscal year 2018. Much of the Net Position's growth stemmed from the capitalization of BRT-related assets, such as Net Capital Assets, which rose $18.3 million (23.2%) from fiscal year 2017's level of $79.1 million.

Operationally, BRT's introduction did not have an impact on revenues, which decreased $0.7 million (6.2%) to $10.7 million due to a decline in Charges for Services revenues. However, BRT did have a substantial impact on the Transit Fund's Cost of Services and Administrative expenses, which increased $2.7 million (8.4%) and $2.4 million (21.4%) respectively. The Cost of Services increase was the result of increased Personnel costs for staff manning the BRT buses. The Administrative Expenses increase resulted from an increase in payments to the General Fund for Police services. In spite of its impact on operating expenses, BRT's introduction also generated $50.7 million of Capital Contributions, an $18.6 million (57.9%) increase over FY 17's amount.

Airports

Fiscal year 2018 origin and destination passengers numbered a record 1,635,323, 6.3% higher than prior year passengers of 1,537,876. Airports has set passenger records for three consecutive fiscal years.

The increase in passenger traffic had a direct impact on the Airport Fund's Net Position. Total Net Position was $174.9 million, $3.6 million (2.1%) higher than $171.3 million after the restatement of fiscal year 2017. While operating revenues (particularly Rental revenue and Concession revenue) grew $1.5 million (6.8%) to $24.0 million, Operating Expenses (in particular, Administrative Expenses such as Consulting expenses and Information Systems Equipment charges) grew by almost the same amount, rising about 5.5% ($1.5 million) to a total of $28.8 million. Instead, as has been historically the case with the Airports Fund, the largest contributor to the Net Position was Capital Contributions. While Capital Contributions decreased by $4.7 million (51.3%), the Airports Fund still recorded $4.4 million in this revenue stream.

The increase in passenger traffic had an impact on the Airports' assets. Nowhere was that impact better seen than in the dramatic ongoing improvement of Airports' cash position. Cash and Investments increased to $29.7 million in fiscal year 2018, $9.8 million higher (49.1%) than the prior year amount of $19.9 million. As mentioned previously, the increased traffic also drove an increase in costs, which was reflected by a $2.7 million (95.5%) increase in Accrued Liabilities (such as Accounts Payable and Vouchers Payable) to $5.6 million.

Convention Center

The Convention Center saw a slight decrease in activity during fiscal year 2018 when compared to fiscal year 2017. Event days went from 313 in fiscal year 2017 to 300 in fiscal year 2018. Similarly, total attendance dropped, moving from 455,587 in fiscal year 2017 to 417,918 in fiscal year 2018. Convention Center management attributes the decline to the loss of the circus and other events.

With the decline in both the number of event days and the attendance, it is no surprise that the Convention Center's Net Position deteriorated. Net Position decreased from $(5.4) million in fiscal year 2017, as restated, to $(5.9) million in fiscal year 2018, a $0.5 million (9.6%) decline. While the declining attendance did impact revenues, decreasing them from $3.8 million in fiscal year 2017 to $3.3 million in fiscal year 2018 (a $0.4 million, or 11.6%, decline), it also impacted Operating Expenses. Operating expenses fell $1.2 million (13.8%) from fiscal year 2017's expenses of $8.4 million. Instead of Operating Revenues and Operating Expenses being the largest influence on the decline in Net Position, a decline of $1.5 million (21.0%) in the subsidy made by the City to the Convention Center played the biggest role in the Convention Center's Net Position decrease.

Stadium

The Stadium showed a marked improvement in Net Position during fiscal year 2018. Net Position grew from $(0.5) million in fiscal year 2017, as restated, to $2.4 million in fiscal year 2018. All of the increase in Net Position is due to an increase of $2.3 million in Capital Contributions. The Capital Contributions growth was the result of payments made by the former and new ownership of the Fresno Grizzlies as a requirement of the franchise's sale. The requirement called for the former owner to contribute $1.5 million, the current owner to contribute $1.0 million, and the City to contribute $3 million to fund a Capital Improvement Fund for use in financing future capital improvements at the Stadium. The City's contribution was treated as a Transfer In. The City and the new owner are also required to contribute $300,000/year into this Capital Improvement Fund in future fiscal years.

Internal Service Funds

The Net Position deficit in the Internal Service Funds was reduced by $8.1 million (19.5%) after the restatement from $(41.6) million in fiscal year 2017 to $(33.5) million in fiscal year 2018. The reduction in the Net Position deficit was primarily due to an increase in revenues. Fiscal year 2018's revenues for the Internal Service Funds increased by $6.8 million (4.7%) from fiscal year 2017's revenues of $143.3 million. The main contributor to the increase in Internal Service Fund revenues was the Fleet Replacement Fund's Non-Recurring Revenue, which rose $4.4 million between fiscal year 2017 and fiscal year 2018. Non-Recurring Revenue increased due to the large number of vehicles that were ordered by user departments.

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, 2018, amount to $2,553,541,000 (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 net increase in the City's capital assets for the current fiscal year was approximately 5.7% (a 0.6% increase for Governmental Activities, a 8.7% increase for Business-Type Activities) as shown in the table below. Capital assets for June 30, 2017 amounted to $2,553,541,136 (net of accumulated depreciation). The net increase for 2017 was approximately 4.1% (a 2.7% increase for Governmental Activities and a 5.1% increase for Business-Type Activities).

Changes in Capital Assets, Net of Depreciation

(in thousands)

Asset Category	Governmental Activities		Business-Type Activities		Total Government-Wide	
	2017	2018	2017	2018	2017	2018
Land	$250,649	$260,055	$48,514	$49,466	$299,163	$309,521
Intangibles (Indefinite Life)	—	—	17,095	17,095	17,095	17,095
Buildings and Improvements, Net	135,252	133,655	558,964	577,842	694,216	711,496
Machinery and Equipment, Net	43,978	60,044	42,167	47,660	86,145	107,704
Infrastructure	465,447	439,985	538,512	526,796	1,003,959	966,781
Construction In Progress	54,866	62,179	398,097	523,229	452,963	585,409
Total	$950,192	$955,918	$1,603,349	$1,742,088	$2,553,541	$2,698,006

Major capital asset events during the fiscal year ended June 30, 2018, some of which were in progress during the fiscal year ended June 30, 2017, included the following:

- ***Sewer - Tertiary Treatment Facility and Pump Station***
  The Sewer Division of the Department of Public Utilities constructed a tertiary treatment facility and pump station at the Fresno/Clovis Regional Wastewater Reclamation Facility (RWRF) to treat and disinfect approximately 5 million gallons a day (MGD) of the total MGD treated at the RWRF.

The tertiary treated effluent, due to the higher level of treatment, is permitted and available via a distribution system to provide recycled water for irrigation use to potential customers such as parks, schools, and cemeteries, as well as for freeway corridors and median islands. The use of this recycled water offsets existing potable water use. Total capitalized cost of the project was $37.3 million.

† ***Airports - West Aviation Apron***

The Airports Department completed the reconstruction and rehabilitation of the aviation apron on the Fresno Yosemite International Airport's terminal's west side. The aviation apron is used both to stage aircraft that access the terminal and to provide a usable surface for airport support vehicles to transit the area. The project was funded with Airport Improvement Program grant funds and local match. The project was completed with a total cost of $12.1 million.

† ***Fire - Fire Headquarters Purchase***

The Fire Department purchased the building it was previously renting as its headquarters. The headquarters building provides a central facility for Fire Administration to coordinate the department's activities. The building was purchased with a combination of General Fund resources and a loan from the Sewer Fund. The total capitalized value of the Fire Headquarters was $3.6 million.

† ***Development and Resources Management - Accela Software***

The Development and Resources Management Department finished the installation of the Accela software during fiscal year (FY) 2018. Accela applies a work-flow functionality to the permitting process, which allows for more efficient processing of development permits. The software was purchased with General Fund resources. Capitalized costs of the software totaled $2.9 million.

At June 30, 2018, the City had commitments related to various construction projects associated with Governmental Activities totaling $5.3 million. Commitments connected with Proprietary Activities at fiscal year-end amounted to $55.5 million. The most significant of the Governmental Activities projects were the Veterans Boulevard at the Highway 99/Union Pacific Railroad Overpass ($2.6 million) and the Eastbound Shields widening at Fowler ($2.0 million). The most significant of the Proprietary Activities projects were the Southeast Fresno Surface Water Treatment Plant ($13.9 million) and the Southwest Water Transmission Lines ($13.3 million). A complete list of projects appear in Note 12(H), page 145 under Construction and Other Significant Commitments.

Debt Administration

At the end of fiscal year 2018, the City had total long-term bond obligations, notes, and leases payable outstanding of $1,062,249,911. Of this amount, $124,245,000 are obligation bonds, backed by the full faith and credit of the City, while $778,701,050 are revenue bonds and notes of the City's business enterprises and $3,291,251 are tax allocation debt issued by the Successor Agency of the Redevelopment Agency. The remaining $156,012,610 includes lease revenue bonds, notes and capital leases for general governmental projects.

During fiscal year 2018, the City's total bonded debt decreased by $37,821,521. This decrease was due to normal debt service payments made during the year. The City took the following actions in fiscal year 2018:

- Drew down from the California State Water Resources Control Board an additional $150.2 million in already-approved loans for water transport proejcts, and $8.3 million in already-approved loans for the transport of recycled water from the City's Wastewater Plant.

- Borrowed an additional $12.8 million through the Master Equipment Lease Purchase Agreement with Banc of America Public Capital Corp. $6.8 million was for public safety vehicles, $5 million was for a new microwave data and radio console network for public safety communications, and $1 million was for vehicles for both the Development and Resource Management Department (DARM) and the Parks, After School, Recreation and Community Service Department (PARCS).

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		
	2018	2017	2016
General Bonded Debt (Par Amount)	$ 124,245	$ 131,840	$ 140,000
General Bonded Debt Per Capita	$ 230.80	$ 250.73	$ 269.00
Debt Service Tax Rate Per $100 Taxable Valuation	$ 0.36	$ 0.40	$ 0.44

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.

In April 2017, as part of the analysis for issuing new bonds to refinance several of the City's Lease Revenue Bonds, the following ratings were assigned:

Moody's Investors Service, Inc.	A3
Standard and Poor's Corporation	A+
Fitch Ratings	A

Since the close of the 2018 fiscal year, the City has issued no additional debt.

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 assessments and forwarding the collections to the trustee or paying agent, and initiating foreclosure proceedings, if appropriate. Special District debt payable to bondholders was $3,423,431 at June 30, 2018, as compared to $3,610,429 at June 30, 2017.

Additional information on the City of Fresno's long-term obligations can be found in Note 6, pages 93-109, of the Notes to the Financial Statements.

Debt - Pledged Revenue Coverage Calculations

The City has issued various Bonds in accordance with Indentures that set forth various covenants designed to provide security to bond holders, including rate covenants requiring that the City fix, prescribe and collect rates, fees and charges that will yield Net Revenues to equal at least certain designated percentages of estimated debt service. The Schedule of Pledged Revenue Coverage, as presented in the Statistical Section of the CAFR, beginning on page 212 shows the debt coverage calculations for those bonds which have a coverage calculation methodology detailed in their indentures. For those bonds that do not have a coverage calculation methodology detailed in their indentures, the GASB Statement No. 44 methodology for calculating debt coverage was used.

FINANCIAL OUTLOOK

Management believes that the City will continue to improve its financial position in fiscal year 2019. Several developments have occurred after the conclusion of fiscal year 2018, which provide management confidence in their belief.

- The City finished fiscal year 2018 with a cash balance in its General Fund Emergency Reserve of $23.9 million. As part of the fiscal year 2019 budget adoption, Council voted to accrue the August 2019 Sales Tax revenue and deposit that revenue into the Emergency Reserve. It is estimated that $9.9 million will be deposited into the Emergency Reserve in August 2019, which (if the estimate reaches fruition) will result in the Emergency Reserve having a cash balance of $34.2 million in fiscal year 2019.

- After a successful fiscal year of ratings actions, the trend has continued in fiscal year 2018 with the outlook upgrade of the Sewer bonds by Fitch in October 2018. The outlook upgrade was primarily due to a $132.5 million defeasance of $159.8 million in Sewer debt. Management is evaluating whether to defease the remainder of the debt in fiscal year 2020.

- The Bus Rapid Transit System (BRT) became active in February 2018. The anticipated additional ridership generated by the BRT is expected to accelerate economic growth in the BRT corridors.

- The Southeast Surface Water Treatment Plant became operational in September 2018. The plant will allow the City to make use of all the river water allotments it possesses, thereby reducing the drawdown of ground water that is currently used to meet Fresno's water needs.

- Both Ulta and Amazon opened Fresno fulfillment centers in 2018, while the Gap expanded its facilities to include a fulfillment center. The facilities are initially employing about 3,000 full-time, with the potential to employ 5,000 full-time. These facilities are expected to generate property and sales tax for the City's use.

In spite of all the positive momentum for the City's finances, there are areas of concern that will need to be addressed in the upcoming fiscal years.

- As was the case in fiscal year 2017, the type of revenue being received remains problematic for the long-term financial health of the organization.

Revenues

(in thousands)

Category	FY 2017	FY 2018	Change ($)	Change (%)
Charges for Services	$ 388,950	$ 370,231	$ (18,719)	-4.8%
Operating Grants	$ 62,203	$ 49,427	$ (12,776)	-20.5%
Capital Grants	$ 92,162	$ 108,154	$ 15,992	17.4%
General Revenues	$ 260,967	$ 271,875	$ 10,908	4.2%

As the table shows, grant revenues (Operating and Capital Grants combined) still made up almost 20% of the City's revenues, which is slightly up from the percentage of total revenues that grants made up in fiscal year 2017. Even more concerning is that grant revenues increased while City-controlled revenue sources (Charges for Services and General Revenues) fell in fiscal year 2018. The continued reliance on grant revenues to fund operations and capital needs is likely to continue to limit the organization in its delivery of services to the City's residents.

- At the Citywide level, liabilities increased by $116.2 million (8.2%) from fiscal year 2017's figure of $1,415.1 million. Most of the growth was in Long-Term Liabilities Due in More than One Year, or in other words, debt.While revenue streams are currently sufficient to address these Long-Term Liabilities, the City must continue to be vigilant about the growth of its Long-Term Liabilities.

- While the Emergency Reserve cash balance has grown, it is still below where it should be for an organization of the City's size. As noted previously, the Emergency Reserve had a cash balance of $23.9 million as of June 30, 2018. Given that an average payroll for the General Fund is about $7.8 million every two weeks, the anticipated Emergency Reserve cash balance represents a little over three General Fund payrolls. Thus, the need to continue to build the Emergency Reserve remains in spite of the progress that has been made thus far.

- The Convention Center saw a decline in both event days and attendance during fiscal year 2018. The decline was due to the cancellation of several events, most notably, the circus. An additional drop in event days and attendance is expected in fiscal year 2019 with the departure of the state's Future Farmers of America conference. This decline in usage and corresponding revenues is distressing, particularly because the Convention Center requires the revenues to fund capital improvements on facilities that are showing their age. The challenge of addressing this situation is one that policymakers will need to confront sooner rather than later.

- The City has not made much progress on addressing a large amount of deferred maintenance that exists with most of its facilities, particularly those funded through General Revenues. A challenge going forward will be to find the funds and the support of the governing body to address this deferred maintenance backlog.

While challenges remain, management believes that there are many more positive factors than challenges. Key among those factors is the commitment to the balanced approach of financial management that has been observed in the past few years. This balance includes: 1) restore services; 2) invest in deferred maintenance; 3) pay off debt; and 4) fund reserves for future economic downturns. Management believes that continued adherence to this approach will result in a continuation of the financial progress that has been made.

Conclusion

Fiscal year 2018's results can be viewed as maintaining the previous fiscal year's gains, but not improving on them. While revenues were slightly down at the Citywide level, expenses were flat. Thus, the impact on the organization as a whole was minimal. Still, some funds (particularly the General Fund) saw expenses rise faster than revenues. Given this result, it is clear that there is a danger that the lessons of the Great Recession are being forgotten and that the focus is on immediate needs more than on fiscal prudence. Yet, it was that fiscal prudence that allowed the City to get through the effects of the Great Recession and bring it to the financial position it currently enjoys. The challenge with this organization , as it has been for years, is to maintain fiscal discipline so that it can continue providing services in an effective and efficient manner in years when the finances are strong, when they are stable, and even when they decline.

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 Lilly Banuelos at *Lilly.Banuelos@fresno.gov or (559) 621-7071.*

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

www.fresno.gov

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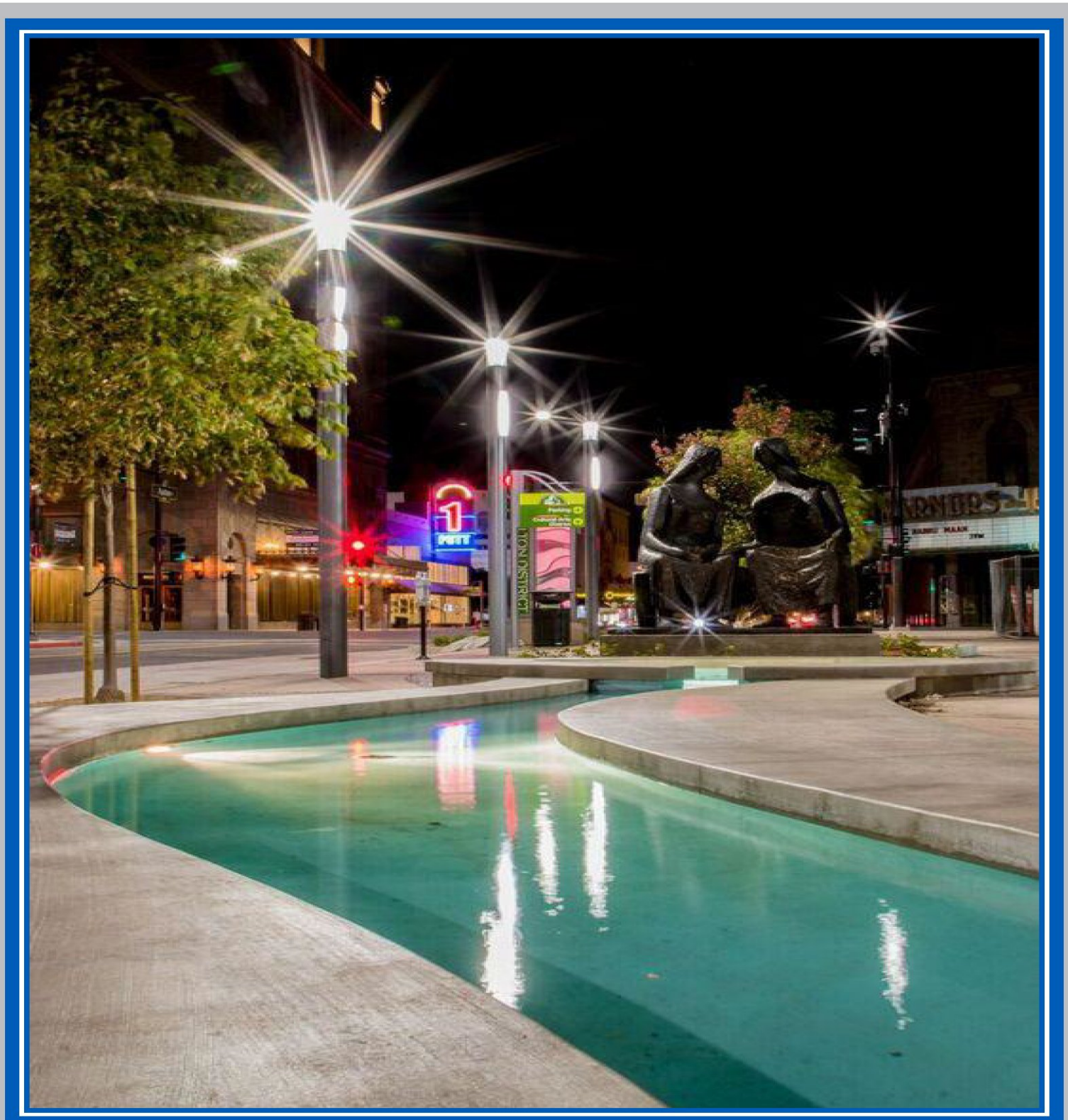
GOVERNMENT-WIDE FINANCIAL STATEMENTS



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CITY OF FRESNO, CALIFORNIA

Statement of Net Position

June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 193,681,650	$ 198,937,484	$ 392,619,134
Accounts Receivables, Net	81,997,029	47,046,065	129,043,094
Internal Balances	19,828,653	(19,828,653)	—
Inventories	1,106,258	6,554,148	7,660,406
Prepaid Items	2,026,926	667,749	2,694,675
Other Assets	1,427,541	2,023,502	3,451,043
Property Held for Resale	4,792,730	—	4,792,730
Restricted Cash	2,320,922	293,457,263	295,778,185
Restricted Interest Receivable	—	436,552	436,552
Loans Receivables, Net	77,485,861	29,545,249	107,031,110
Net Pension Asset	256,562,417	61,657,116	318,219,533
Capital Assets:			
Not Being Depreciated	322,234,255	589,790,752	912,025,007
Net of Accumulated Depreciation	633,684,174	1,152,297,149	1,785,981,323
Total Assets	1,597,148,416	2,362,584,376	3,959,732,792
Deferred Outflows of Resources			
Charge on Refunding	4,863,913	1,627,268	6,491,181
Deferred Pensions	64,152,598	10,554,339	74,706,937
Deferred OPEB	1,711,333	695,086	2,406,419
Total Deferred Outflows of Resources	70,727,844	12,876,693	83,604,537
Liabilities			
Accrued Liabilities	16,969,945	34,158,877	51,128,822
Unearned Revenue	6,609,914	52,092,531	58,702,445
Deposits from Others	20,522	16,584,651	16,605,173
Other Liabilities	—	5,660,201	5,660,201
Long-Term Liabilities:			
Due Within One Year	66,525,785	29,720,773	96,246,558
Due in More than One Year	482,953,435	819,958,827	1,302,912,262
Total Liabilities	573,079,601	958,175,860	1,531,255,461
Deferred Inflows of Resources			
Pension Revenue Applicable to Future Years	69,371,382	12,424,037	81,795,419
Unamortized OPEB Expense	14,330,020	5,820,357	20,150,377
Total Deferred Inflows of Resources	83,701,402	18,244,394	101,945,796
Net Position			
Net Investment in Capital Assets	796,241,684	958,169,340	1,754,411,024
Restricted for:			
General Government	84,100	—	84,100
Public Protection	6,384,011	—	6,384,011
Public Ways and Facilities	62,610,488	—	62,610,488
Culture and Recreation	4,603,245	—	4,603,245
Community Development	97,791,175	—	97,791,175
Unrestricted	43,380,554	440,871,475	484,252,029
Total Net Position	$ 1,011,095,257	$ 1,399,040,815	$ 2,410,136,072

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

CITY OF FRESNO, CALIFORNIA

Statement of Activities

Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position Primary Government: Total
Primary Government							
Governmental Activities							
General Government	$ 31,319,305	$ 17,170,595	$ 505,733	$ —	$ (13,642,977)	$ —	$ (13,642,977)
Public Protection	206,163,354	32,274,607	4,575,026	4,730,790	(164,582,931)	—	(164,582,931)
Public Ways and Facilities	76,288,903	21,008,920	16,041,708	31,971,533	(7,266,742)	—	(7,266,742)
Culture and Recreation	19,770,901	3,935,049	3,207,637	1,890,830	(10,737,385)	—	(10,737,385)
Community Development	30,411,774	23,033,281	2,157,891	(8,694)	(5,229,296)	—	(5,229,296)
Interest on Long-term Debt	14,412,996	—	—	—	(14,412,996)	—	(14,412,996)
Total Governmental Activities	378,367,233	97,422,452	26,487,995	38,584,459	(215,872,327)	—	(215,872,327)
Business-Type Activities					—		
Water System	73,677,235	107,377,135	1,435,231	4,121,115	—	39,256,246	39,256,246
Sewer System	65,990,630	81,650,518	—	8,042,456	—	23,702,344	23,702,344
Solid Waste Management	30,352,573	30,100,375	335,040	—	—	82,842	82,842
Transit	53,937,007	10,746,028	20,325,254	50,742,458	—	27,876,733	27,876,733
Airports	31,192,301	29,633,519	843,972	4,413,491	—	3,698,681	3,698,681
Fresno Convention Center	8,855,395	3,317,795	—	—	—	(5,537,600)	(5,537,600)
Community Sanitation	10,077,306	9,422,010	—	—	—	(655,296)	(655,296)
Parks and Recreation	283,179	323,496	—	—	—	40,317	40,317
Stadium	2,709,649	237,967	—	2,250,000	—	(221,682)	(221,682)
Total Business-Type Activities	277,075,275	272,808,843	22,939,497	69,569,520	—	88,242,585	88,242,585
Total Primary Government	$ 655,442,508	$ 370,231,295	$ 49,427,492	$ 108,153,979	$ (215,872,327)	$ 88,242,585	$ (127,629,742)
General Revenues:							
Taxes and Licenses:							
Property Taxes					130,108,898	—	130,108,898
Sales Taxes - Shared Revenues					85,511,677	—	85,511,677
Franchise Taxes					14,810,807	—	14,810,807
Business Tax					20,982,240	—	20,982,240
Room Tax					13,935,727	—	13,935,727
Other Taxes					2,304,305	—	2,304,305
Investment Earnings					1,348,533	2,613,572	3,962,105
Gain on Sale of Capital Assets					223,090	36,520	259,610
Special Item - Loss on Receivable/Transfer of Assets (Note 13)					(8,152,027)	—	(8,152,027)
Transfers					(4,820,111)	4,820,111	—
Total General Revenues and Transfers					256,253,139	7,470,203	263,723,342
Change in Net Position					40,380,812	95,712,788	136,093,600
Net Position - Beginning					984,701,351	1,308,564,173	2,293,265,524
Cumulative Effect of Accounting Change					(13,986,906)	(5,236,146)	(19,223,052)
Net Position - Beginning, Restated					970,714,445	1,303,328,027	2,274,042,472
Net Position - Ending					$ 1,011,095,257	$ 1,399,040,815	$ 2,410,136,072

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

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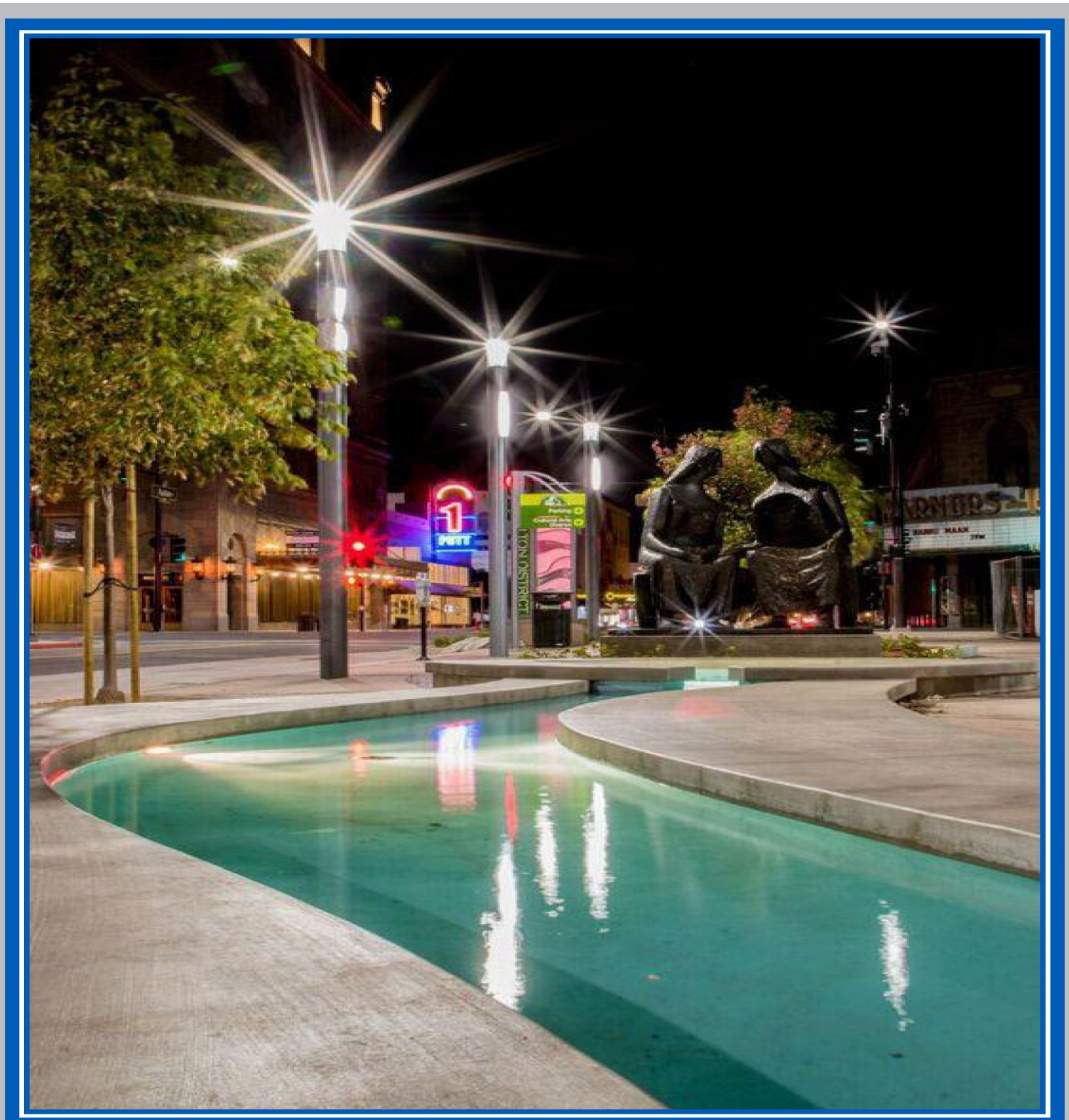
FUND
FINANCIAL STATEMENTS



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CITY OF FRESNO, CALIFORNIA

Balance Sheet

Governmental Funds

June 30, 2018

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 35,970,520	$ 2,166,620	$ 86,311,700	$ 124,448,840
Receivables, Net	17,369,309	7,684	747,893	18,124,886
Grants Receivable	340,008	7,500,105	34,909	7,875,022
Intergovernmental Receivables	31,189,143	—	3,253,693	34,442,836
Due From Other Funds	4,562,927	2,196,359	984,466	7,743,752
Advances to Other Funds, Net	3,919,160	16,561,298	516,920	20,997,378
Property Held for Resale	—	—	4,792,730	4,792,730
Restricted Cash	1,640,367	—	8,467	1,648,834
Loans, Notes, Leases, Other Receivables, Net	—	56,971,703	20,514,158	77,485,861
Total Assets	$ 94,991,434	$ 85,403,769	$ 117,164,936	$ 297,560,139
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accrued Liabilities	$ 6,521,295	$ 1,845,319	$ 2,412,991	$ 10,779,605
Unearned Revenue	2,042,759	4,228,315	10,392	6,281,466
Due to Other Funds	748,568	3,684,066	1,522,221	5,954,855
Advances From Other Funds	3,402,071	—	62,208	3,464,279
Deposits From Others	16,522	—	4,000	20,522
Total Liabilities	12,731,215	9,757,700	4,011,812	26,500,727
Deferred Inflows of Resources				
Unavailable Revenue - Property Tax	8,330,165	—	—	8,330,165
Unavailable Revenue - Sales Tax	4,946,911	—	—	4,946,911
Unavailable Revenue - Other	17,105,163	6,984,726	301,083	24,390,972
Total Deferred Inflows of Resources	30,382,239	6,984,726	301,083	37,668,048
Fund Balances				
Nonspendable	3,919,160	—	—	3,919,160
Restricted	15,564	69,470,508	96,736,569	166,222,641
Committed	25,564,824	—	—	25,564,824
Assigned	2,845,150	—	16,115,472	18,960,622
Unassigned	19,533,282	(809,165)	—	18,724,117
Total Fund Balances	51,877,980	68,661,343	112,852,041	233,391,364
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 94,991,434	$ 85,403,769	$ 117,164,936	$ 297,560,139

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, 2018

Total Governmental Fund Balances	$ 233,391,364
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.	256,562,417
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the funds.	955,918,429
Prepaids in governmental activities are not current financial resources, and therefore, are not reported in the funds.	2,026,926
Deferred outflows of resources reported in the Statement of Net Position	70,727,844
Accrued Interest on long-term debt is not accrued in the funds, but rather, it is recognized as an expenditure when due.	(2,240,249)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(538,733,040)
Deferred inflows of resources reported in the Statement of Net Position	(46,033,354)
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.	(9,318,639)
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.	88,793,559
Net Position of Governmental Activities	$ 1,011,095,257

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

Year Ended June 30, 2018

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 263,818,444	$ —	$ 25,321,723	$ 289,140,167
Licenses and Permits	7,829,062	—	—	7,829,062
Intergovernmental	5,305,967	29,614,469	4,398,113	39,318,549
Charges for Services	25,958,979	39,330	25,295,661	51,293,970
Fines	3,872,018	—	—	3,872,018
Use of Money and Property	874,648	(557,407)	987,477	1,304,718
Miscellaneous	1,774,722	(342,136)	3,071,050	4,503,636
Total Revenues	309,433,840	28,754,256	59,074,024	397,262,120
Expenditures				
Current:				
General Government	20,161,405	99,356	1,024,102	21,284,863
Public Protection	207,935,639	4,122,207	8,984,746	221,042,592
Public Ways and Facilities	8,032,553	5,306,802	28,342,848	41,682,203
Culture and Recreation	13,960,449	1,895,153	2,401,451	18,257,053
Community Development	24,103,629	4,770,461	2,608,882	31,482,972
Capital Outlay	11,196,068	11,941,788	8,262,912	31,400,768
Debt Service:				
Principal	2,099,129	—	15,469,321	17,568,450
Interest	320,860	—	14,430,871	14,751,731
Total Expenditures	287,809,732	28,135,767	81,525,133	397,470,632
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,624,108	618,489	(22,451,109)	(208,512)
Other Financing Sources (Uses)				
Transfers In	4,551,281	2,852,096	41,993,243	49,396,620
Transfers Out	(40,617,968)	(5,456,095)	(11,343,455)	(57,417,518)
Capital Lease Financing	3,161,984	—	—	3,161,984
Sale of Capital Assets	113,572	—	109,093	222,665
Total Other Financing Sources (Uses)	(32,791,131)	(2,603,999)	30,758,881	(4,636,249)
Special Item				
Loss on Receivable (Note 13)	(8,152,027)	—	—	(8,152,027)
Net Changes in Fund Balances	(19,319,050)	(1,985,510)	8,307,772	(12,996,788)
Fund Balances - Beginning	71,197,030	70,646,853	104,544,269	246,388,152
Fund Balances - Ending	$ 51,877,980	$ 68,661,343	$ 112,852,041	$ 233,391,364

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

Year Ended June 30, 2018

Net change in fund balances - total governmental funds	$ (12,996,788)
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 capital outlays of $42,738,629 were exceeded by depreciation of $46,218,029 in the current period.	(3,479,400)
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.	(2,413,858)
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.	14,406,468
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.	(3,383,435)
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.	40,285,634
Revenues recognized in the Statement of Activities in previous years and recognized in the governmental fund statements in the current year were more 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.	1,770,924
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.	6,191,267
Change in net position of governmental activities	$ 40,380,812

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, 2018

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Assets					
Current Assets:					
Cash and Investments	$ 73,312,389	$ 53,958,807	$ 30,496,710	$ 2,189,562	$ 29,729,563
Interest Receivable	652,447	364,472	258,835	171,162	289,565
Accounts Receivables, Net	15,217,534	9,436,835	4,231,537	232,997	2,076,878
Grants Receivable	—	—	—	4,717,151	1,600,742
Inventories	1,877,913	3,477,375	—	831,358	319,858
Prepaid Items	83,154	90,549	546	68,525	324,046
Intergovernmental Receivables	—	700,085	—	3,298,460	133,806
Due from Other Funds	—	—	—	1,107,116	—
Restricted Cash	—	—	—	—	3,026,209
Total Current Assets	91,143,437	68,028,123	34,987,628	12,616,331	37,500,667
Noncurrent Assets:					
Restricted:					
Cash and Investments	48,510,348	180,814,490	2,663,471	27,548,378	15,876,506
Interest Receivable	119,883	316,669	—	—	—
Total Restricted Assets	48,630,231	181,131,159	2,663,471	27,548,378	15,876,506
Other Assets:					
Other Receivables	1,302,094	7,648,945	—	—	—
Other Assets	11,890	1,216,252	—	—	283,571
Net Pension Asset	12,142,095	11,289,422	7,845,412	19,044,038	4,960,373
Unamortized CVP Water Settlement	6,666,338	—	—	—	—
Solid Waste Rate Payers	—	—	13,927,872	—	—
Advances to Other Funds, Net	143,060	4,309,229	—	—	—
Total Other Assets	20,265,477	24,463,848	21,773,284	19,044,038	5,243,944
Capital Assets:					
Land and Intangibles	30,468,771	17,512,812	849,137	2,168,536	10,074,567
Buildings, Systems and Improvements	47,789,041	561,371,368	1,801,459	23,518,960	210,151,587
Machinery and Equipment	2,682,822	10,818,264	6,541,104	81,850,134	6,456,370
Infrastructure	505,940,967	276,494,139	—	—	66,799,644
Construction in Progress	372,767,091	91,275,088	66,764	51,700,678	7,252,945
Less Accumulated Depreciation	(223,240,233)	(286,865,058)	(2,384,091)	(61,811,151)	(123,666,085)
Total Capital Assets, Net	736,408,459	670,606,613	6,874,373	97,427,157	177,069,028
Total Noncurrent Assets	805,304,167	876,201,620	31,311,128	144,019,573	198,189,478
Total Assets	896,447,604	944,229,743	66,298,756	156,635,904	235,690,145
Deferred Outflows of Resources					
Charge on Refunding	462,710	804,798	—	—	18,682
Pension Contributions	1,232,648	1,187,766	825,857	2,234,356	619,765
Deferred Outflows - Pension	659,689	634,281	444,920	1,093,910	361,047
Deferred Outflows - OPEB	115,407	110,133	75,840	245,325	58,693
Total Deferred Outflows of Resources	$ 2,470,454	$ 2,736,978	$ 1,346,617	$ 3,573,591	$ 1,058,187

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	
					Assets
					Current Assets:
$ 1,144,039	$ 76,846	$ 4,424,760	$ 195,332,676	$ 72,837,618	Cash and Investments
—	32,231	43,683	1,812,395	602,286	Interest Receivable
399,332	87,536	1,288,876	32,971,525	777,591	Accounts Receivables, Net
—	—	—	6,317,893	—	Grants Receivable
47,644	—	—	6,554,148	1,106,258	Inventories
88,867	—	546	656,233	75,312	Prepaids
—	—	—	4,132,351	—	Intergovernmental Receivables
—	—	—	1,107,116	2,119,884	Due from Other Funds
2,133,256	—	—	5,159,465	—	Restricted Cash
3,813,138	196,613	5,757,865	254,043,802	77,518,949	Total Current Assets
					Noncurrent Assets:
					Restricted:
922,028	6,885,806	—	283,221,027	5,748,859	Cash and Investments
—	—	—	436,552	—	Interest Receivable
922,028	6,885,806	—	283,657,579	5,748,859	Total Restricted Assets
					Other Assets:
—	—	—	8,951,039	—	Other Receivables
218,138	276,041	17,610	2,023,502	—	Other Assets
—	—	2,735,112	58,016,452	13,464,681	Net Pension Asset
—	—	—	6,666,338	—	Unamortized CVP Water Settlement
—	—	—	13,927,872	—	Solid Waste Rate Payers
—	—	—	4,452,289	—	Advances to Other Funds, Net
218,138	276,041	2,752,722	94,037,492	13,464,681	Total Other Assets
					Capital Assets:
4,765,946	710,000	11,508	66,561,277	—	Land and Intangibles
86,515,554	39,151,537	4,599,404	974,898,910	7,828,782	Buildings, Systems and Improvements
431,728	1,599,193	226,544	110,606,159	124,863,753	Machinery and Equipment
—	—	—	849,234,750	—	Infrastructure
116,907	—	50,000	523,229,473	3,409,770	Construction in Progress
(65,626,972)	(16,210,833)	(2,638,245)	(782,442,668)	(92,133,909)	Less Accumulated Depreciation
26,203,163	25,249,897	2,249,211	1,742,087,901	43,968,396	Total Capital Assets, Net
27,343,329	32,411,744	5,001,933	2,119,782,972	63,181,936	Total Noncurrent Assets
31,156,467	32,608,357	10,759,798	2,373,826,774	140,700,885	Total Assets
					Deferred Outflows of Resources
229,307	38,042	73,729	1,627,268	—	Charge on Refunding
—	—	334,862	6,435,254	1,659,142	Pension Contributions
—	—	150,550	3,344,397	847,885	Deferred Outflows - Pension
1,319	—	28,357	635,074	164,869	Deferred Outflows - OPEB
$ 230,626	$ 38,042	$ 587,498	$ 12,041,993	$ 2,671,896	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, 2018 (continued)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Liabilities					
Current Liabilities:					
Accrued Liabilities	$ 9,975,221	$ 11,372,753	$ 1,185,669	$ 3,436,010	$ 5,614,636
Accrued Compensated Absences and HRA	208,270	261,933	243,978	428,707	175,881
Liability for Self-Insurance	—	—	—	—	—
Unearned Revenue	5,374,457	17,655,458	268,925	28,006,113	—
Due to Other Funds	155,769	168,622	526,255	112,871	27,717
Bonds Payable	5,730,000	10,090,000	—	—	1,740,000
Capital Lease Obligations	—	—	—	—	—
Notes Payable	2,718,153	963,854	—	—	—
Total Current Liabilities	24,161,870	40,512,620	2,224,827	31,983,701	7,558,234
Noncurrent Liabilities					
Accrued Compensated Absences and HRA	1,812,672	1,650,330	1,196,719	2,626,758	1,317,179
Capital Lease Obligations	—	—	—	—	—
Liability for Self-Insurance	—	—	—	—	—
Bonds Payable	125,044,086	169,260,999	—	—	48,084,821
Accreted Interest Payable on Capital Appreciation Bonds	—	—	—	—	—
Notes Payable	309,179,819	51,491,755	—	—	—
CVP Litigation Settlement	5,971,445	—	—	—	—
Pollution Remediation Obligation	—	—	—	—	576,068
Other Liabilities	—	5,660,201	—	—	—
Accrued Closure Costs	—	—	14,434,573	—	—
Net OPEB Liability	4,451,447	4,247,987	2,925,306	9,462,598	2,263,873
Deposits Held for Others	1,094,500	7,840,876	—	—	399,118
Total Noncurrent Liabilities	447,553,969	240,152,148	18,556,598	12,089,356	52,641,059
Total Liabilities	471,715,839	280,664,768	20,781,425	44,073,057	60,199,293
Deferred Inflows of Resources					
Unamortized Pension Expense	2,206,241	2,081,246	1,426,305	4,106,972	1,123,311
Unamortized OPEB Expense	966,372	922,202	635,059	2,054,251	491,468
Total Deferred Inflows of Resources	3,172,613	3,003,448	2,061,364	6,161,223	1,614,779
Net Position					
Net Investment in Capital Assets	294,199,111	439,604,803	6,874,373	97,427,157	127,262,889
Unrestricted (Deficit)	129,830,495	223,693,702	37,928,211	12,548,058	47,671,371
Total Net Position (Deficit)	$ 424,029,606	$ 663,298,505	$ 44,802,584	$ 109,975,215	$ 174,934,260

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	
					Liabilities
					Current Liabilities:
$ 1,286,973	$ 249,232	$ 277,823	$ 33,398,317	$ 4,710,651	Accrued Liabilities
21,056	—	32,023	1,371,848	502,541	Accrued Compensated Absences and HRA
—	—	—	—	34,903,966	Liability for Self-Insurance
66,669	—	—	51,371,622	1,049,357	Unearned Revenue
8,766	—	178,918	1,178,918	3,836,058	Due to Other Funds
3,260,078	1,490,000	50,000	22,360,078	—	Bonds Payable
—	—	—	—	3,910,973	Capital Lease Obligations
270,516	—	—	3,952,523	—	Notes Payable
4,914,058	1,739,232	538,764	113,633,306	48,913,546	Total Current Liabilities
					Noncurrent Liabilities
90,461	—	503,177	9,197,296	4,015,152	Accrued Compensated Absences and HRA
—	—	—	—	10,719,608	Capital Lease Obligations
—	—	—	—	97,461,164	Liability for Self-Insurance
26,181,092	28,479,118	1,782,054	398,832,170	—	Bonds Payable
3,960,871	—	—	3,960,871	—	Accreted Interest Payable on Capital Appreciation Bonds
—	—	—	360,671,574	—	Notes Payable
—	—	—	5,971,445	—	CVP Litigation Settlement
—	—	—	576,068	—	Pollution Remediation Obligation
—	—	—	5,660,201	—	Other Liabilities
—	—	—	14,434,573	—	Accrued Closure Costs
50,865	—	1,093,787	24,495,863	6,359,264	Net OPEB Liability
2,126,483	—	—	11,460,977	5,123,674	Deposits Held for Others
32,409,772	28,479,118	3,379,018	835,261,038	123,678,862	Total Noncurrent Liabilities
37,323,830	30,218,350	3,917,782	948,894,344	172,592,408	Total Liabilities
					Deferred Inflows of Resources
—	—	734,085	11,678,160	2,871,801	Unamortized Pension Expense
11,042	—	237,452	5,317,846	1,380,543	Unamortized OPEB Expense
11,042	—	971,537	16,996,006	4,252,344	Total Deferred Inflows of Resources
					Net Position
(3,008,700)	(4,681,179)	490,886	958,169,340	29,337,815	Net Investment in Capital Assets
(2,939,079)	7,109,228	5,967,091	461,809,077	(62,809,786)	Unrestricted (Deficit)
$ (5,947,779)	$ 2,428,049	$ 6,457,977	$ 1,419,978,417	$ (33,471,971)	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.	(20,937,602)
Net position of Business-Type Activities	$ 1,399,040,815

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

Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Operating Revenues:					
Charges for Services	$ 107,377,135	$ 81,650,518	$ 30,100,375	$ 10,746,028	$ 24,035,217
Operating Expenses:					
Cost of Services	39,091,599	24,971,055	17,182,041	34,777,748	11,704,631
Administration	10,076,515	12,265,683	13,186,567	13,819,624	6,636,042
Depreciation	18,613,105	23,170,227	611,406	5,356,261	10,431,071
Total Operating Expenses	67,781,219	60,406,965	30,980,014	53,953,633	28,771,744
Operating Income (Loss)	39,595,916	21,243,553	(879,639)	(43,207,605)	(4,736,527)
Non-Operating Revenue (Expenses):					
Operating Grants	1,435,231	—	335,040	20,325,254	843,972
Interest Income	—	2,046,349	176,904	—	181,530
Interest Expense	(6,611,892)	(6,182,659)	—	(155,282)	(2,509,728)
Passenger Facility Charges	—	—	—	—	3,419,433
Customer Facility Charges	—	—	—	—	2,178,869
Gain (Loss) on Disposal of Capital Assets	32,520	(9,869)	—	—	—
Total Non-Operating Revenue (Expenses)	(5,144,141)	(4,146,179)	511,944	20,169,972	4,114,076
Income (Loss) Before Contributions & Transfers	34,451,775	17,097,374	(367,695)	(23,037,633)	(622,451)
Capital Contributions	4,121,115	8,042,456	—	50,742,458	4,413,491
Transfers In	99,000	—	1,622,734	—	—
Transfers Out	(428,778)	(482,164)	(1,054,718)	(1,503,264)	(208,581)
Change in Net Position	38,243,112	24,657,666	200,321	26,201,561	3,582,459
Total Net Position (Deficit) - Beginning	387,003,060	639,844,052	44,256,557	85,268,450	172,192,831
Cumulative Effect of Accounting Change	(1,216,566)	(1,203,213)	345,706	(1,494,796)	(841,030)
Total Net Position (Deficit) - Beginning Restated	385,786,494	638,640,839	44,602,263	83,773,654	171,351,801
Total Net Position (Deficit) - Ending	$ 424,029,606	$ 663,298,505	$ 44,802,584	$ 109,975,215	$ 174,934,260

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	
					Operating Revenues:
$ 3,317,795	$ 237,967	$ 9,745,506	$ 267,210,541	$ 150,037,690	Charges for Services
					Operating Expenses:
3,204,537	73,437	5,502,802	136,507,850	115,882,662	Cost of Services
764,928	16,292	4,708,692	61,474,343	23,724,631	Administration
3,306,715	1,057,911	186,768	62,733,464	5,576,812	Depreciation
7,276,180	1,147,640	10,398,262	260,715,657	145,184,105	Total Operating Expenses
(3,958,385)	(909,673)	(652,756)	6,494,884	4,853,585	Operating Income (Loss)
					Non-Operating Revenue (Expenses):
—	—	—	22,939,497	—	Operating Grants
7,398	—	60,006	2,472,187	713,457	Interest Income
(1,579,215)	(1,562,009)	(66,889)	(18,667,674)	(301,467)	Interest Expense
—	—	—	3,419,433	—	Passenger Facility Charges
—	—	—	2,178,869	—	Customer Facility Charges
—	—	—	22,651	188,215	Gain (Loss) on Disposal of Capital Assets
(1,571,817)	(1,562,009)	(6,883)	12,364,963	600,205	Total Non-Operating Revenue (Expenses)
(5,530,202)	(2,471,682)	(659,639)	18,859,847	5,453,790	Income (Loss) Before Contributions & Transfers
—	2,250,000	—	69,569,520	—	Capital Contributions
5,008,247	3,181,874	267	9,912,122	4,208,272	Transfers In
—	—	(859,174)	(4,536,679)	(1,562,817)	Transfers Out
(521,955)	2,960,192	(1,518,546)	93,804,810	8,099,245	Change in Net Position
(5,378,470)	(532,341)	8,224,603		(40,307,025)	Total Net Position (Deficit) - Beginning
(47,354)	198	(248,080)		(1,264,191)	Cumulative Effect of Accounting Change
(5,425,824)	(532,143)	7,976,523		(41,571,216)	Total Net Position (Deficit) - Beginning Restated
$ (5,947,779)	$ 2,428,049	$ 6,457,977		$ (33,471,971)	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.	1,907,978
Change in net position of Business-Type Activities	$ 95,712,788

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

CITY OF FRESNO, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	$ 105,427,645	$ 80,313,426	$ 30,985,125	$ 9,392,570	$ 23,203,592
Cash Received from Interfund Services Provided	155,513	—	64,771	80,882	35,372
Cash Payments (to) from Suppliers for Services	(18,643,403)	23,308,386	(6,289,453)	(5,981,553)	6,530,777
Cash Paid for Interfund Services Used	(9,977,431)	(8,217,754)	(14,424,909)	(8,068,792)	(2,977,651)
Cash Payments to Employees for Services	(14,396,005)	(14,019,035)	(11,728,650)	(32,828,511)	(8,276,968)
Cash Payments for Claims and Refunds	—	—	—	—	—
Net Cash Provided by (Used for) Operating Activities	62,566,319	81,385,023	(1,393,116)	(37,405,404)	18,515,122
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Contributions	4,121,115	3,584,630	—	49,574,490	4,413,491
Passenger and Customer Facility Charges	—	—	—	—	5,598,298
Interest Payments on Capital Debt	(11,981,040)	(9,093,431)	—	—	(2,623,478)
Proceeds from Issuance of Capital Debt	150,208,507	8,321,219	—	—	—
Payment for Cost of Issuance	—	—	—	—	—
Principal Payments on Capital Debt-Bonds	(5,465,000)	(9,590,000)	—	—	(1,635,000)
Principal Payments on Capital Debt-Notes	(2,714,820)	—	—	—	—
Principal Payments on Capital Lease Obligations	—	—	—	—	—
Proceeds (Loss) from Sale of Capital Assets	32,522	26,800	—	—	—
Acquisition and Construction of Capital Assets	(154,321,425)	(71,255,207)	—	(32,080,179)	(18,260,328)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(20,120,141)	(78,005,989)	—	17,494,311	(12,507,017)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Operating Grants	1,435,231	—	270,596	27,322,632	(485,771)
Borrowing Receipt from (Payment to) Other Funds	—	—	—	—	—
Transfers In	99,000	—	1,622,734	—	—
Transfers Out	(428,778)	(482,164)	(1,054,718)	(1,503,264)	(208,581)
Net Cash Provided by (Used for) Non-Capital Financing Activities	1,105,453	(482,164)	838,612	25,819,368	(694,352)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends Received (Paid) on Investments	(336,073)	2,042,825	73,136	(207,620)	126,676
Net Cash Provided by (Used for) Investing Activities	(336,073)	2,042,825	73,136	(207,620)	126,676
Net Increase (Decrease) in Cash and Cash Equivalents	43,215,558	4,939,695	(481,368)	5,700,655	5,440,429
Cash and Cash Equivalents, Beginning of Year	78,607,179	216,086,258	33,641,549	24,037,285	43,191,849
Cash and Cash Equivalents, End of Year	$ 121,822,737	$ 221,025,953	$ 33,160,181	$ 29,737,940	$ 48,632,278

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	
					CASH FLOWS FROM OPERATING ACTIVITIES:
$ 3,383,157	$ 2,311,889	$ 9,660,301	$ 264,677,705	$ 25,910,381	Cash Received from Customers
—	—	—	336,538	126,112,379	Cash Received from Interfund Services Provided
(1,536,807)	(52,330)	(2,960,492)	(5,624,875)	(35,645,506)	Cash Payments to Suppliers for Services
—	(128)	(2,757,438)	(46,424,103)	(5,743,658)	Cash Paid for Interfund Services Used
(1,818,594)	(14,531)	(4,855,940)	(87,938,234)	(24,155,266)	Cash Payments to Employees for Services
—	—	—	—	(74,100,896)	Cash Payments for Claims and Refunds
27,756	2,244,900	(913,569)	125,027,031	12,377,434	**Net Cash Provided by (Used for) Operating Activities**
					CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
—	2,250,000	—	63,943,726	3,310,636	Capital Contributions
—	—	—	5,598,298	—	Passenger and Customer Facility Charges
(1,943,756)	(1,769,709)	(79,396)	(27,490,810)	(317,662)	Interest Payments on Capital Debt
—	—	—	158,529,726	—	Proceeds from Issuance of Capital Debt
—	—	5,507	5,507	—	Payment for Cost of Issuance
(2,189,283)	(1,355,000)	(60,000)	(20,294,283)	—	Principal Payments on Capital Debt-Bonds
(46,437)	—	—	(2,761,257)	(2,630,636)	Principal payments on Capital Debt-Notes
—	—	—	—	189,902	Principal Payments on Capital Lease Obligations
—	—	—	59,322	(11,003,716)	Proceeds from Sale of Capital Assets
(1,123,315)	—	(50,000)	(277,090,454)	—	Acquisition and Construction of Capital Assets
(5,302,791)	(874,709)	(183,889)	(99,500,225)	(10,451,476)	**Net Cash Provided by (Used for) Capital and Related Financing Activities**
					CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
—	—	—	28,542,688	—	Operating Grants
—	—	—	—	1,573,557	Borrowing Receipt from (Payment to) Other Funds
5,008,247	3,181,874	267	9,912,122	4,208,273	Transfers In
—	—	(859,174)	(4,536,679)	(1,562,817)	Transfers Out
5,008,247	3,181,874	(858,907)	33,918,131	4,219,013	**Net Cash Provided by (Used for) Non-Capital Financing Activities**
					CASH FLOWS FROM INVESTING ACTIVITIES:
7,398	(25,598)	55,536	1,736,280	481,900	Interest and Dividends Received (Paid) on Investments
7,398	(25,598)	55,536	1,736,280	481,900	**Net Cash Provided by (Used for) Investing Activities**
(259,390)	4,526,467	(1,900,829)	61,181,217	6,626,871	**Net Increase (Decrease) in Cash and Cash Equivalents**
4,458,713	2,436,185	6,325,589	408,784,607	71,959,606	**Cash and Cash Equivalents, Beginning of Year**
$ 4,199,323	$ 6,962,652	$ 4,424,760	$ 469,965,824	$ 78,586,477	**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

Year Ended June 30, 2018 (Continued)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	$ 39,595,916	$ 21,243,553	$ (879,639)	$ (43,207,605)	$ (4,736,527)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	18,613,105	23,170,227	611,406	5,356,261	10,431,071
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	1,038,474	1,599,529	275,894	409,482	(588,574)
Decrease (increase) in other receivables	(75,102)	677,763	932,503	—	—
Decrease (increase) in due from other funds	9,042	61,828	—	(1,107,116)	(67,480)
Decrease (increase) in due from other governments	—	828,822	—	(5,661,614)	—
Decrease (increase) in material and supplies inventory	(241,225)	(140,748)	—	(32,528)	(299,858)
Decrease (increase) in prepaid items	(36,766)	(90,549)	6,584	(63,801)	108,859
Decrease (increase) in net pension asset & deferred outflows	(2,479,466)	(2,290,506)	(1,550,741)	(4,697,315)	(1,099,942)
Decrease (increase) in advances to other funds	(143,060)	(3,992,055)	—	—	—
Decrease (increase) in prepaid insurance	5,946	33,561	—	—	17,994
(Decrease) increase in accounts payable	6,596,313	41,182,885	36,240	4,997,223	14,597,649
(Decrease) increase in salaries payable	(298,057)	178,277	129,852	378,165	162,565
(Decrease) increase in due to other funds	(40,790)	(33,634)	71,189	40,479	4,499
(Decrease) increase in other liabilities	—	(1,009,455)	—	—	—
(Decrease) increase in retention payable	1	(1)	35,291	75,449	—
(Decrease) increase in accrued closure costs	—	—	(1,003,480)	—	—
(Decrease) increase in unearned revenue	—	—		5,525,501	—
(Decrease) increase in liability for self-insurance	—	—	—	—	—
(Decrease) increase in deposits	30,000	—	—	—	2,233
(Decrease) increase in pollution remediation liability	—	—	—	—	(53,988)
(Decrease) increase in Net OPEB liability	(689,379)	(657,869)	(453,030)	(1,465,437)	(350,598)
(Decrease) increase in deferred inflows of resources	681,367	623,395	394,815	2,047,452	387,219
Net Cash Provided by (Used For) Operating Activities	$ 62,566,319	$ 81,385,023	$ (1,393,116)	$ (37,405,404)	$ 18,515,122
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:					
Cash and Investments:					
Unrestricted	$ 73,312,389	$ 53,958,807	$ 30,496,710	$ 2,189,562	$ 29,729,563
Restricted - Current and Noncurrent	48,510,348	180,814,490	2,663,471	27,548,378	18,902,715
Total cash and investments	121,822,737	234,773,297	33,160,181	29,737,940	48,632,278
Less: Non-cash equivalents	—	13,747,344	—	—	—
Cash and Cash Equivalents at End of Year on Statement of Cash Flows	$121,822,737	$221,025,953	$ 33,160,181	$ 29,737,940	$ 48,632,278
Noncash Investing, Capital, and Financing Activities:					
Acquisition/construction of capital assets on accounts payable	$ 4,241,645	$ 3,028,363	$ 66,764	$ 608,484	$ 1,389,793
Amortization of bond premium, discount and loss on refunding	(330,132)	(193,454)	—	—	(47,953)
Borrowing under capital lease	—	—	—	—	—
Decrease (increase) in fair value of investments	1,349,904	(1,338,159)	271,895	439,257	427,834
Developer and other capital contributions	—	—	—	494,000	—
Decrease in unamortized CVP water settlement receivable and decrease in CVP litigation settlement payable	2,464,878	—	—	—	—

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

Business-Type Activities - Enterprise Funds				Internal Service Funds	
Fresno Convention Center	Stadium	Other Enterprise Funds	Totals		
					Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:
$ (3,958,385)	$ (909,673)	$ (652,756)	$ 6,494,884	$ 4,853,585	Operating income (loss)
					Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:
3,306,715	1,057,911	186,768	62,733,464	5,576,812	Depreciation expense
					Change in assets and liabilities:
(58,032)	2,073,922	54,410	4,805,105	59,211	Decrease (increase) in accounts receivable
2,881	—	—	1,538,045	—	Decrease (increase) in other receivables
—	—	14,550	(1,089,176)	575,594	Decrease (increase) in due from other funds
—	—	—	(4,832,792)	—	Decrease (increase) in due from other governments
6,864	—	—	(707,495)	(339,465)	Decrease (increase) in material and supplies inventory
1,538	—	(16)	(74,151)	(46,095)	Decrease (increase) in prepaid items
—	—	(896,054)	(13,014,024)	(3,059,759)	Decrease (increase) in net pension asset & deferred outflows
—	21,233	—	(4,113,882)	—	Decrease (increase) in advances to other funds
—	—	880	58,381	—	Decrease (increase) in prepaid insurance
619,346	1,692	81,283	68,112,631	(195,388)	(Decrease) increase in accounts payable
(7,271)	(186)	59,731	603,076	1,034,559	(Decrease) increase in salaries payable
8,326	—	(27,699)	22,370	(2,202)	(Decrease) increase in due to other funds
—	—	—	(1,009,455)	—	(Decrease) increase in other liabilities
—	—	—	110,740	—	(Decrease) increase in retention payable
—	—	—	(1,003,480)	—	(Decrease) increase in accrued closure costs
21,911	—	—	5,547,412	326,087	(Decrease) increase in unearned revenue
—	—	—	—	3,230,262	(Decrease) increase in liability for self-insurance
82,017	—	—	114,250	183,185	(Decrease) increase in deposits
—		—	(53,988)	—	(Decrease) increase in pollution remediation liability
1,846	—	(169,391)	(3,783,858)	(984,835)	(Decrease) increase in Net OPEB liability
—	—	434,725	4,568,973	1,165,883	(Decrease) increase in deferred inflows of resources
$ 27,756	$ 2,244,899	$ (913,569)	$ 125,027,030	$ 12,377,434	**Net Cash Provided by (Used For) Operating Activities**
					Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:
					Cash and Investments:
$ 1,144,039	$ 76,846	$ 4,424,760	$ 195,332,676	$ 72,837,618	Unrestricted
3,055,284	6,885,806	—	288,380,492	5,748,859	Restricted - Current and Noncurrent
4,199,323	6,962,652	4,424,760	483,713,168	78,586,477	Total cash and investments
—	—	—	13,747,344	—	Less: Non-cash equivalents
$ 4,199,323	$ 6,962,652	$ 4,424,760	$ 469,965,824	$ 78,586,477	**Cash and Cash Equivalents at End of Year on Statement of Cash Flows**
					Noncash Investing, Capital, and Financing Activities:
$ —	$ —	$ —	$ 9,335,049	$ 128,132	Acquisition/construction of capital assets on accounts payable
(302,569)	(236,655)	1,383	(1,109,380)	—	Amortization of bond premium, discount and loss on refunding
—	—	—	—	5,644,512	Borrowing under capital lease
—	87,072	59,290	1,297,093	241,757	Decrease (increase) in fair value of investments
	—	—	494,000	—	Developer and other capital contributions
—	—	—	2,464,878	—	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 Agency Funds

June 30, 2018

	Pension Trust Funds	Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund	Agency Funds
Assets			
Cash and Investments	$ 4,063,113	$ 6,997,791	$ 9,526,718
Restricted Cash and Investments Held by Fiscal Agent	—	915,704	558,664
Total Cash and Investments	4,063,113	7,913,495	10,085,382
Receivables:			
Receivables for Investments Sold	2,718,157	—	—
Interest and Dividends Receivable	7,372,564	—	18,909
Other Receivables	3,485,831	46,485	—
Due from Other Governments	—	—	793,491
Total Receivables	13,576,552	46,485	812,400
Investments, at Fair Value:			
Short-Term Investments	61,332,138	—	—
Domestic Equity	1,101,119,449	—	—
Corporate Bonds	277,258,738	—	—
International Developed Market Equities	530,218,894	—	—
International Emerging Market Equities	102,294,220	—	—
Government Bonds	326,592,597	—	—
Direct Lending	117,315,593	—	—
Real Estate	431,519,641	—	—
Total Investments	2,947,651,270	—	—
Collateral Held for Securities Lent	180,979,147	—	—
Capital Assets, Net of Accumulated Depreciation	1,933,304	—	—
Other Assets	—	2,295	—
Prepaid Expense	75,616	—	—
Property Held for Resale	—	1,301,189	—
Total Assets	3,148,279,002	9,263,464	10,897,782
Deferred Outflows of Resources			
Charge on Refunding	—	24,539	—
Pension Contributions	—	149,914	—
Total Deferred Outflows of Resources	—	174,453	—
Liabilities			
Accrued Liabilities	13,402,860	145,554	2,412,395
Collateral Held for Securities Lent	180,979,147	—	—
Due To Other Funds	—	—	921
Deposits Held for Others	—	—	8,484,466
Other Liabilities	2,620,768	8,683	—
Long-Term Debt:			
Due Within One Year	—	410,658	—
Due in More than One Year	—	2,949,438	—
Due To Other Funds (City of Fresno)	—	21,985,388	—
Net Pension Liability	—	480,547	—
Total Liabilities	197,002,775	25,980,268	10,897,782
Deferred Inflows of Resources			
Unamortized Pension Expense	—	92,082	—
Net Position			
Restricted for Pension Benefits	2,951,276,227	—	—
Held in Trust for Redevelopment Dissolution	—	(16,634,433)	—
Total Net Position	$ 2,951,276,227	$ (16,634,433)	$ —

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

Year Ended June 30, 2018

	Pension Trust Funds	Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund
Additions		
Contributions:		
Employer	$ 34,305,616	$ —
System Members	19,293,147	—
Total Contributions	53,598,763	—
Investment Income:		
Net Appreciation in Fair Value of Investments	204,919,500	—
Interest	26,899,767	31,439
Dividends	23,742,512	—
Other Investment Related	110,645	—
Total Investment Income	255,672,424	31,439
Less Investment Expense	(18,473,464)	—
Total Net Investment Income	237,198,960	31,439
Securities Lending Income:		
Securities Lending Earnings	3,683,879	—
Less Securities Lending Expense	(2,804,584)	—
Net Securities Lending Income	879,295	—
Property Taxes	—	2,228,979
Other Income	—	87,201
Total Additions	291,677,018	2,347,619
Deductions		
Benefit Payments	118,752,739	—
Refund of Contributions	1,984,195	—
Redevelopment Expenses	—	308,569
General and Administrative Expenses	3,328,381	366,083
Enforceable Obligations	—	8,915
Remittances to County	—	1,584,226
Interest on Debt	—	513,840
Total Deductions	124,065,315	2,781,633
Change in Net Position	167,611,703	(434,014)
Net Position - Beginning	2,783,664,524	(16,200,419)
Net Position - Ending	$ 2,951,276,227	$ (16,634,433)

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

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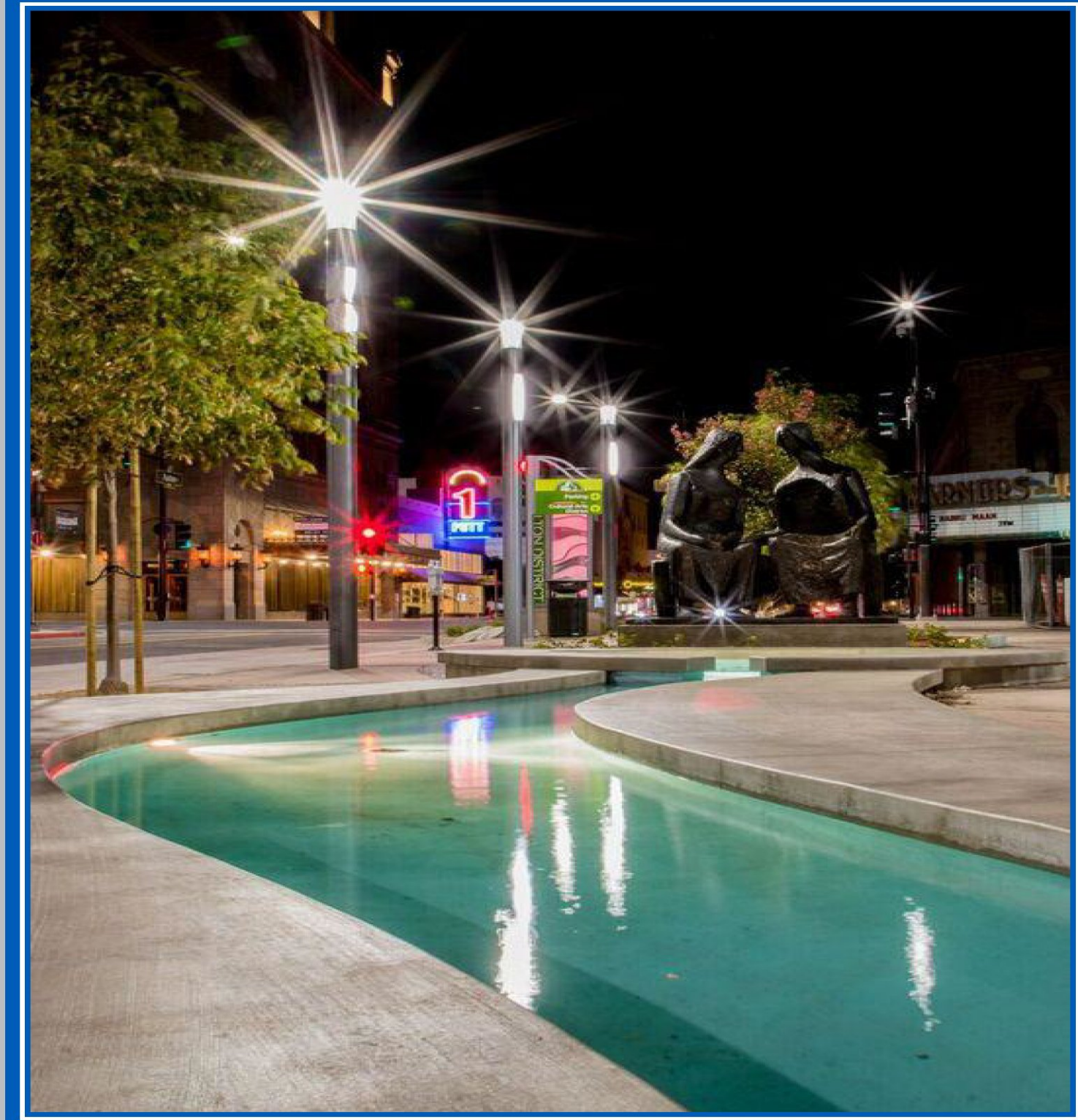
NOTES TO THE FINANCIAL STATEMENTS



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.

A discretely presented component is not blended with the primary government, but rather is presented in separate columns. This presentation is due to the discretely presented component unit being legally separate from the City, as well as not providing its services exclusively or almost exclusively to 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. Governmental Activities, which normally are supported by taxes and intergovernmental 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.

Agency Fund Financial Statements report only assets and liabilities. They use the accrual basis of accounting to recognize receivables and payables.

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. 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.

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

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.

4. 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 and information services. 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.

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.

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 http://www.cfrs-ca.org/Fire-Police/Communications/Reports.asp.

- ***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 http://www.cfrs-ca.org/Employee/Communications/Reports.asp.

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.

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

The City Departmental and Special Purpose Fund accounts for City-related trust activity, such as payroll withholding and bid deposits. The Special Assessments District Fund accounts for the receipts and disbursements for the debt service activity of bonded assessment districts within the City. Agency Funds, being custodial in nature (assets equal liabilities), do not involve the measurement of results of operations.

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.

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.

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 Oversight Board, which is comprised of seven-member representatives from local government bodies: two City representatives

appointed by the Mayor, two representatives appointed by the Fresno County Board of Supervisors, one member appointed by the Fresno County Superintendent of Schools, one appointed by the Metropolitan Flood Control District (a Special District) and one appointed by the State Center Community College District.

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 RDA 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.

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.

c. Discretely Presented Component Unit

***City of Fresno Cultural Arts Properties Corporation (COFCAP*):** This nonprofit public benefit corporation (an independent public entity) was created in 2010. The specific charitable and public purpose for which COFCAP was organized was to support the City and the former RDA by: (1) purchasing, developing, financing, rehabilitating, and/or demolishing vacant and blighted properties; (2) assisting the City and the RDA in combating community blight and deterioration in the City by redeveloping vacant or blighted properties; and (3) acquiring, owning, operating, and leasing property within a Low-Income Community (as defined in Section 45D(e)(1) of the Internal Revenue Code) to community businesses, which promote and support the social welfare of the City. The COFCAP was formed as part of a New Market Tax Credits financing structure that was utilized by the City to assist in lessening a debt burden. Council authorized the dissolution of the COFCAP on May 25, 2017. The concluding transactions for the COFCAP resolved on August 29, 2017. Please see Note 13 (pages 147-148) for more information.

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 an annual operating and capital budget for the General Fund, Special Revenue Funds, Debt Service Funds (except Financing Authorities/Corporations and City Debt Service), Capital Projects Funds (except Financing Authorities/Corporations) and Proprietary Funds. These budgets are adopted on a cash basis. 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, 2018, encumbrances totaled $2.8 million in the General Fund, $10.4 million in the Grants Special Revenue Fund and $8.9 million in the Nonmajor 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 license 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. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

The primary objective of GASB Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses.

The requirements of this statement became effective for fiscal years beginning after June 15, 2017, which for the City was the fiscal year ending June 30, 2018. Implementation of this statement impacts the City's Financial Statements. The most significant impact of implementing GASB Statement No. 75 is that the net OPEB obligation was eliminated and the entire unfunded liability went on the face of the financial statements resulting in the restatement of beginning net position.

Government-Wide Beginning Net Position	
Net Position at June 30, 2017, as previously reported	$ 2,293,265,524
Restatement:	
Adjustment to incorporate OPEB as a result of implementing GASB Statement No. 75	(19,223,052)
Net Position at June 30, 2017, as Restated	$ 2,274,042,472

2. **GASB Statement No. 85** - *Omnibus 2017*

The objective of GASB Statement No. 85 is to address practice issues that have been identified during the implementation/application of certain GASB Statements covering a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

The requirements of this statement became effective for reporting periods beginning after June 15, 2017, which for the City was the fiscal year ending June 30, 2018. The impact of GASB Statement No. 85 was similar to that of GASB Statement No. 75 because this statement includes information on the application of GASB Statement No. 75.

3. **GASB Statement No. 86** - *Certain Debt Extinguishment Issues*

The primary objective of GASB Statement No. 86 is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions, in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt.

The requirements of this statement became effective for reporting periods beginning after June 15, 2017, which for the City was the fiscal year ending June 30, 2018. Implementation of this statement had no impact on the City's financial statements.

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. 83** - *Certain Asset Retirement Obligations*

The objective of GASB Statement No. 83 is to define the accounting and financial reporting for certain asset retirement obligations (AROs), which are legally enforceable liabilities associated with the retirement of a tangible capital asset. GASB Statement No. 83 establishes the criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This statement is effective for reporting periods beginning after June 15, 2018, which for the City is the fiscal year ending June 30, 2019.

2. **GASB Statement No. 84** - *Fiduciary Activities*

The objective of GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported by establishing criteria for identifying the fiduciary activities of all state and local governments. This statement is effective for reporting periods beginning after December 15, 2018, which for the City is the fiscal year ending June 30, 2020.

3. **GASB Statement No. 87** - *Leases*

The objective of GASB Statement No. 87 is to improve the accounting and financial reporting of leases by governments. GASB Statement No. 87 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. This statement is effective for reporting periods beginning after December 15, 2019, which for the City is the fiscal year ending June 30, 2021.

4. **GASB Statement No. 88 -** *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Payments*

The primary objective of GASB Statement No. 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement is effective for reporting periods beginning after June 15, 2018, which for the City is the fiscal year ending June 30, 2019.

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

The objectives of GASB Statement No. 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for the interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with Statement No. 62, which is superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement is effective for reporting periods beginning after December 15, 2019 , which for the City is June 30, 2021.

6. **GASB Statement No. 90 -** *Majority Equity Interests*

The primary objectives of GASB Statement No. 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. A majority equity interest that meets the definition for an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment or a permanent fund. Those government funds should measure the majority equity interest at fair value. This statement is effective for reporting periods beginning after December 15, 2018, which for the City is June 30, 2020.

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*.

   Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper, bankers' acceptances, repurchase agreements, money market funds, and the State Treasurer's investment pool. Except as noted in the following paragraph, investments are comprised of obligations of the U.S. Treasury, agencies and instrumentalities, cash, time certificates of deposit, mutual funds, bankers' acceptances, money market accounts, and deposits in the State of California Local Agency Investment Fund (LAIF), and are stated at amortized cost.

   Highly liquid money market investments, guaranteed investment contracts, and other investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

3. **Investment Income** - Cash balances of each of the City's funds, except for certain Trust and Agency 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.

The Financing Authorities and Corporations Debt Service Fund also reflects a note due from FBB Investment Fund, LLC in connection with the new market tax credit loans recorded by the City's discretely presented component unit, the COFCAP. The note is recorded for the full amount and the entire outstanding principal balance plus any unpaid interest is due on the maturity date: March 1, 2040. This note was paid off with the dissolution of the COFCAP in August 2017. Please see Note 13 (pages 147-148) for further detail.

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 - $4.8 million) and some to the Successor Agency ($1.3 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, 2018, the adjusted value of the property was $6.1 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 Statement of Net Position 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 are recorded at estimated fair market 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. Interest incurred during the construction phase of capital assets of Business-Type Activities is included as part of the capitalized value of the assets constructed. Capitalized interest totaled $8.2 million during fiscal year 2018. 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 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 windows are installed along with other devices 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 2018, $17.1 million has been capitalized as an intangible asset. Included in this amount are noise mitigation assets of $1.4 million and Water Rights in the amount of $15.7 million.

Capital Leases

Property, plant and equipment include the following property held under lease obligation at June 30, 2018:

	Governmental Activities
Machinery and Equipment	$ 38,981,178
Less: Accumulated Depreciation	(16,161,464)
Net Machinery and Equipment	$ 22,819,714

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 accreted 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 - Refunding of Debt

The City records deferred outflows of resources in its Proprietary, Fiduciary, and Government-Wide Financial Statements for consumption of net position that is applicable to a future reporting period. 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, 2018, the ending balance of refunding charges yet to be amortized into expense consists of the following:

Bonds		Charge on Refunding
Governmental Activities:		
Lease Revenue Bonds 2008 A, NNLB		
Lease Revenue Bonds 2017 A&B, NNLB	$	181,564
Lease Revenue Bonds 2017, CH/Garage/Met/Bee/Granite		31,536
Lease Revenue Bonds 2017, Parks Impact		1,051,910
Lease Revenue Bonds 2017, Various Capital Projects		21,855
Lease Revenue Bonds 2017, City Hall Chiller		113,008
Lease Revenue Bonds 2017, Public Safety		3,464,040
Total Governmental Activities		4,863,913
Business-Type Activities:		
Water System Revenue Refunding Bonds 2003		58,232
Water System Revenue Bonds 2010		404,478
Sewer System Revenue Bonds 2008 A		804,798
Airport Revenue Refunding Bonds 2013		18,682
Lease Revenue Bonds 2017, Convention Center		(12,151)
Convention Center Improvements 2008 E&F		117,106
Lease Revenue Bonds 2017, Stadium		38,042
Lease Revenue Bonds 2017, Exhibit Hall		124,352
Lease Revenue Bonds 2017, Golf Course		73,729
Total Business-Type Activities		1,627,268
Fiduciary Funds:		
Successor Agency to the Fresno Redevelopment Agency:		
Tax Allocation Bonds Series 2003, Mariposa Project Area		24,539
Total Charge on Refunding	$	6,515,720

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.

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 for acquisition of net position that is applicable to a future reporting period. 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.

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, 2018, consists of the following unavailable resources:

	Deferred Inflows of Resources			
	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Property Taxes	$ 8,330,165	$ —	$ —	$ 8,330,165
Sales Taxes	4,946,911	—	—	4,946,911
Franchise Taxes	2,811,515	—	—	2,811,515
Business Tax	5,331,213	—	—	5,331,213
Measure C and Other Tax	—	—	266,174	266,174
Code Enforcement Revenue	6,475,883	—	—	6,475,883
Grant Revenue	324,444	6,984,726	34,909	7,344,079
Parking Citations, Fines and Other Revenue	2,162,108	—	—	2,162,108
Total	$ 30,382,239	$ 6,984,726	$ 301,083	$ 37,668,048

Q. Interfund Transfers

Interfund transfers are generally recorded as transfers in (out), except for certain types of transactions that are described below:

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 or contractually required to be maintained intact. Not in spendable form includes items that are 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, 2018, the Reserve balance identified as Committed Fund Balance was at $25.6 million.

   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.

   In addition to the City's Emergency Reserve, the Committed Fund Balance as of June 30, 2018 also consists of $1.6 million designated exclusively for use in a year when a 27th 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 27th pay period is fiscal year 2028.

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, 2018, consist of the following:

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances:				
Nonspendable:				
Advances Receivable from Other Funds	$ 3,919,160	$ —	$ —	$ 3,919,160
Restricted:				
Debt Service	—	—	1,848,676	1,848,676
CDBG and Home Loans	—	59,806,646	—	59,806,646
Revitalization	—	—	165,684	165,684
Street Works	—	—	5,707,372	5,707,372
Transportation	—	—	13,670,607	13,670,607
Pedestrian and Bicycle Program	—	—	1,700,942	1,700,942
Prop 42 Traffic Congestion Relief	—	—	597,780	597,780
AD #131 UGM Reimbursement	—	—	1,689,942	1,689,942
Forfeitures	—	—	145,941	145,941
CASP Program Senate Bill 1186	—	—	252,418	252,418
Grants	—	39,586	—	39,586
Police and Fire Grants	—	4,017,957	—	4,017,957
Parks Grants-Senior Hot Meals	15,564	3,105,799	—	3,121,363
Streets and Traffic Grants	—	2,004,182	—	2,004,182
DARM Grants	—	496,338	—	496,338
Impact Fees	—	—	23,472,848	23,472,848
Special Assessment Projects	—	—	13,945,426	13,945,426
Low to Moderate Income Housing	—	—	33,538,933	33,538,933
Committed:				
27th Payperiod Reserve	1,640,367	—	—	1,640,367
Emergency Reserve General Fund	23,924,457	—	—	23,924,457
Assigned:				
Public Works Maintenance	73,837	—	—	73,837
Cable PEG, Nonprofit Media JPA	—	—	229	229
Median Island Maintenance	—	—	3,700	3,700
Parks Maintenance	364,044	—	696,363	1,060,407
Right of Ways Acquisition	—	—	990,004	990,004
Street Tree Fees	—	—	825,466	825,466
Public Protection	—	—	1,104,521	1,104,521
Public Works Projects	—	—	1,174,474	1,174,474
General Purpose	878,478	—	—	878,478
Enterprise Zone	—	—	3,811	3,811
City Hall Improvements	—	—	164,910	164,910
Various Capital Projects	—	—	6,382,199	6,382,199
Miscellaneous Paving	—	—	4,135,893	4,135,893
PD Capital Projects	—	—	166,837	166,837
Parking Garage 7	—	—	482,769	482,769
Local Agency Projects	—	—	(9,928)	(9,928)
Woodward & Japanese Garden Projects	—	—	55,908	55,908
Police Administration & Patrol	640,220	—	—	640,220
Current Planning Development	888,571	—	(67,651)	820,920
Housing	—	—	5,967	5,967
Unassigned	19,533,282	(809,165)	—	18,724,117
Total Fund Balances	$ 51,877,980	$ 68,661,343	$ 112,852,041	$ 233,391,364

S. Net Position/(Deficit)

Net position 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, 2018, the Statement of Net Position Business-Type Activities reflects approximately $6.7 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 Settlement) that will be recovered from customers through the ratemaking process.

A portion of the CVP Settlement Liability was reduced due to early payment to the USBR. The corresponding asset was evaluated to determine whether the regulatory asset would require accelerated amortization or write-off, which it did not. Correspondingly, if the rate of recovery is over a period other than 20 years currently anticipated, the amortization period will also be adjusted.

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. 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, 2018:

	Primary Government			
Category	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	$ 193,681,650	$ 198,937,484	$ 20,587,622	$ 413,206,756
Restricted Cash and Investments	2,320,922	293,457,263	1,474,368	297,252,553
Pension Trust Investments at Fair Value	—	—	2,947,651,270	2,947,651,270
Collateral Held for Securities Lent	—	—	180,979,147	180,979,147
Total	$ 196,002,572	$ 492,394,747	$ 3,150,692,407	$ 3,839,089,726

2. Cash and Deposits

At year-end, the City's bank balance was $34.8 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, 2018, financial statements was $34.0 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-tired 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 Date 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:

Pooled Investments by Fair Value Level	June 30, 2018	Level 1	Level 2
Federal Farm Credit Bank Bonds	$ 31,261,390	$ —	$ 31,261,390
Federal Home Loan Bank Bonds	55,230,441	—	55,230,441
Federal Home Loan Mortgage Corporation Bonds	109,863,150	—	109,863,150
Federal National Mortgage Association Bonds	53,698,103	—	53,698,103
U.S. Treasury Securities	88,269,250	88,269,250	—
Medium Term Corporate Notes	111,146,260	—	111,146,260
Negotiable Certificate of Deposits	4,979,168	—	4,979,168
Total Pooled Investments by Fair Value	454,447,762	88,269,250	366,178,512
Pooled Investments Not Subject to the Fair Value Hierarchy			
State Local Agency Investment Fund	9,960,429		
Time Deposits	4,400,000		
Money Market Funds	45,477,701		
Total Pooled Investments Not Subject to the Fair Value Hierarchy	59,838,130		
Total Pooled Investments	514,285,892		
Investments Held Outside the Treasurer's Pool by Fair Value Level			
U.S. Treasury Securities	138,313,757	138,313,757	
Investments Held Outside the Treasurer's Pool Not Subject to the Fair Value Hierarchy			
Guaranteed Investment Contracts	13,748,142		
Money Market Mutual Funds	10,065,766		
Total Investments Held Outside the Treasurer's Pool Not Subject to the Fair Value Hierarchy	23,813,908		
Total Investments Held Outside the Treasurer's Pool	162,127,665		
Grand Total of Investments	$ 676,413,557	$ 226,583,007	$ 366,178,512

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. Additionally, the City's investment in LAIF is not presented, 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.

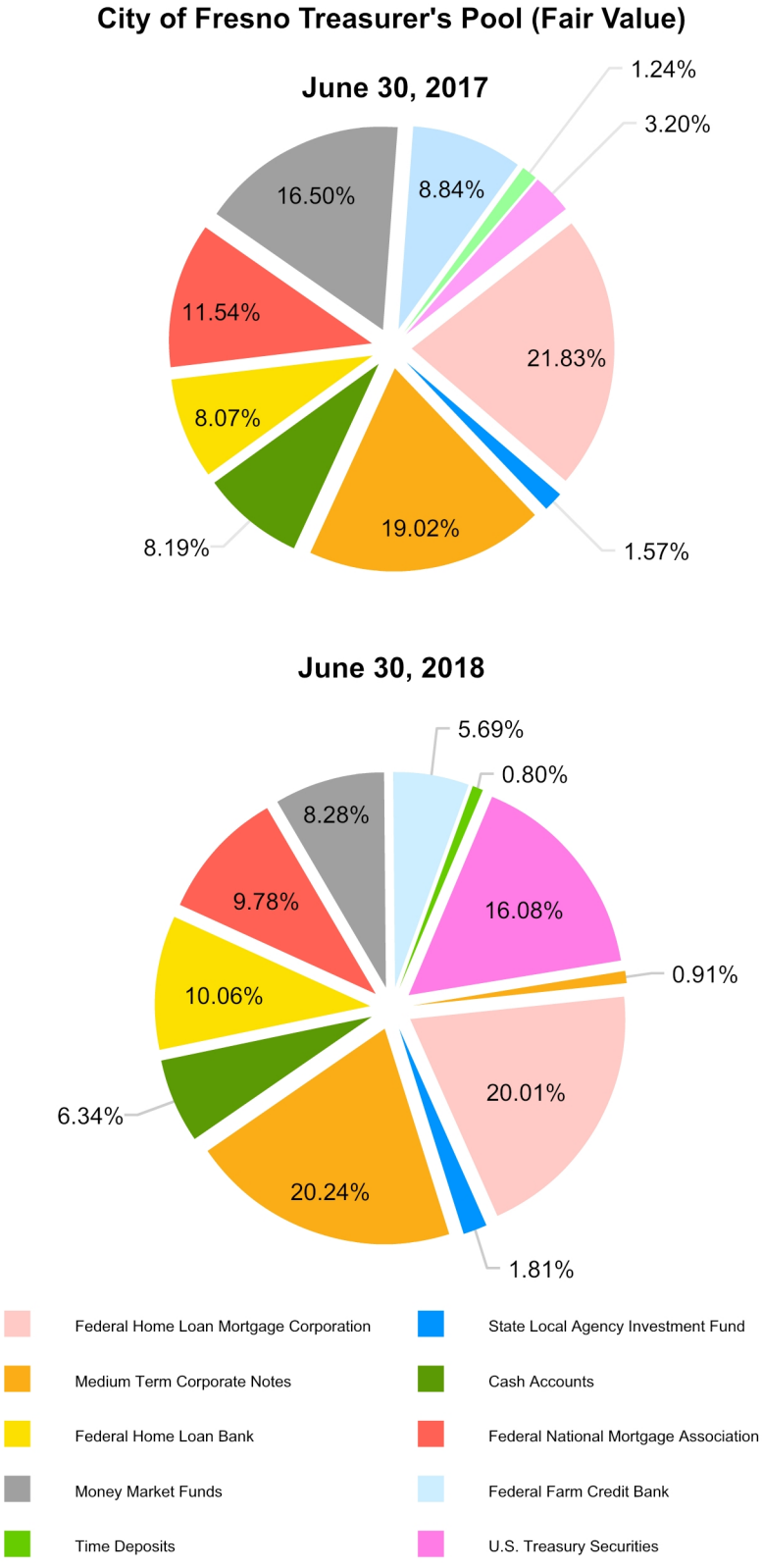
Changes in fair value that occur during a fiscal year are recognized as income from property and investments. Income from property and investments includes interest earnings; changes in fair value; any gains or losses realized upon the liquidation, unrealized gains and losses, maturity, or sales of investments;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

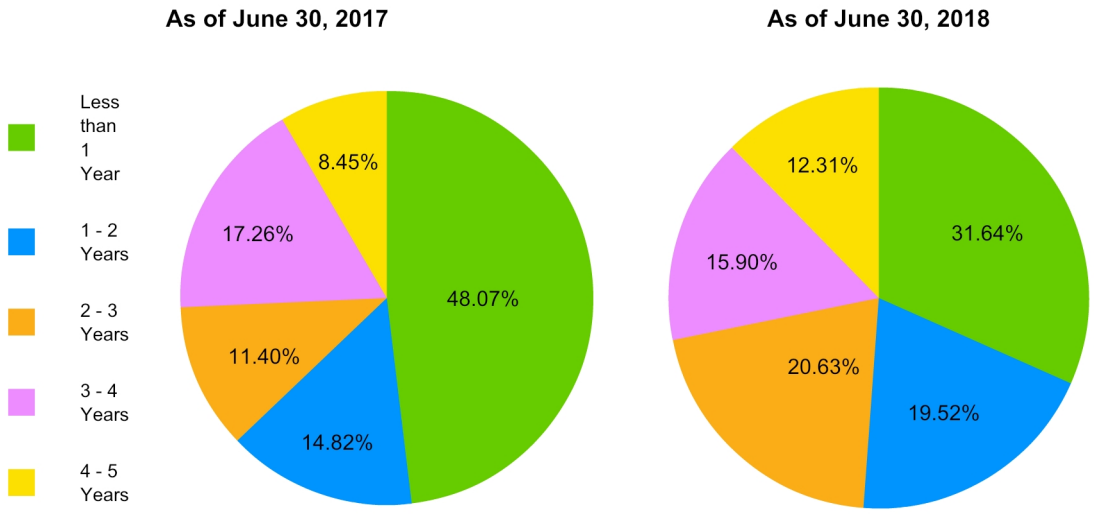
The policy addresses the soundness of financial institutions in which the City will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity. A copy of the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

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, 2017 and June 30, 2018:



City of Fresno

Treasurer's Pool Maturity Schedule



6. 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 2018, total interest of $2.7 million was earned from the following instruments:

- Guaranteed Investment Contracts - $1.8 million
- Federal Agency Bonds - $0.7 million
- Money Market Funds - $0.2 million

The City also invested the $116 million that has been placed in escrow for the upcoming defeasance of the 2008 Sewer Bonds. These funds were invested in Federal Housing securities that had a duration of 12 months. The investment of these escrowed monies had earned $996,305 in interest as of June 30, 2018.

B. 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:

Treasurer's Pool Investments

Issuer	Investment Type	Amount	% of Total
Treasurer's Pool Investments:			
Federal Farm Credit Bank	U.S. Government Agency	$ 31,261,390	5.69%
Federal Home Loan Bank	U.S. Government Agency	55,230,441	10.06%
Federal Home Loan Mortgage Corp. (FHLMC)	U.S. Government Agency	109,863,150	20.01%
Federal National Mortgage Association (FNMA)	U.S. Government Agency	53,698,103	9.78%
		$ 250,053,084	45.54%
Investments with Trustees:			
FSA Capital Management Services, LLC	Guaranteed Investment Contract	$ 13,748,142	8.48%

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 weighted average maturity of the Portfolio 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, 2018, the City had the following cash and investments in its portfolio:

		Investment Maturities			
Treasurer's Pool	**Fair Value**	**Less than 1 Year**	**1 to 5 Years**	**5 to 10 Years**	**More than 10 Years**
Cash Accounts	$ 34,795,950				
Treasurer's Pool Investments					
U.S. Government Agencies:					
Federal Farm Credit Bank	31,261,390	$ —	$ 31,261,390	$ —	$ —
Federal Home Loan Bank	55,230,441	—	55,230,441	—	—
Federal Home Loan Mortgage Corp.	109,863,150	—	109,863,150	—	—
Federal National Mortgage Association	53,698,103	—	53,698,103	—	—
Subtotal of U.S. Government Agencies	250,053,084	—	250,053,084	—	—
U.S. Treasury Securities	88,269,250	—	88,269,250	—	—
Medium Term Corporate Notes	111,146,260	—	111,146,260	—	—
Negotiable Certificate of Deposit	4,979,168	4,979,168	—	—	—
State Local Agency Investment Fund (CA LAIF)	9,960,429	9,960,429	—	—	—
Time Deposits	4,400,000	4,400,000	—	—	—
Money Market Mutual Funds	45,477,701	45,477,701	—	—	—
Total Treasurer's Pool	549,081,842	$ 64,817,298	$ 449,468,594	$ —	$ —
Investments Held Outside the Treasurer's Pool					
Debt Service Funds/Bond Proceeds:					
Guaranteed Investment Contracts	13,748,142	$ —	$ —	$ —	$ 13,748,142
Mutual Funds	10,065,766	10,065,766	—	—	—
U.S. Government & Agency Securities	138,313,757	138,313,757	—	—	—
		$ 148,379,523	$ —	$ —	$ 13,748,142
Other Deposits	5,118,385				
Outstanding Checks	(6,806,601)				
Deposits in Transit	938,018				
Pension Trust Assets (See Separate CAFRs)	3,128,630,417				
Total Cash and Investments	$ 3,839,089,726				

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	Minimum Legal Rating	Rating at Year-End	% of Treasurer's Pool
Treasurer's Pool Investments:				
U.S. Government Agency Securities:				
Federal Farm Credit Bank	$ 31,261,390	A	AA+	5.69%
Federal Home Loan Bank	55,230,441	A	AA+	10.06%
Federal Home Loan Mortgage Corporation	109,863,150	A	AA+	20.01%
Federal National Mortgage Association	53,698,103	A	AA+	9.78%
U.S. Treasury Securities	88,269,250	A	AAA	16.08%
Medium Term Corporate Notes:				
Bank of America	4,789,250	A	A-	0.87%
Caterprillar, Inc.	4,849,550	A	A	0.88%
Credit Suisse Ag/Nassau	4,753,750	A	A1	0.87%
General Electric Corp	4,888,150	A	A	0.89%
HSBC USA Inc.	14,907,900	A	A	2.72%
IBM Credit Corp	5,740,380	A	A+	1.05%
JPMorgan Chase & Company	7,958,800	A	A+	1.45%
Merck & Co. Inc	4,925,650	A	AA	0.90%
EXXON Mobil Corporation	4,974,800	A	AA+	0.91%
Royal Bank Canada Global	30,814,920	A	AA-	5.61%
Toyota Motor Credit Corp	12,788,860	A	AA-	2.33%
U.S. Bancorp	4,892,050	A	A+	0.89%
Wells Fargo Bank	4,862,200	A	A-	0.89%
Negotiable Certificate of Deposit	4,979,168	NA	Unrated	0.91%
State Local Agency Investment Pool	9,960,429	NA	Unrated	1.81%
Time Deposits	4,400,000	NA	Unrated	0.80%
Money Market Mutual Funds	45,477,701	NA	Unrated	8.28%
Total Treasurer's Pool Investments	$ 514,285,892			93.68%

Issuer	Amount	Minimum Legal Rating	Rating at Year-End	% of Investments with Trustees
Investments with Trustees:				
Guaranteed Investment Contracts	$ 13,748,142	NA	Unrated	8.48%
Mutual Funds	10,065,766	NA	Unrated	6.21%
U.S. Government & Treasury Securities	138,313,757	NA	AAA	85.31%
Total Investments with Trustees	$ 162,127,665			100.00%

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, 2018. As of June 30, 2018, the City's deposits with institutions in excess of federal depository insurance limits were $33.6 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, 2018, 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.

C. 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, 2018, was $22.5 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2018, had a balance of $88.8 billion. Of that amount, 2.67% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 193 days as of June 30, 2018.

LAIF has the following restrictions on withdrawals:

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

D. 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 Systems' Investment Policy can be found at http://www.cfrsca.org/Employee-/Investment/Policy.asp or 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, 2018 consist of the following:

Investments at Fair Value		
Domestic Equity	$	1,101,119,449
International Developed Market		530,218,894
International Emerging Market		102,294,220
Real Estate		431,519,641
Government Bonds		326,592,597
Corporate Bonds		277,258,738
Short-Term Investments		61,332,138
Direct Lending		117,315,593
Total Investments at Fair Value	$	2,947,651,270

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	13.0%	15.8%	27.0%
Domestic Small Cap Equities	2.0%	7.2%	9.0%
International Developed Market Equities	13.0%	19.0%	27.0%
International Emerging Market Equities	0.0%	6.0%	10.0%
Core Fixed Income	4.0%	10.0%	19.0%
High Yield Bonds	3.0%	5.0%	12.0%
Core Real Estate	5.0%	11.0%	20.0%
Value Add Real Estate/REITs	1.0%	4.0%	9.0%
Infrastructure	0.0%	4.0%	10.0%
MLPs	0.0%	5.0%	10.0%
Private Equity	0.0%	5.0%	10.0%
Direct Lending/Private Debt	0.0%	8.0%	10.0%
Cash & Equivalents	0.0%	0.0%	0.0%
		100.0%	

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' Comprehensive Annual Financial Reports (CAFRs).

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' CAFRs which can be found at http://www.cfrs-ca.org/Employee/Communications/Reports.asp and http://www.cfrs-ca.org/Fire-Police/Communications/Reports.asp or by contacting the Retirement Office at 2828 Fresno Street, Suite 201 Fresno, CA 93721.

E. Stewardship, Compliance and Accountability

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

F. 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 as follows at June 30, 2018:

	Cash and Investments Current and Noncurrent	Interest Receivable	Total
Governmental Activities:			
General Fund	$ 1,640,367	$ —	$ 1,640,367
Nonmajor Governmental Funds	8,467	—	8,467
Internal Service Funds	672,088	—	672,088
Subtotal	2,320,922	—	2,320,922
Business-Type Activities			
Water System	48,510,348	119,883	48,630,231
Sewer System	180,814,490	316,669	181,131,159
Solid Waste Management	2,663,471	—	2,663,471
Transit	27,548,378	—	27,548,378
Airports	18,902,715	—	18,902,715
Convention Center	3,055,284	—	3,055,284
Stadium	6,885,806	—	6,885,806
Internal Service Funds	5,076,771	—	5,076,771
Subtotal	293,457,263	436,552	293,893,815
Fiduciary:			
Private-Purpose Trust Fund	915,704	—	915,704
Agency Funds	558,664	—	558,664
Subtotal	1,474,368	—	1,474,368
Total	$ 297,252,553	$ 436,552	$ 297,689,105

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, 2018, are $2.3 million for the General Fund, $1.7 million for Water System, $1.9 million for Sewer System, $1.4 million for Solid Waste Management, $0.1 million for Airports, and $3.0 million for Other Enterprise Funds. The uncollectible accounts related to notes receivable at June 30, 2018 are $10.6 million for Grants Special Revenue Fund and $2.7 million for Other Governmental Funds. Accounts not scheduled for collection during the subsequent year are $76.6 million for Governmental notes and loans and $25.3 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, as of June 30, 2018 were as follows:

	Interest	Accounts Receivable	Grants Receivables	Property Taxes	Other Inter-governmental	Loans Receivable	Total
Governmental Activities							
General Fund	$ 235,557	$ 17,133,752	$ 340,008	$ 9,539,428	$ 21,649,715	$ —	$ 48,898,460
Grants Special Revenue Fund	—	7,684	7,500,105	—	—	56,971,703	64,479,492
Other Governmental Funds	547,072	200,821	34,909	—	3,253,693	20,514,158	24,550,653
Internal Service Funds	485,238	132,956	—	—	—	—	618,194
Subtotal	$ 1,267,867	$ 17,475,213	$ 7,875,022	$ 9,539,428	$ 24,903,408	$ 77,485,861	$ 138,546,799
Advances to Successor Agency							20,936,091
Total							$ 159,482,890
Business-Type Activities							
Water System	$ 772,330	$ 15,217,534	$ —	$ —	$ —	$ 7,968,432	$ 23,958,296
Sewer System	681,141	9,436,835	—	—	700,085	7,648,945	18,467,006
Solid Waste Management	258,835	4,231,537	—	—	—	13,927,872	18,418,244
Transit	171,162	232,997	4,717,151	—	3,298,460	—	8,419,770
Airports	289,565	2,076,878	1,600,742	—	133,806	—	4,100,991
Fresno Convention Center	—	399,332	—	—	—	—	399,332
Stadium	32,231	87,536	—	—	—	—	119,767
Other Enterprise Funds	43,683	1,288,876	—	—	—	—	1,332,559
Internal Service Funds	117,048	644,635	—	—	—	—	761,683
Subtotal	$ 2,365,995	$ 33,616,160	$ 6,317,893	$ —	$ 4,132,351	$ 29,545,249	$ 75,977,648
Advances to Successor Agency							1,050,218
Total							$ 77,027,866

Receivables are presented on the Statement of Net Position as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts Receivables, Net	$ 81,997,029	$ 47,046,065	$ 129,043,094
Restricted Interest Receivable	—	436,552	436,552
Loans, Notes, Leases and Other Receivables, Net	77,485,861	29,545,249	107,031,110
Total	$ 159,482,890	$ 77,027,866	$ 236,510,756

Note 5. Property, Plant and Equipment - Capital Assets

A. Citywide Capital Assets

The following is a summary of capital assets as of June 30, 2018:

	Primary Government			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Capital Assets Not Being Depreciated:				
Land	$ 260,055,039	$ 49,466,490	$ —	$ 309,521,529
Intangibles (Indefinite Life)	—	17,094,787	—	17,094,787
Construction in Progress	62,179,216	523,229,475	—	585,408,691
Total Capital Assets Not Being Depreciated	322,234,255	589,790,752	—	912,025,007
Capital Assets Being Depreciated:				
Buildings and Improvements	285,839,968	974,948,911	—	1,260,788,879
Machinery and Equipment	178,168,351	110,753,719	2,933,045	291,855,115
Infrastructure	1,396,211,778	849,234,750	—	2,245,446,528
Total Capital Assets Being Depreciated	1,860,220,097	1,934,937,380	2,933,045	3,798,090,522
Less: Accumulated Depreciation for:				
Buildings and Improvements	(152,185,260)	(397,107,306)	—	(549,292,566)
Machinery and Equipment	(118,124,194)	(63,093,693)	(999,741)	(182,217,628)
Infrastructure	(956,226,469)	(322,439,232)	—	(1,278,665,701)
Total Accumulated Depreciation	(1,226,535,923)	(782,640,231)	(999,741)	(2,010,175,895)
Total Capital Assets Being Depreciated, Net	633,684,174	1,152,297,149	1,933,304	1,787,914,627
Total Capital Assets, Net	$ 955,918,429	$ 1,742,087,901	$ 1,933,304	$ 2,699,939,634

B. Governmental Activities

Capital asset activity related to governmental activities for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 250,648,609	$ 9,406,430	$ —	$ 260,055,039
Construction in Progress	54,866,333	24,439,225	(17,126,342)	62,179,216
Total Capital Assets Not Being Depreciated	305,514,942	33,845,655	(17,126,342)	322,234,255
Capital Assets Being Depreciated:				
Buildings and Improvements	279,320,198	7,716,730	(1,196,960)	285,839,968
Machinery and Equipment	157,750,936	23,807,063	(3,389,648)	178,168,351
Infrastructure	1,385,734,746	11,390,466	(913,434)	1,396,211,778
Total Capital Assets Being Depreciated	1,822,805,880	42,914,259	(5,500,042)	1,860,220,097
Less: Accumulated Depreciation for:				
Buildings and Improvements	(144,068,257)	(8,117,003)	—	(152,185,260)
Machinery and Equipment	(113,773,352)	(7,738,802)	3,387,960	(118,124,194)
Infrastructure	(920,287,433)	(35,939,036)	—	(956,226,469)
Total Accumulated Depreciation	(1,178,129,042)	(51,794,841)	3,387,960	(1,226,535,923)
Total Capital Assets Being Depreciated, Net	644,676,838	(8,880,582)	(2,112,082)	633,684,174
Total Capital Assets, Net	$ 950,191,780	$ 24,965,073	$ (19,238,424)	$ 955,918,429

Depreciation was charged to functions as follows:

Function	Depreciation Amount
General Government	$ 6,180,117
Public Protection	4,731,651
Public Ways and Facilities	36,990,305
Culture and Recreation	3,883,373
Community Development	9,395
Total Governmental Activities Depreciation Expense	$ 51,794,841

C. Business-Type Activities

Capital asset activity related to Business-Type Activities for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 48,514,356	$ 952,134	$ —	$ 49,466,490
Intangibles Indefinite Life	17,094,787	—	—	17,094,787
Construction in Progress	398,096,759	218,887,374	(93,754,658)	523,229,475
Total Capital Assets Not Being Depreciated	463,705,902	219,839,508	(93,754,658)	589,790,752
Capital Assets Being Depreciated:				
Buildings and Improvements	922,548,072	52,549,500	(148,661)	974,948,911
Machinery and Equipment	100,401,402	11,735,925	(1,383,608)	110,753,719
Infrastructure	837,947,683	11,287,067	—	849,234,750
Total Capital Assets Being Depreciated	1,860,897,157	75,572,492	(1,532,269)	1,934,937,380
Less: Accumulated Depreciation for:				
Buildings and Improvements	(363,584,316)	(33,522,990)	—	(397,107,306)
Machinery and Equipment	(58,233,833)	(6,206,799)	1,346,939	(63,093,693)
Infrastructure	(299,435,555)	(23,003,677)	—	(322,439,232)
Total Accumulated Depreciation	(721,253,704)	(62,733,466)	1,346,939	(782,640,231)
Total Capital Assets Being Depreciated, Net	1,139,643,453	12,839,026	(185,330)	1,152,297,149
Total Capital Assets, Net	$ 1,603,349,355	$ 232,678,534	$ (93,939,988)	$ 1,742,087,901

Depreciation was charged to functions as follows:

Function	Depreciation Amount
Water System	$ 18,613,104
Sewer System	23,170,227
Solid Waste Management	611,406
Transit	5,356,264
Airports	10,431,071
Fresno Convention Center	3,306,715
Stadium	1,057,911
Other Enterprise Funds	186,768
Total Business-Type Activities Depreciation Expense	$ 62,733,466

D. Fiduciary Funds

Capital asset activity related to fiduciary funds for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Construction in Progress	$ —	$ —	$ —	$ —
Capital Assets Being Depreciated:				
Machinery and Equipment	2,924,201	8,844	—	2,933,045
Less: Accumulated Depreciation for:				
Machinery and Equipment	(721,691)	(278,050)	—	(999,741)
Total Capital Assets Being Depreciated, Net	2,202,510	(269,206)	—	1,933,304
Total Capital Assets, Net	$ 2,202,510	$ (269,206)	$ —	$ 1,933,304

Depreciation was charged to functions as follows:

Function	Depreciation Amount
Fire & Police Retirement System Pension Trust Funds	$ 139,025
Employee Retirement System Pension Trust Funds	139,025
Total Business-Type Activities Depreciation Expense	$ 278,050

E. Component Unit - City of Fresno Cultural Arts Properties Corporation

Capital asset activity related to the discretely presented component unit activities for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 424,766	$ —	$ (424,766)	$ —
Capital Assets Being Depreciated:				
Buildings and Improvements	13,360,594	—	(13,360,594)	—
Less: Accumulated Depreciation for:				
Buildings and Improvements	(2,318,039)	—	2,318,039	—
Total Capital Assets Being Depreciated, Net	11,042,555	—	(11,042,555)	—
Total Capital Assets, Net	$ 11,467,321	$ —	$ (11,467,321)	$ —

F. Construction in Progress

At June 30, 2018, Construction in Progress consisted of the following:

Project Title		Construction Costs To Date
Governmental Activities:		
General Street Projects	$	56,568,900
Regional Park Improvements		978,672
Other Miscellaneous Projects		4,631,644
Total Governmental Activities	$	62,179,216
Business-Type Activities:		
Water Capital Projects	$	372,767,090
Sewer/Wastewater Capital Projects		91,275,091
Airports Capital Projects		7,252,942
Transit Capital Projects		51,700,679
Miscellaneous Projects		233,673
Total Business-Type Activities	$	523,229,475
Total Construction in Progress	$	585,408,691

Note 6. 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, 2018:

	Primary Government			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total Primary Government
Long-Term Debt				
Revenue and Other Bonds	$ 249,520,000	$ 414,076,955	$ —	$ 663,596,955
Tax Allocation Bonds	—	—	1,869,000	1,869,000
Notes Payable	2,466,214	364,624,095	1,422,251	368,512,560
Subtotal Net Principal Due	251,986,214	778,701,050	3,291,251	1,033,978,515
Accreted Interest	—	3,960,871	—	3,960,871
Issuance Premiums (Discounts)	10,746,180	7,115,293	(4,819)	17,856,654
Subtotal Accreted Interest, Issuance Prem/(Disc)	10,746,180	11,076,164	(4,819)	21,817,525
Capital Lease Obligations	28,271,396	—	—	28,271,396
Total Long-Term Debt	291,003,790	789,777,214	3,286,432	1,084,067,436
Other Long-Term Liabilities				
Retention Payable	443,548	—	—	443,548
Compensated Absences and Health Retirement Arrangement (HRA)	59,657,647	12,109,698	73,664	71,841,009
Net OPEB Liability *	66,009,105	26,810,601	—	92,819,706
Liabilities for Self-Insurance	132,365,130	—	—	132,365,130
CVP Litigation Settlement	—	5,971,445	—	5,971,445
Accrued Closure Cost	—	14,434,574	—	14,434,574
Pollution Remediation	—	576,068	—	576,068
Total Other Long-Term Liabilities	258,475,430	59,902,386	73,664	318,451,480
Total Long-Term Liabilities Government-Wide Statement of Net Position	$ 549,479,220	$ 849,679,600	$ 3,360,096	$ 1,402,518,916
Due Within One Year	$ 66,525,785	$ 29,720,773	$ 410,658	$ 96,657,216
Due Within More Than One Year	482,953,435	819,958,827	2,949,438	1,305,861,700
Total Long-Term Liabilities Government-Wide Statement of Net Position	$ 549,479,220	$ 849,679,600	$ 3,360,096	$ 1,402,518,916

* The implementation of GASB Statement No. 75 in fiscal year 2018, caused the beginning balances of the OPEB liabilities to be restated.

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-time 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 and claims/judgments which are liquidated by Risk Management and the Employees Healthcare Plan.

Activity of Long-Term Liabilities - Governmental

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable (Revenue and Other Bonds):					
Lease Revenue Bonds, Series 2004	$ 13,880,000	$ —	$ 745,000	$ 13,135,000	$ 790,000
Lease Revenue Bonds, Series 2008 A, NNLB	2,630,000	—	2,630,000	—	—
Lease Revenue Bonds, Series 2008 C & D Parks Projects	860,000	—	860,000	—	—
Taxable Pension Obligation Bonds Refunding Series 2002	131,840,000	—	7,595,000	124,245,000	8,085,000
Lease Revenue Bonds 2017A, City Hall Refunding, Fresno Bee Building, Granite Park, Improvements	32,105,000	—	3,085,000	29,020,000	3,035,000
Lease Revenue Bonds, Series 2017A, City Hall Chilled	2,710,000	—	—	2,710,000	—
Lease Revenue Bonds, Series 2017A Parks Projects	22,965,000	—	—	22,965,000	695,000
Lease Revenue Bonds, Series 2017A&B, NNLB	12,950,000	—	5,000	12,945,000	2,365,000
Lease Revenue Bonds, Series 2017A, Police and Fire/Public Safety	32,065,000	—	—	32,065,000	1,015,000
Lease Revenue Bonds, Series 2017A, Various	12,435,000	—	—	12,435,000	525,000
Total Revenue and Other Bonds	264,440,000	—	14,920,000	249,520,000	16,510,000
Less: Unamortized Amounts:					
For Issuance Premiums/(Discounts)	12,097,403	—	1,351,223	10,746,180	—
Notes Payable:					
California Infrastructure Bank - City	1,714,535	—	75,321	1,639,214	77,979
HUD Sec 108 Note Reg. Med Center 1997-A	270,000	—	270,000	—	—
HUD Sec 108 Note FMAAA	365,000	—	110,000	255,000	120,000
HUD Sec 108 Note Neighborhood Streets/ Parks	666,000	—	94,000	572,000	100,000
Total Notes Payable	3,015,535	—	549,321	2,466,214	297,979
Capital Leases	20,884,029	12,848,599	5,461,232	28,271,396	5,909,299
Total Long-Term Debt	300,436,967	12,848,599	22,281,776	291,003,790	22,717,278
Other Liabilities:					
Retention Payable	—	443,548	—	443,548	443,548
Compensated Absences and Health Retirement Arrangement	55,279,732	13,377,338	8,999,423	59,657,647	8,460,993
Net OPEB Liability	60,191,663	5,817,442	—	66,009,105	—
Liability for Self-Insurance	129,134,868	78,881,177	75,650,915	132,365,130	34,903,966
Total Other Liabilities	244,606,263	98,519,505	84,650,338	258,475,430	43,808,507
Governmental Long-Term Liabilities Total	$ 545,043,230	$ 111,368,104	$ 106,932,114	$ 549,479,220	$ 66,525,785

Activity of Long-Term Liabilities - Business-Type

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds Payable (Revenue and Other Bonds):					
Water System Revenue Refunding Bonds 2003	$ 3,735,000	$ —	$ 1,180,000	$ 2,555,000	$ 1,245,000
Water System Revenue Bonds 2010	132,455,000	—	4,285,000	128,170,000	4,485,000
Sewer System Revenue Bonds 1993 A	26,660,000	—	9,590,000	17,070,000	10,090,000
Sewer System Revenue Bonds 2008 A	159,845,000	—	—	159,845,000	—
Lease Revenue Bonds 1998 - Exhibit Hall Expansion	2,641,238	—	289,283	2,351,955	275,078
Airport Revenue Refunding Bonds 2013	29,540,000	—	1,420,000	28,120,000	1,475,000
Lease Revenue Bonds 2001 A and B - Stadium	15,880,000	—	705,000	15,175,000	755,000
Airport Revenue Bonds 2007 - Cons. Rental Car	21,550,000	—	215,000	21,335,000	265,000
Lease Revenue Bonds 2008 - Riverside Golf Course	60,000	—	60,000	—	—
Lease Revenue Bonds 2008 - Convention Center	10,955,000	—	1,675,000	9,280,000	1,790,000
Lease Revenue Bonds 2017A - Exhibit Hall Expansion	11,665,000	—	—	11,665,000	830,000
Lease Revenue Bonds 2017A - Convention Center	4,260,000	—	225,000	4,035,000	365,000
Lease Revenue Bonds 2017A - Stadium	13,510,000	—	650,000	12,860,000	735,000
Lease Revenue Bonds 2017A - Riverside Golf Course	1,615,000	—	—	1,615,000	50,000
Total Revenue and Other Bonds	434,371,238	—	20,294,283	414,076,955	22,360,078
Plus Accreted Interest:					
Accreted Interest on Capital Appreciation Bonds	4,089,945	331,643	460,717	3,960,871	—
Less: Unamortized Amounts					
For Issuance Premiums/(Discounts)	8,242,232	—	1,126,939	7,115,293	—
Notes Payable:					
Construction of Water Supply Disinfection Buildings	1,498,164	—	88,188	1,409,976	90,221
Improvements on the Enterprise and Jefferson Canals	957,456	—	56,360	901,096	57,660
Water Meter Project	43,694,617	—	2,570,272	41,124,345	2,570,272
Southeast Surface Water Treatment Facility	81,666,670	71,893,502	—	153,560,172	—
Tertiary Treatment Facility	32,249,924	—	—	32,249,924	963,854
Convention Center: Employee Benefits Cost Reimbursement Settlement	316,953	—	46,437	270,516	270,516
Enterprise Canal Raw Water Pipeline	15,398,386	4,123,662	—	19,522,048	—
Regional Transmission Mains	12,068,369	36,543,302	—	48,611,671	—
Kings River Pipeline	9,120,622	37,648,040	—	46,768,662	—
Southwest Quadrant Recycled Water Dist. System	11,884,466	8,321,219	—	20,205,685	—
Total Notes Payable	208,855,627	158,529,725	2,761,257	364,624,095	3,952,523
Total Long-Term Debt	655,559,042	158,861,368	24,643,196	789,777,214	26,312,601
Other Long-Term Liabilities:					
Compensated Absences & Health Retirement Arrangement	11,330,810	2,344,676	1,565,788	12,109,698	1,508,172
Net OPEB Liability	24,447,759	2,362,842	—	26,810,601	—
CVP Litigation Settlement	8,436,323	—	2,464,878	5,971,445	1,000,000
Accrued Closure Cost	15,438,054	—	1,003,480	14,434,574	900,000
Pollution Remediation	630,056	—	53,988	576,068	—
Total Other Long-Term Liabilities	60,283,002	4,707,518	5,088,134	59,902,386	3,408,172
Business-Type Long-Term Liabilities Total	$ 715,842,044	$ 163,568,886	$ 29,731,330	$ 849,679,600	$ 29,720,773

Activity of Long-Term Liabilities - Fiduciary

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Fiduciary Funds:					
Successor Agency to the Fresno Redevelopment Agency:					
Tax Allocation Bonds:					
2001 Redevelopment Agency Merger 2	$ 1,360,000	$ —	$ 1,360,000	$ —	$ —
Series 2003, Mariposa Project Area	2,182,000	—	313,000	1,869,000	331,000
Total Tax Allocation Bonds	3,542,000	—	1,673,000	1,869,000	331,000
Less: Unamortized Amounts:					
For Issuance Premiums/(Discounts)	(3,616)	—	1,203	(4,819)	—
Total Unamortized Amounts	(3,616)	—	1,203	(4,819)	—
Notes Payable:					
California Infrastructure Bank	1,487,602	—	65,351	1,422,251	67,658
Total Notes Payable	1,487,602	—	65,351	1,422,251	67,658
Total Long-Term Debt	5,025,986	—	1,739,554	3,286,432	398,658
Other Liabilities:					
Compensated Absences	78,825	22,490	27,651	73,664	12,000
Total Other Long-Term Liabilities	78,825	22,490	27,651	73,664	12,000
Fiduciary Funds Long-Term Liabilities Total	$ 5,104,811	$ 22,490	$ 1,767,205	$ 3,360,096	$ 410,658

The following is a description of Long-Term Liabilities which had activity in 2018:

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	FY2018 Debt Service Payment
Governmental												
Revenue and Other Bonds												
Taxable Pension Obligation Bonds 2002	$205,335,000 taxable	Refund 2000 Taxable Pension Obligation Bonds	6.46% to 6.55%	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 2018 $12,234,039 of PTO revenue was used. In addition to PTO revenue, $1,426,870 of General Fund and $2,530,731 of Enterprise Fund/Internal Service Fund revenues were used to make the 2018 debt service payment of $16,191,640.	$8,085,000 to $15,195,000	$ 124,245,000	$ 0	$ 124,245,000	$ 178,090,500	$ 16,191,640
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A&B, No Neighborhood Left Behind (NNLB)	A = $11,010,000 tax-exempt; B = $1,940,000 taxable	Refinance No Neighborhood Left Behind Projects	2.34% 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 $544,329 was equal to debt service in 2018.	$2,365,000 to $2,830,000	$ 14,002,546	$ (1,057,546)	$ 12,945,000	$ 14,823,206	$ 544,329
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2008 A, No Neighborhood Left Behind (NNLB)	A = $38,210,000 tax-exempt	Refund 2005A Lease Revenue Bonds (No Neighborhood Left Behind Project)	N/A	4/29/2008	4/1/2018	Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of $2,768,075 was equal to debt service in 2018.	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,768,075
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Chiller) 2017 A, City Hall Chiller	A = $2,710,000 tax-exempt	Refinance City Hall Chiller	5.000%	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 $120,821 was equal to debt service in 2018.	$610,000 to $2,100,000	$ 3,126,160	$ (416,160)	$ 2,710,000	$ 3,492,500	$ 120,821
Fresno Joint Powers Financing Authority: Lease Financing Refunding 2017 A&B, City Hall, Garage #7, Bee Bldg & Granite Park	A = $10,125,000 tax-exempt; B = $21,980,000 taxable	Refinance City Hall, Parking Garage #7, Fresno Bee Building and Granite Park	2.34% to 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. Lease revenue of $4,241,820 was equal to debt service in 2018.	$1,645,000 to $3,565,000	$ 29,505,363	$ (485,363)	$ 29,020,000	$ 36,451,581	$ 4,241,820
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Various Capital Projects	A = $12,435,000 tax-exempt	Refinance Various Capital Improvement Projects	5.000%	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 $554,334 was equal to debt service in 2018.	$40,000 to $1,785,000	$ 14,167,855	$ (1,732,855)	$ 12,435,000	$ 19,496,000	$ 554,394
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2004 A,B,C, Various Capital Projects	A = $15,810,000 tax-exempt; B = $8,100,000 tax-exempt; C = $28,870,000 taxable	Calcot Project, Fire Department Projects, Downtown Parking Projects, Santa Fe Depot Project, Roeding Business Park Project Area, other capital projects	5.900%	4/28/2004	10/1/2034	Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of $1,541,943 was equal to debt service in 2018.	$790,000 to $1,400,000	$ 13,150,626	$ (15,626)	$ 13,135,000	$ 18,284,373	$ 1,541,943
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Parks Projects) 2017 A, Parks Impact Fee Projects	A = $22,965,000 tax-exempt	Refinance Improvements to Various Park Facilities	5.000%	5/10/2017	4/1/2018	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of $1,004,295 was equal to debt service in 2018.	$695,000 to $1,755,000	$ 26,051,472	$ (3,086,472)	$ 22,965,000	$ 36,415,750	$ 1,004,295

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	FY2018 Debt Service Payment
Fresno Joint Powers Financing Authority: Lease Revenue Bonds (Parks Projects) 2008 C & D, Parks Impact Fee Projects	C = $33,675,000 tax-exempt; D = $1,530,000 taxable	Refinance improvements to various park facilities	N/A	6/12/2008	4/1/2018	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of $894,400 was equal to debt service in 2018.	$ 0	$ 0	$ 0	$ 0	$ 0	$ 894,400
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Police and Fire/Public Safety	A = $32,065,000 tax-exempt	Refinance Public Safety Capital Improvement Projects (Police & Fire)	5.000%	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 $1,379,185 was equal to debt service in 2018.	$1,015,000 to $2,300,000	$ 36,017,158	$ (3,952,158)	$ 32,065,000	$ 50,982,500	$ 1,379,185
Revenue and Other Bonds Total								$ 260,266,180	$ (10,746,180)	$ 249,520,000	$ 358,036,410	$ 29,240,902
Notes Payable												
HUD: Regional Medical Center (RMC)	$3,000,000 Loaned	Improvements to Regional Medical Center	N/A	10/28/1997	8/1/2017	Section 108 Notes. Annual principal payments, semiannual interest payments.	$ 0	$ 0	$ 0	$ 0	$ 0	$ 273,929
HUD: Fresno/Madera Area Agency on Aging (FMAAA)	$1,500,000 Loaned	Acquire and improve FMAAA facilities	3.120% to 3.300%	6/14/2000	8/1/2019	Section 108 Notes. Annual principal payments, semiannual interest payments.	$120,000 to $135,000	$ 255,000	$ 0	$ 255,000	$ 263,555	$ 119,800
HUD: Neighborhood Streets/Parks	$1,500,000 Loaned	Improvements to various neighborhood streets & parks	5.850% to 6.120%	8/8/2002	8/1/2022	Section 108 Notes. Annual principal payments, semiannual interest payments	$100,000 to $130,000	$ 572,000	$ 0	$ 572,000	$ 663,051	$ 131,048
Roeding Business Park	$2,441,000 Loaned	Loaned from the California Infrastructure and Economic Development Bank to be used to complete the Roeding Business Park	3.530%	3/18/2004	8/1/2033	Secured by Facility Lease on City Hall Annex. Annual principal payments, semiannual interest payments.	$77,979 to $131,212	$ 1,639,214	$ 0	$ 1,639,214	$ 2,144,567	$ 134,514
Notes Payable Total								$ 2,466,214	$ 0	$ 2,466,214	$ 3,071,173	$ 659,291
Governmental Total								$ 262,732,394	$ (10,746,180)	$ 251,986,214	$ 361,107,583	$ 29,900,193

Business-Type												
Revenue and Other Bonds												
Water System Revenue Refunding Bonds 2003 A	A = $16,155,000 tax-exempt	Refund 1993 Water Bonds & finance improvements to the Water System	5.250%	4/23/2003	6/1/2020	Repayment of bonds solely from revenues derived from the operation of the City Water System, except connection fees and charges, refundable deposits and capital contributions. Pledged senior to the pledges securing the 2010 Bonds and State loans for Water. Principal paid annually, interest semiannually.	$1,245,000 to $1,310,000	$ 2,575,385	$ (20,385)	$ 2,555,000	$ 2,757,913	$ 1,376,088
Water System Revenue Bonds (Non-Taxable) 2010 A-1, Water	A-1 = $66,810,000 tax-exempt	Current Refund 1998 Water Bonds & improvements to the Water System	4.00% to 5.00%	2/3/2010	6/1/2024	Repayment of bonds solely from revenues derived from the operation of the City Water System, except connection fees and charges, refundable deposits and capital contributions. Pledged subordinate to the pledge securing the 2003 Bonds and in parity with the pledges securing State loans for Water. Principal payable annually, interest semiannually.	$4,485,000 to $7,455,000	$ 38,221,969	$ (1,391,969)	$ 36,830,000	$ 44,256,025	$ 6,411,575

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	FY2018 Debt Service Payment
Water System Revenue Bonds (Taxable Build America Bonds) 2010 A-2, Water	A-2 = $91,340,000 taxable	Improvements to the Water System	6.50% to 6.75%	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. Pledged subordinate to the pledge securing the 2003 Bonds and in parity with the pledges securing State loans for Water. Principal payable annually, interest semiannually. During Fiscal Year 2018, a federal Build America Bonds subsidy of $1,992,110 was received.	$4,090,000 to $7,715,000	$ 89,976,732	$ 1,363,268	$ 91,340,000	$ 185,601,813	$ 6,097,263
Sewer System Revenue Bonds 1993 A	A = $196,280,000 tax-exempt	Rehabilitation and expansion of the City's Wastewater Treatment Facility	4.50% to 5.25%	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. Pledged senior to the pledges of the 2008 Sewer Bonds and State loans for Sewer. Principal payable annually, interest semiannually.	$45,000 to $10,090,000	$ 17,064,578	$ 5,422	$ 17,070,000	$ 18,236,056	$ 10,701,025
Sewer System Revenue Bonds 2008 A, Sewer	A = $159,845,000 tax-exempt	Refund 1995 & 2000 Sewer Bonds; Improvements to the City's Wastewater Reclamation Facility	4.625% to 5.00%	7/24/2008	9/1/2037	Repayment of bonds solely from revenues derived from the operation of the City Sewer System, except connection fees and charges, refundable deposits and capital contributions. Pledged subordinate to the pledge securing the 1993 Bonds and in parity with the pledges of State loans for Sewer. Principal payable annually, interest semiannually.	$5,410,000 to $13,090,000	$ 162,286,422	$ (2,441,422)	$ 159,845,000	$ 257,551,697	$ 7,948,844
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 - Convention Center	A = $4,260,000 tax-exempt	Refinance Convention Center Improvement Projects (Phase I)	5.000%	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 2018, the City chose to make these lease payments from the General Fund in the amount of $414,925 which was equal to debt service in 2018. 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.	$365,000 to $540,000	$ 4,583,218	$ (548,218)	$ 4,035,000	$ 5,108,750	$ 414,925
Fresno Joint Powers Financing Authority: Lease Revenue Bonds (Conv. Ctr.) 2008 - Convention Center	F = $21,410,000 taxable	Refund a portion of 2006 Convention Center Bonds & finance various Convention Center improvements	6.700%	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 2018, the City chose to make these lease payments from the General Fund in the amount of $2,408,985, 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 these future payments, which the Authority will then use to make the debt service payment.	$1,370,000 to $2,175,000	$ 9,257,490	$ 22,510	$ 9,280,000	$ 11,106,755	$ 2,408,985
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Exhibit Hall Expansion Project Refunding	A = $11,665,000 tax-exempt	Refinance Exhibit Hall Expansion Project	5.000%	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 $520,064 was equal to debt service in 2018. 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.	$830,000 to $1,330,000	$ 13,352,065	$ (1,687,065)	$ 11,665,000	$ 15,440,750	$ 520,064

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	FY2018 Debt Service Payment
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 1998, Exhibit Hall Expansion Project	$32,609,535 tax-exempt	Construction of an exhibit hall.	N/A	9/1/1998	9/1/2028	Current Interest Serial Bonds ($25,395,000) and Capital Appreciation Serial Bonds ($7,214,535). Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments pursuant to a Facilities Lease. Principal due annually, interest due semiannually. During 2018, the City chose to make these lease payments from the General Fund in the amount of $750,000, which was equal to the debt service payment. All remaining bonds are Capital Appreciation Bonds, so interest is accreted. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	$162,405 to $275,078	$ 2,248,397	$ 103,558	$ 2,351,955	$ 8,250,000	$ 750,000
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Stadium Project	A = $13,510,000 tax-exempt	Refinance Multi-Purpose Stadium Project	5.000%	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 2018, the City chose to make these lease payments from the General Fund in the amount of $1,252,321, 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.	$735,000 to $1,300,000	$ 14,773,795	$ (1,913,795)	$ 12,860,000	$ 17,786,500	$ 1,252,321
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2001 A & B, Stadium Project	A = $23,615,000 tax-exempt; B = $22,235,000 taxable	Acquire and construct a multipurpose outdoor stadium	6.93% to 7.03%	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 2018, the City chose to make these lease payments from the General Fund in the amount of $1,816,324, 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.	$755,000 to $1,700,000	$ 15,195,322	$ (20,322)	$ 15,175,000	$ 23,626,238	$ 1,816,324
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Riverside Golf Course) 2017 A, Riverside Golf Course	A = $1,615,000 tax-exempt	Refinance Improvements to Riverside Golf Course	5.000%	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 2018, the City chose to make these lease payments from the General Fund in the amount of $70,609, 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.	$50,000 to $125,000	$ 1,832,054	$ (217,054)	$ 1,615,000	$ 2,555,500	$ 70,609
Fresno Joint Powers Financing Authority: Lease Revenue Bonds (Riverside Golf Course) 2008 C & D, Riverside Golf Course	C = $2,375,000 tax-exempt; D = $105,000 taxable	Improvements to Riverside Golf Course	N/A	6/12/2008	4/1/2038	Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments pursuant to the Facilities Sublease. Principal due annually, interest due semiannually. During 2016, the City chose to make these lease payments from the General Fund in the amount of $62,400, which was equal to the debt service payment. While the City has the right to use any unencumberd 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.	N/A	$ 0	$ 0	$ 0	$ 0	$ 62,400
Airport Revenue Refunding Bonds 2013, Concourse Expansion	A = $10,810,000 Non-AMT; B = $22,820,000 AMT (Subject to Alternative Minimum Tax)	Refund 2000 Airport Revenue Bonds	4.00% to 5.125%	8/6/2013	7/1/2030	Repayment of bonds solely from operation of the City Airport System. Bond Indenture requires a minimum $1,600,000 of PFC Contribution toward annual debt service from Passenger Facility Charges (PFC). During Fiscal Year 2018 $1,600,000 of PFC and $1,174,744 of eligible Airports operation revenues were used to make the debt service payment.	$1,475,000 to $5,335,000	$ 28,489,821	$ (369,821)	$ 28,120,000	$ 38,567,947	$ 2,774,744

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	FY2018 Debt Service Payment
Airport Revenue Bonds 2007, Consolidated Rental Car Facility	$22,000,000 taxable	Construction of a consolidated rental car facility and related improvements	5.833%	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 2018 $1,465,741 of CFC revenues was used to fully cover the debt service payment.	$265,000 to $2,265,000	$ 21,335,000	$ 0	$ 21,335,000	$ 37,783,914	$ 1,465,741
Revenue and Other Bonds Total								$ 421,192,248	$ (7,115,293)	$ 414,076,955	$ 668,629,858	$ 44,070,908
Notes Payable												
Water: Safe-Drinking Water Program	$51,405,432 Loaned	Installation of water meters throughout the City of Fresno	0.000%	4/10/2012	10/1/2022	Contract between the State Water Resources Control Board (SWRCB) and the City. No interest loan. Repayment of the loan is funded from revenues of the Water Fund. Pledged subordinate to the pledge securing the 2003 Water Bonds and in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal due in semiannual installments of $1,285,136.	$1,285,136 to $2,570,272	$ 41,124,345	$ 0	$ 41,124,345	$ 41,124,345	$ 2,570,272
Water: Safe Drinking Water Program	$1,946,686 Loaned	To protect the City's drinking water supplies from possible contaminating activities (PCA's)	2.292%	7/1/2009	7/1/2031	Contract between the SWRCB and the City. Repayment of loan is funded from revenues of the Water Fund. Pledged subordinate to the pledge securing the 2003 Water Bonds and in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of $61,014.	$90,222 to $119,962	$ 1,409,976	$ 0	$ 1,409,976	$ 1,647,377	$ 122,028
Water: Safe Drinking Water Program	$1,245,485 Loaned	Improvements on the Enterprise and Jefferson Canals	2.292%	7/1/2009	1/1/2032	Contract between the SWRCB and the City. Repayment of loan is funded from revenues of the Water Fund. Pledged subordinate to the pledge securing the 2003 Water Bonds and in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of $38,993.	$57,659 to $76,666	$ 901,096	$ 0	$ 901,096	$ 1,052,817	$ 77,986
Water: Drinking Water State Revolving Fund Project 1010007-029C	$26,520,000 Loaned	Construction of a raw water pipeline to replace the Enterprise Canal for the Northeast Surface Water Treatment Facility	1.600%	4/5/2016	7/1/2048	Contract between the SWRCB and the City. Repayment of loan is funded from revenues of the Water Fund. Pledged subordinate to the pledge securing the 2003 Water Bonds and in parity with the pledges securing the 2010 Bonds and other State loans for Water. 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.	$ 19,522,048	$ 0	$ 19,522,048	$ 19,522,048	$ 267,892
Water: Drinking Water State Revolving Fund Project 1010007-028C	$195,489,000 Loaned	Construction of a Southeast Surface Water Treatment Facility.	1.663%	7/15/2015	1/1/2049	Contract between the SWRCB and the City. Repayment of loan is funded from revenues of the Water Fund. Pledged subordinate to the pledge securing the 2003 Water Bonds and in parity with the pledges securing the 2010 Bonds and other State loans for Water. 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.	$ 153,560,172	$ 0	$ 153,560,172	$ 153,560,172	$ 1,924,233
Water: Drinking Water State Revolving Fund Project 1010007-030C	$75,900,000 Loaned	Construction of the Friant-Kern Canal Raw Water Pipline	1.600%	8/23/2016	1/1/2049	Contract between the SWRCB and the City. Repayment of loan is funded from revenues of the Water Fund. Pledged subordinate to the pledge securing the 2003 Water Bonds and in parity with the pledges securing the 2010 Bonds and other State loans for Water. 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.	$ 48,611,671	$ 0	$ 48,611,671	$ 48,611,671	$ 577,879

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	FY2018 Debt Service Payment
Water: Drinking Water State Revolving Fund Project 1010007-031C	$65,875,669 Loaned	Construction of a Kings River Pipeline.	1.600%	4/5/2016	7/1/2048	Contract between the SWRCB and the City. Repayment of loan is funded from revenues of the Water Fund. Pledged subordinate to the pledge securing the 2003 Water Bonds and in parity with the pledges securing the 2010 Bonds and other State loans for Water. 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.	$ 46,768,662	$ 0	$ 46,768,662	$ 46,768,662	$ 480,779
Sewer: Clean Water State Revolving Fund Project	$33,212,590 Loaned	Construction of a tertiary treatment facility	1.000%	10/17/2015	7/12/2046	Contract between the SWRCB and the City. Repayment of loan solely from all revenues derived from the operation of the City Sewer System, except connection fees and charges, refundable deposits and capital contributions. Pledged subordinate to the pledge securing the 1993 Bonds, and in parity with the pledge securing the 2008 Bonds and State loans for Sewer. Principal and interest due in annual installments of $1,279,885. Payment for FY2018 was made in FY2017.	$963,854 to $1,282,163	$ 32,249,924	$ 0	$ 32,249,924	$ 37,312,878	$ 0
Sewer: Clean Water State Revolving Fund Project No. 8061-110	$52,475,049 Loaned	Construction of a recycled water distribution system in the southwest quadrant of the City	1.000%	7/1/2016	5/30/2047	Contract between the SWRCB and the City. Repayment of loan solely from all revenues derived from the operation of the City Water System, except connection fees and charges, refundable deposits and capital contributions. Pledged subordinate to the pledge securing the 1993 Bonds, and in parity with the pledge securing the 2008 Bonds and 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. Repayment of the note is funded from revenues of the Wastewater Fund.	No amortization schedule available until project is complete.	$ 20,205,685	$ 0	$ 20,205,685	$ 20,205,685	$ 0
Convention Center: Management Agreement	$781,000 Loaned	Management Agreement between the City of Fresno and SMG to settle a conflict with employee benefits costs incurred by SMG	3.423%	1/1/2009	12/31/2018	Principal and interest due in monthly installments of $4,167 through 12/31/2018 with an additional payment of $250,000 to be paid no later than 12/31/2018. Repayment of the note is funded from revenues of the Convention Center operating fund.	$270,516	$ 270,516	$ 0	$ 270,516	$ 275,000	$ 50,004
Notes Payable Total								$ 364,624,095	$ 0	$ 364,624,095	$ 370,080,655	$ 6,071,073
Business-Type Total								$ 785,816,343	$ (7,115,293)	$ 778,701,050	$1,038,710,513	$ 50,141,981
Fiduciary												
Tax Allocation Bonds												
Fresno Joint Powers Financing Authority: Tax Allocation Revenue Bonds 2001, Redevelopment Agency Merger 2	$10,000,000 tax-exempt	Redevelopment purposes within the Agnecy's Merger No. 2 Project Area	N/A	2/1/2012	8/1/2018	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 Merger No. 2 Project area. All such revenues are pledged. Tax increment in Merger Area No. 2 of $480,217 plus $915,483 from the Debt Service Reserve Fund was used to pay the bonds off one year early.	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,395,700
Tax Allocation Refunding Bonds 2003, Mariposa Project Area	$5,005,000 tax-exempt	Refund the Agency's 1993 Tax Allocation Bonds (Mariposa Project Area)	5.50% to 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 $434,100 was equal to debt service in 2018.	$331,000 to $418,000	$ 1,864,181	$ 4,819	$ 1,869,000	$ 2,195,360	$ 434,100
Tax Allocation Bonds Total								$ 1,864,181	$ 4,819	$ 1,869,000	$ 2,195,360	$ 1,829,800

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	FY2018 Debt Service Payment
Notes Payable												
RDA: Roeding Business Park	$2,118,000 Loaned	Loaned from the California Infrastructure and Economic Development Bank to be used to complete the Roeding Business Park	3.530%	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.	$67,658 to $113,845	$ 1,422,251	$ 0	$ 1,422,251	$ 1,860,716	$ 116,710
Notes Payable Total								$ 1,422,251	$ 0	$ 1,422,251	$ 1,860,716	$ 116,710
Fiduciary Total								$ 3,286,432	$ 4,819	$ 3,291,251	$ 4,056,076	$ 1,946,510
Grand Total								$1,051,835,169	$ (17,856,654)	$1,033,978,515	$1,403,874,172	$ 81,988,684

B. Debt Service Requirements - excluding capital leases

The annual debt service requirements excluding capital lease obligations for the City's long-term debt outstanding as of June 30, 2018, are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities			Fiduciary Funds	
	Principal	Interest	Principal	Interest Accretion	Interest	Principal	Interest
2019	$ 16,807,979	$ 14,144,108	$ 26,312,601	$ 474,922	$ 23,275,035	$ 398,658	$ 153,287
2020	17,752,732	13,197,882	22,071,617	488,437	22,236,943	423,047	132,652
2021	18,837,582	12,197,032	23,434,351	503,925	21,280,357	442,519	110,721
2022	17,827,532	11,153,842	24,175,550	516,127	20,249,602	472,079	87,303
2023	19,434,587	10,151,853	24,332,536	527,722	19,164,557	495,729	62,275
2024-2028	93,372,664	34,462,411	114,357,220	3,386,909	80,003,314	431,794	149,903
2029-2033	43,976,926	10,482,861	118,583,803	—	49,915,841	513,579	66,674
2034-2038	21,676,212	3,245,128	110,633,320	—	21,784,519	113,845	2,009
2039-2043	2,300,000	86,250	21,104,216	—	1,972,900	—	—
2044-2048	—	—	293,695,840	—	126,444	—	—
2049-2053	—	—	—	—	—	—	—
Subtotal	251,986,214	109,121,367	778,701,054	5,898,042	260,009,512	3,291,250	764,824
Issuance Premiums/ (Discounts)	10,746,180	—	7,115,293	—	—	(4,819)	—
Unaccreted Interest	—	—	—	(1,937,171)	—	—	—
Total	$ 262,732,394	$ 109,121,367	$ 785,816,347	$ 3,960,871	$ 260,009,512	$ 3,286,431	$ 764,824

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 insure compliance with Senate Bill 1029 (SB 1029). SB 1029, which was signed into law in September 2016, mandated certain requirements for debt management policies that are adopted by local governments and agencies. The SB 1029 review found that the City's existing Debt

Management Policy met all of SB 1029's requirements, with one exception. That exception was the lack of language addressing internal controls on debt transactions. However, while the City's policy was generally in compliance with SB 1029, the review turned up some outdated language. That outdated language usually took the form of referencing an entity that no longer exists (e.g., the Redevelopment Agency) or a milestone that was to occur in a now previous year (e.g. "The City in Fiscal Year 2010…."). Given the change required under SB 1029, the outdated language in the current policy, and the fact that the policy has not been updated since 2010, the decision was made to perform a comprehensive update of the Debt Management Policy. 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, 2018, the City's debt limit (20% of valuation subject to taxation) was $6.89 billion. This number was calculated by taking the Total Assessed Values (Gross) from the County of Fresno Tax Rate Book, page 12 x 20%. This is in comparison with debt limits of $6.59 billion in 2017. 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.

G. State Loan Program

On October 17, 2014, the City entered into a loan program with the California State Water Resources Control Board's Clean Water State Revolving Fund to borrow funds for the purpose of building a tertiary treatment facility and related projects. The loan was amended on March 16, 2015 from $49,034,336 to $33,138,638 as a result of the restructuring of the project into component parts. This restructuring was based upon construction timing as well as the ineligibility of portions of the project which did not qualify for the lowest interest rate under the State program. The term of the amended loan will be 30 years at an interest rate of 1%. Interest charged during construction of $73,952 was deferred and added to the principal balance, which increased the loan to $33,212,590. As of June 30, 2018, the outstanding balance of the loan is $32,249,924. Starting in fiscal year 2019, the annual debt service payment will be $1,286,353 payable from Public Utilities (DPU) revenues, consisting of sewer rates, fees and charges.

On July 15, 2015, the City entered into a 30-year agreement to borrow $195,489,000 from the California State Water Resources Control Board for construction of a new surface water treatment facility in southeast Fresno. The interest rate is fixed at 1.663% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2018, the City has received $153,560,172 in proceeds. The note will be funded from revenues of the Water Enterprise. Once construction is completed, annual debt services are estimated to be $8,302,895.

On September 14, 2015, the City entered into a 30-year agreement to borrow $52,475,049 from the California State Water Resources Control Board's Clean Water State Revolving Fund for construction of a recycled water distribution system in the southwest quadrant of the City. The interest rate is fixed at 1.0% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2018, the City has received $20,205,685 in proceeds. The note will be funded from revenues of the Sewer Enterprise. Once construction is completed, annual debt is estimated to be $2,028,979.

On June 8, 2016, the City entered into a 30-year agreement to borrow $26,520,000 from the California State Water Resources Control Board for construction of a raw water pipeline to replace the Enterprise Canal as a primary conveyance system for the Northeast Surface Water Treatment Facility. The interest rate is fixed at 1.6% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. Until completion, interest is due semiannually on the amount received by the City through the interest payment date. As of June 30, 2018, the City has received $19,522,048 in proceeds. The note will be funded from revenues of the Water Enterprise. Once construction is completed, the annual debt is estimated to be $1,116,533.

On July 19, 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 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, 2018, the City has received $46,768,662 in proceeds. The note will be funded from revenues of the Water Enterprise. Once construction is completed, the annual debt is estimated to be $2,773,546.

On August 23, 2016, the City entered into a 30-year agreement to borrow $75,900,000 from the California State Water Resources Control Board for construction of regional transmission mains to transport water from facilities throughout 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, 2018, the City has received $48,611,671 in proceeds. The note will be funded from revenues of the Water Enterprise. Once construction is completed, the annual debt is estimated to be $3,195,506.

H. Capital Lease Obligations

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 Master Lease. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at present value of their future minimum lease payments as of the inception date. Prior lease agreements with outstanding balances are with All Points Capital Corp., DeLage Landen, PNC Equipment Financing, Dell Financial Services, Kansas State Band and Community Leasing Partners.

Two of the leases were assigned to Capital One Public Funding Group by All Points Capital Corp. The terms of the City, however, were unaffected.

On December 13, 2013, the City entered into a Master Lease Agreement with Dell Financial Services to lease/purchase computers. Each lease schedule represents a separate lease with annual upfront payment terms provided by the lender at the time the computers are purchased. To date, there have been forty-one lease schedules executed totaling $944,081 with interest rates ranging from 4.99% to 10.15% and terms between three and five years. As of June 30, 2018 twenty of these leases remain outstanding.

On January 13, 2017, the City entered into a Master Equipment Lease-Purchase Agreement with Banc of America Public Capital Corp. The purpose of the lease is to finance new and replacement equipment throughout the City. The lease will expire at an aggregate of $25 million financed or June 30, 2019, whichever comes first. Each lease schedule represents a separate lease at rates determined immediately prior to financing. To date, there have been ten lease schedules executed totaling $20,248,252 with interest rates ranging from 1.92% to 3.16% and terms between five and ten years.

The following table lists the City's Capital Lease Obligations by lender as of June 30, 2018:

Lender	Date of Loan	Term (Years)	Purchased	Interest Rate	Annual (P&I Payment)
All Points Capital Corp	2/26/2008	10	Triple Combination Fire Trucks (3)	3.29%	$ 167,609
All Points Capital Corp	6/11/2008	10	105' Smeal Aerial Ladder Fire Truck	3.61%	93,753
Community First National Bank	6/12/2015	5	Various Equipment	2.31%	205,653
Community First National Bank	7/13/2015	10	2015 Smeal Engines on Spartan Metrostar Chassis (4)	2.92%	210,414
Community First National Bank	9/22/2015	10	2015 Smeal Engines on Metrostar (3) & Aerial on Gladiator (1)	2.69%	339,846
Community First National Bank	2/22/2016	10	2012 Smeal Engine & 2016 Water Tender on Kenworth	2.09%	156,795
Community First National Bank	4/13/2016	5	2016 Toyota Camrys (2)	1.75%	9,538
Community First National Bank	6/2/2016	5	2016 Light Vehicles & Upfitting	1.87%	231,735
De Lage Landen Public Finance	12/1/2010	10	2009 Spartan 1500 Fire Trucks (3)	3.07%	199,578
Dell Financial Services	12/1/2013	5	Computers (17) Optiplex 7010 Mini	4.99%	776
Dell Financial Services	8/1/2014	4	Computers (400)	5.17%	88,829
Dell Financial Services	10/20/2015	3	Computers	10.15%	16,196
Dell Financial Services	1/15/2016	3	Microsoft Surface Laptops (50)	5.52%	31,393
Dell Financial Services	1/25/2016	3	Computers	5.71%	524
Dell Financial Services	7/1/2016	4	Dell Optiplex 7040 SFF Computers (3)	5.01%	908
Dell Financial Services	9/1/2016	4	Optiplex 7040 Computers (7) & 19" Monitors (10)	5.01%	2,343
Dell Financial Services	9/1/2016	4	Optiplex 7040 SFF Computers (16)	7.59%	5,860
Dell Financial Services	9/1/2016	3	Cisco Equipment	6.27%	17,698
Dell Financial Services	1/1/2017	3	Dell Lattitude Laptop & Docking Station	5.63%	3,345
Dell Financial Services	1/1/2017	3	Dell OptiPlex 7040 Computers (1)	5.63%	1,446
Dell Financial Services	1/1/2017	3	Dell OptiPlex 7040 Computers (10)	5.63%	3,566
Dell Financial Services	1/1/2017	3	Dell OptiPlex 7040 Computers (7)	5.63%	2,498
Dell Financial Services	2/1/2017	3	Dell OptiPlex 7040 Computers (11)	5.63%	4,002
Dell Financial Services	2/1/2017	3	Dell OptiPlex 7040 Computers (2)	5.63%	2,186
Dell Financial Services	2/1/2017	3	Dell OptiPlex 7040 Computers (3)	5.63%	3,277
Dell Financial Services	2/1/2017	3	Dell OptiPlex 7040 Computers (4)	6.61%	5,730
Dell Financial Services	2/1/2017	3	Dell OptiPlex 7040 Computers (8)	5.63%	5,758
Dell Financial Services	4/1/2017	3	Dell OptiPlex 7040 Computers (5)	5.63%	5,466
Dell Financial Services	1/8/2018	3	Dell OptiPlex 7040 Computers (7)	5.63%	2,282
Kansas State Bank Public Finance	10/10/2013	5	Patrol Cars (50 Replacement Vehicles)	3.39%	514,906
Kansas State Bank Public Finance	5/23/2014	4	Motorola APX6000 Digital Portable Radios (275 Units)	3.27%	166,884
Kansas State Bank Public Finance	9/26/2014	5	Police & Parks Vehicles	3.39%	796,594
Kansas State Bank Public Finance	9/10/2015	5	Police Vehicles	3.39%	647,920
PNC Equipment Finance, LLC	10/4/2012	8	Self-Contained Breathing Apparatus	3.30%	154,138
Banc of America Public Capital Corp	4/10/2017	5	Fire Chevy Silverado Pickup	2.07%	10,281
Banc of America Public Capital Corp	5/2/2017	10	Fire Engines & Pumpers	2.52%	463,904
Banc of America Public Capital Corp	5/11/2017	5	Police Vehicles (84)	1.96%	691,736
Banc of America Public Capital Corp	11/20/2017	5	Police Vehicles (50)	2.14%	293,360
Banc of America Public Capital Corp	8/1/2017	5	Police Motorcycles (14) & Fire Vehicles (9)	1.92%	82,079
Banc of America Public Capital Corp	11/29/2017	5	DARM Ford F-150 Pickup Trucks (24)	2.14%	57,466
Banc of America Public Capital Corp	11/23/2017	7	Microwave Date & Radio Console Network	2.46%	391,621
			Total		$ 6,089,893

Capital Lease Debt service requirements are presented below. Interest rates range from 1.75% to 10.15%.

Year Ended June 30	Governmental Activities Principal	Interest
2019	$ 5,909,299	$ 691,807
2020	5,334,890	533,547
2021	4,277,833	403,230
2022	3,709,729	306,313
2023	2,660,171	220,952
2024-2028	6,379,474	353,100
Total	$ 28,271,396	$ 2,508,949

I. General Fund Short-Term Borrowing Obligations

The City did not issue any short-term debt during fiscal year 2018 and did not have any short-term debt outstanding during the fiscal year.

Note 7. 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 June 30, 2018, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue Fund	$ 3,683,283
	Nonmajor Governmental Funds	222,634
	Internal Service Funds	656,089
	Fiduciary Funds	921
		4,562,927
Grants Special Revenue Fund	Nonmajor Governmental Funds	5,011
	Internal Service Funds	2,191,348
		2,196,359
Nonmajor Governmental Funds	Fresno Convention Center	4,936
	Internal Service Funds	979,530
		984,466
Transit	Nonmajor Governmental Funds	1,107,116
Internal Service Funds	General Fund	748,568
	Grants Special Revenue Fund	783
	Nonmajor Government Funds	187,460
	Water System	155,769
	Sewer System	168,622
	Solid Waste Management	526,255
	Transit	112,871
	Airports	27,717
	Fresno Convention Center	3,830
	Nonmajor Enterprise Funds	178,918
	Internal Service Funds	9,091
		2,119,884
Total Due to/from Other Funds		$ 10,970,752

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%.

Redevelopment Agency

Advances over the years between the City and the former Redevelopment Agency (RDA) were made to provide funds to eliminate blight and to develop, construct, rehabilitate and revitalize 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 2018, the allowance for doubtful accounts stands at $6.1 million.

As the funds are received, twenty percent 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 2018, this amount totaled $0.8 million. The repayment is reflected on the CAFR 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, 2018, the City had received $16.6 million in loan repayments from the SA. With the adoption of the FY2019 budget, this will become a General Fund revenue source.

City of Fresno Advances to Former Redevelopment Agency

	Principal Cumulative				Interest Cumulative				Total		
Receivable Fund	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	$ 3,710,412	$ 119,768	$ (1,223,537)	$ 2,606,643	$ 3,628,194	$ 188,806	$ (1,132,128)	$ 2,684,872	$ 5,291,515	$ (1,383,181)	$ 3,908,334
General Revenue Sharing	144,296	(119,768)	(19,440)	5,088	133,376	(110,452)	(17,186)	5,738	10,826	—	10,826
Parking Trust	150,000	—	—	150,000	93,600	4,500	—	98,100	248,100	(248,100)	—
	4,004,708	—	(1,242,977)	2,761,731	3,855,170	82,854	(1,149,314)	2,788,710	5,550,441	(1,631,281)	3,919,160
Grants Special Revenue Fund	10,437,251	—	(722,659)	9,714,592	9,490,889	291,439	(888,671)	8,893,657	18,608,249	(2,046,951)	16,561,298
Nonmajor Governmental Funds:											
Gas Tax	1,376,142	—	—	1,376,142	878,534	41,284	—	919,818	2,295,960	(1,904,528)	391,432
Measure C	—	—	—	—	63,280	—	—	63,280	63,280	—	63,280
	1,376,142	—	—	1,376,142	941,814	41,284	—	983,098	2,359,240	(1,904,528)	454,712
Water System	93,876	—	—	93,876	46,368	2,816	—	49,184	143,060	—	143,060
Sewer System	592,971	—	—	592,971	296,398	17,789	—	314,187	907,158	—	907,158
Fresno Convention Center	304,233	—	—	304,233	182,539	9,127	—	191,666	495,899	(495,899)	—
	991,080	—	—	991,080	525,305	29,732	—	555,037	1,546,117	(495,899)	1,050,218
Total	$ 16,809,181	$ —	$ (1,965,636)	$ 14,843,545	$ 14,813,178	$ 445,309	$ (2,037,985)	$ 13,220,502	$ 28,064,047	$ (6,078,659)	$ 21,985,388

Subsequent to year-end, the City received a reimbursement on loans made to the former RDA. The amount received was $5.2 million, of which $4.2 million was paid to the City and $1.0 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 1/29th 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, 2018, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fiduciary Funds	$ 3,919,160
Grants Special Revenue Fund	Fiduciary Funds	16,561,298
Nonmajor Governmental Funds	Nonmajor Governmental Funds	62,208
	Fiduciary Funds	454,712
		516,920
Water System	Fiduciary Funds	143,060
Sewer System	General Fund	3,402,071
	Fiduciary Funds	907,158
		4,309,229
Total Advances		$ 25,449,667

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 year ended June 30, 2018:

Receiving Fund	Paying Fund	Amount
General Fund	Grants Special Revenue Fund	$ 2,709,187
	Nonmajor Governmental Funds	522,125
	Water System	926
	Solid Waste Management	708,350
	Transit	597,148
	Internal Service Funds	13,546
		4,551,282
Grants Special Revenue Fund	General Fund	487
	Nonmajor Governmental Funds	2,761,937
	Nonmajor Enterprise Funds	89,672
		2,852,096
Nonmajor Governmental Funds	General Fund	27,551,295
	Grants Special Revenue Fund	2,746,908
	Nonmajor Governmental Funds	8,053,651
	Water System	427,852
	Sewer System	383,164
	Solid Waste Management	346,368
	Transit	906,116
	Airports	208,581
	Nonmajor Enterprise Funds	102,475
	Internal Service Funds	1,266,832
		41,993,242
Water System	Sewer System	99,000
Solid Waste Management	General Fund	673,268
	Nonmajor Enterprise Funds	667,027
	Internal Service Funds	282,439
		1,622,734
Fresno Convention Center	General Fund	5,005,375
	Nonmajor Governmental Funds	2,872
		5,008,247
Stadium	General Fund	3,179,271
	Nonmajor Governmental Funds	2,603
		3,181,874
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	267
Internal Service Funds	General Fund	4,208,272
Total Transfers		$ 63,517,014

The General Fund transferred $27.6 million to Nonmajor Governmental Funds to provide support for debt service payments and capital projects; $5.0 million to the Convention Center for debt service as well as general operating support; $4.2 million to Internal Service Funds for provided services and $3.2 million to the Stadium Fund for debt service payments.

The Grants Special Revenue Fund transferred $2.7 million to the General Fund for an RDA Advance and $2.7 million to Nonmajor Governmental Funds.

Nonmajor Governmental Funds transferred $11.3 million for debt service and miscellaneous purposes. Internal Service Funds transferred $1.3 million to Nonmajor Governmental Funds for debt service payments.

D. Recap of Interfund Activity

The following schedule recaps Interfund Activity at June 30, 2018:

	Due from Other Funds	Due to Other Funds	Advances Receivable from Other Funds	Advances Payable to Other Funds	Transfers In	Transfers Out
Governmental Funds:						
General Fund	$ 4,562,927	$ 748,568	$ 3,919,160	$ 3,402,071	$ 4,551,282	$ 40,617,968
Grants Special Revenue Fund	2,196,359	3,684,066	16,561,298	—	2,852,096	5,456,095
Nonmajor Governmental Funds	984,466	1,522,221	516,920	62,208	41,993,242	11,343,455
Total Governmental Funds	7,743,752	5,954,855	20,997,378	3,464,279	49,396,620	57,417,518
Proprietary Funds:						
Water System	—	155,769	143,060	—	99,000	428,778
Sewer System	—	168,622	4,309,229	—	—	482,164
Solid Waste Management	—	526,255	—	—	1,622,734	1,054,718
Transit	1,107,116	112,871	—	—	—	1,503,264
Airports	—	27,717	—	—	—	208,581
Fresno Convention Center	—	8,766	—	—	5,008,247	—
Stadium	—	—	—	—	3,181,874	—
Nonmajor Enterprise Funds	—	178,918	—	—	267	859,174
Internal Service Funds	2,119,884	3,836,058	—	—	4,208,272	1,562,817
Total Proprietary Funds	3,227,000	5,014,976	4,452,289	—	14,120,394	6,099,496
Fiduciary Funds:						
Major Governmental Funds	—	921	—	21,985,388	—	—
Total Fiduciary Funds	—	921	—	21,985,388	—	—
Total	$ 10,970,752	$ 10,970,752	$ 25,449,667	$ 25,449,667	$ 63,517,014	$ 63,517,014

Note 8. Defeasances

Current Year Defeasances

The City of Fresno did not defease any debt in fiscal year 2018.

Prior Year Defeasances

On May 10, 2017, the City refinanced several bonds, including the 2009 Fresno Joint Powers Financing Authority Lease Revenue Bonds (Public Safety Projects). These bonds are not callable until April 1, 2019. An escrow account was established at Zion's National Bank with a deposit from bond proceeds of $35.5 million and a transfer from the Reserve Fund of $3.4 million to pay debt service on the 2009 Bonds until April 1, 2019. As of June 30, 2018, $36.3 million remains in the escrow account.

Note 9. 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 $50 million aggregate in Excess Liability coverage. There is a $3 million self-insured retention (SIR). Coverage is provided by the Security National Insurance Company ($2 million/$4 million) or Safety Specialty $2 million, depending on the line of coverage and thereafter Safety Specialty Insurance Company ($8 million/$16 million) and Arch Insurance Company ($15 million/$30 million). The City has procured Automobile Physical Damage coverage through Hanover Insurance Company with a $10 million limit, for vehicles valued at less than $150,000 the deductible is $50,000 for vehicles valued at $150,000 or more the deductible is $100,000. The City carries Government Crime coverages with a $5 million limit secured through Zurich Insurance Company with a $50,000 deductible and Cyber liability coverage under Indian Harbor with a $200,000 SIR and a $2 million limit. 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 Avaition Managers (Texas), Inc.

Furthermore, the City maintains Property insurance and Boiler and Machinery insurance, with total insured values of $1,462,245,250 and limits of liability of $1 billion. There is a $100,000 deductible. Property insurance does not cover losses due to seismic events. Finally, the City maintains Aviation (Aircraft Hull) insurance for two helicopters and one airplane, 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 four 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, 2018 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 $127.5 million reported in the Risk Management Internal Service Fund at June 30, 2018 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, 2018 are as follows:

Workers' Compensation *	$	98,228,152
Liability and Property Damage *		29,236,978
Total	$	127,465,130

* 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:

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2017	$ 109,773,891	$ 35,864,021	$ 21,103,044	$ 124,534,868
2018	124,534,868	31,871,603	28,941,341	127,465,130

See Note 10 (G) on page 137 for changes in funds claims liability related to Employees Healthcare Plan.

Note 10. 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, 2018:

	Employees	Fire & Police	Total
Active Members			
Vested	1,285	808	2,093
Non-vested	887	330	1,217
Total Active Members	2,172	1,138	3,310
Retirees and Beneficiaries of Deceased Retirees			
Retirees, Currently Receiving Benefits	1,970	1,062	3,032
Inactive Vested Members	251	94	345
Total Retirees and Inactive Members	2,221	1,156	3,377
Grand Total	4,393	2,294	6,687

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 Employees 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 employee at retirement. If the employee 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 may be found in the CAFR 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 year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 8.57%, 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, 2018. 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, 2017. 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, 2017;
- The assets of each Plan as of June 30, 2017;
- 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, 2017 and determined from the actuarial valuations as of June 30, 2017. 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, 2017 were not adjusted or rolled forward to the June 30, 2018 reporting date. The discount rates used for each Plan to determine the TPL and NPL as of June 30, 2017 was 7.25%, 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, 2018, for 2017-2018 (based on the June 30, 2016 valuation) was 11.37% of compensation. The average employee member contribution rate as of June 30, 2018 for 2017-2018 (based on the June 30, 2016 valuation) was 8.04% of compensation.

For the Fire and Police System, the average employer contribution rate as of June 30, 2018, for 2017-2018 (based on the June 30, 2016 valuation) was 18.93% of compensation. The average employee member contribution rate as of June 30, 2018 for 2017-2018 (based on the June 30, 2016 valuation) was 3.32% 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, 2018 for 2017-2018 (based on the June 30, 2016 valuation) was 5.02% 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, 2018 for 2017-2018 (based on the June 30, 2016 valuation) was 18.92% 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 AAL and the Actuarial Value of Assets in a systematic manner.

As of June 30, 2018, 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, 2018, the actuarial valuation value of the Employees' System assets was $1.203 billion with a funded percentage of 114.8% on a valuation value of assets, whereas the actuarial value of Fire and Police assets was $1.437 billion

with a funded percentage of 120.3% 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 2018, the City's required normal contributions (basic and COLA) to the Systems were as follows:

	Normal Cost Employees System FY 2018
Member Contributions	$ 10,329,475
Employer Contribution Rate	11.69%
Employer Contributions	$ 15,017,145
Prior Year Contribution (Surplus)/Shortfall	(408,486)
Net Employer Contributions	$ 14,608,659
Pensionable Payroll	$ 128,461,461

Employer and employee contributions represented 11.37% and 8.04% respectively, of the fiscal year 2018 covered payroll for the Employees System.

	Normal Cost Fire and Police System FY 2018		
	Tier 1	Tier 2	Total
Member Contributions	$ 208,894	$ 8,754,778	$ 8,963,672
Employer Contribution Rate	28.38%	23.15%	
Employer Contributions	$ 1,783,709	$ 22,605,777	$ 24,389,486
Prior Year Contribution (Surplus)/Shortfall	(593,669)	(4,098,860)	(4,692,529)
Net Employer Contributions	$ 1,190,040	$ 18,506,917	$ 19,696,957
Pensionable Payroll	$ 6,285,092	$ 97,649,142	$ 103,934,234

Employer and employee contributions represented 18.93% and 3.32%, respectively, of the fiscal year 2018 covered payroll for the Fire and Police System.

Net Pension Liability

The net pension liability reported as of June 30, 2018 was measured as of June 30, 2017, and determined based upon the total pension liability (on GASB Statement No. 68 basis) from actuarial valuations as of June 30, 2017.

The City's total pension liability, plan fiduciary net position, and net pension liability for each System as of June 30, 2018, were as follows:

	Employees System	Fire and Police System
Total Pension Liability	$ 1,150,077,445	$ 1,315,367,546
Plan Fiduciary Net Position	(1,274,121,736)	(1,509,542,788)
Net Pension Liability (Asset)	$ (124,044,291)	$ (194,175,242)
Plan Fiduciary Net Position as a percentage of the total pension liability	110.79%	114.76%

Changes in Net Pension Liability

The components of the net pension liability for each System as of June 30,2017 and a measurement date of June 30, 2017, were as follows:

	Employees System	Fire and Police System
Total Pension Liability (Asset)		
Beginning Balance	$ 1,102,212,920	$ 1,244,721,462
Service Cost	18,884,800	28,838,335
Interest	79,265,901	90,184,441
Differences between expected & actual experience	5,263,729	10,896,246
Benefit payments, including refunds	(55,549,905)	(59,272,938)
Changes of Assumptions	—	—
Net Change in Total Pension Liability	47,864,525	70,646,084
Ending Balance	$ 1,150,077,445	$ 1,315,367,546
Plan Fiduciary Net Position		
Beginning Balance	$ 1,143,299,019	$ 1,351,288,640
Contributions - employer	15,205,360	18,543,308
Contributions - employee	10,180,589	8,169,019
Net Investment Income	162,373,451	192,314,904
Benefit payments (including refunds, PRSB)	(55,549,905)	(59,272,938)
Administrative & professional expense	(1,386,778)	(1,500,145)
Net Change in Plan Fiduciary Net Position	130,822,717	158,254,148
Ending Balance	1,274,121,736	1,509,542,788
Net Pension Liability (Asset)	$ (124,044,291)	$ (194,175,242)

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

The discount rate used to measure the TPL was 7.25% as of June 30, 2017. The following presents the NPL of the Employees and Fire and Police Retirement Systems as of June 30, 2017. The Systems use the current discount rate to measure the TPL for the measurement date of June 30, 2017, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.25%	7.25%	8.25%
Employees System	$ 7,181,726	$ (124,044,291)	$ (232,579,400)
Fire and Police System	(24,471,747)	(194,175,242)	(332,093,958)

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, are summarized in the following table:

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

As of June 30, 2018

Asset Class	Target Asset Allocation	Weighted Average Long-Term Expected Rate of Return (Arithmetic)
Large Cap U.S. Equity	22.5%	5.8%
Small Cap U.S. Equity	7.5%	6.47%
Developed International Equity	22.0%	6.98%
Emerging Market Equity	8.0%	8.99%
Domestic Fixed Income	15.0%	0.83%
High Yield Fixed Income	6.0%	3.44%
Real Estate	15.0%	4.45%
Private Debt/Direct Lending	4.0%	5.73%
Total	100.0%	

Mortality Rates

For the Employees System, the mortality rates used in the latest actuarial valuation are based on the Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) for healthy members, projected 20 years with the two-dimensional scale MP-2015, set forward one year. For disabled members, the ages are set forward four years. For beneficiaries, ages are set forward one year, weighted 35% male and 65% female.

For the Fire and Police System the mortality rates used in the latest actuarial valuation are based on the Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for males and females) for healthy members, projected 20 years with the two-dimensional scale MP-2015, with no setback for healthy males and set forward one year for healthy females. For disabled members, the ages are set forward four years. For beneficiaries, there is no setback for males and set forward one year for females, weighted 80% male and 20% female.

Actuarial assumptions

The TPL as of June 30, 2017 was determined by an actuarial valuation of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of an experience study for the period from July 1, 2012 through June 30, 2015. These assumptions have been applied since the June 30, 2013 valuation. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% to 11.50%, varying by service, including inflation (Employees).
	4.00% to 12.00%, varying by service, including inflation (Fire and Police).
Investment rate of return	7.25%, net of pension plan investment expense, including inflation.
Other assumptions	See Appendix A in the CAFR for the Employees' Plan and the Fire and Police Plan 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, 2018, the City incurred a pension expense of $14.2 million for the Employees Plan and $9.7 million for the Fire and Police Plan.

As of June 30, 2018, 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

Components of Pension Expense	Employees System	Fire and Police System
Service cost	$ 18,884,800	$ 28,838,335
Interest on the total pension liability	79,265,901	90,184,441
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	1,530,154	2,394,779
Actual member contributions	(10,180,589)	(8,169,019)
Projected earnings on plan investments	(81,745,465)	(96,733,724)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(16,125,597)	(19,116,236)
Administrative expense	1,386,778	1,500,145
Recognition of beginning of year deferred outflows of resources as pension expense	29,913,421	43,201,180
Recognition of beginning of year deferred inflows of resources as pension expense	(37,162,629)	(51,834,093)
Pension Expense	$ (14,233,226)	$ (9,734,192)
Deferred Outflows of Resources and Deferred Inflows of Resources		
Deferred Outflows of Resources		
Contributions subsequent to Measurement Date	$ 14,257,355	$ 18,279,684
Changes of assumptions or other outputs	3,604,547	26,330,309
Difference between expected and actual experience in the Total Pension Liability	3,733,575	8,501,467
Deferred Outflows of Resources	$ 21,595,477	$ 53,111,460
Deferred Inflows of Resources		
Net difference between projected and actual earnings on pension plan investments	$ 13,801,588	$ 16,638,964
Difference between expected and actual experience in the Total Pension Liability	10,097,415	41,257,452
Deferred Inflows of Resources	$ 23,899,003	$ 57,896,416

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

2018	N/A	N/A
2019	$ (12,666,481)	$ (21,829,729)
2020	11,390,325	13,660,137
2021	840,873	2,904,058
2022	(16,125,598)	(17,799,106)
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, 2016 (the beginning of the measurement period ending June 30, 2017) and is 3.44 years for the Employees System and 4.55 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:

http://www.cfrs-ca.org/Employee/Communications/Reports.asp for the Employee System, or
http://www.cfrs-ca.org/Fire-Police/Communications/Reports.asp for the Police and Fire 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, 2017), the net pension liability for the Plan is $400,742. For the measurement period ended June 30, 2018 (the measurement date), the net pension liability for the Plan is $480,547 and the Successor Agency incurred pension expense of $48,241 for the Plan.

As of June 30, 2018, the Successor Agency reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	$ 33,442	$ —
Difference between expected and actual experience	94,369	7,196
Changes in assumptions	761	10,897
Net Difference between projected and actual earnings on pension plan Investments	21,342	—
Changes in employer's proportions	—	25,046
Difference between the employer's contributions and the employer's proportionate share of contributions	—	48,943
Total	$ 149,914	$ 92,082

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 25% 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, 2018, are as follows:

Department/Activity	Total Accrued Vacation, Sick Leave, and HRA	Current Portion
Governmental Activities:		
General Fund	$ 53,438,710	$ 7,516,715
Grants Special Revenue Fund	541,403	150,677
High Speed Rail	25,511	7
Special Gas Tax	647,304	49,495
Measure C	1,494,419	299,687
Community Services	341,417	52,262
Special Assessment	191,743	25,933
General Services	2,850,833	346,092
Risk Management	126,307	20,125
Total Governmental Activities	$ 59,657,647	$ 8,460,993
Business-Type Activities:		
Water System	2,020,943	208,270
Sewer System	1,912,263	261,933
Solid Waste Management	1,440,698	243,978
Transit	3,055,465	428,707
Airports	1,493,060	175,881
Convention Center	111,517	21,056
Community Sanitation	535,200	32,023
Billing and Collection	1,540,552	136,324
Total Business-Type Activities	$ 12,109,698	$ 1,508,172
Fiduciary Funds:		
Private-Purpose Trust Fund	73,664	12,000
Total	$ 71,841,009	$ 9,981,165

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

D. Termination Benefits

During fiscal year 2018, 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 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, 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, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	423
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	3,325
Total participants covered by OPEB plan	3,748

Net OPEB Liability

The City's net OPEB liability of $92.8 million was measured as of July 1, 2017, and was determined by an actuarial valuation as of that date to determine the June 30, 2018 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:

Measurement Date	July 1, 2017
Valuation Date	July 1, 2017
Discount Rate	3.58%
Healthcare Cost Trend Rates:	
Current Year Trend	3.33% / 3.070%
Second Year Trend	7.00%
Decrement	N/A
Ultimate Trend	6.00%
Year Ultimate Trend is Reached	2039
Salary Increases	2.50%
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 July 1, 2017.

Mortality rates were based on the RP-2000 Combined Healthy Participant Table Project 10 Years using Projection Scale AA.

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

The July 1, 2017 valuation was prepared using a discount rate of 3.58%. If the discount rate were 1% higher than what was used in this valuation, the Net OPEB Liability would decrease to $79.1 million or by 14.83%. If the discount rate were 1% lower than was used in this valuation, the Net OPEB Liability would increase to $104.5 million or by 12.60%.

	1% Decrease	Current Discount Rate	1% Increase
	2.58%	3.58%	4.58%
Net OPEB Liability	$ 104,517,723	$ 92,819,706	$ 79,052,334

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

The July 1, 2017 valuation was prepared using an initial trend rate of 3.33% / 3.070%. If the trend rate were 1% higher than what was used in this valuation, the Net OPEB Liability would increase to $112.4 million or by 21.05%. If the trend rate were 1% lower than was used in this valuation, the Net OPEB Liability would decrease to $77.4 million or by 16.58%.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	2.33% / 2.07%	3.33% / 3.070%	4.33% / 4.07%
Net OPEB Liability	$ 77,434,655	$ 92,819,706	$ 112,358,922

Changes in the Net OPEB Liability

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

	Net OPEB Liability Increase / (Decrease)
Net OPEB Liability as of June 30, 2017	$ 84,639,422
Changes for the Year:	
Service Cost	4,769,251
Interest	2,995,295
Assumption Changes and Difference between Actual and Expected Experience	415,738
Net Changes	8,180,284
Net OPEB Liability as of June 30, 2018	$ 92,819,706

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

For the year ended June 30, 2018, the City recognized an OPEB expense of $5.4 million. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions subsequent to the measurement date	$ 1,990,681	$ —
Changes of Assumptions	—	20,150,377
Difference between Actual and Expected Experience	415,738	—
Total	$ 2,406,419	$ 20,150,377

The $2.0 million reported as deferred outflows of resources related to contributions subsequent to the July 1, 2017 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows/(Inflows) of Resources
2019	$ 2,358,832
2020	2,358,832
2021	2,358,832
2022	2,358,832
2023	2,358,832
Thereafter	7,940,479
Total:	$ 19,734,639

G. Healthcare Plan Claims Liability

The recorded liability for the Employees Healthcare Plan at June 30, 2018 for employee health benefit claim payments for direct provider care is $4.9 million.

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

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2017	$ 4,000,000	$ 42,301,431	$ 41,701,431	$ 4,600,000
2018	4,600,000	47,009,574	46,709,574	4,900,000

Note 11. 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. Multifamily Housing Revenue Bonds

The City has outstanding multifamily housing revenue bonds totaling $19.65 million. The bonds were issued to provide funds for the purchase and/or construction of multifamily housing facilities to provide low-income housing to Fresno residents.

B. 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 $3.42 million at June 30, 2018, as compared to $3.61 million at June 30, 2017.

Note 12. 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, 2018 to be $14.4 million. A liability in this amount has been recorded in the Solid Waste Management Fund. It is anticipated that approximately $0.9 million in monitoring costs and landfill site closure costs will be paid in fiscal year 2019. 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 $13.9 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 $6.7 million on June 30, 2018, while the related liability reported as "CVP Litigation Settlement" totaled $6.0 million on June 30, 2018.

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, 2018.

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, 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 2018 CAFR in the amount of $576,068. 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 $53,988 in fiscal year 2018.

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. Operating Leases

The City has operating leases for certain buildings, parking areas, ponding basins, hanger space and storage areas which require the following minimum annual payments:

Governmental Activities

Fiscal Years	Police	Fire	Public Works	Other Departments	Total
2019	$ 664,661	$ 13,200	$ 147,420	$ 282,830	$ 1,108,111
2020	564,821	13,200	149,940	252,283	980,244
2021	583,522	13,200	153,090	258,431	1,008,243
2022	529,349	13,200	156,240	264,729	963,518
2023	513,244	13,200	159,390	136,163	821,997
2024-2028	3,420	66,000	—	4,500	73,920
Total	**$ 2,859,017**	**$ 132,000**	**$ 766,080**	**$ 1,198,936**	**$ 4,956,033**

Operating lease expense incurred for fiscal year 2018 was approximately $1.1 million for governmental activities.

Business-Type Activities

Fiscal Years	Airports	Water	Other Departments	Total
2019	$ 356,576	$ 498,542	$ 76,278	$ 931,396
2020	362,576	498,542	13,540	874,658
2021	368,577	498,542	13,946	881,065
2022	374,577	498,542	14,365	887,484
2023	380,577	498,542	14,796	893,915
2024-2028	387,577	2,492,712	80,910	2,961,199
2029-2033	—	2,492,712	93,796	2,586,508
Total	**$ 2,230,460**	**$ 7,478,134**	**$ 307,631**	**$ 10,016,225**

Operating lease expense incurred for fiscal year 2018 was approximately $1.0 million for Business-Type Activities.

The City has various other operating leases (both Governmental and Business-Type) that have either expired and are now functioning on a month-to-month basis, or were written on a month-to-month or some other basis, or which state no specified expiration date. The City also leases property to others outside of the City. All of these leases generally operate on a month-to-month basis. The combined current annual income from these leases total approximately $11.7 million.

H. Construction and Other Significant Commitments

At June 30, 2018, the City had commitments for the following major construction projects:

Project Title	Remaining Construction Committed
Governmental	
Fulton Mall Improvements	$ 265,470
Overlay at Various Locations	451,371
Shields EB Widening at Fowler	1,957,842
Veteran's Boulevard at Highway 99 & Union Pacific Railroad	2,601,906
Total Governmental	5,276,589
Proprietary:	
Airport West Comm Ramps	595,894
BRT-Bus Rapid Transit	474,066
Bus Stop Improvements	292,715
Friant/Kern Canal	219,388
Merced Glenn-Thorne Rehab	1,561,376
North East Recycled Water Distribution System	2,236,830
North West Recycled Water Distribution System	5,727,008
Odor Control Units Headworks	1,541,039
Sewer Manhole Rehab	212,827
South East Fresno Surface Water Treatment	13,903,924
South East/South West Transmission Pipelines	13,318,701
South West Recycled Water Distribution System	6,939,773
Transit Facility Station	457,830
Water Main Renewal & Extensions	7,620,644
Water Well Construction & Rehab	441,521
Total Proprietary	55,543,536
Total Major Construction Projects	$ 60,820,125

I. 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.

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-delivery-testing.

The City has spent $4,726,105 through June 30, 2018 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 13. City of Fresno Cultural Arts Properties Corporation (COFCAP)

In July 2007, the City Council approved a Contingent Debt Purchase Agreement, by which the City guaranteed a proposed interim, commercial, draw loan on behalf of the Fresno Metropolitan Museum of Art & Science (Met).

As a condition precedent to the City entering into the Purchase Agreement, the Met entered into a Performance Guarantee with the City, which was secured by a Deed of Trust that gave the City a lien on certain real property owned by the Met.

The City was required on July 14, 2009 to purchase the loan for the Met in the amount of $15,111,940. The City utilized funds from its cash pool to fund the payoff of the bank loan, with the intention of ultimately issuing long-term bonds to finance the acquisition over 30 years.

The City used New Market Tax Credits (NMTC) to lessen the debt burden of the Met. Through conversations with US Bank Community Development Corporation (USB) and Clearinghouse CDFI (CDFI), negotiations were finalized, and City Council approval was given for the establishment of a Qualified Active Low Income Community Business (QALICB) and a Community Development Entity (CDE). Once those entities were established, the City took title to the Met real estate.

At the same time as the Met NMTC transaction was being finalized, the City worked on financing to reimburse itself for the borrowings from the Treasurer's Investment Pool that had been undertaken in order to pay off the debt for the Met. Bank of America, the City's banking services provider, partnered with the City for a Private Placement transaction for both Granite Park and the Met. The deal included the refunding of previously issued City Hall debt, which resulted in debt service savings and freed up equity in City Hall that could then be pledged as security for the new City Hall financing and serve as collateral for the Met portion of the deal. The bond deal was concluded on June 4, 2010.

The NTMC were designed to infuse private sector capital into distressed communities by providing a tax credit for taxpayers who make qualified investments into designated CDE. The investor in the Met transaction was CDFI (Investor). The credit provided to investors totals 39% of the investment in the CDE and is claimed over a seven-year credit allowance period.

To complete the transaction, several new structures were created, one of which was a non-profit entity created for purposes of holding title to the property involved in the NMTC deal. The City created a 501(c)(3) non-profit public benefit corporation to act as the QALICB, as the City was not eligible to be the QALICB. The QALICB, known as the City of Fresno Cultural Arts Properties Corporation (COFCAP), was formed on March 15, 2010. The Mayor, Council President and the Chairperson of the Successor Agency to the Former RDA served as the members of the board of COFCAP. A Master Capital Lease existed between COFCAP and the City, with the City being the Master Lessee.

Beginning in late 2012, COFCAP and the City agreed to sell several parcels of the Met properties to an investor for the development of mixed used developments. All those parcels were sold with the approval of CDFI. The remaining Met properties under the NMTC arrangement were the Met Building itself, a small attached green space and a parking lot.

The NMTC transaction was active for seven years. As the seven-year tax period came to a close, the City was notified by the other parties in the transaction that they would be exercising the option to exit the NTMC arrangement. The City Council voted on March 23, 2017 to begin the City's extrication from the NTMC transaction. With all parties expressing their intent to exit, the NTMC unwound on March 31, 2017. On May 25, 2017, the City Council voted to dissolve the COFCAP and transfer the Met Building and any other COFCAP assets back to the City. This transfer of assets was completed on August 29, 2017.

The COFCAP has been presented as a component unit in the CAFR since its inception because it was a legally separate entity for which the City was financially accountable through the appointment of COFCAP's board and the ability to approve COFCAP's budget. COFCAP has also been discretely presented because it did not provide services exclusively or almost exclusively to the City of Fresno. For purposes of the fiscal year 2018 CAFR, COFCAP information presented reflects the transactions associated with the COFCAP's closeout. The June 30, 2018 COFCAP Statement of Cash Flows shows the closeout transactions. The June 30, 2018 COFCAP Statement of Net Position as well as the June 30, 2018 COFCAP Statement of Revenues and Expenses show all zero balances, therefore these statements are not presented.

When the COFCAP was initially created, the Met properties were recorded at an amount of $12.7 million. This amount represented the properties' appraised value as of the date of the loan. When the COFCAP was dissolved, another appraisal of the properties was done, which produced a value of $3.3 million. Land and Building assets totaling $3.3 million were recorded in the General Fund as part of the COFCAP closing entries, along with $1.2 million of Cash that was received as part of the closeout. The difference between the sum of these assets and the $12.7 million that was originally recorded as the value of the assets was recorded in the General Fund as a Special Item - Loss on Receivable/Transfer of Assets of $(8.2 million). This Special Item is reflected on the General Fund's Statement of Revenues, Expenditures, and Changes in Fund Balance.

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' CAFRS, which can be found at http://www.cfrs-ca.org/Employee/Communications/Reports.asp.

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. At June 30, 2018, the City had made payments into various contract escrow accounts in the amount of $11.5 million.

Note 16. Deficit Fund Equity

The Convention Center Fund, Risk Management Internal Service Fund, and High Speed Rail Fund all had deficit net position balances as of June 30, 2018.

The deficit net position in the Convention Center Fund of $5.9 million is a continuation of many years of annual operating deficits. The 2018 fiscal year saw a $0.6 million increase in the deficit net position, from $5.4 million to $5.9 million. The main driver of the increase in the deficit net position was a $0.4 million decrease in revenue, primarily charges for services.

The deficit net position in the Risk Management Fund at June 30, 2018 was $118.4 million, an increase of $4.2 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 $127.5 million. This liability is not required to be prefunded. The liability grew by $2.9 million between fiscal years 2017 and 2018, explaining the majority of the growth in the deficit net position.

The deficit net position in the High Speed Rail Fund at June 30, 2018 was $67,651. The deficit net position of this fund at the end of fiscal year 2017 was $740,436. The decrease in the deficit net position of $0.7 million is due to the $0.5 million increase in federal reimbursement and state contracted services along with a $0.3 million decrease in operating expenses.

The City management continues to evaluate strategies for reducing and eliminating these deficit fund equity balances.

Note 17. Subsequent Events

A. Bond Ratings

Fitch reaffirmed the Sewer bonds' AA- (Subordinate)/AA (Senior) ratings on October 23, 2018. Fitch also raised the outlook on the Sewer bonds from Stable to Positive.

The prior and most current City ratings are as follows:

Rating Agency	Effective Date	Prior Rating	Prior Outlook	Effective Date	New Rating	New Outlook
		Lease Revenue Bonds				
Fitch	6/2016	A-/A-	Stable	6/2016	A-	Stable
Standard & Poor's	2/2015	BB+	Stable	3/2017	A	Stable
Moody's	8/2016	Baa2/Baa3	Positive	3/2017	Baa1/Baa2	Stable
		General Obligation (GO)				
Fitch	6/2016	A	Stable	6/2016	A	Stable
Standard & Poor's	2/2015	BBB-	Stable	3/2017	A+	Stable
Moody's	8/2016	A3	Stable	3/2017	A3	Stable

B. Tax and Revenue Anticipation Bonds

The City chose to once again not issue Tax and Revenue Anticipation Notes subsequent to the end of fiscal year 2018.

C. North Central Fire District Contract

The North Central Fire District (NCFD) entered into an agreement with the City to provide fire protection services in August 2007. The agreement called for the City to assume the NCFD's sworn staff in exchange for the City providing staffing at NCFD's station. NCFD agreed to provide annual compensation to the City for the service. Both revenues and expenditures associated with this contract were recorded in a special revenue fund.

After several years of the contract being in place, it became apparent that the compensation from the NCFD was not keeping pace with the expenditures the City was incurring to provide the service. This disparity was primarily caused by contract language which limited the increase in the City's compensation to the growth rate of property tax assessments within the NCFD's boundaries. As a result of this difference, a negative fund balance began to grow in the special revenue fund that was being used to track NCFD service revenues and expenses.

The City initiated discussions with NCFD to resolve the growing negative fund balance. When those discussions did not produce a resolution acceptable to both parties, the City Council gave notice on March 10, 2017, that the City would be terminating the contract with NCFD. Appropriations were

included in the City's fiscal year 2018 Adopted Budget to cover the cost of services to the NCFD through December 15, 2017.

After the notice was provided, the City and the NCFD resumed negotiations to resolve the situation. The negotiations produced an agreement which was approved by the Council on December 4, 2017. The agreement (effective January 1, 2018) called for payments of $600,000/month during the 18-month term of the contract as compensation for costs the City incurs in providing fire protection services to the NCFD. NCFD agreed to use the 18-months to explore options for delivering fire service to residents and businesses in their district, including entering into a long-term contract with the City.

The City was notified by NCFD on June 21, 2018 that it would not be renewing the service agreement with the City. Thus, the City's agreement with the NCFD will terminate on June 30, 2019. The City is currently exploring options for incorporating staff currently being paid by the NCFD back into the City firefighting force.

The special revenue fund which is being used to track NCFD related revenues and expenditures had a cash balance of approximately $(1.6) million as of October 31, 2018. City staff is currently studying alternatives for addressing the remaining negative cash balance in this fund. However, it is likely that the General Fund will fund whatever negative cash balance remains in the fund after service to the NCFD is terminated on June 30, 2019.

D. COFCAP

Transactions to close the COFCAP were made in July and August 2017. For further details, please see Note 13 - City of Fresno Cultural Arts Properties Corporation (pages 147-148).

E. Housing and Urban Development Department Audit of Community Development Block Grant Monies Utilized By The City

The Office of Inspector General (OIG) of the Housing and Urban Development Department (HUD) began an audit of the City's Community Development Block Grant (CDBG) expenditures on August 25, 2016. The audit, which covered expenditures made between July 1, 2014 and September 30, 2016, was in response to two HUD monitoring visits that were conducted in 2012 and 2015. Both of those visits had turned up eligibility issues with the City's CDBG expenditures.

The OIG's fieldwork was completed on April 28, 2017. The OIG issued its audit report on August 9, 2017. In the report, the OIG concluded that the City still had eligibility issues with its CDBG expenditures. Specifically, the report stated that the City did not:

- meet requirements for the expenditure of CDBG monies on code enforcement activities,
- ensure that CDBG funds were spent on non-general government expenditures for its anti-graffiti program,
- ensure that one program met a CDBG national objective,
- properly monitor its sub-recipient or City departments,
- use its program income before its entitlement funds, and

- report program income to HUD in a timely manner.

The OIG attributed these errors to a lack of experience and capacity to administer and implement the program on the City's part, the lack of adequate procedures and controls in place, and a disregard for HUD requirements.

The OIG recommended the payback of $163,555 that were identified as being spent on ineligible costs. The OIG noted that $428,373 would be deemed ineligible expenditures in the upcoming program year if the City did not develop proper code enforcement policies and procedures. Finally, the OIG identified approximately $7.9 million in CDBG funded expenditures whose eligibility was questionable. The OIG requested additional supporting documentation for the $7.9 million of expenditures to make a final determination on eligibility.

The City has repaid the $412,204 that the OIG recommended be paid back. The City also ceased funding its code enforcement program with CDBG funds, thus preserving the $428,373 that was noted for possible disallowance. Additionally, the City provided, and HUD accepted, documentation that supported $1.2 million in questioned expenditures. City staff continues to work with HUD to provide documentation to support the remaining $5.9 million of questioned expenditures. The City believes HUD will opine on the validity of the documentation to support the remaining questioned expenditures by the end of Fiscal Year 2019.

F. Sewer Bond Defeasance

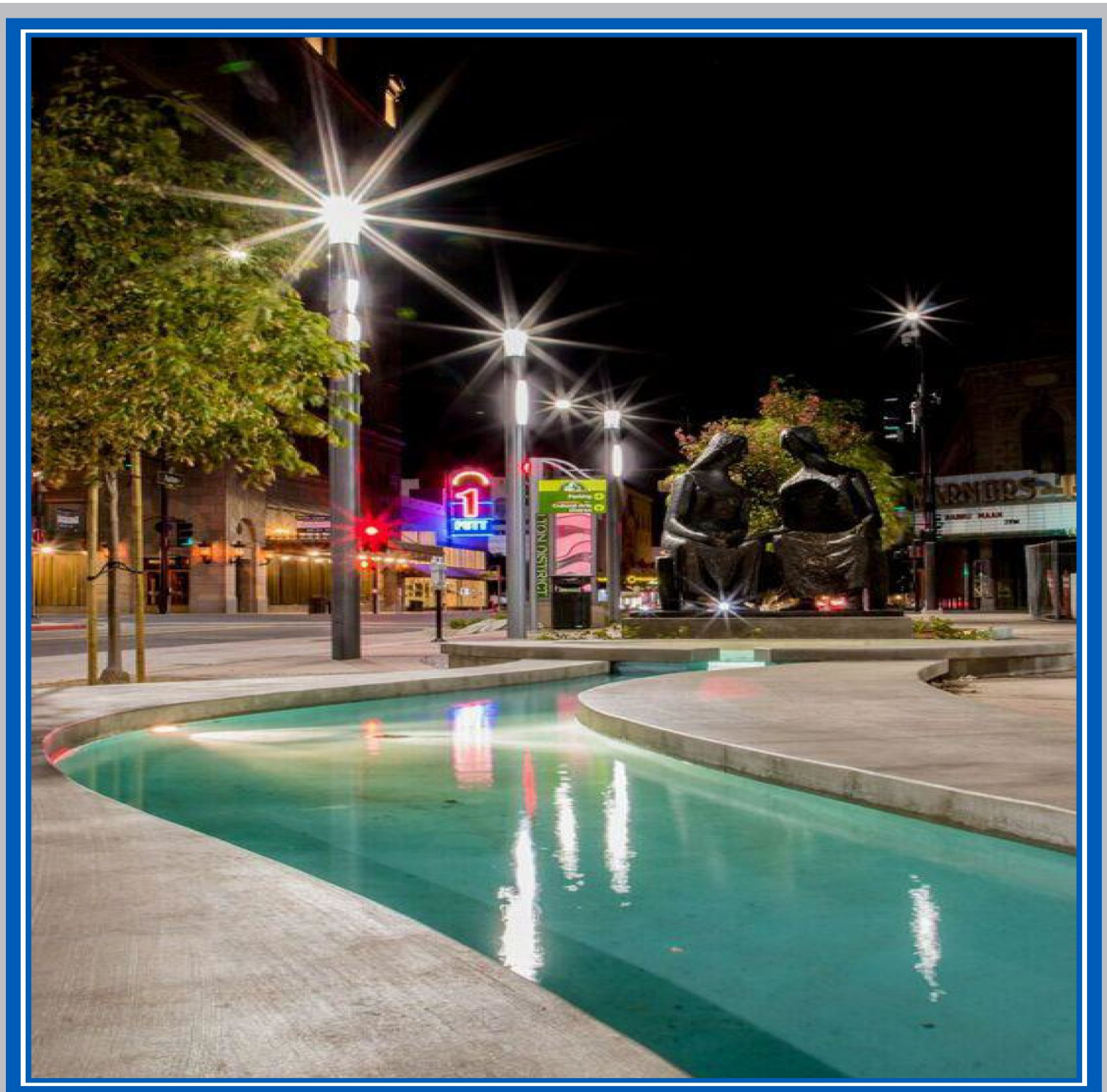
On September 1, 2018, the City defeased $132.5 million of its $159.8 million Sewer System Revenue Bonds Series 2008 with surplus cash on hand, interest earned by setting sufficient funds to pay down the debt in an escrow account, and surplus funds in the Debt Service Reserve Fund due to a recalculation of the Debt Service Reserve Requirement subsequent to the defeasance.

G. Legal Settlement Payout

The City paid $2.8 million on August 16, 2018 as a settlement for an officer-involved shooting case. Funds for the payment came from the City's Risk Fund.

The date to which events occurring after June 30, 2018, have been evaluated for possible adjustments to the financial statements or disclosures is January 10, 2019, which is the date that the financial statements were available to be issued.

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
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	$ 30,941,600	$ 40,232,600	$ 42,523,344	$ 2,290,744
Resources (inflows):				
Taxes:				
Property Taxes	126,531,000	126,531,000	129,108,808	2,577,808
Sales Taxes	87,610,300	87,610,300	89,888,577	2,278,277
Other Taxes	34,352,000	34,352,000	35,961,411	1,609,411
Franchise Taxes	12,828,700	12,828,700	12,799,348	(29,352)
Licenses and Permits	6,741,100	6,809,400	7,282,140	472,740
Intergovernmental:				
State Motor Vehicle In-Lieu	250,000	250,000	276,790	26,790
Other State Revenue	1,973,500	2,041,500	3,309,350	1,267,850
Other Intergovernmental	1,045,300	1,633,600	1,631,539	(2,061)
Charges for Services:				
Charges for Services	29,810,400	29,871,400	30,442,183	570,783
Fines and Violations	3,739,900	3,741,800	3,819,640	77,840
Use of Money and Property	1,083,000	1,083,000	1,141,306	58,306
Miscellaneous	22,798,900	22,830,900	26,669,060	3,838,160
Other Financing Sources:				
Transfers from Other Funds	5,416,900	8,516,900	6,749,161	(1,767,739)
Total Available for Appropriations	365,122,600	378,333,100	391,602,657	13,269,557
Charges to Appropriations (outflows):				
General Government:				
Mayor and City Council	7,618,200	7,650,100	6,628,533	(1,021,567)
Other General Government	26,828,000	27,909,400	24,700,811	(3,208,589)
Public Protection:				
Police Department	162,911,700	160,805,500	160,673,552	(131,948)
Fire Department	57,294,400	57,730,100	57,333,496	(396,604)
Public Ways & Facilities	18,031,900	18,506,000	16,617,037	(1,888,963)
Culture and Recreation	13,617,600	14,407,100	14,468,467	61,367
Community Development	27,501,100	27,413,000	26,655,879	(757,121)
Capital Outlay	4,998,500	10,885,200	10,699,060	(186,140)
Debt Service	375,000	375,000	—	(375,000)
Other Financing Uses:				
Transfers to Other Funds	19,417,500	21,385,200	27,061,530	5,676,330
Total Charges to Appropriations	338,593,900	347,066,600	344,838,365	(2,228,235)
Less Estimated Attrition Savings	5,137,900	5,137,900	—	(5,137,900)
Excess Resources Over Appropriations	$ 31,666,600	$ 36,404,400	$ 46,764,292	$ 10,359,892

See accompanying notes to the required supplementary information.

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.	$ 391,602,657
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.	(4,777,594)
Interfund reimbursements are not revenues and are expenditures for financial reporting.	(22,247,584)
Carryovers are inflows of budgetary resources but are not revenues for financial reporting purposes.	(42,523,344)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(6,749,161)
Nonreciprocal interfund activity is not revenue and is a transfer for financial reporting.	(5,757,563)
The proceeds from the sale of capital assets are inflows of budgetary resources but are not revenues for financial reporting purposes.	(113,571)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	309,433,840
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the Budget to Actual Comparison Schedule.	$ 344,838,365
Differences - Budget to GAAP: The City budgets for expenditures on the cash basis of accounting, rather than on the modified accrual basis of accounting.	(1,135,230)
Interfund reimbursements are a reduction of expenditures for financial reporting.	(22,247,584)
Pension Obligation bond debt payments and City Hall rent are recognized as transfers out to other funds.	(15,043,834)
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes.	(27,061,530)
Return on capital asset as offset for Advances to Other Funds	3,339,000
Capital Lease additions are expenditures for financial reporting purposes.	5,120,545
Total charges to appropriations as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	$ 287,809,732

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
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	$ (8,714,800)	$ (7,612,600)	$ (21,080,857)	$ (13,468,257)
Resources (inflows):				
Intergovernmental:				
Federal Grants	47,697,400	49,158,000	23,325,974	(25,832,026)
State Grants	3,805,400	6,016,100	6,869,526	853,426
Local Support	2,980,000	3,009,500	147,515	(2,861,985)
Charges for Services	1,157,500	1,157,500	1,196,829	39,329
Use of Money and Property	(17,300)	(17,300)	828,065	845,365
Miscellaneous	2,000	2,000	1,704,815	1,702,815
Other Financing Sources:				
Transfers from Other Funds	1,496,600	1,496,600	2,852,239	1,355,639
Total Available for Appropriations	48,406,800	53,209,800	15,844,106	(37,365,694)
Charges to Appropriations (outflows):				
General Government	700,000	700,000	—	(700,000)
Public Protection	4,580,100	5,745,000	5,330,607	(414,393)
Public Ways & Facilities	6,626,700	8,661,800	5,342,950	(3,318,850)
Culture and Recreation	1,715,300	3,315,700	2,921,603	(394,097)
Community Development	14,149,100	14,394,700	5,962,907	(8,431,793)
Capital Outlay	29,453,100	29,210,100	13,018,713	(16,191,387)
Other Financing Uses:				
Transfers to Other Funds	1,200,000	1,200,000	3,183,044	1,983,044
Total Charges to Appropriations	58,424,300	63,227,300	35,759,824	(27,467,476)
Excess (Deficit) Resources Over Appropriations	$ (10,017,500)	$ (10,017,500)	$ (19,915,718)	$ (9,898,218)

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
YEAR ENDED JUNE 30, 2018 (Continued)

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.	$	15,844,106
Differences - Budget to GAAP: Grant reimbursements are budgeted on the cash basis of accounting rather than on the modified accrual basis of accounting.		(728,545)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.		(2,852,239)
Interfund reimbursements are not revenues and are expenditures for financial reporting.		(1,157,500)
Carryovers are inflows of budgetary resources but are not revenues for financial reporting purposes.		21,080,857
Payments from the Successor Agency to the Fresno Redevelopment Agency on advances with full allowance are revenues.		(2,046,951)
The receipt of loan payments are inflows of budgetary resources but are not revenues for financial reporting purposes.		(1,385,472)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	$	28,754,256
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total charges to appropriations" from the Budget to Actual Comparison Schedule.	$	35,759,824
Differences - budget to GAAP: The City budgets for expenditures on the cash basis of accounting rather than on the modified accrual basis of accounting.		(2,815,765)
Interfund reimbursements are a reduction of expenditures for financial reporting.		(1,157,500)
Pension Obligation bond debt, HUD debt, and City Hall rent are recognized as transfers out to other funds.		(661,864)
The issuance of notes receivable are outflows of budgetary resources but are not expenditures for financial reporting purposes.		(34,491)
Changes in allowance for doubtful accounts on notes receivable, notes that should become grants, and adjustments are expenditures for financial reporting purposes.		228,607
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.		(3,183,044)
Total charges to appropriations as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	$	28,135,767

See accompanying 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 funds 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. Original Budget

Prior to June 1, the Mayor submits to the City Council a proposed 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.

C. 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 the General Fund, Special Revenue Funds and Capital Projects Fund. No budgets are legally adopted for Fresno Revitalization Corporation, Financing Authorities and Corporations, and City Debt. Budgeted amounts are reported as amended. During the year, several supplementary appropriations were necessary, but were not material in relation to the original appropriations.

D. 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 Proposed Budget Document is printed and presented to the City Council for deliberation and adoption. The Adopted Budget Document is prepared to include all the various changes approved by the City Council.

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 property tax, sales tax and 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 $5,137,900 in its fiscal year 2018 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 $1,767,739 lower than budgeted levels in fiscal year 2018. The reduction was entirely due to transfers for debt service payments being lower than budgeted, which was the result of the Lease Revenue bond refinancing completed in April 2017.

Actual Transfers to Other Funds were $5,676,330 higher than fiscal year 2018 budgeted levels. The overage was caused by unbudgeted transfers of $3 million to replenish the Liability Self-Insurance Reserve and $3.9 million to the Southeast Police Sub-station Capital Fund to fund the construction and furnishing of the new Southeast Police Sub-station scheduled to be completed in fiscal year 2020.

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
2018	8.93%	8.57%
2017	14.73%	14.35%
2016	0.82%	0.53%
2015	3.32%	2.93%
2014	17.61%	17.16%
2013	13.65%	13.20%
2012	(0.20)%	(0.57)%
2011	24.42%	23.88%
2010	15.13%	14.55%
2009	(20.14)%	(20.50)%

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 (2009-2018). 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 and Related Ratios

PENSION TRUST FUNDS
EMPLOYEES, POLICE AND FIRE RETIREMENT SYSTEMS
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2018

Reporting Date: **6/30/2018**
Measurement Date: **6/30/2017**

Change in Net Pension Liability	Employees	Police & Fire
Total Pension Liability		
Service Cost	$ 18,884,800	$ 28,838,335
Interest	79,265,901	90,184,441
Change of benefit terms	—	—
Differences between expected & actual experience	5,263,729	10,896,246
Changes of assumptions	—	—
Benefit payments, including refunds	(55,549,905)	(59,272,938)
Net Change in Total Pension Liability	47,864,525	70,646,084
Total Pension Liability - Beginning	1,102,212,920	1,244,721,462
Total Pension Liability - Ending (a)*	$ 1,150,077,445	$ 1,315,367,546
Plan Fiduciary Net Position		
Contributions - employer	$ 15,205,360	$ 18,543,308
Contributions - employee	10,180,589	8,169,019
Net Investment Income	162,373,451	192,314,904
Benefit Payments including Refunds, PRSB	(55,549,905)	(59,272,938)
Administrative & Professional Expense	(1,386,778)	(1,500,145)
Net Change in Plan Fiduciary Net Position	130,822,717	158,254,148
Plan Fiduciary Net Position - Beginning	1,143,299,019	1,351,288,640
Plan Fiduciary Net Position - Ending (b)	$ 1,274,121,736	$ 1,509,542,788
System Net Pension Liability (Surplus) - Ending (a) - (b)	$ (124,044,291)	$ (194,175,242)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	110.79 %	114.76 %
Covered Payroll(1)	$ 119,006,918	$ 97,368,618
Plan Net Pension Liability as a percentage of covered payroll	(104.23)%	(199.42)%

* Data above, as of June 30, 2018 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 pensionable compensation. Only pensionable compensation that would possibly go into the determination of retirement benefits is included.

Schedule of Employer Contribution - Pension Trust Funds

EMPLOYEES RETIREMENT SYSTEM

Schedule of Employer Contributions
Last Ten Fiscal Years

Fiscal Year Ending June 30	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 14,608,659	$ 14,608,659	$ —	$ 128,461,461	11.37%
2017	15,205,360	15,205,360	—	119,006,918	12.78%
2016	13,060,088	13,060,088	—	108,541,068	12.03%
2015	12,326,570	12,326,570	—	105,820,382	11.65%
2014	11,439,981	11,439,981	—	103,596,902	11.04%
2013	13,329,655	13,329,655	—	105,508,591	12.63%
2012	11,373,870	11,373,870	—	110,492,026	10.29%
2011	8,214,569	8,214,569	—	119,260,220	6.89%
2010	3,267,115	3,267,115	—	129,258,191	2.53%
2009	1,345,274	1,345,274	—	132,511,895	1.02%

FIRE AND POLICE RETIREMENT SYSTEM

Schedule of Employer Contributions
Last Ten Fiscal Years

Fiscal Year Ending June 30	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 19,696,957	$ 19,696,957	$ —	$ 103,934,234	18.95%
2017	18,543,308	18,543,308	—	97,368,618	19.04%
2016	18,737,948	18,737,948	—	94,266,174	19.88%
2015	18,966,930	18,966,930	—	91,075,093	20.83%
2014	18,574,840	18,574,840	—	91,720,968	20.25%
2013	18,724,714	18,724,714	—	94,368,329	19.84%
2012	22,875,005	22,875,005	—	96,194,537	23.78%
2011	19,397,178	19,397,178	—	96,757,692	20.05%
2010	12,094,355	12,094,355	—	99,166,002	12.20%
2009	8,938,488	8,938,488	—	99,327,134	9.00%

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

For Fiscal Year Ending June 30

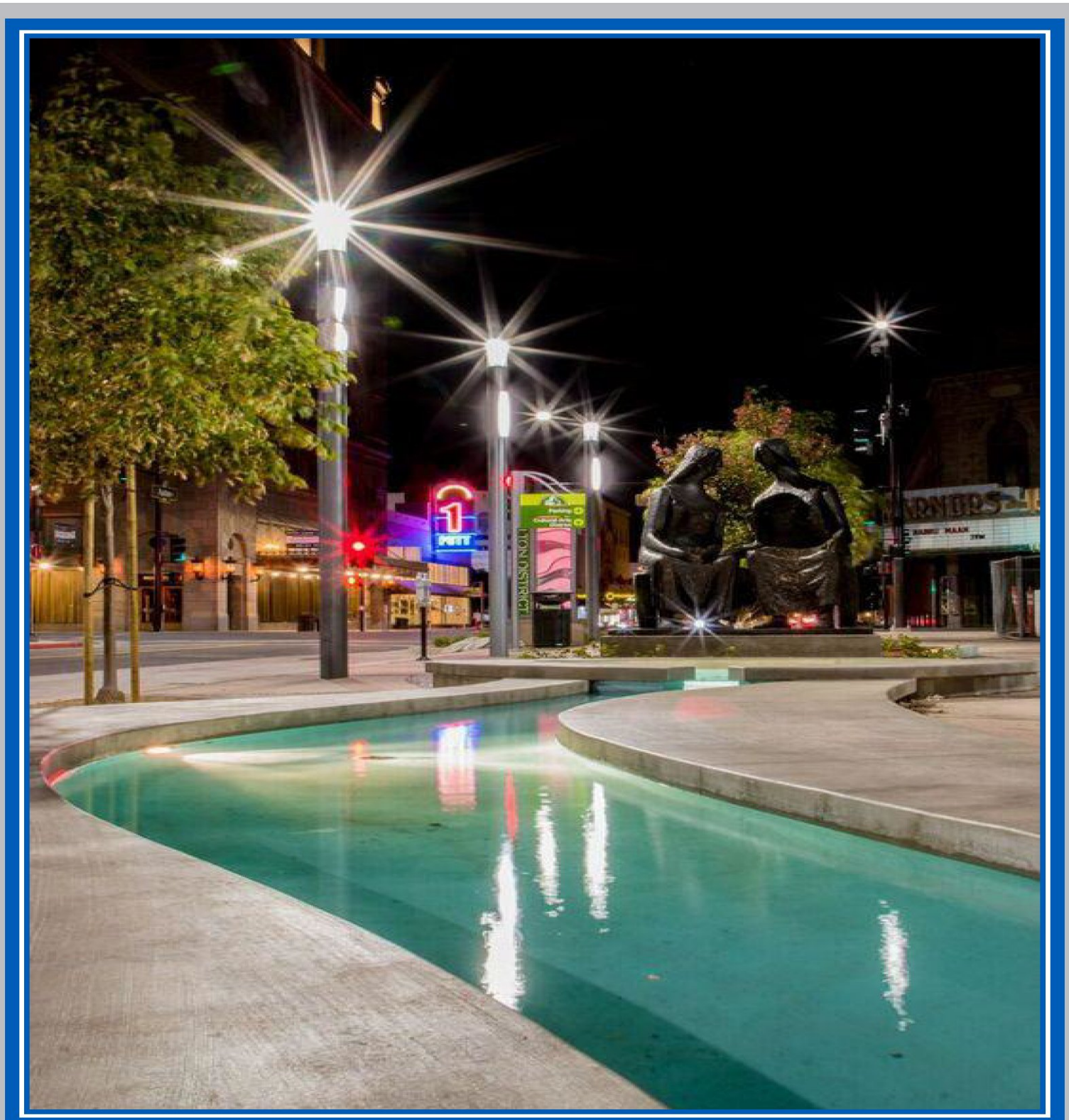
	2018
OPEB Liability Beginning of Year	$ 84,639,422
Changes for the Year:	
Service Cost	$ 4,769,251
Interest	2,995,295
Assumption Changes and Difference between Actual and Expected Experience	415,738
Net Changes	8,180,284
OPEB Liability End of Year	$ 92,819,706
Covered Payroll as of December 31	$ 229,256,057
Net OPEB Liability as a percentage of covered payroll	40.49%

Note to Schedule

Historical information is required only for measurement periods for which GASB 75 is applicable.

Future years information will be displayed up to 10 years as information becomes available.

NONMAJOR GOVERNMENTAL FUNDS



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CITY OF FRESNO, CALIFORNIA

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2018

	Special Revenue					
	High Speed Rail	Fresno Revitalization Corporation	Special Gas Tax	Measure C	Community Services	UGM Impact Fees
Assets						
Cash and Investments	$ 161,535	$ 234,676	$ 5,001,591	$ 12,370,884	$ 10,064,120	$ 22,770,367
Receivables, Net	—	4,786	38,189	111,245	250,501	160,514
Grants Receivable	34,909	—	—	—	—	—
Intergovernmental Receivables	—	—	1,264,267	1,941,848	1,326	—
Due From Other Funds	—	—	8,732	—	345,136	605,783
Advances to Other Funds	—	—	391,432	63,280	—	—
Property Held for Resale	—	—	—	—	—	—
Restricted Cash	—	—	—	—	—	—
Loans, Notes, Leases, Other Receivables, Net	—	—	—	—	—	—
Total Assets	196,444	239,462	6,704,211	14,487,257	10,661,083	23,536,664
Liabilities						
Accrued Liabilities	$ 6,552	$ 11,570	$ 962,097	$ 437,968	$ 347,876	$ 58,805
Unearned Revenue	—	—	—	—	10,392	—
Due to Other Funds	222,634	—	34,742	112,508	1,107,257	5,011
Advances From Other Funds	—	62,208	—	—	—	—
Deposits From Others	—	—	—	—	4,000	—
Total Liabilities	229,186	73,778	996,839	550,476	1,469,525	63,816
Deferred Inflows of Resources						
Unavailable Revenue-Other	34,909	—	—	266,174	—	—
Total Deferred Inflows of Resources	34,909	—	—	266,174	—	—
Fund Balances						
Restricted	—	165,684	5,707,372	13,670,607	4,387,023	23,472,848
Assigned	(67,651)	—	—	—	4,804,535	—
Total Fund Balances	(67,651)	165,684	5,707,372	13,670,607	9,191,558	23,472,848
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 196,444	$ 239,462	$ 6,704,211	$ 14,487,257	$ 10,661,083	$ 23,536,664

		Debt Service		Capital Projects		
Low and Moderate Income Housing	Special Assessments	City Debt	Financing Authorities and Corporations	City Combined	Total Nonmajor Governmental Funds	
						Assets
$ 8,169,837	$ 14,202,793	$ 5,760	$ 1,825,623	$ 11,504,514	$ 86,311,700	Cash and Investments
—	102,593	681	9,152	70,232	747,893	Receivables, Net
—	—	—	—	—	34,909	Grants Receivable
—	46,252	—	—	—	3,253,693	Intergovernmental Receivables
—	—	—	—	24,815	984,466	Due From Other Funds
62,208	—	—	—	—	516,920	Advances to Other Funds
4,792,730	—	—	—	—	4,792,730	Property Held for Resale
—	—	542	7,925	—	8,467	Restricted Cash
20,514,158	—	—	—	—	20,514,158	Loans, Notes, Leases, Other Receivables, Net
33,538,933	14,351,638	6,983	1,842,700	11,599,561	117,164,936	Total Assets
						Liabilities
—	366,181	—	1,007	220,935	2,412,991	Accrued Liabilities
—	—	—	—	—	10,392	Unearned Revenue
—	40,031	—	—	38	1,522,221	Due to Other Funds
—	—	—	—	—	62,208	Advances From Other Funds
—	—	—	—	—	4,000	Deposits From Others
—	406,212	—	1,007	220,973	4,011,812	Total Liabilities
						Deferred Inflows of Resources
—	—	—	—	—	301,083	Unavailable Revenue-Other
—	—	—	—	—	301,083	Total Deferred Inflows of Resources
						Fund Balances
33,538,933	13,945,426	6,983	1,841,693	—	96,736,569	Restricted
—	—	—	—	11,378,588	16,115,472	Assigned
33,538,933	13,945,426	6,983	1,841,693	11,378,588	112,852,041	Total Fund Balances
$ 33,538,933	$ 14,351,638	$ 6,983	$ 1,842,700	$ 11,599,561	$ 117,164,936	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

Year Ended June 30, 2018

	Special Revenue					
	High Speed Rail	Fresno Revitalization Corporation	Special Gas Tax	Measure C	Community Services	UGM Impact Fees
Revenues						
Taxes	$ —	$ —	$ 12,481,891	$ 11,499,705	$ 1,340,127	$ —
Intergovernmental	1,153,044	—	—	—	3,245,069	—
Charges for Services	288	182,199	—	—	9,209,140	11,234,060
Use of Money and Property	(217)	—	79,395	272,994	438,360	67,148
Miscellaneous	5,055	—	673,911	661,421	356,279	11,046
Total Revenues	1,158,170	182,199	13,235,197	12,434,120	14,588,975	11,312,254
Expenditures						
Current:						
General Government	—	—	—	—	776,489	—
Public Protection	—	—	—	—	8,505,098	479,648
Public Ways and Facilities	832,624	—	11,366,535	7,537,792	860,399	2,553,975
Culture and Recreation	—	—	—	—	2,396,004	5,447
Community Development	240,044	184,505	—	—	9,593	—
Capital Outlay	—	—	1,928,388	2,711,769	624,087	811,325
Debt Service:						
Principal	—	—	—	—	—	—
Interest	—	—	—	—	—	—
Total Expenditures	1,072,668	184,505	13,294,923	10,249,561	13,171,670	3,850,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	85,502	(2,306)	(59,726)	2,184,559	1,417,305	7,461,859
Other Financing Sources (Uses)						
Transfers In	662,820	—	85,283	3,735,735	1,502,864	265,169
Transfers Out	(75,537)	—	(1,034,257)	(6,099,897)	(1,599,992)	(2,329,693)
Sale of Capital Assets	—	—	—	109,093	—	—
Total Other Financing Sources (Uses)	587,283	—	(948,974)	(2,255,069)	(97,128)	(2,064,524)
Net Change in Fund Balances	672,785	(2,306)	(1,008,700)	(70,510)	1,320,177	5,397,335
Fund Balances - Beginning	(740,436)	167,990	6,716,072	13,741,117	7,871,381	18,075,513
Fund Balances (Deficit) - Ending	$ (67,651)	$ 165,684	$ 5,707,372	$ 13,670,607	$ 9,191,558	$ 23,472,848

Low and Moderate Income Housing	Special Assessments	Debt Service: City Debt	Debt Service: Financing Authorities and Corporations	Capital Projects: City Combined	Total Nonmajor Governmental Funds	
						Revenues
$ —	$ —	$ —	$ —	$ —	$ 25,321,723	Taxes
—	—	—	—	—	4,398,113	Intergovernmental
—	4,669,974	—	—	—	25,295,661	Charges for Services
23,607	75,070	1,216	23,445	6,459	987,477	Use of Money and Property
—	3,671	—	—	1,359,667	3,071,050	Miscellaneous
23,607	4,748,715	1,216	23,445	1,366,126	59,074,024	Total Revenues
						Expenditures
						Current:
109,350	109,011	8,317	20,935	—	1,024,102	General Government
—	—	—	—	—	8,984,746	Public Protection
—	5,191,523	—	—	—	28,342,848	Public Ways and Facilities
—	—	—	—	—	2,401,451	Culture and Recreation
2,174,740	—	—	—	—	2,608,882	Community Development
—	1,477	—	—	2,185,866	8,262,912	Capital Outlay
						Debt Service:
—	—	8,144,321	7,325,000	—	15,469,321	Principal
—	—	8,706,609	5,724,262	—	14,430,871	Interest
2,284,090	5,302,011	16,859,247	13,070,197	2,185,866	81,525,133	Total Expenditures
(2,260,483)	(553,296)	(16,858,031)	(13,046,752)	(819,740)	(22,451,109)	Excess (Deficiency) of Revenues Over (Under) Expenditures
						Other Financing Sources (Uses)
800,724	208	16,859,433	13,029,667	5,051,340	41,993,243	Transfers In
—	(64,111)	—	(5,742)	(134,226)	(11,343,455)	Transfers Out
—	—	—	—	—	109,093	Sale of Capital Assets
800,724	(63,903)	16,859,433	13,023,925	4,917,114	30,758,881	Total Other Financing Sources (Uses)
(1,459,759)	(617,199)	1,402	(22,827)	4,097,374	8,307,772	Net Change in Fund Balances
34,998,692	14,562,625	5,581	1,864,520	7,281,214	104,544,269	Fund Balances - Beginning
$ 33,538,933	$ 13,945,426	$ 6,983	$ 1,841,693	$ 11,378,588	$ 112,852,041	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
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP
	Original	Final				
Budgetary Fund Balance, July 1	$ (2,091,200)	$ (2,091,200)	$ (1,134,231)	$ 956,969	$ 1,134,231	$ —
Resources (inflows):						
Intergovernmental	12,594,300	12,594,300	1,153,044	(11,441,256)	—	1,153,044
Charges for Services	—	—	288	288	—	288
Use of Money and Property	(9,000)	(9,000)	(217)	8,783	—	(217)
Miscellaneous	—	—	5,056	5,056	(1)	5,055
Other Financing Sources: Transfers from Other Funds	12,000	12,000	663,477	651,477	(657)	662,820
Total Available for Appropriations	10,506,100	10,506,100	687,417	(9,818,683)	1,133,573	1,820,990
Charges to Appropriations (outflows):						
Public Ways and Facilities	2,019,200	2,019,700	833,478	(1,186,222)	(854)	832,624
Community Development	3,148,900	3,148,900	277,026	(2,871,874)	(36,982)	240,044
Capital Outlay	23,888,000	23,887,500	—	(23,887,500)	—	—
Other Financing Uses: Transfers to Other Funds	—	—	74,094	74,094	1,443	75,537
Total Charges to Appropriations	29,056,100	29,056,100	1,184,598	(27,871,502)	(36,393)	1,148,205
Excess (Deficit) Resources Over (Under) Appropriations	$ (18,550,000)	$ (18,550,000)	$ (497,181)	$ 18,052,819	$ 1,169,966	$ 672,785

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Special Gas Tax - Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	$ 5,161,400	$ 5,300,800	$ 5,038,520	$ (262,280)	$ (5,038,520)	$ —
Resources (inflows):						
Taxes	13,762,100	13,762,100	12,071,541	(1,690,559)	410,350	12,481,891
Use of Money and Property	64,700	64,700	68,861	4,161	10,534	79,395
Miscellaneous	318,500	318,500	324,641	6,141	349,270	673,911
Other Financing Sources:						
Transfers From Other Funds	—	—	104,438	104,438	(19,155)	85,283
Total Available for Appropriations	19,306,700	19,446,100	17,608,001	(1,838,099)	(4,287,521)	13,320,480
Charges to Appropriations (outflows):						
Public Ways and Facilities	13,849,200	14,413,500	11,414,605	(2,998,895)	(48,070)	11,366,535
Capital Outlay	3,465,400	3,443,200	2,111,211	(1,331,989)	(182,823)	1,928,388
Other Financing Uses: Transfers to Other Funds	692,600	692,600	949,622	257,022	84,635	1,034,257
Total Charges to Appropriations	18,007,200	18,549,300	14,475,438	(4,073,862)	(146,258)	14,329,180
Excess (Deficit) Resources Over (Under) Appropriations	$ 1,299,500	$ 896,800	$ 3,132,563	$ 2,235,763	$ (4,141,263)	$ (1,008,700)

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Measure C - Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	$ 4,367,500	$ 5,074,400	$ 7,017,590	$ 1,943,190	$ (7,017,590)	$ —
Resources (inflows):						
Taxes	19,096,800	19,968,400	13,402,419	(6,565,981)	(1,902,714)	11,499,705
Use of Money and Property	72,400	72,400	272,994	200,594	—	272,994
Miscellaneous	75,400	325,400	398,142	72,742	263,279	661,421
Other Financing Sources: Transfers from Other Funds	11,400	11,400	4,077,435	4,066,035	(341,700)	3,735,735
Sale of Capital Assets	—	—	109,093	109,093	—	109,093
Total Available For Appropriations	23,623,500	25,452,000	25,277,673	(174,327)	(8,998,725)	16,278,948
Charges to Appropriations (outflows):						
Public Ways and Facilities	9,034,600	10,922,000	8,038,352	(2,883,648)	(500,560)	7,537,792
Capital Outlay	7,599,700	8,037,600	2,967,051	(5,070,549)	(255,282)	2,711,769
Other Financing Uses: Transfers to Other Funds	4,690,800	4,690,800	6,060,093	1,369,293	39,804	6,099,897
Total Charges to Appropriations	21,325,100	23,650,400	17,065,496	(6,584,904)	(716,038)	16,349,458
Excess (Deficit) Resources Over (Under) Appropriations	$ 2,298,400	$ 1,801,600	$ 8,212,177	$ 6,410,577	$ (8,282,687)	$ (70,510)

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Community Services - Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget to GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	$ 4,385,500	$ 4,394,300	$ 6,832,426	$ 2,438,126	$ (6,832,426)	$ —
Resources (inflows):						
Taxes	997,100	997,100	1,354,812	357,712	(14,685)	1,340,127
Intergovernmental	4,486,200	5,792,200	4,334,462	(1,457,738)	(1,089,393)	3,245,069
Charges for Services	8,334,600	10,043,800	9,714,198	(329,602)	(505,058)	9,209,140
Use of Money and Property	444,800	444,800	540,605	95,805	(102,245)	438,360
Miscellaneous	481,500	606,500	356,531	(249,969)	(252)	356,279
Other Financing Sources: Transfers from Other Funds	108,900	1,476,500	1,502,864	26,364	—	1,502,864
Total Available For Appropriations	19,238,600	23,755,200	24,635,898	880,698	(8,544,059)	16,091,839
Charges to Appropriations (outflows):						
General Government	1,000,000	1,500,000	771,693	(728,307)	4,796	776,489
Public Protection	5,612,000	10,290,200	8,420,798	(1,869,402)	84,300	8,505,098
Public Ways and Facilities	2,675,900	2,819,900	863,835	(1,956,065)	(3,436)	860,399
Culture and Recreation	2,709,100	2,885,100	2,366,352	(518,748)	29,652	2,396,004
Community Development	179,000	179,000	11,543	(167,457)	(1,950)	9,593
Capital Outlay	4,385,200	5,595,000	590,709	(5,004,291)	33,378	624,087
Other Financing Uses: Transfers to Other Funds	995,100	995,100	1,589,193	594,093	10,799	1,599,992
Total Charges to Appropriations	17,556,300	24,264,300	14,614,123	(9,650,177)	157,539	14,771,662
Excess (Deficit) Resources Over (Under) Appropriations	$ 1,682,300	$ (509,100)	$ 10,021,775	$ 10,530,875	$ (8,701,598)	$ 1,320,177

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - UGM Impact Fees - Special Revenue Fund

Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	$ 14,740,100	$ 15,467,900	$ 16,418,612	$ 950,712	$ (16,418,612)	$ —
Resources (inflows):						
Intergovernmental	—	—	—	—	—	—
Charges for Services	6,772,200	7,087,700	11,249,982	4,162,282	(15,922)	11,234,060
Use of Money and Property	119,800	120,500	290,108	169,608	(222,960)	67,148
Miscellaneous	856,300	856,300	11,046	(845,254)	—	11,046
Other Financing Sources: Transfers from Other Funds	—	535,000	838,688	303,688	(573,519)	265,169
Total Available for Appropriations	22,488,400	24,067,400	28,808,436	4,741,036	(17,231,013)	11,577,423
Charges to Appropriations (outflows):						
Public Protection	359,100	411,600	339,648	(71,952)	140,000	479,648
Culture and Recreation	—	121,700	87,698	(34,002)	(82,251)	5,447
Public Ways and Facilities	3,104,900	3,922,000	2,536,653	(1,385,347)	17,322	2,553,975
Capital Outlay	5,928,900	6,908,500	888,331	(6,020,169)	(77,006)	811,325
Other Financing Uses: Transfers to Other Funds	2,654,400	3,189,400	2,903,212	(286,188)	(573,519)	2,329,693
Total Charges to Appropriations	12,047,300	14,553,200	6,755,542	(7,797,658)	(575,454)	6,180,088
Excess (Deficit) Resources Over (Under) Appropriations	$ 10,441,100	$ 9,514,200	$ 22,052,894	$ 12,538,694	$ (16,655,559)	$ 5,397,335

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Low and Moderate Income Housing - Special Revenue Fund
Year Ended June 30, 2018

	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):					
Use of Money and Property	23,607	23,607	—	—	23,607
Transfers from Other Funds	800,724	800,724	—	—	800,724
Total Available for Appropriations	824,331	824,331	—	—	824,331
Charges to Appropriations (outflows):					
General Government	109,350	109,350	—	—	109,350
Community Development	2,174,740	2,174,740	—	—	2,174,740
Total Charges to Appropriations	2,284,090	2,284,090	—	—	2,284,090
Excess (Deficit) Resources Over (Under) Appropriations	$ (1,459,759)	$ (1,459,759)	$ —	$ —	$ (1,459,759)

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Special Assessments - Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	$ 14,490,700	$ 14,490,700	$ 14,664,580	$ 173,880	$ (14,664,580)	$ —
Resources (inflows):						
Charges for Services	5,877,600	5,877,600	4,669,974	(1,207,626)	—	4,669,974
Use of Money and Property	173,700	173,700	190,809	17,109	(115,739)	75,070
Miscellaneous	1,600	1,600	15,383	13,783	(11,712)	3,671
Other Financing Sources: Transfers from Other Funds	—	—	240,208	240,208	(240,000)	208
Total Available for Appropriations	20,543,600	20,543,600	19,780,954	(762,646)	(15,032,031)	4,748,923
Charges to Appropriations (outflows):						
General Government	—	—	—	—	109,011	109,011
Public Ways and Facilities	6,719,100	6,719,100	5,085,137	(1,633,963)	106,386	5,191,523
Capital Outlay	2,688,900	2,688,900	65,571	(2,623,329)	(64,094)	1,477
Other Financing Uses: Transfers to Other Funds	340,000	340,000	240,017	(99,983)	(175,906)	64,111
Total Charges to Appropriations	9,748,000	9,748,000	5,390,725	(4,357,275)	(24,603)	5,366,122
Excess (Deficit) Resources Over (Under) Appropriations	$ 10,795,600	$ 10,795,600	$ 14,390,229	$ 3,594,629	$ (15,007,428)	$ (617,199)

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - City Combined - Capital Projects Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	$ 6,400,400	$ 6,542,000	$ 5,576,956	$ (965,044)	$ (5,576,956)	$ —
Resources (inflows):						
Use of Money and Property	59,600	62,600	129,551	66,951	(123,092)	6,459
Miscellaneous	673,600	823,600	1,359,666	536,066	1	1,359,667
Other Financing Sources:						
Transfers Budgeted as Bond Proceeds	5,093,800	5,093,800	5,051,340	(42,460)	—	5,051,340
Total Available for Appropriations	12,227,400	12,522,000	12,117,513	(404,487)	(5,700,047)	6,417,466
Charges to Appropriations (outflows):						
Capital Outlay	10,884,400	11,179,001	2,152,761	(9,026,240)	33,105	2,185,866
Other Financing Uses: Transfers to Other Funds	—	—	109,262	109,262	24,964	134,226
Total Charges to Appropriations	10,884,400	11,179,001	2,262,023	(8,916,978)	58,069	2,320,092
Excess (Deficit) Resources Over (Under) Appropriations	$ 1,343,000	$ 1,342,999	$ 9,855,490	$ 8,512,491	$ (5,758,116)	$ 4,097,374

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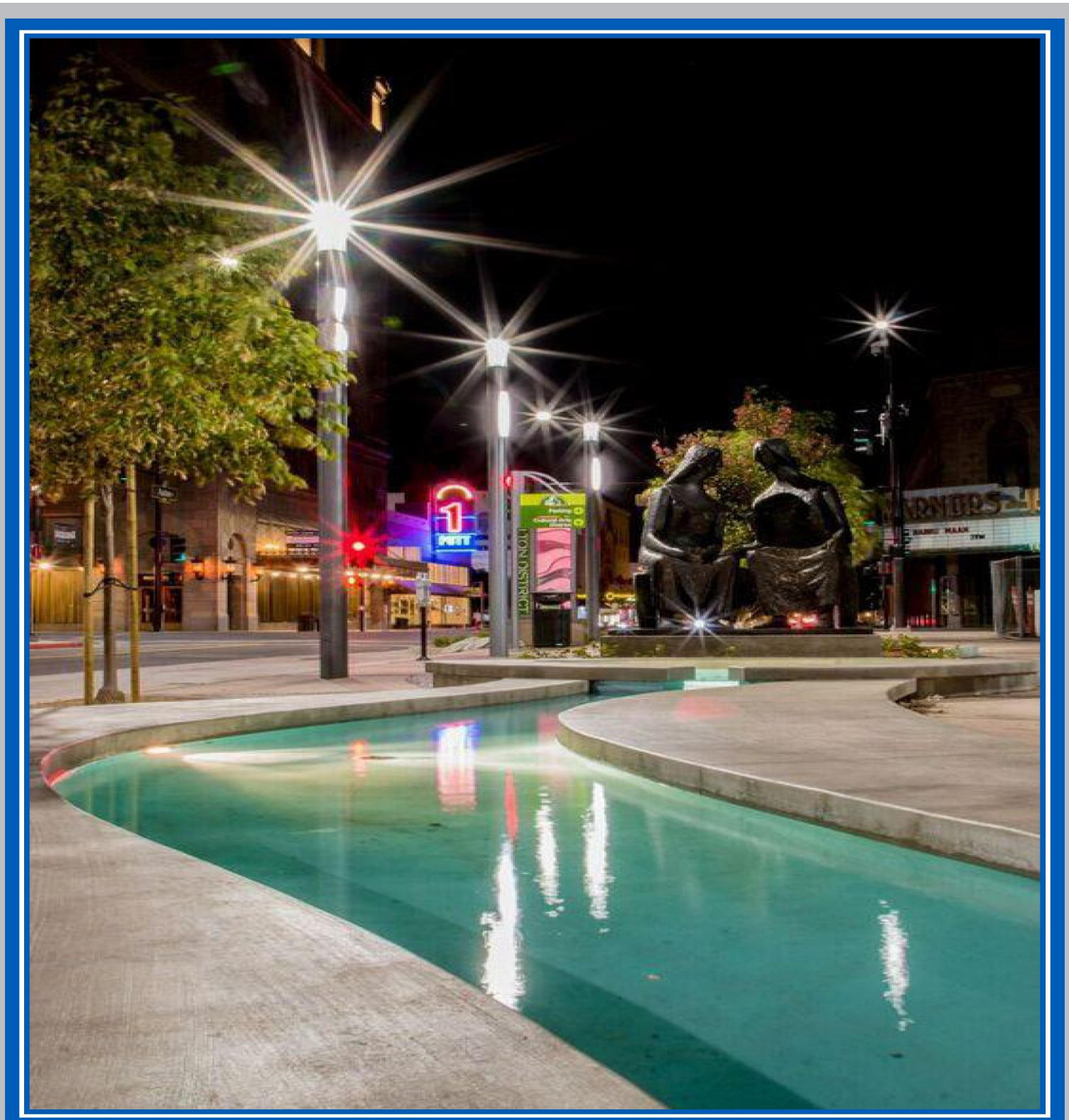
NONMAJOR ENTERPRISE FUNDS



CITY OF FRESNO, CALIFORNIA

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
Assets			
Current Assets:			
Cash and Investments	$ 4,013,810	$ 410,950	$ 4,424,760
Interest Receivable	39,160	4,523	43,683
Accounts Receivable, Net	1,288,876	—	1,288,876
Prepaids	546	—	546
Total Current Assets	5,342,392	415,473	5,757,865
Noncurrent Assets:			
Other Assets:			
Other Assets	—	17,610	17,610
Net Pension Asset	2,735,112	—	2,735,112
Total Other Assets	2,735,112	17,610	2,752,722
Capital Assets:			
Land	—	11,508	11,508
Buildings, Systems and Improvements	—	4,599,404	4,599,404
Machinery and Equipment	226,544	—	226,544
Construction in Progress	—	50,000	50,000
Less Accumulated Depreciation	(198,552)	(2,439,693)	(2,638,245)
Total Capital Assets, Net	27,992	2,221,219	2,249,211
Total Noncurrent Assets	2,763,104	2,238,829	5,001,933
Total Assets	8,105,496	2,654,302	10,759,798
Deferred Outflows of Resources			
Charge on Refunding	—	73,729	73,729
Deferred Outflows - Pensions	485,412	—	485,412
Deferred Outflows - OPEB	28,357	—	28,357
Total Deferred Outflows of Resources	513,769	73,729	587,498
Liabilities			
Current Liabilities:			
Accrued Liabilities	255,217	22,606	277,823
Accrued Compensated Absences and HRA	32,023	—	32,023
Due to Other Funds	178,918	—	178,918
Bonds Payable	—	50,000	50,000
Total Current Liabilities	466,158	72,606	538,764
Noncurrent Liabilities:			
Accrued Compensated Absences and HRA	503,177	—	503,177
Bonds Payable	—	1,782,054	1,782,054
Net OPEB Liability	1,093,787	—	1,093,787
Total Noncurrent Liabilities	1,596,964	1,782,054	3,379,018
Total Liabilities	2,063,122	1,854,660	3,917,782
Deferred Inflows of Resources			
Unamortized Pension Expense	734,085	—	734,085
Unamortized OPEB Expense	237,452	—	237,452
Total Deferred Inflows of Resources	971,537	—	971,537
Net Position			
Net Investment in Capital Assets	27,992	462,894	490,886
Unrestricted	5,556,614	410,477	5,967,091
Total Net Position	$ 5,584,606	$ 873,371	$ 6,457,977

CITY OF FRESNO, CALIFORNIA

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	$ 9,422,010	$ 323,496	$ 9,745,506
Operating Expenses:			
Cost of Services	5,467,311	35,491	5,502,802
Administration	4,706,251	2,441	4,708,692
Depreciation	8,410	178,358	186,768
Total Operating Expenses	10,181,972	216,290	10,398,262
Operating Income	(759,962)	107,206	(652,756)
Non-Operating Revenue (Expenses):			
Interest Income	51,607	8,399	60,006
Interest Expense	—	(66,889)	(66,889)
Total Non-operating Revenue (Expenses)	51,607	(58,490)	(6,883)
Income Before Transfers	(708,355)	48,716	(659,639)
Transfers In	—	267	267
Transfers Out	(858,674)	(500)	(859,174)
Change in Net Position	(1,567,029)	48,483	(1,518,546)
Total Net Position - Beginning	7,404,153	820,450	8,224,603
Cumulative Effect of Accounting Change	(252,518)	4,438	(248,080)
Total Net Position - Beginning Restated	7,151,635	824,888	7,976,523
Total Net Position - Ending	$ 5,584,606	$ 873,371	$ 6,457,977

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2018

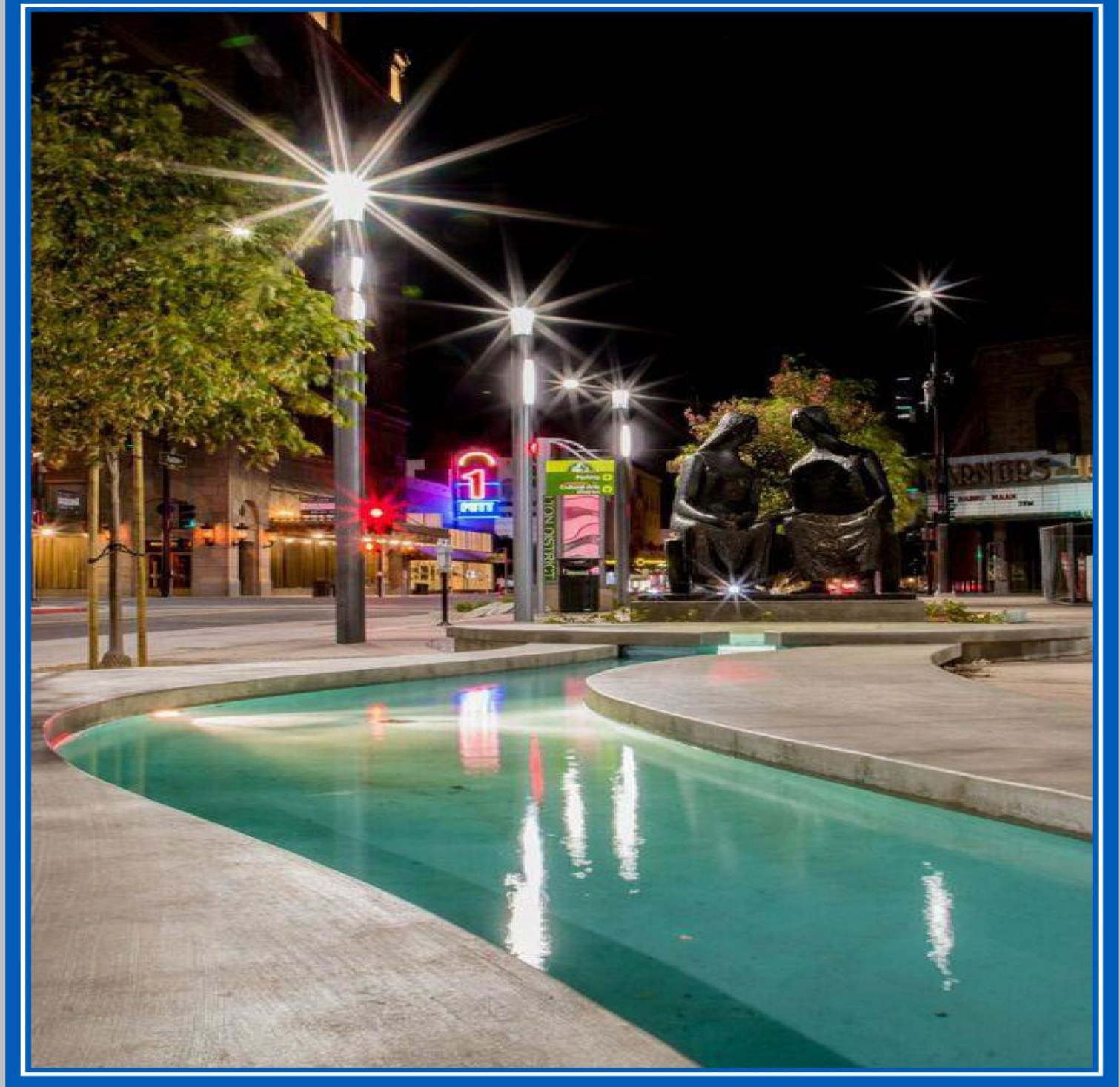
	Business-Type Activities - Nonmajor Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 9,336,805	$ 323,496	$ 9,660,301
Cash Payments to Suppliers for Services	(2,936,506)	(23,986)	(2,960,492)
Cash Paid for Interfund Services Used	(2,755,838)	(1,600)	(2,757,438)
Cash Payments to Employees for Services	(4,824,225)	(31,715)	(4,855,940)
Net Cash Provided by Operating Activities	(1,179,764)	266,195	(913,569)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest Payments on Capital Debt	—	(79,396)	(79,396)
Receipt of Restricted Deposits	—	5,507	5,507
Retirement of Debt	—	(60,000)	(60,000)
Acquisition and Construction of Capital Assets	—	(50,000)	(50,000)
Net Cash (Used for) Capital and Related Financing Activities	—	(183,889)	(183,889)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers In	—	267	267
Transfers Out	(858,674)	(500)	(859,174)
Net Cash (Used for) Non-Capital Financing Activities	(858,674)	(233)	(858,907)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	49,111	6,425	55,536
Net Cash Provided by Investing Activities	49,111	6,425	55,536
Net Decrease in Cash and Cash Equivalents	(1,989,327)	88,498	(1,900,829)
Cash and Cash Equivalents, Beginning of Year	6,003,137	322,452	6,325,589
Cash and Cash Equivalents, End of Year	$ 4,013,810	$ 410,950	$ 4,424,760

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2018 (Continued)

	Business-Type Activities - Nonmajor Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	$ (759,962)	$ 107,206	$ (652,756)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	8,410	178,358	186,768
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	54,410	—	54,410
Decrease (increase) in due from other funds	14,550	—	14,550
Decrease (increase) in prepaid items	(16)	—	(16)
Decrease (increase) in net pension asset and deferred outflows pensions	(896,054)	—	(896,054)
Decrease (increase) in prepaid insurance	—	880	880
(Decrease) increase in accounts payable	101,633	(20,350)	81,283
(Decrease) increase in salaries payable	59,630	101	59,731
(Decrease) increase in due to other funds	(27,699)	—	(27,699)
(Decrease) increase in Net OPEB liability	(169,391)	—	(169,391)
(Decrease) increase in deferred inflows of resources pensions	434,725	—	434,725
Net Cash Provided by Operating Activities	$ (1,179,764)	$ 266,195	$ (913,569)
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:			
Cash and Investments:			
Unrestricted	$ 4,013,810	$ 410,950	$ 4,424,760
Cash and Cash Equivalents at End of Year on Statement of Cash Flows	$ 4,013,810	$ 410,950	$ 4,424,760
Noncash Investing, Capital, and Financing Activities:			
Amortization of bond premium, discount and loss on refunding	$ —	$ 1,383	$ 1,383
Decrease in fair value of investments	59,290	—	59,290

INTERNAL SERVICE FUNDS



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CITY OF FRESNO, CALIFORNIA

Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
Assets						
Current Assets:						
Cash and Investments	$ 3,604,808	$ 34,324,699	$ 9,579,217	$ 25,328,894	$ —	$ 72,837,618
Interest Receivable	117,048	196,620	90,160	198,458	—	602,286
Accounts Receivable, Net	644,635	—	132,956	—	—	777,591
Inventories	—	1,106,258	—	—	—	1,106,258
Prepaids	11,516	47,199	16,597	—	—	75,312
Due from Other Funds	—	2,119,884	—	—	—	2,119,884
Total Current Assets	4,378,007	37,794,660	9,818,930	25,527,352	—	77,518,949
Noncurrent Assets:						
Restricted:						
Cash and Investments	5,076,771	—	672,088	—	—	5,748,859
Total Restricted Assets	5,076,771	—	672,088	—	—	5,748,859
Other Assets:						
Net Pension Asset	3,640,664	9,824,017	—	—	—	13,464,681
Total Other Assets	3,640,664	9,824,017	—	—	—	13,464,681
Capital Assets:						
Buildings, Systems & Improvements	50,000	7,778,782	—	—	—	7,828,782
Machinery & Equipment	147,565	124,716,188	—	—	—	124,863,753
Construction in Progress	—	3,409,770	—	—	—	3,409,770
Less Accumulated Depreciation	(197,565)	(91,936,344)	—	—	—	(92,133,909)
Total Capital Assets, Net	—	43,968,396	—	—	—	43,968,396
Total Noncurrent Assets	8,717,435	53,792,413	672,088	—	—	63,181,936
Total Assets	13,095,442	91,587,073	10,491,018	25,527,352	—	140,700,885
Deferred Outflows of Resources						
Pension Contributions	507,148	1,151,994	—	—	—	1,659,142
Deferred Outflows - Pension	267,540	580,345	—	—	—	847,885
Deferred Outflows - OPEB	60,012	98,921	5,936	—	—	164,869
Total Deferred Outflows of Resources	834,700	1,831,260	5,936	—	—	2,671,896
Liabilities						
Current Liabilities:						
Accrued Liabilities	760,560	2,567,124	1,032,340	350,627	—	4,710,651
Accrued Compensated Absences & HRA	136,324	346,092	20,125	—	—	502,541
Liability for Self-Insurance	—	—	30,003,966	4,900,000	—	34,903,966
Unearned Revenue	720,909	328,448	—	—	—	1,049,357
Due to Other Funds	9,049	3,826,967	42	—	—	3,836,058
Capital Lease Obligations	—	3,910,973	—	—	—	3,910,973
Total Current Liabilities	1,626,842	10,979,604	31,056,473	5,250,627	—	48,913,546
Noncurrent Liabilities:						
Accrued Compensated Absences & HRA	1,404,229	2,504,741	106,182	—	—	4,015,152
Capital Lease Obligations	—	10,719,608	—	—	—	10,719,608
Liability for Self-Insurance	—	—	97,461,164	—	—	97,461,164
Net OPEB Liability	2,314,738	3,815,540	228,986	—	—	6,359,264
Deposits Held for Others	5,123,674	—	—	—	—	5,123,674
Total Noncurrent Liabilities	8,842,641	17,039,889	97,796,332	—	—	123,678,862
Total Liabilities	10,469,483	28,019,493	128,852,805	5,250,627	—	172,592,408
Deferred Inflows of Resources						
Unamortized Pension Expense	745,877	2,125,924	—	—	—	2,871,801
Unamortized OPEB Expense	502,511	828,321	49,711	—	—	1,380,543
Total Deferred Inflows of Resources	1,248,388	2,954,245	49,711	—	—	4,252,344
Net Position						
Net Investment in Capital Assets	—	29,337,815	—	—	—	29,337,815
Unrestricted (Deficit)	2,212,271	33,106,780	(118,405,562)	20,276,725	—	(62,809,786)
Total Net Position (Deficit)	$ 2,212,271	$ 62,444,595	$ (118,405,562)	$ 20,276,725	$ —	$ (33,471,971)

CITY OF FRESNO, CALIFORNIA

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

Internal Service Funds

Year Ended June 30, 2018

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
Operating Revenues:						
Charges for Services	$ 10,219,618	$ 57,680,474	$ 29,823,717	$ 45,061,299	$ 7,252,582	$ 150,037,690
Operating Expenses:						
Cost of Services	6,214,448	30,602,345	32,356,295	39,897,866	6,811,708	115,882,662
Administration	2,817,228	11,321,469	5,180,170	3,964,890	440,874	23,724,631
Depreciation	—	5,576,812	—	—	—	5,576,812
Total Operating Expenses	9,031,676	47,500,626	37,536,465	43,862,756	7,252,582	145,184,105
Operating Income (Loss)	1,187,942	10,179,848	(7,712,748)	1,198,543	—	4,853,585
Non-operating Revenue (Expenses):						
Interest Income	141,385	127,463	84,793	359,816	—	713,457
Interest Expense	—	(301,467)	—	—	—	(301,467)
Gain on Disposal of Capital Assets	4,000	184,215	—	—	—	188,215
Total Non-operating Revenue (Expenses)	145,385	10,211	84,793	359,816	—	600,205
Income (Loss) Before Contributions & Transfers	1,333,327	10,190,059	(7,627,955)	1,558,359	—	5,453,790
Transfers In	—	749,249	3,459,023	—	—	4,208,272
Transfers Out	(555,332)	(958,004)	(49,481)	—	—	(1,562,817)
Change in Net Position	777,995	9,981,304	(4,218,413)	1,558,359	—	8,099,245
Total Net Position (Deficit) - Beginning	1,965,287	53,233,786	(114,224,464)	18,718,366	—	(40,307,025)
Cumulative Effect of Accounting Change	(531,011)	(770,495)	37,315	—	—	(1,264,191)
Total Net Position (Deficit) - Beginning Restated	1,434,276	52,463,291	(114,187,149)	18,718,366	—	(41,571,216)
Total Net Position (Deficit) - Ending	$ 2,212,271	$ 62,444,595	$ (118,405,562)	$ 20,276,725	$ —	$ (33,471,971)

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2018

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers	$ 3,339,428	$ 7,691,159	$ —	$ 9,578,359	$ 5,301,435	$ 25,910,381
Cash Received from Interfund Services Provided	7,297,300	50,203,585	31,177,407	35,482,940	1,951,147	126,112,379
Cash Payments to Suppliers for Services	(1,761,614)	(24,955,579)	(4,892,635)	(3,594,804)	(440,874)	(35,645,506)
Cash Paid for Interfund Services Used	(1,677,114)	(3,681,609)	(384,935)	—	—	(5,743,658)
Cash Payments to Employees for Services	(6,496,944)	(14,442,445)	(3,215,877)	—	—	(24,155,266)
Cash Payments for Claims and Refunds	—	—	(27,391,322)	(39,897,866)	(6,811,708)	(74,100,896)
Net Cash Provided by Operating Activities	701,056	14,815,111	(4,707,362)	1,568,629	—	12,377,434
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital Contributions	—	3,310,636	—	—	—	3,310,636
Interest Payments on Capital Debt	—	(317,662)	—	—	—	(317,662)
Principal Payment on Capital Lease Obligations	—	(2,630,636)	—	—	—	(2,630,636)
Proceeds from Sale of Capital Assets	4,000	185,902	—	—	—	189,902
Acquisition and Construction of Capital Assets	—	(11,003,716)	—	—	—	(11,003,716)
Net Cash (Used for) Capital and Related Financing Activities	4,000	(10,455,476)	—	—	—	(10,451,476)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Borrowing (Payment to) Other Funds	8,000	1,565,557	—	—	—	1,573,557
Transfers In	—	749,249	3,459,024	—	—	4,208,273
Transfers Out	(555,332)	(958,004)	(49,481)	—	—	(1,562,817)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(547,332)	1,356,802	3,409,543	—	—	4,219,013
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and Dividends on Investments	97,062	57,386	46,735	280,717	—	481,900
Net Cash Provided by Investing Activities	97,062	57,386	46,735	280,717	—	481,900
Net Increase in Cash and Cash Equivalents	254,786	5,773,823	(1,251,084)	1,849,346	—	6,626,871
Cash and Cash Equivalents, Beginning of Year	8,426,793	28,550,875	11,502,390	23,479,548	—	71,959,606
Cash and Cash Equivalents, End of Year	$ 8,681,579	$ 34,324,698	$ 10,251,306	$ 25,328,894	$ —	$ 78,586,477

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2018 (Continued)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Operating income (loss)	$ 1,187,942	$ 10,179,848	$ (7,712,748)	$ 1,198,543	$ —	$ 4,853,585
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	—	5,576,812	—	—	—	5,576,812
Change in assets and liabilities:						
Decrease (increase) in accounts receivable	135,301	—	(76,090)	—	—	59,211
Decrease (increase) in due from other funds	—	575,594	—	—	—	575,594
Decrease (increase) in material and supplies inventory	—	(339,465)	—	—	—	(339,465)
Decrease (increase) in prepaid items	(6,898)	(22,600)	(16,597)	—	—	(46,095)
Decrease (increase) in net pension asset and deferred outflows pensions	(687,245)	(2,366,578)	(5,936)	—	—	(3,059,759)
(Decrease) increase in accounts payable	(464,204)	275,987	(77,257)	70,086	—	(195,388)
(Decrease) increase in salaries payable	432,727	364,904	236,928	—	—	1,034,559
(Decrease) increase in due to other funds	(2,029)	—	(173)	—	—	(2,202)
(Decrease) increase in unearned revenue	(2,361)	328,448	—	—	—	326,087
(Decrease) increase in liability for self-insurance	—	—	2,930,262	300,000	—	3,230,262
(Decrease) increase in deposits	183,185	—	—	—	—	183,185
(Decrease) increase in Net OPEB liability	(358,475)	(590,898)	(35,462)	—	—	(984,835)
(Decrease) increase in deferred inflows of resources pensions	283,113	833,059	49,711	—	—	1,165,883
Net Cash Provided by Operating Activities	$ 701,056	$ 14,815,111	$ (4,707,362)	$ 1,568,629	$ —	$ 12,377,434
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:						
Cash and Investments:						
Unrestricted	$ 3,604,808	$ 34,324,699	$ 9,579,217	$ 25,328,894	$ —	$ 72,837,618
Restricted - Current and Noncurrent	5,076,771	—	672,088	—	—	5,748,859
Cash and Cash Equivalents at End of Year on Statement of Cash Flows	$ 8,681,579	$ 34,324,699	$ 10,251,305	$ 25,328,894	$ —	$ 78,586,477
Noncash Investing, Capital, and Financing Activities:						
Acquisition and construction of capital assets on accounts payable	$ —	$ 128,132	$ —	$ —	$ —	$ 128,132
Borrowing under capital lease	—	5,644,512	—	—	—	5,644,512
Decrease (increase) in fair value of investments	128,077	265,107	(151,427)	—	—	241,757

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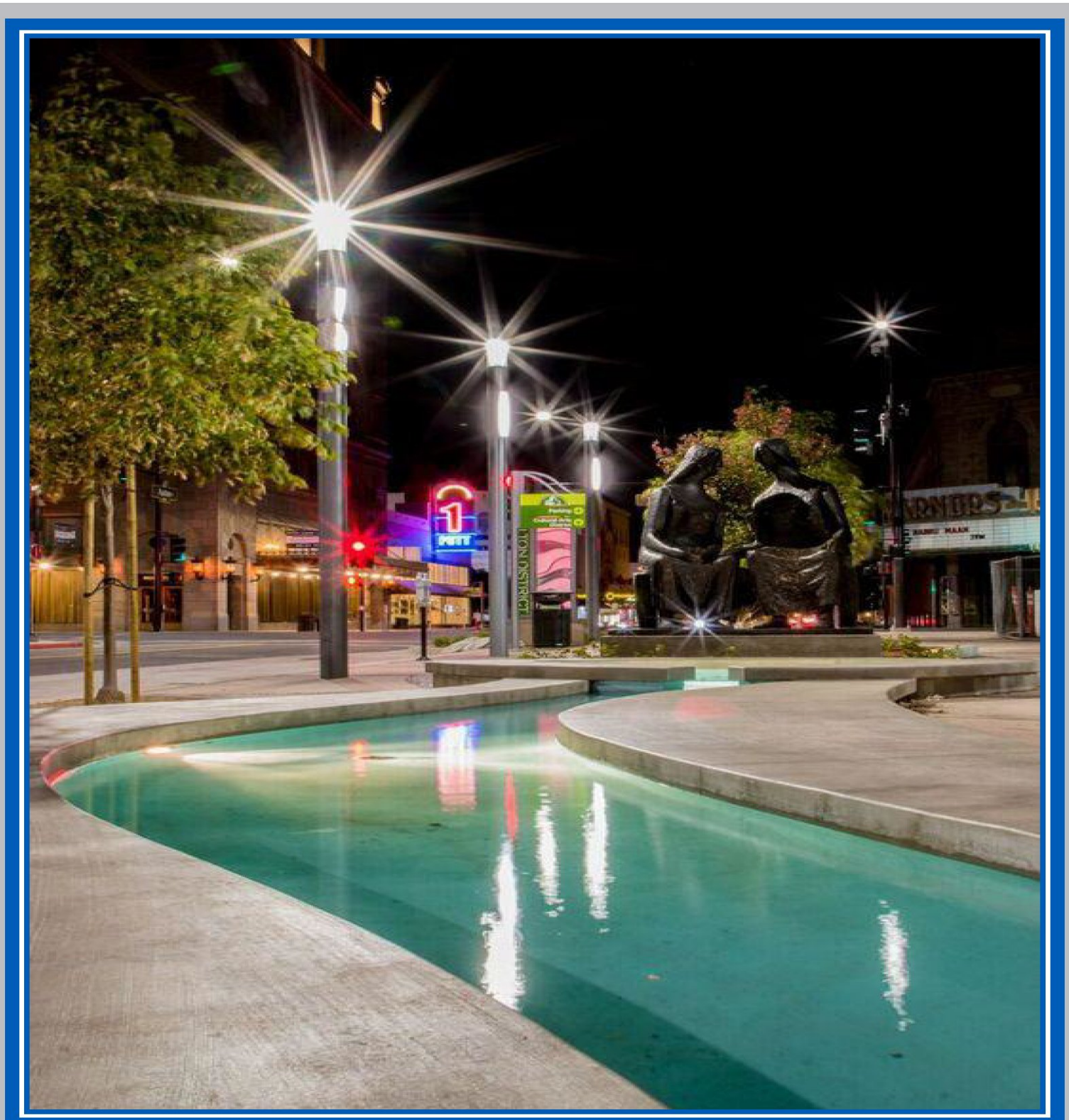
FIDUCIARY FUNDS



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CITY OF FRESNO, CALIFORNIA

Combining Statement of Fiduciary Net Position

Fiduciary Funds - Pension Trust Funds

June 30, 2018

	Pension Trust Funds		
	Fire and Police Retirement System	Employees Retirement System	Total
Assets			
Cash and Investments	$ 2,206,598	$ 1,856,515	$ 4,063,113
Receivables:			
Receivables for Investments Sold	1,510,664	1,207,493	2,718,157
Interest and Dividends Receivable	4,004,206	3,368,358	7,372,564
Other Receivables	1,884,317	1,601,514	3,485,831
Total Receivables	7,399,187	6,177,365	13,576,552
Investments, at Fair Value:			
Short-Term Investments	33,310,870	28,021,268	61,332,138
Domestic Equity	598,042,858	503,076,591	1,101,119,449
Corporate Bonds	150,585,487	126,673,251	277,258,738
International Developed Market Equities	287,973,864	242,245,030	530,218,894
International Emerging Market Equities	55,558,303	46,735,917	102,294,220
Government Bonds	177,379,820	149,212,777	326,592,597
Direct Lending	63,716,750	53,598,843	117,315,593
Real Estate	234,106,238	197,413,403	431,519,641
Total Investments	1,600,674,190	1,346,977,080	2,947,651,270
Collateral Held for Securities Lent	98,293,865	82,685,282	180,979,147
Capital Assets, Net of Accumulated Depreciation	966,652	966,652	1,933,304
Prepaid Expense	37,808	37,808	75,616
Total Assets	1,709,578,300	1,438,700,702	3,148,279,002
Liabilities			
Accrued Liabilities	7,279,433	6,123,427	13,402,860
Collateral Held for Securities Lent	98,293,865	82,685,282	180,979,147
Other Liabilities	1,419,408	1,201,360	2,620,768
Total Liabilities	106,992,706	90,010,069	197,002,775
Net Position			
Net Position Restricted for Pension Benefits	$ 1,602,585,594	$ 1,348,690,633	$ 2,951,276,227

CITY OF FRESNO, CALIFORNIA

Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Pension Trust Funds
Year Ended June 30, 2018

	Pension Trust Funds		
	Fire and Police Retirement System	Employees Retirement System	Total
Additions			
Contributions:			
Employer	$ 19,696,957	$ 14,608,659	$ 34,305,616
System Members	8,963,672	10,329,475	19,293,147
Total Contributions	28,660,629	24,938,134	53,598,763
Investment Income:			
Net (Depreciation) in Value of Investments	111,163,089	93,756,411	204,919,500
Interest	14,600,658	12,299,109	26,899,767
Dividends	12,886,994	10,855,518	23,742,512
Other Investment Related	55,900	54,745	110,645
Total Investment Income	138,706,641	116,965,783	255,672,424
Less Investment Expense	(10,021,417)	(8,452,047)	(18,473,464)
Total Net Investment Income	128,685,224	108,513,736	237,198,960
Securities Lending Income:			
Securities Lending Earnings	2,000,798	1,683,081	3,683,879
Less Securities Lending Expense	(1,523,233)	(1,281,351)	(2,804,584)
Net Securities Lending Income	477,565	401,730	879,295
Total Additions	157,823,418	133,853,600	291,677,018
Deductions			
Benefit Payments	62,510,828	56,241,911	118,752,739
Refund of Contributions	560,170	1,424,025	1,984,195
Administrative Expenses	1,709,614	1,618,767	3,328,381
Total Deductions	64,780,612	59,284,703	124,065,315
Change in Net Position	93,042,806	74,568,897	167,611,703
Net Position - Beginning	1,509,542,788	1,274,121,736	2,783,664,524
Net Position - Ending	$ 1,602,585,594	$ 1,348,690,633	$ 2,951,276,227

CITY OF FRESNO, CALIFORNIA

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2018

CITY DEPARTMENTAL FUND

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash and Investments	$ 7,438,712	$ 303,989,294	$ 302,129,864	$ 9,298,142
Interest Receivable	12,032	92,506	86,177	18,361
Due From Other Governments	9,982	9,670	9,982	9,670
Total Assets	$ 7,460,726	$ 304,091,470	$ 302,226,023	$ 9,326,173
Liabilities				
Accrued Liabilities	$ 411,593	$ 312,782,029	$ 310,781,227	$ 2,412,395
Due to Other Funds	1,054	921	1,054	921
Deposits Held for Others	7,048,079	8,681,858	8,817,080	6,912,857
Total Liabilities	$ 7,460,726	$ 321,464,808	$ 319,599,361	$ 9,326,173

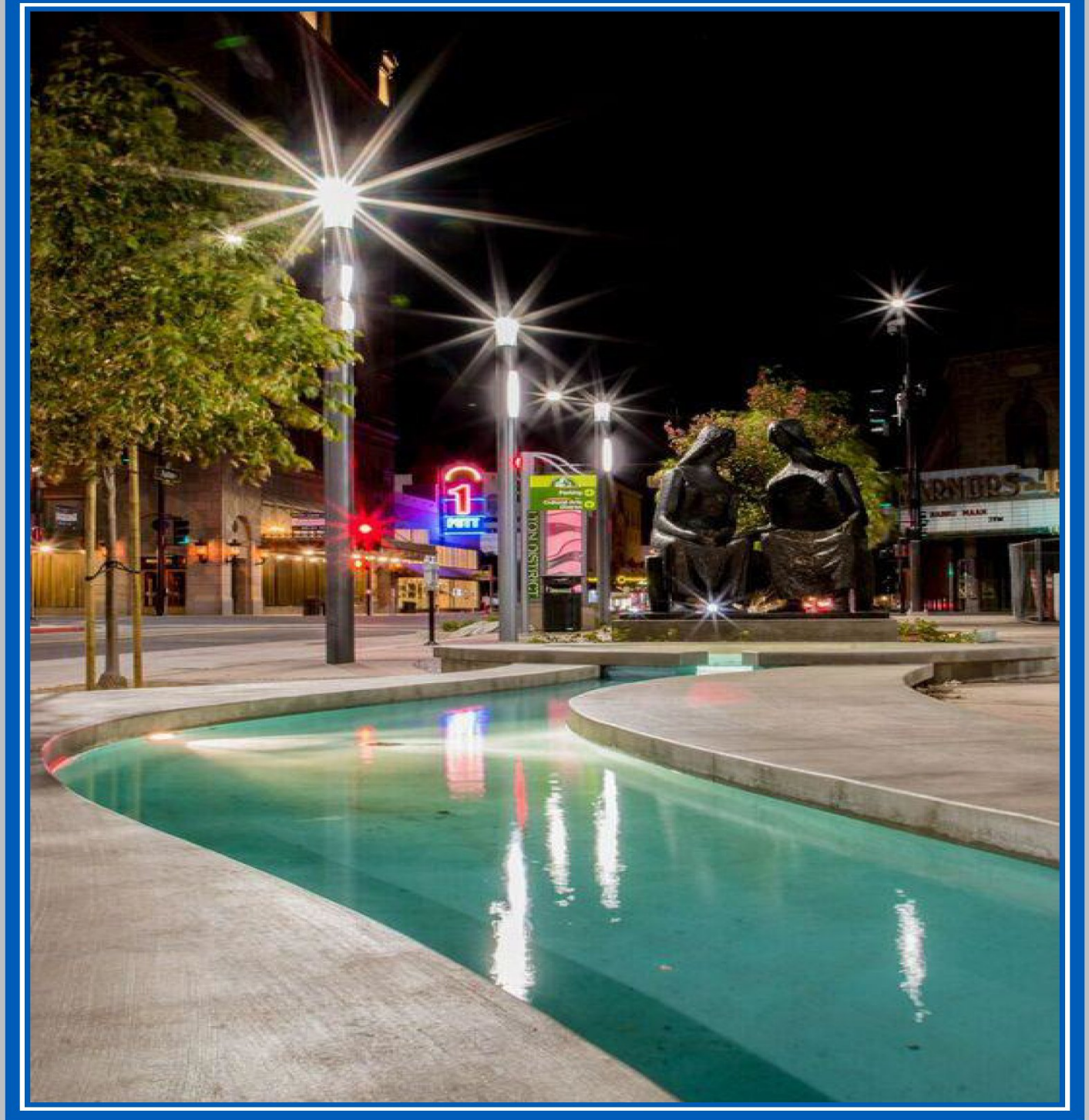
SPECIAL ASSESSMENTS DISTRICT FUND

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Assets				
Cash and Investments	$ 194,672	$ 439,462	$ 405,558	$ 228,576
Restricted Cash and Investments Held by Fiscal Agent	565,206	—	6,542	558,664
Interest Receivable	329	877	658	548
Due from Other Governments	755,766	783,821	755,766	783,821
Total Assets	$ 1,515,973	$ 1,224,160	$ 1,168,524	$ 1,571,609
Liabilities				
Deposits Held for Others	$ 1,515,973	$ 1,223,655	$ 1,168,019	$ 1,571,609
Total Liabilities	$ 1,515,973	$ 1,223,655	$ 1,168,019	$ 1,571,609

TOTAL AGENCY FUNDS

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Assets				
Cash and Investments	$ 7,633,384	$ 304,428,756	$ 302,535,422	$ 9,526,718
Restricted Cash and Investments Held by Fiscal Agent	565,206	—	6,542	558,664
Interest Receivable	12,361	93,383	86,835	18,909
Due from Other Governments	765,748	793,491	765,748	793,491
Total Assets	$ 8,976,699	$ 305,315,630	$ 302,628,799	$ 10,897,782
Liabilities				
Accrued Liabilities	$ 411,593	$ 312,782,029	$ 310,781,227	$ 2,412,395
Due To Other Funds	1,054	921	1,054	921
Deposits Held for Others	8,564,052	9,905,513	9,985,099	8,484,466
Total Liabilities	$ 8,976,699	$ 322,688,463	$ 320,767,380	$ 10,897,782

DISCRETELY PRESENTED COMPONENT UNIT



CITY OF FRESNO CULTURAL ARTS PROPERTIES CORPORATION

FRESNO, CALIFORNIA

Statement of Cash Flows in Liquidation

Discretely Presented Component Unit

	August 29, 2017 (1)
Cash Flows from Operating Activities	
Receipts from Customers	$ —
Payments to Suppliers and Service Providers	—
Net Cash Provided by Operating Activities	—
Cash Flows from Capital and Related Financing Activities	
Payment of Liquidation of Debt	(968,223)
Refund Unearned Revenue	(231,250)
Net Cash (Used) by Capital and Related Financing Activities	(1,199,473)
Net Increase in Cash	(1,199,473)
Cash - Beginning	1,199,473
Cash - Ending	$ —
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities	
Operating Income (Loss)	$ —
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities	
Depreciation	—
Total Adjustments	—
Net Cash Provided by Operating Activities	$ —

(1) Refer to Note 13 for details of the COFCAP Liquidation

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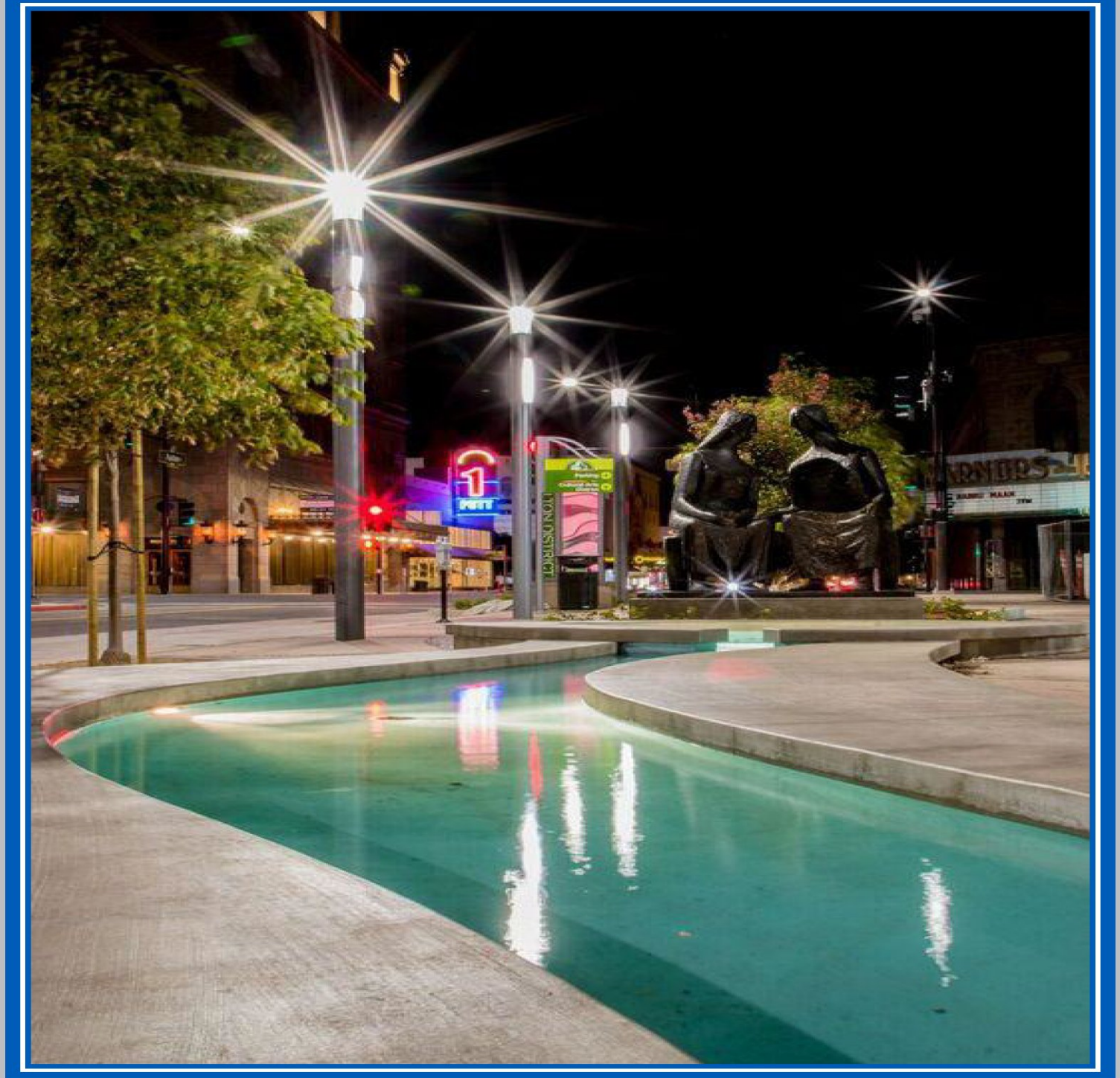
STATISTICAL SECTION



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Statistical Section

This section of the City's comprehensive annual financial report 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 199-203)

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source: The property tax. (Pages 204-207)

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 208-216)

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 217-218)

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 219-223)

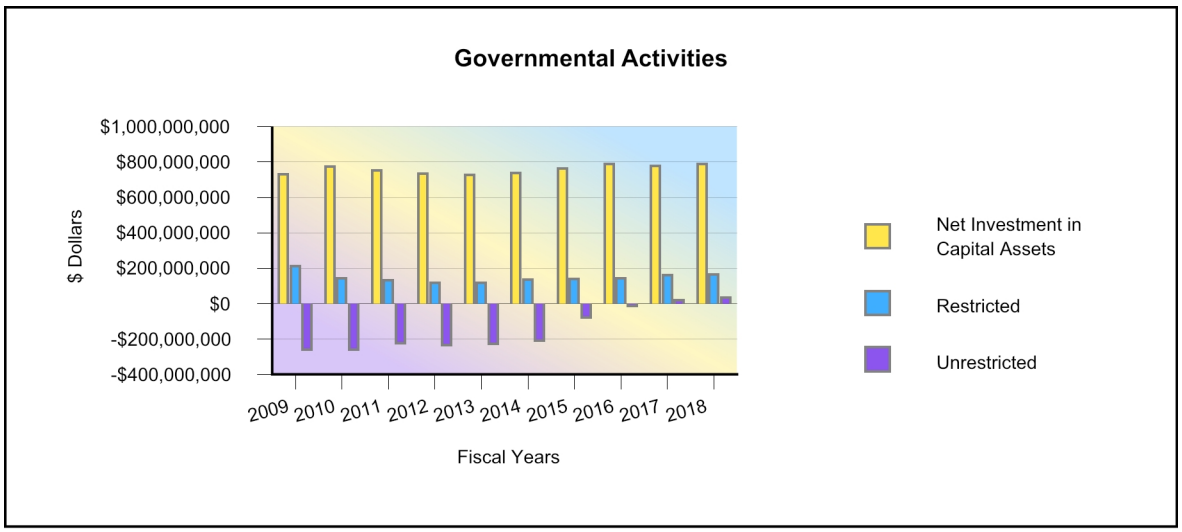
Sources:
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

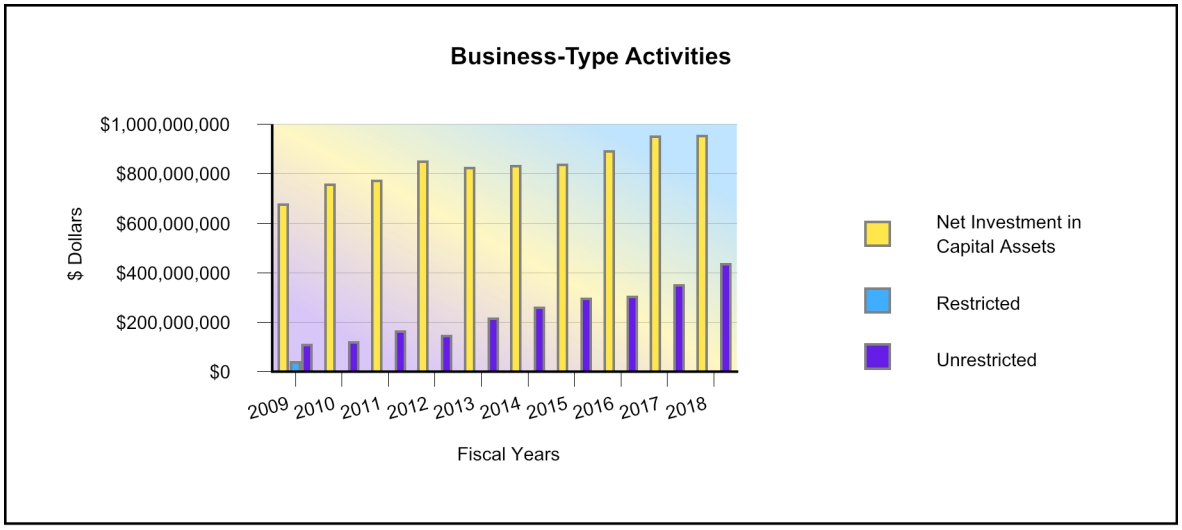
CITY OF FRESNO, CALIFORNIA

Net Position By Component
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in Capital Assets	$ 736,410	$ 781,253	$ 760,927	$ 742,533	$ 733,961	$ 744,074	$ 771,198	$ 795,884	$ 787,522	$ 796,242
Restricted	219,892	152,271	138,021	123,401	125,617	141,123	146,174	151,345	168,927	171,473
Unrestricted (Deficit)	(267,498)	(266,011)	(230,447)	(240,718)	(235,759)	(215,416)	(86,424)	(22,058)	28,252	43,381
Total Governmental Activities	$ 688,804	$ 667,513	$ 668,501	$ 625,216	$ 623,819	$ 669,781	$ 830,948	$ 925,171	$ 984,701	$ 1,011,096
Business-Type Activities										
Net Investment in Capital Assets	$ 679,116	$ 760,272	$ 776,377	$ 853,405	$ 829,456	$ 835,290	$ 841,773	$ 896,818	$ 955,128	$ 958,169
Restricted	42,922	—	—	—	—	—	—	—	—	—
Unrestricted (Deficit)	112,405	125,129	168,025	148,775	219,983	264,090	300,296	307,315	353,436	440,871
Total Business-Type Activities	$ 834,443	$ 885,401	$ 944,402	$ 1,002,180	$ 1,049,439	$ 1,099,380	$ 1,142,069	$ 1,204,133	$ 1,308,564	$ 1,399,040
Primary Government										
Net Investment in Capital Assets	$ 1,415,526	$ 1,541,524	$ 1,537,304	$ 1,595,938	$ 1,563,417	$ 1,579,364	$ 1,612,971	$ 1,692,702	$ 1,742,650	$ 1,754,411
Restricted	262,815	152,271	138,021	123,401	125,617	141,123	146,174	151,345	168,927	171,473
Unrestricted (Deficit)	(155,093)	(140,882)	(62,422)	(91,942)	(15,776)	48,674	213,872	285,257	381,688	484,252
Total Primary Government	$ 1,523,248	$ 1,552,913	$ 1,612,903	$ 1,627,397	$ 1,673,258	$ 1,769,161	$ 1,973,017	$ 2,129,304	$ 2,293,265	$ 2,410,136

Source: City of Fresno, Finance Department





CITY OF FRESNO, CALIFORNIA

Change in Net Position

Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
General Government	$ 30,592	$ 50,381	$ 26,642	$ 23,820	$ 34,308	$ 26,997	$ 28,590	$ 32,207	$ 44,157	$ 31,319
Public Protection	204,013	211,586	192,993	208,649	190,050	192,124	177,829	187,733	196,006	206,163
Public Ways and Facilities	66,053	73,653	68,471	75,281	69,771	68,914	64,430	60,875	72,984	76,289
Culture and Recreation	27,497	22,806	21,797	16,294	16,704	17,895	20,036	20,223	23,500	19,771
Community Development	20,331	14,823	14,981	15,986	26,280	23,757	29,257	28,789	28,913	30,412
Redevelopment	12,079	7,084	4,821	8,308	—	—	—	—	—	—
Interest on Long-term Debt	24,811	25,357	25,722	22,426	21,037	20,275	19,519	18,787	18,658	14,413
Total Governmental Activities	385,376	405,690	355,427	370,764	358,150	349,962	339,661	348,614	384,218	378,367
Business-Type Activities:										
Water System	52,370	58,013	64,134	67,577	60,749	63,375	62,205	64,454	63,753	73,677
Sewer System	49,867	47,476	47,568	60,003	63,736	65,145	66,148	63,980	64,124	65,991
Solid Waste Management	43,671	44,845	45,424	43,286	30,257	33,345	32,976	26,649	26,605	30,353
Transit	47,529	47,627	47,250	49,670	48,398	45,287	45,435	44,191	47,958	53,937
Airports	26,728	29,648	29,020	27,154	32,413	28,498	28,164	28,509	29,938	31,192
Fresno Convention Center	11,676	12,489	11,637	10,919	14,928	9,982	10,147	9,750	10,798	8,855
Community Sanitation	9,683	10,099	10,024	6,493	7,848	7,949	8,235	6,904	8,978	10,077
Parking	6,909	7,657	5,956	5,059	—	—	—	—	—	—
Parks and Recreation	2,043	1,992	782	1,036	812	372	340	316	410	283
Development Services	13,543	10,886	11,408	9,741	—	—	—	—	—	—
Stadium	3,977	3,627	3,607	3,544	3,463	3,336	3,266	3,191	3,539	2,710
Total Business-Type Activities	267,996	274,359	276,810	284,482	262,604	257,289	256,916	247,944	256,103	277,075
Total Primary Government Expenses	$ 653,372	$ 680,049	$ 632,237	$ 655,246	$ 620,754	$ 607,251	$ 596,577	$ 596,558	$ 640,321	$ 655,442
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 17,432	$ 17,286	$ 16,454	$ 16,545	$ 18,634	$ 17,038	$ 23,194	$ 22,580	$ 46,742	$ 17,171
Public Protection	19,628	19,014	18,321	19,720	20,924	18,898	31,872	44,037	22,382	32,275
Public Ways and Facilities	3,583	12,515	13,440	13,470	16,669	14,898	17,427	20,469	21,911	21,009
Culture and Recreation	1,837	2,389	2,432	809	3,021	4,680	4,577	4,949	3,645	3,935
Community Development	138	269	653	2,568	19,529	19,432	21,130	25,239	23,496	23,033
Operating Grants and Contributions	40,480	45,265	43,011	54,974	36,639	48,503	39,550	34,015	25,016	26,488
Capital Grants and Contributions	57,261	64,464	40,295	29,730	35,623	49,651	62,472	57,955	44,586	38,584
Total Governmental Activities Program Revenues	140,359	161,202	134,606	137,816	151,039	173,100	200,222	209,244	187,778	162,495
Business-Type Activities:										
Charges for Services:										
Water System	65,597	67,722	67,922	69,269	71,667	90,096	74,285	77,959	101,895	107,377
Sewer System	62,521	74,158	76,628	76,726	76,324	76,201	81,955	78,186	83,635	81,651
Solid Waste Management	49,849	51,364	51,753	38,271	29,797	29,404	31,208	31,975	31,170	30,100
Transit	10,280	9,588	9,486	10,769	11,054	10,914	13,089	12,479	11,452	10,746
Airports	19,768	19,367	21,701	21,563	23,329	24,991	25,670	27,646	27,835	29,634
Fresno Convention Center	3,130	3,038	2,929	2,667	2,594	2,626	2,960	3,634	3,752	3,318
Community Sanitation	10,075	10,182	10,209	8,918	9,108	8,956	9,746	9,733	9,613	9,422
Parking	7,129	6,756	5,997	5,270	—	—	—	—	—	—
Parks and Recreation	490	635	742	781	736	329	329	325	340	323
Development Services	9,952	9,251	10,669	8,395	—	—	—	—	—	—
Stadium	1,500	1,675	340	1,251	1,089	798	1,248	677	1,082	238
Operating Grants and Contributions	35,959	40,964	49,401	42,361	40,850	44,211	40,215	29,190	37,187	22,939
Capital Grants and Contributions	33,762	20,859	17,744	43,505	22,224	14,755	14,791	18,015	47,576	69,570
Total Business-Type Activities Program Revenues	310,012	315,559	325,521	329,746	288,772	303,281	295,496	289,819	355,537	365,318
Total Primary Government Program Revenues	$ 450,371	$ 476,761	$ 460,127	$ 467,562	$ 439,811	$ 476,381	$ 495,718	$ 499,063	$ 543,315	$ 527,813

CITY OF FRESNO, CALIFORNIA

Change in Net Position

Last Ten Fiscal Years (Continued)

(dollars in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	$(245,017)	$(244,488)	$(220,823)	$(232,948)	$(207,112)	$(176,862)	$(139,440)	$(139,370)	$(196,440)	$(215,872)
Business-Type Activities	42,016	41,200	48,711	45,265	26,169	45,991	38,580	41,874	99,434	88,243
Total Primary Government Net Expense	$(203,001)	$(203,288)	$(172,112)	$(187,683)	$(180,943)	$(130,871)	$(100,860)	$ (97,496)	$ (97,006)	$(127,629)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	$ 135,353	$ 126,345	$ 125,687	$ 100,961	$ 103,745	$ 107,635	$ 113,655	$ 117,048	$ 123,858	$ 130,109
Sales Taxes - Shared Revenues	50,332	46,999	49,251	53,354	56,473	59,328	61,571	74,010	86,128	85,512
In-Lieu Sales Tax	16,274	15,209	15,947	17,272	18,216	19,190	19,907	10,559	—	—
Franchise Taxes	7,376	7,059	7,917	11,720	12,503	12,751	13,469	13,722	14,335	14,811
Business Tax	14,611	14,893	14,249	16,267	16,470	18,868	17,780	16,879	19,101	20,982
Room Tax	9,927	8,548	8,450	9,088	9,560	10,019	11,006	12,045	13,128	13,936
Other Taxes	3,717	2,134	1,949	2,479	2,104	2,324	2,407	2,521	2,348	2,304
Revenues Restricted for										
Infrastructure Maintenance	295	—	—	—	—	—	—	—	—	—
Investment Earnings	8,476	6,000	4,435	2,053	1,889	795	879	1,652	1,215	1,349
Gain on Sale of Capital Assets	485	146	536	1,022	416	42	402	218	214	223
Special Item - Loss on Receivable/ Transfer of Assets (Note 13)	—	—	—	—	—	—	—	—	—	(8,152)
Extraordinary (Loss):										
Redevelopment Agency Net Position										
Distributed to Successor Agency	—	—	—	(18,561)	—	—	—	—	—	—
Transfers:	(1,718)	(4,135)	(6,608)	(5,991)	(15,662)	(5,699)	(6,290)	(15,061)	(4,356)	(4,820)
Total Governmental Activities	245,128	223,198	221,813	189,664	205,714	225,253	234,786	233,593	255,971	256,254
Business-Type Activities:										
Investment Earnings	7,809	5,614	3,528	6,139	1,596	2,316	2,999	5,129	641	2,614
Debt Forgiveness	—	—	—	1,744	—	—	—	—	—	—
Gain on Sale of Capital Assets	52	9	153	2,719	3,832	1	38	—	—	37
Transfers:	1,718	4,135	6,608	5,991	15,662	5,699	6,290	15,061	4,356	4,820
Total Business-Type Activities	9,579	9,758	10,289	16,593	21,090	8,016	9,327	20,190	4,997	7,471
Total Primary Government	$ 254,707	$ 232,956	$ 232,102	$ 206,257	$ 226,804	$ 233,269	$ 244,113	$ 253,783	$ 260,968	$ 263,725
Change in Net Position										
Governmental Activities	$ 111	$ (21,291)	$ 988	$ (43,285)	$ (1,397)	$ 48,391	$ 95,347	$ 94,223	$ 59,530	$ 40,381
Business-Type Activities	51,596	50,958	59,001	61,858	47,258	54,006	47,906	62,065	104,431	95,713
Total Primary Government	$ 51,707	$ 29,667	$ 59,989	$ 18,573	$ 45,861	$ 102,397	$ 143,253	$ 156,288	$ 163,961	$ 136,094

Source: 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
	2009
General Fund	
Reserved	$ 28,296
Unreserved	474
Total General Fund	$ 28,770
All other Governmental Funds	
Reserved	$ 184,111
Unreserved, reported in:	
Special Revenue Funds	(1,792)
Debt Service Funds	(24,183)
Capital Projects Fund	19,333
Total all other governmental funds	$ 177,469

	Fiscal Year								
	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund									
Nonspendable	$ 31,821	$ 16,829	$ 12,691	$ 12,691	$ 12,691	$ 12,691	$ 12,691	$ 18,417	$ 3,919
Restricted	—	—	—	435	7	105	11	37	16
Committed	10,586	1,444	1,481	1,903	2,351	5,207	1,610	22,104	25,565
Assigned	—	—	390	1,095	1,006	1,874	2,811	3,890	2,845
Unassigned	(2,228)	(64)	483	(9,355)	8,192	24,643	31,808	26,749	19,533
Total General Fund	$ 40,179	$ 18,209	$ 15,045	$ 6,769	$ 24,247	$ 44,520	$ 48,931	$ 71,197	$ 51,878
All other Governmental Funds									
Restricted	$ 165,679	$ 143,214	$ 125,275	$ 128,100	$ 145,763	$ 146,002	$ 151,726	$ 163,802	$ 166,207
Assigned	33,216	31,822	19,897	17,624	15,752	15,928	15,847	12,177	16,115
Unassigned	(61,582)	(14,272)	(7,547)	(5,196)	(7,749)	(9,670)	(6,284)	(788)	(809)
Total all other governmental funds	$ 137,313	$ 160,764	$ 137,625	$ 140,528	$ 153,766	$ 152,260	$ 161,289	$ 175,191	$ 181,513

Source: City of Fresno, Finance Department

Notes: The City implemented GASB Statement No. 54 in FY2011 and restated the presentation for FY2010.

CITY OF FRESNO, CALIFORNIA

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	$ 258,840	$ 233,399	$ 243,155	$ 239,845	$ 237,956	$ 263,471	$ 276,847	$ 266,521	$ 298,425	$ 289,140
Licenses and Permits	317	292	423	528	5,097	6,331	6,569	7,103	7,291	7,829
Intergovernmental	36,508	53,157	58,183	44,591	37,032	48,910	41,915	39,036	38,770	39,319
Charges for Services	25,901	22,646	20,535	36,184	49,995	46,277	44,692	46,398	49,538	51,294
Fines	3,250	3,372	3,171	1,926	4,193	3,746	3,391	4,271	3,487	3,872
Use of Money and Property	6,973	3,688	4,225	1,677	2,539	1,585	1,643	2,105	1,285	1,305
Contributions and Donations	—	—	—	169	—	—	—	—	—	—
Miscellaneous	14,938	14,953	14,607	5,560	6,146	5,612	8,800	8,156	36,448	4,504
Total Revenues	346,727	331,507	344,299	330,480	342,958	375,932	383,857	373,590	435,244	397,263
Expenditures										
General Government	16,774	30,693	12,818	8,273	13,039	11,742	13,841	17,490	26,257	21,285
Public Protection	187,075	183,168	184,740	191,499	187,189	185,911	188,050	201,657	212,828	221,043
Public Ways and Facilities	19,010	24,858	20,386	34,832	33,332	39,190	35,606	38,293	42,430	41,682
Culture and Recreation	23,596	20,400	16,223	11,833	13,177	14,247	15,433	17,735	16,928	18,257
Community Development	20,227	13,012	12,473	15,217	25,685	23,666	30,320	29,511	29,360	31,483
Capital Outlays	91,708	81,121	50,902	20,345	19,919	28,375	38,984	23,145	29,990	31,401
Debt Service:										
Principal	15,241	21,312	14,368	17,612	17,484	17,814	19,218	17,435	19,196	17,568
Interest	23,746	26,095	25,074	22,493	21,134	20,347	19,511	18,629	17,780	14,752
Total Expenditures	397,377	400,659	336,984	322,104	330,959	341,292	360,963	363,895	394,769	397,471
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,650)	(69,152)	7,315	8,376	11,999	34,640	22,894	9,695	40,475	(208)
Other Financing Sources (Uses)										
Transfers In	91,923	142,202	137,969	82,206	46,827	42,716	44,695	45,251	55,930	49,397
Transfers Out	(91,505)	(141,669)	(145,587)	(87,540)	(66,633)	(47,267)	(50,573)	(49,446)	(59,055)	(57,418)
Discount on Debt Issued	(870)	—	—	—	—	—	—	—	835	—
Issuance of Refunding Bonds	—	23,395	—	—	—	—	—	—	108,903	—
Refunded Bond Redeemed	—	—	—	—	—	—	—	—	(128,621)	—
Payment to Refund Bonds Escrow Agent	—	(23,287)	—	—	—	—	—	—	—	—
Long-Term Debt Issued	46,790	23,100	—	—	—	—	—	—	—	—
Premium on Debt Issued	—	—	—	—	—	—	—	—	11,528	—
Proceeds for Note Obligation	600	—	—	—	—	—	—	—	—	—
Capital Lease Financing	—	—	—	—	—	621	966	7,331	4,126	3,162
Proceeds for Capital Lease Obligations	392	—	1,707	—	1,088	—	—	—	—	—
Sale of Capital Assets	—	16,661	77	679	1,346	8	785	609	2,046	223
Total Other Financing Sources (Uses)	47,330	40,402	(5,834)	(4,655)	(17,372)	(3,922)	(4,127)	3,745	(4,308)	(4,636)
Special Item										
Loss on Receivable (Note 13)	—	—	—	—	—	—	—	—	—	(8,152)
Net Change in Fund Balances	$ (3,320)	$ (28,750)	$ 1,481	$ 3,721	$ (5,373)	$ 30,718	$ 18,767	$ 13,440	$ 36,167	$ (12,996)
Debt Service as a Percentage of Non-capital Expenditures	11.22%	14.75%	12.88%	13.10%	12.35%	12.45%	11.94%	11.00%	10.29%	9.11%

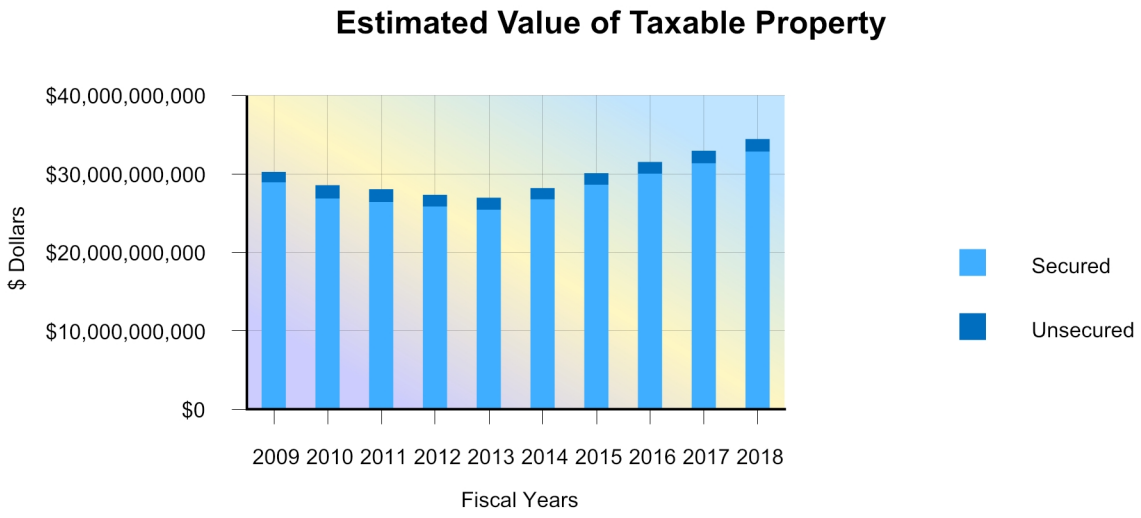
Source: City of Fresno, Finance Department

Notes: 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: (2009) $49,825,792; (2010) $79,262,273; (2011) $30,695,022; (2012) $15,973,001; (2013) $18,151,306; (2014) $34,893,624; (2015) $46,135,229; (2016) $35,295,704; (2017) $35,500,989; and (2018) $42,738,629.

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
2009	$ 28,935,909,029	$ 1,314,490,825	$ 30,250,399,854	1.032438	100%
2010	26,857,338,571	1,695,509,992	28,552,848,563	1.032438	100%
2011	26,427,029,439	1,607,052,037	28,034,081,476	1.032438	100%
2012	25,850,359,825	1,476,938,743	27,327,298,568	1.032438	100%
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%



Source: County of Fresno

Notes: 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)

	City Direct Rate			Overlapping Rates		
				Schools		
Fiscal Year	Property Tax Rate	Fresno Pension	Total Direct Tax Rate	Fresno Unified School District	State Center Community College District	Total Direct and Overlapping Property Tax Rate
2009	1.0	0.032438	1.032438	0.105266	0.000594	1.138298
2010	1.0	0.032438	1.032438	0.010324	0.188864	1.231626
2011	1.0	0.032438	1.032438	0.188864	0.010050	1.231352
2012	1.0	0.032438	1.032438	0.188800	0.007070	1.228308
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

Source: County of Fresno

Notes: On June 6, 1978, California voters approved a constitutional amendment to Article XIIIA 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 XIIIA (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 XIIIA 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

		2018			2009		
Taxpayer	**Type of Business**	**Taxable Assessed Value**	**Rank**	**% of Total County Assessed Value**	**Taxable Assessed Value**	**Rank**	**% of Total County Assessed Value**
River Park Properties	Retail and General Offices	$ 183,673,041	1	.0470	$ 140,949,874	3	0.0407
Macerich Fresno Ltd. Partners	Retail and General Offices	146,923,366	2	.0376	135,206,512	4	0.0390
Gallo E J Winery	Winery	124,475,990	3	.0318	158,457,336	2	0.0458
RPI Fig Garden LP	Retail	109,975,939	4	.0281	—	—	0.0000
Gap Inc.	Distribution Center	102,347,700	5	.0262	172,415,550	1	0.0498
Community Hospitals of Central California	Hospitals and related Facilities	89,955,005	6	.0230	—	—	0.0000
Comcast Cablevision	Telecommunications	99,890,800	7	.0255	80,518,800	7	0.0232
Dewayne Zinkin Family Partners	Commercial and Land	84,844,900	8	.0217	78,836,371	9	0.0228
IREIT Fresno El Paseo LLC	Retail	71,400,000	9	.0183	—	—	0.0000
Skywest Airlines Inc. Ryan Inc.	Unsecured Property	71,067,500	10	.0182	—	—	0.0000
Donahue Schriber Realty Group	Retail	—	—	.0000	124,177,181	5	0.0359
Capri Sun Inc.	Light Industrial	—	—	.0000	94,134,782	6	0.0272
Fresno Heart Hospital LLC	Hospital	—	—	.0000	78,951,341	8	0.0228
Hub Acquisition Trust	General Office	—	—	.0000	66,158,463	10	0.0191
Total		$ 1,084,554,241		.2774	$ 1,129,806,210		0.3263

Source: MuniServices, LLC as compiled by Wildan Financial Services.

Notes: FY2018 Taxable Assessed Valuation $3,910,852,903.

FY2009 Taxable Assessed Valuation $3,463,512,447.

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: Amount Collected	Current Tax Collections: Percentage of Net Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Collection of Adjusted Tax Levy
2009	$ 96,222,918	$ 12,489,738	$ —	$108,712,656	$106,892,034	98.33%	$ 1,820,622	$108,712,656	100.00%
2010	90,717,173	8,915,811	—	99,632,984	95,393,395	95.74%	3,846,403	99,239,798	99.61%
2011	88,944,564	10,281,793	—	99,226,357	97,816,966	98.58%	1,409,391	99,226,357	100.00%
2012	87,016,755	9,969,282	589,134	97,575,171	96,163,705	98.55%	1,411,466	97,575,171	100.00%
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%
							Average Collections		99.41%

Source: County of Fresno

Notes:

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 FY2014, Delinquent Tax Collections do not include penalties and interest. Property tax collection for fiscal years prior to FY2014 have been adjusted so as not to exceed the levy.

Beginning in FY2014, 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		
	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
2009	$ 182,324	$ 192,023	$ 10,794	$ 2,585	$ 10,876	$ 14,128	$ 60,122	$ 9,019	$ 253,866
2010	177,268	203,902	10,017	—	10,264	10,981	59,280	7,692	245,343
2011	171,922	198,064	9,208	—	9,492	10,671	58,393	7,474	236,256
2012	166,265	189,430	—	—	6,902	7,696	57,461	—	229,397
2013	160,278	180,456	—	—	6,111	6,718	56,459	—	222,109
2014	153,930	171,806	—	—	5,283	7,738	56,138	—	215,611
2015	147,177	161,435	—	—	4,569	10,113	54,590	—	207,280
2016	139,999	153,279	—	—	3,813	17,220	53,098	—	198,436
2017	131,840	144,697	—	—	3,016	20,884	51,508	—	189,134
2018	124,245	136,021	—	—	2,466	28,271	49,825	—	179,351

Source: Debt Information - City of Fresno, Finance Department

Population Information - State of California Department of Finance, Demographic Research Unit

Notes: See the Schedule of Demographic and Economic Statistics for personal income and population data on page 217.

Information pertaining to Personal Income is obtained from the Bureau of Economic Analysis (BEA).

Personal income and Per Capita Personal Income figures for FY2018 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 FY2012, 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)

Business-Type Activities					Primary Government		
Water Revenue Bonds	Lease Revenue Bonds	Certificates of Participation	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Net Debt per Capita
$ 36,848	$ 100,830	$ 3,705	$ 2,034	$ —	$ 879,154	3.13%	$ 1,773
169,705	96,584	—	5,923	—	996,959	3.41%	1,985
165,338	92,174	—	5,624	—	964,616	3.08%	1,929
160,886	91,989	—	11,775	—	921,801	2.82%	1,825
156,274	87,675	—	46,880	—	922,960	2.77%	1,815
152,785	84,106	—	54,929	—	902,326	2.57%	1,750
147,569	79,908	—	52,080	—	864,721	2.31%	1,662
142,148	75,465	—	82,795	—	866,253	2.20%	1,664
136,569	69,492	—	208,855	—	955,995	2.33%	1,818
130,774	61,242	—	364,624	—	1,076,819	Not Available	Not Available

CITY OF FRESNO, CALIFORNIA

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percent of Actual Taxable Value of Property	Population	Net Debt per Capita
	General Bonded Debt	Tax Allocation Bonds	Total			
2009	$ 182,323,863	$ 10,793,933	$ 193,117,796	0.638%	495,913	$ 389
2010	177,267,943	10,017,117	$ 187,285,060	0.656%	502,303	373
2011	171,921,659	9,471,513	$ 181,393,172	0.647%	500,121	363
2012	166,264,985	—	$ 166,264,985	0.608%	505,009	329
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

Source: General Bonded Debt Information - City of Fresno Department of Finance

Population Information - State of California Department of Finance, Demographic Research Unit

Notes: 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 204 .

Beginning in FY2012, 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 February 1, 2018

2017-18 Gross Assessed Valuation:	$34,453,902,554	
	Estimated Percent Applicable	Debt Applicable
Combined Direct Debt		
City of Fresno Pension Obligation	100.000%	$ 124,245,000
Lease Revenue Bonds	100.000	136,021,180
Notes Payable	100.000	2,466,214
Capital Leases	100.000	28,271,395
Total Combined Direct Debt		291,003,789
Overlapping Tax, and Assessment Debt		
City of Fresno Community Facilities District No. 4	100.000%	$ 1,150,000
City of Fresno Community Facilities District No. 5	100.000	890,000
City of Fresno Community Facilities District No. 7	100.000	1,425,000
State Center Community College District	42.441	68,379,317
Clovis Unified School District	48.865	189,385,639
Fresno Unified School District	83.526	389,834,171
Central Unified School District	81.169	95,519,359
Other School Districts	Various	40,452,363
California Statewide Communities Development Authority Community Facilities District No. 2012-01	100.000	4,170,000
Total Overlapping Tax, and Assessment Debt		791,205,849
Overlapping General Fund Obligation Debt		
Fresno County Pension Obligations	46.132%	$ 135,883,074
Fresno County General Fund Obligations	46.132	20,051,274
Clovis Unified School District Certificates of Participation	49.070	3,015,352
Fresno Unified School District Certificates of Participation	83.113	13,501,707
Central Unified School District Certificates of Participation	81.174	15,895,110
Other School District Certificates of Participation	Various	11,485,186
Total Overlapping General Fund Debt		199,831,703
Overlapping Tax Increment Debt (Successor Agency)		
Fresno Redevelopment Mariposa Medical Project Area	100.000%	$ 1,869,000
Fresno Redevelopment Merger No. 2 Project Area	100.000	535,000
Total Overlapping Tax Increment Debt		2,404,000
Total Overlapping Tax and Assessment, General Fund and Tax Increment Debt		993,441,552
Total Overlapping and Direct Debt		$1,284,445,341
Ratios to 2017-18 Assessed Valuation:		
Combined Direct Debt		0.845%
Overlapping Tax, and Assessment Debt		2.296%
Combined Total Overlapping and Direct Debt		3.721%
Overlapping Tax Increment Debt (Successor Agency)		0.007%

Notes: 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 February 1, 2018. Direct Debt figures are provided by the Finance Department at the City of Fresno and are as of June 30, 2018.

CITY OF FRESNO, CALIFORNIA

Debt Coverage Ratio - Airports

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues [1]	$ 15,875,415	$ 17,276,414	$ 17,564,886	$ 18,804,163	$ 19,876,016	$ 21,215,550	$ 21,802,324	$ 22,976,398	$ 24,500,217	$ 25,891,109
Less Operating Expenses	13,800,587	13,444,745	13,339,598	14,199,920	14,321,512	14,261,785	14,428,056	14,933,842	16,116,963	17,354,855
Other Available Funds [2]	—	—	—	—	50,992	95,014	349,805	359,232	368,003	377,368
Net Revenues	$ 2,074,828	$ 3,831,670	$ 4,225,288	$ 4,604,243	$ 5,605,496	$ 7,048,779	$ 7,724,073	$ 8,401,788	$ 8,751,257	$ 8,913,622
Adjusted Debt Service										
Series 2000 Bonds	$ 2,872,002	$ 3,011,580	$ 3,012,614	$ 3,011,470	$ 3,012,060	$ —	$ —	$ —	$ —	$ —
Series 2013 Bonds	—	—	—	—	—	3,288,321	2,805,144	2,807,944	2,803,143	2,801,344
Less										
Minimum PFC Contribution [3]	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
Bond proceeds	(338,300)	—	—	(70,077)	—	—	—	—	—	—
Additional PFC Contribution	(869,400)	(1,118,005)	(796,600)	(321,100)	(500,000)	(230,600)	—	(200,000)	—	—
Net Series 2000/2013 Debt Service	$ 564,302	$ 793,575	$ 1,116,014	$ 1,520,293	$ 1,412,060	$ 1,457,721	$ 1,205,144	$ 1,007,944	$ 1,203,143	$ 1,201,344
Series 2007 Bonds	640,013	1,283,260	1,283,260	1,298,260	1,332,385	1,369,469	1,399,219	1,436,928	1,472,012	1,509,471
Annual Adjusted Debt Service	$ 1,204,315	$ 2,076,835	$ 2,399,274	$ 2,818,553	$ 2,744,445	$ 2,827,190	$ 2,604,363	$ 2,444,872	$ 2,675,155	$ 2,710,815
Annual Adjusted Debt Service Coverage	**1.72**	**1.84**	**1.76**	**1.63**	**2.04**	**2.49**	**2.97**	**3.44**	**3.27**	**3.29**

Notes:

[1] State of California law requires the exclusion of Customer Facility Charge (CFC) Revenues from the calculation of Debt Service coverage in excess of annual Debt Service on the Series 2007 Bonds.

[2] Per the indenture, unencumbered CFC funds equal to 25% of Adjusted Debt Service may be designated by the City as Other Available Funds prior to the beginning of any fiscal year, and be transferred to the Revenue Fund at the beginning of such fiscal year. Since fiscal year 2015, the City's policy has been to annually designate available CFC funds equal to 25 percent of debt service associated with 2007 Bonds as Other Available Funds.

[3] Under the Supplemental Indenture that authorized the 2013 Bonds, the Minimum Passenger Facility Charge (PFC) Contribution is increased from $1.1 million to $1.6 million.

CITY OF FRESNO, CALIFORNIA

Debt Coverage Ratio - Water System
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Charges for Services	$ 65,596,663	$ 67,721,598	$ 67,921,933	$ 69,268,830	$ 71,667,204	$ 90,095,940	$ 74,284,899	$ 77,959,326	$ 101,894,846	$ 107,377,135
Less: Connection Fee Charges for Services	(2,230,192)	(1,662,536)	(1,218,217)	(1,083,555)	(1,330,539)	(1,666,977)	(1,495,691)	(1,562,867)	(1,917,371)	(2,531,147)
Net Charges for Services [1]	63,366,471	66,059,062	66,703,716	68,185,275	70,336,665	88,428,963	72,789,208	76,396,459	99,977,475	104,845,988
Other Operating Revenues and Interest Income	1,409,468	773,820	1,450,861	1,533,394	720,443	328,907	573,475	1,146,779	16,508	—
Total Revenues	64,775,939	66,832,882	68,154,577	69,718,669	71,057,108	88,757,870	73,362,683	77,543,238	99,993,983	104,845,988
Expenses										
Labor and Benefits	9,707,563	11,234,598	12,432,877	12,517,445	12,678,961	13,524,886	11,377,958	12,436,520	12,401,334	12,175,922
Pumping Power	9,114,867	8,890,968	8,849,543	8,986,181	9,112,975	9,292,005	8,500,975	8,149,532	9,064,479	9,549,662
Source of Supply	6,129,477	8,044,508	7,144,620	7,748,205	6,317,505	1,779,813	5,612,816	6,629,834	4,188,352	9,750,720
All Other Operating and Maintenance [2]	16,776,763	15,613,196	17,999,120	18,385,535	16,820,809	18,151,285	17,473,391	17,165,711	21,546,637	17,691,811
Total Operating Expenses [3]	41,728,670	43,783,270	46,426,160	47,637,366	44,930,250	42,747,989	42,965,140	44,381,597	47,200,802	49,168,115
Net Current Revenues	$ 23,047,269	$ 23,049,612	$ 21,728,417	$ 22,081,303	$ 26,126,858	$ 46,009,881	$ 30,397,543	$ 33,161,641	$ 52,793,181	$ 55,677,873
2003A Senior Bond Debt Service	3,736,222	2,934,114	1,374,750	1,374,350	1,375,750	1,378,350	1,374,350	1,381,325	1,380,150	1,376,088
State Loans Debt Service [4]	265,103	272,971	291,220	265,031	259,483	119,963	119,963	119,963	—	—
Total Senior Debt	4,001,325	3,207,085	1,665,970	1,639,381	1,635,233	1,498,313	1,494,313	1,501,288	1,380,150	1,376,088
Senior Coverage Ratio	5.76	7.19	13.04	13.47	15.98	30.71	20.34	22.09	38.25	40.46
Net Revenue Available for Parity Debt Service	$ 19,045,944	$ 19,842,527	$ 20,062,447	$ 20,441,922	$ 24,491,625	$ 44,511,568	$ 28,903,230	$ 31,660,353	$ 51,413,031	$ 54,301,785
2010 Series A Bond Debt Service	$ —	$ 3,235,943	$ 12,509,988	$ 12,515,238	$ 12,507,038	$ 12,508,838	$ 12,509,238	$ 12,531,238	$ 12,507,838	$ 12,508,838
State Loans Debt Service [4]	$ —	$ —	$ —	$ 75,235	$ 265,998	$ 337,893	$ 2,770,285	$ 2,786,065	$ 3,533,258	$ 6,021,069
Total Parity Debt Service	$ —	$ 3,235,943	$ 12,509,988	$ 12,590,473	$ 12,773,036	$ 12,846,731	$ 15,279,523	$ 15,317,303	$ 16,041,096	$ 18,529,907
Parity Coverage Ratio	—	**6.13**	**1.60**	**1.62**	**1.92**	**3.46**	**1.89**	**2.07**	**3.21**	**2.93**

Notes:

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

[2] All other operating and Maintenance includes Fleet Depreciation Charge (vehicle replacement fees paid to the Fleet Department).

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

[4] FY2013 State Loan Debt Service payments are actual amounts from the City of Fresno PeopleSoft financial system's expenditure reports. Paid off in FY2016.

CITY OF FRESNO, CALIFORNIA

Debt Coverage Ratio - Sewer System
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Charges for Services [1]	$ 62,521,061	$ 74,157,961	$ 76,628,147	$ 76,725,785	$ 76,324,086	$ 76,201,220	$ 81,954,830	$ 78,185,599	$ 83,634,711	$ 81,650,518
Interest Income	4,511,947	3,955,335	1,618,632	3,797,207	485,084	1,546,508	1,786,614	2,779,309	491,672	2,046,349
Less: Wastewater Facility Connection Fee	(1,439,343)	(2,336,689)	(1,463,172)	(1,133,247)	(1,852,524)	(1,981,327)	(1,708,801)	(1,843,957)	(1,967,994)	(1,996,486)
Total Senior Lien Revenues	65,593,665	75,776,607	76,783,607	79,389,745	74,956,646	75,766,401	82,032,643	79,120,951	82,158,389	81,700,381
Operating Expenses [2]	31,646,468	30,714,505	31,422,980	36,857,808	36,431,161	36,339,200	37,390,529	35,935,135	38,058,304	37,236,740
Net Income Before Debt Service	$ 33,947,197	$ 45,062,102	$ 45,360,627	$ 42,531,937	$ 38,525,485	$ 39,427,201	$ 44,642,114	$ 43,185,816	$ 44,100,085	$ 44,463,641
Senior Lien Debt Service [3]	13,391,850	13,530,713	10,754,019	10,736,988	10,724,331	10,714,175	10,359,173	10,387,403	10,711,900	10,701,025
Coverage Ratio [4]	2.53	3.33	4.22	3.96	3.59	3.68	4.31	4.16	4.12	4.16
100% Coverage-Subordinate Lien:										
Net Current Revenue after Senior Lien Debt (before Connection Fees)	$ 20,555,347	$ 31,531,389	$ 34,606,608	$ 31,794,949	$ 27,801,154	$ 28,713,026	$ 34,282,941	$ 32,798,413	$ 33,388,185	$ 33,762,616
Available from Senior Lien Revenues	$ 20,555,347	$ 31,531,389	$ 34,606,608	$ 31,794,949	$ 27,801,154	$ 28,713,026	$ 34,282,941	$ 32,798,413	$ 33,388,185	$ 33,762,617
Subordinate Lien Debt Service [5]	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844
State Loan Debt Service [6]	—	—	—	—	—	—	—	—	—	1,279,885
Coverage Ratio	2.59	3.97	4.35	4.00	3.50	3.61	4.31	4.13	4.20	3.66
120% & 125% Coverage Subordinate Lien:										
Net Current Revenue (Excluding Connection Fees)	$ 20,555,347	$ 31,531,389	$ 34,606,608	$ 31,794,949	$ 27,801,154	$ 28,713,026	$ 34,282,941	$ 32,798,413	$ 33,388,185	$ 33,762,617
Wastewater Facility Connection Fee	1,439,343	2,336,689	1,463,172	1,133,247	1,852,524	1,981,327	1,708,801	1,843,957	1,967,994	1,996,486
Transfers From Rate Stabilization Fund	16,200,000	—	—	—	—	—	—	—	—	—
Net Current Revenue (Including Connection Fees)	$ 38,194,690	$ 33,868,078	$ 36,069,780	$ 32,928,196	$ 29,653,678	$ 30,694,353	$ 35,991,742	$ 34,642,370	$ 35,356,179	$ 35,759,103
Available From Senior Lien Revenues	$ 38,194,690	$ 33,868,078	$ 36,069,780	$ 32,928,196	$ 29,653,678	$ 30,694,353	$ 35,991,742	$ 34,642,370	$ 35,356,179	$ 35,759,103
Subordinate Lien Debt Service [5]	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844	$ 7,948,844
State Loan Debt Service [6]	—	—	—	—	—	—	—	—	—	1,279,885
Coverage Ratio	4.81	4.26	4.54	4.14	3.73	3.86	4.53	4.36	4.45	3.87
Net Income After Debt Service [7]	**$ 30,245,846**	**$ 25,919,234**	**$ 28,120,936**	**$ 24,979,352**	**$ 21,704,834**	**$ 22,745,509**	**$ 28,042,898**	**$ 26,693,526**	**$ 27,407,335**	**$ 26,530,374**

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

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

[3] 1993 Sewer System Revenue Bonds, Series A.

[4] Coverage Ratio is calculated by dividing Net Income before Debt Service by Senior Lien Debt Service.

[5] 2008 Sewer System Revenue Refunding Bonds, Series A.

[6] State Loan Debt Service

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

CITY OF FRESNO, CALIFORNIA

Pledged Revenue Coverage

Last Ten Fiscal Years

Solid Waste Revenue Bonds

Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	$ 49,848,807	$ 41,805,444	$ 8,043,363	$ 1,265,000	$ 577,431	4.37
2010	51,363,783	40,957,109	10,406,674	1,330,000	514,181	5.64
2011	51,753,225	42,597,788	9,155,437	220,000	447,681	13.71
2012	38,270,882	40,085,400	(1,814,518)	7,500,000	127,301	(0.24)
2013	—	—	—	—	—	—
2014	—	—	—	—	—	—
2015	—	—	—	—	—	—
2016	—	—	—	—	—	—
2017	—	—	—	—	—	—
2018	—	—	—	—	—	—

Fresno Convention Center Revenue Bonds

Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	$ 3,130,426	$ 5,073,021	$ (1,942,595)	$ 10,302,095	$ 2,019,101	(0.16)
2010	3,037,604	5,312,425	(2,274,821)	3,356,400	3,037,480	(0.36)
2011	2,929,106	4,506,211	(1,577,105)	3,466,200	2,930,086	(0.25)
2012	2,667,354	3,842,241	(1,174,887)	3,351,578	282,023	(0.32)
2013	2,594,417	3,835,929	(1,241,512)	3,307,592	2,708,001	(0.21)
2014	2,625,668	3,710,225	(1,084,557)	2,799,290	2,585,748	(0.20)
2015	2,959,703	3,843,811	(884,108)	2,904,392	2,469,251	(0.16)
2016	3,633,536	3,877,393	(243,857)	3,030,260	2,345,616	(0.05)
2017	3,752,007	4,929,430	(1,177,423)	22,761,892	2,213,010	(0.05)
2018	3,317,795	3,969,465	(651,670)	2,189,283	1,170,706	(0.19)

Stadium Bonds

Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	$ 1,500,000	$ 301,893	$ 1,198,107	$ 905,000	$ 2,543,386	0.35
2010	1,675,220	1,114	1,674,106	950,000	2,496,923	0.49
2011	340,281	13,379	326,902	1,005,000	2,441,061	0.09
2012	1,251,303	11,843	1,239,460	1,065,000	2,381,286	0.36
2013	1,088,568	8,571	1,079,997	1,120,000	2,322,058	0.31
2014	798,204	29,811	768,393	1,185,000	2,259,678	0.22
2015	1,247,807	30,662	1,217,145	1,255,000	2,188,781	0.35
2016	677,352	30,679	646,673	1,335,000	2,113,666	0.19
2017	1,082,311	223,825	858,486	17,210,000	1,597,184	0.05
2018	237,967	89,729	148,238	1,355,000	1,713,645	0.05

Park Bonds

Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	$ 489,826	$ 1,855,534	$ (1,365,708)	$ 40,000	$ 90,663	(10.45)
2010	634,706	1,280,465	(645,759)	45,000	111,409	(4.13)
2011	742,319	351,889	390,430	45,000	109,510	2.53
2012	780,945	614,078	166,867	50,000	107,300	1.06
2013	736,289	415,926	320,363	50,000	105,675	2.06
2014	328,798	81,537	247,261	50,000	104,050	1.61
2015	329,088	64,666	264,422	55,000	102,300	1.68
2016	325,106	34,256	290,850	55,000	100,375	1.87
2017	339,957	101,922	238,035	2,030,000	98,313	0.11
2018	323,496	37,932	285,564	60,000	73,009	2.15

Notes: Operating Expenses do not include interest, amortization or depreciation expenses.

Solid Waste Management Enterprise Revenue Bond 2000A was paid off in Fiscal Year 2012.

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 2018		
Assessed Value	$	34,453,903
Debt Limit (20% of assessed value, pursuant to City Charter)		6,890,781
Debt applicable to the limit:		
General obligation bonds		—
Less amount set aside for repayment of general obligation debt		—
Total net debt applicable to limit		—
Legal debt margin	$	6,890,781

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
2009	$ 6,050,080	$ —	$ 6,050,080	0.00%
2010	5,710,570	—	5,710,570	0.00%
2011	5,606,816	—	5,606,816	0.00%
2012	5,465,460	—	5,465,460	0.00%
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%

Source: Assessed Valuation Information - County of Fresno, Tax Rate Book

Notes: 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
2009	495,913	$ 28,049,514,000	$ 30,646	14.690%	111.78
2010	502,303	29,246,460,000	31,357	16.710%	112.35
2011	500,121	31,353,987,000	33,321	16.530%	112.29
2012	505,009	32,728,837,000	34,539	15.140%	113.04
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	8.800%	114.67
2018	538,330	Not Available	Not Available	7.400%	115.21

Source: 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).

Notes:

Personal Income and Per Capita Personal Income information pertains to Fresno, CA, Metropolitan Statistical Area (MSA).

Personal Income and Per Capita Personal Income for 2017 are estimates as of November 2018.

Personal Income and Per Capita Personal Income data is not available from the BEA for 2018.

The FY18 Unemployment Rate is the average of figures for the first 10 months of calendar year 2018 as provided by the EDD as of November 2018.

The FY2018 Population is as of 1/1/2018.

CITY OF FRESNO, CALIFORNIA

Principal Employers

Current Year and Nine Years Ago

	2018			2009		
Employer	**Employees**	**Rank**	**Percent of Total City Employment**	**Employees**	**Rank**	**Percent of Total City Employment**
Fresno Unified School District	10,552	1	2.51%	7,240	2	1.96%
County of Fresno	6,655	2	1.58%	10,868	1	2.93%
Community Regional Medical Center	5,863	3	1.39%	6,000	3	1.62%
Internal Revenue Service	4,040	4	0.96%	—	—	—
City of Fresno	3,650	5	0.87%	2,608	5	0.70%
Saint Agnes Medical Center	2,800	6	0.67%	1,688	8	0.46%
California State University, Fresno	2,542	7	0.60%	—	—	—
Amazon.com, Inc.	2,500	8	0.59%	—	—	—
Kaiser Permanente Medical Center	2,450	9	0.58%	2,000	7	0.54%
State Center Community College District	1,780	10	0.42%	1,566	8	0.42%
Fresno Community Hospital and Medical Center	—	—	—	3,000	4	0.81%
California Department of Motor Vehicles (DMV)	—	—	—	2,500	6	0.68%
University Medical Center	—	—	—	1,400	9	0.38%
U.S. Postal Service	—	—	—	1,400	10	0.38%
Total	42,832		10.17%	40,270		10.88%
Fresno City Employment	420,800			370,300		

Source: Employer Information - Fresno County Economic Development Corporation (EDD)

City of Fresno Employment information - Employment Development Department (EDD) - Labor Market Information, State of California

Notes: The FY2018 and FY2009 employer information was provided by the Fresno County Economic Development Corporation (EDD) and represents private and public sector full-time employees.

The FY2018 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.

The Employer Information for the State Center Community College District is located at Fresno Community College, Clovis Community College and the District Office.

FY2018 Fresno City Employment figures are for June 2018 as currently available from the California EDD for Fresno (MSA).

In FY2009, California State University, Fresno reported 800 employees and did not qualify for as a top 10 Employer.

CITY OF FRESNO, CALIFORNIA

Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
General Government	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Management	104.00	103.00	88.80	78.80	78.80	79.50	79.50	79.50	85.25	96.84
Finance	130.65	130.65	101.00	54.68	56.00	56.00	56.00	56.00	60.75	54.75
General Services	139.00	139.00	104.00	—	—	—	—	—	—	—
Other	129.00	129.00	116.80	91.00	89.75	94.80	94.80	94.80	103.50	106.00
Enterprise Functions										
Transportation										
Airports										
Sworn	5.00	5.00	5.00	5.00	5.00	5.00	15.00	15.00	19.00	19.00
Civilian	78.00	78.00	78.00	72.00	72.30	77.40	72.00	72.00	77.35	80.05
FAX Department	420.80	420.80	342.00	409.00	407.00	407.00	422.00	435.50	492.25	508.00
Public Utilities	669.00	683.00	691.00	697.08	602.25	614.75	634.75	640.50	643.80	643.80
Economic Growth and Expansion										
Development and Resource Management Department	—	—	156.03	169.94	163.10	166.60	174.60	184.60	204.80	218.70
Downtown & Community Revitalization Department	10.00	10.00	20.00	—	—	—	—	—	—	—
Planning and Development	203.03	194.39	—	—	—	—	—	—	—	—
Public Works	338.40	339.40	264.40	265.00	268.00	272.50	292.75	288.75	305.25	315.25
Culture and Recreation										
Parks, Recreation and Community Services	169.95	148.25	85.50	52.00	52.00	52.00	66.00	71.00	73.50	75.00
Public Protection										
Police										
Sworn	849.00	849.00	816.58	767.75	748.00	717.00	717.00	775.00	804.00	830.00
Civilian	470.40	431.40	210.08	200.00	202.00	238.00	278.80	244.56	274.65	270.34
Fire										
Sworn	383.00	383.00	340.35	317.65	309.00	304.00	310.00	314.00	334.00	334.00
Civilian	59.00	58.00	52.60	40.00	42.75	42.20	46.75	45.00	42.91	47.75
Total	4,158.23	4,101.89	3,472.14	3,219.90	3,095.95	3,126.75	3,259.95	3,316.21	3,521.01	3,599.48

Source: City of Fresno Budget Management & Studies Division - Adopted Budgets, Authorized Positions.

Notes: 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: FY2009 as of May 2009; FY2010 as of June 2010; FY2011 as of May 2011; FY2012 as of May 2012; FY2013 as of September 2012; FY2014 as of June 2013; FY2015 as of September 2014; FY2016 as of September 2015; FY2017 as of June 2017; and FY2018 as of June 2018.

In FY2009, the Economic Development Department was restructured and renamed the Downtown & Community Revitalization Department to reflect focus on strengthening the local economy through downtown revitalization, improving neighborhoods and supporting locally owned businesses.

In FY2011, Planning and Development became the Development and Resource Management Department (DARM).

In FY2012, the Downtown & Community Revitalization Department was consolidated into the DARM Department.

In FY2012, the General Services Department (GSD) was dissolved and its operating divisions were merged into the Finance, Public Works and Transportation/FAX Departments.

In FY2012, effective December 1, 2011, Commercial Solid Waste Operations were franchised. 109 authorized positions in the Public Utilities Department were deleted by City Council Resolution, effective July 3, 2012.

In FY2017, 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 FY2017, 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 FY2018, the Budget and Management Studies Division was relocated from the Finance Department to the City Manager's Office.

CITY OF FRESNO, CALIFORNIA

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Building Permits Issued										
Commercial	1,186	1,174	1,133	1,830	1,756	1,835	1,878	1,641	1,948	1,876
Residential	3,494	3,557	3,276	6,499	7,167	7,931	9,084	8,313	11,227	10,998
Police										
Physical Arrests	47,246	43,674	35,726	32,782	35,489	39,689	43,729	37,816	26,893	27,920
Traffic Violations (citations issued)	95,354	Not Available	58,132	64,979	53,485	51,940	44,954	58,927	58,927	39,488
Calls Received for Police Service	775,629	771,742	864,005	876,820	945,989	957,532	950,099	1,026,458	950,099	1,013,411
Fire										
Emergency Medical Service Calls	22,143	22,758	19,671	19,216	18,129	19,413	20,191	19,174	21,773	21,430
Fire Incidents	12,063	12,220	12,109	13,800	14,518	15,953	16,326	18,257	16,702	16,830
Fire Inspections	11,210	14,962	12,151	10,985	12,414	11,187	9,780	12,581	13,292	12,679
Fire Hydrant Inspections	25,594	36,233	28,109	30,917	30,342	30,420	26,811	17,025	17,000	17,252
Wastewater Treatment										
Average Daily Sewage Treatment (million gallons per day)	69.7	65.2	66.1	63.6	61.9	60.2	57.2	55.9	56.9	57.1
Wastewater Treatment Capacity (million gallons per day)	80	80	80	80	80	80	80	80	80	80
Solid Waste										
Refuse Collected (tons per day)	961	965	979	916	477	451	505	623	650	648
Recyclables Collected (tons per day)	238	216	214	201	147	116	117	154	156	154
Green Waste Collected (tons per day)	398	327	325	396	378	293	275	348	358	353
Other Public Works										
Street Resurfacing (miles)	102.4	26.7	27.3	16.0	10.2	12.3	16.6	18.6	16.8	15.1
Parking Violations (citations issued)	68,736	59,790	56,270	45,667	45,730	49,313	49,326	47,531	53,760	54,865
Parks and Recreation										
Athletic Field Permits Issued	1,614	1,639	2,662	3,710	3,281	4,317	5,921	6,949	8,332	5,392
Memorial Auditorium User Groups	28	30	34	33	20	26	16	27	18	13
Memorial Auditorium, Audience	22,490	31,395	33,136	33,600	15,500	21,600	21,000	45,900	18,900	16,500
Water										
Number On-Service Accounts	130,844	132,184	131,880	131,801	130,530	131,910	133,163	134,381	135,448	136,408
Main/Service Leaks Repaired	610	569	644	589	639	705	558	378	408	663
Average Daily Per Capita Consumption (gallons)	298	275	260	246	241	231	208	183	198	208
Peak Daily Consumption (MGD - Million Gallons per Day)	244	238	220.39	209.13	200.46	199.40	187.36	169.88	180.60	183.42

CITY OF FRESNO, CALIFORNIA

Operating Indicators by Function/Program

Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Transportation										
Airports										
Number of Commercial Airlines	8	8	9	9	10	10	9	8	8	8
Number of Cargo Carriers	4	4	3	3	3	3	3	3	3	3
Total Number Tenant Aircraft	354	378	401	405	405	408	408	320	303	277
Annual Fuel Consumption (gallons)	10,152,820	9,905,916	5,787,043	9,467,094	9,613,371	10,454,758	9,548,919	10,541,916	10,592,430	8,698,431
Origin and Destination Passengers										
Domestic	1,116,410	1,133,605	1,163,568	1,155,991	1,249,960	1,283,770	1,252,962	1,292,784	1,328,929	1,423,248
International	63,344	63,473	45,465	130,047	124,453	147,094	153,244	182,225	208,947	212,075
Origin and Destination Mail (lbs.)	45	1,397	91	20,880	6,661	183	0	316	17,818	9,362
Origin and Destination Freight (lbs.)	17,188,695	17,204,154	20,630,316	22,591,445	23,621,976	24,393,421	25,843,389	24,546,856	19,873,695	20,965,016
Fresno Area Express (FAX)										
Actual Route Miles	4,690,193	4,610,108	4,563,016	4,175,640	4,151,476	4,218,412	4,157,174	4,175,783	4,208,890	4,337,684
Passengers	18,049,827	17,554,565	17,589,425	14,589,425	12,442,248	12,059,050	11,364,431	10,672,577	9,622,874	9,750,800
Mini-Buses - Purchased Transportation	48	45	46	45	44	48	50	58	63	69

Source: City of Fresno - Various Departments

Notes:

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.

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.

Traffic Violations statistics were not gathered in FY2010 due to administrative staff reductions attributed to budget reductions in the Police Department. In FY2011, reduction in citations were attributed to an 18% decrease in the number of motor officers issuing citations due to unfilled attrition vacancies attributed to department-wide budget reductions.

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.

In FY2016, the Mini bus figure includes 8 sedans as is consistent with National Transit Database (NTD) reporting.

CITY OF FRESNO, CALIFORNIA

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police Department										
Stations	5	5	5	4	4	4	4	4	5	5
Patrol Bureaus	7	7	7	4	4	4	4	4	5	5
Vehicular Patrol Units	252	277	250	261	261	261	257	276	334	260
Plain Cars (No specialty vehicles)	—	—	178	197	197	175	175	173	198	197
Motorcycles	—	—	80	80	70	71	85	72	70	74
Helicopters	2	2	2	2	2	2	2	2	2	2
Fixed Wing Aircraft	1	1	1	1	1	1	1	1	1	1
Fire Department										
Fire Stations	20	20	20	20	20	20	20	20	20	20
Engine Companies	20	16	16	16	16	16	18	18	17	17
Truck Companies	6	4	4	4	4	4	4	4	5	5
Public Works										
Streets (miles)	1,700	1,666	1,692	1,548	1,497	1,490	1,672	1,500	1,511	1,692
Street Lights	39,000	40,000	41,100	41,000	41,556	41,500	42,051	42,207	42,405	43,318
Traffic Signals	441	437	442	450	468	466	489	467	468	481
Solid Waste Division										
Collection Trucks	129	129	126	83	83	83	84	89	81	85
Water Division										
Water Mains (miles)	1,765	1,775	1,779	1,781	1,782	1,803	1,799	1,801	1,809	1,827
Wells	280	272	269	273	273	271	260	261	260	263
Fire Hydrants	12,769	12,878	12,914	12,954	13,001	13,139	13,170	13,218	13,332	13,484
Sewer Maintenance Division										
Sewer Mainlines (miles)	1,494	1,497	1,503	1,507	1,521	1,529	1,533	1,536	1,539	1,613
Manholes	22,867	22,977	23,123	23,275	23,384	23,644	23,776	22,834	23,947	24,146
Lift Stations	14	15	15	15	15	15	15	15	15	15
Parks										
Metropolitan Parks (Regional)	3	3	3	3	3	3	3	3	3	3
Neighborhood Parks	29	31	31	31	31	31	32	33	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	5	5	6	6	6	6	6	8	8	8
Tennis Courts	40	40	40	40	40	40	40	42	42	42
Acres of Parks	1,523	1,535	1,535	1,535	1,535	1,535	1,384	1,392	1,393	1,393
Neighborhood Centers	12	12	12	12	12	12	12	12	12	12
Community Center	5	5	5	5	5	5	5	5	5	7
Swimming Pools	15	10	5	5	5	9	9	9	9	9

CITY OF FRESNO, CALIFORNIA

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years (continued)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Transportation										
Airports	2	2	2	2	2	2	2	2	2	2
Municipal Airport Total Acreage	1,899	1,900	1,900	1,900	1,875	1,875	1,875	1,875	1,875	2,050
Length of Longest Runway (surfaced) - Linear Feet	9,227	9,227	9,227	9,227	9,227	9,539	9,539	9,539	9,539	9,539
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)	184,936	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364
Number of Parking Spaces (surface lot)	2,396	2,425	2,425	2,367	2,365	2,365	2,365	2,355	2,664	2,664
Air Cargo Ramp Spaces	9	9	9	9	9	9	9	8	8	9
Air Cargo Ramp (surface square footage)	806,390	806,390	806,390	806,390	806,390	806,390	806,390	806,390	806,390	806,390
Number of Hangars	302	304	302	302	302	302	302	303	303	303
Buses - Directly Operated	125	125	122	123	110	111	105	105	129	138

Source: City of Fresno - Various Departments

Notes: Police Department Plain Cars and Motorcycle information was not available in FY2009 and FY2010.

Information was combined for Fresno Yosemite International (FYI) and Chandler Executive Airport (FCH) for all Airport statistics with the exception of Length of Longest Runway (surfaced) - Linear Feet, Number of Parking Spaces, Air Cargo Ramp Spaces and Air Cargo Ramp Surface Square Footage.

The reduction for Street (miles) in FY2016 is due to the non-inclusion of secondary segments on the major divided roads and is not associated with any road removal.

The number of Street Lights in FY2010 and FY2011 are estimated. FY2009 is supported by field survey per the department.

Effective December 1, 2011, the collection and all commercial and multi-family solid waste services were franchised to two private haulers. The number of commercial solid waste trucks was reduced by 42 at that time.

In FY2015, the Parks 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 the Martin Ray Reilly Park in FY2015. 8.3 acres were added in FY2016 due to the opening of Inspiration Park.

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