
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
CITY OF FRESNO**

State of California

For the Fiscal Year Ended

June 30, 1999

**Prepared by
Department of Administrative Services**

Andrew T. Souza, Controller

INTRODUCTORY SECTION

CITY OF FRESNO, CALIFORNIA
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Telephone: (559) 498-1575

Andrew T. Souza
Director

November 30, 1999

Honorable James Patterson, Mayor,
Distinguished City Council
and Citizens
City Hall
Fresno, California

The 40th Comprehensive Annual Financial Report (CAFR) of the City of Fresno, California (City), for the fiscal year ended June 30, 1999, is hereby submitted in accordance with Section 804(c) of the City Charter. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements, the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate report.

This report includes all funds and account groups which are controlled by or dependent upon the City. The City provides the full range of municipal services contemplated in the City Charter. These include police and fire protection, public works, parks and recreation, development services, and the related activities that support these line functions. In addition, the City operates a number of enterprise operations including water, sewer, community sanitation and solid waste utilities, two airports, parking garages, three golf courses, a transit system, and a convention center.

This report includes all funds and account groups of the City and its related entities and their funds, as appropriate. For example, the Fresno Redevelopment Agency, a related entity, is reported as a

Debt Service and Capital Projects Fund in the statements. This report also includes various financing authorities and corporations reported in the governmental and proprietary funds.

GOVERNMENT STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The City was incorporated in 1885, and is located in the central part of California. The City currently has a land area of 102 square miles and a population of 415,000. The City also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the council.

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 Mayor does not participate in Council deliberations, except by exercising veto power.

Legislative authority is vested with the seven-member City Council. The City Council exercises all legislative powers, except those specifically granted to the Mayor. The powers include the appointment and removal of the City Attorney and City Clerk, the authority to make all laws involving municipal affairs subject to the Charter, and to control all of the City's legal business and proceedings. At its first meeting of the year, the City Council elects a President from among its members to serve a one-year term. The President is the presiding officer of the Council and will fill any vacancy in the Office of the Mayor.

As the City continues to offer a quality lifestyle with housing prices well below the state average, it has continued to be among the fastest growing areas in the state. The City has become a regional center for service industries, such as insurance and financial firms, and has continued to attract light industry, such as food processing plants and regional distribution centers. This growth, combined with the strong agricultural base, has sustained Fresno's economy during a period of statewide economic recession. Additionally, as the City is the dominant City within Fresno County, it is able to retain a large percentage of purchases made from wages earned within the City. Information from the State of California shows that 75 percent of the effective buying income stays within the City, far exceeding the amounts for other cities of comparable size and demographics.

Previous financial problems at the state level have resulted in the City's general fund transferring over \$12 million per year to the state and county during each of the last six years. The cumulative affect of the transfers has resulted in the streamlining of administrative operations and the reduction of low-priority services provided by departments within the City's general fund. As a first step in addressing these transfers, the State allocated \$200 million in its fiscal year 1999-2000 budget for local government relief. Of this amount, the City anticipates receiving approximately \$2.2 million in fiscal year 1999-2000.

MAJOR INITIATIVES

For the Year:

During fiscal year 1999 the City was a finalist in the All American City program of the National Civic League. The City was selected as a finalist for exemplifying the spirit of grassroots citizen involvement and collaborative problem solving through three notable community based programs: Oso de Oro Lake Park for physically challenged children; the Stone Soup Partnership, a program designed to provide assistance to impoverished Southeast Asians; and Care Fresno, a public-private partnership designed to restore safe neighborhoods.

Also during fiscal year 1999, the City continued its focus on public safety by increasing the number of sworn police officers to 693, the highest number in the history of the City. The City also continued

the operation of two helicopters that provide increased pursuit and surveillance opportunities for the department. As a result of these investments, the City's crime rates have decreased in all reported areas for the fourth straight year.

Also during this fiscal year, Phase I of the GAP Inc. regional distribution center was completed, adding over 400 jobs to the City's economy. Additionally, the 500,000 square foot Phase II was started this year, and is expected to be completed in Spring 2000. When the five phases are completed, the center will contain just under two million square feet of distribution facilities, one hundred thousand square feet of office space, and a ten thousand square foot retail location. The project is anticipated to create 1,700 new jobs. The City also received a Foreign Trade Zone designation for 500 acres located near the Fresno Yosemite International Airport.

In its ongoing effort to remain business friendly, the City has established a truly "one-stop shop" in the Development Department. Staffs from several City departments, as well as other outside agencies, meet together on a daily basis to resolve development and business-related questions and issues. This significantly reduces the time it takes to get a project through the development process because customers no longer have to visit several departments and agencies all over town to obtain the necessary approvals.

The City also continued its Neighborhood Improvement Program, providing major improvements to 11 neighborhoods. The improvements included the application of overlay, slurry seal and fog seal to City streets, replacement and repair of curbs and gutters, as well as major sidewalk repairs. The City also rehabilitated over six miles of sewer trunk lines during the year.

For the Future:

The City's Exhibit Hall expansion is scheduled to open during the next fiscal year. The facility is approximately 162,300 square feet, and includes 3 new exhibit halls, 20 meeting rooms, pre-function lobbies, kitchen/serving areas, administrative offices, and support facilities. It will be operated by the staff of the City's Convention Center Department

The City will also be bidding three major capital projects in fiscal year 1999-2000. The first project is the expansion and renovation of the terminal facilities at Fresno Yosemite International Airport. The 113,500 square foot expansion will include a second-level passenger boarding area, direct access jetways, administrative offices, and additional baggage claim areas. It will also include a Federal Inspection Service facility, which is needed to handle direct international flights. The City will also be bidding the construction of its first Surface Water Treatment Plant, which will process a peak of 30 million gallons of water per day. It will also be bidding the covering of its landfill which has been closed since 1987, and has been an EPA Superfund site since 1989.

Department Focus

The Transportation Department is responsible for the operations of the City's two airports, Fresno Yosemite International (FYI) and Fresno-Chandler Downtown, as well as the operations of Fresno Area Express (FAX), the City's fixed route transit system.

FYI serves as a regional air carrier airport for a six-county area of Central San Joaquin Valley, which has a population of more than 1.5 million people. It is an integral part of the national transportation system and a major generator of commercial activity and employment opportunities. It is also the home of two military aviation units, the California Air National Guard and the California Army National Guard. As a regional facility, FYI has felt the cyclical ebb and flow in airline passenger service with the departure of one carrier, the addition of two carriers, and the expansion of service by three carriers. The carriers at FYI are also moving towards a greater usage of regional jets, with FYI assigned more

regional jets than any other west coast airport. As previously noted, FYI will also be bidding the expansion and renovation of its facilities in fiscal year 1999-2000.

Fresno-Chandler Downtown Airport is a B-1 airport, which means it can accommodate 95 percent of all general aviation aircraft weighing less than 12,500 pounds. It is designated by the Federal Aviation Administration as a reliever airport, to lessen airspace congestion at FYI. It is a desirable destination for many corporate aircraft because of its proximity to downtown Fresno.

FAX is responsible for providing fixed route and paratransit public transportation services throughout the Fresno-Clovis Metropolitan Area, with the mission "to provide a comprehensive transportation system that improves the quality of life in our community." There are eighteen fixed- route systems that operate Monday through Friday, and fifteen routes on weekends. Beginning in fiscal year 1999-2000, most weekday routes are being extended to 10:00pm. FAX also takes a pro-active approach to improving customer services by meeting with both the business community and the general public to evaluate the levels and quality of services, as well as conducting annual passenger surveys to gain insight to what their customers want.

The Development Department is responsible for planning and guiding the orderly growth and development within the City; for enforcing compliance with applicable legislation in order to meet the quality of life, health, and safety needs of the community; and for delivering to its customers courteous, efficient, and competent services. The department maintains three divisions, Administration, Planning, and Building and Safety. The divisions are organized around the one-stop shop concept to allow customers to address all of their development related needs at a single location. Through this organization the department has reduced turnaround times for all of its major plan review and inspection processes.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

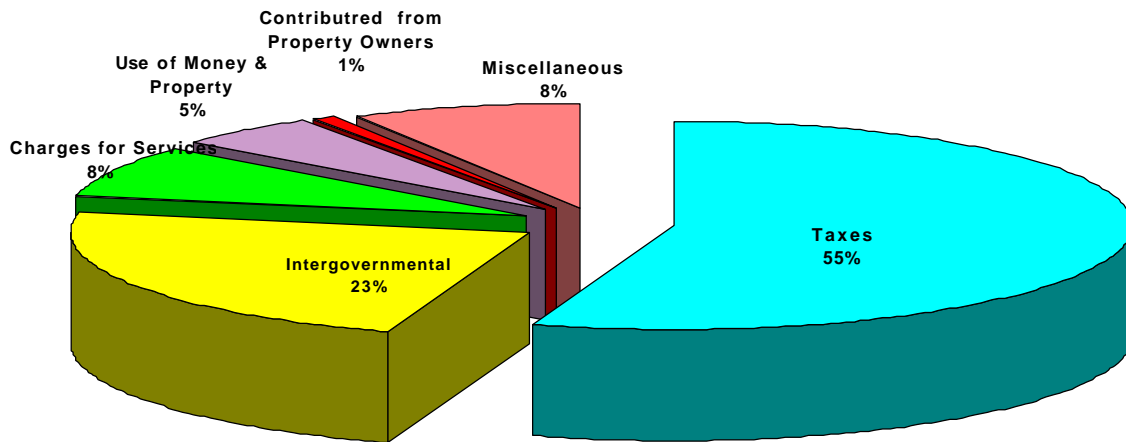
As a recipient of federal, state and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the City. As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 1999, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Additionally, the City maintains budgetary controls. The objective of these 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, special revenue funds and certain debt service funds are included in the annual appropriated budget. Project-length financial plans are adopted for certain capital projects funds. The level of budgetary controls (the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the department level by object (major expenditure category) through an encumbrance system prior to the release of purchase orders to vendors.

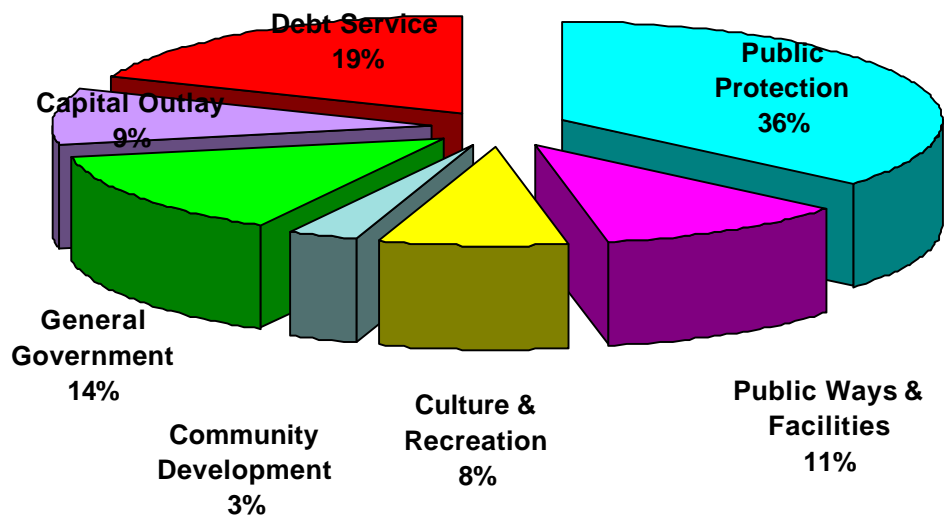
Purchase orders that result in an overrun of department-level balances by object are not released until additional appropriations are made available. Open encumbrances at June 30, 1999, are reported as reservations of fund balance.

General Government Funds

Revenue Percentages FY 99



Expenditure Percentages FY 99

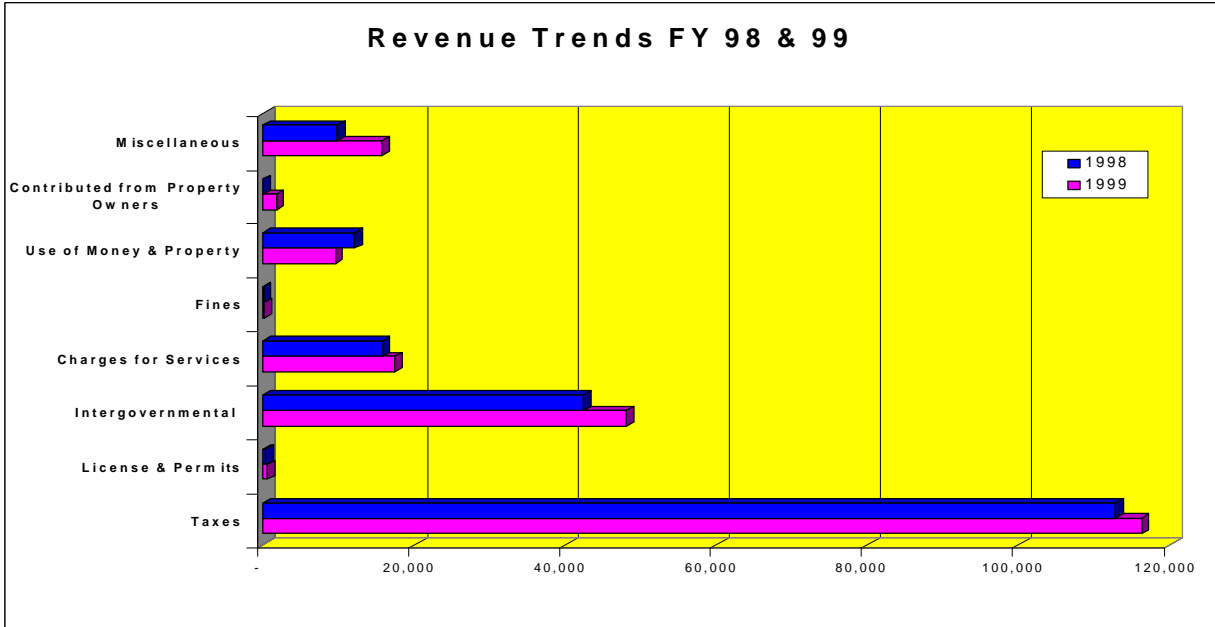


General Government Functions and General Fund Balance

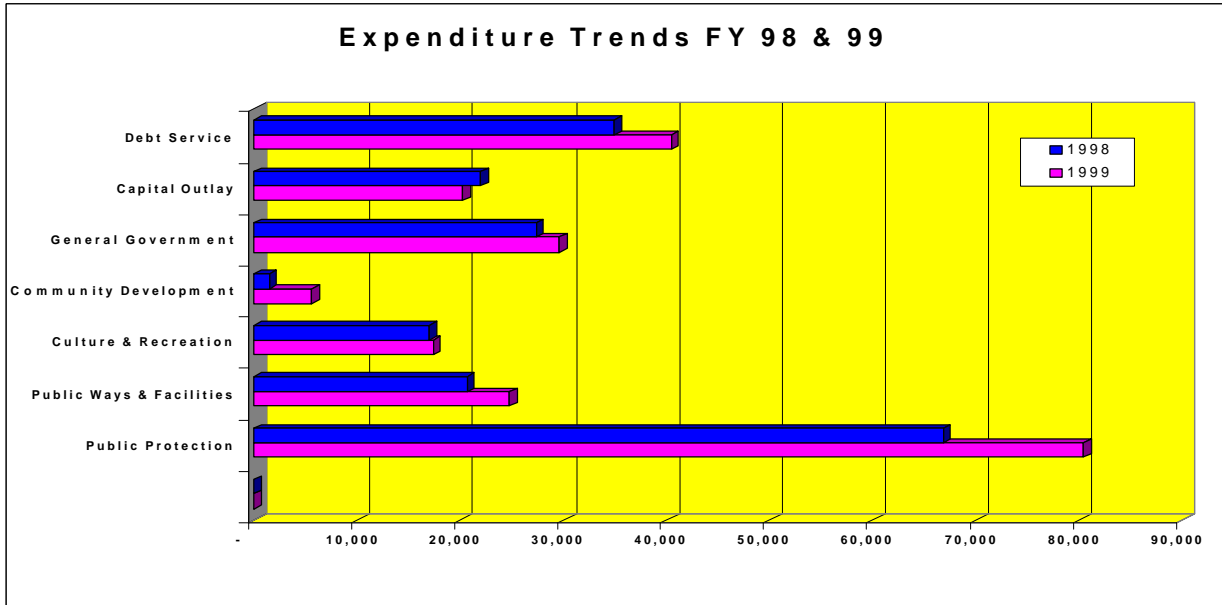
The following schedule presents a summary of the general fund, special revenue funds, debt service funds, and capital projects funds revenues and expenditures for the years then ended June 30, 1999, and 1998

	1999		1998		Increase/Decrease Over 1998	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Revenues						
Taxes	\$ 116,374	55	\$ 112,883	59	\$ 3,491	3
License & Permits	546	0	372	-	174	47
Intergovernmental	48,075	23	42,409	22	5,666	13
Charges for Services	17,465	8	15,814	8	1,651	10
Fines	113	0	90	-	23	26
Use of Money & Property	9,560	5	12,194	6	-2,634	-22
Contributed from Property Owners	1,769	1	-	-	1,769	0
Miscellaneous	15,724	8	9,812	5	5,912	60
Totals	\$ 209,626	100	\$ 193,574	100	\$ 16,052	
Expenditures						
Public Protection	\$ 80,468	36	\$ 66,843	35	\$ 13,625	20
Public Ways & Facilities	24,829	11	20,652	11	4,177	20
Culture & Recreation	17,366	8	16,949	9	417	2
Community Development	5,632	3	1,458	1	4,174	286
General Government	29,617	14	27,358	14	2,259	8
Capital Outlay	20,235	9	22,006	12	-1,771	-8
Debt Service	40,503	19	34,933	18	5,570	16
Totals	\$ 218,650	100	\$ 190,199	100	\$ 28,451	

The increase in Community Development expenditures was due to a decrease in fiscal year 1998 expenditures. The 1999 expenditures were consistent with the amount from fiscal year 1997.



(General Government Funds Charts)



Enterprise Operations

The City's enterprise operations include four utility funds, which include water and sewer systems, a solid waste management operation and a community sanitation operation. Additionally, the City operates a transit system, two municipal airports, a convention center, parking structures, two regional and 34 neighborhood parks with tennis courts, community centers, swimming pools, an auditorium, and three golf courses. Also, the City accounts for its development services operations in an enterprise fund.

Because of improved efficiencies in service deliveries to the public, there were only moderate user rate increases in the utility funds. All other enterprise operations showed little to no rate increases during the fiscal year.

Operating revenues for all of the enterprise operations combined increased by approximately one percent from last year.

The following summary compares the net income (loss) of the current year to the prior year for each Enterprise Fund (dollars in thousands):

<u>Enterprise Fund</u>	<u>Net Income/ (Loss) 1999</u>	<u>Net Income/ (Loss) 1998</u>
Water System	\$ 1,329	\$ 6,881
Sewer System	19,155	9,692
Solid Waste Management	718	3,899
Community Sanitation	381	622
Transit	-2,565	(2,541)
Airports	-142	213
Convention Center	-1,687	(1,410)
Parking	-409	200
Parks & Recreation	-404	(483)
Development Services	105	(629)
Totals	<u>\$ 16,481</u>	<u>\$ 16,444</u>

The sewer system showed a net income of \$19,155 million, an increase of approximately \$9.4 million, due to a decrease in interest expense of \$9.5 million.

The City's airports showed a net loss of \$142,354.

The net loss in the transit system was equal to depreciation expense. Depreciation expense for the transit system is not funded by state and federal granting agencies. However, fare box revenues and ridership continue to rise.

Debt Administration

At year-end, the City had a number of debt issues outstanding. These issues, net of applicable unamortized discounts, included \$74,890,000 in certificates of participation, \$365,450,000 in revenue bonds, \$6,755,000 in tax allocation bonds, \$213,615,000 in pension obligation bonds, and \$7,490,000 in judgment obligation bonds. The City has maintained a "AAA" rating with the credit rating agencies.

Cash Management Policies and Practices

The City invests all of its public funds in accordance with a Council-approved investment policy and the California Government Code. The policy's objectives for the portfolio are (in order of importance) safety, liquidity, and yield. It is the City's policy to minimize credit and market risk while maintaining a competitive yield on its portfolio. Accordingly, the policy permits investments in certificates of deposit, obligation of the U.S. Treasury and U.S. Government sponsored corporations and agencies, commercial paper, corporate bonds, medium-term notes, banker's acceptances, repurchase and reverse repurchase agreements, mutual funds invested in U.S. Government and Treasury obligations, and the state treasurer's investment pool.

The City invests in no derivatives other than structured (step-up) notes, and floored floater notes, which guarantee coupon payments. These are minimal risk instruments. All of the City's investments, which are categorized according to credit risk as defined by the Governmental Accounting Standards Board, are classified in the category of lowest risk. All categorized investments are held by a third-party custodian in the City's name.

With regard to investment style, the City employs a semi-active strategy in managing the portfolio. First, all prospective investments are reviewed from the standpoint of the risk of loss of principal. Once safety concerns have been addressed, all investments are purchased with the intention of holding them until maturity. They are purchased at a point in time and with a particular maturity date judged to be the most advantageous in terms of meeting the City's liquidity needs and maximizing the return on the portfolio.

However, as time passes and market conditions change, opportunities often arise in which funds can be repositioned into other assets offering even greater advantages to the portfolio. In these circumstances, one investment may be sold or swapped for another. Sometimes this results in a capital gain from the sale and at other times a loss. But in all cases, the gain or loss, combined with returns from the newly acquired investment, results in a net added return to the portfolio.

The City, through its Pension Trusts, has invested in certain funds managed by several of its investment counselors. As a part of their portfolio management strategy, investment counselors may enter into a variety of derivative financial instruments. It is the City's policy that these contracts are entered into as a hedging strategy and not for speculative purposes.

The City's policy permits investments in securities with maturities ranging from one day to five years. However, investments are made to coincide with the City's cash needs, including payroll dates and debt service payments. The average maturity is 3.1 years. For the 12 months ended June 30, 1999, the average yield on the portfolio was 5.83 percent. Total earnings for the year were approximately \$15.8 million. The portfolio composition at June 30, 1998, is as follows:

U.S. Treasury Securities	0%
U.S. Government Sponsored Corporations	70%
Corporate Notes & Bonds	23%
Mutual Funds	1%
California LAIF	<u>6%</u>
Total	<u>100%</u>

Risk Management

The City's Risk Management Division is responsible for the administration of the City's Property and Liability Self-Insurance fund, which uses a combination of self-insurance and private insurance to protect the City against risks that cannot be eliminated. Currently, the City is engaged in an Owner-Controlled Insurance Program covering the wastewater treatment expansion. The Division investigates and manages all liability claims and property losses; evaluates risk exposure and insurance needs; protects against contractual loss by reviewing and preparing insurance and indemnification portions of construction contracts, leases and agreements; emphasizes ongoing operational loss control; and purchases all insurance coverages for the City.

The City is self-insured for liability exposures, with a self-insured retention of \$2,500,000 and purchased excess liability insurance in the amount of \$12,500,000, except for the Fresno Airport, which has liability insurance coverage with limits up to \$50,000,000, with a \$7,500 deductible. The City has all risk property insurance for physical loss or damage with a \$25,000 deductible and limits of insurance up to \$200,000,000.

Pension Trust Fund

The Pension Trust Funds consist of two trusts: the First and Second Tier Fire and Police Retirement Systems and the Employees' Retirement System. The net gain in assets for the Fire and Police System was \$75.2 million (\$798.9 to \$874.2 million) and the Employees' Systems increased by \$68.9 million (\$716.9 to \$785.9 million). The gains were the result of outstanding investment returns, which totaled 9.5 percent for the fiscal year. The Systems' investment returns have averaged 17.8 percent over the previous five years versus the actuarial interest rate assumption of 8.25 percent. The investment returns for the fiscal year ranked in the top 28th percentile of the public funds universe used by the Boards' investment consultant to evaluate the performance of the Systems.

OTHER INFORMATION

Independent Audit

City Charter Section 1216 requires an annual audit of the City's financial records, transactions and reports by an independent certified public accounting firm. The accounting firm of Brown, Armstrong, Randall, Reyes, Paulden & McCown was selected to perform the 1999 audit. Their report on the general purpose financial statements and the combining and individual fund and account group financial statements and schedules is included in the financial section of the CAFR.

Awards

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. This is the sixth consecutive year that the City has received this prestigious award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for presentation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the requirements of the Certificate of Achievement program, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I would like to express sincere appreciation to the Finance Division staff and the accounting firm of Brown, Armstrong, Randall, Reyes, Paulden & McCown for their tremendous effort in preparing this report. I would also like to thank the rest of the Department of Administrative Services staff for their assistance in completing this task.

Andrew T. Souza
Controller

**CITY OF FRESNO, CALIFORNIA
MAYOR AND COUNCIL MEMBERS**

Member	Term Expires
MAYOR	
James Patterson	January 2001

COUNCIL MEMBERS

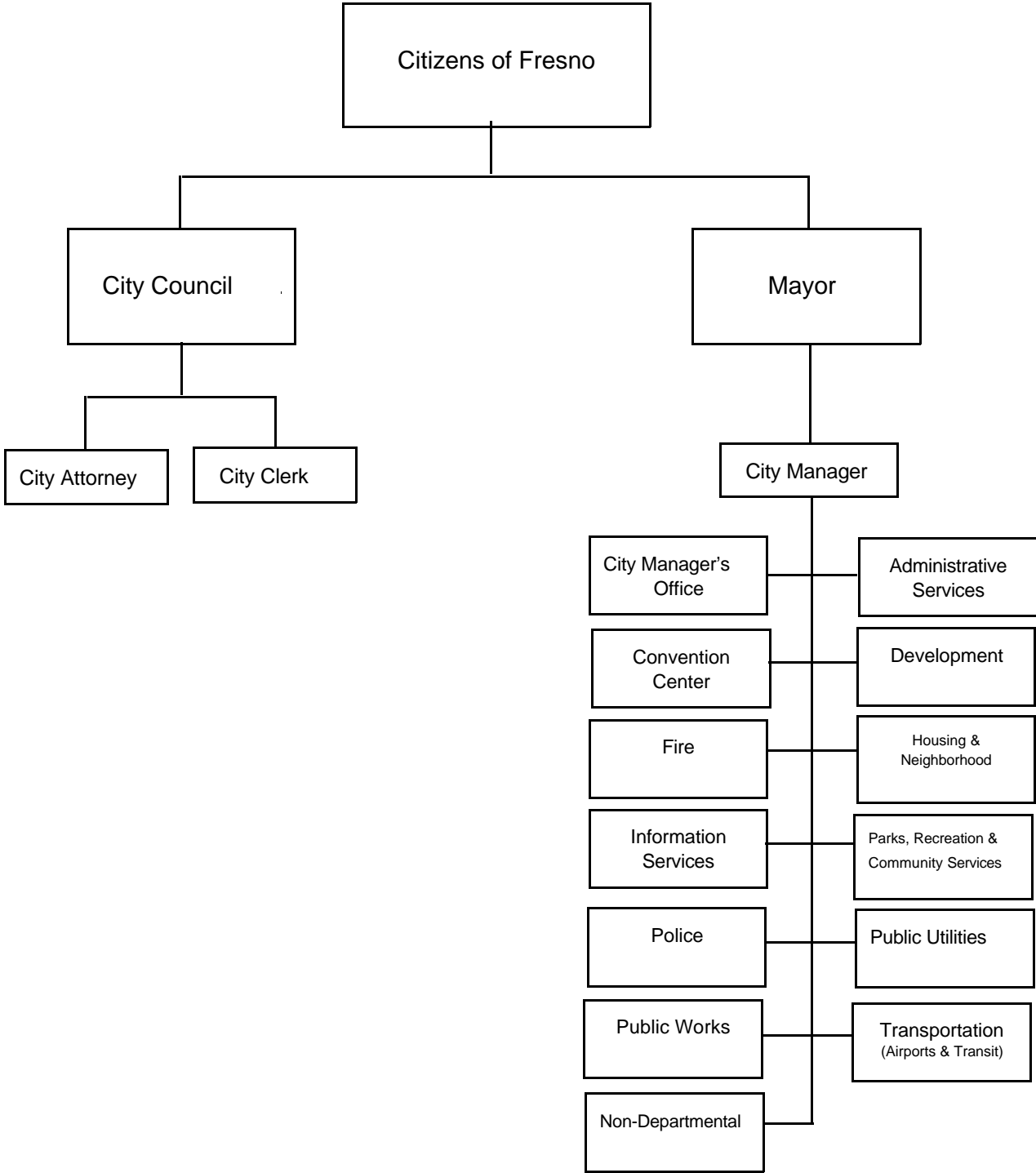
Tom Boyajian, District 1	January 2003
Chris Mathys, District 2	January 2001
Dan Ronquillo, District 3	January 2003
Ken Steitz, District 4	January 2001
Sal Quintero, District 5	January 2003
Gary Bredefeld, District 6	January 2001
Henry Perea, District 7	January 2003

CITY OFFICIALS

Jeffrey M. Reid, City Manager
Hilda Cantú Montoy, City Attorney
Rebecca E. Klisch, City Clerk

CITY OF FRESNO

City Organization Chart



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, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cory Brueck
President

Jeffrey L. Esser
Executive Director

FINANCIAL SECTION



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RANDALL REYES PAULDEN & McCOWN
CERTIFIED PUBLIC ACCOUNTANTS

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Jerry E. Randall, CPA/ABV
Benjamin P. Reyes, CPA
Andrew J. Paulden, CPA
Harvey J. McCown, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Fresno

We have audited the accompanying general purpose financial statements of the City of Fresno, California, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of Fresno. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Fresno, California, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 1999, on our consideration of the City of Fresno's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and Individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Fresno. These financial statements and schedules are also the responsibility of management of the City of Fresno. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The statistical section listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Fresno. The information in such statistical section has not been subjected to the auditing procedures applied to the audit of the general purpose financial statements and, accordingly, we express no opinion on it.

The year 2000 supplementary information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City of Fresno is or will become year 2000 compliant, that the City of Fresno's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Fresno does business are or will become year 2000 compliant.

BROWN ARMSTRONG RANDALL
REYES PAULDEN & McCOWN
ACCOUNTANCY CORPORATION

[Handwritten signature]

Bakersfield, California
November 19, 1999

CITY OF FRESNO, CALIFORNIA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999
(Dollars in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets:				
Cash and Investments (Note 4)	\$ 2,824	\$ 4,243	\$ 3,746	\$ 5,514
Receivables, net:				
Accounts	5,836			34
Grants		9,011		
Property Taxes	5,312			
Loans (Note 7)			5,445	
Material and Supplies Inventory				
Due From Other Governmental Agencies	10,609	451		12
Due From Other Funds (Note 5)	2,807	750	3,659	35
Restricted Assets (Note 6)		1,054	7,789	3,855
Notes Receivable, Current (Note 7)				62
Interest Receivable	323	137		199
Securities Lending				
Notes Receivable, Long-Term (Note 7)		34,171	1,170	
Other Receivables	289			
Other Assets		2		
Accounts Receivable From Solid Waste Rate Payers (Note 22)				
Advances to Other Funds (Note 5)	12,452	28,509		13,564
Property, Plant and Equipment, Net (Notes 8 & 9)				
Other Debits:				
Amount Available in Debt Service Funds for Repayment of General Long-Term Debt				
Amount to be Provided in Future Years				
Total Assets and Other Debits	\$ 40,452	\$ 78,328	\$ 21,809	\$ 23,275

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 56,448	\$ 42,975	\$ 1,836,121	\$	\$	\$ 1,951,871
19,457		104,310			129,637
7,532					16,543
					5,312
					5,445
2,135	650				2,785
2,525		160			13,757
9,457	3,302	1,755			21,765
262,448	8,254				283,400
		86			148
1,695	1,010	4,433			7,797
		167,575			167,575
					35,341
39,232					39,521
10,814	434				11,250
16,555					16,555
4,836					59,361
614,009	32,078		178,078		824,165
				15,483	15,483
				365,409	365,409
<u>\$ 1,047,143</u>	<u>\$ 88,703</u>	<u>\$ 2,114,440</u>	<u>\$ 178,078</u>	<u>\$ 380,892</u>	<u>\$ 3,973,120</u>

(Cont'd)

CITY OF FRESNO, CALIFORNIA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999
(Dollars in Thousands)
(Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Equity, and Other Credits				
Liabilities:				
Accrued Liabilities	\$ 5,378	\$ 323	\$	\$ 119
Deferred Compensation Benefits (Note 14)				
Liability for Self-Insurance, Current (Note 13)				
Unearned Revenue	4,634	1,459		
Due to Other Governmental Agencies				
Due to Other Funds (Note 5)	1,347	70	395	3,377
Bonds Payable, Current (Note 10)				
Notes Payable, Current (Note 10)				188
Capital Lease Obligations, Current (Notes 9 & 10)				
Securities Lending				
Advances From Other Funds (Notes 5 & 10)				
Bonds Payable, Long-Term (Note 10)				
Notes Payable, Long-Term (Note 10)				
Capital Lease Obligations, Long-Term (Notes 9 & 10)				
Long-Term Debt Payable (Note 10)				
Liability for Self-Insurance, Long-Term (Note 13)				
Other Liabilities				
Prepayment of Special Assessments				
Deposits Held for Others				
Accrued Closure Costs, Long-Term (Note 23)				
Total Liabilities	<u>11,359</u>	<u>1,852</u>	<u>395</u>	<u>3,684</u>
Equity and Other Credits:				
Investment in General Fixed Assets (Note 8)				
Contributed Capital				
Retained Earnings:				
Reserved (Note 17)				
Unreserved				
Fund Balances:				
Reserved (Note 17)	13,493	68,953	21,414	22,625
Unreserved	15,600	7,523		(3,034)
Total Equity and Other Credits	<u>29,093</u>	<u>76,476</u>	<u>21,414</u>	<u>19,591</u>
Total Liabilities, Equity, and Other Credits	<u>\$ 40,452</u>	<u>\$ 78,328</u>	<u>\$ 21,809</u>	<u>\$ 23,275</u>

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$ 17,636	\$ 1,845	\$ 169,704	\$	\$	\$ 195,005
	13,572	72,464			72,464
8,844		17,662			13,572
6,229					32,599
7,332	7,104	2,139			6,229
10,050	1,020				21,764
167					11,070
105	395				355
		167,575			500
					167,575
				66,698	66,698
392,107	1,590			291,755	685,452
3,034				5,650	8,684
272	4,310			7,029	11,611
				9,760	9,760
	15,138				15,138
35,873					35,873
		117			117
57,675	1,438	13,761			72,874
32,211					32,211
<u>571,535</u>	<u>46,412</u>	<u>443,422</u>		<u>380,892</u>	<u>1,459,551</u>
			178,078		178,078
332,869	8,334				341,203
43,593	5,860				49,453
99,146	28,097				127,243
		1,671,018			1,797,503
					20,089
<u>475,608</u>	<u>42,291</u>	<u>1,671,018</u>	<u>178,078</u>		<u>2,513,569</u>
\$ <u>1,047,143</u>	\$ <u>88,703</u>	\$ <u>2,114,440</u>	\$ <u>178,078</u>	\$ <u>380,892</u>	\$ <u>3,973,120</u>

CITY OF FRESNO, CALIFORNIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FISCAL YEAR ENDED JUNE 30, 1999
(Dollars in Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 100,212	\$ 11,333	\$ 4,829	\$
Licenses and Permits	546			
Intergovernmental	29,110	17,377		1,588
Charges for Services	16,217	1,248		
Fines	113			
Use of Money and Property	2,301	1,421	8,066	1,198
Contributed from Property Owners				1,769
Miscellaneous	5,488	4,592	1,323	1,393
Total Revenues	153,987	35,971	14,218	5,948
Expenditures:				
Current:				
General Government	26,522	765	2,530	
Public Protection	80,468			
Public Ways and Facilities	16,923	7,906		
Culture and Recreation	17,366			
Community Development		5,632		
Capital Outlay	654	7,046		12,535
Debt Service:				
Principal	299	410	17,158	
Interest	1,200	565	21,369	
Total Expenditures	143,432	22,324	41,057	12,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,555	13,647	(26,839)	(6,587)
Other Financing Sources (Uses):				
Operating Transfers In	9,811	1,401	26,521	12,472
Operating Transfers Out	(23,435)	(12,521)	(10,151)	(771)
Loan Proceeds	6,429		223	
Total Other Financing Sources (Uses)	(7,195)	(11,120)	16,593	11,701
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,360	2,527	(10,246)	5,114
Fund Balances at Beginning of Year	25,733	73,949	31,660	13,784
Prior Period Adjustment				694
Fund Balances at Beginning of Year as Restated	25,733	73,949	31,660	14,478

Fund Balances at End of Year

\$ 29,093 \$ 76,476 \$ 21,414 \$ 19,592

The accompanying notes are an integral part of these financial statements.

<u>Fiduciary Fund Types</u>	
<u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
\$	\$ 116,374
	546
	48,075
1,488	18,953
	113
279	13,265
	1,769
	<u>12,796</u>
<u>1,767</u>	<u>211,891</u>
16	29,833
	80,468
	24,829
	17,366
	5,632
1,050	21,285
	17,867
	<u>23,134</u>
<u>1,066</u>	<u>220,414</u>
<u>701</u>	<u>(8,523)</u>
166	50,371
	(46,878)
	<u>6,652</u>
<u>166</u>	<u>10,145</u>
867	1,622
<u>9,971</u>	<u>155,097</u>
	694
9,971	155,791
<u>\$ 10,838</u>	<u>\$ 157,413</u>

CITY OF FRESNO, CALIFORNIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS--NOTE 22)
GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED JUNE 30, 1999
(Dollars in Thousands)

	General Fund		Special Revenue Funds	
	Actual	Budget	Actual	Budget
Revenues:				
Taxes	\$ 93,808	\$ 95,467	\$ 11,241	\$ 12,170
Licenses and Permits	1,150	1,360		
Intergovernmental	25,415	25,816	17,477	32,120
Charges for Services	16,217	16,270	1,169	1,556
Fines	113	109		
Use of Money and Property	1,687	2,079	863	545
Miscellaneous	4,628	4,180	4,943	6,507
Prior Year Resources	834	4,765	3,037	10,364
Total Revenues	143,852	150,046	38,730	63,262
Expenditures:				
Current:				
General Government	63,045	65,596	1,541	3,330
Public Protection	92,427	92,816	627	765
Public Ways and Facilities	16,923	17,669	1	263
Culture and Recreation	17,366	18,008		3,996
Community Development			4,624	7,383
Capital Outlay	827	1,407	17,283	34,900
Debt Service:				
Principal				
Interest				
Total Expenditures	190,588	195,496	24,076	50,637
Excess of Revenues (Deficiency) Over (Under) Expenditures	(46,736)	(45,450)	14,654	12,625
Other Financing Sources (Uses):				
Operating Transfers In	14,629	15,153	1,544	2,105
Operating Transfers Out	(1,416)	(1,395)	(12,335)	(14,158)
Loan Proceeds	32,101	31,640		
Total Other Financing Sources (Uses)	45,314	45,398	(10,792)	(12,053)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(1,422)	(52)	3,863	572
Fund Balances at Beginning of Year	59,076	7,580	82,620	6,234
Fund Balances at End of Year	\$ 57,654	\$ 7,528	\$ 86,483	\$ 6,806

The accompanying notes are an integral part of these financial statements.

<u>Debt Service Fund</u>		<u>Capital Projects Funds</u>	
<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
\$ 4,845	\$ 4,829	\$	\$
		1,588	6,481
675	955	222	187
0	0	1,130	1,081
<u>13,386</u>	<u>13,828</u>	<u>(1,991)</u>	<u>(46)</u>
<u>18,906</u>	<u>19,612</u>	<u>949</u>	<u>7,703</u>
951	753	100	297
		532	1,081
		300	2,928
		0	1,300
		23,514	19,360
705	225		
<u>830</u>	<u>489</u>		
<u>2,486</u>	<u>1,467</u>	<u>24,446</u>	<u>24,967</u>
<u>16,420</u>	<u>18,145</u>	<u>(23,497)</u>	<u>(17,264)</u>
		22,938	11,582
(10,169)	(10,151)	(771)	(873)
<u>10,276</u>	<u>0</u>		<u>4,517</u>
<u>107</u>	<u>(10,151)</u>	<u>22,167</u>	<u>15,226</u>
16,527	7,994	(1,331)	(2,038)
<u>47,751</u>	<u>24,242</u>	<u>94,211</u>	<u>(26,501)</u>
<u>\$ 64,278</u>	<u>\$ 32,236</u>	<u>\$ 92,880</u>	<u>\$ (28,538)</u>

CITY OF FRESNO, CALIFORNIA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FISCAL YEAR ENDED JUNE 30, 1999
(Dollars in Thousands)

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
Operating Revenues:			
Charges for Services	\$ 145,406	\$ 74,832	\$ 220,238
Total Operating Revenues	<u>145,406</u>	<u>74,832</u>	<u>220,238</u>
Operating Expenses:			
Cost of Services	80,687	56,785	137,472
Administration	48,980	16,002	64,982
Amortization	621	332	953
Depreciation	14,287	7,122	21,409
Total Operating Expenses	<u>144,575</u>	<u>80,241</u>	<u>224,816</u>
Operating Income	<u>831</u>	<u>(5,409)</u>	<u>(4,578)</u>
Nonoperating Revenues (Expenses):			
Loss on Sale of Property, Plant, and Equipment	(6)	(234)	(240)
Operating Grants	14,420		14,420
Interest Income	16,428	2,783	19,211
Interest Expense	(12,908)	(301)	(13,209)
Total Nonoperating Revenues (Expenses)	<u>17,934</u>	<u>2,248</u>	<u>20,182</u>
Income Before Operating Transfers	<u>18,765</u>	<u>(3,161)</u>	<u>15,604</u>
Operating Transfers In	1,438	108	1,546
Operating Transfers Out	(3,721)	(1,318)	(5,039)
Net Income	<u>16,482</u>	<u>(4,371)</u>	<u>12,111</u>
Retained Earnings at Beginning of Year	<u>130,065</u>	<u>38,328</u>	<u>168,393</u>
Prior Period Adjustment	(3,807)		(3,807)
Retained Earnings at Beginning of Year as Restated	<u>126,258</u>	<u></u>	<u>164,586</u>
Retained Earnings at End of Year	<u>\$ 142,740</u>	<u>\$ 33,957</u>	<u>\$ 176,697</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FRESNO, CALIFORNIA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FISCAL YEAR ENDED JUNE 30, 1999
(Dollars in Thousands)

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
Cash Flows From Operating Activities:			
Cash Receipts From Quasi-external Operating Transactions With Other Funds	\$ 145,645	\$ 77,421	\$ 223,066
Cash Payments to Suppliers for Services	(89,184)	(31,497)	(120,681)
Cash Payments to Employees for Services	(47,957)	(18,084)	(66,041)
Cash (Payments)/Receipts for Claims and Refunds	(23,547)	(23,547)	(23,547)
Net Cash Provided by Operating Activities	8,504	4,293	12,797
Cash Flows From Capital and Related Financing Activities:			
Contributed Capital	29,341		29,341
Interest Paid	(20,125)	(178)	(20,303)
Repayment of Bonds	(8,644)	(960)	(9,604)
Repayment of Capital Lease Obligations	(30)	(595)	(625)
Proceeds From Capital Lease	(1,178)	3,929	2,751
Repayment of Notes Payable	(159)		(159)
Acquisition of Property, Plant and Equipment	(78,225)	(10,403)	(88,628)
Net Cash (Provided) Used for Capital and Related Financing Activities	(79,020)	(8,207)	(87,227)
Cash Flows From Noncapital Financing Activities:			
Operating Grants	10,104		10,104
Operating Transfers In	1,438	108	1,546
Operating Transfers Out	(3,721)	(1,318)	(5,039)
Net Cash Used for Noncapital Financing Activities	7,821	(1,210)	6,611
Cash Flows From Investing Activities:			
Interest Received on Investments	16,587	2,846	19,433
Proceeds From Restricted Cash & Investments	32,661	9	32,670
Purchase of Restricted Cash and Investments	(9)		(9)
Net Cash Provided by Investing Activities	49,239	2,855	52,094
Net Increase (Decrease) in Cash and Cash Equivalents	(13,456)	(2,269)	(15,725)
Cash and Cash Equivalents, Beginning of Year	304,272	53,205	357,477
Prior Period Adjustment	(3,807)		(3,807)
Cash and Cash Equivalents at Beginning of Year Restated	300,465	53,205	353,670
Cash and Cash Equivalents, End of Year	\$ 287,009	\$ 50,936	\$ 337,945

(Cont'd)

The accompanying notes are an integral part of these financial statements.

CITY OF FRESNO, CALIFORNIA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FISCAL YEAR ENDED JUNE 30, 1999
(Dollars in Thousands)
(continued)

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Totals (Memorandum Only)</u>
Reconciliation of Operating Income to Cash Provided by (Used for) Operating Activities			
Operating Income	\$ 831	\$ (5,409)	\$ (4,578)
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:			
Depreciation	14,287	7,122	21,409
Amortization	621	332	953
Decrease (Increase) In Accounts Receivable	249		249
Decrease (Increase) In Other Receivable	1,178		1,178
Decrease (Increase) In Due From Other Funds	(1,906)	2,529	623
Decrease (Increase) In Due From Other Governmental Agencies	839		839
Decrease (Increase) In Material and Supplies Inventory	25		25
Decrease (Increase) In Other Assets		60	60
Decrease (Increase) In Advances to Other Funds	(251)		(251)
(Decrease) Increase In Accrued Liabilities	(3,863)	(2,181)	(6,044)
(Decrease) Increase In Due to Other Funds	(631)	(121)	(752)
(Decrease) Increase In Due to Other Governmental Agencies	706		706
(Decrease) Increase In Other Liabilities	(871)		(871)
(Decrease) Increase In Liability for Self-Insurance		1,961	1,961
(Decrease) Increase In Accrued Closure Costs	(1,672)		(1,672)
(Decrease) Increase In Unearned Revenue	2,306		2,306
(Decrease) Increase In Restricted Deposits	(3,344)		(3,344)
Net Cash Provided by Operating Activities	<u>\$ 8,504</u>	<u>\$ 4,293</u>	<u>\$ 12,797</u>

**Reconciliation of Cash & Investments to Cash & Cash
Equivalents:**

	<u>Enterprise</u>	<u>Internal Service</u>
Cash and Investments	\$ 56,448	\$ 42,975
Restricted Cash (Note 6)	258,329	8,254
Non-Cash Equivalents:	(27,768)	(293)
(investments with original maturities longer than three months)		
Cash and Cash Equivalents	<u>\$ 287,009</u>	<u>\$ 50,936</u>

The Transit Enterprise Fund had fixed asset contributions of \$2,537,381.

The accompanying notes are an integral part of these financial statements.

CITY OF FRESNO, CALIFORNIA

PENSION TRUST FUNDS

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS AVAILABLE FOR BENEFITS

As of and for the Fiscal Year Ended June 30, 1999

(Dollars in Thousands)

	<u>Pension Trusts</u>
Additions	
Contributions:	
System Members	\$ <u>6,785</u>
Total Contributions	<u>6,785</u>
Investment Income:	
Net Appreciation in Value of Investments	133,478
Interest	34,316
Dividends	20,496
Securities Lending Income	8,977
Other Investment Related	443
Less Investment Expense	<u>(16,884)</u>
Net Investment Income	<u>180,826</u>
Total Additions	<u>187,611</u>
Deductions:	
Benefit Payments	40,796
Refunds of Contributions	1,780
Securities Lending Expenses:	
Borrower Rebates	
Agent Fees	
Administrative Expense	<u>801</u>
Total Deductions	<u>43,377</u>
Net Increase	144,234
Net Assets Available for Benefits	
Beginning of Year	<u>1,515,945</u>
End of Year	<u>\$ <u>1,660,179</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE
FINANCIAL STATEMENTS

CITY OF FRESNO, CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Scope of Financial Reporting Entity

The City of Fresno (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 Charter and is governed by an elected strong Mayor and a seven-member City Council. The City Manager serves as the head of the administrative branch of the City and is appointed by the Mayor.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Each blended component unit has a June 30 year end. Blended component units are as follows:

Redevelopment Agency of the City of Fresno: An independent public entity responsible for the development and implementation of housing and redevelopment programs and activities for the City of Fresno. The Redevelopment Agency of the City of Fresno (RDA) was created in 1956. The City Council serves as the governing board of the RDA and is responsible for its fiscal and administrative activities. The financial activity of the RDA is included in the City's financial statements as the RDA Debt Service and RDA Capital Projects, General Fixed Asset Account Group and General Long-Term Debt Account Group. All lease obligations between the City and the RDA have been eliminated in the financial statements.

Fresno Convention Center Improvement Authority: An independent public entity created in 1974. The Authority constructed the improvements to the City and County of Fresno Convention Center through the issuance of revenue bonds, and is presently leasing those facilities to the City. The City Council serves as the governing board of the Authority and is responsible for its fiscal and administrative activities. The financial activity of the Authority is included in the Convention Center enterprise fund. The lease obligation between the City and the Authority has been eliminated in the financial statement.

Parking Authority of the City of Fresno: An independent public entity created in 1953. The Authority constructed several parking structures through the issuance of revenue bonds and is presently leasing those facilities to the City. The City Council serves as the governing board of the Authority and is responsible for its fiscal and administrative activities. The financial activity of the Authority is included in the parking enterprise fund. All lease obligations between the City and the Authority have been eliminated in the financial statements.

City of Fresno Auditorium Corporation: A nonprofit corporation created under the laws of the State of California. The Corporation constructed the auditorium facilities through the issuance of revenue bonds and is currently leasing the auditorium facilities to the City. The Corporation's governing board consists of three board members approved by the City Council. The governing board is responsible for the fiscal and administrative activities and reports to the City Council. The financial activity of the Corporation is included as part of a debt service fund entitled Financing Authorities and Corporations, and in the General Long-Term Debt Account Group and General Fixed Asset Account Group. The lease obligation between the City and the Corporation has been eliminated in the financial statements.

Fresno Joint Powers Financing Authority: An independent public entity created in 1988. The Authority acquired telecommunication equipment, office furniture, and street lights, and constructed street improvements through the issuance of limited obligation bonds, certificates of participation and revenue bonds. The Authority is currently leasing these assets to the City. The corporation's governing board consists of three board members appointed by the chief Administrative officer and is responsible for its fiscal and administrative activities. The financial activity for the telecommunications equipment is included in the Electronics and Communications internal service fund. The financial activity for the street improvement is included in the Special Gas Tax Special Revenue Fund, the General Long-Term Debt Account Group and General Fixed Asset Account Group. The financial activity for the office furniture and street lights is included as part of a debt service fund entitled Financing Authorities and Corporations and in the General Long-Term Debt Account Group and General Fixed Asset Account Group. All lease obligations between the Authority and the City have been eliminated in the financial statements.

Fresno Equipment Corporation: A nonprofit corporation created under the laws of the State of California. The formation of the Corporation creates a financing entity through which certificates of participation can be issued for the acquisition of equipment for the City. The Corporation's governing board consists of three persons appointed by the City Council. The governing board is responsible for the Corporation's fiscal and administrative activities and reports to the City Council. The financial activity of the Corporation is included in a debt service fund entitled Financing Authorities and Corporations, and in the General Long Term Debt Account Group and General Fixed Asset Account Group.

The above component units, although legally separate from the City, provide services entirely, or almost exclusively for the benefit of the City even though they do not provide services directly to the City. Accordingly, the above component units have been "blended" into the City's combined financial statements for financial reporting purposes. All potential component units were evaluated, resulting in inclusion in the combined financial statements. Separate financial statements for the above component units are available from the City of Fresno Department of Administrative Services.

B. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are classified into three categories: governmental, proprietary, and fiduciary. Each, in turn, is divided into separate "fund types."

These funds are supplemented in the model by account groups. Account groups are self-balancing groups of accounts established to account for general fixed assets and unmatured general long-term debt not reported in the funds. Two account groups are provided for in this model: the general fixed assets account group and the general long-term debt account group.

Governmental funds are used to account for all or most of a City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the City not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, either a pension trust fund or an expendable trust fund is used. The term "expendable" indicates that the City is permitted to expend the trust principal. Agency funds generally are used to account for assets that the City holds on behalf of others as their agent.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the City also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash. Special assessment levies are reported as revenue when measurable and available.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Under the provisions of Statement 20 of the Governmental Accounting Standards Board (GASB No. 20) *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the City applies all applicable GASB pronouncements as well as Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Additionally, a combined statement of revenues, expenditures and changes in fund balances, budget and actual, for the Governmental Funds, is presented on a budgetary basis which differs from generally accepted accounting principles in the method of accounting for revenue, expenditures and encumbrances. Note 22 reconciles the budgetary and modified accrual basis presentations.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

Prior to June 1, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are then conducted to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through adoption of a resolution by the City Council. 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 appropriation of a department within a fund must be approved by the City Council. All unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward from the preceding year. 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, Debt Service Funds (except Financing Authorities & Corporations, and City Debt Service), and Capital Projects Funds (except Financing Authorities & Corporations). These budgets are adopted on the cash basis. (See Note 22 for a reconciliation from the budgetary cash basis to the modified accrual basis for operating income.) Budgeted amounts are reported

as amended. During the year, several supplementary appropriations were necessary but were not material in relation to the original appropriations. Supplemental appropriations during the year must be approved by the City Council.

E. Encumbrances

Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in the Governmental Funds. Encumbrance accounting is utilized for budgetary control and accountability and to facilitate cash planning and control. Encumbrances outstanding at year end are reported as reservations of fund balances as they do not constitute expenditures or liabilities. However, encumbrances are reported as expenditures in the budgetary presentation.

F. Cash and Investments

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. Income earned from pooled investments is allocated to each of the funds based on average pooled cash balances during the year. Deficit cash balances are classified as due to other funds and funded by Enterprise Funds or related operating funds.

Effective July 1, 1997, the City implemented Governmental Accounting Standards Board Statement Number 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement generally requires that investments be reported at their fair value and that all changes in fair value be reflected in income of the period in which they occur. This change in accounting principle did not require restatement of prior periods and had no effect on current period income.

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. The City's Pension Trust Fund is also authorized to invest in corporate bonds rated A or better by a national rating system generally recognized and used by banks and investment brokers in the United States.

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, and are stated at fair value.

Highly liquid money market investments 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. Market value is used as fair value for those securities for which market quotations are readily available.

G. Due From/Due to Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Advances To/From Other Funds

Non-current portions of interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

I. Material and Supplies Inventories

Material and supplies inventories are valued at cost, which is determined by the weighted average method. Proprietary fund types record inventory items as an asset when purchased and reduce such inventories as they are used through charges to expense. 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. Property, Plant and Equipment

Property, plant and equipment for general governmental purposes are recorded as expenditures at the time of purchase and accounted for in the General Fixed Assets Account Group at historical cost or estimated historical cost where costs were not available. Donated assets are recorded at their fair market value at the time of receipt. No depreciation has been provided on general property, plant and equipment used for general governmental purposes.

The City capitalizes equipment which costs at least \$1,000 and has an estimated useful life of at least three years. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have not been capitalized.

Property, plant and equipment acquired by the Proprietary Funds are recorded at historical cost or estimated costs when historical costs are not available. Historical cost includes the capitalization of interest costs incurred during the construction of the asset. Donated assets are recorded at their fair market value at the time of receipt. Depreciation and amortization of property, plant and equipment, including capitalized leases, are computed using the straight-line method over the estimated useful lives of the assets. Depreciation is charged against operations and accumulated depreciation is reported on Proprietary Funds' balance sheets.

The estimated useful lives for the various assets of the City are as follows:

<u>Type of Asset</u>	<u>Estimated Useful Life in Years</u>
Buildings	30
Improvements	10 to 20
Machinery and equipment	3 to 15

Assets acquired under capital lease obligations are depreciated over their estimated useful lives.

K. Liability for Earned Compensated Absences

The portion of the City's obligation relating to employees' rights to receive compensation for future absences which is attributable to services already rendered related to the Governmental Funds is recorded in the General Long-term Debt Account Group. The proprietary funds include liabilities for earned compensated absences as current liabilities which are accrued when incurred.

L. Unearned Revenues

The City bills certain fixed rate services in advance. Amounts billed but not yet earned are deferred and amortized over the service period. Uncollected property tax is recorded as deferred revenue.

M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

N. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. Cash and Cash Equivalents

Cash and Cash Equivalents, as reported in the Statement of Cash Flows of the Proprietary Funds, consist of cash and short-term, highly liquid debt investments that are readily convertible to known amounts of cash and have a remaining maturity of three months or less when acquired. Cash and cash equivalents include

cash and investments as reported on the Combined Balance Sheet, and restricted cash and investments and cash and investments held with fiscal agent with remaining maturity of three months or less when acquired.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

3. PROPERTY TAXES

The City receives property taxes from the County of Fresno which is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions within the County. Secured property tax payments are levied in two equal installments: the first is generally due November 1 and delinquent with penalties on December 10; the second is generally due on February 1 and delinquent with penalties on April 10. Secured property taxes become a lien on the property on March 1. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. Property tax revenues are recognized 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.

4. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments." The pension trusts participate in the pool but the majority of their cash and investments are held separately from other City funds. In addition, certain funds have investments with trustees related to debt issues.

Deposits

At year-end, the City's bank balance was \$23,712,916. The recorded balance reflected in the financial statements at June 30, 1999, was \$17,592,693. As of June 30, 1999, deposits were not entirely insured or collateralized with securities held by the City or the City's agent in the City's name. Cash is classified in three categories of credit risk as follows: Category 1 - insured or collateralized with securities held by the City or by its agent in the City's name; Category 2 - collateralized with securities held by the pledging financial institution's trust department or agent in the City's name; Category 3 - uncollateralized including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name. Category 1 included \$300,000 of the total bank balances. The remaining funds of \$23,412,916 are included in Category 2.

Investments

California statutes and the City's investment policy authorize investments in obligations of the U.S. Treasury, agencies and instrumentalities, bankers acceptances, negotiable certificates of deposit, repurchase agreements and the State Treasurer's investment fund. The City is also authorized to enter into reverse repurchase agreements, but did not enter into any reverse repurchase agreements transactions during fiscal year 1999.

The Pension Trust Funds investment activity is governed by the prudent person standard and the Fresno Municipal Code. This policy authorizes investments in corporate bonds, corporate stocks, real estate limited partnership investment funds, international equities, and securities lending.

The City's investments, as categorized below, give an indication of the level of risk assumed by the entity at year end:

- Category 1: Insured or registered, or securities held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

Derivatives

The City's Retirement Boards administer the Pension Trusts, which are reported as trust funds in the Fiduciary fund type. They have contracted with outside investment management firms for the management of their investment portfolio. Investment managers, as part of their portfolio management strategy, may enter into a variety of derivative financial instruments for purposes of modifying the portfolio's market risk profile or for yield enhancement purposes

The Retirement Boards have authorized certain investment managers to invest in or otherwise enter into transactions involving derivative financial instruments when, in the judgment of management, such transactions are consistent with the investment objectives established for a specific investment manager's account. The Retirement Boards monitor and review each investment manager's securities and derivative position as well as the manager's performance relative to established benchmark rates of return and risk measures. In management's opinion, derivatives activities must be evaluated within the context of the overall portfolio performance and it is not meaningful to evaluate such instruments in isolation.

Derivative financial instruments in the Pension Trust consist of the following:

Cash securities containing derivative features, including callable or puttable bonds, structured notes and collateralized mortgage obligations (CMOs). These instruments are generally traded in over-the-counter bond markets.

Derivatives whose value is dependent upon a contractual price or rate relative to one or more reference prices or rates, applied to a notional amount, including interest rate futures, options, swaps and caps; and foreign

currency futures and forward contracts. Some of these instruments are exchange-traded and others are traded over-the-counter (OTC).

Market risk: Market risk is the risk of change in value of an instrument in response to changes in a market price or index. While all investments are subject to market risk, derivatives often have a higher degree of market risk than other types of investment instruments. Values of cash securities containing derivative features are often more susceptible to market risk than other types of fixed income securities, because the amounts and/or timing of their scheduled cash flows may fluctuate under changing market conditions, according to their contractual terms. For other types of derivatives, amounts of contractual cash flows may be either positive or negative depending upon prevailing market conditions relative to the reference prices or rates, and thus the values of such instruments may be positive or negative, despite the fact that little or no cash is initially exchanged to enter into such contracts.

Credit risk: Credit risk of cash securities containing derivative features, as explained, is based upon the credit worthiness of the issuers of such securities. The City establishes minimum credit requirements for such securities. The other derivative instruments described above are subject to credit risk to the extent their value is a positive market value, and the counterparty to such contract fails to perform under the terms of the instrument. Exchange traded derivatives are generally considered to be of lower credit risk than OTC derivatives due to the exchanges' margin requirements.

A summary of cash and investments by such categories at June 30, 1999, is as follows:

Investment Type	Category			Non-Categorized	Reported Amount	Fair Value
	1	2	3			
City Deposits						
Cash	\$ 300,000	\$ 23,412,916	\$	\$	\$ 23,712,916	\$ 23,712,916
Total City Deposits	<u>300,000</u>	<u>23,412,916</u>			<u>23,712,916</u>	<u>23,712,916</u>
City Investments						
U.S. Treasury Securities					0	0
U.S. Government Sponsored Corporations	183,935,942				183,935,942	183,935,942
Corporate Notes	62,462,183				62,462,183	62,462,183
Mutual Funds				1,000,000	1,000,000	1,000,000
California LAIF				16,000,000	16,000,000	16,000,000
Total City Investments	<u>246,398,125</u>			<u>17,000,000</u>	<u>263,398,125</u>	<u>263,398,125</u>
Trust and Fiscal Agents						
U.S. Government and Agency Securities	134,772,998				134,772,998	134,772,998
Corporate Notes and Bonds	231,130,413				231,130,413	231,130,413
Equities	968,287,572				968,287,572	968,287,572
Repurchase Agreements	1,430,500				1,430,500	1,430,500
Real Estate	84,360,518				84,360,518	84,360,518
Collateralized Mortgage Obligations	224,196,163				224,196,163	224,196,163
Guaranteed Investment Contract				20,936,086	20,936,086	20,936,086
Mutual Funds				175,090,450	175,090,450	175,090,450
California LAIF				37,607,547	37,607,547	37,607,547
Securities Lending Collateral Investment Pool				167,574,832	167,574,832	167,574,832
Total With Trust and Fiscal Agents	<u>1,644,178,164</u>			<u>401,208,915</u>	<u>2,045,387,079</u>	<u>2,045,387,079</u>
Deferred Compensation Plan						
Guaranteed Investment Contract				16,781,035	16,781,035	16,781,035
Mutual Funds				55,683,024	55,683,024	55,683,024
Total Deferred Compensation Funds				<u>72,464,059</u>	<u>72,464,059</u>	<u>72,464,059</u>
Total Cash, Deposits and Investments	<u>\$ 1,890,876,289</u>	<u>\$ 23,412,916</u>		<u>\$ 490,672,974</u>	2,404,962,179	<u>\$ 2,404,962,179</u>
				Outstanding Checks	(7,630,977)	
				Deposits in Transits	<u>1,395,110</u>	
					<u>\$2,398,726,312</u>	

Cash and investments are reported on the balance sheet as follows:

Cash and Investments	\$ 1,951,871,064
Restricted Cash (see Note 6)	279,280,416
Securities Lending	<u>167,574,832</u>
	<u>\$ 2,398,726,312</u>

5. INTERFUND TRANSACTIONS AND BALANCES

	Due From Other Funds	Due To Other Funds	Advances to Other Funds	Advances From Other Funds	Transfers In	Transfers Out
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
General	\$ 2,806,601	\$ 1,347,498	\$ 12,451,796	\$	\$ 9,811,277	\$ 23,434,631
Special Revenue:						
Special Gas Tax	19,293	18,289	1,962,922		1,290,928	4,938,600
Grant Funds	730,996	44,985	26,546,369		110,000	4,603,796
Measure C		6,420				2,978,800
Debt Service:						
Redevelopment Agency	3,261,218					10,150,707
Financing Authorities & Corporations						
Debt--City	397,908	395,482			26,521,077	
Capital Projects:						
City Combined	970	115,188	13,563,788		2,321,367	454,872
Redevelopment Agency	34,347	3,261,574			10,150,707	
Special Assessment						
Financing Authorities & Corporations						316,228
Enterprise Funds:						
Water System	1,810,762	40,135				595,000
Sewer System	2,548,043	252,105				606,300
Solid Waste Management	1,186,868	715,915				526,200
Airports	2,344,291	2,893,678	4,661,858			263,300
Fresno Convention Center	1,042,843	269,712				129,100
Transit	77,985	1,170,614				794,900
Parking	12,743	1,743,500				50,700
Parks and Recreation	5,987		174,206		1,200,000	135,900
Community Sanitation	355,630	161,574				222,200
Development Service	71,499	85,633			237,600	397,200
Internal Service Funds:						
General Services	2,275,391	2,649,542			107,678	1,054,700
Risk Management	1,007,215	549,282				35,400
Billing and Collection	19,418	3,904,907				227,700
Trust and Agency:						
Fire and Police Retirement System						
Employees' Retirement System						
UGM		1,306			165,600	
City Departmental and Special Purpose	1,754,709	2,137,378				
Special Assessments						
General Long-Term Debt				59,360,939		
Totals (memorandum only)	<u>\$21,764,717</u>	<u>\$21,764,717</u>	<u>\$59,360,939</u>	<u>\$ 59,360,939</u>	<u>\$ 51,916,234</u>	<u>\$ 51,916,234</u>

6. RESTRICTED ASSETS

Restricted assets by fund type are as follows at June 30, 1999:

	<u>Cash and Investments</u>	<u>Grants and Interest Receivable</u>	<u>Totals</u>
Special Revenue:			
Special Gas Tax	\$ 1,053,758	\$	\$ 1,053,758
Debt Service:			
Redevelopment Agency	2,518,602		2,518,602
Financing Authorities & Corporations	5,191,189		5,191,189
Debt--City	79,178		79,178
Capital Projects:			
Redevelopment Agency	3,854,591		3,854,591
Enterprise:			
Water	52,831,721		52,831,721
Sewer	169,437,396	1,646,759	171,084,155
Solid Waste	24,534,937		24,534,937
Transit	390,168		390,168
Airports	833,779	2,471,979	3,305,758
Convention Center	9,251,111		9,251,111
Parking	1,050,174		1,050,174
Internal Service:			
General Services	956,117		956,117
Risk Management	5,077,584		5,077,584
Billing & Collection	2,220,111		2,220,111
Totals (memorandum only)	<u>\$ 279,280,416</u>	<u>\$ 4,118,738</u>	<u>\$ 283,399,154</u>

Restricted cash represents those amounts held by each fund for which a specific, nonoperating use has been determined. Cash with fiscal agent represents funds held by a trustee relating to bonds payable. Grants receivable represent those amounts due from a granting agency for which the specific, nonoperating use has been determined.

7. NOTES AND LOANS RECEIVABLE

Notes receivable

Home Loan Rehabilitation Program loans to assist low income residents to afford safe and sanitary housing, including improvements to the housing; non-interest bearing to 10 percent interest; principal and interest generally due at maturity or change of home ownership; secured by deeds of trust; proceeds are paid directly to the builder and a receivable is recorded from the home purchaser.

\$ 34,170,771

Others

1,169,786

Notes Receivable

\$ 35,340,557

Loans receivable

6.75 percent to 8.25 percent mortgage loans secured by deeds of trust on real property; due in varying monthly installments through April 1, 2018.

\$ 5,445,194

8. PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in property, plant and equipment recorded in the General Fixed Assets Account Group:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 30,181,528	\$ 63,444	\$	\$ 30,244,972
Buildings and Improvements	108,075,798	1,545,800		109,621,598
Equipment	26,213,242	4,560,234	477,222	30,296,254
Construction in Progress	6,788,182	1,127,272	0	7,915,454
Totals	\$ 171,258,750	\$ 7,296,750	\$ 477,222	\$ 178,078,278

Property, plant and equipment of the Proprietary Funds at June 30, 1999, are as follows:

	Enterprise	Internal Service
Land	\$ 19,097,861	\$ 56,688
Buildings	134,327,778	9,215,736
Improvements	288,306,900	3,094,755
Machinery and Equipment	15,637,373	68,743,937
Construction in Progress	368,042,750	1,268,654
Totals	825,412,662	82,379,770
Less Accumulated Depreciation	(211,404,103)	(50,301,748)
Net Property, Plant and Equipment	\$ 614,008,559	\$ 32,078,022

9. CAPITAL LEASE OBLIGATIONS

Capital lease assets:

Property, plant and equipment includes the following property held under capital lease obligations:

	General Fixed Assets Account Group	Enterprise	Internal Service
Machinery and Equipment	\$ 4,492,813	\$ 1,144,554	\$ 7,649,717
Less Accumulated Amortization		(611,051)	(4,359,314)
Net Machinery and Equipment	\$ 4,492,813	\$ 533,503	\$ 3,290,403

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 1999.

Year Ending June 30	Total Payments	Imputed Interest	Present Value of Net Minimum Lease Payments
General Long-term Debt Account Group			
2000	\$ 1,694,183	\$ 284,976	\$ 1,409,207
2001	1,694,183	264,176	1,430,007
2002	1,262,331	192,726	1,069,605
2003	908,603	147,771	760,832
2004	908,603	109,227	799,376
Thereafter	<u>1,764,067</u>	<u>203,940</u>	<u>1,560,127</u>
	<u>\$ 8,231,970</u>	<u>\$ 1,202,816</u>	<u>\$ 7,029,154</u>
Enterprise Funds			
2000	\$ 128,055	\$ 23,661	\$ 104,394
2001	128,055	16,595	111,460
2002	114,300	9,226	105,074
2003	57,150	1,895	55,255
2004			
Thereafter			
	<u>\$ 427,560</u>	<u>\$ 51,377</u>	<u>\$ 376,183</u>
Internal Service Funds			
2000	\$ 1,434,713	\$ 294,272	\$ 1,140,441
2001	1,428,970	167,562	1,261,408
2002	1,002,914	108,107	894,807
2003	750,876	64,809	686,067
2004	750,877	28,459	722,418
Thereafter			
	<u>\$ 5,368,350</u>	<u>\$ 663,209</u>	<u>\$ 4,705,141</u>

10. LONG-TERM DEBT

During the year ended June 30, 1999, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Bonds & Certificates of Participation	\$ 304,915,000	\$	\$ 13,160,000	\$ 291,755,000
Notes Payable	9,080,373		3,430,273	5,650,100
Advances From Other Funds	64,528,309	2,213,213	43,093	66,698,429
Capital Lease Obligations	898,893	6,429,141	298,880	7,029,154
Compensated Absences	8,691,931	1,012,417		9,704,348
Litigation Payable	<u>55,000</u>			<u>55,000</u>
Total General Long-Term Debt	<u>\$ 388,169,506</u>	<u>\$ 9,654,771</u>	<u>\$ 16,932,246</u>	<u>\$ 380,892,031</u>

Note 5 reports Advances To/From Other Funds of \$59,360,939, which does not include a \$7,160,342 payable by the Redevelopment Agency Debt Service Fund to the Parking Enterprise Fund. This difference is due to the Parking Enterprise Fund's assessment that such a receivable is not reasonably expected to be collected, and therefore the Parking Enterprise Fund has reduced such receivable to zero.

The additions and deductions relative to "Advances From Other Funds" include accrued interest. Accordingly, total proceeds from "Advances" of \$2,396,417 includes accrued interest on the "Advances" of \$2,396,417. Additionally, there was no total debt reduction on "Advances" or interest payments.

Litigation expenditures are recorded as General Government expenditures by the Redevelopment Agency Debt Service Fund.

Note Payable:

1. Enterprise

a. Water: Agricultural Drainage Water Management Loan	\$ 1,625,126
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Agricultural Drainage Water Management Loan Program under the Water conservation and Water Quality Bond Law of 1986. Contract between the State of California Department of Water Resources and the City for a agricultural drainage water management project loan under the Water conservation and Water Quality Bond Law of 1986, interest at 3.1 percent. Principal due in annual installments of \$91,939 to \$135,481 through October 16, 2012, interest due annually. Repayment of the note is funded from revenues of the Water Fund and any net proceeds received from any settlement or judgment.

b. Water: Ground Water Recharge Construction Loan	1,574,983
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Ground Water Recharge Construction Loan under the Water Conservation Bond Law of 1988. Contract between the State of California Department of Water Resources and the City for a ground water recharge construction loan under the water conservation bond law of 1988, interest at 3.1 percent. Principal due in annual installments of \$59,859 through April 1, 2016, interest due annually. Repayment of the note is funded from revenues of the Water Fund.

2. General Long-Term Debt Account Group

a. Redevelopment Agency: Rural Economic Development Infrastructure Program	280,100
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Rural Economic Development Infrastructure Program note issued March 24, 1993; principal and interest at 6 percent due in semi-annual installments of \$39,902. Repayment of note is from incremental property taxes of the redeveloped properties.

c. City Debt: Fresno Pacific Towers Section 108 Note	2,440,000
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Fresno Pacific Towers Section 108 Notes with interest at 5.4 percent to 5.6 percent to be paid quarterly. Annual principal payments due annually ranging from \$220,000 to \$430,000 through August 1, 2005.

d. City Debt: Regional Medical Center Section 108 Note	<u>2,930,000</u>
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Regional Medical Center Section 108 Notes with interest at 5.87 percent to 7.13 percent to be paid semi-annually. Principal payments are due annually ranging from \$70,000 to \$270,000 through August 1, 2017.

Total Notes Payable	<u><u>\$ 8,850,209</u></u>
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Certificates of Participation

1. Enterprise

- a. Convention Center: Conference Center/Refinancing Project 1996 \$ 10,455,000

Convention Center Certificates of Participation issued February 22, 1996, interest is at 3.75 percent to 5.1 percent on certificates outstanding. Annual principal installments ranging from \$550,000 to \$1,000,000 through April 1, 2013, interest due semiannually, guaranteed by a financial guarantee insurance policy purchased through a private insurer. Repayment of the certificates is funded from revenues from the Convention Center. The principal amount due is reported net of a deferred charge of \$467,399 (see Note 12).

- b. Arena Expansion: 1994 Capital Improvement Refinancing Project 10,650,000

Arena Expansion Certificates of Participation issued March 1, 1994, interest is at 4.25 percent to 5.8 percent. Annual principal installments ranging from \$400,000 to \$1,460,000 through April 1, 2013, interest due semiannually, guaranteed by a financial guarantee insurance policy purchased through a private insurer. Repayment of the certificates is funded from revenues of the Convention Center (see Note 12).

2. Internal Service

- a. General Service: 1994 Capital Improvement Refinancing Project 2,095,000

Municipal Service Center Certificates of Participation, issued March 1, 1994, interest at 4.25 percent to 5.0 percent with varying annual principal installments ranging from \$480,000 to \$560,000 through April 1, 2003, interest due semi-annually, secured by a lease to the City of Fresno (see Note 12).

3. General Long-Term Debt Account Group

- a. Joint Powers Financing Authority: City Hall Furnishings Project 1,220,000

City Hall Furnishings Project Certificates of Participation issued November 1, 1991, interest is at 5.875 percent to 6.375 percent on certificates outstanding. Annual principal installments ranging from \$260,000 to \$495,000 through the year 2002. Repayment of the certificates is funded from lease revenues of the Financing Authorities and Corporations' Debt Service Fund.

- b. Fresno Joint Powers Financing Authority: 1991 Street Improvement Project 8,455,000

1991 Street Improvement Project Bonds issued December 1, 1991; interest is at 5.75 percent to 6.625 percent on bonds outstanding. Annual principal installments ranging from \$410,000 to \$920,000 through December 1, 2011, interest due semiannually. Repayment of the bonds is funded from revenues of the Financing Authorities and Corporations' Debt Service Fund.

- c. Fresno Equipment Corporation: 1991 City Hall Refinancing Project 42,015,000

City Hall Refinancing Project Certificates of Participation issued August 1, 1991, interest is at 6.0 percent to 6.5 percent on certificates outstanding. Annual principal installments range from \$940,000 to \$3,250,000 through August 1, 2019. Repayment of the certificates is funded from lease revenues of the Financing Authorities and Corporations' Debt Service Fund.

Total Certificates of Participation \$ 74,890,000

Revenue Bonds:

1. Enterprise

- a. Water: Water System Revenue Bonds 1993 Series A \$ 16,480,505

1993 Water System Revenue Bonds, Advance Refunding of Series A; interest rates range from 4.1 percent to 5.35 percent on bonds outstanding. Principal due in annual installments of \$510,000 to \$1,375,000 through June 2020, interest due semiannually. Repayment of the bonds is funded from revenues of the Water Fund. The principal amount due is reported net of a deferred charge of \$1,649,495 (see Note 12).

b. Water: Water System Revenue Bonds 1995 Project II	3,325,000
<p>1995 Water System Revenue Bonds; interest rates range from 5.25 percent to 7.5 percent on bonds outstanding. Principal due in annual installments of \$545,000 to \$760,000 through June 2004, interest due semiannually. Repayment of the bonds is funded from revenues of the Water Fund.</p>	
c. Water: Water System Revenue Refunding Bonds 1998 Series A	30,085,777
<p>1998 Water System Revenue Refunding Bonds: interest rates range from 3.75 percent to 5.13 percent on bonds outstanding. Principal due in annual installments of \$805,000 to \$3,625,000 commencing in June 2005 and running through June 2024, interest due semiannually. Repayment of the bonds is funded from revenues of the Water Fund. The principal amount due is reported net of a deferred charge of \$1,729,223 (see Note 12).</p>	
d. Sewer: Sewer System Revenue Bonds (Fowler Avenue Project)	17,590,000
<p>1991 Sewer System Revenue Bonds, Series A; interest rates range from 5.8 percent to 6.6 percent on bonds outstanding. Principal due in annual installments of \$965,000 to \$1,815,000 through August 1, 2011, interest due semiannually. Repayment of the bonds is funded from revenues of the Sewer System.</p>	
e. Sewer: Sewer System Revenue Bonds (1993 Series A)	185,505,000
<p>1993 Sewer System Revenue Bonds, Series A; interest rates range from 3.7 percent to 6.25 percent. Principal due in annual installments of \$3,720,000 to \$12,820,000 through September 1, 2023; interest due semiannually. Repayment of the bonds is funded from revenues of the Sewer System.</p>	
f. Sewer: Sewer System Revenue Bonds (1995 Series A)	91,100,000
<p>1995 Sewer System Revenue Bonds, Series A; interest rates range from 4.5 percent to 6.0 percent. Principal due in annual installments of \$1,500,000 to \$5,865,000 through September 1, 2026; interest due semiannually. Repayment of the bonds is funded from revenues of the Sewer System.</p>	
g. Solid Waste: Solid Waste Management System Revenue bonds (Refuse Containers Acquisition)	1,675,000
<p>1992 Solid Waste Management System Revenue Bonds, Series A, is due in semiannual installments of \$230,000 to \$300,000 through April 1, 2002; interest rates range from 6.0 percent to 6.5 percent on bonds outstanding. Repayment of the bonds is funded from revenues of the Solid Waste Management System.</p>	
h. Fresno Air Terminal: City of Fresno Airport Revenue Bonds Refunding Series 1995	2,550,000
<p>1995 Airport Revenue Bonds Refunding Series bonds; interest rates range from 4.3 percent to 5.75 percent on bonds outstanding. Principal due in annual installments of \$100,000 to \$270,000 through July 2014, interest due semiannually. Repayment of the bonds is funded from the revenues at the Fresno Air Terminal. The principal amount due is reported net of a deferred charge of \$192,965 (see Note 12).</p>	
i. Convention Center: Fresno Convention Center Improvement Authority, Lease Revenue Bonds	100,000
<p>1974 Fresno Convention Center Improvement Authority, Lease Revenue Bonds due in annual installments of \$40,000 to \$60,000 through April 1, 2003; interest rates range from 6.2 percent to 6.25 percent on bonds outstanding. Repayment of the bonds is funded from revenues of the Convention Center.</p>	

j. Convention Center: Fresno Joint Powers Financing Authority: 1998 Exhibit Hall Expansion Project 32,609,535

1998 Exhibit Hall Expansion Project Bonds issued September 1, 1998; interest is at 3.65 percent To 5.10 percent on outstanding bonds. Annual principal installments range from \$480,000 to \$1,737,405 through September 1, 2028. Repayment of the Bonds is funded from revenues of the Convention Center.

2. Internal Service

a. General Services: Fresno Joint Powers Financing Authority Limited Obligation Bonds, 1988 Series A 515,000

Fresno Joint Powers Financing Authority Limited Obligation, 1988 Series A bonds due in annual installments of \$480,000 to \$515,000 through November 1, 1999; interest rates range from 7.0 percent to 7.2 percent on bonds outstanding. Repayment of the bonds is funded from revenues of General Services' Internal Service Fund.

3. General Long-Term Debt Account Group

b. Fresno Joint Powers Financing Authority: 1992 Series A (Street Light Acquisition Project) 9,135,000

1992 Series A Street Light Acquisition Project bonds issued August 1, 1992, interest is at 4.5 percent to 5.5 percent on bonds outstanding. Annual principal installments ranging from \$435,000 to \$900,000 through the year 2013. Repayment of the bonds is funded from revenues of the Financing Authorities and Corporations' Debt Service Fund.

c. Redevelopment Agency: Redevelopment Agency of the City of Fresno Residential Mortgage Revenue Bonds, 1978 Series A 3,070,000

1978 Redevelopment Agency Residential Mortgage Revenue Series A bonds due in annual installments of \$50,000 to \$485,000 through September 1, 2020; interest rates from 6.90 percent to 7.1 percent on bonds outstanding. Repayment of the bonds is funded from revenues of the Redevelopment Agency's Debt Service Fund.

Total Revenue Bonds \$ 393,740,817

Tax Allocation Bonds:

1. General Long-Term Debt Account Group

a. 1993 Tax Allocation Bonds, Series A: Mariposa Redevelopment Project \$ 5,090,000

1993 Tax Allocation Bonds, Series A (Mariposa Redevelopment Project) issued February 1, 1993; interest is at 6.0 percent to 6.625 percent on bonds outstanding. Principal due in annual installments of \$80,000 to \$415,000 through February 1, 2023, interest due semiannually. Repayment of the bond is funded from revenues of the Redevelopment Agency's Debt Service Fund.

b. 1993 Tax Allocation Bonds, Series B: Fruit/Church Redevelopment Project 1,665,000

1993 Tax Allocation Bonds, Series B (Fruit/Church Redevelopment Project) issued February 1, 1993; interest is at 7.25 percent to 7.75 percent on bonds outstanding. Principal due in annual installments of \$90,000 to \$200,000 through February 1, 2011, interest due semiannually. Repayment of the bonds is funded from revenues of the Redevelopment Agency's Debt Service Fund.

Total Tax Allocation Bonds \$ 6,755,000

Pension Obligation Bonds:

1. General Long-Term Debt Account Group

a. City of Fresno Pension Obligation Bonds, Series 1994 \$ 213,615,000

Judgment Obligations:

1. General Long-Term Debt Account Group

a. City of Fresno Judgment Obligation Bonds, Series 1994 \$ 4,285,000

1994 Judgment Obligation Bonds issued June 1, 1994; interest is at 4.5 percent to 6.0 percent. Principal due in annual installments of \$280,000 to \$510,000 through August 15, 2010; interest due semiannually. Repayment of the bonds is funded from the General Fund.

b. City of Fresno Judgment Obligation Bonds, Series 1998 \$ 3,205,000

1994 Judgment Obligation Bonds issued June 1, 1998; interest is at 3.75 percent to 4.5 percent. Principal due in annual installments of \$240,000 to \$355,000 through August 15, 2010; interest due semiannually. Repayment of the bonds is funded from the General Fund.

Total Judgment Obligation \$ 7,490,000

Debt Service Requirements - Bonds Payable and Certificates of Participation

The annual requirements to amortize bonds payable as of June 30, 1999, including interest payments, are as follows:

Year Ending June 30	Certificates of Participation			
	Enterprise Fund	Internal Service Fund	General Long-Term Debt Account Group	Totals
2000	\$ 2,467,551	\$ 607,175	\$ 5,123,156	\$ 8,197,882
2001	2,469,815	608,440	5,141,835	8,220,090
2002	2,482,676	613,000	4,874,999	7,970,675
2003	2,469,043	525,000	4,569,754	7,563,797
2004	2,426,643		4,570,139	6,996,782
Thereafter	17,065,473		64,911,980	81,977,453
Totals	29,381,201	2,353,615	89,191,863	120,926,679
Less Interest Portion	(8,276,201)	(258,615)	(37,501,863)	(46,036,679)
Totals	\$ 21,105,000	\$ 2,095,000	\$ 51,690,000	\$ 74,890,000

Year Ending June 30	Revenue Bonds			
	Enterprise Fund	Internal Service Fund	General Long-Term Debt Account Group	Totals
2000	\$ 27,872,164	\$ 533,540	\$ 1,523,454	\$ 29,929,158
2001	28,312,244		1,498,344	29,810,588
2002	28,264,066		1,447,546	29,711,612
2003	27,446,472		1,425,904	28,872,376
2004	27,429,711		1,397,650	28,827,361
Thereafter	550,264,031		11,322,800	561,586,831
Totals	689,588,688	533,540	18,615,698	708,737,926
Less Interest Portion	(305,189,153)	(18,540)	(6,410,698)	(311,618,391)
Totals	\$ 384,399,535	\$ 515,000	\$ 12,205,000	\$ 397,119,535

Year Ending June 30	Tax Allocation Bonds	Pension	Judgment
	General Long-Term Debt Account Group	General Long-Term Debt Account Group	General Long-Term Debt Account Group
2000	\$ 638,021	\$ 26,917,125	\$ 895,697
2001	641,095	28,303,534	891,170
2002	638,145	29,742,673	889,887
2003	644,533	31,265,136	891,814
2004	639,458	32,862,227	886,979
Thereafter	9,720,275	188,470,709	5,332,375
Total	12,921,527	337,561,404	9,787,922
Less Interest Portion	(6,166,527)	(123,946,404)	(2,297,922)
Total	\$ 6,755,000	\$ 213,615,000	\$ 7,490,000

	<u>Enterprise</u>	<u>Internal Service</u>	<u>General Long-Term Debt Account Group</u>
Total Bonds & Certificates of Participation Payable	\$ <u>405,504,535</u>	\$ <u>2,610,000</u>	\$ <u>291,775,000</u>

Debt Service Requirements - Notes Payable

The annual requirements to amortize notes payable as of June 30, 1999, including interest payments, are as follows:

Year Ending June 30	Notes Payable		
	Enterprise	General Long-Term Debt Account Group	Totals
2000	\$ 205,027	\$ 781,077	\$ 986,104
2001	205,027	782,799	987,826
2002	205,027	787,324	992,351
2003	205,027	794,444	999,471
2004	205,027	719,110	924,137
Thereafter	3,036,767	4,794,578	7,831,345
	4,061,902	8,659,332	12,721,234
Less Interest Portion	(861,793)	(3,009,232)	(3,871,025)
Total	\$ 3,200,109	\$ 5,650,100	\$ 8,850,209

Debt Service - Advances From Other Funds

Advances from other funds included in the General Long-Term Debt Account Group consist of notes and accrued interest from the Debt Service Funds of the Redevelopment Agency and the Financing Authorities and Corporations and are secured by and payable from the incremental property tax revenues of the redeveloped properties. Payments on the notes and related interest expenditures are based on budgetary priority as determined by the budget and management office.

11. SPECIAL ASSESSMENT DEBT

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, and initiating foreclosure proceedings, if appropriate. Special Assessment debt payable to bond holders was \$ 24,761,000 at June 30, 1999.

12. DEFEASANCE AND REFUNDING OF LONG-TERM DEBT

In July 1998, the City partially defeased the 1995 Water System Revenue Bonds Series A. The defeased balance at June 30, 1999 is \$29,775,000 cash and investments held in trust for payments were approximately \$30,769,868.

13. RISK MANAGEMENT FUND

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City accounts for risks from self-insurance programs in the Risk Management internal service fund. This fund is used to account for the City's workers' compensation, general liability, property, unemployment insurance and employee health and welfare benefits.

The City is self-insured by liability exposures, except for the Fresno Airport, which has liability insurance coverage with limits up to \$50,000,000. The City's general liability program consists of a \$2,500,000 self-insured retention with purchased excess insurance of an additional \$12,500,000 coverage. The City's Workers' Compensation Program consists of a \$1,000,000 self-insured retention with purchased excess insurance of an additional \$10,000,000 coverage. The City has all risk property insurance for physical loss or damage with a \$25,000 deductible and limits of insurance up to \$200,000,000.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Charges to other City funds by the Risk Management fund are based on historical cost information and are adjusted over a reasonable period of time so that internal service fund revenues and expenses are approximately equal. Reserves for self-insurance for these programs include estimated liability amounts for claims filed against the City for their programs as well as the estimated amount of claims incurred but not reported.

The claims liability of \$28,709,855 reported in the fund at June 30, 1999, is based on the requirement that claims be reported if information prior to the issuance of the financial statements indicates that 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. Changes in the funds claims liability amount for the last two fiscal years is as follows:

<u>Fiscal Year Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Provision for Claims</u>	<u>Claims Payments</u>	<u>End of Fiscal Year Liability</u>
1998	\$ 26,582,349	\$ 16,392,016	\$ 16,225,767	\$ 26,748,568
1999	26,748,568	19,583,310	17,622,023	28,709,855

The recorded liabilities for each program at June 30, 1999, are as follows:

Workers' Compensation	\$ 16,953,105
Liability & Property Damage	7,398,456
Unemployment	91,294
Health & Welfare	1,294,000
Litigation	<u>2,973,000</u>
	<u>\$ 28,709,855</u>

The liabilities for workers' compensation and general liability are presented at present value, using a discount rate of 3.5 percent.

14. DEFERRED COMPENSATION PLAN

A deferred compensation fund was established by the City in accordance with Internal Revenue Code Section 457 as a supplementary retirement program for all personnel. The plan assets and liabilities are reported as an agency fund, and the plan assets are reported at market value. With the exception of a "De Minimus Liquidation" as defined by Code Section 457, the compensation so deferred is not available to employees until termination, retirement, death, or financial hardship. For the fiscal year ended June 30, 1999, employee contributions totalled approximately \$4,282,188.

During August 1996, Congress passed the Small Business Job Protection Act of 1996, which requires the City to set up trusts to hold assets and income of the Plan for the exclusive benefit of the participants. Prior to this Act, all amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights would have remained the City's, subject only to the claims of the City's general creditors, until made available to the participant or other beneficiary.

The contributions are invested in savings accounts and mutual funds at the employee's discretion. The deferred compensation payable balance of \$72,464,061 represents the amount invested at June 30, 1999, for the purpose of providing deferred compensation benefits to participating employees.

It is the opinion of the management that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

15. PENSION PLAN

Plan Description

Employees Retirement System and Fire and Police Retirement Systems (the Systems) are single-employer defined benefit pension plans administered by the City of Fresno Retirement Board. The Systems provide retirement, disability, and death benefits to plan members and beneficiaries. Cost-of-living adjustments are provided to members and beneficiaries as provided for in the City of Fresno's Municipal Code, and are based on changes in the consumer price index. Articles 18, 17, and 17A of the Municipal Code of the City of Fresno assign the authority to administer the retirement systems to the respective retirement boards. 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 Employees Retirement Office, 2600 Fresno Street, Room 2170, Fresno, California, 93721.

Funding Policy

The contribution requirement of plan members and the City of Fresno is established by Municipal Code and administered by the Retirement Boards. Contribution rates, which are based on the calculations of the Systems' independent actuary and adopted by the Boards, are presented as a percentage of their annual covered salary/payroll. The employer's normal contribution rate for the Employees System is 10.33 percent and for Fire and Police system it is 21.32 percent, for Fire and Police Tier I and 15.06 percent for Tier II, however, these rates are currently offset by the prefunded actuarial accrued liability resulting in a net zero contribution from the City.

	<u>Employees</u>	<u>Fire & Police I</u>	<u>Fire & Police II</u>
Members' Average Rate	7.91%	5.58%	9.00%
Employer's Gross Rate	11.66 %	25.79%	14.44%
Prefunded Pct. Accrued Liability Offset	(11.66)%	(25.79)%	(14.44)%
Net Employer's Rate	0	0	0

Annual Pension Cost and Net Pension Obligation

The annual required contribution for the current year was determined as part of the June 30, 1998, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8.25 percent investment rate of return, and (b) projected salary increases based on the Systems' prior experience. Both (a) and (b) included an inflation component of 4.75 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a period of years. The Systems do not have unfunded actuarial liabilities.

Three-Year Trend Information

The City of Fresno contributed 100 percent of its annual pension costs and had no outstanding net pension obligations for the years ended June 30, 1997, 1998, and 1999.

EMPLOYEES RETIREMENT SYSTEM

<u>Fiscal Year Funding June 30</u>	<u>Annual Pension Cost [APC]</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
1997	\$ 6,648,888 ⁽¹⁾	100	\$ 0
1998	7,229,603 ⁽¹⁾	100	0
1999	8,096,260 ⁽¹⁾	100	0

FIRE AND POLICE RETIREMENT SYSTEM

Fiscal Year Funding June 30	Annual Pension Cost [APC]	Percentage of APC Contributed	Net Pension Obligation
1997	\$ 8,785,897 ⁽¹⁾	100	\$ 0
1998	8,529,691 ⁽¹⁾	100	0
1999	9,120,343 ⁽¹⁾	100	0

⁽¹⁾ Employer contributions are reported net of prepayment credits associated with the sale of Pension Obligation Bonds.

Employer contributions were not required due to the prefunded actuarial liability of the system.

Required Supplementary Information

EMPLOYEES RETIREMENT SYSTEM
Schedule of Funding Progress
(Dollars in Millions)

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage Funded (1) / (2)	(Prefunded)/ Unfunded AAL (2) - (1)	Annual Covered payroll	(Prefunded)/ Unfunded AAL Percentage of Covered Payroll (4) / (5)
1996	\$ 460	\$ 378	121.8	\$ 82	\$ 68	(120.6)
1997	538	402	133.7	136	69	(197.1)
1998	625	409	152.8	216	70	(308.6)

FIRE AND POLICE RETIREMENT SYSTEM
Schedule of Funding Progress
(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percentage Funded (1) / (2)	(4) (Prefunded)/ Unfunded AAL (2) - (1)	(5) Annual Covered payroll	(6) (Prefunded)/ Unfunded AAL Percentage of Covered Payroll (4) / (5)
1996	\$ 506	\$ 394	128.7	\$ (113)	\$ 41	(146.3)
1997	602	405	145.4	(187)	46	(365.4)
1998	695	488	146.2	(208)	48	(628.6)

16. COMPENSATED ABSENCES

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

17. RESERVED FUND EQUITY

The City's combined balance sheet reports reserves which are maintained for specific purposes. The amount and purpose of these reserves are as follows:

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust & Agency	Total (Memorandum Only)
Reserve for:								
Encumbrances	\$ 1,301,364	\$ 5,190,825	\$	\$ 2,995,459	\$	\$	\$	\$ 9,487,648
Non-current								
Receivables	12,191,902	62,708,804	5,931,072	13,572,743				94,404,521
Debt Service			12,947,680					12,947,680
Capital Outlay				2,667,086				2,667,086
Trust							10,838,423	10,838,423
Obligations								
City Retirement							1,660,179,271	1,660,179,271
Systems								
Restricted								
Assets, Net		1,053,758	2,535,280	3,389,806	43,592,797	5,859,953		56,431,594
	<u>\$13,493,266</u>	<u>\$ 68,953,387</u>	<u>\$ 21,414,032</u>	<u>\$22,625,094</u>	<u>\$ 43,592,797</u>	<u>\$ 5,859,953</u>	<u>\$1,671,017,694</u>	<u>\$1,846,956,223</u>

The encumbrances outstanding at June 30, 1999, represent the estimated amount of expenditures ultimately to result if contracts in process at year-end are completed. This reserve allocates resources for specific future uses and legally segregates a portion of the fund balance. The reserve for non-current receivables represents a segregation of a portion of fund balance to indicate that assets equal to the amount of the reserve are related to long-term receivables. These receivables include loans related to the "Home Loan Rehabilitation Program" and Redevelopment Agency and are not available for appropriation. The reserve for debt service represents a segregation of a portion of fund balance for the Debt Service Fund required to be reserved by agreement for payment of principal and interest on general long-term debt. The reserve for capital outlay represents a segregation of a portion of fund balance for the Capital Projects Funds required to be reserved by agreement for specific capital expenditures. The reserve for trust obligations represents a segregation of a portion of fund balance for the Expendable Trust Funds that are legally restricted for future obligations of Urban Growth Management. The reserve for City Retirement Systems represents fund balances

reserved for retirement, death or disability payments to members or surviving spouses. The reserve for restricted assets represents a portion of the fund balances or retained earnings that are reserved for future capital acquisitions and debt service requirements.

18. CONTRIBUTED CAPITAL

The changes in the City's contributed capital accounts, for its proprietary funds, were as follows:

Sources	Water	Sewer	Transit	Airports	Convention Center
Beginning Balance	\$ 74,360,232	\$ 113,883,155	\$ 47,220,624	\$ 47,131,096	\$ 16,292,433
Contributing Sources:					
Developers	1,404,444				
Connection Fees	926,600	1,001,160			
Return of Capital-Wineries		52,222			
Grants Received and Repaid			2,537,381	2,952,527	
Miscellaneous	<u>12,640,971</u>				
Ending Balance	<u>\$ 89,332,247</u>	<u>\$ 114,936,537</u>	<u>\$ 49,758,005</u>	<u>\$ 50,083,623</u>	<u>\$ 16,292,433</u>

19. CONDUIT DEBT OBLIGATIONS

The City has been associated with the issuance of various mortgage and industrial development debt issues. These debt obligations were issued under provision of state and federal laws that explicitly state that they do not constitute any indebtedness of the City. The City's sole involvement with these bonds was their issuance under the city's name. As such, the following conduit debt obligations are not reflected in the accompanying general purpose financial statements:

Revenue Refunding bonds, Series 1997 in the amount of \$8,760,000 were issued to refinance \$6,400,000 Series 1987 bonds to provide permanent financing for a multifamily residential rental housing project known as Jackson Park Place.

Adjustable Rate Industrial Development Revenue Bonds, Series 1997 in the amount of \$2,295,000 were issued to finance the acquisition and equipping of a manufacturing facility.

20. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Segment information for the 10 City Enterprise Funds for the fiscal year ended June 30, 1999, is as follows:

	<u>Water System</u>	<u>Sewer System</u>	<u>Solid Waste Management</u>	<u>Community Sanitation</u>
Operating Revenues	\$ 29,830,081	\$ 43,733,926	\$ 30,375,400	\$ 8,483,416
Depreciation	4,063,032	3,101,627	789,386	18,661
Operating Income (Loss)	2,672,890	15,865,006	574,201	463,109
Operating Grants				
Operating Transfers In				
Operating Transfers Out	(595,000)	(606,300)	(526,200)	(222,200)
Net Income (Loss)	1,329,096	19,155,352	718,085	381,617
Current Capital Contributions	14,972,015	1,053,382		
Fixed Assets Additions (Disposals)	6,368,067	44,257,208	(529,104)	(18,661)
Net Working Capital (Deficit)	22,765,256	9,689,265	4,524,153	1,377,096
Total Assets	222,569,383	588,851,808	57,617,557	2,497,108
Long-Term Debt	77,402,907	356,141,279	33,360,635	
Total Fund Equity	139,463,987	214,401,463	17,992,589	1,395,185

<u>Transit</u>	<u>Airports</u>	<u>Fresno Convention Center</u>	<u>Parking</u>	<u>Parks and Recreation</u>	<u>Development Services</u>	<u>Totals</u>
\$ 5,790,531	\$ 10,493,969	\$ 5,385,434	\$ 2,696,326	\$ 1,403,340	\$ 7,213,307	\$ 145,405,730
2,596,363	1,899,468	1,147,808	305,278	364,906	110	14,286,639
(16,218,372)	(525,580)	(295,845)	(422,503)	(1,476,236)	194,178	830,848
14,419,622						14,419,622
				1,200,000	237,600	1,437,600
(794,900)	(263,300)	(129,100)	(50,700)	(135,900)	(397,200)	(3,720,800)
(2,565,002)	(142,354)	(1,687,255)	(409,220)	(404,475)	104,614	16,480,458
2,538,381	2,952,527					21,516,305
2,537,381	(1,203,765)	15,582,386	(292,341)	(334)	(1,198)	66,699,639
970,449	9,080,155	2,152,420	(1,992,843)	(107,416)	426,490	48,885,025
34,201,167	62,647,633	64,735,385	6,285,761	4,769,414	2,967,547	1,047,142,763
	2,112,035	51,882,136		271,587		521,170,579
25,177,155	56,581,608	9,273,458	4,247,627	4,328,278	2,746,083	475,607,433

21. FUND BALANCE AND RETAINED EARNINGS DEFICITS

The following individual funds have retained earnings or fund balance deficits at June 30, 1999:

Enterprise Funds:	
Transit	\$ 24,580,850
Convention Center	7,018,975
Parking	323,789
Parks & Recreation	814,789

The deficit in Transit results primarily from depreciation of the transit fleet which is not funded by grants. The deficits in the Convention Center and Parking Funds are the result of the City adopting user rates that did not fully recapture the current-year depreciation expenses. The City also believes that the current rate levels within the Parking Fund are necessary to keep the parking operations competitive in the current marketplace. The City intends to fund these deficits through future-year operations. The deficit in Redevelopment Agency is primarily the result of timing in the reimbursement from Federal funding sources.

22. RECONCILIATION OF REVENUES, EXPENDITURES AND FUND BALANCES (BUDGETARY AND MODIFIED ACCRUAL BASIS) OF THE GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS (in thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Excess of revenues and other sources over expenditures and other uses (budgetary basis)	\$ (1,422)	\$ 3,863	\$ 16,527	\$ (1,331)
Adjustments from budgetary basis (cash) to modified accrual basis for revenues	10,135	(2,760)	(4,688)	5,000
Adjustments from budgetary basis (cash) to modified accrual basis for expenditures (excluding encumbrances)	45,855	(3,439)	(35,548)	8,916
Adjustments from budgetary basis (cash) to modified accrual basis for other financing sources or uses	(52,509)	(328)	16,486	(10,466)
Adjustments for encumbrance activity	1,301	5,191		2,995
Adjustments for differences between budgeted and non-budgeted funds			<u>(3,023)</u>	
Excess (deficiency) of revenues and other sources over expenditures and other uses (modified accrual basis)	<u>\$ 3,360</u>	<u>\$ 2,527</u>	<u>\$ (10,246)</u>	<u>\$ 5,114</u>

The City reported encumbrances outstanding at year-end of \$9,487,648 (see Note 17) as expenditures on the budgetary basis and reported the same amount as a Reserve Fund Balance on the modified accrual basis. These amounts are recognized as modified accrual basis expenditures in the subsequent period.

23. COMMITMENTS AND CONTINGENT LIABILITIES

The City is currently in the process of closing a former landfill site as part of the Environmental Protection Agency's (EPA) Superfund program. Management estimates remaining costs to complete the landfill closure at June 30, 1999 to be \$32,210,635 and has recorded this liability in the Solid Waste enterprise fund. The former landfill site has not received solid waste since 1987. The City has been notified that the EPA will review the City's plans for closing the landfill site. As a result of such review, the City may be required to undertake certain procedures which could substantially increase the costs of the closure; however, no estimate of any additional costs can be made at this time. In the opinion of the City's legal counsel, the amounts ultimately paid for remedial closure costs can be recovered from the landfill users.

During fiscal year 1992, in accordance with Financial Standards and Accounting Board (FASB) Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation," the City recorded a receivable from rate payers approximately equal to the original estimated liability for clean up of the site. The statement provides for the recording of the receivable because the City Council is empowered by statute to establish rates that bind customer, and the rate increase was designed to recover only costs incurred related

to the landfill site closure, rather than provide for similar future costs. The amount receivable at June 30, 1999, is \$16,554,533.

There are other various lawsuits and claims filed against the City that, in the opinion of the City Attorney's Office, will be resolved with no material adverse effect on the City's financial condition at June 30, 1999.

The City participates in many federal and state assisted grant programs which are subject to program compliance audits by the grantors or their representatives. Some audits of these programs at June 30, 1999, have not yet been conducted or concluded. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time although the City expects such amounts, if any, to not be material to its financial statements.

24. SECURITIES LENDING

The City of Fresno Municipal Code and the Boards of Trustee's policies permit the Retirement Board of the Fresno Fire and Police Retirement Systems and the Retirement Board of the Fresno City Employees Retirement System to use investments of both Systems to enter into securities lending transactions, loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The Systems contracted with State Street Bank in October of 1995 for securities lending services.

As custodian, State Street Bank acts as agent for all securities lending transactions. Collateral must be cash, securities issued or guaranteed by the U.S. Government or an irrevocable letter of credit. Transactions are collateralized at 102 percent of market value for domestic securities and 105 percent for international securities. Collateral is marked to market daily. The custodian will invest cash collateral received in short term investment funds (maintained by the custodian), money market mutual funds, and other similar investments as the custodian may select. At year-end, the System has no credit risk exposure to borrowers because the collateral value exceeds market value.

The average term of all System loans is overnight or "on demand." The custodian will ensure that in any agreement with a borrower, it retains its absolute right to terminate the agreement without cause, upon short notice, and without any penalty. The System cannot pledge or sell collateral securities received unless the borrower defaults. In the event of a borrower default, State Street Bank indemnifies the Systems to the extent of replacing the securities lent.

Cash collateral is invested in the lending agent's short term investment pool, which, as of June 30, 1999, had a duration of 76 days and a yield of 5.12 percent. The relationship between the maturities of the investment pool and the System's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool and a definitive statement of that relationship cannot be formulated by the System. There are no credit risks related to the securities lending transactions as of June 30, 1999, as defined by GASB Statement 28.

EMPLOYEES RETIREMENT SYSTEM MARKET VALUES OF LOANED SECURITIES AS OF JUNE 30, 1999

Collateralized by	Cash	Non-Loanable Securities	Tri-Party	Totals
U.S. Government & Agency	\$ 31,890,383	\$	\$ 872,279	\$ 32,762,662
Domestic Equities	30,535,527	3,736		30,539,263
International Equities	<u>14,264,219</u>	<u>56,500</u>		<u>14,320,719</u>
	<u>\$ 76,690,129</u>	<u>\$ 60,236</u>	<u>\$ 872,279</u>	<u>\$ 77,622,644</u>

CONTRACT VALUES OF LOANED SECURITIES AS OF JUNE 30, 1999

<u>Collateralized by</u>	<u>Cash</u>	<u>Non-Loanable Securities</u>	<u>Tri-Party</u>	<u>Totals</u>
U.S. Government & Agency	\$ 32,325,515	\$	\$ 883,157	\$ 33,208,672
Domestic Equities	30,443,847	3,865		30,447,712
International Equities	<u>77,813,091</u>	<u>60,003</u>		<u>77,873,094</u>
	<u>\$ 140,582,453</u>	<u>\$ 63,868</u>	<u>\$ 883,157</u>	<u>\$ 141,529,478</u>

FIRE AND POLICE SYSTEM
MARKET VALUES OF LOANED SECURITIES AS OF JUNE 30, 1999

<u>Collateralized by</u>	<u>Cash</u>	<u>Non-Loanable Securities</u>	<u>Tri-Party</u>	<u>Totals</u>
U.S. Government & Agency	\$ 35,961,543	\$	\$ 983,635	\$ 36,945,178
Domestic Equities	34,433,725	4,214		34,437,939
International Equities	<u>16,085,204</u>	<u>63,712</u>		<u>16,148,916</u>
	<u>\$ 86,480,472</u>	<u>\$ 67,926</u>	<u>\$ 983,635</u>	<u>\$ 87,532,033</u>

FIRE AND POLICE SYSTEM
CONTRACT VALUES OF LOANED SECURITIES AS OF JUNE 30, 1999

<u>Collateralized by</u>	<u>Cash</u>	<u>Non-Loanable Securities</u>	<u>Tri-Party</u>	<u>Totals</u>
U.S. Government & Agency	\$ 36,452,224	\$	\$ 995,902	\$ 37,448,126
U.S. Domestic Equities	34,330,340	4,359		34,334,699
International Equities	<u>16,964,228</u>	<u>67,663</u>		<u>17,031,891</u>
	<u>\$ 87,746,792</u>	<u>\$ 72,022</u>	<u>\$ 995,902</u>	<u>\$ 88,814,716</u>

25. SUBSEQUENT EVENTS

Each fiscal year the City issues Tax and Revenue Anticipation Notes to provide money to meet the General Fund's current year expenditures and the discharge of obligations and indebtedness. The principal of the notes and the interest thereon are paid from pledged property taxes and revenues the City expects to receive during the fiscal year. The City of Fresno issued \$33,400,000 Tax Anticipation Notes effective July 1, 1999. The notes are issued against the anticipated tax revenue for fiscal year 2000. The notes are due June 30, 2000, with a stated rate of 3.18 percent.

No events have occurred subsequent to the balance sheet date that require consideration as adjustments to, or disclosures in, the financial statements except for the Tax and Revenue Anticipation Notes issued July 1, 1999.

26. PRIOR PERIOD ADJUSTMENT

The Solid Waste enterprise fund incorrectly recorded landfill closure costs as revenues resulting in an error of \$1,321,472 in revenues for fiscal year 1998. Accordingly, Solid Waste enterprise fund Retained Earnings as of July 1, 1998, has been adjusted from \$18,205,433 as previously reported, to \$16,883,961, as restated.

The Water enterprise fund combined prior period adjustment of \$2,485,933 consists of the following, \$672,634 of expense erroneously reported in construction in progress in fiscal year 1998. \$1,309,735 of the interest income associated with the water Rate Stabilization included in restricted deposits, and \$3,123,034 of restricted deposits that had been erroneously reclassified as a reduction of expense in 1998. The net effect of these errors was an overstatement of net income in prior years.

**Required Supplementary
Information**

Year 2000 Issue

CITY OF FRESNO, CALIFORNIA

REQUIRED SUPPLEMENTARY INFORMATION - YEAR 2000 ISSUE

JUNE 30, 1999

The year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the City of Fresno's operations as early as fiscal year 1999.

The City has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the City's business.

Information Systems: The City's information systems including net work systems, financial reporting systems, payroll systems, fixed assets systems, geographical information systems, public service systems and other office software systems have all been either upgraded and/or tested for year 2000 (Y2K) compliance.

Water Pump System: The City's automatic water pump system was tested by a credited independent electronics consultant and validated as Y2K compliant.

Sewer Treatment System: The City's sewer treatment systems were tested by a credited independent electronics consultant and validated as Y2K compliant.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be year 2000 ready.

GENERAL FUND

The General Fund is used to account for financial resources applicable to the general government operations of the City of Fresno which are not required to be accounted for in another fund.

CITY OF FRESNO, CALIFORNIA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1999

Assets:

Cash and Investments	\$	2,823,613
Accounts Receivable		5,835,662
Property Taxes Receivable		5,311,725
Due From Other Governmental Agencies		10,609,610
Due From Other Funds		2,806,601
Interest Receivable		323,414
Advances to Other Funds		12,451,796
Other Receivables		<u>289,564</u>
Total Assets	\$	<u>40,451,985</u>

Liabilities and Fund Balance

Liabilities:

Accrued Liabilities	\$	5,377,167
Unearned Revenue		4,634,252
Due to Other Funds		<u>1,347,498</u>
Total Liabilities		<u>11,358,917</u>

Fund Balances:

Reserved for Encumbrances		1,301,364
Reserved for Noncurrent Advances to Other Funds		12,191,902
Unreserved		<u>15,599,802</u>
Total Fund Balance		<u>29,093,068</u>
Total Liabilities and Fund Balance	\$	<u>40,451,985</u>

CITY OF FRESNO, CALIFORNIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR ENDED JUNE 30, 1999

Revenues:

Taxes	\$ 100,211,702
Licenses and Permits	546,322
Intergovernmental	29,109,668
Charges for Services	16,216,583
Fines	112,563
Use of Money and Property	2,301,282
Miscellaneous	5,488,744

Total Revenues 153,986,864

Expenditures:

Current:	
General Government	26,522,019
Public Protection	80,467,884
Public Ways and Facilities	16,923,454
Culture and Recreation	17,366,395
Capital Outlay	653,520
Debt Service:	
Principal	298,880
Interest	1,200,144

Total Expenditures 143,432,296

Excess of Revenues Over Expenditures 10,554,568

Other Financing Sources (Uses):

Operating Transfers In	9,811,277
Operating Transfers Out	(23,434,631)
Proceeds for Capital Lease Obligation	6,429,141

Total Other Financing Uses (7,194,213)

Excess of Revenues and Other Sources Under Expenditures and Other Uses 3,360,355

Fund Balance at Beginning of Year 25,732,713

Fund Balance at End of Year \$ 29,093,068

CITY OF FRESNO, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Taxes	\$ 93,808,480	\$ 95,467,200
Licenses and Permits	1,149,788	1,360,500
Intergovernmental	25,414,735	25,815,800
Charges for Services	16,216,583	16,270,300
Fines	112,563	108,900
Use of Money and Property	1,687,012	2,078,900
Miscellaneous	4,628,474	4,179,900
Prior Year Resources	834,148	4,765,433
	<u>143,851,783</u>	<u>150,046,933</u>
Total Revenues		
Expenditures:		
Current:		
Mayor & City Council	2,092,340	2,121,054
City Clerk	542,390	524,862
City Attorney	0	0
City Manager	808,823	818,600
Administrative Services	33,300,944	33,301,000
Police	71,310,032	71,640,612
Fire	21,117,248	21,174,904
Public Works	16,923,454	17,668,685
Transportation	17,366,016	18,008,044
Parks & Recreation	26,300,775	28,830,147
Nondepartmental	827,042	1,407,039
	<u>190,589,064</u>	<u>195,494,947</u>
Total Expenditures		
Deficiency of Revenue Under Expenditures	<u>(46,737,281)</u>	<u>(45,448,014)</u>
Other Financing Sources (Uses):		
Operating Transfers In	14,629,310	15,153,000
Operating Transfers Out	(1,416,268)	(1,395,100)
Loan Proceeds	32,100,800	31,640,000
	<u>45,313,842</u>	<u>45,397,900</u>
Total Other Financing Sources		
Excess (Deficiency) of Revenues and Other Sources		
Over (Under) Expenditures	(1,423,439)	(50,114)
Fund Balance at Beginning of Year	<u>59,075,815</u>	<u>7,580,429</u>
Fund Balance at End of Year	<u>\$ 57,652,376</u>	<u>\$ 7,530,315</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

Special Gas Tax Fund accounts for revenues and expenditures of money apportioned under the Streets and Highway Code of the State of California. Expenditures may be made for street-related purposes of the City's system of streets, including maintenance thereof.

Grant Funds account 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.

Measure C Fund accounts for the funds received from a one-half percent sales tax approved by voters for Transportation-related expenditures.

CITY OF FRESNO, CALIFORNIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Special Gas Tax</u>	<u>Grant Funds</u>	<u>Measure C</u>	<u>Totals</u>
Assets:				
Cash and Investments	\$ 2,107,603	\$ 616,504	\$ 1,518,568	\$ 4,242,675
Grants Receivable	2,711,553	6,299,691		9,011,244
Due From Other Governments			450,616	450,616
Due From Other Funds	19,293	730,996		750,289
Advances to Other Funds	1,962,922	26,546,369		28,509,291
Notes Receivable, Net		34,170,771		34,170,771
Interest Receivable	1,019	70,620	65,484	137,123
Cash, Restricted	1,053,758			1,053,758
Other Assets		2,117		2,117
Total Assets	<u>\$ 7,856,148</u>	<u>\$ 68,437,068</u>	<u>\$ 2,034,668</u>	<u>\$ 78,327,884</u>
 Liabilities and Fund Balances				
Liabilities:				
Accrued Liabilities	\$ 51,775	\$ 271,535	\$	\$ 323,310
Unearned Revenue		1,458,821		1,458,821
Due to Other Funds	18,289	44,985	6,420	69,694
Total Liabilities	<u>70,064</u>	<u>1,775,341</u>	<u>6,420</u>	<u>1,851,825</u>
 Fund Balances (Deficit):				
Reserved for Encumbrances	610,554	4,106,408	473,863	5,190,825
Reserved for Noncurrent Receivables	1,962,922	60,745,162		62,708,084
Reserved for Restricted Assets	1,053,758			1,053,758
Undesignated	4,158,850	1,810,157	1,554,385	7,523,392
Total Fund Balances	<u>7,786,084</u>	<u>66,661,727</u>	<u>2,028,248</u>	<u>76,476,059</u>
Total Liabilities and Fund Balances	<u>\$ 7,856,148</u>	<u>\$ 68,437,068</u>	<u>\$ 2,034,668</u>	<u>\$ 78,327,884</u>

CITY OF FRESNO, CALIFORNIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Special Gas Tax</u>	<u>Grant Funds</u>	<u>Measure C</u>	<u>Totals</u>
Revenues:				
Taxes	\$ 7,295,120	\$	\$ 4,038,187	\$ 11,333,307
Intergovernmental	4,001,222	13,279,479	96,696	17,377,397
Charges for Services		1,248,251		1,248,251
Use of Money and Property	183,458	1,101,362	135,776	1,420,596
Miscellaneous	1,027,840	3,564,328		4,592,168
	<u>12,507,640</u>	<u>19,193,420</u>	<u>4,270,659</u>	<u>35,971,719</u>
Total Revenues				
Expenditures:				
Current:				
General Government		765,135		765,135
Public Ways and Facilities	7,905,993			7,905,993
Community Development		5,632,165		5,632,165
Capital Outlay		4,438,373	2,607,489	7,045,862
Debt Service:				
Principal	410,000			410,000
Interest	565,057			565,057
	<u>8,881,050</u>	<u>10,835,673</u>	<u>2,607,489</u>	<u>22,324,212</u>
Total Expenditures				
Excess of Revenues Over Expenditures	<u>3,626,590</u>	<u>8,357,747</u>	<u>1,663,170</u>	<u>13,647,507</u>
Other Financing Sources (Uses):				
Operating Transfers In	1,290,928	110,000		1,400,928
Operating Transfers Out	(4,938,600)	(4,603,796)	(2,978,800)	(12,521,196)
	<u>(3,647,672)</u>	<u>(4,493,796)</u>	<u>(2,978,800)</u>	<u>(11,120,268)</u>
Total Other Financing Uses				
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses				
	(21,082)	3,863,951	(1,315,630)	2,527,239
Fund Balances at Beginning of Year	<u>7,807,166</u>	<u>62,797,776</u>	<u>3,343,878</u>	<u>73,948,820</u>
Fund Balances at End of Year	<u>\$ 7,786,084</u>	<u>\$ 66,661,727</u>	<u>\$ 2,028,248</u>	<u>\$ 76,476,059</u>

CITY OF FRESNO, CALIFORNIA
SPECIAL GAS TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Taxes	\$ 7,295,121	\$ 7,103,200
Intergovernmental	5,967,268	6,327,400
Charges for Services		
Use of Money and Property	516,938	20,000
Miscellaneous	(2,258)	
Prior Year Resources	<u>501,563</u>	<u>501,483</u>
Total Revenues	<u>14,278,632</u>	<u>13,952,083</u>
Expenditures:		
Current:		
Administrative Services	732,947	982,100
Public Works	895	238,200
Capital Outlay	<u>7,900,885</u>	<u>9,120,583</u>
Total Expenditures	<u>8,634,727</u>	<u>10,340,883</u>
Excess of Revenues Over Expenditures	<u>5,643,905</u>	<u>3,611,200</u>
Other Financing Sources (Uses):		
Operating Transfers In	1,290,928	1,381,500
Operating Transfers Out	(4,938,600)	(4,992,100)
Loan Proceeds		
Total Other Financing Uses	<u>(3,647,672)</u>	<u>(3,610,600)</u>
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	1,996,233	600
Fund Balance at Beginning of Year	<u>29,642,055</u>	<u>2,904,399</u>
Fund Balance at End of Year	<u>\$31,638,288</u>	<u>\$ 2,904,999</u>

CITY OF FRESNO, CALIFORNIA
GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Intergovernmental	\$ 11,509,772	\$ 25,792,100
Charges for Services	1,169,362	1,556,400
Use of Money and Property	195,163	319,900
Miscellaneous	4,872,011	6,419,600
Prior Year Resources	<u>(458,050)</u>	<u>6,850,031</u>
Total Revenues	<u>17,288,258</u>	<u>40,938,031</u>
Expenditures:		
Current:		
City Manager	808,392	2,348,227
Administrative Services		
Police	627,164	765,300
Housing & Neighborhood Revitalization	4,623,623	7,383,047
Public Works		4,200
Parks & Recreation	9,061	3,995,600
Fire Department		
Capital Outlay	<u>7,474,328</u>	<u>21,857,557</u>
Total Expenditures	<u>13,542,568</u>	<u>36,353,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,745,690</u>	<u>4,584,100</u>
Other Financing Sources (Uses):		
Operating Transfers In	252,643	723,700
Operating Transfers Out	<u>(3,717,743)</u>	<u>(4,737,500)</u>
Total Other Financing Sources	<u>(3,465,100)</u>	<u>(4,013,800)</u>
Deficiency of Revenues and Other Sources Under Expenditures and Other Uses	280,590	570,300
Fund Balance at Beginning of Year	<u>20,416,498</u>	<u>649,101</u>
Fund Balance at End of Year	<u>\$ 20,697,088</u>	<u>\$ 1,219,401</u>

CITY OF FRESNO, CALIFORNIA
MEASURE C SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Taxes	\$ 3,946,168	\$ 5,066,900
Use of Money and Property	151,055	205,000
Miscellaneous	72,832	87,000
Prior Year Resources	<u>2,993,865</u>	<u>3,012,133</u>
Total Revenues	<u>7,163,920</u>	<u>8,371,033</u>
Expenditures:		
Public Works		20,700
Capital Outlay	<u>1,907,487</u>	<u>3,922,133</u>
Total Expenditures	<u>1,907,487</u>	<u>3,942,833</u>
Excess of Revenues Over Expenditures	<u>5,256,433</u>	<u>4,428,200</u>
Other Financing Sources:		
Operating Transfers In		
Operating Transfers Out	<u>(3,678,800)</u>	<u>(4,428,200)</u>
Total Other Financing Sources	<u>(3,678,800)</u>	<u>(4,428,200)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	1,577,633	
Fund Balance at Beginning of Year	<u>32,561,803</u>	<u>2,680,301</u>
Fund Balance at End of Year	<u>\$ 34,139,436</u>	<u>\$ 2,680,301</u>

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for, and payment of, principal and interest on the City's bonded debt and other long-term obligations.

Redevelopment Agency Fund is used to account for the debt service activity of those projects that have been earmarked for redevelopment. The projects are financed with property tax increments and bond proceeds.

Financing Authorities and Corporations account for the debt service activities related to various bond issues that provide funds for the purpose of acquiring and constructing various capital assets.

City Fund is used to account for the debt service activity related to obligations of the General Fund that have been financed by bond issues.

CITY OF FRESNO, CALIFORNIA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Redevelopment Agency</u>	<u>Financing Authorities & Corporations</u>	<u>City</u>	<u>Totals</u>
Assets:				
Cash and Investments	\$ 3,746,430	\$	\$	\$ 3,746,430
Loans Receivable	5,445,194			5,445,194
Restricted Cash	2,518,602	5,191,189	79,178	7,788,969
Notes Receivable	1,169,786			1,169,786
Due From Other Funds	<u>3,261,217</u>		<u>397,908</u>	<u>3,659,125</u>
Total Assets	<u>\$ 16,141,229</u>	<u>\$ 5,191,189</u>	<u>\$ 477,086</u>	<u>\$ 21,809,504</u>
 Liabilities and Fund Balances				
Liabilities:				
Due to Other Funds	<u>\$</u>	<u>\$</u>	<u>\$ 395,482</u>	<u>\$ 395,482</u>
Total Liabilities			<u>395,482</u>	<u>395,482</u>
 Fund Balances:				
Reserved for Debt Service	7,754,055	5,191,189	2,426	12,947,670
Reserved for Restricted Cash	2,456,102		79,178	2,535,280
Reserved for Noncurrent Receivables	<u>5,931,072</u>			<u>5,931,072</u>
Total Fund Balances	<u>16,141,229</u>	<u>5,191,189</u>	<u>81,604</u>	<u>21,414,022</u>
Total Liabilities and Fund Balances	<u>\$ 16,141,229</u>	<u>\$ 5,191,189</u>	<u>\$ 477,086</u>	<u>\$ 21,809,504</u>

CITY OF FRESNO, CALIFORNIA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL DEBT SERVICE FUNDS
FISCAL YEAR ENDED JUNE 30, 1999

	Redevelopment Agency	Financing Authorities & Corporations	City	Totals
Revenues:				
Taxes	\$ 4,828,535	\$	\$	\$ 4,828,535
Use of Money and Property	1,495,913	5,203,846	1,367,977	8,067,736
Miscellaneous	1,321,937			1,321,937
Total Revenues	<u>7,646,385</u>	<u>5,203,846</u>	<u>1,367,977</u>	<u>14,218,208</u>
Expenditures:				
General Government	1,585,775	9,096	935,136	2,530,007
Debt Service:				
Principal	2,443,410	1,860,000	12,855,000	17,158,410
Interest	911,906	3,275,854	17,180,941	21,368,701
Total Expenditures	<u>4,941,091</u>	<u>5,144,950</u>	<u>30,971,077</u>	<u>41,057,118</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,705,294</u>	<u>58,896</u>	<u>(29,603,100)</u>	<u>(26,838,910)</u>
Other Financing Sources (Uses):				
Operating Transfers In			26,521,077	26,521,077
Operating Transfers Out	(10,150,707)			(10,150,707)
Note Proceeds	222,595			222,595
Total Other Financing Sources (Uses)	<u>(9,928,112)</u>		<u>26,521,077</u>	<u>16,592,965</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(7,222,818)</u>	<u>58,896</u>	<u>(3,082,023)</u>	<u>(10,245,945)</u>
Fund Balances at Beginning of Year	<u>23,364,047</u>	<u>5,132,293</u>	<u>3,163,627</u>	<u>31,659,967</u>
Fund Balances at Beginning of Year as Restated	23,364,047	5,132,293	3,163,627	31,659,967
Fund Balances at End of Year	<u>\$ 16,141,229</u>	<u>\$ 5,191,189</u>	<u>\$ 81,604</u>	<u>\$ 21,414,022</u>

CITY OF FRESNO, CALIFORNIA
REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Taxes	\$ 4,844,789	\$ 4,828,535
Use of Money and Property	675,000	955,102
Miscellaneous		
Prior Year Resources	<u>13,386,269</u>	<u>13,828,072</u>
Total Revenues	<u>18,906,058</u>	<u>19,611,709</u>
Expenditures:		
Current:		
City Manager	951,489	752,975
Debt Service:		
Interest	705,273	225,273
Principal	<u>829,727</u>	<u>488,515</u>
Total Expenditures	<u>2,486,489</u>	<u>1,466,763</u>
Excess of Revenues Over Expenditures	<u>16,419,569</u>	<u>18,144,946</u>
Other Financing Sources (Uses):		
Operating Transfers In		
Operating Transfers Out	(10,168,958)	(10,150,707)
Loan Proceeds	<u>10,276,000</u>	<u></u>
Total Other Financing Uses	<u>107,042</u>	<u>(10,150,707)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	16,526,611	7,994,239
Fund Balance at Beginning of Year	<u>47,751,428</u>	<u>24,241,937</u>
Fund Balance at End of Year	<u>\$ 64,278,039</u>	<u>\$ 32,236,176</u>

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

City Combined Fund is used to account for capital projects for general City functions and services.

Redevelopment Agency Fund is used to account for acquisition, relocation, demolition and sale of properties for those portions of the City which have been earmarked for redevelopment. The projects are financed with property tax increment revenues and bond proceeds.

Special Assessments Fund is used to account for the proceeds and costs of special assessment district improvements.

CITY OF FRESNO, CALIFORNIA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>City Combined</u>	<u>Redevelopment Agency</u>	<u>Special Assessments</u>	<u>Totals</u>
Assets:				
Cash and Investments	\$ 2,990,262	\$	\$ 2,523,802	\$ 5,514,064
Accounts Receivable	23,269	11,249		34,518
Due From Other Funds	970	34,347	12,494	47,811
Advances to Other Funds	13,563,788			13,563,788
Restricted Cash		3,854,591		3,854,591
Notes Receivable	52,657	8,955		61,612
Interest Receivable	144,009		54,657	198,666
	<u>144,009</u>	<u>3,854,591</u>	<u>54,657</u>	<u>198,666</u>
Total Assets	<u>\$ 16,774,955</u>	<u>\$ 3,909,142</u>	<u>\$ 2,590,953</u>	<u>\$ 23,275,050</u>
Liabilities and Fund Balances				
Liabilities:				
Accrued Liabilities	\$ 24,387	\$ 94,476	\$	\$ 118,863
Notes Payable		187,720		187,720
Due to Other Funds	115,188	3,261,574		3,376,762
	<u>115,188</u>	<u>3,261,574</u>	<u></u>	<u>3,376,762</u>
Total Liabilities	<u>139,575</u>	<u>3,543,770</u>	<u></u>	<u>3,683,345</u>
Fund Balances:				
Reserved for Encumbrances	2,784,955		210,504	2,995,459
Reserved for Noncurrent Receivables	13,563,788	8,955		13,572,743
Reserved for Capital Outlay	286,637		2,380,449	2,667,086
Reserved for Restricted Cash		3,389,806		3,389,806
Unreserved		(3,033,389)		(3,033,389)
	<u>286,637</u>	<u>3,389,806</u>	<u>2,380,449</u>	<u>3,389,806</u>
Total Fund Balances	<u>16,635,380</u>	<u>365,372</u>	<u>2,590,953</u>	<u>19,591,705</u>
Total Liabilities and Fund Balances	<u>\$ 16,774,955</u>	<u>\$ 3,909,142</u>	<u>\$ 2,590,953</u>	<u>\$ 23,275,050</u>

CITY OF FRESNO, CALIFORNIA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FISCAL YEAR ENDED JUNE 30, 1999

	<u>City Combined</u>	<u>Redevelopment Agency</u>	<u>Special Assessments</u>	<u>Totals</u>
Revenues:				
Intergovernmental	\$ 1,588,223	\$ 355,805	\$ 120,364	\$ 1,588,223
Use of Money and Property	721,783	355,805	120,364	1,197,952
Contributed from Property Owners			1,768,940	1,768,940
Miscellaneous	<u>1,021,425</u>		<u>370,905</u>	<u>1,392,330</u>
Total Revenues	<u>3,331,431</u>	<u>355,805</u>	<u>2,260,209</u>	<u>5,947,445</u>
Expenditures:				
Capital Outlay	<u>5,521,457</u>	<u>6,482,367</u>	<u>530,681</u>	<u>12,534,505</u>
Total Expenditures	<u>5,521,457</u>	<u>6,482,367</u>	<u>530,681</u>	<u>12,534,505</u>
Deficiency of Revenues Under Expenditures	<u>(2,190,026)</u>	<u>(6,126,562)</u>	<u>1,729,528</u>	<u>(6,587,060)</u>
Other Financing Sources (Uses):				
Operating Transfers In	2,321,367	10,150,707		12,472,074
Operating Transfers Out	<u>(454,872)</u>		<u>(316,228)</u>	<u>(771,100)</u>
Total Other Financing Sources (Uses)	<u>1,866,495</u>	<u>10,150,707</u>	<u>(316,228)</u>	<u>11,700,974</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(323,531)</u>	<u>4,024,145</u>	<u>1,413,300</u>	<u>5,113,914</u>
Fund Balances at Beginning of Year	<u>16,958,911</u>	<u>(4,352,609)</u>	<u>1,177,653</u>	<u>13,783,955</u>
Prior Period Adjustment		693,836		693,836
Fund Balances at End of Year	<u>\$ 16,635,380</u>	<u>\$ 365,372</u>	<u>\$ 2,590,953</u>	<u>\$ 19,591,705</u>

CITY OF FRESNO, CALIFORNIA
CITY COMBINED CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Intergovernmental	\$ 1,588,223	\$ 6,480,800
Use of Money and Property	322,812	53,500
Miscellaneous	891,035	796,600
Prior Year Resources	<u>3,811,866</u>	<u>5,015,883</u>
Total Revenues	<u>6,613,936</u>	<u>12,346,783</u>
Expenditures:		
Current:		
City Manager	100,000	228,200
Administrative Services		4,400
Police	531,731	1,081,400
Parks & Recreation		1,300,500
Housing & Neighborhood Revitalization		63,700
Public Works		
Capital Outlay	<u>5,001,018</u>	<u>12,872,883</u>
Total Expenditures	<u>5,632,749</u>	<u>15,551,083</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>981,187</u>	<u>(3,204,300)</u>
Other Financing Sources (Uses):		
Operating Transfers In	2,492,869	2,397,100
Operating Transfers Out	(454,953)	(567,800)
Loan Proceeds		<u>1,768,200</u>
Total Other Financing Sources	<u>2,037,916</u>	<u>3,597,500</u>
Excess of Revenues and Other Sources Over Expenditures	3,019,103	393,200
Fund Balance at Beginning of Year	<u>22,985,496</u>	<u>(2,284,268)</u>
Fund Balance at End of Year	<u>\$ 26,004,599</u>	<u>\$ (1,891,068)</u>

CITY OF FRESNO, CALIFORNIA
REDEVELOPMENT AGENCY CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Use of Money and Property	\$ (216,600)	\$ 48,137
Miscellaneous		
Prior Year Resources	<u>(6,885,875)</u>	<u>(6,192,039)</u>
Total Revenues	<u>(7,102,475)</u>	<u>(6,143,902)</u>
Expenditures:		
Current:		
City Manager		
Capital Outlay	<u>18,381,570</u>	<u>6,072,811</u>
Total Expenditures	<u>18,381,570</u>	<u>6,072,811</u>
Deficiency of Revenues Under Expenditures	<u>(25,484,045)</u>	<u>(12,216,713)</u>
Other Financing Sources (Uses):		
Operating Transfers In	20,444,958	9,185,000
Operating Transfers Out		
Total Other Financing Sources	<u>20,444,958</u>	<u>9,185,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	(5,039,087)	(3,031,713)
Fund Balance at Beginning of Year	<u>42,650,501</u>	<u>(25,320,236)</u>
Fund Balance at End of Year	<u>\$ 37,611,414</u>	<u>\$ (28,351,949)</u>

CITY OF FRESNO, CALIFORNIA
SPECIAL ASSESSMENT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Use of Money and Property	\$ 115,477	\$ 84,900
Miscellaneous	238,866	284,200
Prior Year Resources	<u>1,082,835</u>	<u>1,130,445</u>
Total Revenues	<u>1,437,178</u>	<u>1,499,545</u>
Expenditures:		
Current:		
Public Works	299,545	2,928,297
Capital Outlay	<u>131,215</u>	<u>414,148</u>
Total Expenditures	<u>430,760</u>	<u>3,342,445</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,006,418	(1,842,900)
Other Financing Sources (Uses):		
Operating Transfers Out	(316,228)	(305,300)
Bond Proceeds	<u>1,900,763</u>	<u>2,749,100</u>
Total Other Financing Sources	<u>1,584,535</u>	<u>2,443,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Uses	2,590,953	600,900
Fund Balance at Beginning of Year	<u>28,574,851</u>	<u>1,103,907</u>
Fund Balance at End of Year	<u>\$ 31,165,804</u>	<u>\$ 1,704,807</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations financed and operated in a manner similar to private business enterprises with the intent that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

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 solid waste disposal service. Revenues are primarily derived from solid waste service fees.

Community Sanitation Fund accounts for the operation of the City's community sanitation operations. Revenues consist primarily of service fees.

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

Airports Fund accounts for the City's two airport operations. Revenues are primarily derived from fees for airlines operating out of the terminal.

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.

Parking Fund accounts for the parking enforcement at, and maintenance of, downtown parking garages and lots. Revenues consist primarily of charges for parking at the facilities.

Parks and Recreation Fund accounts for the revenues collected and used for fee-supported recreation activities.

Development Services Fund accounts for the operation of the City's Development Department. Revenues consist primarily of fees charged for development services.

CITY OF FRESNO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Water System</u>	<u>Sewer System</u>	<u>Solid Waste Management</u>	<u>Community Sanitation</u>	<u>Transit</u>	<u>Airports</u>
Current Assets:						
Cash and Investments	\$ 18,149,131	\$ 17,269,466	\$ 4,880,063	\$ 1,239,248	\$	\$ 9,796,073
Accounts Receivable, Net	7,341,646	5,969,021	4,106,351	837,555	454,285	673,391
Grants Receivable					7,532,166	
Material and Supplies Inventory	817,382	907,039			390,958	20,000
Due From Other Governments		1,001,608			1,523,212	
Due From Other Funds	1,810,762	2,548,043	1,186,868	355,630	77,985	2,344,291
Interest Receivable	348,824	303,154	615,204	46,586	15,855	200,390
Total Current Assets	<u>28,467,745</u>	<u>27,998,331</u>	<u>10,788,486</u>	<u>2,479,019</u>	<u>9,994,461</u>	<u>13,034,145</u>
Restricted Assets:						
Cash	52,831,721	169,437,396	24,534,937		390,168	833,779
Grants and Interest Receivable		1,646,759				2,471,979
Total Restricted Assets	<u>52,831,721</u>	<u>171,084,155</u>	<u>24,534,937</u>		<u>390,168</u>	<u>3,305,758</u>
Other Assets:						
Other Receivables	2,314,802	36,917,279				
Other Assets	1,495,245	7,301,749			13,872	62,034
Accounts Receivable from Solid Waste Rate Payers			16,554,533			
Advances to Other Funds						4,661,858
Total Other Assets	<u>3,810,047</u>	<u>44,219,028</u>	<u>16,554,533</u>		<u>13,872</u>	<u>4,723,892</u>
Property, Plant and Equipment, Net	<u>137,459,870</u>	<u>345,550,294</u>	<u>5,739,601</u>	<u>18,089</u>	<u>23,802,666</u>	<u>41,583,838</u>
Total Assets	<u>\$ 222,569,383</u>	<u>\$588,851,808</u>	<u>\$ 57,617,557</u>	<u>\$ 2,497,108</u>	<u>\$ 34,201,167</u>	<u>\$ 62,647,633</u>

<u>Fresno Convention Center</u>	<u>Parking</u>	<u>Parks and Recreation</u>	<u>Development Services</u>	<u>Totals</u>
\$ 4,516,814	\$ 7,321	\$ 44,449	\$ 545,454	\$ 56,448,019
70,000	4,998			19,457,247
				7,532,166
				2,135,379
				2,524,820
1,042,843	12,743	5,987	71,499	9,456,651
102,554	20,229	11,697	31,001	1,695,494
<u>5,732,211</u>	<u>45,291</u>	<u>62,133</u>	<u>647,954</u>	<u>99,249,776</u>
9,251,111	1,050,174			258,329,286
				4,118,738
<u>9,251,111</u>	<u>1,050,174</u>			<u>262,448,024</u>
				39,232,081
1,940,825				10,813,725
				16,554,533
	174,206			4,836,064
<u>1,940,825</u>	<u>174,206</u>			<u>71,436,403</u>
47,811,238	5,016,090	4,707,281	2,319,593	614,008,560
<u>\$ 64,735,385</u>	<u>\$ 6,285,761</u>	<u>\$ 4,769,414</u>	<u>\$ 2,967,547</u>	<u>\$1,047,142,763</u>

(Cont'd.)

CITY OF FRESNO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Water System</u>	<u>Sewer System</u>	<u>Solid Waste Management</u>	<u>Community Sanitation</u>	<u>Transit</u>	<u>Airports</u>
Liabilities and Fund Equity						
Current Liabilities (Payable From Current Assets):						
Accrued Liabilities	\$ 2,602,936	\$ 9,112,397	\$ 892,621	\$ 292,022	\$ 1,582,541	\$ 815,312
Unearned Revenues	1,787,896	2,234,564	4,130,797	648,327	41,660	
Due to Other Governments					6,229,197	
Due to Other Funds	40,135	252,105	715,915	161,574	1,170,614	2,893,678
Bonds Payable	1,105,000	6,710,000	525,000			245,000
Capital Lease Obligation						
Notes Payable	166,522					
Total Current Liabilities (Payable From Current Assets)	<u>5,702,489</u>	<u>18,309,066</u>	<u>6,264,333</u>	<u>1,101,923</u>	<u>9,024,012</u>	<u>3,953,990</u>
Noncurrent Liabilities:						
Bonds Payable	48,786,282	288,176,463	1,150,000			2,112,035
Capital Lease Obligations						
Notes Payable	3,033,587					
Other Liabilities		35,872,638				
Accrued Closure Costs			32,210,635			
Deposits	25,583,038	32,092,178				
Total Noncurrent Liabilities	<u>77,402,907</u>	<u>356,141,279</u>	<u>33,360,635</u>			<u>2,112,035</u>
Total Liabilities	<u>83,105,396</u>	<u>374,450,345</u>	<u>39,624,968</u>	<u>1,101,923</u>	<u>9,024,012</u>	<u>6,066,025</u>
Fund Equity:						
Contributed Capital	89,332,247	114,936,537	390,543	9,544	49,758,005	50,083,623
Retained Earnings:						
Reserved for Net Restricted Assets	6,000,000	23,595,586			390,168	3,305,758
Unreserved	44,131,740	75,869,340	17,602,046	1,385,641	(24,971,018)	3,192,227
Total Retained Earnings	<u>50,131,740</u>	<u>99,464,926</u>	<u>17,602,046</u>	<u>1,385,641</u>	<u>(24,580,850)</u>	<u>6,497,985</u>
Total Fund Equity	<u>139,463,987</u>	<u>214,401,463</u>	<u>17,992,589</u>	<u>1,395,185</u>	<u>25,177,155</u>	<u>56,581,608</u>
Total Liabilities and Fund Equity	<u>\$ 222,569,383</u>	<u>\$ 588,851,808</u>	<u>\$ 57,617,557</u>	<u>\$ 2,497,108</u>	<u>\$ 34,201,167</u>	<u>\$ 62,647,633</u>

<u>Fresno Convention Center</u>	<u>Parking</u>	<u>Parks and Recreation</u>	<u>Development Services</u>	<u>Totals</u>
\$ 1,845,079	\$ 294,634	\$ 64,955	\$ 135,831	\$ 17,638,328
				8,843,244
				6,229,197
269,712	1,743,500		85,633	7,332,866
1,465,000				10,050,000
		104,594		104,594
				166,522
<u>3,579,791</u>	<u>2,038,134</u>	<u>169,549</u>	<u>221,464</u>	<u>50,364,751</u>
51,882,136				392,106,916
		271,587		271,587
				3,033,587
				35,872,638
				32,210,635
				57,675,216
<u>51,882,136</u>		<u>271,587</u>		<u>521,170,579</u>
<u>55,461,927</u>	<u>2,038,134</u>	<u>441,136</u>	<u>221,464</u>	<u>571,535,330</u>
16,292,433	4,563,037	5,143,067	2,359,852	332,868,888
9,251,111	1,050,174			43,592,797
(16,270,086)	(1,365,584)	(814,789)	386,231	99,145,748
<u>(7,018,975)</u>	<u>(315,410)</u>	<u>(814,789)</u>	<u>386,231</u>	<u>142,738,545</u>
<u>9,273,458</u>	<u>4,247,627</u>	<u>4,328,278</u>	<u>2,746,083</u>	<u>475,607,433</u>
<u>\$ 64,735,385</u>	<u>\$ 6,285,761</u>	<u>\$ 4,769,414</u>	<u>\$ 2,967,547</u>	<u>\$1,047,142,763</u>

CITY OF FRESNO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FISCAL YEAR ENDED JUNE 30, 1999

	Water System	Sewer System	Solid Waste Management	Community Sanitation	Transit	Airports
Operating Revenues:						
Charges for Services	\$ 29,830,081	\$ 43,733,926	\$ 30,375,400	\$ 8,483,416	\$ 5,790,531	\$ 10,493,969
Operating Expenses:						
Cost of Services	17,241,022	17,919,449	8,673,207	2,595,079	15,655,702	6,395,893
Administration	5,627,061	6,566,384	20,338,606	5,406,567	3,756,838	2,720,052
Amortization	226,076	281,460				4,136
Depreciation	4,063,032	3,101,627	789,386	18,661	2,596,363	1,899,468
Total Operating Expenses	27,157,191	27,868,920	29,801,199	8,020,307	22,008,903	11,019,549
Operating Income (Loss)	2,672,890	15,865,006	574,201	463,109	(16,218,372)	(525,580)
Nonoperating Revenues						
(Expenses):						
(Loss) on Sale of Property, Plant and Equipment		(6,235)				
Operating Grants					14,419,622	
Interest Income	1,912,409	11,807,301	792,144	140,708	28,648	779,688
Interest Expense	(2,661,203)	(7,904,420)	(122,060)			(133,162)
Total Nonoperating Revenues (Expenses)	(748,794)	3,896,646	670,084	140,708	14,448,270	646,526
Income (Loss) Before Operating Transfers	1,924,096	19,761,652	1,244,285	603,817	(1,770,102)	120,946
Operating Transfers In						
Operating Transfers Out	(595,000)	(606,300)	(526,200)	(222,200)	(794,900)	(263,300)
Net Income (Loss)	1,329,096	19,155,352	718,085	381,617	(2,565,002)	(142,354)
Retained Earnings (Deficit)						
Beginning of Year	51,288,577	80,309,574	18,205,433	1,004,024	(22,015,848)	6,640,339
Prior Period Adjustment	(2,485,933)		(1,321,472)			
Retained Earnings (Deficit) Beginning of Year as Restated	48,802,644	80,309,574	16,883,961	1,004,024	(22,015,848)	6,640,339
Retained Earnings (Deficit) at End of Year	\$ 50,131,740	\$ 99,464,926	\$ 17,602,046	\$ 1,385,641	\$ (24,580,850)	\$ 6,497,985

<u>Fresno Convention Center</u>	<u>Parking</u>	<u>Parks and Recreation</u>	<u>Development Services</u>	<u>Totals</u>
\$ 5,385,434	\$ 2,696,326	\$ 1,403,340	\$ 7,213,307	\$ 145,405,730
3,559,748	1,022,297	1,730,049	5,894,561	80,687,007
864,324	1,791,254	784,621	1,124,458	48,980,165
109,399				621,071
<u>1,147,808</u>	<u>305,278</u>	<u>364,906</u>	<u>110</u>	<u>14,286,639</u>
<u>5,681,279</u>	<u>3,118,829</u>	<u>2,879,576</u>	<u>7,019,129</u>	<u>144,574,882</u>
<u>(295,845)</u>	<u>(422,503)</u>	<u>(1,476,236)</u>	<u>194,178</u>	<u>830,848</u>
				(6,235)
				14,419,622
793,582	66,575	36,658	70,036	16,427,749
<u>(2,055,892)</u>	<u>(2,592)</u>	<u>(28,997)</u>		<u>(12,908,326)</u>
<u>(1,262,310)</u>	<u>63,983</u>	<u>7,661</u>	<u>70,036</u>	<u>17,932,810</u>
(1,558,155)	(358,520)	(1,468,575)	264,214	18,763,658
		1,200,000	237,600	1,437,600
<u>(129,100)</u>	<u>(50,700)</u>	<u>(135,900)</u>	<u>(397,200)</u>	<u>(3,720,800)</u>
(1,687,255)	(409,220)	(404,475)	104,614	16,480,458
<u>(5,331,720)</u>	<u>93,810</u>	<u>(410,314)</u>	<u>281,617</u>	<u>130,065,492</u>
				(3,807,405)
(5,331,720)	93,810	(410,314)	281,617	126,258,087
\$ <u><u>(7,018,975)</u></u>	\$ <u><u>(315,410)</u></u>	\$ <u><u>(814,789)</u></u>	\$ <u><u>386,231</u></u>	\$ <u><u>142,738,545</u></u>

CITY OF FRESNO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 1999

	Water System	Sewer System	Solid Waste Management	Community Sanitation
Cash Flows From Operating Activities:				
Cash Received From Customers or Other Funds	\$ 19,317,137	\$ 50,292,529	\$ 33,936,371	\$ 8,448,139
Cash Payments to Suppliers for Services	(16,922,912)	(16,559,229)	(25,888,098)	(5,565,093)
Cash Payments to Employees for Services	<u>(5,962,089)</u>	<u>(8,501,793)</u>	<u>(7,613,723)</u>	<u>(2,428,753)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(3,567,864)</u>	<u>25,231,507</u>	<u>434,550</u>	<u>454,293</u>
Cash Flows From Capital and Related Financing Activity:				
Contributed Capital	14,972,015	8,554,093		
Interest Paid	(2,673,247)	(15,467,763)	(129,486)	
Repayment of Bonds	(1,180,000)	(4,990,000)	(490,000)	
Repayment of Capital Lease Obligations				
Payment of Debt Issue Costs	(426,353)			
Repayment of Notes Payable	(159,063)			
Acquisition of Property, Plant & Equipment	<u>(10,604,477)</u>	<u>(47,382,014)</u>	<u>(260,282)</u>	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(71,125)</u>	<u>(59,285,684)</u>	<u>(879,768)</u>	
Cash Flows From Noncapital Financing Activity:				
Operating Grants				
Operating Transfers In				
Operating Transfers Out	<u>(595,000)</u>	<u>(606,300)</u>	<u>(526,200)</u>	<u>(222,200)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(595,000)</u>	<u>(606,300)</u>	<u>(526,200)</u>	<u>(222,200)</u>
Cash Flows From Investing Activities:				
Interest Received on Investments	1,933,118	12,082,508	777,828	140,707
Proceeds From Restricted Cash and Investments	706,069			
Purchase of Restricted Cash and Investments				
Net Cash Provided by (Used for) Activities	<u>2,639,187</u>	<u>12,082,508</u>	<u>777,828</u>	<u>140,707</u>
Net Increase (Decrease) in Cash and Cash Equivalent	(1,594,802)	(22,577,969)	(193,590)	372,800
Cash and Cash Equivalents, Beginning of Year,	<u>71,251,996</u>	<u>188,314,651</u>	<u>30,482,123</u>	<u>866,448</u>
Prior Period Adjustment	(2,485,933)		(1,321,472)	
Cash and Cash Equivalents, Beginning of Year as Restated	68,766,063	188,314,651	29,160,651	866,448
Cash and Cash Equivalents, End of Year	<u>\$ 67,171,261</u>	<u>\$ 165,736,682</u>	<u>\$ 28,967,061</u>	<u>\$ 1,239,248</u>

	Transit	Airports	Fresno Convention Center	Parking	Parks and Recreation	Development Services	Totals
\$	6,443,932	\$ 10,312,167	\$ 5,647,075	\$ 2,686,703	\$ 1,398,918	\$ 7,162,235	\$ 145,645,206
	(5,575,364)	(6,359,077)	(6,118,856)	(2,439,614)	(1,116,918)	(2,638,889)	(89,184,050)
	<u>(11,898,080)</u>	<u>(2,986,368)</u>	<u>(2,188,763)</u>	<u>(497,316)</u>	<u>(1,401,200)</u>	<u>(4,479,402)</u>	<u>(47,957,487)</u>
	<u>(11,029,512)</u>	<u>966,722</u>	<u>(2,660,544)</u>	<u>(250,227)</u>	<u>(1,119,200)</u>	<u>43,944</u>	<u>8,503,669</u>
	2,537,381	3,278,325					29,341,814
		(138,309)	(1,687,812)	(5,100)	(23,461)		(20,125,178)
		(230,000)	(1,395,000)	(255,000)	(104,594)		(8,644,594)
			(751,570)		(30,227)		(30,227)
							(1,177,923)
							(159,063)
	<u>(2,540,324)</u>	<u>(695,703)</u>	<u>(16,730,194)</u>	<u>(12,937)</u>		<u>1,088</u>	<u>(78,224,843)</u>
	<u>(2,943)</u>	<u>2,214,313</u>	<u>(20,564,576)</u>	<u>(273,037)</u>	<u>(158,282)</u>	<u>1,088</u>	<u>(79,020,014)</u>
	10,103,754						10,103,754
	<u>(794,900)</u>	<u>(263,300)</u>	<u>(129,100)</u>	<u>(50,700)</u>	<u>1,200,000</u>	<u>237,600</u>	<u>1,437,600</u>
	<u>(794,900)</u>	<u>(263,300)</u>	<u>(129,100)</u>	<u>(50,700)</u>	<u>(135,900)</u>	<u>(397,200)</u>	<u>(3,720,800)</u>
	<u>9,308,854</u>	<u>(263,300)</u>	<u>(129,100)</u>	<u>(50,700)</u>	<u>1,064,100</u>	<u>(159,600)</u>	<u>7,820,554</u>
	70,049	685,793	743,824	70,975	32,036	50,542	16,587,380
			31,955,718				32,661,787
			(9,310)				(9,310)
	<u>70,049</u>	<u>685,793</u>	<u>32,690,232</u>	<u>70,975</u>	<u>32,036</u>	<u>50,542</u>	<u>49,239,857</u>
	(1,653,552)	3,603,528	9,336,012	(502,989)	(181,346)	(64,026)	(13,455,934)
	<u>2,043,720</u>	<u>7,026,324</u>	<u>1,891,123</u>	<u>1,560,484</u>	<u>225,795</u>	<u>609,480</u>	<u>304,272,144</u>
							(3,807,405)
	2,043,720	7,026,324	1,891,123	1,560,484	225,795	609,480	300,464,739
\$	<u>390,168</u>	<u>10,629,852</u>	<u>11,227,135</u>	<u>1,057,495</u>	<u>44,449</u>	<u>545,454</u>	<u>287,008,805</u>

(Cont'd.)

CITY OF FRESNO, CALIFORNIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 1999
(continued)

	<u>Water System</u>	<u>Sewer System</u>	<u>Solid Waste Management</u>	<u>Community Sanitation</u>
Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 2,672,890	\$ 15,865,006	\$ 574,201	\$ 463,109
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:				
Depreciation	4,063,032	3,101,627	789,386	18,661
Amortization	226,076	281,460	0	
Decrease (Increase) In Accounts Receivable	(337,089)	371,207	177,902	(17,191)
Decrease (Increase) In Other Receivables	(1,474,693)	1,668,826	992,101	
Decrease (Increase) In Due From Other Funds	(81,983)	288,213	12,918	(33,151)
Decrease (Increase) In Due From Other Governmental Agencies		(656)		
Decrease (Increase) In Material and Supplies Inventory	51,455	(25,872)		
Decrease (Increase) In Advances To Other Funds				
(Decrease) Increase In Accrued Liabilities	(39,717)	(249,534)	(2,816,119)	16,439
(Decrease) Increase In Due To Other Funds	(28,656)	(302,621)	(1,524)	(8,639)
(Decrease) Increase In Due To Other Governmental Agencies				
(Decrease) Increase In Other Liabilities		(1,019,635)		
(Decrease) Increase In Accrued Closure Costs			(1,672,365)	
(Decrease) Increase In Unearned Revenue	40,677	(62,285)	2,378,050	15,065
(Decrease) Increase In Restricted Deposits	(8,659,856)	5,315,771		
Net Cash Provided By (Used for) Operating Activities	\$ (3,567,864)	\$ 25,231,507	\$ 434,550	\$ 454,293

<u>Transit</u>	<u>Airports</u>	<u>Fresno Convention Center</u>	<u>Parking</u>	<u>Parks and Recreation</u>	<u>Development Services</u>	<u>Totals</u>
\$ (16,218,372)	(525,580)	\$ (295,845)	\$ (422,503)	\$ (1,476,236)	\$ 194,178	\$ 830,848
2,596,363	1,899,468	1,147,808	305,278	364,905	110	14,286,638
	4,136	109,399				621,071
(37,024)	161,806	(70,000)	(173)	10		249,448
			(8,388)			1,177,846
(76,497)	(2,290,946)	331,641	(1,062)	(4,432)	(51,072)	(1,906,371)
839,297						838,641
(193)						25,390
	(250,688)					(250,688)
	(275,073)	(341,684)	(122,653)	3,179	(38,074)	(3,863,236)
1,077,334	2,243,599	(3,541,863)	(726)	(6,626)	(61,198)	(630,920)
706,209						706,209
149,054						(870,581)
						(1,672,365)
(65,683)						2,305,824
						(3,344,085)
<u>\$ (11,029,512)</u>	<u>\$ 966,722</u>	<u>\$ (2,660,544)</u>	<u>\$ (250,227)</u>	<u>\$ (1,119,200)</u>	<u>\$ 43,944</u>	<u>\$ 8,503,669</u>

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of goods or services provided by one department to other departments within the City of Fresno.

General Services Fund accounts for the Internal Service Fund activities of the City of Fresno, including printing, fleet management, property maintenance, data processing support, and electronics and communications support.

Risk Management Fund accounts for the City's self-insurance provided to all City departments, including provision for losses on property, liability, workers' compensation, unemployment compensation, and health and welfare programs.

Billing and Collection Fund accounts for the billing, collecting, and servicing activities for the Water, Sewer, Solid Waste, and Community Sanitation funds.

CITY OF FRESNO, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	General Services	Risk Management	Billing & Collection	Totals
Assets				
Current Assets:				
Cash and Investments	\$ 19,063,980	\$ 18,748,702	\$ 5,162,217	\$ 42,974,899
Material and Supplies Inventory	650,000			650,000
Due From Other Funds	2,275,391	1,007,215	19,418	3,302,024
Accounts Receivable			28	28
Interest Receivable	272,687	539,025	198,761	1,010,473
Total Current Assets	<u>22,262,058</u>	<u>20,294,942</u>	<u>5,380,424</u>	<u>47,937,424</u>
Restricted Cash	956,117	5,077,584	2,220,111	8,253,812
Property, Plant and Equipment, Net	32,012,607	2,367	63,048	32,078,022
Other Assets	432,815	1,611		434,426
Total Assets	<u>\$ 55,663,597</u>	<u>\$ 25,376,504</u>	<u>\$ 7,663,583</u>	<u>\$ 88,703,684</u>
Liabilities and Fund Equity				
Current Liabilities:				
Accrued Liabilities	\$ 1,469,733	\$ 217,625	\$ 159,543	\$ 1,846,901
Liabilities for Self-Insurance		13,571,894		13,571,894
Due to Other Funds	2,649,542	549,282	3,904,907	7,103,731
Capital Lease Obligation	395,468			395,468
Bonds Payable	1,020,000			1,020,000
Total Current Liabilities	<u>5,534,743</u>	<u>14,338,801</u>	<u>4,064,450</u>	<u>23,937,994</u>
Restricted Deposits			1,437,742	1,437,742
Capital Lease Obligations	4,309,672			4,309,672
Liability for Self-Insurance		15,137,961		15,137,961
Bonds Payable	1,590,000			1,590,000
Total Liabilities	<u>11,434,415</u>	<u>29,476,762</u>	<u>5,502,192</u>	<u>46,413,369</u>
Fund Equity:				
Contributed Capital	8,313,362	7,468	12,858	8,333,688
Retained Earnings:				
Reserved for Net Restricted Assets		5,077,584	782,369	5,859,953
Unreserved	35,915,820	(9,185,310)	1,366,164	28,096,674
Total Retained Earnings	<u>35,915,820</u>	<u>(4,107,726)</u>	<u>2,148,533</u>	<u>33,956,627</u>
Total Fund Equity	<u>44,229,182</u>	<u>(4,100,258)</u>	<u>2,161,391</u>	<u>42,290,315</u>
Total Liabilities and Fund Equity	<u>\$ 55,663,597</u>	<u>\$ 25,376,504</u>	<u>\$ 7,663,583</u>	<u>\$ 88,703,684</u>

CITY OF FRESNO, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FISCAL YEAR ENDED JUNE 30, 1999

	<u>General Services</u>	<u>Risk Management</u>	<u>Billing & Collection</u>	<u>Totals</u>
Operating Revenues:				
Charges for Services	\$ 45,460,054	\$ 24,046,873	\$ 5,324,777	\$ 74,831,704
Operating Expenses:				
Costs of Services	26,901,783	26,065,975	3,817,562	56,785,320
Administration	10,988,668	4,087,024	926,468	16,002,160
Amortization	331,739			331,739
Depreciation	7,112,838	689	8,357	7,121,884
Total Operating Expenses	<u>45,335,028</u>	<u>30,153,688</u>	<u>4,752,387</u>	<u>80,241,103</u>
Operating Income (Loss)	<u>125,026</u>	<u>(6,106,815)</u>	<u>572,390</u>	<u>(5,409,399)</u>
Nonoperating Revenues (Expenses):				
Gain (Loss) on Sale of Property, Plant and Equipment	(234,346)			(234,346)
Interest Income	815,498	1,424,274	543,742	2,783,514
Interest Expense	(300,546)			(300,546)
Total Nonoperating Revenues	<u>280,606</u>	<u>1,424,274</u>	<u>543,742</u>	<u>2,248,622</u>
Income (Loss) Before Operating Transfers	405,632	(4,682,541)	1,116,132	(3,160,777)
Operating Transfers In	107,678			107,678
Operating Transfers Out	(1,054,700)	(35,400)	(227,700)	(1,317,800)
Net Income (Loss)	<u>(541,390)</u>	<u>(4,717,941)</u>	<u>888,432</u>	<u>(4,370,899)</u>
Retained Earnings at Beginning of Year	<u>36,457,210</u>	<u>610,215</u>	<u>1,260,101</u>	<u>38,327,526</u>
Retained Earnings at End of Year	<u>\$ 35,915,820</u>	<u>\$ (4,107,726)</u>	<u>\$ 2,148,533</u>	<u>\$ 33,956,627</u>

CITY OF FRESNO, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 1999

	General Services	Risk Management	Billing & Collection	Totals
Cash Flows From Operating Activities:				
Cash Receipts From Quasi-external Operating Transactions With Other Funds	\$ 47,909,103	\$ 24,094,370	\$ 5,418,025	\$ 77,421,498
Cash Payments to Suppliers for Services	(23,176,984)	(6,135,564)	(2,184,742)	(31,497,290)
Cash Payments to Employees for Services	(15,002,898)	(405,326)	(2,675,532)	(18,083,756)
Cash Payments for Claims and Refunds		(23,547,580)		(23,547,580)
Net Cash Provided by (Used For) Operating Activities	9,729,221	(5,994,100)	557,751	4,292,872
Cash Flows From Capital and Related Financing Activities:				
Interest Paid	(177,895)			(177,895)
Repayment of Bonds	(960,000)			(960,000)
Repayment of Capital Lease Obligations	(594,504)			(594,504)
Proceeds From Capital Leases	3,929,021			3,929,021
Acquisition of Property, Plant & Equipment	(10,388,040)	(2,665)	(12,543)	(10,403,248)
Net Cash Provided By (Used for) Capital and Related Financing Activities	(8,191,418)	(2,665)	(12,543)	(8,206,626)
Cash Flows From Noncapital Financing Activities:				
Operating Transfers In	107,678			107,678
Operating Transfers Out	(1,054,700)	(35,400)	(227,700)	(1,317,800)
Net Cash Provided by (Used for) Noncapital Financing Activities	(947,022)	(35,400)	(227,700)	(1,210,122)
Cash Flows From Investing Activities:				
Interest Received on Investments	840,934	1,472,947	531,893	2,845,774
Proceeds From Restricted Cash & Investments	9,309		98	9,407
Net Cash Provided by Investing Activities	850,243	1,472,947	531,991	2,855,181
Net Increase (Decrease) in Cash and Cash Equivalents	1,441,024	(4,559,218)	849,499	(2,268,695)
Cash and Cash Equivalent at Beginning of Year	18,287,147	28,385,504	6,532,829	53,205,480
Cash and Cash Equivalents, End of Year	\$ 19,728,171	\$ 23,826,286	\$ 7,382,328	\$ 50,936,785

CITY OF FRESNO, CALIFORNIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 1999
(Continued)

	<u>General Services</u>	<u>Risk Management</u>	<u>Billing & Collection</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Cash Provided by Operating Activities				
Operating Income (Loss)	\$ 125,026	\$ (6,106,815)	\$ 572,390	\$ (5,409,399)
Adjustments to Reconcile Operating Income (Loss) to Cash provided by (Used for) Operating Activities:				
Depreciation	7,112,838	689	8,357	7,121,884
Amortization	331,739			331,739
Decrease (Increase) in Due From Other Funds	2,387,078	49,084	93,276	2,529,438
Decrease (Increase) in Other Assets	61,971	(1,587)	(28)	60,356
(Decrease) Increase in Accrued Liabilities	(219,030)	(1,971,163)	9,199	(2,180,994)
(Decrease) Increase in Due to Other Funds	(70,401)	74,405	(125,443)	(121,439)
(Decrease) Increase in Liability for Self-Insurance		1,961,287		1,961,287
	<u>9,729,221</u>	<u>(5,994,100)</u>	<u>557,751</u>	<u>4,292,872</u>
Net Cash Provided by (Used for) Operating Activities	\$ 9,729,221	\$ (5,994,100)	\$ 557,751	\$ 4,292,872

TRUST & AGENCY FUNDS

Trust and Agency Funds, fiduciary funds, are used to account for assets held by the City in a trustee capacity or as an agent for other governmental units, private organizations or individuals.

PENSION TRUST FUNDS

Fire & Police Fund accounts for the accumulation of resources for pension benefit payments to qualified Fire and Police employees and retirees.

General Services Fund accounts for the accumulation of resources for pension benefit payments to qualified General Service employees and retirees.

EXPENDABLE TRUST FUND

Urban Growth Management Fund accounts for funds provided by developers to pay for certain construction activity.

AGENCY FUNDS

City Departmental and Special Purpose Funds account for City-related trust activity, such as payroll withholdings and bid deposits.

Special Assessment Funds account for the receipts and disbursements for the debt service activity of the special assessment districts within the City.

Deferred Compensation Fund accounts for assets held for employees in accordance with the provisions of the Internal Revenue Code Section 457.

CITY OF FRESNO, CALIFORNIA
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	<u>Pension Trust Funds</u>		<u>Expendable Trust Fund</u>
	<u>Fire & Police</u>	<u>Employees</u>	<u>Urban Growth Management</u>
Assets:			
Cash and Investments	\$ 921,157,012	\$ 817,324,450	\$ 10,759,577
Securities Lending	88,814,716	78,760,116	
Accounts Receivable	52,259,081	50,047,272	5,850
Due From Other Funds			
Due From Other Governments			
Notes Receivable			
Interest Receivable	<u>4,010,889</u>	<u> </u>	<u>221,418</u>
Total Assets	<u>\$1,066,241,698</u>	<u>\$ 946,131,838</u>	<u>\$ 10,986,845</u>
Liabilities and Fund Balances			
Liabilities:			
Accrued Liabilities	\$ 88,541,707	\$ 78,415,399	\$ 147,116
Securities Lending	88,814,716	78,760,116	
Deferred Compensation Benefits Payable			
Unearned Revenue	14,635,029	3,027,298	
Due to Other Funds			1,306
Prepayment of Special Assessments			
Deposits Held for Others			
Total Liabilities	<u>191,991,452</u>	<u>160,202,813</u>	<u>148,422</u>
Fund Balances:			
Reserved for City Retirement Systems	874,250,246	785,929,025	
Reserved for Trust Obligation			<u>10,838,423</u>
Total Fund Balances	<u>874,250,246</u>	<u>785,929,025</u>	<u>10,838,423</u>
Total Liabilities and Fund Balances	<u>\$1,066,241,698</u>	<u>\$ 946,131,838</u>	<u>\$ 10,986,845</u>

Agency Funds

City Departmental & Special Purpose	Special Assessment	Deferred Compensation	Totals
\$ 7,007,242	\$ 7,409,022	\$ 72,464,061	\$ 1,836,121,364
			167,574,832
1,997,695			104,309,898
1,754,709			1,754,709
	160,386		160,386
85,621			85,621
129,592	71,060		4,432,959
<u>\$ 10,974,859</u>	<u>\$ 7,640,468</u>	<u>\$ 72,464,061</u>	<u>\$ 2,114,439,769</u>
\$ 2,600,481	\$	\$	\$ 169,704,703
			167,574,832
		72,464,061	72,464,061
			17,662,327
2,137,378			2,138,684
	116,718		116,718
6,237,000	7,523,750		13,760,750
<u>10,974,859</u>	<u>7,640,468</u>	<u>72,464,061</u>	<u>443,422,075</u>
			1,660,179,271
			10,838,423
			1,671,017,694
<u>\$ 10,974,859</u>	<u>\$ 7,640,468</u>	<u>\$ 72,464,061</u>	<u>\$ 2,114,439,769</u>

CITY OF FRESNO, CALIFORNIA
EXPENDABLE TRUST FUND
URBAN GROWTH MANAGEMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FISCAL YEAR ENDED JUNE 30, 1999

Revenues:	
Charges for Current Services	\$ 1,488,282
Use of Money and Property	<u>279,128</u>
Total Revenues	<u>1,767,410</u>
Expenditures:	
General Government	16,040
Capital Outlay	<u>1,049,791</u>
Total Expenditures	<u>1,065,831</u>
Deficiency of Revenues Under Expenditures	701,579
Other Financing Uses	
Operating Transfers In	165,600
Operating Transfers Out	<u> </u>
Total Other Financing Uses	<u>165,600</u>
Deficiency of Revenues Under Expenditures and Other Uses	867,179
Fund Balance at Beginning of Year	<u>9,971,244</u>
Fund Balance at End of Year	<u><u>\$ 10,838,423</u></u>

CITY OF FRESNO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES—ALL AGENCY FUNDS

FISCAL YEAR ENDED JUNE 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Assets:				
Cash and Investments	\$ 78,937,611	\$ 108,808,156	\$ 100,865,443	\$ 86,880,324
Accounts Receivable	1,151,491	2,747,271	1,901,067	1,997,695
Due From Other Funds	1,921,163	11,209	177,663	1,754,709
Due From Other Governments	212,420	251,978	304,012	160,386
Notes Receivable	85,621	469,307	469,307	85,621
Interest Receivable	234,048	213,633	247,029	200,652
Total Assets	\$ 82,542,354	\$ 112,501,554	\$ 103,964,521	\$ 91,079,387
Liabilities:				
Accrued Liabilities	\$ 1,525,434	\$ 3,038,192	\$ 1,963,145	\$ 2,600,481
Deferred Compensation	61,221,480	11,242,581		72,464,061
Due to Other Funds	4,617,972	258,593	2,739,187	2,137,378
Prepayment of Special Assessments	225,444		108,726	116,718
Deposits Held for Others	14,952,024	8,977,743	10,169,018	13,760,749
Total Liabilities	\$ 82,542,354	\$ 23,517,109	\$ 14,980,076	\$ 91,079,387

CITY OF FRESNO, CALIFORNIA
CITY DEPARTMENTAL AND SPECIAL PURPOSE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED JUNE 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Assets:				
Cash and Investments	\$ 10,949,617	\$ 89,637,968	\$ 93,580,343	\$ 7,007,242
Accounts Receivable	1,151,491	2,747,271	1,901,067	1,997,695
Due From Other Funds	1,921,163	11,209	177,663	1,754,709
Notes Receivable	85,621	469,307	469,307	85,621
Interest Receivable	177,107	80,161	127,676	129,592
	<u>14,284,999</u>	<u>92,945,916</u>	<u>96,256,056</u>	<u>10,974,859</u>
Total Assets	\$ 14,284,999	\$ 92,945,916	\$ 96,256,056	\$ 10,974,859
Liabilities:				
Accrued Liabilities	\$ 1,454,425	\$ 3,038,192	\$ 1,892,136	\$ 2,600,481
Due to Other Funds	4,617,972	258,593	2,739,187	2,137,378
Deposits Held for Others	8,212,602	8,028,176	10,003,778	6,237,000
	<u>14,284,999</u>	<u>11,324,961</u>	<u>14,635,101</u>	<u>10,974,859</u>
Total Liabilities	\$ 14,284,999	\$ 11,324,961	\$ 14,635,101	\$ 10,974,859

CITY OF FRESNO, CALIFORNIA
SPECIAL ASSESSMENT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED JUNE 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Assets:				
Cash and Investments	\$ 6,766,515	\$ 7,927,607	\$ 7,285,100	\$ 7,409,022
Due From Other Governments	212,420	251,978	304,012	160,386
Interest Receivable	<u>56,941</u>	<u>133,472</u>	<u>119,353</u>	<u>71,060</u>
Total Assets	<u>\$ 7,035,876</u>	<u>\$ 8,313,057</u>	<u>\$ 7,708,465</u>	<u>\$ 7,640,468</u>
Liabilities:				
Accrued Liabilities	\$ 71,009	\$	\$ 71,009	\$
Prepayment of Special Assessments	225,444		108,726	116,718
Deposits Held for Others	<u>6,739,423</u>	<u>949,567</u>	<u>165,240</u>	<u>7,523,750</u>
Total Liabilities	<u>\$ 7,035,876</u>	<u>\$ 949,567</u>	<u>\$ 344,975</u>	<u>\$ 7,640,468</u>

CITY OF FRESNO, CALIFORNIA
DEFERRED COMPENSATION
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1999</u>
Assets:				
Cash and Investments	\$ 61,221,480	\$ 11,242,581	\$ _____	\$ 72,464,061
Total Assets	<u>\$ 61,221,480</u>	<u>\$ 11,242,581</u>	<u>\$ _____</u>	<u>\$ 72,464,061</u>
Liabilities:				
Deferred Compensation	\$ 61,221,480	\$ 11,242,581	\$ _____	\$ 72,464,061
Total Liabilities	<u>\$ 61,221,480</u>	<u>\$ 11,242,581</u>	<u>\$ _____</u>	<u>\$ 72,464,061</u>

CITY OF FRESNO, CALIFORNIA
PENSION TRUST FUNDS
STATEMENT OF PLAN NET ASSETS
AVAILABLE FOR BENEFITS
JUNE 30, 1999

	<u>Fire & Police</u>	<u>Employees</u>	<u>Totals</u>
Assets:			
Cash and Cash Equivalents	\$ 58,553,947	\$ 52,375,573	\$ 110,929,520
Receivables:			
Interest and Dividends	4,537,046	4,023,488	8,560,534
Receivables for Foreign Currency	37,830,255	33,547,540	71,377,795
Other Investment Related	<u>13,902,669</u>	<u>12,476,244</u>	<u>26,378,913</u>
Total Receivables	<u>56,269,970</u>	<u>50,047,272</u>	<u>106,317,242</u>
Investments at Fair Value			
Domestic Equity	410,312,320	363,861,388	774,173,708
Domestic Fixed Income	152,498,881	135,234,678	287,733,559
International Equity	89,635,792	79,488,239	169,124,031
International Fixed Income	115,049,678	102,025,051	217,074,729
Emerging Market Equity	13,544,355	12,011,015	25,555,370
Mortgages	36,850,937	32,679,090	69,530,027
Real Estate	<u>44,711,102</u>	<u>39,649,416</u>	<u>84,360,518</u>
Total Investments	<u>862,603,065</u>	<u>764,948,877</u>	<u>1,627,551,942</u>
Collateral Held for Securities Lent	88,814,716	78,760,116	167,574,832
Total Assets	<u>1,066,241,698</u>	<u>946,131,838</u>	<u>2,012,373,536</u>
Liabilities:			
Collateral Held for Securities Lent	88,814,716	78,760,116	167,574,832
Prepaid Employer Contributions	14,635,029	3,027,298	17,662,327
Payable for Investments Purchased	48,856,763	43,325,751	92,182,514
Payable for Foreign Currency Purchased	37,830,255	33,547,540	71,377,795
Other Liabilities	<u>1,854,689</u>	<u>1,542,108</u>	<u>3,396,797</u>
Total Liabilities	<u>191,991,452</u>	<u>160,202,813</u>	<u>352,194,265</u>
Net Assets Available for Benefits	<u>\$ 874,250,246</u>	<u>\$ 785,929,025</u>	<u>\$ 1,660,179,271</u>

CITY OF FRESNO, CALIFORNIA
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN PLAN NET ASSETS
AVAILABLE FOR BENEFITS
FISCAL YEAR ENDED JUNE 30, 1999

	<u>Fire & Police</u>	<u>Employees</u>	<u>Total</u>
Additions			
Contributions:			
System Members	<u>3,328,616</u>	<u>3,456,573</u>	<u>6,785,189</u>
Total Contributions	<u>3,328,616</u>	<u>3,456,573</u>	<u>6,785,189</u>
Investment Income:			
Net Appreciation in Value of Investments	70,718,109	62,759,864	133,477,973
Interest	18,180,525	16,135,204	34,315,729
Dividends	10,863,321	9,632,685	20,496,006
Securities Lending Income	4,757,915	4,219,278	8,977,193
Other Investment Related	274,763	168,819	443,582
Less Investment Expense	<u>(9,350,250)</u>	<u>(7,534,150)</u>	<u>(16,884,400)</u>
Net Investment Income	<u>95,444,383</u>	<u>85,381,700</u>	<u>180,826,083</u>
Total Additions	<u>98,772,999</u>	<u>88,838,273</u>	<u>187,611,272</u>
Deductions:			
Benefit Payments	22,710,101	18,085,727	40,795,828
Refunds of Contributions	377,806	1,402,495	1,780,301
Administrative Expense	<u>407,355</u>	<u>393,144</u>	<u>800,499</u>
Total Deductions	<u>23,495,262</u>	<u>19,881,366</u>	<u>43,376,628</u>
Net Increase	75,277,737	68,956,907	144,234,644
Net Assets Available for Benefits			
Beginning of Year	<u>798,972,511</u>	<u>716,972,117</u>	<u>1,515,944,628</u>
End of Year	<u>\$ 874,250,248</u>	<u>\$ 785,929,024</u>	<u>\$ 1,660,179,272</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

CITY OF FRESNO, CALIFORNIA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
JUNE 30, 1999

	Land	Buildings & Improvements	Equipment	Total Fixed Assets June 30, 1999
Function and Activity				
General Government:				
Nondepartmental	\$ 9,831,483	\$ 51,810,535	\$ 4,159,336	\$ 65,801,354
City Council			43,005	43,005
City Clerk		1,023	38,411	39,434
City Attorney			120,374	120,374
City Manager	7,599,656	10,091,694	114,759	17,806,109
General Services		341,438	495,102	836,540
Housing & Neighborhood Revitalization	275,548	97,874	88,462	461,884
Total General Government	<u>17,706,687</u>	<u>62,342,564</u>	<u>5,059,449</u>	<u>85,108,700</u>
Public Protection:				
Fire Department	571,917	5,991,914	10,530,295	17,094,126
Police Department	112,100	4,963,363	12,221,034	17,296,497
Total Public Protection	<u>684,017</u>	<u>10,955,277</u>	<u>22,751,329</u>	<u>34,390,623</u>
Cultural and Recreation:				
Administration	4,936,493	11,379,336	282,504	16,598,333
Recreation	1,080,070	9,616,509	502,556	11,199,135
Parks	2,066,230	4,454,775	1,023,646	7,544,651
Total Cultural Recreation	<u>8,082,793</u>	<u>25,450,620</u>	<u>1,808,706</u>	<u>35,342,119</u>
Public Ways and Facilities:				
Administration	47,803	9,769	14,700	72,272
Engineering			59,938	59,938
Traffic		5,280	345,971	351,251
Streets		821,462	102,059	923,521
Construction Management	3,723,672		112,785	3,836,457
Others		10,036,626	41,317	10,077,943
Total Public Ways and Facilities	<u>3,771,475</u>	<u>10,873,137</u>	<u>676,770</u>	<u>15,321,382</u>
Subtotal General Fixed Assets Allocated by Functions	<u>30,244,972</u>	<u>109,621,598</u>	<u>30,296,254</u>	<u>170,162,824</u>
Construction in Progress				7,915,454
Total General Fixed Assets	<u>\$ 30,244,972</u>	<u>\$ 109,621,598</u>	<u>\$ 30,296,254</u>	<u>\$ 178,078,278</u>

CITY OF FRESNO, CALIFORNIA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FISCAL YEAR ENDED JUNE 30, 1999

	General Fixed Assets July 1, 1998	Additions	Deletions	General Fixed Assets June 30, 1999
Function and Activity				
General Government:				
Nondepartmental	\$ 65,801,354	\$	\$	\$ 65,801,354
City Council	42,736	269		43,005
City Clerk	34,606	4,828		39,434
City Attorney	120,374			120,374
City Manager	17,806,109			17,806,109
General Services	843,886		7,346	836,540
Housing & Neighborhood Revitalization	457,211	5,984	1,311	461,884
Total General Government	<u>85,106,276</u>	<u>11,081</u>	<u>8,657</u>	<u>85,108,700</u>
Public Protection:				
Fire Department	15,106,238	2,428,586	440,698	17,094,126
Police Department	13,661,692	3,658,242	23,437	17,296,497
Total Public Protection	<u>28,767,930</u>	<u>6,086,828</u>	<u>464,135</u>	<u>34,390,623</u>
Cultural and Recreation:				
Administration	16,534,889	63,444		16,598,333
Recreation	11,199,135			11,199,135
Parks	7,544,381	2,953	2,683	7,544,651
Total Cultural Recreation	<u>35,278,405</u>	<u>66,397</u>	<u>2,683</u>	<u>35,342,119</u>
Public Ways and Facilities:				
Administration	72,272			72,272
Engineering	57,960	1,978		59,938
Traffic	351,251			351,251
Streets	921,940	1,581		923,521
Construction Management	3,838,204		1,747	3,836,457
Others	10,076,330	1,613		10,077,943
Total Public Ways and Facilities	<u>15,317,957</u>	<u>5,172</u>	<u>1,747</u>	<u>15,321,382</u>
Total General Fixed Assets Allocated to Functions	164,470,568	6,169,478	477,222	170,162,824
Construction in Progress	6,788,182	1,127,272		7,915,454
Total General Fixed Assets	<u>\$ 171,258,750</u>	<u>\$ 7,296,750</u>	<u>\$ 477,222</u>	<u>\$ 178,078,278</u>

CITY OF FRESNO, CALIFORNIA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1999

	<u>Totals</u>
General Fixed Assets:	
Land	\$ 30,244,972
Buildings & Improvements	109,621,598
Equipment	30,296,254
Construction in Progress	<u>7,915,454</u>
	<u>\$ 178,078,278</u>
Investment in General Fixed Assets by Source:	
General Fund	\$ 72,079,417
Special Revenue Funds	17,684,140
Debt Service	22,870,369
Capital Projects Funds	52,760,832
Donations	<u>12,683,520</u>
Total Investment in General Fixed Assets	<u>\$ 178,078,278</u>

STATISTICAL SECTION

CITY OF FRESNO, CALIFORNIA
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION¹
LAST TEN FISCAL YEARS
(Dollars in Thousands)

Fiscal Year	Total Expenditures	General Government	Public Protection	Public Ways & Facilities	Culture & Recreation	Capital Outlay	Debt Service
1990	\$ 108,780	\$ 16,184	\$ 67,696	\$ 9,149	\$ 14,152	\$ 1,008	\$ 591
1991	117,966	16,424	76,776	9,512	13,276	1,255	723
1992	141,684	17,114	78,744	9,945	13,764	21,539	578
1993	132,716	20,353	87,085	10,036	14,311	642	289
1994	129,634	25,140	75,003	13,440	15,049	647	355
1995	122,454	28,063	62,757	13,111	15,886	1,197	1,440
1996	121,489	28,059	63,392	13,108	15,179	132	1,619
1997	124,234	29,586	64,110	12,858	15,352	882	1,446
1998	125,368	24,720	66,843	15,207	16,949	346	1,303
1999	143,432	26,522	80,468	16,923	17,366	654	1,499

¹General Fund Only

GENERAL GOVERNMENT REVENUE BY SOURCE¹
LAST TEN FISCAL YEARS
(Dollars in Thousands)

Fiscal Year	Total Revenues	Property Taxes	Sales & Use Tax	Other Taxes	Franchises & Miscellaneous	Licenses & Permits	Revenue From Use of Money & Property	Inter-Governmental Revenue	Inter-Governmental Grants	Charges For Current Services	Fines, Forfeitures, Penalties & Other Revenue
1990	\$ 113,675	\$ 32,915	\$ 36,361	\$12,525	\$ 2,591	\$ 248	\$ 2,622	\$ 13,196	\$ 200	\$ 11,030	\$ 1,987
1991	124,064	37,179	39,843	12,256	3,488	338	3,527	12,714	198	12,638	1,883
1992	131,855	39,608	41,219	12,707	3,101	324	2,981	13,030	235	16,187	2,463
1993	130,431	36,751	37,468	12,588	3,193	461	2,859	13,841	177	19,068	4,025
1994	128,814	34,629	39,743	12,790	4,248	260	2,502	16,689	1,319	15,526	1,108
1995	128,284	35,516	40,103	13,162	5,266	264	2,546	14,567	2,042	14,737	81
1996	134,018	36,512	41,274	13,753	4,125	276	2,286	15,491	2,077	18,140	84
1997	134,398	34,353	42,163	14,752	4,484	273	1,954	16,471	2,767	17,110	71
1998	139,856	37,612	44,017	14,826	4,693	372	2,458	17,738	3,503	14,547	90
1999	153,987	38,177	46,590	15,445	5,489	546	2,301	18,742	10,367	16,217	113

¹General Fund Only

**CITY OF FRESNO, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Net Tax Levy*</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collected</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Net Levy</u>
1990	\$ 32,764,736	\$ 31,417,891	95.89	\$ 1,497,217	\$ 32,915,108	100.46
1991	36,208,780	35,731,222	98.69	1,447,631	37,178,853	102.68
1992	39,944,667	38,484,594	96.35	1,123,949	39,608,543	99.16
1993	38,111,586	36,921,941	96.88	1,016,101	37,938,042	99.54
1994	34,820,140	33,486,629	96.17	1,142,264	34,628,893	99.45
1995	35,033,553	34,320,105	97.96	1,195,916	35,516,021	101.37
1996	35,992,258	35,755,234	99.34	756,572	36,511,806	101.44
1997	36,007,301	33,636,184	93.42	716,994	34,353,178	95.41
1998	36,532,509	36,414,189	99.70	1,198,167	37,612,356	102.95
1999	40,612,952	36,730,148	90.43	437,171	37,167,819	91.27

*Net tax levy includes revenue from supplemental taxes. Fiscal years 1990 to 1997 also include revenue from the public safety pension override.

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Valuation</u>	<u>Full Cash Value</u>
1989-90	333,564	\$ 9,595,993,408	\$ 9,595,993,408
1990-91	367,684	10,371,659,827	10,371,659,827
1991-92	382,362	11,391,455,869	11,391,455,869
1992-93	391,646	12,296,996,940	12,296,996,940
1993-94	399,000	13,074,707,933	13,074,707,933
1994-95	405,100	13,441,277,654	13,441,277,654
1995-96	400,400	13,809,089,330	13,809,089,330
1996-97	406,900	14,168,708,331	14,168,708,331
1997-98	411,600	14,494,504,433	14,494,504,433
1998-99	415,000	14,777,884,670	14,777,884,670

CITY OF FRESNO, CALIFORNIA
PROPERTY TAX RATES—ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Percentage</u>
1989-90	1.0839
1990-91	1.083906
1991-92	1.083966
1992-93	1.083288
1993-94	1.083348
1994-95	1.083294
1995-96	1.098030
1996-97	1.124292
1997-98	1.113548
1998-99	1.203778

Source: County of Fresno Tax Rate Book, 1998-99

Notes: On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIII A of \$1.00 per \$100.00 of full cash value.

PRINCIPAL TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>% of Total County Assessed Value</u>
Pacific Gas & Electric	Utility	\$ 1,342,576,666	9.09
Southern California Edison Co.	Utility	395,797,454	2.68
Pacific Bell	Telecommunications	353,624,432	2.39
Chevron USA Inc.	Petroleum Products	267,195,345	1.81
Cal Resources	Petroleum Products	95,383,715	0.65
Macerich Fresno Ltd. Partnership	Real Estate	86,330,740	0.58
Mendota Biomass Power LTD	Land	58,632,046	0.40
Nuero Energy	Petroleum Products	56,377,325	0.38
Gunner, Richard V.	Real Estate	56,216,308	0.38
Riverview Estates	Real Estate	53,998,262	0.37
Total		\$ 2,766,132,293	18.73

Source: County of Fresno

CITY OF FRESNO, CALIFORNIA
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Amount Collected</u>	<u>Amount Billed 1915</u>	<u>Amount Billed 1915 and 1911</u>
1989-90	2,890,835	3,248,152	3,291,853
1990-91	4,266,830	3,243,112	3,276,106
1991-92	3,349,985	3,119,402	3,135,226
1992-93	5,319,161	4,992,900	5,008,666
1993-94	5,856,325	5,098,217	5,098,217
1994-95	4,290,903	4,528,553	4,528,553
1995-96	3,785,493	4,009,147	4,528,553
1996-97	3,720,682	3,574,740	3,574,740
1997-98	3,667,095	3,977,213	3,977,213
1998-99	3,684,291	3,910,799	3,910,799

COMPUTATION OF LEGAL DEBT MARGIN

Assessed Valuation (Tax Year 1998-99)	\$ <u>14,777,844,670</u>
Debt Limit 20% of Assessed Valuation, Pursuant to City Charter	\$ 2,955,576,934
Amount of Debt Applicable to Debt Limit:	
General Bonded Debt	<u>221,105,000.00</u>
Legal Debt Margin Available	<u>\$ 2,734,471,934</u>

Percent of:

Legal Debt Margin Applied	7.4800
Legal Debt Margin Available	<u>92.52</u>
	100.00%

Source: Taxrate Book

CITY OF FRESNO, CALIFORNIA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION
BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value*</u>	<u>General Obligation Bonded Debt</u>	<u>Ratio of Net G.O. Bonded Debt To A/V</u>	<u>Net G.O. Bonded Debt Per Capita</u>
1989-90	333,564	9,595,993,408	0	0	0
1990-91	367,684	10,371,659,827	0	0	0
1991-92	382,362	11,391,455,869	0	0	0
1992-93	392,939	12,296,996,940	0	0	0
1993-94	399,000	13,074,707,933	250,885,000	1.92	629
1994-95	405,100	13,441,277,654	246,810,000	1.84	609
1995-96	400,400	13,809,089,330	241,525,000	1.75	603
1996-97	406,900	14,168,708,331	235,140,000	1.66	578
1997-98	411,600	14,494,504,433	230,590,000	1.59	560
1998-99	415,000	14,777,884,670	221,105,000	1.49	533

*County of Fresno, Tax Rate Book

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS¹

<u>Fiscal Year</u>	<u>Debt Service Requirements</u>			<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service To General Expenditures</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
1990	\$ 0	\$ 0	\$ 0	\$ 108,780,099	.00%
1991	0	0	0	117,966,268	.00%
1992	0	0	0	120,789,518	.00%
1993	0	0	0	132,716,145	.00%
1994	0	3,737,629	3,737,629	129,634,246	2.88%
1995	4,075,000	17,904,280	21,979,280	122,454,240	17.95%
1996	5,285,000	17,785,396	23,070,396	121,489,068	18.99%
1997	6,385,000	17,497,240	23,882,240	124,234,205	19.22%
1998	7,755,000	17,125,784	24,880,784	125,368,252	19.85%
1999	9,485,000	16,745,251	26,230,351	142,216,885	18.44%

¹Includes General Fund Only

CITY OF FRESNO, CALIFORNIA
COMPUTATION OF OVERLAPPING DEBT
AS OF JUNE 30, 1999¹

Population (as of June 30, 1999): 415,400
 Assessed Valuation (1998-99 tax year): \$14,777,884,670

Issue	Percent Applicable	Debt Applicable June 1, 1998
City of Fresno Community Facilities District No. 4	49.878	\$ 1,037,462
State Center Community College District Certificates of Participation	44.389	157,581
Clovis Unified School District	52.179	89,171,398
Clovis Unified School District Certificates of Participation	52.179	9,671,378
Fresno Unified School District General Fund Obligations	83.460	108,122,430
Fresno Unified School District	83.460	94,767,780
Other School Districts	Various	31,551,034
Fresno Metropolitan Flood Control District 1915 Act Bonds	Various	826,818
Fresno County Pension Obligations	49.493	87,288,329
 Total Overlapping Debt		 \$ <u>422,594,210</u>

Debt Ratios

	Ratio to Assessed Valuation	Per Capita
Assessed Valuation		\$ 35,575
Overlapping Debt	2.86 %	\$ 1,017

Comments on Overlapping Debt Statement:

¹Does not include City Revenue Bonds or Parking District Bonds which are self-supporting.

CITY OF FRESNO, CALIFORNIA
REVENUE AND GENERAL OBLIGATION BOND COVERAGE
LAST TEN FISCAL YEARS

Annual Principal and Interest Payments						
Fiscal Year	Airport Revenue Bonds	Municipal Service Center Lease Revenue Bonds	Sewer Revenue Bonds	Solid Waste Revenue Bonds	Water Revenue Bonds	Total
1989-90	\$ 437,062	\$ 666,975	\$ 1,225,315	\$	\$	\$ 2,329,352
1990-91	455,302	669,405	244,100		922,376	2,291,183
1991-92	457,905	672,450	746,504		1,547,248	3,424,107
1992-93	459,740	¹ 1,458,115	1,952,198	621,941	1,548,918	6,040,912
1993-94	460,849	499,643	7,391,826	622,204	1,448,288	10,422,810
1994-95	² 932,000	584,286	12,351,118	624,141	2,621,130	17,112,675
1995-96	372,642	585,845	13,511,843	623,029	4,028,134	19,121,493
1996-97	378,159	592,933	20,393,330	619,186	4,036,666	26,020,274
1997-98	368,484	598,112	20,394,553	623,071	4,031,621	26,015,841
1998-99	368,309	603,775	20,378,188	619,486	3,809,437	25,779,195

A summary of debt service charges to maturity is included in the Notes to the Financial Statements.

¹Includes \$806,370 of surplus funds used to redeem bonds, November 1, 1992.

²Includes \$471,000 of reserve fund used for refunding bond, May 30, 1995.

Source: Schedule of Bonds & Interest Payable

CITY OF FRESNO, CALIFORNIA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fresno City			
Year	Population*	Area Sq. Miles	Fresno County (6,000 sq. mi.)
January 1, 1990	350,800	99.38	661,400*
January 1, 1991	367,200	99.38	686,000*
January 1, 1992	378,200	99.38	706,100*
January 1, 1993	385,900	100.53	722,600*
January 1, 1994	391,500	101.01	735,200*
January 1, 1995	395,500	101.02	746,500*
January 1, 1996	400,400	102.11	761,900*
January 1, 1997	406,900	102.10	774,200*
January 1, 1998	411,600	102.72	786,800*
January 1, 1999	415,000	102.11	793,766

* State of California, Department of Finance Estimate

CITY OF FRESNO
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS

Fiscal Year	Property Value (1)			Construction Permits Issued (4)			
	(2) Commercial & Residential*	Exemptions	Total*	Commercial		Residential	
				Number of Units	Value*	Number of Units	Value*
1990	\$ 9,595,993	(3)	\$ 9,595,993	1,375	\$ 127,147	5,893	\$ 330,850
1991	10,371,660	(3)	10,371,660	1,374	166,696	4,669	212,129
1992	11,391,456	(3)	11,391,456	1,226	102,417	4,831	189,527
1993	12,296,997	(3)	12,296,997	1,186	110,911	5,299	256,040
1994	13,074,708	(3)	13,074,708	1,052	150,057	4,538	186,833
1995	13,441,278	(3)	13,441,278	1,147	78,289	5,236	185,901
1996	13,852,652	(3)	13,852,652	1,877	118,077	4,960	210,945
1997	14,378,139	(3)	14,378,139	2,193	144,285	3,869	167,165
1998	14,757,565	(3)	14,757,565	2,259	159,209	3,558	205,012
1999	14,777,885	(3)	14,777,885	2,315	197,437	3,524	146,236

* Amounts expressed in thousands

- (1) Source: County of Fresno Assessor's Office
- (2) Breakdown of Commercial and Residential Property Values not available
- (3) Not available
- (4) Source: Development Department, City of Fresno

CITY OF FRESNO, CALIFORNIA
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1999

Geographical Location: 219 miles north of Los Angeles, 184 miles south of San Francisco, situated in the center of the San Joaquin Valley.

Date of Incorporation: October 12, 1885

Date Present Charter Adopted: April 8, 1957

Form of Government: Strong Mayor
 Seven-Member City Council

Term of Office: Four-year term, elected by voters

Area: 102.10 square miles

Square miles by Ten-Year Periods:

Year	Land Area
1970	42.74 square miles
1980	68.50 square miles; 60.27% increase
1990	99.38 square miles; 45.08% increase

Normal Seasonal Rainfall: 10.60 inches

Temperature:	Period	High	Low
	July - September:	95.1	62.6
	October - December:	66.0	43.4
	January - March:	60.8	40.4
	April - June:	84.0	53.8
	Annual Average:	76.5	50.1

Miles of Streets:

Streets (Paved and Unpaved) 1,562.34 miles

Number of Street Lights:

City Owned 44,000

Water System:

Miles of Water Mains 1,600
 Number of Wells 248
 Annual Water Production 44.2 billion gallons
 Daily Average Consumption in Gallons (per capita) 243
 Number of On-Service Accounts 109,057

Fire Protection:

Fire Stations 16
 Employees 269
 Engine Companies 16
 Truck Companies 5
 Paramedic Companies 0
 Emergency Medical Service Calls 13,045
 Total Number of Fire Incidents 7,952

CITY OF FRESNO, CALIFORNIA
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1999

Police Department:

Police Stations	1
Patrol Bureaus	1
Area Commands	5
Sworn Employees	694
Civilian	333
Number of Law Violations:	
Physical Arrests	44,193
Calls Received for Police Service	373,310
Vehicular Patrol Units	299
Helicopter	3

Culture and Recreation:

Metropolitan Parks (Regional)	2
Neighborhood Parks	41
Zoo	1
Golf Courses	3
Tennis Courts	51
Neighborhood Centers	5
Community Centers	4
Swimming Pools (Includes 4 FUSD pools)	14
Memorial Auditorium, User Groups	95
Memorial Auditorium, Audience	58,000

Municipal Airports:

	<u>Total</u>	<u>Fresno Air Terminal</u>	<u>Chandler</u>
Airports	2	1	1
Number of Acres	2,350	2,150	200
Length of Main Runways	12,424	9,222 ft.	3,202 ft.
Total Aircraft Movements	234,396	193,496	40,900
Annual Fuel Consumption (Gallons)	12,433,619	12,352,619	81,000
Number of Air Carriers Scheduled Per Day (Departures)	74	74	0
Origin and Destination Passengers	982,244	982,244	0
Origin and Destination Mail (lbs.)	453,300	453,300	0
Origin and Destination Freight (lbs.)	33,775,491	33,596,276	179,215
Total Number Tenant Aircraft	427	227	200
Number of Hangars	230	130	100