



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



Fiscal Year Ended June 30, 2024

Prepared by the Finance Department

Fresno, California

Annual Comprehensive Financial Report Team

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| Introductory Section

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Controller's Transmittal Letter

Jerry Dyer
Mayor



Georgeanne A. White
City Manager

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

March 19, 2025

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Fresno, California (City) for the fiscal year ended June 30, 2024 (fiscal year 2023-2024), with the Independent Auditor's Report, submitted in compliance with City Charter Section 804(c) and Section 1216. The ACFR has been prepared by the Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB).

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

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

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

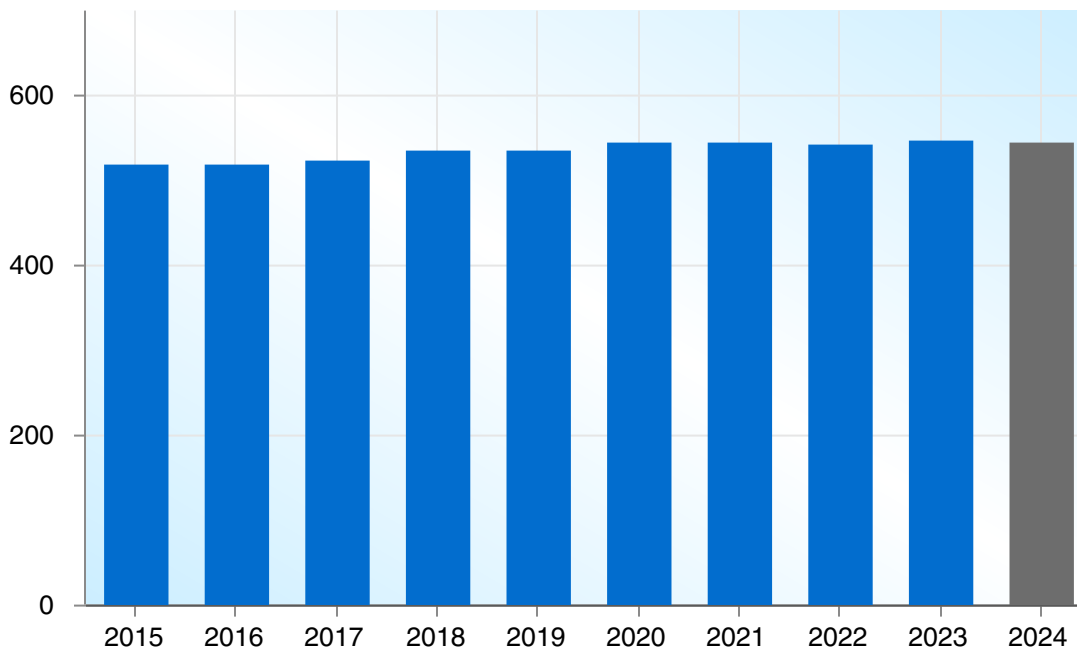
General Background

The City of Fresno is located near the geographical center of California, approximately 200 miles north of Los Angeles and 170 miles south of the State capital, Sacramento. The City has land area of 115.2 square miles. With over half a million residents (546,971 as of January 1, 2024), Fresno is the 5th largest city in California by population, and 35th largest in the nation. The City is part of the Fresno-Clovis metropolitan area, which is the second largest metropolitan area in the Central Valley after Sacramento.

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

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

Population Growth (in thousands)



Government and Budget

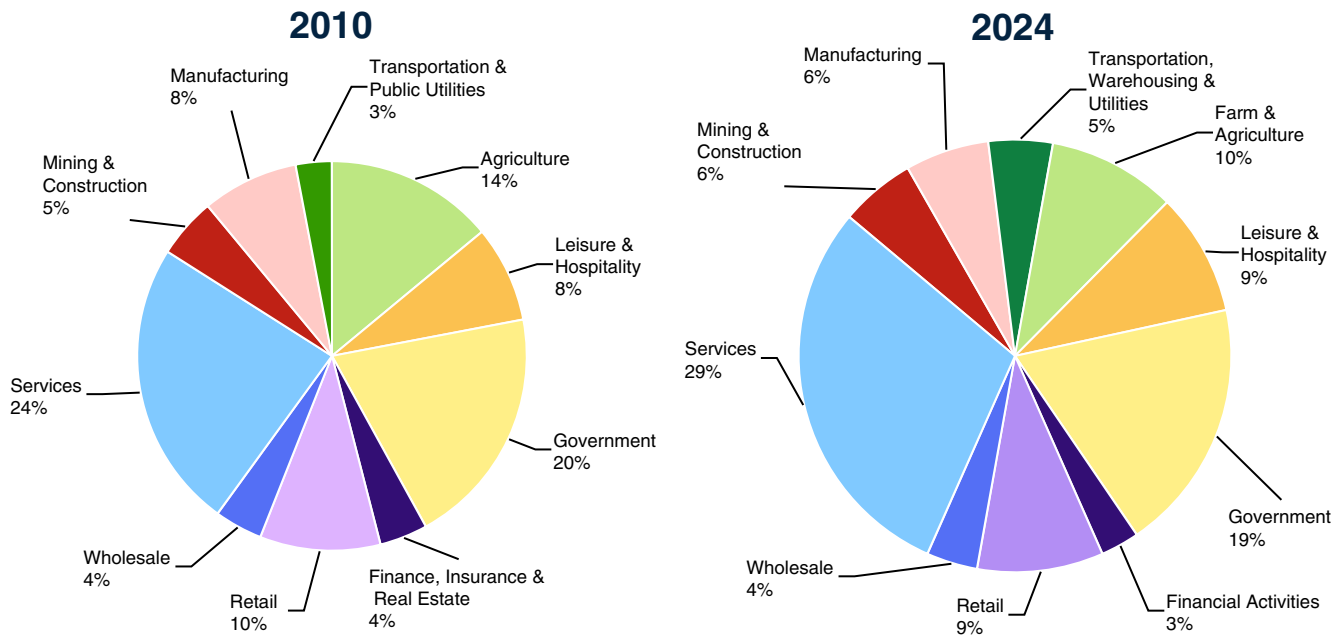
The City operates under the strong-Mayor form of government. Under this form of government, the Mayor serves as the City's Chief Executive Officer, appointing and overseeing the City Manager, recommending legislation, and presenting the annual budget to the City Council (Council).

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

Industry and Economy

Fresno is the economic hub of Fresno County and the San Joaquin Valley, with much of the surrounding areas in the Metropolitan region predominantly tied to large-scale agricultural production. While agriculture still makes up a large component of the region's employment base (9.6% of jobs), the Fresno economy continues to diversify, as evidenced by the fact that services (29.5% of jobs) and government (18.9% of jobs) employ more people than agriculture.

2010 vs. 2024 Estimated Number of Workers by Industry



Source: CA Employment Development Department

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

Principal Employers (Public & Private Sector)

Employer	Employees
Fresno Unified School District	13,669
Community Medical Centers	9,750
County of Fresno	8,980
California State University, Fresno	5,233
City of Fresno	5,015
State Center Community College District	4,367
Internal Revenue Service	4,230
Amazon	3,900
Saint Agnes Medical Center	3,075
Foster Farms	3,009

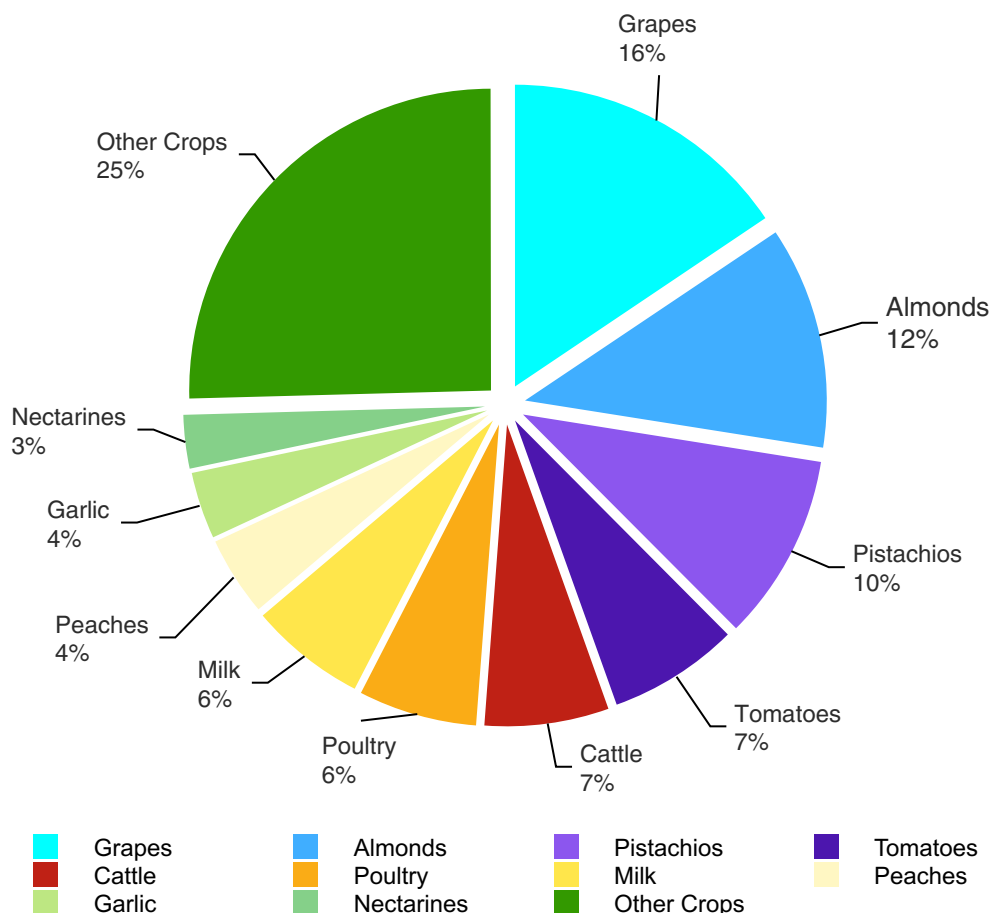
Economic Overview

Agriculture remains one of the backbones of the Fresno area's economy and continues to be robust. Fresno County's agricultural strength rests in its diversity with more than 300 different commodities providing gross production of \$8.6 billion in 2023, an increase of 6.1% from 2022.

Grapes took the lead on Fresno County's Top Ten crop ranking with \$1.3 billion gross value in 2023, followed by almonds at \$1.0 billion.

California produces most of the grapes grown in the United States with a significant percentage of raisins coming from Fresno County. Additionally, the region is a significant exporter to many countries throughout the world. In Calendar Year 2023, Fresno County exported 114 unique agricultural commodities to 90 countries around the world.

2023 Diversified Agricultural Base



Source: Fresno County Agriculture Department CY 2023

Fiscal Year 2024 Economic Conditions & Financial Impact

The Fresno economy continued to steadily progress during fiscal year 2024 while continuing to recover from the effects of the COVID-19 pandemic, as is shown in the table below:

Economic Indicator	2023	2024	Change (%)
Assessed Value (in Billions)	\$45.74	\$49.29	7.75%
Taxable Sales (In Billions)	\$27.25	\$27.30	0.18%
Unemployment Rate	8.1%	7.0%	15.7%
Building Permits	12,570	14,778	17.6%

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

- Total Assets increased \$334.6 million (7.2%) from the fiscal year 2023 year-end Total Assets balance of \$4.7 billion.
- Revenues increased \$173.0 million (13.3%) from Revenues for fiscal year 2023, which totaled \$1.3 billion.
- Expenses increased \$158.4 million (14.6%) to \$1.25 billion.
- Total Net Position increased \$224.4 million (7.4%) from fiscal year 2023's total of \$3.0 billion.

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

- Total Assets decreased \$17.7 million (9.0%) over the fiscal year 2023 Total Assets year-end balance of \$195.7 million. A reduction in Accounts Receivable of \$9.1 million was the primary driver behind the overall decline in Total Assets.
- Total Liabilities decreased \$1.6 million (3.7%) from the fiscal year 2023 year-end Total Liabilities of \$43.1 million. A \$3.5 million decrease in Unearned Revenue Funds was the primary reason for this reduction.
- Revenues increased \$15.9 million (3.6%) from fiscal year 2023's Revenues of \$443.2 million. This was primarily related to Property Tax.
- Expenditures increased \$54.2 million (13.4%) from fiscal year 2023's \$402.9 million Expenditure level. Increases in Public Protection and General Government expenditures were the primary factors of the overall increase in General Fund Expenditures.

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

How Fresno Compares to the 25 Largest California Cities

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2023. This was the 31st consecutive year that the City has achieved this prestigious national award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The ACFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

Total Government-Wide Assets per Capita
Top 25 California Cities Comparison (in Thousands)

City	Total Assets	ACFR Year	Population California Department of Finance As of January 1, 2024	Assets per Capita	Population Ranking	Per Capita Asset Rank	Net Pension Asset/(Liability)
Los Angeles	\$ 86,880,646	2024	3,814,318	\$ 23	1	2	\$ (8,291,933)
San Diego	\$ 19,062,755	2024	1,383,623	\$ 14	2	10	\$ (2,801,966)
San Jose	\$ 11,469,850	2024	969,491	\$ 12	3	11	\$ (3,093,881)
San Francisco	\$ 53,822,384	2024	804,842	\$ 67	4	1	\$ (3,935,441)
Fresno	\$ 4,995,337	2024	546,971	\$ 9	5	17	\$ 296,426
Sacramento	\$ 5,693,595	2023	518,161	\$ 11	6	12	\$ (1,303)
Long Beach	\$ 10,315,441	2023	458,222	\$ 23	7	3	\$ (1,396,037)
Oakland	\$ 4,663,009	2024	425,093	\$ 11	8	13	\$ (1,882,645)
Bakersfield	\$ 3,073,009	2023	411,109	\$ 7	9	20	\$ (537,204)
Anaheim	\$ 5,783,606	2024	340,160	\$ 17	10	5	\$ (947,401)
Stockton	\$ 2,965,573	2023	319,731	\$ 9	11	15	\$ (599,857)
Riverside	\$ 4,792,427	2023	313,676	\$ 15	12	8	\$ (297,098)
Irvine	\$ 4,345,398	2023	303,051	\$ 14	14	9	\$ (168,966)
Santa Ana	\$ 2,156,783	2024	310,227	\$ 7	13	23	\$ (432,902)
Chula Vista	\$ 2,602,663	2024	276,813	\$ 9	15	14	\$ (81,768)
Santa Clarita	\$ 1,897,933	2024	230,428	\$ 8	16	17	\$ (42,187)
Fremont	\$ 1,599,246	2024	229,250	\$ 7	17	22	\$ (451,544)
San Bernardino	\$ 1,281,555	2023	223,230	\$ 6	18	24	\$ (519,634)
Modesto	\$ 2,004,200	2024	218,989	\$ 9	19	16	\$ (428,214)
Fontana	\$ 1,570,877	2023	213,851	\$ 7	20	21	\$ (204,426)
Moreno Valley	\$ 1,554,872	2024	207,146	\$ 8	21	18	\$ (87,012)
Oxnard	\$ 3,160,725	2023	197,477	\$ 16	22	7	\$ (348,729)
Huntington Beach	\$ 1,461,477	2024	195,332	\$ 7	23	19	\$ (193,451)
Glendale	\$ 3,175,575	2024	191,586	\$ 17	24	6	\$ (695,973)
Ontario	\$ 3,091,347	2023	179,061	\$ 17	25	4	\$ (121,510)

Note: Only figures for each Primary Government were used as of June 30, 2024 ACFR's (2023 when 2024 not available). In cases where Component Units were reflected in separate Columns, Component Unit numbers were excluded.

Acknowledgments

The preparation and completion of the City of Fresno's Annual Comprehensive Financial Report (ACFR) is a significant undertaking that requires exceptional dedication. This accomplishment would not have been possible without the unwavering commitment and professionalism of the City's Finance Department staff. Despite numerous challenges, the team remained focused on ensuring the successful completion of the report.

Appreciation is also extended to the many departments across the City whose collaboration with the Finance team was essential to the completion of the financial statements. These departments provided valuable input, timely information, and worked diligently to ensure accuracy and consistency throughout the process. Their support, expertise, and commitment to this important work were critical in ensuring that the ACFR was completed thoroughly and on schedule.

Finally, gratitude is expressed to the team at The Pun Group for their expert assistance in preparing the ACFR. Special thanks are also due to the Mayor, the City Council members, and the City Manager's Office for their continued leadership and support in overseeing the City's financial operations.

Respectfully submitted,



Georgeanne A. White
City Manager



Santino Danisi
Finance Director/City Controller



City Operating Fund Structure

Enterprise Fund

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

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

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

General Fund

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

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

- Mayor
- City Manager
- City Council
- City Clerk
- City Attorney
- Animal Center
- Capital Projects
- Economic Development
- Finance
- Fire
- Planning & Development
- General City Purpose
- PARCS
- Police
- Personnel Services

Internal Services Fund

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

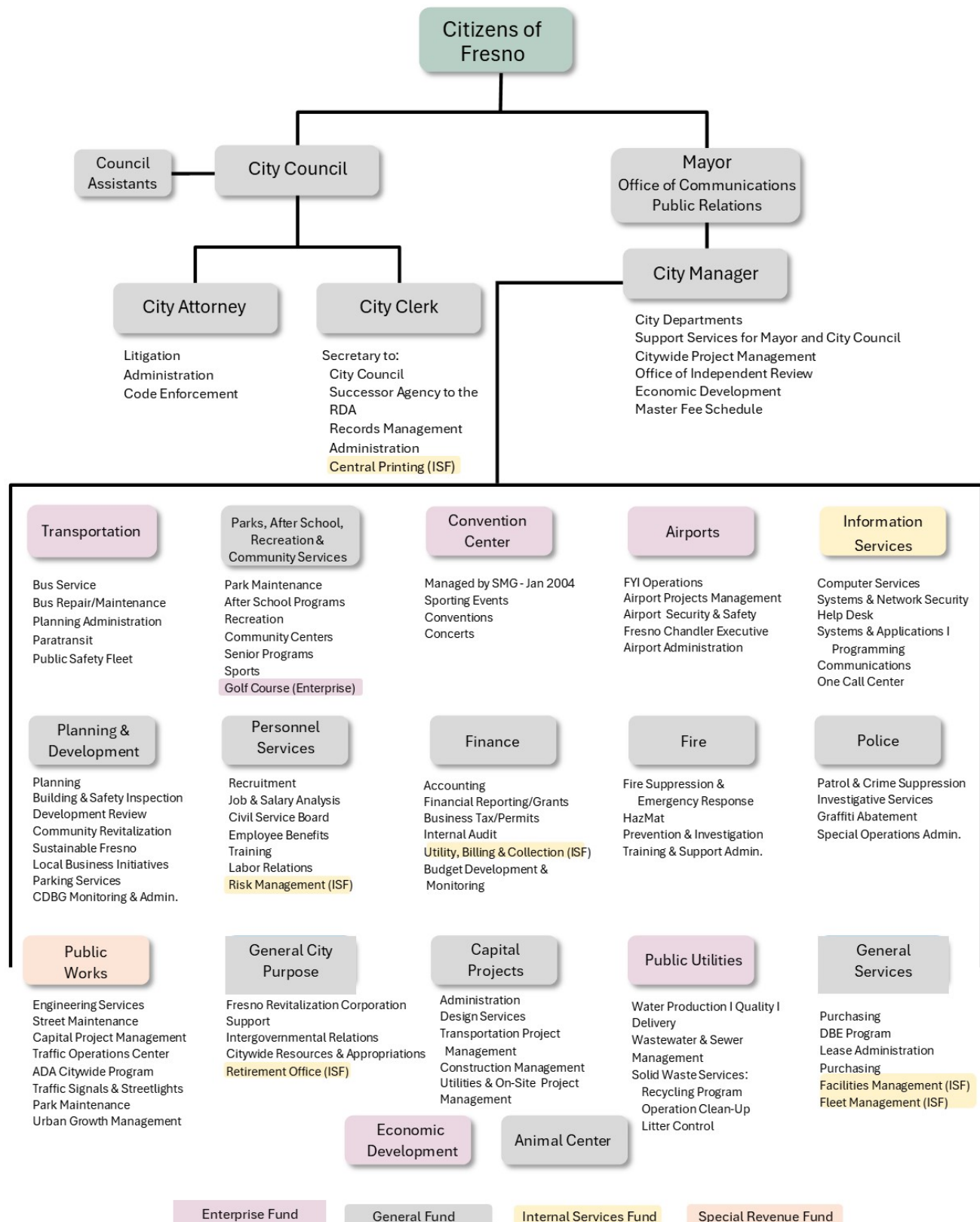
- Retirement
- Risk Management
- Transportation
- General Services
- Information Services
- City Clerk (Central Printing)
- Finance (Utility Billing & Collection)
- Public Works (Facilities Management)

Special Revenue Fund

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

- Public Works
- Planning & Development
- PARCS

City Organizational Chart



City of Fresno Directory of City Officials

As of June 30, 2024

Elected Officials



Jerry Dyer
Mayor



Annalisa Perea
District 1



Mike Karbassi
District 2



Miguel Arias
District 3



Tyler Maxwell
District 4



Luis Chavez
District 5



Garry Bredefeld
District 6



Nelson Esparza
District 7

Appointed Executive Officials

Georgianne A. White, City Manager
TJ Miller, Assistant City Manager
Ruth F. Quinto, CPA, Assistant City Manager
Nick Mascia, Assistant City Manager
Michael Rogers, Assistant City Manager
Andrew Janz, City Attorney
Todd Stermer, City Clerk
Santino Danisi, Finance Director/Controller

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fresno
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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Financial Section



INDEPENDENT AUDITORS' REPORT

www.pungroup.cpa



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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fresno, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund (Successor Agency), the Low and Moderate Income Housing Special Revenue Fund (Low and Moderate Income Housing), the Fire and Police Retirement System Pension Trust Fund (Fire and Police Pension Trust), or the Employees Retirement System Pension Trust Fund (Employee Pension Trust) which collectively represent the following percentages of assets/deferred outflows of resources, net position/fund balance, and revenues/additions of the following opinion unit as of June 30, 2024:

Opinion Unit	Assets/ Deferred Outflows of Resources	Net Position/ Fund Balance	Revenues/ Additions
Aggregate Remaining Fund Information	87.98%	96.55%	51.40%

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

Basis for Opinions

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



Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

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

Santa Ana, California
March 20, 2025



Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

For the Fiscal Year Ended June 30, 2024

CITY OF FRESNO, CALIFORNIA

This section of the City of Fresno's (City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. The reader is encouraged to consider the information presented here in conjunction with the City's financial statements, which follow this section, and the additional information that is furnished in the letter of transmittal at the front of this report. This discussion and analysis provides comparisons primarily for the previous two years; but, may include more extensive comparisons in some instances.

FINANCIAL HIGHLIGHTS

- The assets of the City stayed over \$4.7 billion, reaching a total of approximately \$5.00 billion.
- The City had record revenue of \$1.47 billion, primarily due to increases in the following areas: Capital Grants by \$91.7 million (36.3%), General Revenue by \$72.8 million (16.6%), and an increase of \$41.9 million (10.8%) related to Charges for Services.
- The City continues to record a Net Pension Asset. For fiscal year 2024, the Net Pension Asset was \$296.4 million; an increase of \$53.1 million (21.8%). The City of Fresno remains one of very few government entities in the country with a Net Pension Asset.

OVERVIEW OF FISCAL YEAR 2024 FINANCIAL STATEMENTS

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

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

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

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

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

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

The Government-Wide Financial Statements can be found on pages [29-30](#) of this report.

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

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

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

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

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

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

- **Proprietary Funds** are generally used to account for services for which the City charges customers (either outside customers, or internal units or departments of the City). Proprietary Funds provide the same type of information as shown in the Government-Wide Financial Statements: albeit in more detail. Proprietary Funds (Enterprise and Internal Service) utilize the same method used by the private sector businesses: the accrual basis of accounting. The City maintains the following two types of Proprietary Funds:

† **Enterprise Funds** are used to report the same functions as Business-Type Activities in the Government-Wide Financial Statements. The City uses Enterprise Funds to account for the operations of the Public Utilities [**Water System, Sewer System, Solid Waste Management**], Fresno Area Express [**Transit**], Fresno International Airport (FYI) and the Fresno Chandler Downtown Airport (FCH) [**Airports**], **Fresno Convention Center**, and Chukchansi Park Stadium [**Stadium**], all of which are considered to be major funds of the City. **Community Sanitation** and **Parks and Recreation** are considered to be Non-major Enterprise Funds of the City.

† **Internal Service Funds** are used to report activities that provide supplies and services for certain City programs and activities. The City uses Internal Service Funds to account for its fleet of vehicles, management information systems, property maintenance, and electronics/communication support (**General Services**); self-insurance (**Risk Management**); billing, collecting, and servicing activities for the Water, Sewer, Solid Waste and Community Sanitation Funds (**Billing and Collection**); and healthcare plans (**Employees Healthcare Plan, Retirees Healthcare Plan, Blue Collar Employees Healthcare Plan**). Because Risk Management, General Services and the healthcare plans predominantly benefit Governmental rather than Business-Type functions, they have been included within Governmental Activities in the Government-Wide Financial Statements, whereas Billing and Collection is included in the Business-Type Activities in the Government-Wide Financial Statements. The Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund Financial

Statements. Individual Fund data for the Internal Service Funds is provided in the form of combining statements.

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

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

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

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

The basic financial statements can be found on pages [29-30](#) of this report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to the full understanding of the data provided in all of the financial statements. The Notes to the Financial Statements can be found on pages [50-164](#) of this report.

Required Supplementary Information (RSI)

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information including budgetary comparison statements for major governmental funds as well as schedules of investment returns, changes in Net Pension Liability (Asset), employer contribution, and schedule of changes in Net Other Post-Employment Benefits (OPEB) Liability and related ratios. RSI and accompanying notes can be found on pages [166-179](#) of this report.

Combining and Individual Fund Statements and Schedules

The combining statements referred to earlier in connection with non major governmental funds, non-major enterprise funds, internal service funds, fiduciary funds and the discretely presented component unit are presented immediately following the appropriately labeled tabs. Combining and individual fund statements and schedules can be found on pages [183-195](#) of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Net Position - Government-Wide / Primary Government

(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Change from Prior Year	
	2023	2024	2023	2024	2023	2024	\$	%
Assets:								
Current and Other Assets	\$ 849,302	\$ 871,602	\$ 786,459	\$1,001,464	\$1,635,761	\$1,873,066	\$237,305	14.5%
Net Pension Asset	192,319	234,411	51,010	62,015	243,329	296,426	53,097	21.8%
Capital Assets:								
Not Being Depreciated	428,272	463,730	201,905	245,989	630,177	709,719	79,542	12.6%
Net of Accumulated Depreciation	663,838	684,052	1,487,664	1,432,074	2,151,502	2,116,126	(35,376)	(1.6)%
Total Capital Assets	1,092,110	1,147,782	1,689,569	1,678,063	2,781,679	2,825,845	44,166	1.6%
Total Assets	\$2,133,731	\$2,253,795	\$2,527,038	\$2,741,542	\$4,660,769	\$4,995,337	\$334,568	7.2%
Deferred Outflows of Resources:								
Charge on Refunding	2,814	—	247	—	3,061	—	(3,061)	(100.0)%
Deferred Outflows - Pension	173,598	122,445	38,966	29,499	212,564	151,944	(60,620)	(28.5)%
Deferred Outflows - OPEB	20,472	18,646	8,661	7,801	29,133	26,447	(2,686)	(9.2)%
Total Deferred Outflows of Resources	\$ 196,884	\$ 141,091	\$ 47,874	\$ 37,300	\$ 244,758	\$ 178,391	\$(66,367)	(27.1)%
Liabilities:								
Long-Term Liabilities Due Within One Year	98,759	99,077	22,394	31,506	121,153	130,583	9,430	7.8%
Long-Term Liabilities Due in More than One Year	560,033	588,984	732,417	686,568	1,292,450	1,275,552	(16,898)	(1.3)%
Other Liabilities	248,275	271,227	114,629	123,247	362,904	394,474	31,570	8.7%
Total Liabilities	\$ 907,067	\$ 959,288	\$ 869,440	\$ 841,321	\$1,776,507	\$1,800,609	\$ 24,102	1.4%
Deferred Inflows of Resources:								
Pension Revenue Applicable to Future Years	14,333	16,304	3,981	7,066	18,314	23,370	5,056	27.6%
Unamortized OPEB Expense	43,493	44,313	19,130	19,213	62,623	63,526	903	1.4%
Unamortized OPEB Expense	1,111	330	25,059	20,990	26,170	21,320	(4,850)	(18.5)%
Total Deferred Inflows of Resources	\$ 44,165	\$ 64,467	\$ 48,170	\$ 47,269	\$ 92,335	\$ 111,736	\$ 19,401	21.0%
Net Position:								
Net Investment in Capital Assets	930,489	881,764	1,015,061	987,193	1,945,550	1,868,957	(76,593)	(3.9)%
Restricted	605,023	454,508	51,010	62,015	656,033	516,523	(139,510)	(21.3)%
Unrestricted	(155,348)	34,872	595,300	845,548	439,952	880,420	440,468	100.1%
Total Net Position	\$1,380,164	\$1,371,144	\$1,661,371	\$1,894,756	\$3,041,535	\$3,265,900	\$224,365	7.4%

Changes in Net Position - Government-Wide / Primary Government

(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total Change from Prior Year	
	2023	2024	2023	2024	2023	2024	\$	%
Revenues								
Program Revenues:								
Charges for Services	\$ 90,214	\$ 116,371	\$ 297,629	\$ 313,377	\$ 387,843	\$ 429,748	\$ 41,905	10.8%
Operating Grants & Contributions	106,441	132,944	112,764	52,958	219,205	185,902	(33,303)	(15.2)%
Capital Grants & Contributions	220,903	101,289	31,550	242,831	252,453	344,120	91,667	36.3%
General Revenues:								
Property Taxes	167,088	180,976	—	—	167,088	180,976	13,888	8.3%
Business Tax	26,107	23,197	—	—	26,107	23,197	(2,910)	(11.1)%
Sales Taxes - Shared Revenues	197,563	197,924	—	—	197,563	197,924	361	0.2%
Other Local Taxes	38,855	42,627	—	—	38,855	42,627	3,772	9.7%
Investment Earnings	8,245	26,928	(1,299)	39,051	6,946	65,979	59,033	849.9%
Other Financing Sources-Leases	—	—	(188)	—	(188)	—	188	
Gain on Sale of Capital Assets	1,732	172	2	—	1,734	172	(1,562)	(90.1)%
Total Revenues	\$ 857,148	\$ 822,428	\$ 440,458	\$ 648,217	\$1,297,606	\$1,470,645	\$ 173,039	13.3%
Expenses								
General Government	\$ 80,926	\$ 92,381	\$ —	\$ —	\$ 80,926	\$ 92,381	\$ 11,455	14.2%
Public Protection	283,947	367,609	—	—	283,947	367,609	83,662	29.5%
Public Ways and Facilities	118,362	173,153	—	—	118,362	173,153	54,791	46.3%
Culture and Recreation	52,570	68,735	—	—	52,570	68,735	16,165	30.7%
Community Development	130,194	109,567	—	—	130,194	109,567	(20,627)	(15.8)%
Interest on Long-Term Debt	13,738	13,423	—	—	13,738	13,423	(315)	(2.3)%
Sewer, Water and Solid Waste	—	—	247,909	269,930	247,909	269,930	22,021	8.9%
Transit	—	—	96,519	83,681	96,519	83,681	(12,838)	(13.3)%
Airports	—	—	44,097	45,359	44,097	45,359	1,262	2.9%
Fresno Convention Center	—	—	7,418	8,750	7,418	8,750	1,332	18.0%
Community Sanitation	—	—	8,450	10,445	8,450	10,445	1,995	23.6%
Parks and Recreation	—	—	513	385	513	385	(128)	(25.0)%
Stadium	—	—	3,264	2,862	3,264	2,862	(402)	(12.3)%
Total Expenses	\$ 679,737	\$ 824,868	\$ 408,170	\$ 421,412	\$1,087,907	\$1,246,280	\$ 158,373	14.6%
Increase (Decrease) in Net Position Before Transfers	177,411	(2,440)	32,288	226,805	209,699	224,365	14,666	7.0%
Transfers	(8,154)	(6,580)	8,154	6,580	—	—	—	—%
Change in Net Position	169,257	(9,020)	40,442	233,385	209,699	224,365	14,666	7.0%
Net Position - Beginning	1,210,907	1,380,164	1,620,929	1,661,371	2,831,836	3,041,535	209,699	7.4%
Net Position - Beginning Restated	1,210,907	1,380,164	1,620,929	1,661,371	2,831,836	3,041,535	209,699	7.4%
Net Position - Ending	\$1,380,164	\$1,371,144	\$1,661,371	\$1,894,756	\$3,041,535	\$3,265,900	\$ 224,365	7.4%

Analysis of Changes in Government-Wide Net Position

The City's overall Net Position increased to \$3.27 billion: a \$224.4 million (7.4%) increase from fiscal year 2023's Net Position of \$3.04 billion. This was mainly due to an increase in the Unrestricted Net Position; going from \$440.0 million in fiscal year 2023 to \$880.4 million in fiscal year 2024. This was offset by a decrease in the Restricted Net Position; going from \$656.0 million in fiscal year 2023 to \$516.52 million in fiscal year 2024.

Several factors contributed to the overall increase in Net Position:

- City Revenues grew \$173.0 million (13.3%), going from \$1.30 billion in fiscal year 2023 to \$1.47 billion in fiscal year 2024. The overall growth in revenues was caused by a \$91.7 million (36.3%) increase in Capital Grants, \$72.8 million (16.6%) increase in General Revenues, \$41.9 million (10.8%) increase in Charges for Services; offset by a decrease of \$33.3 million (15.2%) in Operating Grants.
- City Expenses increased from \$1.09 billion incurred in fiscal year 2023 to \$1.25 billion in fiscal year 2024. This was driven by an increase of \$145.1 million (21.4%) in Governmental Activities Expenses and an increase of \$13.2 million (3.2%) in Business-Type Activities Expenses. The primary causes behind the increase in Governmental Activities Expenses were a \$83.7 million increase in Public Protection expenses, \$54.8 million increase in Public Way and Facility expenses, \$16.2 million increase in Culture and Recreation expenses, and a \$11.5 million increase in General Government expenses. On the Business-Type Activities side, a \$17.1 million rise in Water's expenses, \$2.8 million increase in Sewer expenses, and \$2.1 million increase in expenditures in Solid Waste.
- Total Assets went from \$4.66 billion in fiscal year 2023 to approximately \$5.00 billion in fiscal year 2024; a \$334.6 million (7.2%) increase. The increase in Total Assets was due primarily to a \$181.8 million increase in Restricted Cash (from \$483.9 million in fiscal year 2023 to \$665.7 million in fiscal year 2024; a 37.6% increase) and a \$102.8 million increase in Cash and Investments (from \$746.2 million in fiscal year 2023 to \$849.0 million in fiscal year 2024; a 13.8% increase), which was partially offset by a decrease in two areas:
 - a \$71.7 million decrease in Receivables, Net (from \$294.7 million in fiscal year 2023 to \$223.0 million in fiscal year 2024; a 24.3% decrease); and,
 - a \$35.4 million decrease in Net of Accumulated Depreciation (from \$2.15 billion in fiscal year 2023 to \$2.12 billion in fiscal year 2024; a 1.6% decrease).
- Total Deferred Outflows of Resources decreased by \$66.4 million (27.1%) from fiscal year 2023's figure of \$244.8 million, mainly due to a \$60.6 million decrease of Deferred Outflows - Pensions, a \$3.1 million (100.0%) decrease in Charges on Refunding, and \$2.7 million decrease in Deferred Outflows - OPEB.
- Total Liabilities increased by \$24.1 million (1.4%) from \$1.78 billion in fiscal year 2023 to \$1.80 billion in fiscal year 2024. The overall increase in Total Liabilities was mainly attributable to an increase of \$29.9 million in Unearned Revenue (primarily caused by increases in Grants Special

Revenue and General Services at the end of fiscal year 2024) and an increase of \$9.4 million in Other Liabilities-Due Within One Year.

- A \$19.73 million (22.6%) increase in the Deferred Inflows of Resources, primarily caused by an increase in Pension Revenue Applicable to Future Years.

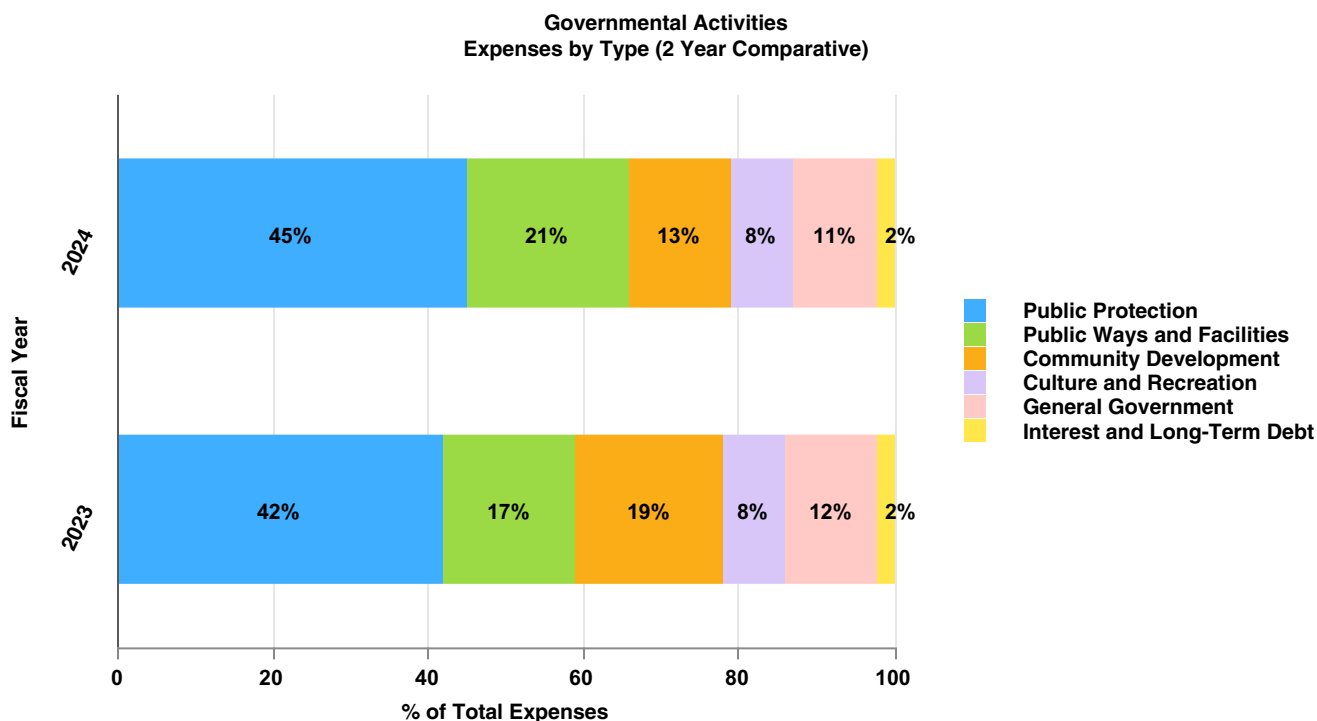
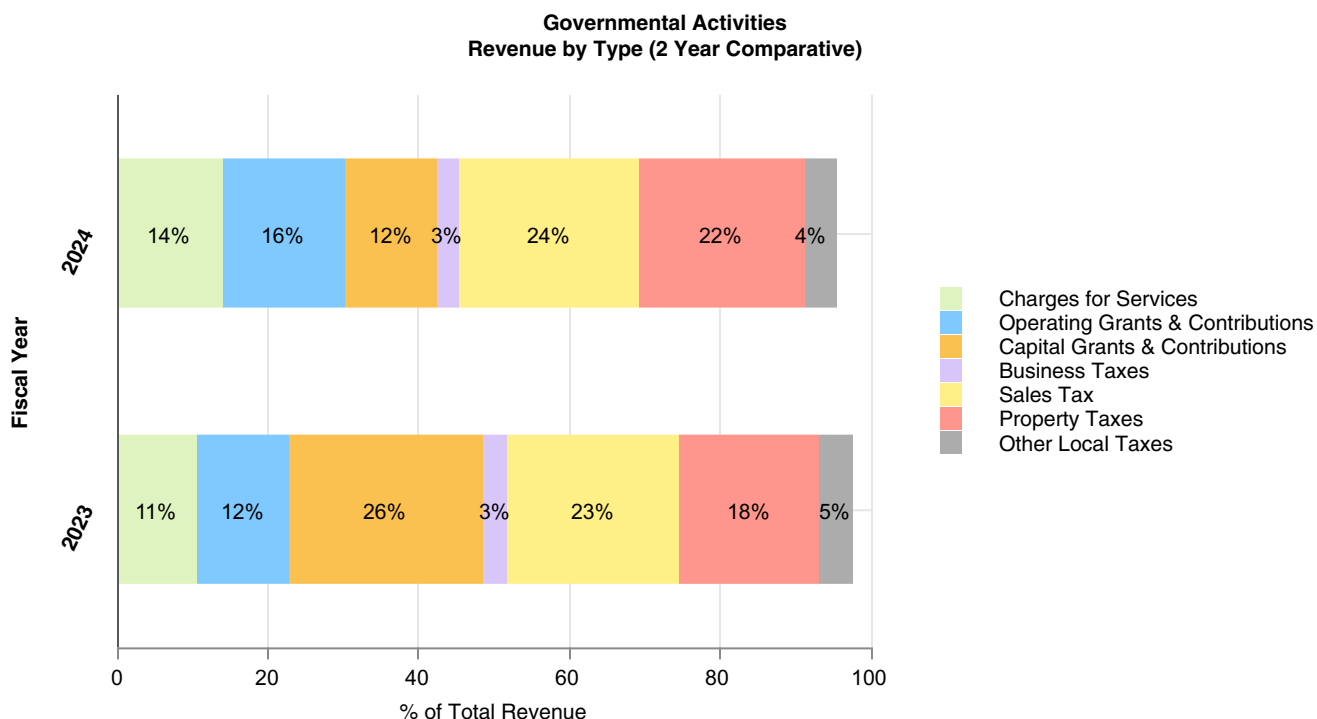
Governmental Activities

In fiscal year 2024, Governmental Activities decreased their Net Position by \$9.0 million (0.7%) to \$1.37 billion. The decrease in Net Position occurred primarily within Public Ways and Facilities, which decreased by \$153.6 million to fiscal year 2024's Public Ways and Facilities ending Net Position of \$14.6 million, and Net Investment in Capital Assets, which lessened by \$48.7 million to fiscal year 2024's Net Investment in Capital Assets of \$881.8 million. These decreases were offset by the Unrestricted Net Position Deficit increase of \$190.2 million, which ended the fiscal year at \$34.9 million. Key factors impacting the Unrestricted Net Position Deficit were:

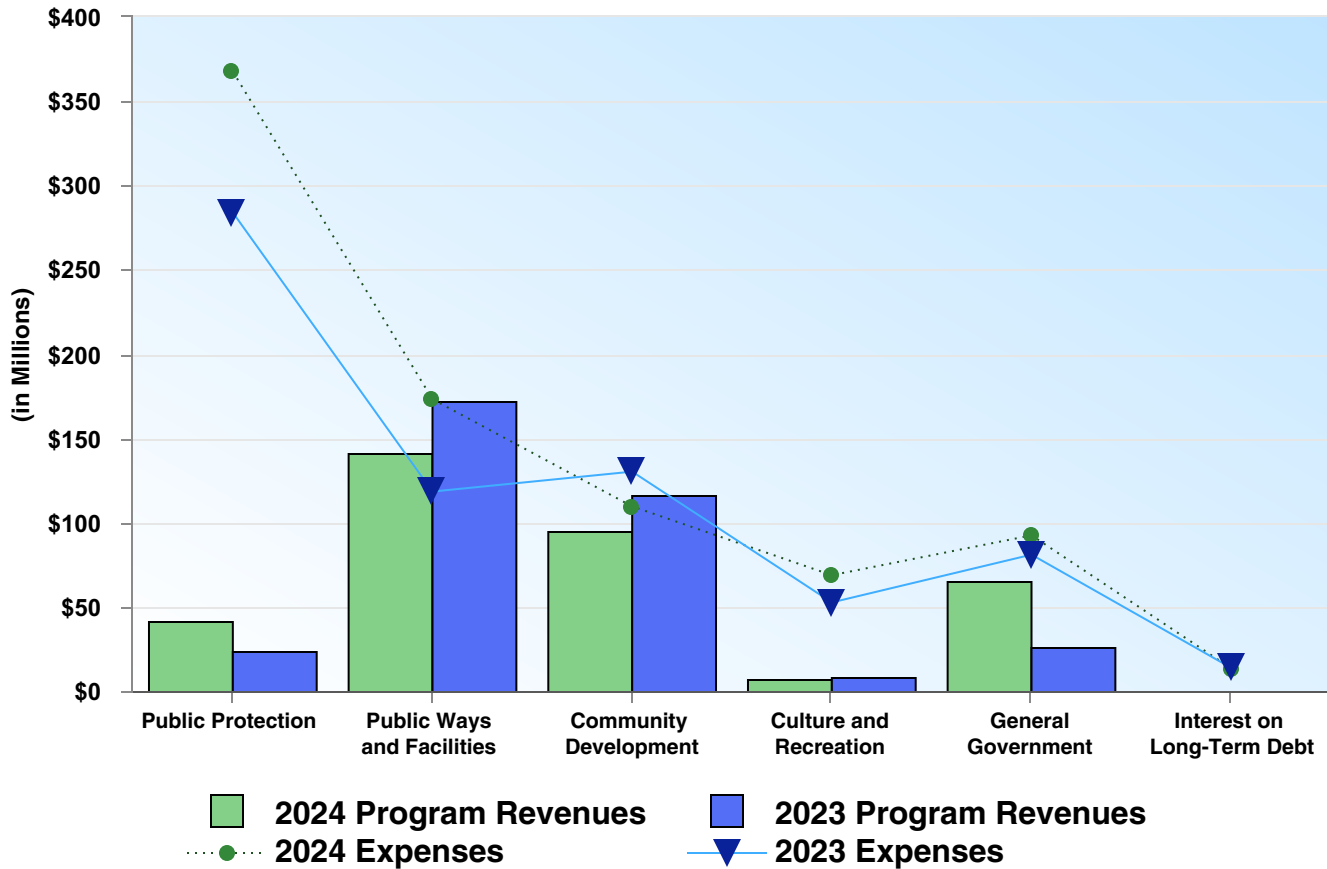
- Revenues were reduced, going from \$857.1 million in fiscal year 2023 to \$822.4 million in fiscal year 2024; a \$34.7 million (4.1%) decrease. The overall decline was primarily due to a decrease in Capital Grants and Contributions of \$119.6 million (54.1%) to \$101.3 million.
- Expenses rose from \$679.7 million in fiscal year 2023 to \$824.9 million in fiscal year 2024, led by a 46.3% increase in Public Ways and Facilities expenses (from \$118.4 million in fiscal year 2023 to \$173.2 million in fiscal year 2024), and a 30.7% increase in Culture and Recreation costs (from \$52.6 million in fiscal year 2023 to \$68.7 million in fiscal year 2024), and a 29.5% increase in Public Protection expenses (from \$283.9 million in fiscal year 2023 to \$367.6 million in fiscal year 2024). Most of the increase in the Public Protection and Public Ways and Facilities expenses can be attributed to a growth in personnel Pension expenses and Personnel Salaries. Increases in Culture & Recreation expenses can be attributed to an increase in Council motion and Fleet Acquisition expenses.
- Total Assets increased by \$120.1 million (5.6%) from fiscal year 2023's Total Assets balance of \$2.13 billion. The overall increase in Total Assets was primarily caused by an increase of \$58.5 million (15.6%) in Cash and Investments to \$434.5 million and an increase of \$42.1 million (21.9%) in the Net Pension Asset to \$234.4 million. This increase was partially offset by a decrease in Net Receivables of \$34.6 million (21.4)% to \$127.0 million and a decrease in Restricted Cash of \$19.8 million (11.5%) to \$152.1 million.
- Total Liabilities increased by 5.8%, or \$52.2 million, from fiscal year 2023's Total Liabilities of \$907.1 million. A \$27.0 million increase in Unearned Revenue (from \$165.3 million in fiscal year 2023 to \$192.3 million in fiscal year 2024) generated by unspent grant funds and an increase in Total Long-Term Liabilities (Due Within a Year and Due in More than One Year, combined) of \$29.3 million (4.4%) caused by normal debt service payments made during the year.

Governmental Activities - Charts and Graphs

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



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



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

General Fund

Fund Balance in the General Fund decreased from \$127.4 million in fiscal year 2023 to \$109.0 million in fiscal year 2024. The Unassigned Fund Balance decreased from \$54.3 million in fiscal year 2023 to \$39.0 million in fiscal year 2024; a \$15.3 million (28.1%) decrease.

Fiscal year 2024's revenues showed marked growth when compared to fiscal year 2023's revenues; increasing by \$15.9 million (3.6%) from fiscal year 2023's total of \$443.2 million. The increase was found primarily in Taxes, which increased \$17.8 million (4.7%). The main driver in the overall increase in Tax Revenue came from a \$26.8 million growth in Property Taxes, due to increased property assessed valuations. Additional growth in the Tax Revenue category was provided by Franchise Tax, which had an increase of \$5.6 million, Sales Tax, which grew \$5.1 million, and Business Tax, which increased by \$1.4 million compared to the prior fiscal year.

General Fund expenditures increased by \$54.2 million, or 13.4%, to a total of \$457.1 million. The change in expenditures can be explained by the following factors:

- A rise in Public Protection expenditures, which increased from \$281.8 million in fiscal year 2023 to \$315.9 million in fiscal year 2024; a \$34.1 million, or 12.1% increase.
- An increase in General Government expenditures, which increased from \$37.3 million in fiscal year 2023 to \$49.8 million in fiscal year 2024; a \$12.5 million, or 33.4% increase.
- An increase in Capital Outlay expenditures, which increased from \$4.5 million in fiscal year 2023 to \$10.8 million in fiscal year 2024; a \$6.3 million, or 137.8% increase.
- The growths in expenditures were offset by Public Ways and Facilities, which decreased from \$18.6 million in fiscal year 2023 to \$16.0 million in fiscal year 2024; a \$2.6 million, or 13.8%, decrease.

A large portion of the difference between actual expenditures and actual revenues was funded by transfers from other funds. Overall, Transfers-In decreased \$19.3 million (75.4%) to \$6.3 million.

Total Assets decreased by \$17.7 million (9.0%) to \$178.1 million. The decrease was driven by three accounts:

- Due from Other Funds, which decreased \$8.1 million (48.8%) to \$8.5 million
- Accounts Receivable, which decreased \$7.5 million (14.5%) to \$44.2 million
- Cash and Investments, which decreased \$7.5 million (14.5%) to \$44.2 million

Total Liabilities declined compared to the prior fiscal year. Total Liabilities dropped by \$1.6 million (3.7%) to \$41.5 million. The overall decrease in Total Liabilities can be attributed to a decrease of \$3.5 million (60.2%) in Unearned Revenue.

Significant committed fund balance amounts of the General Fund include:

- \$46.7 million for the General Fund Emergency Reserve,
- \$7.8 million for the General Fund - Housing Reserve, and
- \$4.3 million for the 27th Pay Period Reserve.

General Fund Budget to Actual Comparison

The fiscal year 2024 Adopted Budget was made up of \$564.6 million of budgeted revenues and \$511.4 million of appropriations. After various amendments were made throughout the fiscal year, the General Fund ended the fiscal year with \$574.6 million of budgeted revenues and \$534.8 million of appropriations. Actual results on a budgetary (cash) basis of accounting were \$613.0 million of revenues and \$507.6 million of expenditures.

The major differences between the budget and the actual results are noted below (Actual Budgetary Basis excludes all FY24 activity that posted after June 30, 2024):

Comparison of Revenues and Expenditures - Budget to Actual / General Fund (in thousands)					
	Budgeted Original	Budgeted Final	Actual Budgetary (Cash) Basis	Over (Under) Final Budget	Explanation
Revenues:					
Property Taxes	\$174,107	\$174,107	\$180,515	\$6,408	Assessed values of homes continued to increase due to the strong demand for housing in the Central Valley.
Sales Tax	\$157,105	\$157,105	\$152,033	(\$5,072)	Lower than anticipated sales tax due to economic uncertainty and rising inflation costs which has resulted in less consumer spending.
Charges for Services	\$37,468	\$37,661	\$43,416	\$5,755	Higher than expected demand for specific services (i.e., Police Event Services) and growth in service-related activities, contributed to the rise in revenue.
Expenditures:					
Public Ways & Facilities	\$35,831	\$38,576	\$27,766	(\$10,810)	Delays in the completion of planned infrastructure projects, such as road repairs and facility upgrades, resulted in expenditures being deferred to future periods. Additionally, some projects were either scaled back or adjusted to align with changing priorities, leading to lower than expected costs.
Community Development	\$52,628	\$56,447	\$38,312	(\$18,135)	Delays in the execution of planned community projects and programs led to lower-than-expected expenditures. In addition, some initiatives were postponed or scaled back in response to shifting priorities or adjustments in available funding.
Capital Outlay	\$8,453	\$11,055	\$5,129	(\$5,926)	Decrease is mainly attributed to delays in planned capital projects, including infrastructure improvements, equipment purchases, and building upgrades, which led to lower than expected expenditures.

A more detailed look at the budget versus actual comparison for the General Fund can be found on page [166](#) in the Required Supplementary Information section.

Grants Special Revenue Fund

Fund Balance in the Grants Special Revenue Fund decreased from \$43.5 million in fiscal year 2023 to \$42.6 million in fiscal year 2024. Total Liabilities increased from \$171.7 million in fiscal year 2023 to \$188.2 million in fiscal year 2024; a \$16.4 million (9.6%) increase. This is mainly due to Unearned Revenue increasing from \$147.2 million in fiscal year 2023 to \$170.0 million in fiscal year 2024: a 15.5% increase.

Fiscal year 2024 revenues, in the Grants Special Revenue Fund, decreased \$65.1 million (29.1%) to \$158.5 million. Expenditures decreased \$32.5 million (17.0%) from fiscal year 2023's total of \$190.8 million to fiscal year 2024's total of \$158.3 million. Large reductions were seen in the Community Development category (down \$24.3 million, or 28.1%), the General Government category (down \$21.2 million or 57.6%), and in Culture and Recreation (down \$1.54 million or 39.6%). The decrease in the Community Development category was due to less expenditures related to Special Projects and

Professional Services. The decrease in the General Government category was due to less expenditures related to the Emergency Rental Assistance Grant in fiscal year 2024, as this grant was fully expended.

Other Governmental Funds

Fund Balance for the Other Governmental Funds rose \$15.6 million between fiscal year 2023 and fiscal year 2024 (\$260.1 million versus \$275.7 million, respectively). The growth in the Fund Balance was primarily due to a \$8.3 million increase in the UGM fund, a \$6.1 million increase in the High Speed Rail fund and a \$5.0 million increase in Fund Balance for the Measure P fund.

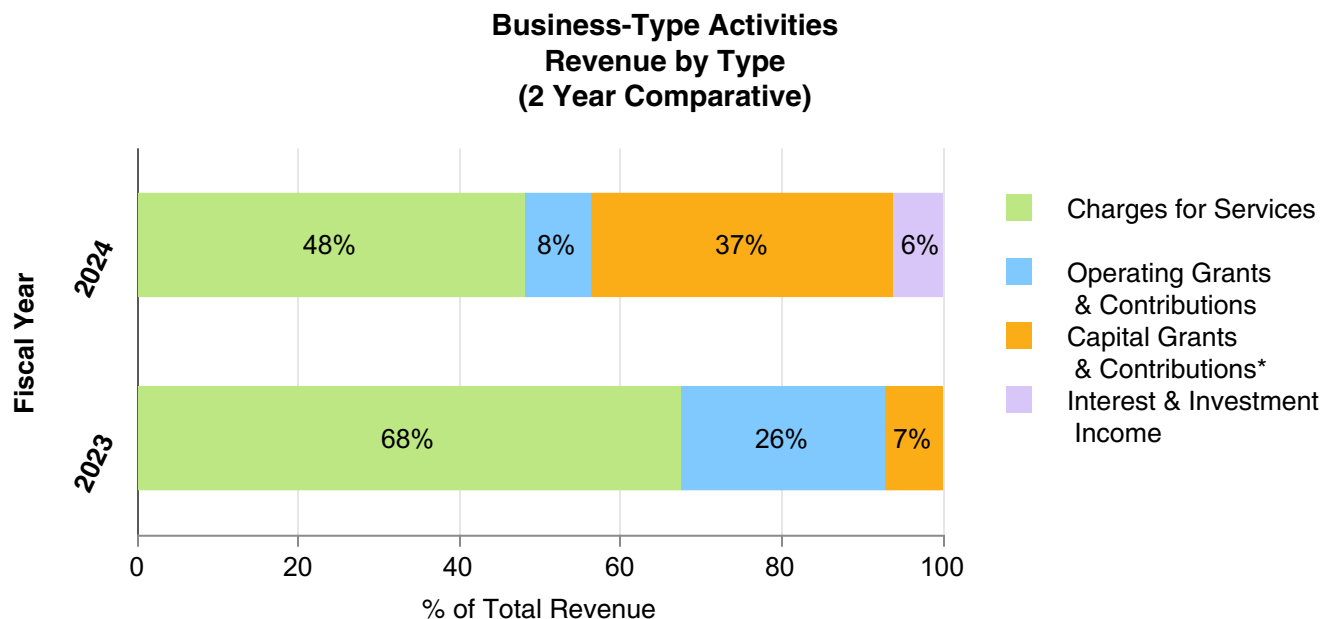
Business-Type Activities

Business-Type Activities for fiscal year 2024 increased the Net Position by \$222.4 million (13.8%) over fiscal year 2023's Business-Type Activities Net Position of \$1.61 billion. Key factors affecting the Net Position were:

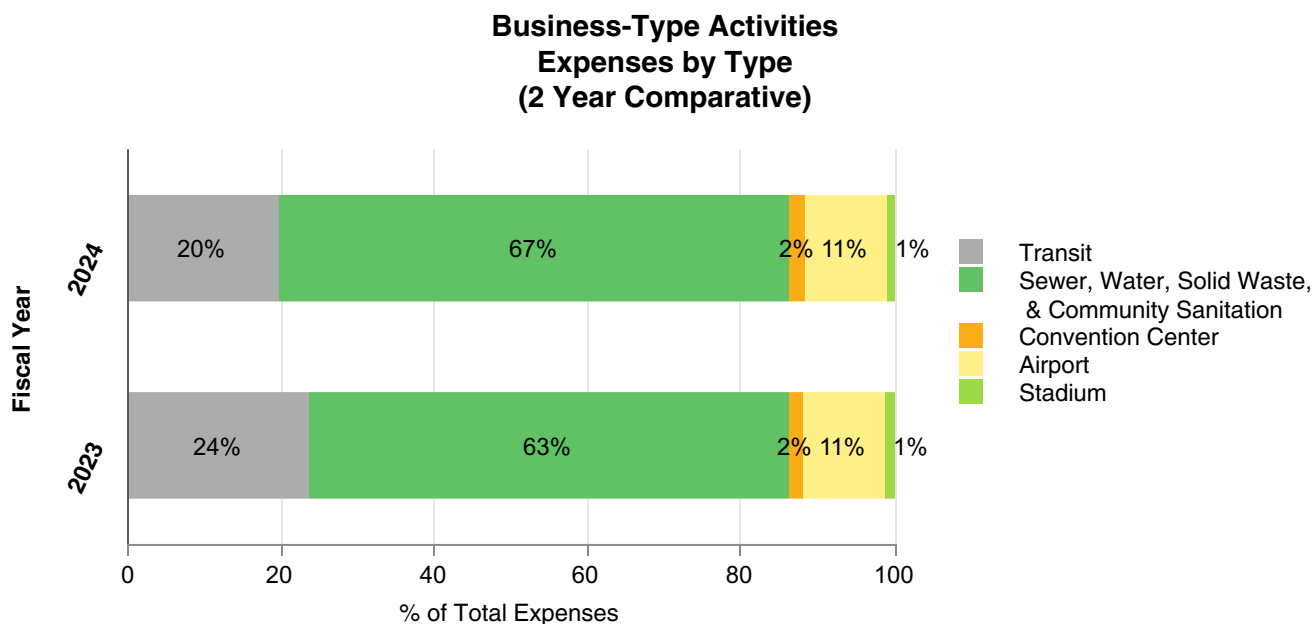
- Total Assets increased by \$214.5 million (8.49%) from fiscal year 2023's Total Asset balance of \$2.53 billion. This growth was primarily due to a \$201.6 million (64.6%) increase in Restricted Cash, to the fiscal year 2023 figure of \$312.1 million; a \$44.3 million (12.0%) increase in Cash and Investments, compared to the fiscal year 2023 figure of \$370.2 million; and a \$44.1 million (21.8%) increase in assets Not Being Depreciated, compared to the fiscal year 2023 figure of \$201.9 million. This was offset by a \$55.6 million (3.7)% decrease in Net of Accumulated Depreciation to the fiscal year 2023 figure of \$1.49 billion and a \$37.2 (27.9)% decrease in Receivables, Net to the fiscal year 2023 figure of \$133.1 million
- Total Liabilities declined by 3.2%, or \$28.1 million, from fiscal year 2023's Total Liabilities of \$869.4 million. The decrease was primarily due to a \$45.8 million (6.3%) decrease in Long-Term Liabilities.
- Revenues went from \$440.4 million in fiscal year 2023 to \$648.2 million in fiscal year 2024; a \$207.8 million (47.2%) increase. This growth can be attributed to a \$183.8 million (266.0%) increase in Water General Revenues, due to one-time revenues, and a \$14.5 million (402.5%) increase in Sewer General Revenues. The increase in General revenue was offset by a \$59.8 million (53.0%) decrease in Operating Grants compared to the prior year. The decrease in Operating Grants was primarily driven by a decline of \$52.5 million, (53.6%) in the Transit Fund and a decrease of \$4.3 million, (40.5%) in the Airports Fund.
- Expenses went from \$408.2 million in fiscal year 2023 to \$421.4 million in fiscal year 2024; a \$13.2 million (3.2%) increase. The primary driver behind this increase was a \$17.1 million (13.8%) growth in the Water Fund's expenses. Additionally, a rise of \$2.8 million (3.4%) in the Sewer Fund's expenses and a \$2.1 million (5.2%) increase in the Solid Waste Management Fund's expenses. The increase in expenses was offset by a \$12.8 million (13.3)% decrease in the Transit Fund's expenses compared to prior year.

Business-Type Activities - Charts and Graphs

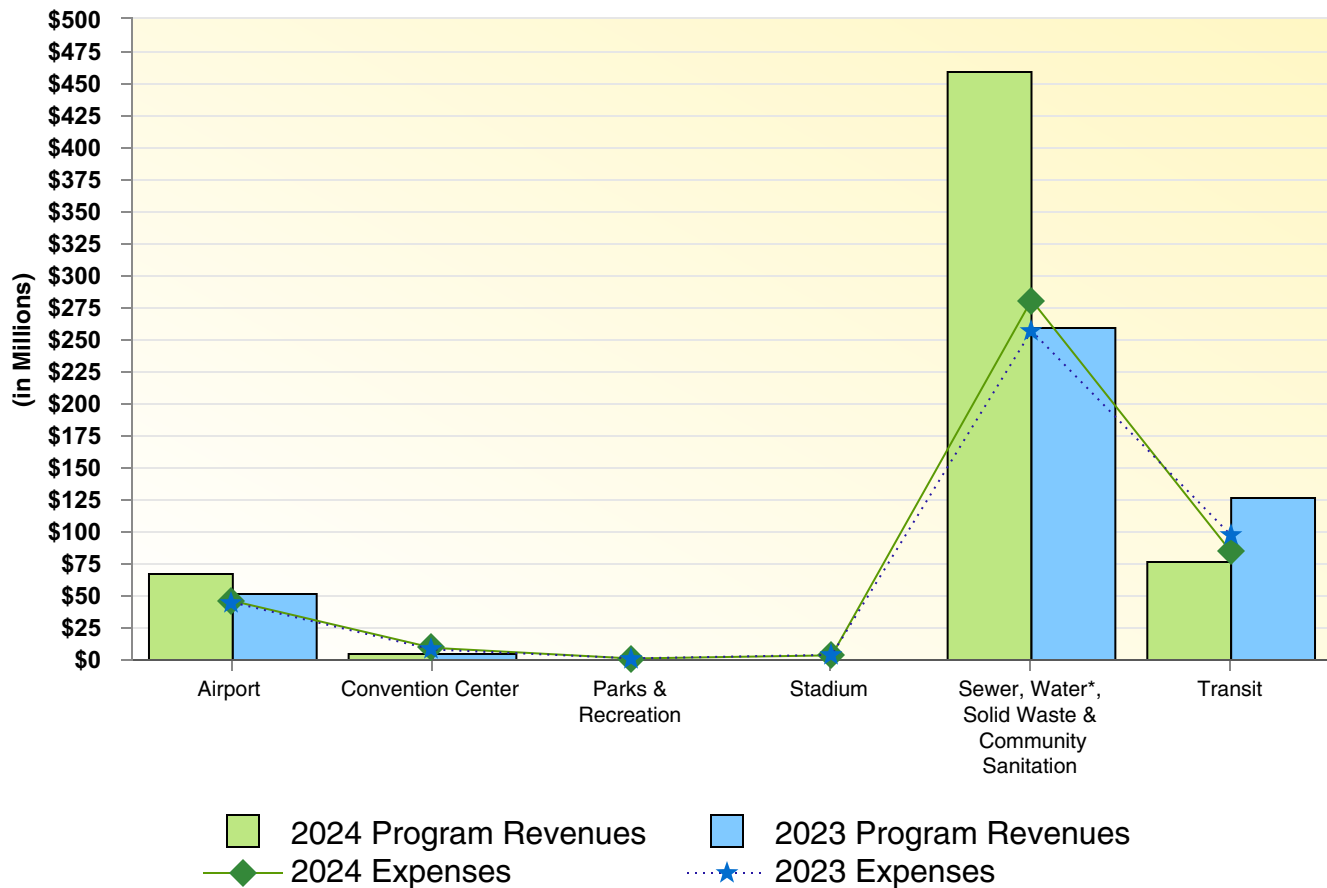
The following charts and graphs illustrate the City's Business-Type revenues and expenses by both source and function. As shown below, Sewer, Water and Solid Waste are the largest Business-Type Activities reflecting the City's greatest overall expenses.



* Increase in Fiscal Year 2024 Capital Grants & Contributions is due to one-time revenues in the Water Fund



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



*Increase in Fiscal Year 2024 is due to one-time revenues in the Water Fund

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

Water

The Water Fund's (Water) Net Position showed an increase over fiscal year 2023's levels. Net Position increased from \$541.7 million in fiscal year 2023 to \$723.8 million in fiscal year 2024, a \$182.1 million (33.6%) increase. The change in net position was driven by the following factors:

- Water's deferred inflows increased from \$5.4 million in fiscal year 2023 to \$6.0 million; a \$0.7 million (12.8%) incline. The increase was primarily driven by a \$0.8 million (115.6%) rise in Unamortized Pension Expenses.

- Water's Operating Expenses increased by \$20.0 million (18.4%) to \$128.8 million in fiscal year 2024. The increase in expenses was primarily the result of a \$14.8 million (28.1%) increase in Costs of Services costs (primarily in water purchases) and a \$4.9 million (14.4%) increase in Depreciation costs.
- Water's Non-Operating Revenue (Expenses) increased from -\$7.5 million to \$2.2 million; a \$9.7 million (129.0%) increase. This was primarily due to an increase in Unrealized Gain (Loss) on Cash Value of \$7.2 million (164.1%); changing from -\$4.4 million in fiscal year 2023 to \$2.8 million in fiscal year 2024. In addition, Operating Grants decreased from \$4.1 million in fiscal year 2023 to \$0.4 million in fiscal year 2024; a \$3.7 million (90.3%) difference.
- Total Assets increased from \$986 million in fiscal year 2023 to \$1.2 billion in fiscal year 2024, a \$168.7 million (17.1%) increase. A \$199.4 million (262.5%) increase in Cash and Investments and a \$8.9 million (1.8%) increase in the Net Pension Asset was the primary cause of the overall increase in Water's assets.

Sewer

The Sewer Fund's Net Position increased by \$33.7 million (4.6%), from \$727.9 million in fiscal year 2023 to \$761.6 million in fiscal year 2024. The driver behind the Net Position increase was an increase of \$20.1 million (31.5%) in Total Other Assets, an increase of \$19.2 million (11.7%) in Current Assets, an increase of \$4.0 million (6.0%) in Total Restricted Assets, and a \$0.3 million (4.5%) increase in Total Deferred Inflows, from fiscal year 2023's figure of \$5.8 million. This was offset by a \$7.8 million (1.3%) decrease in Capital Assets and 1.3 million (18.5%) decrease in Deferred Outflows.

The increase in Current Assets, Total Restricted Assets, and Total Other Assets contributed to the increase of \$20.2 million (2.3%) in Total Assets to \$880.7 million. The increase in Current Assets was mainly caused by a \$25.4 million (18.9%) growth in Cash and Investments. The overall increase in Total Restricted Cash was due to a \$3.8 million increase in Cash. The overall increase in Total Other Assets was primarily caused by a \$4.5 million increase in Advances to Other Funds and a \$1.7 million increase in Net Pension Asset.

The reduction in Total Liabilities was primarily caused by a \$18.0 million (19.6%) decrease in Long-Term Notes Payable. The decrease in Long-Term Liabilities was offset by an increase in Deposits Held For Others totaling \$1.6 million (11.3%).

Revenues were up slightly \$5.2 million or (6.1%), due to increases in Charges for Services. Operating Expenses grew by \$4.9 million (6.2%). The Operating Expense growth consisted mainly of a \$5.0 million (28.6%) increase in Administration and \$0.6 million (2.2%) in Depreciation. The increase in Administration costs was primarily due to an increase in Professional Services.

Solid Waste Management

The Solid Waste Management Fund's (Solid Waste) Net Position declined from fiscal year 2023's figure of \$28.2 million to fiscal year 2024's figure of \$18.8 million; a \$9.4 million (33.3%) decrease. The Net Position decline was primarily due to a \$4.6 million (26.7%) decrease in Current Assets, which included a \$3.2 million (100%) decrease in Due From Other Funds to the fiscal year 2023 total of \$3.2 million. In addition, Total Capital Assets decreased by \$3.0 million (37.5%) to \$5 million. These reductions were offset by a \$0.7 million (28.4%) increase in Total Deferred Inflows, mainly due to an increase in Unamortized Pension Expenses of \$0.6 million (120.1%).

Solid Waste's Net Operating Revenue (Expenses) decreased to \$9.4 million in fiscal year 2024, a \$8.3 million (728.9%) decrease compared to fiscal year 2023's figure of \$1.1 million. This change was mainly due to Total Operating Expenses increasing by \$7.8 million (23.2%) to fiscal year 2023's figure of \$33.6 million.

Transit

The Transit Fund continues to experience growth, and ridership increased again in 2024. Transit transported 8.1 million passengers in fiscal year 2024, a 1.3% increase from fiscal year 2023's ridership of 8.0 million passengers. Overall, transit ridership continues to grow and should reach pre-pandemic levels by 2025.

Transit's revenues decreased \$0.1 million (2.4%) to \$3.6 million. Operating Expenses decreased \$7.3 million (8.2%). Additionally, there was a \$52.5 million (53.6%) decrease in Operating Grant Revenue to \$45.5 million. A decline can also be seen in Total Current Assets, which went from \$65.7 million in fiscal year 2023 to \$51.6 million in fiscal year 2024; a \$14.2 million (21.5%) decrease. The decrease in Operating Grants and Total Current Assets was offset by an increase in Total Restricted Assets of \$9.6 million (23.5%) and an increase in the Net Pension Asset of \$3.9 million (30.3%). The impact of reduced grant funding caused the Transit Fund's Net Position to decrease by \$4.5 million (2.4%) from \$189.6 million in fiscal year 2023 to \$185.1 million in fiscal year 2024.

Airports

Airports' Fund set an all-time annual record for passenger levels with fiscal year 2024's origin and destination passengers of 2.6 million, 14.6% higher than the prior fiscal year's passenger count of 2.3 million. In addition, the number of plane landings increased by 29.4%, going from 12,770 in fiscal 2023 to 16,527 in fiscal year 2024. The Airport Fund's passenger performance continues to outpace other small hub airports in the Western Pacific Region. The increase in passengers also translated into an increase in non-airline revenues.

The increase in passenger traffic had an impact on Operating Revenues, which increased \$5.4 million (15.3%) to \$40.3 million. The overall increase in Operating Revenues was powered by increases in passenger driven and airline activity revenues, particularly Landing Fees, which rose to \$5.4 million, a 29% increase from \$3.8 million in the prior fiscal year. Operating Expenses decreased by \$2.2 million

(5.5%), to a total of \$38.0 million. The decrease in Operating Expenses was mainly driven by a decrease of \$2.0 million (11.9%) in Costs of Services and a \$192,000 (1.6%) decrease in Depreciation expenses. The decrease in Operating Expenditures was offset by a \$4.0 million (36.1%) increase in Non-Operating Revenue, mainly due to an increase of \$4.5 million (1,146.7%) in Passenger Facility Charges.

The increase in revenues and small change in expenses had a predictable effect on Total Assets, which increased \$25.6 million (6.6%) to \$415.1 million. The overall increase in Total Assets was due to several factors:

- A \$21.6 million (37.1%) increase in Construction in Progress,
- A \$12.5 million (11.0%) decrease in Restricted Assets,
- A \$12.4 million (7.6%) decrease in Accumulated Depreciation, and
- A \$2.3 million (39.2%) decrease in Grants Receivable

In addition to the increase in Total Assets, Airports experienced a decrease in Total Liabilities, which declined \$2.2 million (1.3%) to \$167.4 million. This was mainly due to a decrease of \$3.3 million (2.3%) in Long-Term Bonds Payable compared to fiscal year 2023's figure of \$147.6 million, due to the Airport Revenue Bonds 2023 A and B for the terminal expansion; and a decrease of \$0.2 million (1.6%) in Accrued Liabilities, compared to fiscal year 2023's figure of \$12.6 million. Additionally, there was a decrease of \$3.3 million (20.2%) in Deferred inflows.

The net effect of these changes caused the Total Net Position to increase by \$30.4 million (14.6%) from fiscal year 2023's Net Position of \$207.9 million to \$238.3 million.

Convention Center

Convention Center recorded \$5.4 million of revenue in fiscal year 2024; a \$1.0 million (24.3%) increase compared to the fiscal year 2023 figure of \$4.3 million. Convention Center's expenses also increased in fiscal year 2024 to \$8.6 million from fiscal year 2023's expenses of \$6.8 million; a difference of \$1.8 million (26.3%). The increase in expenses were mainly due to a \$1.0 million (25.6%) increase in the Cost of Services and a \$0.79 million (94.9%) increase in Administration.

The Convention Center's Net Position grew from \$4.5 million in fiscal year 2023 to \$5.5 million in fiscal year 2024, a \$1.0 million (22.1%) improvement. A drop of \$4.2 million (23.9%) in Total Liabilities, mainly caused by a \$1.9 million decline in Bonds Payable as a result of scheduled debt service payments, contributed significantly to the improvement in Net Position. In addition, Total Assets decreased by \$3.2 million (14.5%) from fiscal year 2023's figure of \$22.1 million; this was primarily due to a \$1.7 million (42.6%) decrease in Restricted Cash.

Stadium

The Stadium Fund continues to build on the improvement in Net Position it displayed in fiscal year 2023. Net Position grew from \$8.8 million in fiscal year 2023 to \$12.1 million in fiscal year 2024; an increase of \$3.4 million (38.7%). Two factors drove the overall increase in Net Position:

- A reduction in Long-Term Liabilities of \$2.0 million (9.6%); mainly caused by a \$2.2 million (10.5%) decrease in Bonds Payable as a result of scheduled debt service payments.
- An increase in Capital Assets of \$0.7 million (2.7%); primarily due to a \$2.1 million (63.3%) increase in Construction in Progress.

Internal Service Funds

The Net Position deficit in the Internal Service Funds grew by \$8.8 million (8.9%) to \$107.8 million in fiscal year 2024. The increase in the Net Position deficit was primarily due to an increase of \$28.6 million (12.02%) in the Short-Term and Long-Term (combined) Liability for Self-Insurance and \$26.4 million (66.2%) increase in Due to Other Funds. Partially offsetting these liability increases were increases of \$23.0 million (18.4%), mainly driven by a \$35.2 million (21.4%) increase in Machinery and Equipment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its Governmental and Business-Type Activities, before Component Units, as of June 30, 2024, amount to \$2.8 billion (net of accumulated depreciation). Capital assets include land, buildings and improvements, machinery and equipment, park facilities, roads, streets, traffic signals, streetlights, bridges, and construction in progress. The City's capital assets net increase for the current fiscal year was approximately 1.6% (a 5.1% increase for Governmental Activities, a 0.7% decrease for Business-Type Activities) as shown in the table below. Capital assets for the fiscal year ended June 30, 2023 amounted to \$2.8 billion million (net of accumulated depreciation).

Changes in Capital Assets, Net of Depreciation						
(in thousands)						
Asset Category	Governmental Activities		Business-Type Activities		Total Government-Wide	
	2023	2024	2023	2024	2023	2024
Land	\$291,550	\$298,236	\$53,868	\$53,503	\$345,418	\$351,739
Intangibles (Indefinite Life)	—	—	18,897	21,629	18,897	21,629
Buildings and Improvements, Net	178,622	174,521	811,435	781,224	990,057	955,745
Machinery and Equipment, Net	72,483	98,811	41,167	31,535	113,650	130,346
Infrastructure	397,540	395,551	631,821	616,847	1,029,361	1,012,398
Rights to Use Assets Being Amortized	15,193	15,169	3,241	2,466	8,560	18,434
Construction In Progress	136,722	165,494	129,140	170,859	265,862	336,353
Total	\$1,092,110	\$1,147,782	\$1,689,569	\$1,678,063	\$2,771,805	\$2,826,644

Major capital asset events during fiscal year 2024, some of which were in progress during the previous fiscal year, included the following:

† Downtown Redevelopment Grant Water and Sewer Improvements Project

The Project will bring water and sewer facilities to current standards. The scope of work includes the replacement of 14,315 linear feet of water mains and 5,576 linear feet of sanitary sewer mains, including trenching, excavation, water and sewer service transfers, pavement restoration, repair and reconstruction of existing improvements affected by the Project, and incidentals for complete construction. Additionally, the work includes the rehabilitation of the existing sewer and manhole facilities. Funding for this Project is provided by dollars received by the State of California for the Downtown Public Infrastructure Improvements Projects.

† FYI Terminal Expansion Project

The City's Airport Department is currently in the Construction phase of expansion of over 116,000 square feet of terminal facility. This \$150 million Terminal Expansion project, the largest in the history of the airport, is funded with \$70 million in Airport Revenue Bonds with the balance coming from other sources including federal grants and passenger facility charges. The expansion project will result in a new terminal concourse with two jet bridge gates for domestic and international use, new concessions, and tenant facilities; new federal inspection service facility, with attached arrivals lobby and outdoor plaza; an expanded passenger screening checkpoint; and a new Checked Baggage Inspection System (CBIS). Construction is underway with an expected opening of Fall 2025.

† North Ave Sewer Trunk Main Realignment

The Department of Public Utilities, Wastewater Management Division worked to design and construct a realignment of the sewer main and repair to divert flow away from an extremely deteriorated section of sewer pipe. Work began on the Installation of a 66" sewer pipe diversion on North Ave sewer trunk main between Cedar and Maple Avenues. Emergency work included the installation of a sewer bypass facility, video inspections for assessing the feasibility of performing repairs, obtaining railroad permits, and the construction repair. The project is designed to convey the flow through a new pipe structure and allow for the replacement of the existing main and will run in parallel with another large diameter pipeline.

At June 30, 2024, the City had commitments related to various construction projects associated with Governmental Activities totaling \$156.3 million. Commitments connected with Business-Type Activities at fiscal year-end amounted to \$97.4 million. The most significant of the Governmental Activities project was the Downtown Redevelopment Grant Water & Sewer Improvement project (\$18.8 million). The most significant of the Business-Type Activities projects were Phase 2 of the FYI Terminal Expansion (\$58.0 million) and the North Ave Sewer Trunk Main Realignment project (\$5.2 million). A complete list of projects appear in [Note 13\(G\)](#) - Commitments and Contingencies, page 162, under Construction and Other Significant Commitments.

Debt Administration

At the end of the current fiscal year, the City had total long-term bond obligations and notes and leases payable outstanding of \$890.6 million. Of this amount, \$67.2 million is obligation bonds backed by the full faith and credit of the City, \$660.2 million is revenue bonds and notes of the City's business enterprises and \$978.7 million are tax allocation debt issued by the Successor Agency of the Redevelopment Agency. The remaining \$162 million includes lease revenue bonds, notes and capital leases for general governmental projects. For detailed information on the City's debt, see Note 7-Long Term Liabilities, pages [101-119](#).

During fiscal year 2024, the City's total bonded debt decreased by approximately \$38.2 million. The decrease was due to normal debt service payments and a \$15.2 million increase in Capital Lease purchases made during the year.

The City took the following actions in fiscal year 2024:

- Borrowed an additional \$27.4 million through the Master Equipment Lease Purchase Agreement with Banc of America Public Capital Corp. in fiscal year 2024 for public safety vehicles.

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

	Fiscal Year		
	2024	2023	2022
General Bonded Debt (Par Amount)	\$ 67,190	\$ 78,255	\$ 88,640
General Bonded Debt per Capita	\$ 122.84	\$ 142.48	\$ 163.04
Debt Service Tax Rate per \$100 Taxable Valuation	\$ 0.14	\$ 0.17	\$ 0.21

The City's outstanding general obligation bonds cannot exceed 20% of the assessed value of property within the City. Although the City's Charter imposes a statutory limit on the amount of general obligation bonds the City can have outstanding, the City also considers the potential impacts of all general obligation bonds on its tax base. Currently, there are no outstanding general obligation bonds.

Fitch upgraded the City's Lease Revenue Bond rating from A to AA and its General Obligation rating from A+ to AA on May 3, 2024. Both ratings maintained a Stable outlook. Fitch cited the City's improved financial strength, which has been positively influenced by development and economic diversification—primarily in logistics and fulfillment centers—that will continue to support growth in the City's revenues. In addition, the City continues to have a strong long-term liability profile, which has benefited from low pension liabilities.

Standard & Poor's reaffirmed the Airports bonds' A rating on April 26, 2024. This reaffirmation was supported by favorable post-pandemic enplanement growth, strong liquidity, and a manageable debt burden.

As of June 30, 2024, the ratings of the City's debts by rating agencies were as follows:

	Moody's Ratings	S&P Global Ratings	Fitch Ratings	Kroll Bond Rating Agency
<u>Governmental Activities</u>				
General Obligation Bonds	A1	AA-	AA	
Lease Revenue Bonds	A2	A+	AA	
<u>Business-Type Activities</u>				
Airport Revenue Bonds	A3	A	BBB+	A+
Water Revenue Bonds	A3	AA-	A+	
Wastewater Revenue Bonds	A1	AA+	AA	

FINANCIAL OUTLOOK

The City continued to demonstrate resilience in the face of ongoing economic challenges, with signs of steady financial growth and post-pandemic recovery. Sales tax revenue for fiscal year 2024 reached \$197.9 million, marking a strong continuation of growth, driven by both increased consumer spending and new business activity. This performance is expected to carry over into fiscal year 2025, though growth rates may slow slightly due to broader economic conditions and economic uncertainty. Property tax revenues have also shown consistent growth, supported by increasing property valuations and competitive real estate market. Although the City's economy has remained strong since the Covid-19 pandemic, concerns over inflation and tighter monetary policy are expected to have some impact on future growth.

While the federal economic landscape remains uncertain, the City's financial management practices will continue to remain crucial in maintaining stability. The potential for slowed economic activity, particularly in housing and consumer spending, is a risk to monitor in the upcoming year. The Federal Reserve's actions to manage inflation through interest rate hikes have had observable effects statewide with decreases in home sales, car sales and stock prices. Unemployment rates remain under 10.0%; creating strain for employers to meet demand. These realities underscore the importance of prudent financial management with a sound reserve management policy. The City concluded the 2024 fiscal year with a \$46.7 million General Fund Emergency Reserve. This reserve provides a foundation for managing economic uncertainties and allows for a proactive response to unexpected fiscal challenges. The City's prudent approach to budgeting and planning ensures that it remains well-positioned to handle unforeseen economic shifts.

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

the national and local economies adjust to evolving conditions, the City remains committed to preserving its financial health, supporting its residents, and maintaining its status as a thriving and resilient city.

CONCLUSION

Fiscal year 2024 continued to reflect ongoing financial stability as the economy recovers from the pandemic's impacts. While this is promising, there are still risks ahead. Alongside the national economic challenges mentioned earlier, there are substantial geopolitical factors that pose risks to the economic growth. These challenges are significant and will continue to play a key role in shaping future planning as the City works to ensure a high level of services for its residents.

REQUESTS FOR INFORMATION

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

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

CITY OF FRESNO

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

www.fresno.gov



Government-Wide Financial Statements

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CITY OF FRESNO, CALIFORNIA

Statement of Net Position

June 30, 2024

(in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 434,526	\$ 414,485	\$ 849,011
Accounts Receivables, Net	126,976	95,977	222,953
Internal Balances	65,515	(65,515)	—
Inventories	1,730	11,555	13,285
Prepaid Items	1,232	2,196	3,428
Other Assets	1,575	711	2,286
Property Held for Resale	3,264	—	3,264
Restricted Cash and Investments	152,083	513,626	665,709
Restricted Interest Receivable	—	762	762
Loans, Notes, Leases, and Other Receivables, Net	84,701	27,667	112,368
Net Pension Asset	234,411	62,015	296,426
Capital Assets:			
Not Being Depreciated	463,730	245,989	709,719
Net of Accumulated Depreciation/Amortization	684,052	1,432,074	2,116,126
Total Assets	2,253,795	2,741,542	4,995,337
Deferred Outflows of Resources			
Deferred Outflows - Pensions	122,445	29,499	151,944
Deferred Outflows - OPEB	18,646	7,801	26,447
Total Deferred Outflows of Resources	141,091	37,300	178,391
Liabilities			
Accrued Liabilities	60,928	46,764	107,692
Unearned Revenue	192,294	53,705	245,999
Deposits from Others	18,005	22,501	40,506
Other Liabilities	—	277	277
Long-Term Liabilities:			
Due Within One Year	99,077	31,506	130,583
Due in More than One Year	588,984	686,568	1,275,552
Total Liabilities	959,288	841,321	1,800,609
Deferred Inflows of Resources			
Service Concession Arrangement	3,520	—	3,520
Deferred Inflows - Pension	16,304	7,066	23,370
Deferred Inflows - OPEB	44,313	19,213	63,526
Deferred Inflows - Leases	317	16,486	16,803
Total Deferred Inflows of Resources	64,454	42,765	107,219
Net Position			
Net Investment in Capital Assets	881,764	987,193	1,868,957
Restricted for:			
General Government	30,051	—	30,051
Public Protection	5,764	—	5,764
Public Ways and Facilities	14,590	—	14,590
Culture and Recreation	73,713	—	73,713
Community Development	36,999	—	36,999
Net Pension Asset	234,411	62,015	296,426
Emergency Reserve	46,720	—	46,720
27th Pay Period Reserve	4,315	—	4,315
Housing Reserve	7,788	—	7,788
Asset Sale Reserve	157	—	157
Unrestricted	34,872	845,548	880,420
Total Net Position	\$ 1,371,144	\$ 1,894,756	\$ 3,265,900

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

CITY OF FRESNO, CALIFORNIA

Statement of Activities

Fiscal Year Ended June 30, 2024

(in thousands)

in thousands)

					Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Program Revenue			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 92,381	\$ 27,237	\$ 7,353	\$ 31,146	\$ (26,645)	\$ —	\$ (26,645)
Public Protection	367,609	22,105	10,396	9,542	(325,566)	—	(325,566)
Public Ways and Facilities	173,153	40,793	49,464	51,098	(31,798)	—	(31,798)
Culture and Recreation	68,735	2,819	2,253	1,988	(61,675)	—	(61,675)
Community Development	109,567	23,417	63,478	7,515	(15,157)	—	(15,157)
Interest on Long-term Debt	13,423	—	—	—	(13,423)	—	(13,423)
Total Governmental Activities	824,868	116,371	132,944	101,289	(474,264)	—	(474,264)
Business-Type Activities							
Water System	140,858	125,514	394	184,519	—	169,569	169,569
Sewer System	86,052	89,248	—	18,090	—	21,286	21,286
Solid Waste Management	43,020	30,969	691	—	—	(11,360)	(11,360)
Transit	83,681	3,589	45,518	26,869	—	(7,705)	(7,705)
Airports	45,359	47,882	6,355	13,303	—	22,181	22,181
Fresno Convention Center	8,750	5,354	—	—	—	(3,396)	(3,396)
Community Sanitation	10,445	9,551	—	—	—	(894)	(894)
Parks and Recreation	385	685	—	—	—	300	300
Stadium	2,862	585	—	50	—	(2,227)	(2,227)
Total Business-Type Activities	421,412	313,377	52,958	242,831	—	187,754	187,754
Total Primary Government	\$ 1,246,280	\$ 429,748	\$ 185,902	\$ 344,120	\$ (474,264)	\$ 187,754	\$ (286,510)
General Revenues:							
Taxes and Licenses:							
Property Taxes					180,976	—	180,976
Sales Taxes - Shared Revenues					197,924	—	197,924
Franchise Taxes					23,872	—	23,872
Business Tax					23,197	—	23,197
Room Tax					15,604	—	15,604
Other Taxes					3,151	—	3,151
Investment Earnings					26,928	39,051	65,979
Gain on Sale of Capital Assets					172	—	172
Transfers					(6,580)	6,580	—
Total General Revenues and Transfers					465,244	45,631	510,875
Change in Net Position					(9,020)	233,385	224,365
Net Position - Beginning					1,380,164	1,661,371	3,041,535
Net Position - Ending					\$ 1,371,144	\$ 1,894,756	\$ 3,265,900

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

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Fund Financial Statements

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CITY OF FRESNO, CALIFORNIA

Balance Sheet

Governmental Funds

June 30, 2024

(in thousands)

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 44,225	\$ 64,459	\$ 236,902	\$ 345,586
Receivables, Net	24,844	4,031	2,986	31,861
Grants Receivable	—	29,822	6,284	36,106
Intergovernmental Receivables	41,948	—	13,162	55,110
Due From Other Funds	8,520	4,412	7,343	20,275
Advances to Other Funds, Net	—	3,105	—	3,105
Property Held for Resale	—	—	3,264	3,264
Restricted Cash	58,523	85,237	8,323	152,083
Loans, Notes, Leases, Other Receivables, Net	—	60,551	23,818	84,369
Other Assets	632	13	—	645
Total Assets	<u>\$ 178,692</u>	<u>\$ 251,630</u>	<u>\$ 302,082</u>	<u>\$ 732,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accrued Liabilities	\$ 16,343	\$ 16,258	\$ 16,636	\$ 49,237
Unearned Revenue	2,318	170,010	809	173,137
Due to Other Funds	4,107	1,895	2,407	8,409
Advances From Other Funds	751	—	947	1,698
Deposits From Others	17,968	6	31	18,005
Total Liabilities	<u>41,487</u>	<u>188,169</u>	<u>20,830</u>	<u>250,486</u>
Deferred Inflows of Resources				
Unavailable Revenue	<u>28,166</u>	<u>20,852</u>	<u>5,509</u>	<u>54,527</u>
Total Deferred Inflows of Resources	<u>28,166</u>	<u>20,852</u>	<u>5,509</u>	<u>54,527</u>
Fund Balances				
Restricted	—	42,609	245,279	287,888
Committed	58,980	—	—	58,980
Assigned	11,025	—	30,464	41,489
Unassigned	39,034	—	—	39,034
Total Fund Balances	<u>109,039</u>	<u>42,609</u>	<u>275,743</u>	<u>427,391</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 178,692</u>	<u>\$ 251,630</u>	<u>\$ 302,082</u>	<u>\$ 732,404</u>

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

CITY OF FRESNO, CALIFORNIA

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

June 30, 2024

(in thousands)

Total Governmental Fund Balances	\$ 427,391
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
The Net Pension Asset is not a current financial resource, and therefore, is not reported in the funds.	234,411
Capital assets used in Governmental Activities are not current financial resources, and therefore, are not reported in the funds.	1,147,782
Prepays in Governmental Activities are not current financial resources, and therefore, are not reported in the funds.	1,232
Deferred outflows of resources reported in the Statement of Net Position	141,091
Accrued interest on long-term debt is not accrued in the funds, but rather, it is recognized as an expenditure when due.	(1,720)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(681,134)
Difference between deferred inflows of resources reported in the Statement of Net Position and unavailable revenue reported in the Balance Sheet - Governmental Funds	(9,927)
Prepaid bond insurance and original issue premium and discount represent costs associated with the issuance of long-term debt, which are deferred and amortized over the period the debt is outstanding. These costs are reported as expenditures of the current period in the funds.	(6,020)
Internal service funds are used by management to charge the costs of various activities, such as fleet and insurance to individual funds. Assets and liabilities of certain internal service funds are included in Governmental Activities in the Statement of Net Position.	118,038
Net Position of Governmental Activities	\$ 1,371,144

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

CITY OF FRESNO, CALIFORNIA

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 398,695	\$ —	\$ 64,871	\$ 463,566
Licenses and Permits	9,746	—	—	9,746
Intergovernmental	3,266	155,724	33,552	192,542
Charges for Services	34,977	—	44,092	79,069
Fines	3,122	—	—	3,122
Use of Money and Property	8,339	2,179	11,365	21,883
Miscellaneous	893	601	66	1,560
Total Revenues	459,038	158,504	153,946	771,488
Expenditures				
Current:				
General Government	49,768	15,612	685	66,065
Public Protection	315,866	18,556	4,739	339,161
Public Ways and Facilities	16,033	25,579	56,286	97,898
Culture and Recreation	22,132	2,343	34,367	58,842
Community Development	38,467	62,016	3,368	103,851
Capital Outlay	10,816	34,235	32,957	78,008
Debt Service:				
Principal	3,414	—	19,045	22,459
Interest	571	—	9,758	10,329
Total Expenditures	457,067	158,341	161,205	776,613
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,971	163	(7,259)	(5,125)
Other Financing Sources (Uses)				
Transfers In	6,308	1,702	30,610	38,620
Transfers Out	(35,526)	(2,706)	(7,722)	(45,954)
Capital Financing Activity	8,903	—	—	8,903
Total Other Financing Sources (Uses)	(20,315)	(1,004)	22,888	1,569
Net Changes in Fund Balances	(18,344)	(841)	15,629	(3,556)
Fund Balances - Beginning	127,383	43,450	260,114	430,947
Fund Balances - Ending	\$ 109,039	\$ 42,609	\$ 275,743	\$ 427,391

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

CITY OF FRESNO, CALIFORNIA

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

Fiscal Year Ended June 30, 2024

(in thousands)

Net change in fund balances - total governmental funds	\$	(3,556)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which cost of capital assets of \$72,431 exceeded depreciation of \$43,927 in the current period.		28,504
Some expenses, retention payable, and Net OPEB Liability reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		1,786
In the Statement of Net Position, acquiring debt increases Long-Term Liabilities and does not affect the Statement of Activities. Additionally, repayment of principal is an expenditure in the governmental funds but reduces liability in the Statement of Net Position.		12,288
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.		(7,240)
Changes to the net pension asset and pension related deferred outflows and inflows of resources do not provide current financial resources, and therefore, are not reported in the governmental funds.		(10,160)
Revenues recognized in the Statement of Activities in previous years and recognized in the governmental fund statements in the current year were less than revenues recognized in the Statement of Activities in the current year but not reported in the governmental funds as they do not provide current financial resources.		(24,037)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The net revenues of certain activities of internal service funds are reported with Governmental Activities in the Statement of Activities.		(6,605)
Change in net position of Governmental Activities	\$	<u>(9,020)</u>

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

CITY OF FRESNO, CALIFORNIA

Statement of Net Position

Proprietary Funds

June 30, 2024

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Assets					
Current Assets:					
Cash and Investments	\$ 164,827	\$ 159,646	\$ 4,334	\$ 22,992	\$ 51,316
Interest Receivable	3,552	1,367	78	603	945
Accounts Receivables, Net	24,316	14,620	8,316	344	3,809
Leases Receivable, Current	107	178	—	—	1,931
Grants Receivable	208	—	—	8,632	3,496
Inventories	3,199	6,507	—	1,316	463
Prepaid Items	1,618	18	—	39	427
Intergovernmental Receivables	—	875	—	17,627	86
Due from Other Funds	3	—	1	12	—
Restricted Cash and Investments	—	—	—	—	—
Total Current Assets	197,830	183,211	12,729	51,565	62,473
Noncurrent Assets:					
Restricted:					
Cash and Cash Equivalents	275,333	69,336	9,029	50,625	101,488
Interest Receivable	142	620	—	—	—
Total Restricted Assets	275,475	69,956	9,029	50,625	101,488
Other Assets:					
Other Receivables	1,156	587	—	—	—
Leases Receivable, Non Current	1,500	1,908	—	—	8,779
Other Assets	—	—	—	—	426
Net Pension Asset	13,171	11,907	8,518	16,772	5,148
Unamortized CVP Water Settlement	695	—	—	—	—
Solid Waste Rate Payers	—	—	8,155	—	—
Advances to Other Funds, Net	1,951	5,692	—	—	—
Total Other Assets	18,473	20,094	16,673	16,772	14,353
Capital Assets:					
Land and Intangibles	34,029	17,149	2,803	2,216	14,050
Buildings, Systems and Improvements	509,487	589,471	1,567	80,110	218,775
Machinery and Equipment	1,063	6,122	5,699	98,389	5,562
Infrastructure	445,280	365,271	—	—	89,404
Right to Use Assets Being Amortized	—	209	—	—	3,460
Construction in Progress	11,811	46,579	48	26,996	79,964
Less Accumulated Depreciation	(338,533)	(417,322)	(5,080)	(85,952)	(174,460)
Total Capital Assets, Net	663,137	607,479	5,037	121,759	236,755
Total Noncurrent Assets	957,085	697,529	30,739	189,156	352,596
Total Assets	1,154,915	880,740	43,468	240,721	415,069
Deferred Outflows of Resources					
Pension Contributions	1,743	1,692	1,200	3,663	1,042
Deferred Outflows - Pension	3,127	2,988	2,221	6,707	1,936
Deferred Outflows - OPEB	1,255	1,160	855	2,854	674
Total Deferred Outflows of Resources	\$ 6,125	\$ 5,840	\$ 4,276	\$ 13,224	\$ 3,652

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

Business-Type Activities - Enterprise Funds

Fresno Convention Center	Stadium	Other Enterprise Funds	Total	Internal Service Funds
\$ 942	\$ 245	\$ 3,337	\$ 407,639	\$ 95,786
4	—	39	6,588	922
570	925	2,374	55,274	3,270
—	100	209	2,525	8
—	—	—	12,336	332
70	—	—	11,555	1,730
94	—	—	2,196	1,232
—	—	—	18,588	—
—	—	—	16	3,833
2,357	—	—	2,357	—
4,037	1,270	5,959	519,074	107,113
822	940	1,419	508,992	2,277
—	—	—	762	—
822	940	1,419	509,754	2,277
—	—	—	1,743	—
—	1,361	1,001	14,549	324
125	148	12	711	23
—	—	3,428	58,944	10,431
—	—	—	695	—
—	—	—	8,155	—
—	—	—	7,643	—
125	1,509	4,441	92,440	10,778
4,163	710	12	75,132	—
86,932	43,489	3,743	1,533,574	21,667
309	2,783	67	119,994	199,117
—	—	122	900,077	—
—	—	—	3,669	13,988
—	5,459	—	170,857	31,300
(77,475)	(23,858)	(2,672)	(1,125,352)	(117,849)
13,929	28,583	1,272	1,677,951	148,223
14,876	31,032	7,132	2,280,145	161,278
18,913	32,302	13,091	2,799,219	268,391
—	—	387	9,727	2,922
—	—	669	17,648	5,271
12	—	340	7,150	2,005
\$ 12	\$ —	\$ 1,396	\$ 34,525	\$ 10,198

Assets

Current Assets:

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

Total Current Assets

Noncurrent Assets:

Restricted:

Cash and Investments
Interest Receivable

Total Restricted Assets

Other Assets:

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

Total Other Assets

Capital Assets:

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

Total Capital Assets, Net

Total Noncurrent Assets

Total Assets

Deferred Outflows of Resources

Pension Contributions
Deferred Outflows - Pension
Deferred Outflows - OPEB

Total Deferred Outflows of Resources

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

CITY OF FRESNO, CALIFORNIA

Statement of Net Position

Proprietary Funds

June 30, 2024 (continued)

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Liabilities					
Current Liabilities:					
Accrued Liabilities	\$ 7,727	\$ 7,258	\$ 1,817	\$ 14,699	\$ 12,435
Accrued Compensated Absences and HRA	400	348	382	644	417
Liability for Self-Insurance	—	—	—	—	—
Unearned Revenue	8,947	12,150	1,915	30,629	(31)
Due to Other Funds	626	163	1,063	143	62
Bonds Payable	4,090	—	—	—	3,121
Accrued Closure Cost	—	—	900	—	—
Capital Finance Obligations	—	—	—	—	—
Notes Payable	12,281	2,631	—	—	—
Lease Liability	—	19	—	—	1,130
Net OPEB Liability	130	115	114	315	74
Total Current Liabilities	34,201	22,684	6,191	46,430	17,208
Noncurrent Liabilities					
Accrued Compensated Absences and HRA	1,876	1,974	1,444	3,652	1,409
Capital Finance Obligations	—	—	—	—	—
Liability for Self-Insurance	—	—	—	—	—
Bonds Payable	86,416	—	—	—	144,238
Accreted Interest Payable on Capital					
Appreciation Bonds	—	—	—	—	—
Notes Payable	302,584	73,999	—	—	—
Lease Liability	—	137	—	—	1,213
Pollution Remediation Obligation	—	—	—	—	277
Accrued Closure Costs	—	—	8,344	—	—
Advances from Other Funds	—	—	6,485	—	—
Net OPEB Liability	5,168	4,910	3,311	10,539	2,546
Deposits Held for Others	966	15,222	—	—	471
Total Noncurrent Liabilities	397,010	96,242	19,584	14,191	150,154
Total Liabilities	431,211	118,926	25,775	60,621	167,362
Deferred Inflows of Resources					
Deferred Inflows - Pension	1,544	1,316	1,063	1,095	1,009
Deferred Inflows - OPEB	2,966	2,757	2,087	7,138	1,665
Deferred Inflows - Leases	1,534	2,029	—	—	10,379
Total Deferred Inflows of Resources	6,044	6,102	3,150	8,233	13,053
Net Position					
Net Investment in Capital Assets	257,174	529,670	5,037	112,267	77,458
Restricted for Net Pension Asset	13,171	11,907	8,518	16,772	5,148
Unrestricted (Deficit)	453,440	219,975	5,264	56,052	155,700
Total Net Position (Deficit)	\$ 723,785	\$ 761,552	\$ 18,819	\$ 185,091	\$ 238,306

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

Business-Type Activities - Enterprise Funds				
Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds
\$ 1,103	\$ 388	\$ 715	\$ 46,142	\$ 10,593
—	—	58	2,249	780
—	—	—	—	46,136
—	20	—	53,630	19,232
—	—	140	2,197	13,518
1,784	2,100	70	11,165	—
—	—	—	900	—
—	—	—	—	7,671
—	—	—	14,912	—
—	—	—	1,149	6,709
1	—	32	781	230
2,888	2,508	1,015	133,125	104,869
—	—	454	10,809	5,937
—	—	—	—	35,501
—	—	—	—	220,538
7,199	16,230	1,322	255,405	—
2,407	—	—	2,407	—
—	—	—	376,583	—
—	—	—	1,350	1,953
—	—	—	277	—
—	—	—	8,344	—
—	—	—	6,485	—
70	—	1,256	27,800	4,806
844	—	—	17,503	4,998
10,520	16,230	3,032	706,963	273,733
13,408	18,738	4,047	840,088	378,602
—	—	640	6,667	520
20	—	821	17,454	6,906
—	1,421	1,123	16,486	317
20	1,421	2,584	40,607	7,743
(5,422)	10,902	(4)	987,082	95,465
—	—	3,428	58,944	10,431
10,919	1,241	4,432	907,023	(213,652)
\$ 5,497	\$ 12,143	\$ 7,856	1,953,049	\$ (107,756)

Liabilities

Current Liabilities:

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

Total Current Liabilities

Noncurrent Liabilities

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

Total Noncurrent Liabilities

Total Liabilities

Deferred Inflows of Resources

Deferred Inflows - Pension
Deferred Inflows - OPEB
Deferred Inflows - Leases

Total Deferred Inflows of Resources

Net Position

Net Investment in Capital Assets
Restricted for Net Pension Asset
Unrestricted (Deficit)

Total Net Position (Deficit)

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

(58,293)

Net position of Business-Type Activities

\$ 1,894,756

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

CITY OF FRESNO, CALIFORNIA

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Operating Revenues:					
Charges for Services	\$ 125,514	\$ 89,248	\$ 30,969	\$ 3,589	\$ 40,286
Operating Expenses:					
Cost of Services	67,484	32,348	24,777	58,833	15,079
Administration	22,267	22,684	16,067	14,937	10,544
Amortization	—	20	—	—	755
Depreciation	39,019	29,340	510	8,675	11,618
Total Operating Expenses	128,770	84,392	41,354	82,445	37,996
Operating Income (Loss)	(3,256)	4,856	(10,385)	(78,856)	2,290
Non-Operating Revenue (Expenses):					
Operating Grants	394	—	691	45,518	6,355
Interest Income	9,801	5,127	224	910	6,838
Net Increase (Decrease) in Cash Fair Value	2,807	6,893	324	2,406	1,320
Interest Expense	(10,820)	(770)	(52)	—	(7,042)
Passenger Facility Charges	—	—	—	—	4,937
Customer Facility Charges	—	—	—	—	2,659
Gain (Loss) on Disposal of Capital Assets	—	—	—	—	—
Total Non-Operating Revenue (Expenses)	2,182	11,250	1,187	48,834	15,067
Income (Loss) Before Contributions & Transfers	(1,074)	16,106	(9,198)	(30,022)	17,357
Capital Contributions	184,519	18,090	—	26,869	13,303
Transfers In	238	—	1,474	—	—
Transfers Out	(1,587)	(544)	(1,692)	(1,386)	(259)
Change in Net Position	182,096	33,652	(9,416)	(4,539)	30,401
Total Net Position (Deficit) - Beginning	541,689	727,900	28,235	189,630	207,905
Total Net Position (Deficit) - Ending	\$ 723,785	\$ 761,552	\$ 18,819	\$ 185,091	\$ 238,306

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

Business-Type Activities - Enterprise Funds

Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds	
\$ 5,354	\$ 585	\$ 10,236	\$ 305,781	\$ 263,332	Operating Revenues:
					Charges for Services
					Operating Expenses:
4,938	280	6,295	210,034	218,125	Cost of Services
1,612	156	4,028	92,295	44,193	Administration
—	—	—	775	—	Amortization
2,034	1,376	193	92,765	18,529	Depreciation
8,584	1,812	10,516	395,869	280,847	Total Operating Expenses
(3,230)	(1,227)	(280)	(90,088)	(17,515)	Operating Income (Loss)
					Non-Operating Revenue (Expenses):
—	—	—	52,958	332	Operating Grants
32	26	148	23,106	3,188	Interest Income
(3)	35	91	13,873	3,929	Net Increase (Decrease) in Cash Fair Value
(166)	(1,050)	(95)	(19,995)	(940)	Interest Expense
—	—	—	4,937	—	Passenger Facility Charges
—	—	—	2,659	—	Customer Facility Charges
—	—	—	—	172	Gain (Loss) on Disposal of Capital Assets
(137)	(989)	144	77,538	6,681	Total Non-Operating Revenue (Expenses)
(3,367)	(2,216)	(136)	(12,550)	(10,834)	Income (Loss) Before Contributions & Transfers
—	50	—	242,831	—	Capital Contributions
4,361	5,552	258	11,883	2,804	Transfers In
—	—	(1,086)	(6,554)	(799)	Transfers Out
994	3,386	(964)	235,610	(8,829)	Change in Net Position
4,503	8,757	8,820		(98,927)	Total Net Position (Deficit) - Beginning
\$ 5,497	\$ 12,143	\$ 7,856		\$ (107,756)	Total Net Position (Deficit) - Ending

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

(2,225)

Change in net position of Business-Type Activities

\$ 233,385

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

CITY OF FRESNO, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from Customers	\$ 147,102	\$ 94,221	\$ 33,527	\$ 15,067	\$ 37,276
Cash Received from Interfund Services Provided	1,149	193	—	—	—
Cash Payments (to) from Suppliers for Services	(71,903)	(28,775)	(10,309)	(10,159)	(12,061)
Cash Paid for Interfund Services Used	(5,403)	(3,968)	(11,695)	(9,940)	(2,586)
Cash Payments to Employees for Services	(21,298)	(18,686)	(10,465)	(51,851)	(8,455)
Cash Payments for Claims and Refunds	—	—	—	—	—
Net Cash Provided by (Used for) Operating Activities	49,647	42,985	1,058	(56,883)	14,174
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital Contributions	184,520	18,913	—	31,823	15,392
Passenger and Customer Facility Charges	—	—	—	—	7,595
Interest Payments on Capital Debt	(10,854)	485	(54)	—	(5,138)
Proceeds from Capital Finance Activity	—	—	—	—	—
Principal Payments on Capital Debt-Bonds	—	—	—	—	(1,400)
Principal Payments on Capital Debt-Notes	(12,122)	(16,444)	—	—	—
Principal Payments on Capital Finance Obligations	—	—	—	—	—
Proceeds (Loss) from Sale of Capital Assets	—	—	—	—	—
Acquisition and Construction of Capital Assets	(3,205)	(27,706)	—	(27,279)	(37,192)
Net Cash Provided by (Used for) Capital and Related Financing Activities	158,339	(24,752)	(54)	4,544	(20,743)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Operating Grants	394	—	1,624	57,078	6,680
Borrowing Receipt from (Payment to) Other Funds	—	—	—	—	—
Transfers In	238	—	1,474	—	—
Transfers Out	(1,587)	(544)	(1,692)	(1,386)	(259)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(955)	(544)	1,406	55,692	6,421
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends Received (Paid) on Investments	10,619	11,520	546	3,013	7,669
Net Cash Provided by (Used for) Investing Activities	10,619	11,520	546	3,013	7,669
Net Increase (Decrease) in Cash and Cash Equivalents	217,650	29,209	2,956	6,366	7,521
Cash and Cash Equivalents, Beginning of Year	222,510	199,773	10,407	67,251	145,283
Cash and Cash Equivalents, End of Year	\$ 440,160	\$ 228,982	\$ 13,363	\$ 73,617	\$ 152,804

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

Business-Type Activities - Enterprise Funds

Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds
\$ 4,111	\$ —	\$ 12,092	\$ 343,396	\$ 113,242
—	61	—	1,403	149,122
(4,281)	(408)	(4,045)	(141,941)	(95,441)
—	—	(1,631)	(35,223)	(4,077)
(2,852)	—	(4,922)	(118,529)	(36,784)
—	—	—	—	(107,666)
(3,022)	(347)	1,494	49,106	18,396
—	70	—	250,718	16,410
—	—	—	7,595	—
(1,091)	(1,223)	(67)	(17,942)	(1,338)
—	—	—	—	(23,585)
(1,726)	(1,980)	(65)	(5,171)	—
—	—	—	—	—
—	—	—	(28,566)	—
—	—	—	—	(7,203)
—	—	—	—	172
(300)	(1,957)	—	(97,639)	(18,042)
(3,117)	(5,090)	(132)	108,995	(33,586)
—	—	—	65,776	—
—	—	—	—	332
4,361	5,552	258	11,883	(12,904)
—	—	(1,087)	(6,555)	2,804
4,361	5,552	(829)	71,104	(799)
21	52	229	33,669	7,063
21	52	229	33,669	7,063
(1,757)	167	762	262,874	(18,694)
5,878	1,018	3,994	656,114	116,757
\$ 4,121	\$ 1,185	\$ 4,756	\$ 918,988	\$ 98,063

CASH FLOWS FROM OPERATING ACTIVITIES:

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

Net Cash Provided by (Used for) Operating Activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital Contributions
Passenger and Customer Facility Charges
Interest Payments on Capital Debt
Proceeds from Capital Finance Activity
Principal Payments on Capital Debt-Bonds
Retirement of Debt
Principal payments on Capital Debt-Notes
Principal Payments on Capital Finance Obligations
Proceeds from Sale of Capital Assets
Acquisition and Construction of Capital Assets

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

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Operating Grants
Borrowing Receipt from Other Funds
Borrowing Receipt from (Payment to) Other Funds
Transfers In
Transfers Out

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

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends Received (Paid) on Investments

Net Cash Provided by (Used for) Investing Activities

Net Increase (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents, Beginning of Year

Cash and Cash Equivalents, End of Year

(Continued)

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

CITY OF FRESNO, CALIFORNIA

Statement of Cash Flows

Proprietary Funds

Fiscal Year Ended June 30, 2024 (Continued)

(in thousands)

	Business-Type Activities - Enterprise Funds				
	Water System	Sewer System	Solid Waste Management	Transit	Airports
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating income (loss)	\$ (3,256)	\$ 4,856	\$ (10,385)	\$ (78,856)	\$ 2,290
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	39,019	29,340	510	8,675	11,618
Amortization Expense	—	20	—	—	755
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	2,128	1,076	786	(181)	2,835
Decrease (increase) in Grants receivable	3,441	—	—	—	—
Decrease (increase) in other receivables	1,043	1,232	1,190	—	—
Decrease (increase) in due from other funds	10,727	6,840	3,161	195	218
Decrease (increase) in due from other governments	—	(273)	—	—	—
Decrease (increase) in material and supplies inventory	29	(988)	—	(390)	(59)
Decrease (increase) in prepaid items	(1,144)	23	20	21	1,001
Decrease (increase) in net pension asset & deferred outflows	(539)	(1,714)	(429)	1,624	(391)
Decrease (increase) in advances to other funds	1,034	(4,505)	4,258	—	—
Decrease (increase) in prepaid insurance	—	—	—	—	19
(Decrease) increase in accounts payable	(4,201)	6,592	1,902	9,430	90
(Decrease) increase in salaries payable	52	130	(27)	247	(207)
(Decrease) increase in due to other funds	203	25	556	40	(4)
(Decrease) increase in other liabilities	—	(132)	—	—	—
(Decrease) increase in retention payable	(22)	269	45	453	(579)
(Decrease) increase in accrued closure costs	—	—	(1,183)	—	—
(Decrease) increase in unearned revenue	651	—	—	2,233	(296)
(Decrease) increase in liability for self-insurance	—	—	—	—	—
(Decrease) increase in deposits	(129)	—	—	—	20
(Decrease) increase in pollution remediation liability	—	—	—	—	(89)
(Decrease) increase in net OPEB liability	(74)	(71)	(44)	(184)	(42)
(Decrease) increase in deferred inflows of resources	685	265	698	(190)	(3,005)
Net Cash Provided by (Used For) Operating Activities	\$ 49,647	\$ 42,985	\$ 1,058	\$ (56,883)	\$ 14,174
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:					
Cash and Investments:					
Unrestricted	\$ 164,827	\$ 159,646	\$ 4,334	\$ 22,992	\$ 51,316
Restricted - Current and Noncurrent	275,333	69,336	9,029	50,625	101,488
Cash and Cash Equivalents at End of Year on Statement of Cash Flows	\$ 440,160	\$ 228,982	\$ 13,363	\$ 73,617	\$ 152,804
Noncash Investing, Capital, and Financing Activities:					
Acquisition/construction of capital assets on accounts payable	\$ 432	\$ 848	\$ 48	\$ —	\$ 4,806
Amortization of bond premium, discount and loss on refunding	88	—	—	—	(202)
Borrowing under capital financing	—	—	—	—	—
Decrease (increase) in fair value of investments	(10,685)	(6,893)	(324)	(2,406)	(1,320)
Decrease in unamortized CVP water settlement receivable and decrease in CVP litigation settlement payable	(428)	—	—	—	—

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

Business-Type Activities - Enterprise Funds

Fresno Convention Center	Stadium	Other Enterprise Funds	Totals	Internal Service Funds
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Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:

\$	(3,230)	\$	(1,227)	\$	(280)	\$	(90,088)	\$	(17,515)	Operating income (loss)
										Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:
	2,034		1,376		193		92,765		18,529	Depreciation expense
	—		—		—		775		—	Amortization expense
										Change in assets and liabilities:
	(198)		(408)		421		6,459		(1,370)	Decrease (increase) in accounts receivable
							3,441			Decrease (increase) in Grants receivable
	—		—		—		3,465			Decrease (increase) in other receivables
	—		—		1,385		22,526		(633)	Decrease (increase) in due from other funds
	—		—		—		(273)		—	Decrease (increase) in due from other governments
	(10)		—		—		(1,418)		(239)	Decrease (increase) in material and supplies inventory
	(53)		—		—		(132)		(689)	Decrease (increase) in prepaid items
	84		—		(531)		(1,896)		1,880	Decrease (increase) in net pension asset & deferred outflows
	—		—		—		787		—	Decrease (increase) in advances to other funds
	(52)		21		1		(11)		—	Decrease (increase) in prepaid insurance
	(477)		7		309		13,652		(4,273)	(Decrease) increase in accounts payable
	—		—		222		417		812	(Decrease) increase in salaries payable
	—		(2)		(454)		364		(13,545)	(Decrease) increase in due to other funds
	—		—		—		(132)		—	(Decrease) increase in other liabilities
	—		—		—		166		128	(Decrease) increase in retention payable
	—		—		—		(1,183)		—	(Decrease) increase in accrued closure costs
	—		—		—		2,588		7,441	(Decrease) increase in unearned revenue
	—		—		—		—		28,614	(Decrease) increase in liability for self-insurance
	(1,119)		—		—		(1,228)		318	(Decrease) increase in deposits
	—		—		—		(89)		—	(Decrease) increase in pollution remediation liability
	—		—		(22)		(437)		(234)	(Decrease) increase in net OPEB liability
	(1)		(114)		250		(1,412)		(829)	(Decrease) increase in deferred inflows of resources
\$	(3,022)	\$	(347)	\$	1,494	\$	49,106	\$	18,395	Net Cash Provided by (Used For) Operating Activities

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

Cash and Investments:

\$	942	\$	245	\$	3,337	\$	407,639	\$	95,786	Unrestricted
	3,179		940		1,419		511,349		2,277	Restricted - Current and Noncurrent

Cash and Cash Equivalents at End of Year on Statement of Cash Flows

\$	4,121	\$	1,185	\$	4,756	\$	918,988	\$	98,063
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Noncash Investing, Capital, and Financing Activities:

\$	—	\$	159	\$	—	\$	6,293	\$	1,402	Acquisition/construction of capital assets on accounts payable
	(200)		(173)		(15)		(502)		—	Amortization of bond premium, discount and loss on refunding
	—		—		—		—		23,585	Borrowing under capital financing
	3		(35)		(91)		(21,751)		(3,929)	Decrease (increase) in fair value of investments
					—		(428)		—	Decrease in unamortized CVP water settlement receivable and decrease in CVP litigation settlement payable

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

CITY OF FRESNO, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds - Trust and Custodial Funds
June 30, 2024
(in thousands)

	Pension Trust Funds	Successor Agency to the Fresno Redevelopment Agency Private- Purpose Trust Fund	Custodial Funds
Assets			
Cash and Investments	\$ 1,291	\$ 2,239	\$ 2,786
Restricted Cash and Investments Held by Fiscal Agent	—	—	545
Total Cash and Investments	1,291	2,239	3,331
Receivables:			
Receivables for Investments Sold	10,409	—	—
Interest and Dividends Receivable	4,138	—	31
Other Receivables	1,579	—	—
Due from Other Governments	—	—	557
Total Receivables	16,126	—	588
Investments, at Fair Value:			
Short-Term Investments	14,871	—	—
Domestic Equity	977,280	—	—
International Equities	785,972	—	—
Private Equity	291,638	—	—
Fixed Income	496,634	—	—
Private Debt/Credit	538,814	—	—
Real Estate	846,704	—	—
Multi-Assets	64,456	—	—
Total Investments	4,016,369	—	—
Collateral Held for Securities Lent	54,787	—	—
Capital Assets, Net of Accumulated Depreciation	424	—	—
Other Assets	210	—	—
Property Held for Resale	—	293	—
Total Assets	4,089,207	2,532	3,919
Deferred Outflows of Resources			
Pension Contributions	—	271	—
Total Deferred Outflows of Resources	—	271	—
Liabilities			
Accrued Liabilities	14,077	174	60
Collateral Held for Securities Lent	54,787	—	—
Due to Other Governments	—	—	3
Other Liabilities	1,867	—	—
Long-Term Debt:			
Due Within One Year	—	100	—
Due in More than One Year	—	946	—
Advances From Other Funds (Due to City of Fresno)	—	2,565	—
Net Pension Liability	—	734	—
Total Liabilities	70,731	4,519	63
Deferred Inflows of Resources			
Unamortized Pension Expense	—	52	—
Net Position			
Restricted for Pension Benefits	4,018,476	(1,768)	—
Restricted for Individuals, Organizations, and Other Governments	—	—	3,856
Held in Trust for Redevelopment Dissolution	—	—	—
Total Net Position (Deficit)	\$ 4,018,476	\$ (1,768)	\$ 3,856

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

CITY OF FRESNO, CALIFORNIA

Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Trust Funds

Fiscal Year Ended June 30, 2024
(in thousands)

	Pension Trust Funds	Successor Agency to the Fresno Redevelopment Agency Private- Purpose Trust Fund	Custodial Funds
Additions			
Contributions:			
Employer	\$ 59,256	\$ —	\$ —
System Members	31,941	—	—
Total Contributions	91,197	—	—
Investment Income:			
Net Appreciation in Fair Value of Investments	418,771	—	—
Interest	18,922	—	36
Dividends	13,883	—	—
Other Investment Related	280	—	—
Total Investment Income	451,856	—	36
Less Investment Expense	(75,892)	—	—
Total Net Investment Income	375,964	—	36
Securities Lending Income:			
Securities Lending Earnings	3,372	—	—
Less Securities Lending Expense	(3,009)	—	—
Net Securities Lending Income	363	—	—
Property Taxes	—	1,376	—
Taxes Collected for Organizations and Other Governments	—	—	2,611
Fees Collected for Organizations and Other Governments	—	—	6,943
Other Income	—	76	557
Total Additions	467,524	1,452	10,147
Deductions			
Benefit Payments (including post retirement supplemental benefits)	170,752	—	—
Refund of Contributions	2,669	—	—
Redevelopment Expenses	—	28	—
General and Administrative Expenses	4,776	438	203
Deposits Held for Others	—	—	9,235
Interest on Debt	—	35	—
Total Deductions	178,197	501	9,438
Change in Net Position	289,327	951	709
Net Position - Beginning (Deficit)	3,729,149	(2,719)	3,147
Net Position - Ending (Deficit)	\$ 4,018,476	\$ (1,768)	\$ 3,856

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

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Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

Custodial Fund Financial Statements use the economic resources measurement focus and the accrual basis of accounting.

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

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

1. Major Governmental Funds

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

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

2. Major Proprietary (Enterprise) Funds

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

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

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

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

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

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

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

3. Nonmajor Governmental Funds

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

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

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

4. Nonmajor Proprietary Funds

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

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

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

5. Fiduciary Funds

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

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

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

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

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

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

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

Fresno Street, Fresno, CA 93721-3604, or at <https://www.cfrs-ca.org/employee-retirement-system/ers-financial/>.

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

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

6. Component Units

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

a. Blended Component Units

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

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

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

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

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

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

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

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

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

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

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

While there are no financial results from the Fresno EIFD in the Fiscal Year 2023 Annual Comprehensive Financial Report (ACFR), there will be results in future fiscal years as the district receives tax increment, issues bonds, and completes projects. The Fresno EIFD will be reported as a Debt Service Fund.

b. Fiduciary Component Unit

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

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

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

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

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

D. Budgetary Data

The budget of the City is a detailed operating plan which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) programs, projects, services, and activities to be

provided during the fiscal year, (2) the estimated resources (inflow) and amounts available for appropriation, and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter prohibits expending funds for which there is no legal appropriation.

1. Fund Structure

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

2. Basis of Accounting

The City adopts annual budgets for most governmental and business-type funds (except Financing Authorities/Corporations and City Debt Service) on the cash basis of accounting plus encumbrances. Major General Fund revenues, such as sales tax and property tax, are budgeted on the modified accrual basis of accounting. Supplemental appropriations during the year must be approved by the City Council. Budgeted amounts are reported as amended.

Encumbrances are commitments related to executed contracts for goods or services. Encumbrance accounting is utilized for budgetary control and accountability and to facilitate cash planning and control. Encumbrances outstanding at year-end are reported as part of restricted, committed, or assigned fund balance. As of June 30, 2024, encumbrances totaled \$11.0 million in the General Fund, \$95.9 million in the Grants Special Revenue Fund, and \$54.2 million in the Non major Governmental Funds.

3. Revenue Estimation

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

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

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

4. Budget Administration

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

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

E. New Accounting Pronouncements - Implemented

1. GASB Statement No. 100 - *Accounting Changes and Error Corrections- an Amendment to GASB Statement No. 62*

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for City's fiscal year ending June 30, 2024; however implementation of this statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2024.

F. New Accounting Pronouncements - Issued But Not Yet Adopted

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

1. GASB Statement No. 101 - *Compensated Absences*

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

2. GASB Statement No. 102 - *Certain Risk Disclosures*

The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with

a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City's fiscal year ending June 30, 2025. Earlier application is encouraged.

3. GASB Statement No. 103 - *Financial Reporting Model Improvements*

The objective of this Statement is to improve key components (listed below) of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for City's fiscal year ending June 30, 2026.

- Management's Discussion and Analysis (MD&A)
- Unusual or infrequent items
- Presentation of proprietary fund statement of revenues, expenses and changes in fund net position
- Major component unit information
- budgetary comparison information
- financial trends information in the statistical section

4. GASB Statement No. 104 - *Disclosure of Certain Capital Assets*

The objective of this Statement is to establish requirements for certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement No. 34, "Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments." It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Application of this statement is effective for City's fiscal year ending June 30, 2026.

G. Deposits and Investments

- 1. Investment in the Treasurer's Pool** - The City Controller/Treasurer invests on behalf of most funds of the City in accordance with the City's investment policy and the California Government Code Section 53601. The City Treasurer, who reports investments and earnings on a monthly basis to the City Council, manages the Treasurer's Investment Pool. The Treasurer's Investment Pool consists of two components: 1) pooled deposits and investments and 2) dedicated investment funds. The dedicated investment funds represent restricted funds related to bond issuances of Enterprise Funds. In addition to the Treasurer's Investment Pool, the City has other funds that are held by trustees. These funds are related to the issuance of Non-Enterprise Fund bonds and certain loan programs of the City.
- 2. Investment Valuation** - The City categorizes its investments at fair value measurement within the fair value hierarchy established by generally accepted accounting principles as codified in GASB Statement No. 72, *Fair Value Measurement and Application*.

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

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

H. Loans Receivable

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

I. Inventories

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

J. Former Redevelopment Agency Property Held for Resale

Property of the former RDA, some of which was allocated to Low and Moderate Income Housing (LMIH) (\$3.3 million) and some to the Successor Agency (\$0.3 million), is being held for resale per the law dissolving the RDA. The property is recorded at the current determination of the lower of estimated cost or market as documented in its approved Long-Range Property Management Plan (LRPMP). The LRPMP addresses the anticipated disposition and use of the real properties of the former RDA. At June 30, 2024, the adjusted value of the property was \$3.6 million.

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

Statements as Property Held for Resale. Property held for resale by the Successor Agency is included in the fiduciary funds.

K. Restricted Assets

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

L. Capital Assets

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

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

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

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

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

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

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

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

As of fiscal year end 2024, \$21.6 million has been capitalized as an intangible asset. Included in this amount are noise mitigation assets of \$5.4 million and Water Rights in the amount of \$16.2 million.

Capital Financing Activities

Property, plant and equipment include the following property held under capital financing obligation at June 30, 2024 (in thousands):

	Governmental Activities
Machinery and Equipment	\$ 77,316
Less: Accumulated Depreciation	(40,238)
Net Machinery and Equipment	<u>\$ 37,078</u>

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

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

N. Deferred Outflows of Resources

1. Pension and OPEB

In the Government-Wide Financial Statements and the Proprietary Fund type in the Fund Financial Statements, deferred outflows of resources are recorded for the current year employer pension contributions to the retirement systems, which represent contributions made after the measurement period in accordance with GASB Statement No. 71. For the OPEB plan, the the employer contribution made after the measurement period is the implicit subsidy for the current fiscal year. Refer to Note 1 (V) and 1 (W) for additional information.

O. Unearned Revenues

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

P. Deferred Inflows of Resources

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

In the governmental fund statements, deferred inflows of resources consist of revenues not collected within the availability period after fiscal year-end. The deferred inflows of resources balance as of June 30, 2024 consists of the following unavailable resources (in thousands):

	Deferred Inflows of Resources			
	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Property Taxes	\$ 3,200	\$ —	\$ —	\$ 3,200
Franchise Taxes	4,420	—	—	4,420
Business Tax	2,624	—	—	2,624
Measure C and Other Tax	—	—	4,799	4,799
Code Enforcement Revenue	10,768	—	—	10,768
Fire Revenue	1,842	—	—	1,842
Grant Revenue	—	20,852	261	21,113
Parking Citations, Fines and Other Revenue	2,501	—	—	2,501
Leases	2,812	—	449	3,261
Total	<u>\$ 28,166</u>	<u>\$ 20,852</u>	<u>\$ 5,509</u>	<u>\$ 54,527</u>

Q. Interfund Transfers

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

1. Charges for services are recorded as both revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of the fiscal year.
2. Reimbursements for expenditures initially made by one fund which are properly applicable to another fund are recorded both as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed.

R. Fund Balance (Deficit)

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

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

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

A November 16, 2012 ballot measure amended Section 1212 of the City Charter to require that the Council establish a policy for managing the City Reserves. The measure also defined several "qualifying events" under which the City's Emergency Reserve could be used. Qualifying events were deemed to be 1) Natural catastrophe; 2) An immediate threat to health and public safety; or 3) A significant decline in General Fund Revenues, which in the opinion of the City Manager,

impairs his/her ability to administer the Council adopted budget. All qualifying events must be declared by the Mayor and ratified by a super majority Council vote.

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

On June 30, 2024, the Reserve balance identified as Committed Fund Balance was at \$59.0 million, including \$46.7 million for the General Fund Emergency Reserve.

On December 7, 2017, with the adoption of Resolution No. 2017-334, the Act was again amended. The Resolution stated that any real or personal asset sale of City property with proceeds greater than \$15,000, which would otherwise be deposited into the General Fund, shall instead be deposited into an Asset Sale/Special Windfall Reserve Fund. Proceeds deposited into this new fund are amortized over a five-to-ten year period and used to provide a revenue stream for General Fund items deemed necessary to deliver core City services for the protection and benefit of the citizens of Fresno. Monies from the Asset Sale/Special Windfall Reserve Fund are currently being used to fund salaries of additional police dispatchers. The Committed Fund Balance as of June 30, 2024 includes \$0.2 million within this fund.

In addition to the City's Emergency Reserve, the Committed Fund Balance as of June 30, 2024 also consists of \$4.3 million designated exclusively for use in a year when a 27th pay period occurs. Monies are set aside each year to fund the extra pay period that is a product of paying employees bi-weekly. The next fiscal year containing a 27th pay period is fiscal year 2028.

The Committed Fund Balance as of June 30, 2024 also includes \$7.8 million for the Housing Reserve. Funds in this reserve are to be used exclusively for construction of low-income housing, or subsidizing private sector development of low-income housing.

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

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

Fund Balances of the governmental funds at June 30, 2024 consisted of the following (in thousands):

	General Fund	Grants Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Restricted:				
Debt Service	\$ —	\$ —	\$ 2,428	\$ 2,428
Fire	—	—	545	545
PARCS	—	—	42,417	42,417
Public Works	—	—	163,375	163,375
Police	—	—	1,341	1,341
ARPA and Public Safety Grants	—	21,844	—	21,844
Capital Projects and Community Revitalization Grants	—	4,262	—	4,262
Planning and Development Grants	—	16,503	—	16,503
Total Restricted	<u>—</u>	<u>42,609</u>	<u>245,279</u>	<u>287,888</u>
Committed				
27th Pay Period Reserve	4,315	—	—	4,315
Emergency Reserve General Fund	46,720	—	—	46,720
Asset Sale Reserve Fund	157	—	—	157
Housing General Fund	7,788	—	—	7,788
Total Committed	<u>58,980</u>	<u>—</u>	<u>—</u>	<u>58,980</u>
Assigned:				
Animal Care	39	—	—	39
Capital Projects	41	—	—	41
Economic Development	—	—	334	334
Fire	—	—	25,294	25,294
General Purpose	7,000	—	—	7,000
Mayor and City Manager	—	—	181	181
Neighborhood and Community Service	3	—	—	3
PARCS	—	—	178	178
Personnel	(2)	—	—	(2)
Police	872	—	132	1,004
Public Works	3,072	—	4,345	7,417
Total Assigned	<u>11,025</u>	<u>—</u>	<u>30,464</u>	<u>41,490</u>
Unassigned (Deficit)	<u>39,034</u>	<u>—</u>	<u>—</u>	<u>39,034</u>
Total Fund Balance (Deficit)	<u>\$ 109,039</u>	<u>\$ 42,609</u>	<u>\$ 275,744</u>	<u>\$ 427,391</u>

S. Net Position/(Deficit)

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

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

T. Cash Flows

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

U. Regulatory Assets and Liabilities

At June 30, 2024, the Statement of Net Position Business-Type Activities reflected approximately \$0.7 million in regulatory assets related to the Central Valley Project (CVP) Water Settlement. These assets will continue to have an impact on water rates which are to be charged to customers over approximately the next 20 years. The settlement for past deficiencies was negotiated between the City and the United States Bureau of Reclamation (USBR). Under GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*, regulatory assets represent future revenue associated with certain costs (CVP Litigation Settlement) that will be recovered from customers through the ratemaking process.

V. Pensions

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

W. Other Post-Employment Benefits (OPEB)

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

X. Estimates

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

Note 2. Cash and Investments

A. City Cash and Investments

1. Sponsored Investment Pool

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

The following is a summary of cash, deposits, and investments at June 30, 2024 (in thousands):

(in thousands)				
Category	Primary Government			Total
	Governmental Activities	Business-Type Activities	Fiduciary Funds	
Cash and Investments	\$ 434,526	\$ 414,485	\$ 6,316	\$ 855,327
Restricted Cash and Investments	152,083	513,626	545	666,254
Pension Trust Investments at Fair Value	—	—	4,016,369	4,016,369
Collateral Held for Securities Lent	—	—	54,787	54,787
Total	\$ 586,609	\$ 928,111	\$ 4,078,017	\$ 5,592,737

2. Cash and Deposits

At year-end, the City's bank balance was \$37.2 million inclusive of Successor Agency to the Fresno Redevelopment Agency Private-Purpose Trust Fund and pension trust funds. The recorded balance reflected in the June 30, 2024 financial statements was \$35.6 million. The difference is due to deposits in transit and outstanding checks.

3. Fair Value Hierarchy

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

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

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

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

Pooled Investments by Fair Value Level	June 30, 2024	Level 1	Level 2
Federal Farm Credit Bank Bonds	\$ 102,975	\$ —	\$ 102,975
Federal Home Loan Bank Bonds	188,721	—	188,721
Federal Home Loan Mortgage Corporation Bonds	54,828	—	54,828
Federal National Mortgage Association Bonds	64,792	—	64,792
Federal AG Mortgage Corporation	73,403	—	73,403
U.S. Treasury Securities	66,279	66,279	—
Medium Term Corporate Notes	268,529	—	268,529
Negotiable Certificate of Deposit	38,934	—	38,933
Total Pooled Investments by Fair Value	858,461	66,279	792,182
Pooled Investments Not Subject to the Fair Value Hierarchy			
State Local Agency Investment Fund	74,668		
Time Deposits	6,000		
Municipal Bonds	149,967		
Supranational	27,818		
Money Market Funds	295,000		
Total Pooled Investments Not Subject to the Fair Value Hierarchy	553,453		
Total Pooled Investments	1,411,914		
Investments Held Outside the Treasurer's Pool Not Subject to the Fair Value Hierarchy			
Money Market Mutual Funds	73,864		
Total Investments Held Outside the Treasurer's Pool	73,864		
Grand Total of Investments	\$ 1,485,778	\$ 66,279	\$ 792,182

Note: There are no level 3 investments.

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

4. Cash, Deposits, and Investments

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

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

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

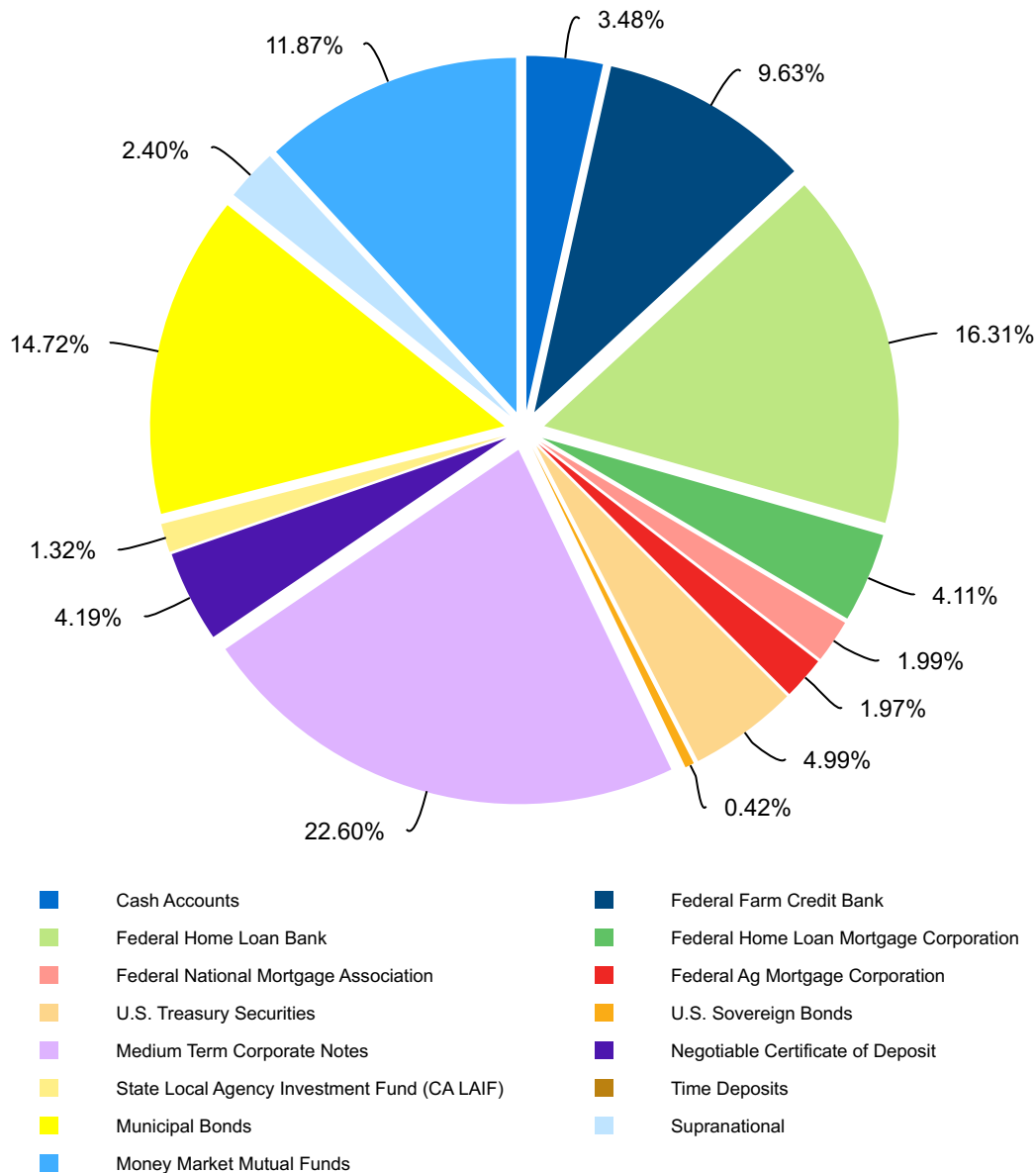
The City maintains a formal investment policy, which is adopted annually by the City Council. All investments held in the Treasurer's Pool are consistent with the City's investment policy objectives of preservation of principal, adequacy of liquidity, and achievement of an average market rate of return.

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

The following graphs depict the allocation of the Treasury Pool's assets among the various authorized investments, as well as maturity periods, as of June 30, 2023 and June 30, 2024:

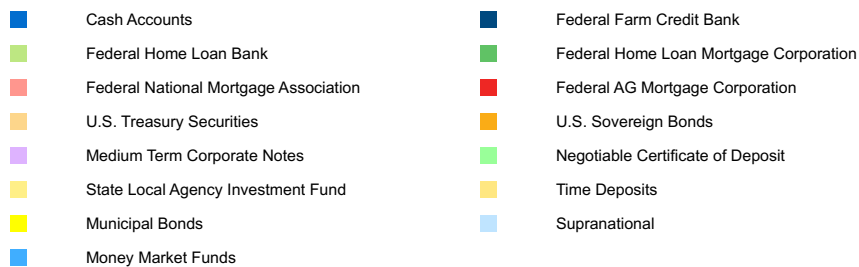
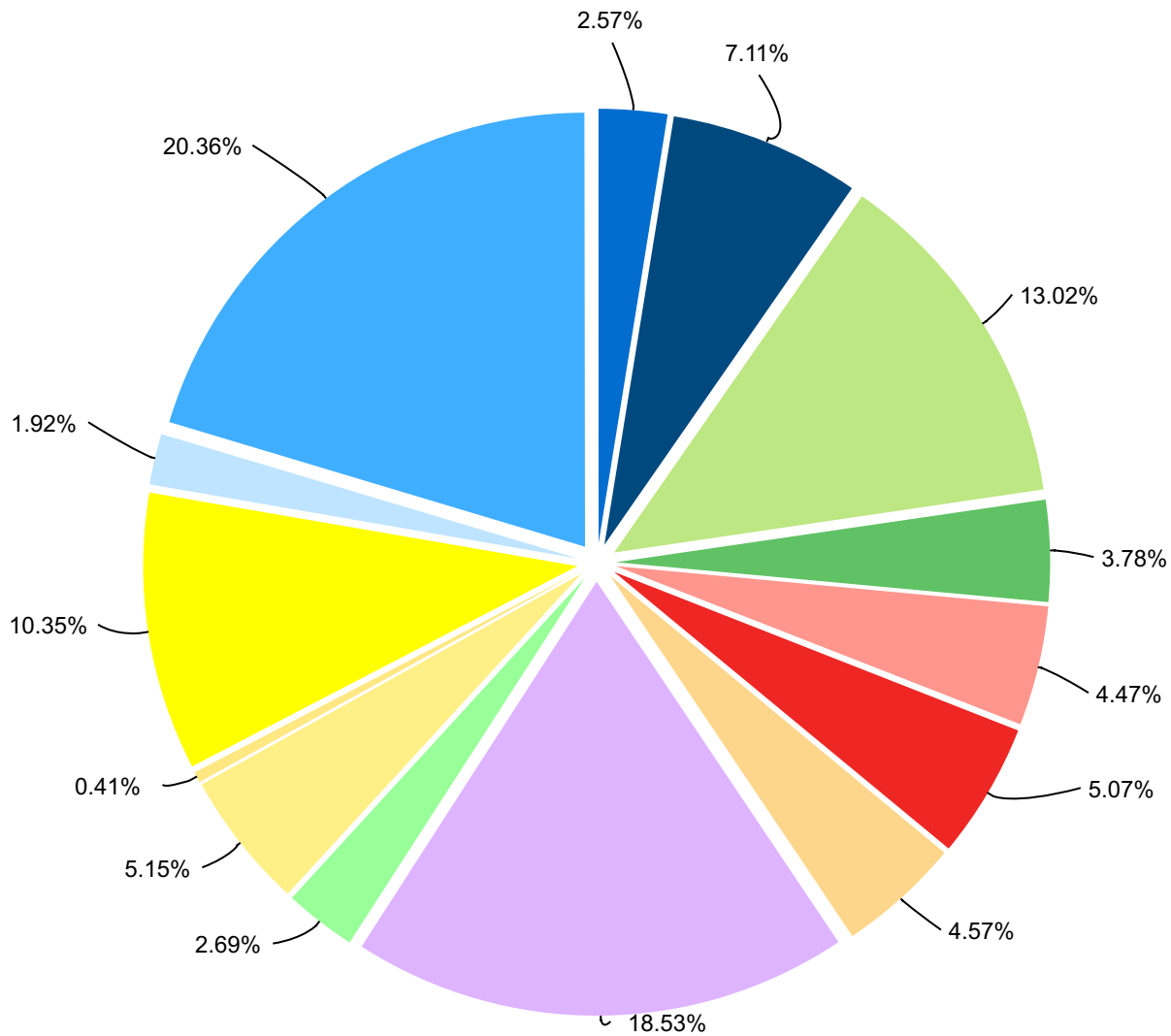
City of Fresno Treasurer's Pool (Fair Value)

June 30, 2023



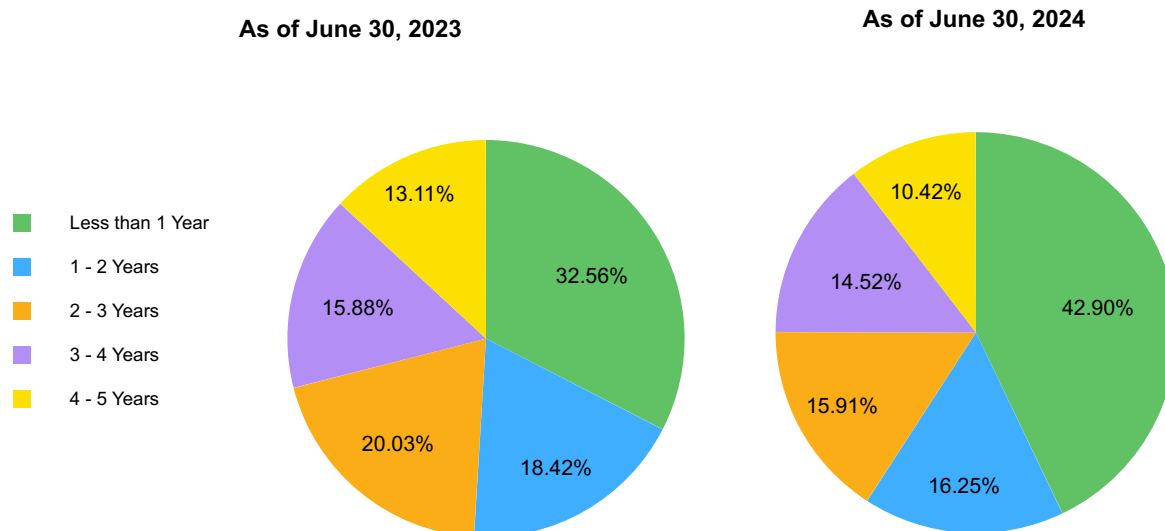
City of Fresno Treasurer's Pool (Fair Value)

June 30, 2024



City of Fresno

Treasurer's Pool Maturity Schedule



B. Investments Authorized by Debt Agreements

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

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

The City has invested bond trust monies into securities with maturity periods of one to three years under a "ladder" approach to investing. Such a structure allows for reinvestment in the short-term until interest rates begin to rise. Staff believes that investing in the long-term at this time would commit the City into low earnings, instead of taking advantage of opportunities in case rates begin to rise. During fiscal year 2024, total interest of \$73.9 million was earned from the following instruments:

- Money Market Funds - \$73.9 million

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

1. Investment Risk

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

2. Deposit and Investment Risk

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

3. Concentration of Credit Risk

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

Treasurer's Pool Investments			
Issuer	Investment Type	Amount	% of Total
Treasurer's Pool Investments:			
Federal Farm Credit Bank Bonds	U.S. Government Agency	\$ 102,975	21.25 %
Federal Home Loan Bank Bonds	U.S. Government Agency	188,721	38.93 %
Federal Home Loan Mortgage Corporation Bonds	U.S. Government Agency	54,828	11.31 %
Federal National Mortgage Association	U.S. Government Agency	64,792	13.37 %
Federal AG Mortgage Corporation	U.S. Government Agency	73,403	15.14 %
		<u>\$ 484,719</u>	<u>100 %</u>

4. Interest Rate Risk

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

Interest rate risk for the Treasurer's Pool and for investments with trustees is disclosed in the following table. As of June 30, 2024, the City had the following cash and investments in its portfolio (in thousands):

Treasurer's Pool	Fair Value	Investment Maturities			
		Less than 1 Year	1 to 5 Years	5 to 10 Years	More than 10 Years
Cash Accounts	\$ 37,177				
Treasurer's Pool Investments					
U.S. Government Agencies:					
Federal Farm Credit Bank	102,975	\$ 24,677	\$ 78,298	\$ —	\$ —
Federal Home Loan Bank	188,721	39,273	149,448	—	—
Federal Home Loan Mortgage Corp.	54,828	9,781	45,047	—	—
Federal National Mortgage Association	64,792	4,762	60,031	—	—
Federal Ag Mortgage Corporation	73,403	—	73,403	—	—
Subtotal of U.S. Government Agencies	484,719	78,492	406,227	—	—
U.S. Treasury Securities	66,279	19,814	46,465	—	—
Medium Term Corporate Notes	268,529	84,957	183,572	—	—
Negotiable Certificates of Deposit	38,933	14,772	24,162	—	—
State Local Agency Investment Fund (CA LAIF)	74,668	74,668	—	—	—
Time Deposits	6,000	6,000	—	—	—
Municipal Bonds	149,967	27,153	122,814	—	—
Supranational	27,818	4,877	22,941	—	—
Money Market Mutual Funds	295,000	295,000	—	—	—
Total Treasurer's Pool Investments	1,411,914	\$ 527,319	\$ 806,181	\$ —	\$ —
Investments Held Outside the Treasurer's Pool					
Debt Service Funds/Bond Proceeds:					
Mutual Funds	73,864	73,864	—	—	—
	\$ 73,864	\$ 73,864	\$ —	\$ —	\$ —
Other Deposits	7,887				
Outstanding Checks	(10,007)				
Deposits in Transit	554				
Petty Cash	194				
Pension Trust Assets (See Separate ACFRs)	4,071,155				
Reconciliation Adjustment	(2)				
Total Primary Government	\$ 4,069,781				
Total Cash and Investments	\$ 5,592,737				

5. Default Credit Risk

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

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

Issuer	Amount (in thousands)	Minimum Legal Rating	Rating at Year-End	% of Treasurer's Pool
Treasurer's Pool Investments:				
U.S. Government Agency Securities:				
Federal Farm Credit Bank	\$ 102,975	A	AA+	7.29%
Federal Home Loan Bank	188,721	A	AA+	13.37%
Federal Home Loan Mortgage Corporation	54,828	A	AA+	3.88%
Federal National Mortgage Association	64,792	A	AA+	4.59%
Federal AG Mortgage Corporation	73,403	A	Unrated	5.20%
U.S. Treasury Securities	66,279	A	Aaa	4.69%
Medium Term Corporate Notes:				
Wal-mart Stores	4,997	A	AA	0.35%
Shell International Fin	4,937	A	A+	0.35%
Toyota Motor Credit Corp	4,889	A	A+	0.35%
Exxon Mobil Corporation	4,917	A	AA-	0.35%
Florida Power & Light	4,902	A	A+	0.35%
US Bank NA Cincinnati	4,920	A	A+	0.35%
Principal Life Glob Fnd II	4,799	A	A+	0.34%
Toyota Motor Credit Corp	4,609	A	A+	0.33%
JP Morgan Chase	4,565	A	A+	0.32%
Lloyds Bank	4,918	A	A+	0.35%
JP Morgan Chase	4,865	A	A+	0.34%
Bank of America	4,569	A	A-	0.32%
Bank of America	4,569	A	A-	0.32%
PROTECTIVE LIFE	4,680	A	AA-	0.33%
Bank of America	4,536	A	A-	0.32%
Royal Bank of Canada	9,602	A	A	0.68%
New York Life	7,356	A	AA+	0.52%
Bank of New York	4,654	A	A	0.33%
Met Life Glob	4,614	A	AA-	0.33%
Apple Inc	9,496	A	AA+	0.67%
U.S. Bancorp	9,512	A	A	0.67%
Toyota Motor Credit Corp	9,498	A	A+	0.67%
New York Life	5,651	A	AA+	0.40%
Cit Group Holdings Inc	9,782	A	A	0.69%

Issuer	Amount (in thousands)	Minimum Legal Rating	Rating at Year-End	% of Treasurer's Pool
Meta Plaforms Inc	9,602	A	AA-	0.68%
National Secs Clearing	5,010	A	AA+	0.35%
Massmutual Global Fund	9,993	A	AA+	0.71%
Toyota Motor Credit Corp	10,148	A	A+	0.72%
Guardian Life	8,820	A	AA+	0.62%
Northwestern Mutual Gibl	9,390	A	AA+	0.67%
Municipal Bonds				
County of Riverside CA	4,912	A	AA	0.35%
Texas A&M University	2,939	A	AAA	0.21%
Antelope Vally Union High	1,723	A	Aa3	0.12%
County of Westchester NY	1,856	A	AA+	0.13%
University of California	4,817	A	AA	0.34%
Los Altos School Dist	4,946	A	AAA	0.35%
New York State Dormitory	1,598	A	AA+	0.11%
Chaffey Community College	2,703	A	Aa1	0.19%
State of Hawaii	5,891	A	AA+	0.42%
State of California	9,355	A	AA-	0.66%
Golden State Tobacco	1,870	A	A+	0.13%
Los Angeles Unified School Dist	3,220	A	Aa2	0.23%
State of New York	6,582	A	AA+	0.47%
Golden State Tobacco	5,892	A	A+	0.42%
University of California	8,616	A	AA	0.61%
Los Angeles Unified School Dist	13,581	A	Aa2	0.96%
Golden State Tobacco	8,526	A	A+	0.60%
Fresno County CA Pension Oblg	7,941	A	AA	0.56%
Kern County CA Pension Oblg	14,068	A	AA-	1.00%
Contra Costa CA Cmnty Clg Dist	2,586	A	AA+	0.18%
State of Hawaii	8,353	A	AA+	0.59%
State of Connecticut	9,671	A	AA-	0.68%
State of Hawaii	4,513	A	AA+	0.32%
State of California	8,994	A	AA-	0.64%
Chabot-Las Positas Calif Cmnty	899	A	AA	0.06%
City of Los Angeles CA	1,105	A	AA	0.08%
Supranational				
Inter-American Development Bank	4,877	AA	AAA	0.35%
INTL BK RECON & DEVELOP	4,659	AA	AAA	0.33%
INTL BK RECON & DEVELOP	3,227	AA	AAA	—%
INTL BK RECON & DEVELOP	5,379	AA	AAA	0.38%
Intl Finance Corp	9,677	AA	AAA	0.69%
Inter-American Development Bank	—	AA	—	—%
Inter-American Development Bank	—	AA	—	—%

Issuer	Amount (in thousands)	Minimum Legal Rating	Rating at Year-End	% of Treasurer's Pool
Negotiable Certificate of Deposit:	38,933	N/A	Unrated	2.76%
State Local Agency Investment Pool:	74,668	N/A	Unrated	5.29%
Time Deposits:	6,000	N/A	Unrated	0.42%
Money Market Funds:	295,000	N/A	Unrated	20.89%
Total Treasurer's Pool Investments	\$ 1,411,914			94.32%
Investments with Trustees:				
Money Market Funds	\$ 73,864	N/A	Unrated	100.00%
Total Investments with Trustees	\$ 73,864			100.00%

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

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

6. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City maintains cash accounts at Bank of America. The City maintains separate accounts for payment of general accounts payable checks, payroll checks, and utility refund checks. Amounts in excess of \$250,000 are securitized in accordance with California Government Code Section 53652. The California Government Code and the City's investment policy contain legal or policy requirements that limit the exposure to custodial credit risk for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The collateral pledged to cover the public fund deposits in California is held in the name of the California Collateral Pool Administrator and is held in their name by the Federal Reserve Bank as custodian. The City had no uncollateralized cash at June 30, 2024. As of June 30, 2024, the City's deposits with institutions in excess of federal depository insurance limits were \$36.3 million held in accounts collateralized in accordance with California law as described above.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to the transaction, a government will not be able to recover the value of its investment of securities that are in the possession of the counterparty. As of June 30,

2024, in accordance with the City's investment policy, none of the City's investments were held with a counterparty. All of the City's investments were held with an independent third party custodian bank. The City uses Bank of New York Trust Company (BNY) as a third-party custody and safekeeping service for its investment securities. Custodial credit risk is the risk that the City will not be able to recover the value of its investments in the event of a BNY failure. All City investments held in custody and safe-keeping by BNY are held in the name of the City and are segregated from securities owned by the bank. This is the lowest level of custodial credit risk exposure.

D. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on a fair value cost basis. The total amount invested by all public agencies in LAIF as of June 30, 2024, was \$21.9 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2024, had a balance of \$178 billion. Of that amount, 3.0% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 217 days as of June 30, 2024.

LAIF has the following restrictions on withdrawals:

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

E. Pension Trust (Retirement Systems) Deposits and Investments

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

The Fire and Police Retirement System's Investment Policy can be found at https://www.cfrs-ca.org/fire-and-police-retirement-system_investments, while the Employees Retirement System's Investment Policy can be found at <https://www.cfrs-ca.org/employee-retirement-system/investments>.

Both investment policies can also be obtained by contacting the Retirement Office at 2828 Fresno Street, Suite 201, Fresno, CA 93721.

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

Investments at June 30, 2024 consist of the following (in thousands):

Investments at Fair Value		
Domestic Equities	\$	977,280
International Equities		291,638
Private Equity		496,634
Fixed Income		64,456
Private Debt/Credit		538,814
Real Assets		785,972
Multi-Assets		14,871
Short-Term Investments		846,704
Total Investments at Fair Value	\$	<u>4,016,369</u>

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

Asset Class	Minimum	Target	Maximum
Domestic Equities	15.0%	22.5%	36.0%
International Equities	10.0%	18.0%	25.0%
Private Equity	0.0%	6.5%	10.0%
Core Fixed Income	5.0%	13.0%	20.0%
Private Debt/Credit	5.0%	14.0%	20.0%
Core Real Estate	5.0%	9.0%	15.0%
Non-Core Real Estate	2.0%	6.0%	8.0%
Infrastructure	2.0%	7.0%	10.0%
Alternative Credit	0.0%	4.0%	7.0%
		<u>100.0%</u>	

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

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

F. Stewardship, Compliance and Accountability

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

G. Restricted Assets

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

Restricted assets are reported in the following funds at June 30, 2024 (in thousands):

	Cash and Investments Current and Noncurrent	Interest Receivable	Total
Governmental Activities:			
General Fund	\$ 58,523	\$ —	\$ 58,523
Grants Special Revenue Fund	85,237	—	85,237
Nonmajor Governmental Funds	8,323	—	8,323
Internal Service Funds	—	—	152,083
Subtotal	<u>152,083</u>	<u>—</u>	<u>152,083</u>
Business-Type Activities			
Water System	275,333	142	275,475
Sewer System	69,336	620	69,956
Solid Waste Management	9,029	—	9,029
Transit	50,625	—	50,625
Airports	101,488	—	101,488
Convention Center	3,179	—	3,179
Stadium	940	—	940
Nonmajor Enterprise Funds	1,419	—	1,419
Internal Service Funds	2,277	—	2,277
Subtotal	<u>513,626</u>	<u>762</u>	<u>514,388</u>
Fiduciary:			
Agency Funds	545	—	545
Subtotal	<u>545</u>	<u>—</u>	<u>545</u>
Total	<u>\$ 666,254</u>	<u>\$ 762</u>	<u>\$ 667,016</u>

Note 3. Property Taxes

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

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

Note 4. Receivables

Receivables are presented in the financial statements net of the allowance for uncollectible accounts. The uncollectible accounts related to accounts receivable at June 30, 2024 were \$5.5 million for the General Fund, \$2.9 million for Water System, \$1.9 million for Sewer System, \$2.6 million for Solid Waste Management, \$0.5 million for Airports, and \$2.6 million for Other Enterprise Funds. The uncollectible accounts related notes receivables at June 30, 2024 were \$8.2 million for Grants Special Revenue Fund and \$1.8 million for Other Governmental Funds. Accounts not scheduled for collection during the subsequent year are \$83.1 million for Governmental notes and loans and \$9.2 million for Business-Type notes and loans.

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

Receivables, net of amounts uncollectible, (in thousands) as of June 30, 2024 were as follows:

				Intergovernmental Receivable				
	Interest	Accounts Receivable	Grants Receivable	Property Taxes	Other	Notes, Loans & Other Receivable	Lease Receivable	Total
Governmental Activities								
General Fund	\$ 1,013	\$ 20,940	\$ —	\$ 5,565	\$ 36,383	\$ —	\$ 2,891	\$ 66,792
Grants Special Revenue Fund	1,038	2,993	29,822	—	—	60,551	—	94,404
Other Governmental Funds	2,096	422	6,284	—	13,162	23,818	468	46,250
Internal Service Funds	725	299	332	—	—	—	332	1,688
Subtotal	\$ 4,872	\$ 24,654	\$ 36,438	\$ 5,565	\$ 49,545	\$ 84,369	\$ 3,691	209,134
Advances to Successor Agency and Due To(From) Fiduciary Funds								2,565
Total								\$ 211,699
Business-Type Activities								
Water System	\$ 3,694	\$ 24,316	\$ 208	\$ —	\$ —	\$ 1,851	\$ 1,607	\$ 31,676
Sewer System	1,987	14,620	—	—	875	587	2,086	20,155
Solid Waste Management	78	8,316	—	—	—	8,155	—	16,549
Transit	603	344	8,632	—	17,627	—	—	27,206
Airports	945	3,809	3,496	—	86	—	10,710	19,046
Fresno Convention Center	4	570	—	—	—	—	—	574
Stadium	—	925	—	—	—	—	1,461	2,386
Other Enterprise Funds	39	2,374	—	—	—	—	1,210	3,623
Internal Service Funds	197	2,994	—	—	—	—	—	3,191
Total	\$ 7,547	\$ 58,268	\$ 12,336	\$ —	\$ 18,588	\$ 10,593	\$ 17,074	\$ 124,406

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

	Governmental Activities	Business-Type Activities	Total
Accounts Receivables, Net	\$ 126,976	\$ 95,977	\$ 222,953
Restricted Interest Receivable	—	762	762
Loans, Notes, Leases and Other Receivables, Net	84,701	27,667	112,368
Total	<u>\$ 211,677</u>	<u>\$ 124,406</u>	<u>\$ 336,083</u>

Note 5. Property, Plant and Equipment - Capital Assets

A. Citywide Capital Assets

The following is a summary of capital assets as of June 30, 2024 (in thousands):

	Primary Government			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Capital Assets Not Being Depreciated:				
Land	\$ 298,236	\$ 53,503	\$ —	\$ 351,739
Intangibles Indefinite Life	—	21,629	—	21,629
Construction in Progress	165,494	170,859	—	336,353
Total Capital Assets Not Being Depreciated	463,730	245,991	—	709,721
Capital Assets Being Amortized:				
Right-To-Use Lease Asset	27,343	3,669	—	31,012
Total Capital Assets Being Amortized	27,343	3,669	—	31,012
Less: Accumulated Amortization For:				
Right-To-Use Lease Asset	12,174	1,203	—	13,377
Total Accumulated Amortization	12,174	1,203	—	13,377
Total Capital Assets Being Amortized, Net	15,169	2,466	—	17,635
Capital Assets Being Depreciated:				
Buildings and Improvements	365,082	1,533,698	—	1,898,780
Machinery and Equipment	236,705	120,115	3,207	360,027
Infrastructure	1,548,439	900,077	—	2,448,516
Total Capital Assets Being Depreciated	2,150,226	2,553,890	3,207	4,707,323
Less: Accumulated Depreciation:				
Buildings and Improvements	190,560	752,474	—	943,034
Machinery and Equipment	137,895	88,580	2,573	229,048
Infrastructure	1,152,887	283,230	—	1,436,117
Total Accumulated Depreciation	1,481,342	1,124,284	2,573	2,608,199
Total Capital Assets Being Depreciated, Net	\$ 668,884	\$ 1,429,606	\$ 634	\$ 2,099,124
Total Capital Assets, Net	\$ 1,147,783	\$ 1,678,063	\$ 634	\$ 2,826,480

B. Governmental Activities

Capital asset activity related to governmental activities for the fiscal year ended June 30, 2024 was as follows(in thousands):

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 291,549	\$ 6,687	\$ —	\$ —	\$ 298,236
Construction in Progress	136,723	63,556	—	34,785	165,494
Total Capital Assets Not Being Depreciated	428,272	70,243	—	34,785	463,730
Capital Assets Being Amortized:					
Right-To-Use Lease Asset	21,638	5,705	—	—	27,343
Total Capital Assets Being Amortized	21,638	5,705	—	—	27,343
Less: Accumulated Amortization For:					
Right-To-Use Lease Asset	6,445	5,729	—	—	12,174
Total Accumulated Amortization	6,445	5,729	—	—	12,174
Total Capital Assets Being Amortized, Net	15,193	(2,690)	—	—	15,169
Capital Assets Being Depreciated:					
Buildings and Improvements	361,621	3,461	—	—	365,082
Machinery and Equipment	200,754	40,752	—	4,801	236,705
Infrastructure	1,513,700	34,739	—	—	1,548,439
Total Capital Assets Being Depreciated	2,076,075	78,952	—	4,801	2,150,226
Less: Accumulated Depreciation For:					
Buildings and Improvements	178,783	11,777	—	—	190,560
Machinery and Equipment	127,646	14,956	—	4,707	137,895
Infrastructure	1,121,001	31,886	—	—	1,152,887
Total Accumulated Depreciation	1,427,430	58,619	—	4,707	1,481,342
Total Capital Assets Being Depreciated, Net	\$ 648,666	\$ 20,333	\$ —	\$ 94	\$ 668,884
Total Capital Assets, Net	\$ 1,092,110	\$ 90,552	\$ —	\$ 34,879	\$ 1,147,782

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

Function	Depreciation Amount	Amortization Amount
General Government	\$ 19,127	\$ 5,729
Public Protection	3,230	—
Public Ways and Facilities	31,981	—
Culture and Recreation	4,237	—
Community Development	44	—
Total Governmental Activities Depreciation and Amortization Expense	\$ 58,619	\$ 5,729

C. Business-Type Activities

Capital asset activity related to Business-Type Activities for the fiscal year ended June 30, 2024 was as follows (in thousands):

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital Assets Not Being Depreciated:					
Land	\$ 53,868	\$ —	\$ —	\$ 365	\$ 53,503
Intangibles (Indefinite Life)	18,897	2,732	—	—	21,629
Construction in Progress	129,140	95,748	—	54,029	170,859
Total Capital Assets Not Being Depreciated	201,905	98,480	—	54,394	245,991
Capital Assets Being Amortized:					
Intangible Lease Asset	3,669	717	—	717	3,669
Less: Accumulated Amortization For:					
Intangible Lease Asset	428	1,327	—	552	1,203
Total Accumulated Amortization	428	1,327	—	552	1,203
Total Capital Assets Being Amortized, Net	3,241	(610)	—	165	2,466
Capital Assets Being Depreciated :					
Buildings and Improvements	1,522,789	10,911	—	2	1,533,698
Machinery and Equipment	110,135	9,980	—	—	120,115
Infrastructure	883,001	17,076	—	—	900,077
Total Capital Assets Being Depreciated	2,515,925	37,967	—	2	2,553,890
Less: Accumulated Depreciation for:					
Buildings and Improvements	711,354	52,969	—	11,849	752,474
Machinery and Equipment	68,968	19,612	—	—	88,580
Infrastructure	251,180	32,050	—	—	283,230
Total Accumulated Depreciation	1,031,502	104,631	—	11,849	1,124,284
Total Capital Assets Being Depreciated , Net	1,484,423	(66,664)	—	(11,847)	1,429,606
Total Capital Assets, Net	\$ 1,689,569	\$ 31,206	\$ —	\$ 42,712	\$ 1,678,063

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

Function	Depreciation Amount	Amortization Amount
Water System	\$ 50,865	\$ —
Sewer System	29,340	19
Solid Waste Management	510	—
Transit	8,675	—
Airports	11,618	775
Fresno Convention Center	2,048	—
Stadium	1,376	—
Other Enterprise Funds	193	—
Business-type - Internal Service	6	533
Total Business-Type Activities Depreciation and Amortization Expense	\$ 104,631	\$ 1,327

D. Fiduciary Funds

Capital asset activity related to fiduciary funds for the fiscal year ended June 30, 2024 was as follows (in thousands):

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital Assets Being Depreciated:					
Machinery and Equipment	\$ 2,987	\$ 280	\$ —	\$ 60	\$ 3,207
Total Capital Assets Being Depreciated	2,987	10	—	60	3,207
Less: Accumulated Depreciation for:					
Machinery and Equipment	2,293	280	—	—	2,573
Total Accumulated Depreciation	2,293	280	—	—	2,573
Total Capital Assets, Net	\$ 694	\$ (270)	\$ —	\$ 60	\$ 634

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

Function	Amount
Fire & Police Retirement System Pension Trust Funds	\$ 140
Employee Retirement System Pension Trust Funds	140
Total Fiduciary Activities Depreciation Expense	\$ 280

E. Construction in Progress

At June 30, 2024, Construction in Progress consisted of the following (in thousands):

Project Title	Construction Costs To Date
Governmental Activities:	
Neighborhood Improvements	\$ 822
Parks Improvements	11,777
Public Protection	5,328
Public Works Improvements	116,267
Other Misc	31,300
Total Governmental Activities	165,494
Business-Type Activities:	
Water Capital Projects	11,811
Sewer/Wastewater Capital Projects	46,629
Transit Capital Projects	26,997
Airports Capital Projects	79,963
Stadium Capital Projects	5,459
Total Business-Type	170,859
Total Construction in Progress	\$ 336,353

Note 6. Leases and Subscription-Based Information Technology Arrangements

A. Leases

The accounts for leases in accordance with GASB Statement No. 87, which requires the recognition of a lease liability and an intangible right-to-use (RTU) asset for lease agreements. The City continues to account for lease agreements under these guidelines, recognizing leases as financings of the right-to-use underlying assets.

As a lessee, the City has entered into various lease agreements for land, buildings, and other properties, with lease terms expiring between 2024 and 2053. These agreements do not contain variable payments or guaranteed residual values. In fiscal year 2024, the City recognized lease liabilities and corresponding intangible right-to-use assets for the value of leased assets and the obligations to make future lease payments. Short-term leases (12 months or less) are excluded from the lease liabilities and recognized as outflows of resources (expenditures) in the period incurred. The City has accounted for any renewal options based on the likelihood of their exercise, where renewal periods that are reasonably certain to be exercised are included in the lease term.

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 5,877	\$ 1,256	\$ 156	\$ 22
2026	4,813	1,184	137	22
2027	3,751	1,157	118	22
2028	3,102	725	99	22
2029	2,596	568	79	22
2030-2034	8,007	1,961	112	66
2035-2039	3,468	313	—	—
2040-2044	2,220	313	—	—
2045-2049	827	313	—	—
Total	\$ 34,661	\$ 7,790	\$ 701	\$ 176

As a lessor, the City recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, excluding regulated leases subject to external laws or regulations, such as aviation leases. The City continues to follow GASB 87's guidelines, recognizing revenue from both fixed and variable lease payments (excluding usage-based variables). The lease receivable is measured at the present value of expected payments during the lease term.

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 576	75	\$ 595	139
2026	240	61	615	126
2027	187	57	639	112
2028	184	53	589	98
2029	187	50	485	85
2030-2034	1,359	214	1411	383
2035-2039	664	59	764	188
2040-2044	141	26	516	121
2045-2049	154	9	500	62
2050-2054	—	—	249	8
Total	\$ 3,692	604	\$ 6,363	1,322

In fiscal year 2024, the City recognized \$4.6 million in amortization expense related to its lease agreements. The City's leases include agreements with various organizations, such as the New Towers Radio Hut and Carlulu LLC, for governmental purposes. For business purposes, significant agreements include the DHL Building and the Loperena Antenna Site.

B. Subscription-Based Information Technology Arrangements (SBITA) - GASB 96

In fiscal year 2024, the City recognized significant subscription expense as part of the ongoing SBITA contracts. The City has ensured that variable payments (based on usage) are excluded from the SBITA liability calculation, and prepaid amounts are properly recognized as part of the subscription asset. In addition, the City recognizes Subscription-Based Information Technology Arrangements (SBITAs) in accordance with GASB Statement No. 96. SBITA liabilities and intangible right-to-use (RTU) subscription assets are recognized at the commencement of the subscription term, with the liabilities measured as the present value of subscription payments expected to be made during the subscription term. If not explicitly stated in the contract, the City's incremental borrowing rate (IBR) is used for discounting the liability.

The City's SBITA agreements include Tyler Technologies, Soundthinking, Inc., and Dell, with terms expiring in fiscal years 2025 and 2027. These agreements are non-cancellable and include fixed, prepaid, and fixed-in-substance components. The City has recognized corresponding subscription liabilities and

intangible RTU subscription assets in accordance with GASB 96, with amortization of the assets on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT systems.

C. City as SBITA Service Receiver

The City recognizes a subscription liability and an intangible RTU subscription asset at the beginning of an SBITA unless it is considered a short-term SBITA. A subscription liability is measured at the present value of subscription payments expected to be made during the subscription term using the City's incremental borrowing rate. The City's SBITA contracts have terms expiring between 2024 and 2028.

A subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. Remeasurement of subscription liability occurs when there is a change in the subscription term and/or other changes that are likely to have a significant impact on the subscription liability. Variable payments based on the usage of the underlying assets are not included in the subscription liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As of June 30, 2024, the City's SBITA RTU subscription assets are \$13.7 million with accumulated amortization of \$7.0 million, while the City's principal and interest requirements to maturity for the SBITA liability are as follows (in thousands):

Year	Principal Payments		Interest Payments		Total Payments	
2025	\$	5,799	\$	257	\$	6,056
2026	\$	2,450	\$	90	\$	2,540
2027	\$	607	\$	17	\$	624
Total	\$	8,856	\$	364	\$	9,220

D. Discount Rate

Unless explicitly stated in the lease agreement, known by the City, or the City is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities and related lease receivable is the City's incremental borrowing rate at the end of each fiscal year. As of June 30, 2024, the City's incremental borrowing rate was 3.48%. This was the discount rate utilized for applicable leases reported in fiscal year 2024. All applicable leases reported in the prior fiscal year used a discount rate of 2.79%, which was the City's incremental borrowing rate as of June 30, 2023.

E. Variable Payments

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

F. Regulated Leases

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

During the year ended June 30, 2024, the City recognized the following related to its regulated lease agreements:

		Principal	Interest	Total
Airlines				
	July 1, 2024 - June 30, 2025	\$ 130	—	\$ 130
	July 1, 2025 - June 30, 2026	130	—	130
	July 1, 2026 - June 30, 2027	65	—	65
Airlines Totals		\$ 326	—	\$ 326
General Aviation				
	July 1, 2024 - June 30, 2025	\$ 864	—	\$ 864
	July 1, 2025 - June 30, 2026	864	—	864
	July 1, 2026 - June 30, 2027	864	—	864
	July 1, 2027 - June 30, 2028	764	—	764
	July 1, 2028 - June 30, 2029	264	—	264
	July 1, 2029 - June 30, 2034	1,319	—	1,319
	July 1, 2034 - June 30, 2039	1,123	—	1,123
	July 1, 2039 - June 30, 2044	861	—	861
	July 1, 2044 - June 30, 2049	416	—	416
General Aviation Totals		\$ 7,339	—	\$ 7,339
Government				
	July 1, 2024 - June 30, 2025	\$ 173	—	\$ 173
	July 1, 2025 - June 30, 2026	173	—	173
	July 1, 2026 - June 30, 2027	173	—	173
	July 1, 2027 - June 30, 2028	173	—	173
	July 1, 2028 - June 30, 2029	173	—	173
	July 1, 2029 - June 30, 2034	390	—	390
Government Totals		\$ 1,256	—	\$ 1,256



		Principal	Interest	Total
Real Estate				
	July 1, 2024 - June 30, 2025	\$ 764	—	\$ 764
	July 1, 2025 - June 30, 2026	764	—	764
	July 1, 2026 - June 30, 2027	127	—	127
Real Estate Totals		\$ 1,655	—	\$ 1,655
Total		\$ 10,576	—	\$ 10,576

Note 7. Long-Term Liabilities

A. Summary of Long-Term Liabilities

The following is a summary of the City's Long-Term Liabilities as of June 30, 2024 (in thousands):

	Primary Government			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total Primary Government
Long-Term Debt				
Revenue and Other Bonds	\$ 157,435	228,766	—	386,201
Bonds From Direct Placements	—	31,830	—	31,830
Tax Allocation Bonds	—	—	—	—
Accreted Interest	—	2,407	—	2,407
Issuance Premiums/(Discounts)	6,927	5,973	—	12,900
Notes Payable From Direct Borrowings	—	391,496	979	392,475
Capital Financing Activities	64,832	—	—	64,832
Total Long-Term Debt	229,194	660,472	979	890,645
Other Long-Term Liabilities				
Retention Payable	5,868	—	—	5,868
Compensated Absences & Health				
Retirement Arrangement	97,547	14,790	67	112,404
Net OPEB Liability	78,378	31,071	—	109,449
Liabilities for Self-Insurance	266,674	—	—	266,674
Accrued Closure Cost	—	9,244	—	9,244
Pollution Remediation	—	279	—	279
Leases and Subscription Obligations (GASB 87&96)	16,268	2,498	—	18,766
Total	464,735	57,882	67	522,684
Due Within One Year	105,110	31,506	100	136,716
Due Within More Than One Year	588,818	686,848	946	1,276,612
Total Long-Term Liabilities Government-Wide Statement of Net Position	\$ 693,929	718,354	1,046	1,413,329

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable (Revenue and Other Bonds):					
Lease Revenue Bonds, Series 2004	\$ 8,700	\$ —	\$ 1,050	7,650	1,110
Taxable Pension Obligation Bonds Refunding Series 2002	78,255	—	11,065	67,190	11,790
Lease Revenue Bonds 2017A, City Hall Refunding, Fresno Bee Building, Granite Park, Improvements	15,905	—	1,750	14,155	1,805
Lease Revenue Bonds, Series 2017A, City Hall Chiller	2,100	—	2,100	—	—
Lease Revenue Bonds, Series 2017A Parks Projects	19,125	—	885	18,240	930
Lease Revenue Bonds, Series 2017A, Police and Fire/Public Safety	26,475	—	1,115	25,360	1,175
Lease Revenue Bonds, Series 2017A Various	9,545	—	665	8,880	695
Lease Revenue Bonds, Series 2020A, Animal Svcs	16,375	—	415	15,960	435
Total Revenue and Other Bonds	176,480	—	19,045	157,435	17,940
Unamortized Amounts:					
For Issuance Premiums/(Discounts)	7,756	—	829	6,927	—
Financed Capital Purchases	49,606	27,932	12,707	64,832	11,488
Total Long-term Debt	233,842	27,932	32,581	229,194	29,428
Other Long-Term Liabilities:					
Retention Payable	4,675	1,192	—	5,868	5,868
Compensated Absences and Health Retirement Arrangement	92,083	19,500	14,036	97,547	12,980
Net OPEB Liability	79,422	442	1,486	78,378	2,092
Liability for Self-Insurance	238,060	148,038	119,424	266,674	46,136
Leases and Subscription Obligations (GASB 87&96)	15,120	8,170	7,021	16,268	8,605
Total Other Liabilities	429,360	177,342	141,967	464,735	75,682
Governmental Long-term Liabilities Total	\$ 663,202	205,274	174,548	693,929	105,110

Retention Payable - Variance of \$4.4 million is included in the accrued liabilities and not recategorized to retention payable.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities:					
Bonds Payable (Revenue and Other Bonds):					
Water System Revenue Bonds and (Taxable BABs) 2010 A-2	\$ 91,340	—	—	91,340	4,090
Lease Revenue Bonds 1998, Exhibit Hall Expansion Project	901	—	—	901	199
Lease Revenue Bonds 2001 A and B, Stadium Project	10,970	—	1,185	9,785	1,130
Airport Revenue Bonds 2007 – Cons. Rental Car	19,950	—	1,070	18,880	645
Airport Revenue Bonds 2023 A & B, Terminal Expansion & Federal Inspection Station	91,085	—	—	91,085	1,620
Lease Revenue Bonds 2017A, Exhibit Hall Expansion Project	7,925	—	1,865	6,060	1,095
Lease Revenue Bonds 2017A – Convention Center	2,315	—	770	1,545	490
Lease Revenue Bonds 2017A, Stadium Project	8,815	—	920	7,895	970
Lease Revenue Bonds 2017A - Riverside Golf Course	1,340	—	65	1,275	70
Total Revenue and Other Bonds	234,641	—	5,875	228,766	10,309
Bonds Payable From Direct Placements:					
Airport Revenue Bonds 2019 - Airport Parking	32,660	—	830	31,830	856
Plus Accreted Interest:					
Accreted Interest on Capital Appreciation Bonds	2,224	183	—	2,407	—
Unamortized Amounts					
For Issuance Premiums/(Discounts)	5,797	777	601	5,973	—
Notes Payable From Direct Borrowings:					
Construction of Water Supply Disinfection Buildings	938	—	101	837	103
Improvements on the Enterprise and Jefferson Canals	599	—	65	535	66
Water Meter Project	28,273	—	2,570	25,703	2,570
Southeast Surface Water Treatment Facility	154,193	—	4,692	149,501	4,982
Tertiary Treatment Facility	26,320	—	1,023	25,297	1,033
Northeast Surface Water Treatment Facility	13,348	—	577	12,770	376
Friant-Kern Canal Raw Water Pipeline	18,507	—	607	17,900	617
Regional Transmission Mains	61,138	—	1,869	59,269	1,899
Kings River Pipeline	49,992	—	1,641	48,352	1,667
Southwest Quadrant Recycled Water Distribution System	66,753	—	15,421	51,333	1,598
Total Notes Payable	420,061	—	28,566	391,496	14,912
Total Long-Term Debt	695,383	960	35,872	660,472	26,077
Other Long-Term Liabilities:					
Compensated Absences and Health Retirement Arrangement	14,289	3,626	3,125	14,790	2,535
Net OPEB Liability	31,560	178	668	31,071	845
CVP Litigation Settlement	103	—	103	—	—
Accrued Closure Cost	10,426	—	1,183	9,244	900
Pollution Remediation	368	—	89	279	—
Lease Obligations	2,685	—	186	2,498	1,149
Total Other Long-Term Liabilities	59,431	3,804	5,354	57,882	5,429
Business-type Long-term Liabilities Total	\$ 754,814	\$ 4,765	\$ 41,225	\$ 718,354	\$ 31,506

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Fiduciary Funds:					
Successor Agency to the Fresno Redevelopment Agency:					
Unamortized Amounts:					
For Issuance Premiums/(Discounts)	\$ —	\$ —	\$ —	\$ —	\$ —
Total Unamortized Amounts	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Notes Payable From Direct Borrowings:					
California Infrastructure Bank	1,059	—	80	979	83
Total Notes Payable From Direct Borrowings	<u>1,059</u>	<u>—</u>	<u>80</u>	<u>979</u>	<u>83</u>
Total Long-Term Debt	<u>1,059</u>	<u>—</u>	<u>81</u>	<u>979</u>	<u>83</u>
Other Liabilities:					
Compensated Absences	65	14	11	67	17
Total Other Long-Term Liabilities	<u>65</u>	<u>14</u>	<u>11</u>	<u>67</u>	<u>17</u>
Fiduciary Funds Long-Term Liabilities Total	<u>\$ 1,124</u>	<u>\$ 14</u>	<u>\$ 92</u>	<u>\$ 1,046</u>	<u>\$ 100</u>

The following is a description of Long-Term Debt, Excluding Capital Financing Obligations, which had activity in 2024 (in thousands):

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2024 Debt Service Payment
Governmental												
Revenue and Other Bonds												
Taxable Pension Obligation Bonds 2002	\$205,335 taxable	Refund 2000 Taxable Pension Obligation Bonds	6.55%	2/21/2002	6/1/2029	Repayment of bonds not limited to any special source of City funds. Principal due annually, interest due semiannually. City uses funds throughout the City based on full-time employees assigned to funds. During 2024 \$14,072 was used from General Fund and \$2,119 was used from Enterprise Funds and Internal Service Funds to make the 2024 debt service payment of \$16,191	\$11,790 to \$15,195	\$ 67,190	\$ 0	\$ 67,190	\$ 80,950	\$ 16,191
Fresno Joint Powers Financing Authority: Lease Financing Refunding 2017 B, Bee Bldg & Granite Park	B = \$21,980 taxable	Fresno Bee Building and Granite Park	3.48% to 4.16%	5/10/2017	4/1/2031	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$2,367 was equal to debt service in 2024.	\$1,805 to \$2,270	14,155	0	14,155	16,544	2,367
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2004 C, Convention Center Parking Garage	C = \$28,870 taxable	Convention Center Parking Garage	5.900%	4/28/2004	10/1/2034	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,532 was equal to debt service in 2024.	\$1,110 to \$1,400	7,654	(4)	7,650	9,067	1,532
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Convention Center Parking Garage	A = \$12,435 tax-exempt	Refinance Convention Center Parking Garage	5.000%	5/10/2017	4/1/2035	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,142 was equal to debt service in 2024.	\$40 to \$1,785	9,800	(920)	8,880	12,630	1,142
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Parks Projects) 2017 A, Parks Impact Fee Projects	A = \$22,965 tax-exempt	Refinance Improvements to Various Park Facilities	5.000%	5/10/2017	4/1/2038	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,819 was equal to debt service in 2024.	\$930 to \$1,755	19,903	(1,663)	18,240	25,490	1,819
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Police and Fire/Public Safety	A = \$32,065 tax-exempt	Refinance Public Safety Capital Improvement Projects (Police & Fire)	5.000%	5/10/2017	4/1/2039	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$2,382 was equal to debt service in 2024.	\$1,175 to \$2,300	27,544	(2,184)	25,360	35,809	2,382
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2020 A, Animal Services Facility	A = \$17,145,000 tax-exempt	Animal Services Facility	4.00% to 5.00%	11/3/2020	4/1/2046	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,122 was equal to debt service in 2024.	\$435 to \$1,075	18,115	(2,155)	15,960	24,630	1,122
Revenue and Other Bonds Total								\$ 164,362	\$ (6,927)	\$ 157,435	\$ 205,121	\$ 26,556
Governmental Total								\$ 164,362	\$ (6,927)	\$ 157,435	\$ 205,121	\$ 26,556

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2024 Debt Service Payment
Business-Type												
Revenue and Other Bonds												
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Convention Center	A = \$4,260 tax-exempt	Refinance Convention Center Improvement Projects (Phase I)	5.00%	5/10/2017	4/1/2027	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2024 the City chose to make these lease payments from the General Fund in the amount of \$566, which was equal to debt service in 2024. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make these future payments, which the Authority will then use to make the debt service payment.	\$490 to \$540	1,625	(80)	1,545	1,702	566
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 1998, Exhibit Hall Expansion Project	\$32,610 tax-exempt	Construction of an Exhibit Hall	N/A	9/1/1998	9/1/2028	Current Interest Serial Bonds (\$25,395) and Capital Appreciation Serial Bonds (\$7,215). Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments pursuant to a Facilities Lease. Principal due annually, Interest due semiannually. During 2024, the City chose to make these lease payments from the General Fund in the amount of \$750, which was equal to the debt service payment. All remaining bonds are Capital Appreciation Bonds, so interest is accreted. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$162 to \$199	3,285	(2,383)	902	3,750	750
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Exhibit Hall Expansion Project Refunding	A = \$11,665 tax-exempt	Refinance Exhibit Hall Expansion Project	5.00%	5/10/2017	4/1/2029	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. Lease revenue of \$1,406, which was equal to debt service in 2024. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make these future payments, which the Authority will then use to make the debt service payment.	\$1,095 to \$1,330	\$ 6,479	\$ (419)	\$ 6,060	\$ 6,998	\$ 1,406
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds 2017 A, Stadium Project	A = \$13,510 tax-exempt	Refinance MultiPurpose Stadium Project	5.00%	5/10/2017	4/1/2031	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2024, the City chose to make these lease payments from the General Fund in the amount of \$1,366, which was equal to the debt service payment. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$970 to \$1,300	8,538	(643)	7,895	9,551	1,366
Fresno Joint Powers Financing Authority: Lease Revenue Bonds 2001 A & B, Stadium Project	A = \$23,615 tax-exempt; B = \$22,235 taxable	Acquire and construct a MultiPurpose Outdoor Stadium	7.03%	6/12/2001	6/1/2031	Repayment payable solely by revenues pledged in trust agreement, primarily Base Rental Payments pursuant to a Facilities Lease. Principal due annually, interest due semiannually. During 2024, the City chose to make these lease payments from the General Fund in the amount of \$1,817, which was equal to the debt service payment. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$130 to \$1,700	9,792	(7)	9,785	12,722	1,817

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2024 Debt Service Payment
Airport Revenue Bonds 2007, Consolidated Rental Car Facility	\$22,000 taxable	Construction of a Consolidated Rental Car Facility and related improvements	5.83%	6/14/2007	7/1/2037	Repayment of bonds solely from operation of the City Airport System. While not required under the Bond Indenture, Airports uses Customer Facility Charge (CFC) revenues first to meet the debt payment, and then uses other permitted revenues to cover any difference between CFC's and the debt payment. Principal due annually, interest due semiannually. During Fiscal Year 2024 \$1,688 of CFC revenues was used to fully cover the debt service payment.	\$645 to \$2,265	18,880	0	18,880	28,229	1,688
Fresno Joint Powers Financing Authority: Lease Revenue Refunding Bonds (Riverside Golf Course) 2017 A, Riverside Golf Course	A = \$1,615 tax-exempt	Refinance Improvements to Riverside Golf Course	5.00%	5/10/2017	4/1/2038	Repayment payable solely by revenues pledged under Master Facilities Sublease agreement, primarily Base Rental Payments. Principal due annually, interest due semiannually. During 2024, the City chose to make these lease payments from the General Fund in the amount of \$130, which was equal to the debt service payment. While the City has the right to use any unencumbered funding source it wishes to use for future lease payments, it is anticipated that General Fund revenues will be used to make future lease payments, which the Authority will then use to make the debt service payment.	\$70 to \$125	\$ 1,392	\$ (117)	\$ 1,275	\$ 1,781	\$ 130
Water System Revenue Bonds (Taxable Build America Bonds) 2010 A-2, Water	A-2 = \$91,340 taxable	Improvements to the Water System	6.50% to 6.75%	2/3/2010	6/1/2040	Repayment of bonds solely from revenues derived from the operation of the City Water System, except connection fees and charges, refundable deposits and capital contributions. Principal payable annually, interest semiannually. During Fiscal Year 2024, a federal Build America Bonds subsidy of \$2,038 was received.	\$4,090 to \$7,715	\$ 90,506	\$ 834	\$ 91,340	\$ 149,018	\$ 6,097
Airport Revenue Bonds 2019, Airport Parking	\$35,000 taxable	Construction of a Parking Garage	3.45%	5/3/2019	7/1/2048	Bonds privately placed with the California Infrastructure and Development Bank (I-Bank). Interest rate includes 3.15% charged by the I-Bank for interest plus 0.30% charged by the I-Bank as a fee. Repayment of bonds solely from operation of the City Airport System. Principal due annually, interest due semiannually.	\$856 to \$1,802	31,830	0	31,830	47,310	1,942
Airport Revenue Bonds 2023, Airport Concourse & Federal Inspection Station	A = \$94,485 AMT B = \$5,690 Non-AMT	Construction of Concourse and Federal Inspection Station	5.00%	5/25/2023	7/1/2053	Repayment of bonds solely from operation of the City Airport System. Bond Indenture requires a minimum \$1,600 of PFC Contribution toward annual debt service from Passenger Facility Charges (PFC).	\$1,620 to \$4,830	96,649	(5,564)	91,085	164,964	2,685
Revenue and Other Bonds Total								\$ 268,976	\$ (8,379)	\$ 260,597	\$ 426,025	\$ 18,447

Notes Payable

Water: Safe Drinking Water Program	\$1,947 Loaned	Contract between the State Water Resources Control Board and the City to protect the City's drinking water supplies from Possible Contaminating Activities (PCA's)	2.29%	7/1/2009	7/1/2031	Repayment of loan is funded from revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$61.	\$61 to \$119	837	0	837	916	122
Water: Safe Drinking Water Program	\$1,245 Loaned	Contract between the State Water Resources Control Board and the City for improvements on the Enterprise and Jefferson Canals	2.29%	7/1/2009	1/1/2032	Repayment of loan is funded from revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$39.	\$39 to \$76	535	0	535	585	78
Water: Safe-Drinking Water Program	\$51,405 Loaned	Contract between the State Water Resources Control Board and the City for installation of water meters throughout the City of Fresno	0.00%	4/10/2012	7/16/2034	No interest loan. Repayment of the loan is funded from revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal due in semiannual installments of \$1,285.	\$2,570 to \$2,570	\$ 25,703	\$ 0	\$ 25,703	\$ 25,703	\$ 2,570

	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2024 Debt Service Payment
Sewer: Clean Water State Revolving Fund Project	\$33,213 Loaned	Contract between the State Water Resources Control Board and the City for construction of a tertiary treatment facility	1.00%	10/17/2015	7/12/2046	Repayment of loan solely from all revenues derived from the operation of the City Sewer System, except connection fees and charges, refundable deposits and capital contributions. Pledged in parity with State loans for Sewer. Principal and interest due in annual installments of \$1,286.	\$1,023 to \$1,282	25,297	0	25,297	28,308	1,286
Sewer: Clean Water State Revolving Fund Project No. 8061-110	\$54,484 Loaned	Contract between the State Water Resources Control Board and the City for construction of a recycled water distribution system in the southwest quadrant of the City	1.00%	8/19/2015	5/30/2047	Repayment of loan solely from all revenues derived from the operation of the City Sewer System, except connection fees and charges, refundable deposits and capital contributions. Pledged in parity with State loans for Sewer. Principal and interest due in semiannual installments of \$1,056.	\$1,582 to \$2,090	51,333	0	51,333	59,109	2,111
Water: Drinking Water State Revolving Fund Project 1010007-029C	\$21,379 Loaned	Contract between the State Water Resources Control Board and the City for construction of the Friant-Kern Canal Raw Water Pipeline	1.60%	4/5/2016	7/1/2048	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$451.	\$607 to \$890	\$ 17,900	\$ 0	\$ 17,900	\$ 22,642	\$ 901
Water: Drinking Water State Revolving Fund Project 1010007-031C	\$57,615 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Kings River Pipeline	1.60%	4/5/2016	7/1/2048	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$1,217.	\$1,641 to \$2,405	48,352	0	48,352	55,195	2,434
Water: Drinking Water State Revolving Fund Project 1010007-028C	\$177,894 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Southeast Surface Water Treatment Facility	1.66%	7/15/2015	1/1/2049	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$3,722. \$3 million of the loan was forgiven by the State Water Resources Control Board.	\$3,691 to \$7,292	149,501	0	149,501	181,737	7,444
Water: Drinking Water State Revolving Fund Project 1010007-030C	\$67,437 Loaned	Contract between the State Water Resources Control Board and the City for construction of a raw water pipeline to replace the Enterprise Canal for the Northeast Surface Water Treatment Facility	1.60%	8/23/2016	1/1/2050	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments \$1,420.	\$1,409 to \$2,784	59,269	0	59,269	59,887	2,840
Water: Drinking Water State Revolving Fund Project 1010007-032C	\$13,652 Loaned	Contract between the State Water Resources Control Board and the City for construction of a Northeast Surface Water Treatment Facility	1.80%	11/26/2016	1/1/2051	Repayment of loan is funded from the revenues of the Water Fund. Pledged in parity with the pledges securing the 2010 Bonds and other State loans for Water. Principal and interest due in semiannual installments of \$304.	\$369 to \$635	12,770	0	12,770	13,239	812

Notes Payable Total	\$ 391,496	\$ 0	\$ 391,496	\$ 447,320	\$ 20,599
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Business-Type Total	\$ 660,472	\$ (8,379)	\$ 652,093	\$ 873,345	\$ 39,046
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	Series	Purpose	Rate Range	Issue Date	Maturity Date	Note	Annual Principal	Outstanding Principal	Issuance Disc/(Prem) Accreted Int	Net Principal Due	Payments to Maturity	Fiscal Year 2024 Debt Service Payment
Fiduciary												
Notes Payable												
RDA: Roeding Business Park	\$2,118 Loaned	Loaned from the California Infrastructure and Economic Development Bank to be used to complete the Roeding Business Park	3.53%	3/18/2004	8/1/2033	Principal and interest due in annual installments. Secured by Tax Increment revenue received into the Roeding Business Park Project area.	\$80 to \$114	\$ 979	\$ 0	\$ 979	\$ 1,161	\$ 116
Notes Payable Total								\$ 979	\$ 0	\$ 979	\$ 1,161	\$ 116
Fiduciary Total								\$ 979	\$ 0	\$ 979	\$ 1,161	\$ 116
Grand Total								\$ 825,813	\$ (15,306)	\$ 810,507	\$ 1,079,627	\$ 65,718

B. Debt Service Requirements (Excluding Capital Financing Activities)

The annual debt service requirements excluding capital financings for the City's long-term debt outstanding as of June 30, 2024 are as follows (in thousands):

Year Ending June 30	Governmental Activities		Business-Type Activities			Fiduciary Funds	
	Principal	Interest	Principal	Interest Accretion	Interest	Principal	Interest
2025	\$ 17,940	\$ 8,610	10,309	\$ 551	\$ 13,650	\$ —	\$ —
2026	18,270	7,546	11,059	561	13,048	—	—
2027	19,370	6,450	12,945	570	12,346	—	—
2028	20,535	5,285	13,071	579	11,605	—	—
2029	21,775	4,040	13,752	588	10,852	—	—
2030-2034	30,170	10,614	53,635	—	40,454	—	—
2035-2039	22,660	4,025	53,295	—	24,707	—	—
2040-2044	4,605	989	21,510	—	11,453	—	—
2045-2049	2,110	127	39,190	—	11,096	—	—
2050-2054	—	—	—	—	—	—	—
2055-2059	—	—	—	—	—	—	—
Subtotal	157,435	47,686	228,766	2,848	149,209	—	—
	Direct	Direct	Direct		Direct	Direct	Direct
	Borrowings	Borrowings	Borrowings		Borrowings	Borrowings	Borrowings
	Principal	Interest	Principal		Interest	Principal	Interest
2025	—	—	15,768		6,566	83	33
2026	—	—	15,982		6,348	86	30
2027	—	—	16,201		6,127	89	27
2028	—	—	16,423		5,902	93	24
2029	—	—	16,649		5,673	96	21
2030-2034	—	—	86,266		24,787	532	48
2035-2039	—	—	79,098		18,502	—	—
2040-2044	—	—	85,840		11,643	—	—
2045-2049	—	—	82,258		4,173	—	—
2050-2054	—	—	8,842		138	—	—
2055-2059	—	—	—		—	—	—
Subtotal	—	—	423,326		89,859	979	183
Issuance Premiums/ (Discounts)	6,927	—	5,973	—	—	—	—
Unaccreted Interest	—	—	2,407	(539)	—	—	—
Total	\$ 164,362	\$ 47,686	\$ 237,146	\$ 2,309	\$ 239,069	\$ —	\$ —

C. Debt Compliance

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

D. Debt Management Policy

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

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

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

E. Legal Debt Limit and Legal Debt Margin

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

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

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

As of June 30, 2024, the City's debt limit (20% of valuation subject to taxation) was \$9.9 billion. This number was calculated by taking the Total Assessed Values (Gross) from the County of Fresno Tax Rate Book, page 14 multiplied by 20%. This is in comparison with debt limits of \$9.1 billion in 2023. The City's legal debt margin is equal to the City's debt limit because it has no debt subject to the limitation.

F. Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. The requirements stipulate, in general, the earnings from the investment of tax-exempt bond proceeds that exceed related interest expenditures on the bonds must be remitted to the federal government on every fifth anniversary of each bond issue. The City has evaluated each general obligation bond and lease revenue bond issue subject to the arbitrage rebate requirements and has deferred credits and other liabilities in the governmental funds. Each Enterprise Fund has performed a similar analysis of the debt the respective enterprise has issued which is subject to arbitrage rebate requirements. Any material arbitrage liability related to the debt of the Enterprise Funds has been recorded as a liability in the respective fund. In addition, the Successor Agency to the former Redevelopment Agency records any arbitrage liability in deferred credits and other liabilities. As of June 30, 2024, the City had no arbitrage liability.

G. State Loan Program (Projects Currently In Progress)

On August 19, 2015, the City entered into a 30-year agreement to borrow \$70,600,000 from the California State Water Resources Control Board's Clean Water State Revolving Fund for construction of a recycled water distribution system in the southwest quadrant of the City. The interest rate is fixed at 1.0% for the term of the loan. Principal and interest is due in semiannual installments on the amount received by the City through the interest payment date. As of June 30, 2024, the City has received \$68,322,664 in proceeds. Debt service payments will be funded from revenues of the Sewer Enterprise. Construction is now complete and annual debt is \$2,111,023.

On November 26, 2016, the City entered into a 30-year agreement to borrow \$14,000,000 from the California State Water Resources Control Board for construction of a new surface water treatment facility in the northeast portion of the City. The interest rate is fixed at 1.6% for the term of the loan. Principal and interest due in semiannual installments will begin once the project is completed and continue for 30 years. As of June 30, 2024, the City has received \$13,651,557 in proceeds. Construction is now complete and the annual debt is \$607,971.

H. Capital Financing Activities

The Fresno Yosemite International Airport received \$70 million from the issuance of Series 2023 Bonds for the capital costs of the Terminal/FIS Expansion Project, net of fund deposits and Issuance Costs. The total estimated cost of the project is anticipated to be \$145.1 million and will provide the design and construction of:

- An expanded security checkpoint to provide a minimum of 5 lanes and related offices for Transportation Security Administration (TSA).
- A new concourse to the east of the expanded security checkpoint, with two additional gates on the second floor equipped with loading bridges.

- A new FIS facility with a target throughput of 400 arrivals per hour compared to the current capacity of 150 arrivals per hour, with a baggage claim unit located on the first floor of the new concourse and the processing facility to the east.
- An in-line baggage screening facility between the expanded security checkpoint and the new concourse.
- Additional airline ticket offices in the existing ticket lobby, converted from prior baggage makeup and screening space.
- Other supporting concession space.

Additional costs for this project will be paid by grants and cash on hand.

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

On December 13, 2013, the City entered into a Master Lease Agreement with Dell Financial Services to finance the purchase of computers. Each schedule represents a separate capital financing purchase with annual upfront payment terms provided by the lender at the time the computers are purchased. To date, there have been forty-five schedules executed totaling \$1,166,318 with interest rates ranging from 3.96% to 10.15% and terms between three and five years. As of June 30, 2024, only one of these financed purchases remain outstanding.

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

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

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

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

On January 13, 2022, the City entered into a new Master Equipment Lease-Purchase Agreement with BAPCC. Each schedule represents a separate capital financing with annual upfront payment terms provided by the lender at the time of financing. The purpose of these finance purchases is to finance new and replacement equipment throughout the City. To date, there have been twenty one schedules executed totaling \$38.97 million with interest rates ranging from 1.66% to 4.52% and terms of five to ten years. This new master agreement was amended to add \$20 million to not to exceed amount during fiscal year 2024. This agreement expires on December 31, 2024.

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

The following table lists the City's capital financing activities by lender as of June 30, 2024 (in thousands):

Lender	Date of Loan	Term (Years)	Purchased	Interest Rate	Annual (P&I Payment)
Community First National Bank	7/13/2015	10	2015 Smeal Engines on Spartan Metrostar Chassis (4)	2.92%	\$ 105
Community First National Bank	9/22/2015	10	2015 Smeal Engines on Metrostar (3) & Aerial on Gladiator (1)	2.69%	340
Community First National Bank	2/22/2016	10	2015 Smeal Engine & 2016 Water Tender on Kenworth	2.09%	157
Banc of America Public Capital Corp	5/2/2017	10	Fire Engines & Pumpers	2.52%	464
Banc of America Public Capital Corp	11/23/2017	7	Microwave Data & Radio Console Network	2.46%	392
Banc of America Public Capital Corp	6/26/2018	10	Fire Ladder Truck & Pumpers (3)	3.16%	371
Banc of America Public Capital Corp	5/29/2019	10	Fire Pumper Trucks (3)	2.83%	239
Banc of America Public Capital Corp	8/30/2019	5	2019 Police Motorcycles (10)	1.90%	38
Banc of America Public Capital Corp	11/12/2019	5	2020 Fire Ford Escapes (4), Ford F-250's (2)	1.95%	30
Banc of America Public Capital Corp	2/11/2020	5	2020 Police U.C. Vehicles (28)	1.97%	197
Alliance Funding Solutions, Inc.	2/21/2020	15	Energy Efficient Equipment and Solar PPA (City Hall & MSC)	2.95%	467
Banc of America Public Capital Corp	4/10/2020	5	2020 Police Vehicles (30)	1.11%	359
Banc of America Public Capital Corp	4/21/2020	5	2020 Police U.C. Vehicles (3)	1.09%	26
Dell Financial Services	5/1/2020	4	Computers Various Models (55)	4.28%	14
Banc of America Public Capital Corp	5/4/2020	5	2020 Fire Ford F-350 (1) & Ford Interceptor (1)	1.03%	31
Banc of America Public Capital Corp	5/15/2020	10	2020 Fire Engines (4)	1.34%	311
Banc of America Public Capital Corp	8/17/2020	10	Type III Fire Engines (2)	1.26%	82
Banc of America Public Capital Corp	11/19/2020	5	PARCS Ford Transit Van (1)	0.92%	8
Banc of America Public Capital Corp	11/19/2020	5	Freightliner Street Sweepers (2)	0.92%	163
Banc of America Public Capital Corp	1/19/2021	5	Fire Ford F-250 (1)	0.91%	21
Banc of America Public Capital Corp	2/19/2021	5	Fire Squad Vehicle (1)	0.92%	29
Banc of America Public Capital Corp	3/25/2021	5	IPS Parking Meters	1.03%	413
Banc of America Public Capital Corp	6/9/2021	10	Fire Engines (2) & Truck (1)	1.73%	319
Banc of America Public Capital Corp	6/18/2021	5	Fire Light Duty Vehicle (3)	1.06%	60
Banc of America Public Capital Corp	11/3/2021	5	2021 Undercover Vehicles (5)	1.32%	42
Banc of America Public Capital Corp	2/8/2022	5	2021 Fire Ford F-350 Chassis (8)	1.66%	153
Banc of America Public Capital Corp	2/16/2022	15	Energy Efficient Project	2.62%	1,162
Banc of America Public Capital Corp	5/11/2022	5	2022 Fire Ford Vehicles (13)	2.76%	163
Banc of America Public Capital Corp	6/16/2022	5	2022 Dodge Durangos (33)	2.70%	622
Banc of America Public Capital Corp	12/3/2022	10	Fire Engines (2) & Fire Truck	3.75%	374
Banc of America Public Capital Corp	1/20/2023	5	Police Vehicles (27)	3.86%	336
Banc of America Public Capital Corp	4/20/2023	5	Fire Ford F-250	3.66%	28
Banc of America Public Capital Corp	6/29/2023	5	2023 Fire Ford Maverick	3.81%	17
Banc of America Public Capital Corp	6/29/2023	5	Trolleys (3)	3.86%	192
Banc of America Public Capital Corp	6/29/2023	5	Police BMW Motorcycles (26)	3.86%	224
Banc of America Public Capital Corp	7/5/2023	5	2023 Dodge Durangos (105) & Northstar Veh	3.93%	1,958
Banc of America Public Capital Corp	7/12/2023	5	2023 Toyota Camrys (3)	4.04%	23
Banc of America Public Capital Corp	10/2/2023	5	2023 Toyota Prius' (10)	4.27%	67
Banc of America Public Capital Corp	10/5/2023	10	Self-Contained Breathing Apparatus (SCBA)	4.36%	551
Banc of America Public Capital Corp	10/11/2023	5	2023 Isuzu Truck	4.36%	19
Banc of America Public Capital Corp	11/28/2023	10	2023 Smeal Ladder Truck	4.43%	175
Banc of America Public Capital Corp	1/3/2024	5	2023 Undercover Vehicles (70)	4.00%	668
Banc of America Public Capital Corp	1/8/2024	10	2023 Fire Engines (2)	3.92%	216
Banc of America Public Capital Corp	1/8/2024	10	Spartan Rescue Truck	4.12%	160
Banc of America Public Capital Corp	2/26/2024	5	2024 Trucks (6) and Van	3.82%	148
Banc of America Public Capital Corp	5/24/2024	5	2024 Durangos (50) & BMW Motorcycles (15)	4.41%	1,260
Banc of America Public Capital Corp	5/24/2024	10	Bearcat	4.52%	55
Total					<u>\$ 13,247</u>

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

Year Ended June 30	Governmental Activities	
	Principal	Interest
2025	\$ 11,488	\$ 2,010
2026	10,419	1,663
2027	9,742	1,330
2028	8,399	1,005
2029	5,277	733
2030-2034	14,782	1,876
2035-2039	4,725	207
Total	\$ 64,832	\$ 8,824

I. General Fund Short-Term Borrowing Obligations

The City did not issue any short-term debt during fiscal year 2024 and did not have any short-term debt outstanding during the fiscal year.

J. Unused Lines of Credit

The following table lists the City's unused lines of credit as of June 30, 2024 (in thousands):

Line of Credit	Contract Amount	Used	Unused
Banc of America Public Capital Corporation			
Airport Leases	\$ 70,000	\$ 20,465	\$ 49,535
Police Vehicle Leases	21,320	16,641	4,679
Fire Vehicle Leases	6,848	4,472	2,376
Downtown Trolleys	866	731	135
Information Service Department Leases	319	\$ —	319
Total	\$ 99,353	\$ 42,308	\$ 57,045

K. Debt Collateral

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

Debt	Asset Pledged	Expiration Date
JPFA Lease Revenue Bonds		
1998 B Exhibit Hall Expansion Project	Fresno Convention Center, 848 M. Street	September 1, 2028
2001 A&B Stadium Project	Fire Station #19, 2187 W. Belmont Ave	June 1, 2031
	Saroyan Theater, 730 M. Street	June 1, 2031
2004 A,B,C Various Capital Projects	Convention Center Parking Garage, Inyo & O Streets	October 1, 2034
	Fire Station #15, 5630 E. Park Circle	October 1, 2024
	Fire Station #17, 10512 N. Maple Ave	October 1, 2024
2008 F Convention Center	Fresno City Hall, 2600 Fresno Street	April 1, 2046
2017 A Various Refunding Bond	Fire Station #16, 2510 N. Polk Ave	April 1, 2039
	Fresno Memorial Auditorium, 2425 Fresno Street	April 1, 2039
	Fresno Municipal Center, 1325 El Dorado Street	April 1, 2039
	Parking Garage #4, 1919 Tulare Street	April 1, 2039
	Parking Garage #8, 1077 Van Ness Ave	April 1, 2024
	Police Regional Training Center, 6375 W. Central Ave	April 1, 2039
	Selland Arena, 700 M Street	April 1, 2024
	Chukchansi Park, 1800 Tulare Street	April 1, 2031
	Valdez Hall, 702 M Street	April 1, 2039
	Southern Portion of Woodward Park, 7775 N. Friant Road	April 1, 2024
2020 A Animal Services Center	Fresno City Hall, 2600 Fresno St.	April 1, 2046

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

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

Bonds

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

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

Notes & Loans

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

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

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

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

Capital Financing Activities

For all City's financed purchases associated with Banc of America Public Capital Corp (BAPCC), an Event of Default is classified as one or more of the following: (1) failure to pay in full the rental payment due, (2) failure to comply with any covenant or agreement of the lease, (3) filing for bankruptcy, (4) any

warranty, representation or statement made by the City to be found materially incorrect, (5) any default occurring under any other debt agreement the City has, and (6) the City selling, leasing, or encumbering any of the equipment under the lease. In an Event of Default, BAPCC may do any or all of the following: (1) immediately terminate the lease and repossess the equipment and (2) exercise any other remedies available by law.

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

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

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

Note 8. Interfund Activity

A. Due to/from Other Funds

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

The composition of interfund balances as of June 30, 2024, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 554
	Nonmajor Governmental Funds	255
	Enterprise Funds	783
	Internal Service Funds	6,928
		<u>8,520</u>
Grants Special Revenue Fund	General Fund	722
	Nonmajor Governmental Funds	1,474
	Internal Service Funds	2,216
		<u>4,412</u>
Nonmajor Governmental Funds	General Fund	1,686
	Grants Special Revenue Fund	1,307
	Nonmajor Governmental Funds	10
	Internal Service Funds	4,339
		<u>7,342</u>
Water System	Nonmajor Governmental Funds	<u>3</u>
Solid Waste	Internal Service Funds	<u>1</u>
Transit	Internal Service Funds	<u>12</u>
Internal Service Funds	General Fund	1,700
	Grants Special Revenue Fund	35
	Nonmajor Government Funds	664
	Water System	136
	Sewer System	163
	Solid Waste Management	808
	Transit	143
	Airports	62
	Nonmajor Enterprise Funds	102
	Internal Service Funds	21
		<u>3,833</u>
Total Due to/from Other Funds		<u><u>\$ 24,124</u></u>

B. Advances

Advances represent long-term borrowing between funds.

Fire Station No. 18

On November 14, 2019, a loan was executed between the City's UGM Area Wide Oversized Sewer fund, the City's UGM Wellhead Treatment Area 101S Fund, and the City of Fresno's Fire Station 18 Construction Fund, whereby funds were loaned to the Fire Station 18 Construction Fund to cover building costs of Fire Station 18. An amount not to exceed \$2.4 million was borrowed from the UGM Area Wide Oversized Sewer Fund and \$1.46 million was borrowed from the UGM Wellhead Treatment Area 101S Fund. The term of the loan will be not more than five (5) years and shall be repaid in full by July 31, 2024. Interest will accrue at a rate equal to the City's Pooled Investment Rate, which was 2.325% as of the effective date of the Loan Agreement. Each year, Fire Station 18 Construction Fund shall pay at least 1/5th of the principal balance of the loan plus interest accrued to the payment date. To the UGM Area Wide Oversized Sewer Fund, the annual principal payment is \$480,000, while the annual payment to the UGM Wellhead Treatment Area 101S Fund is \$291,540. As of June 30, 2024, \$3.9 million of proceeds from this loan had been transferred to the Fire Station 18 Construction Fund, \$2.9 million had been repaid and \$0.9 million remains outstanding.

DPU Facility

On April 1, 2021, a loan was executed between the City's Water Division and the Solid Waste Division, whereby \$3.7 million was loaned to the Solid Waste Division for the joint purchase of a facility to bring all Utility services that can be merged, into one facility. The term of the loan will be 5 years from the effective date of the loan, or April 1, 2026, and will accrue interest at a rate equal to the City's pooled rate, which was 1.78% as of the effective date of the loan agreement. The Solid Waste Division shall make principal payments in the amount of 1/10th of the loan amount and interest payments twice per year on October 1st and April 1st of each fiscal year. As of June 30, 2024, all \$3.7 million of proceeds from this loan had been transferred to the Solid Waste Fund, \$2.2 million had been repaid and \$1.5 million remains outstanding.

Interfund Loan

On June 30 2024, a loan was executed between the City of Fresno Sewer System Rate Stabilization Connection Fee (CIP Reserve) Fund, and the City of Fresno Solid Waste Management Division Solid Waste Operating Enterprise Fund, whereby funds were loaned to the Solid Waster Operating Enterprise Fund to cover operating costs necessary to continue services and to avoid depleting reserves. An amount not to exceed \$5 Million was borrowed from Sewer System Rate Stabilization Connection Fee Fund. The term of the loan will be 5 years from the effective date of the loan and will accrue interest at a rate equal to the City's pooled rate, which was 3.40% at the loan agreement effective date. The term of the loan will be 5 years from the effective date of the loan, or June 30, 2029. The Solid Waste Operating Enterprise Fund shall make payments in the amount of 1/10th of the loan amount and interest payments twice per year on January 1st and July 1st of each fiscal year. As of June 30, 2024, all \$5.0 million of

proceeds from this loan had been transferred to the Solid Waste Operating Enterprise Fund and \$0 million had been repaid.

Redevelopment Agency

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

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

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

When the RDA dissolution process began, City staff considered it to be premature to consider the debt owed by the former RDA to the City as being current. Thus, an allowance for doubtful accounts was created by the City, which at June 30, 2011, totaled \$80.1 million. This amount, which was equal to the calculated amount of the debt, was reflective primarily of principal and interest accrued over the years on the advances. As payments on the debt have been received and legal decisions have been rendered, which further defined an "enforceable obligation", staff revisited that initial allowance for doubtful accounts amount and refined it. At the end of fiscal year 2024, the allowance for doubtful accounts stood at \$6.7 million.

As the funds are received, 20% of any loan repayment received by the City must be deducted from the loan repayment amount and be transferred to the Low and Moderate Income Housing Fund. In fiscal year 2024, this amount totaled \$0.4 million. The repayment is reflected in the ACFR on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds, under the Special Revenue Low and Moderate Income Housing Fund.

On June 23, 2016, the City Council approved a resolution requiring any amount of the annual repayments of RDA debt that are received and not related to Enterprise Fund related loans would go toward the rebuilding of the City's Emergency Reserve Fund. Through June 30, 2024, the City had received \$36.8 million in loan repayments from the SA. With the adoption of the fiscal year 2019 budget and the corresponding achievement of a 10% reserve, these repayments became a General Fund revenue source.

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

Receivable Fund	Principal Cumulative				Interest Cumulative				Total		
	Beginning Balance	Advances/ Adjustments	Payments/ Write-offs	Ending Balance	Beginning Balance	Accruals/ Adjustments	Payments/ Write-offs	Ending Balance	Total Receivable	Allowance for Doubtful	Receivable (Net of Allowance)
General Fund:											
General Fund	\$ 838	\$ —	\$ —	\$ 838	\$ 671	\$ 25	\$ —	\$ 696	\$ 1,534	\$ (1,534)	\$ —
Parking Trust	150	—	—	150	121	5	—	125	275	(275)	—
	988	—	—	988	792	30	—	822	1,809	(1,809)	—
Grants Special Revenue Fund	2,769	—	(1,728)	1,042	3,999	31	(272)	3,758	4,800	(2,234)	2,566
Nonmajor Governmental Funds:											
Gas Tax	1,150	—	—	1,150	927	35	—	962	2,112	(2,112)	—
	1,150	—	—	1,150	927	35	—	962	2,112	(2,112)	—
Fresno Convention Center	304	—	—	304	237	9	—	246	550	(551)	(1)
	304	—	—	304	237	9	—	246	550	(551)	(1)
Total	\$ 5,211	\$ —	\$ (1,728)	\$ 3,484	\$ 5,955	\$ 105	\$ (272)	\$ 5,788	\$ 9,271	\$ (6,706)	\$ 2,565

Subsequent to fiscal year-end, the City received a reimbursement on loans made to the former RDA. The amount received was \$2.0 million, of which \$1.6 million was paid to the City and \$0.4 million was paid to the Housing Successor.

Redevelopment Agency - Housing Assets

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

Other Advances

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

The composition of interfund balances (advances from/to other funds) as of June 30, 2024, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount
Grants Special Revenue Fund	General Fund	\$ 540
	Fiduciary Funds	2,565
		<u>3,105</u>
Water System	Nonmajor Governmental Funds	467
	Solid Waste	1,485
		<u>1,951</u>
Sewer System	General Fund	211
	NonMajor Governmental Funds	480
	Solid Waste	5,000
		<u>5,691</u>
Total Advances		<u><u>\$ 10,747</u></u>

C. Transfers

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

The following is a summary of interfund transfers for the fiscal year ended June 30, 2024
(in thousands):

Receiving Fund	Paying Fund	Amount
General Fund	Grants Special Revenue Fund	\$ 2,161
	Nonmajor Governmental Funds	2,353
	Water System	490
	Solid Waste Management	708
	Transit	597
		<u>6,309</u>
Grants Special Revenue Fund	General Fund	431
	Nonmajor Governmental Funds	1,270
	Nonmajor Enterprise Funds	1
		<u>1,702</u>
Nonmajor Governmental Funds	General Fund	23,167
	Grants Special Revenue Fund	545
	Nonmajor Governmental Funds	4,099
	Water System	315
	Sewer System	282
	Solid Waste Management	268
	Transit	789
	Airports	259
	Nonmajor Enterprise Funds	85
	Internal Service Funds	799
		<u>30,608</u>
Water System	Sewer System	238
		<u>238</u>
Solid Waste Management	General Fund	473
	Nonmajor Enterprise Funds	1,000
		<u>1,473</u>
Fresno Convention Center	General Fund	<u>4,361</u>
Stadium	General Fund	<u>5,552</u>
Nonmajor Enterprise Funds	General Fund	257
		<u>257</u>
Internal Service Funds	General Fund	1,283
	Water System	782
	Sewer System	24
	Solid Waste Management	715
		<u>2,804</u>
Total Transfers		<u><u>\$ 53,306</u></u>

The General Fund transferred \$23.17 million to Nonmajor Governmental Funds to provide support for debt service payments and capital projects; \$4.36 million to the Convention Center for debt service as well as general operating support; \$1.28 million to Internal Service Funds for provided services; \$0.43 million to Grants Special Revenue Fund; \$0.47 million to Solid Waste; \$0.26 million to Nonmajor Enterprise Funds; and \$5.55 million to the Stadium Fund for debt service payments.

Nonmajor Governmental Funds transferred \$7.72 million for debt service and miscellaneous purposes. Internal Service Funds transferred \$0.80 million to Nonmajor Governmental Funds for debt service payments.

D. Recap of Interfund Activity

The following schedule recaps Interfund Activity as of and for the year ended June 30, 2024 (in thousands):

	Due from Other Funds	Due to Other Funds	Advances Receivable from Other Funds	Advances Payable to Other Funds	Transfers In	Transfers Out
Governmental Funds:						
General Fund	\$ 8,520	\$ 4,107		\$ 751	\$ 6,309	\$ 35,526
Grants Special Revenue Fund	4,412	1,895	3,105	—	1,702	2,706
Nonmajor Governmental Funds	7,341	2,407	—	947	30,609	7,721
Total Governmental Funds	20,273	8,409	3,105	1,698	38,619	45,953
Proprietary Funds:						
Water System	3	626	1,951	—	238	1,587
Sewer System	—	163	5,691	—	—	544
Solid Waste Management	1	1,063	—	6,485	1,474	1,692
Transit	12	143	—	—	—	1,386
Airports	—	62	—	—	—	259
Fresno Convention Center	—	—	—	—	4,361	—
Stadium	—	—	—	—	5,552	—
Nonmajor Enterprise Funds	—	140	—	—	258	1,086
Internal Service Funds	3,833	13,518	—	—	2,804	799
Total Proprietary Funds	3,851	15,715	7,643	6,485	14,687	7,353
Fiduciary Funds:						
Major Governmental Funds	—	—	—	2,565	—	—
Total Fiduciary Funds	—	—	—	2,565	—	—
Total	<u>\$ 24,124</u>	<u>\$ 24,124</u>	<u>\$ 10,748</u>	<u>\$ 10,748</u>	<u>\$ 53,306</u>	<u>\$ 53,306</u>

Note 9. Defeasances

Current Year Defeasances

In fiscal year 2024, the City did not engage in any defeasances or refundings of outstanding debt. A defeasance is typically used to set aside funds to pay off bonds early, while a refunding involves issuing new bonds to replace existing ones, often to take advantage of more favorable interest rates. However, for this particular fiscal year, the City did not pursue either of these strategies, maintaining its existing debt structure without making early redemptions or restructuring through new bond issuances. This decision reflects the City's approach to managing its financial obligations without altering the terms of its outstanding debt during this period.

Prior Year Defeasances

On May 1, 2023, the City issued Airport Revenue Bonds, Series 2023A and 2023B with a Par Amount of \$91,085,000. Part of the issuance was to defease the Airport Revenue Bonds, Series 2013A and 2013B on their next interest payment due date of July 1, 2023. Airport Revenue Bonds, Series 2013A and 2013 B had an outstanding Par Amount at defeasance of \$20,095,000. Bond proceeds were placed into an escrow account and were used to pay the bonds off July 1, 2023.

Note 10. Risk Management Fund

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

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

Furthermore, the City maintains Property insurance and Boiler and Machinery insurance with Travelers Insurance, with total insured values of \$2,246,786,040 and limits of liability of \$500,000,000. There is a \$100,000 deductible for most losses. Flood losses have a \$250,000 deductible. Property insurance does not cover losses due to seismic events. Finally, the City maintains Aviation (Aircraft Hull) insurance for two helicopters, with limits of liability of \$50 million. There is a 1.0% of insured value each claim, subject to a maximum of \$15,000, rotors in-motion deductible and \$0 rotors not in-motion deductible of each helicopter. Coverage is provided by Old Republic Insurance Company through Old Republic Aerospace Corporate Administration.

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

The estimated liabilities of the Risk Management ISF as of June 30, 2024, are determined by the City based on recommendations from an independent actuarial evaluation. The liabilities are based on estimates of the ultimate cost of claims (including future claim adjustments expenses) that have been reported but not settled, and claims that have been incurred but not reported (IBNR). The claims liability of \$260.3 million reported in the Risk Management Internal Service Fund at June 30, 2024 is based on the requirement that claims be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The recorded liabilities for each program at June 30, 2024 are as follows (in thousands):

Workers' Compensation *	\$	165,631
Liability and Property Damage *		94,643
Total	\$	<u>260,274</u>

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

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

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2022	\$ 185,733	\$ 45,009	\$ 30,215	\$ 200,527
2023	\$ 200,527	\$ 65,117	\$ 35,484	\$ 230,160
2024	\$ 230,160	\$ 78,526	\$ 48,412	\$ 260,274

See Note 11 Section G for changes in funds claims liability related to Employees Healthcare Plan.

Note 11. Employee Benefit Programs

A. Retirement Plans

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

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

Membership and Benefit Eligibility

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

Total participants in each System were comprised of the following, as of June 30, 2024:

	Employees	Fire & Police	Total
Active Members			
Vested	1,458	843	2,301
Non-Vested	1,509	383	1,892
Total Active Members	2,967	1,226	4,193
Retirees and Beneficiaries of Deceased Retirees			
Retirees, Currently Receiving Benefits	2,303	1,220	3,523
Inactive Vested Members	240	71	311
Total Retirees and Inactive Members	2,543	1,291	3,834
Grand Total	5,510	2,517	8,027

Benefit Provisions

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

Member Retirement Benefits

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

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

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

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

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

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

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

Terminated Member Benefits

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

Death and Disability Benefits

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

Basis of Accounting

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

Valuation of Investments

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

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

Rate of Return

For the fiscal year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of investment expense was 10.4%, for the Employees and Fire and Police. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Reporting

The following data is for employer reporting as required by GASB Statement No. 68 as of June 30, 2024. The results used in preparing the GASB Statement No. 68 report are comparable to those used in preparing the GASB Statement No. 67 report for the plan based on a reporting date and measurement date as of June 30, 2023. The valuation is based upon:

- The benefit provisions of the Systems as administered by the Boards;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2023;
- The assets of each Plan as of June 30, 2023;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee termination, retirement, death, etc.

The Total Pension Liability (TPL) and the Plans' Fiduciary Net Positions include liabilities and assets held for DROP, Post-Retirement Supplemental Benefits (PRSB) and City Surplus reserves. The Net Pension Liability (NPL) is equal to the difference between the TPL and the each Plan's Net Position. Each Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded/(Prefunded) Actuarial Accrued Liability calculated on a market value basis. The NPL was measured as of June 30, 2023 and determined from the actuarial valuations as of June 30, 2023. The Plans' Fiduciary Net Positions (Plan Assets) were valued as of the measurement dates. Consistent with the provisions of GASB Statement No. 68, the assets and liabilities measured as of June 30, 2023 were not adjusted or rolled forward to the June 30, 2024 reporting date. The discount rates used for each Plan to determine the TPL and NPL as of June 30, 2023 was 6.75%, following the same assumptions used by the Retirement Systems in the funding valuations as of the same dates.

Funding Policy

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

For the Employees System, the average employer contribution rate as of June 30, 2023, for 2022-2023 (based on the June 30, 2024 valuation) was 13.4% of compensation. The average employee member contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2024 valuation) was 8.9% of compensation.

For the Fire and Police System, the average employer contribution rate as of June 30, 2024, for 2023-2024 (based on the June 30, 2024 valuation) was 21.0% of compensation. The average employee member contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2024 valuation) was 9.0% of compensation.

All active Fire and Police members are required to make contributions to the System. Employee contribution rates vary in the First Tier according to entry age. The Tier 1 average member contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2024 valuation) was 0.0% of compensation. Employee contribution rates in the Second Tier are established at 9.0% of pensionable base pay.

The aggregate employer contribution rate for the Fire and Police System as of June 30, 2024 for 2023-2024 (based on the June 30, 2024 valuation) was 21.1% of compensation.

Actuarial Funding Policy and Actuarial Cost Methodology for Funding Purposes

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

Funding Status and Method

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

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

Funding Requirements and Policy Components

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

As of June 30, 2024, the Systems did not have UAAL.

The Boards adopted an Amortization Policy, which sets forth the amortization procedures for funding any UAAL or amortization and allocation of any available Surplus in the Systems. A detailed description of the policy can be found in the Notes to the Financial Statements for the Retirement Systems, which are located at <http://www.cfrs-ca.org/Employee/Communications/Reports.asp> for the Employees System or at <http://www.cfrs-ca.org/Fire-Police/Communications/Reports.asp> for the Fire and Police System.

The Systems use a 5-year smoothing of market gains and losses above and below the assumed actuarial rate of return to derive the actuarial value of assets. As of the fiscal year end on June 30, 2024, the actuarial valuation value of the Employees' System assets was \$1.6 billion with a funded percentage of 109.8% on a valuation value of assets, whereas the actuarial value of Fire and Police assets was \$2.0 billion with a funded percentage of 114.9% on a valuation value of assets.

Contributions Required and Contributions Made

The employer's required normal contributions to the Systems have two components: basic and COLA. For fiscal year 2024, the City's required normal contributions (basic and COLA) to the Systems were as follows (in thousands):

	Normal Cost Employees System	
	FY 2024	
Employer Contributions	\$	30,152
Prior Year Contribution (Surplus)/Shortfall		(1,531)
Net Employer Contributions	\$	<u>28,621</u>
Pensionable Payroll	\$	213,008
Member Contributions	\$	18,833
Employer Contribution Rate		14.15%

Employer and employee contributions represented 13.4% and 8.9% respectively, of the fiscal year 2024 covered payroll for the Employees System.

	Normal Cost Fire and Police System (In Thousands)		
	FY 2024		
	Tier 1	Tier 2	Total
Employer Contributions	\$ 64	\$ 37,048	\$ 37,112
Prior Year Contribution (Surplus)/Shortfall	(118)	(6,359)	(6,477)
Net Employer Contributions	<u>\$ (54)</u>	<u>\$ 30,689</u>	<u>\$ 30,635</u>
Pensionable Payroll	\$ 210	\$ 145,459	\$ 145,669
Member Contributions	\$ 13	\$ 13,095	\$ 13,108
Employer Contribution Rate	30.25%	25.47%	

Employer and employee contributions represented 21.0% and 9.0%, respectively, of the fiscal year 2024 covered payroll for the Fire and Police System.

Net Pension Asset

The net pension liability (asset) reported as of June 30, 2024 was measured as of June 30, 2023, and determined based upon the total pension liability (on GASB Statement No. 68 basis) from actuarial valuations as of June 30, 2023.

The City's total pension liability, plan fiduciary net position, and net pension liability (asset) for each System as of June 30, 2024 were as follows (in thousands):

	Employees System	Fire and Police System
Total Pension Liability	\$1,566,983	\$ 1,865,741
Plan Fiduciary Net Position	(1,683,313)	(2,045,837)
Net Pension Liability (Asset)	<u>\$ (116,330)</u>	<u>\$ (180,096)</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	107.42%	109.65%

Changes in Net Pension Liability (Asset)

The components of the net pension liability (asset) for each System as of June 30, 2024 and a measurement date of June 30, 2023 were as follows (in thousands):

	Employees System	Fire and Police System
Total Pension Liability (Asset)		
Beginning Balance	\$ 1,472,814	\$ 1,737,122
Service Cost	37,299	41,190
Interest	99,304	117,304
Differences Between Expected & Actual Experience	35,440	51,061
Benefit Payments, Including Refunds	(77,873)	(80,937)
Changes of Assumptions	—	—
Net Change in Total Pension Liability	94,170	128,618
Ending Balance	\$ 1,566,984	\$ 1,865,740
 Plan Fiduciary Net Position		
Beginning Balance	\$ 1,562,188	\$ 1,891,078
Contributions - Employer	22,236	27,068
Contributions - Employee	14,895	12,053
Net Investment Income	164,014	198,976
Benefit Payments (Including Refunds, PRSB)	(77,873)	(80,937)
Administrative & Professional Expense	(2,146)	(2,402)
Net Change in Plan Fiduciary Net Position	121,126	154,758
Ending Balance	1,683,314	2,045,836
Net Pension Liability (Asset)	\$ (116,330)	\$ (180,096)

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

The discount rate used to measure the TPL was 6.75% as of June 30, 2024 and June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarial determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension Plan Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2024 and June 30, 2023.

The following presents the NPL of the Employees and Fire and Police Retirement Systems as of June 30, 2024. The Systems use the current discount rate to measure the TPL for the measurement date of June 30, 2023, as well as what the NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

NPL of Employees and Fire and Police Retirement Systems As of June 20, 2023 (In Thousands)				
	1% Decrease		Current Discount Rate	1% Increase
	5.75%		6.75%	7.75%
Employees System	\$	67,160	\$ (116,330)	\$ (266,738)
Fire and Police System	\$	76,084	\$ (180,096)	\$ (386,356)

Long-Term Expected Real Rate of Return

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

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

As of June 30, 2024

Asset Class	Target Asset Allocation	Weighted Average Long-Term Expected Rate of Return (Arithmetic)
Large Cap U.S. Equity	18.0%	5.4%
Small Cap U.S. Equity	3.0%	6.17%
Developed International Equity	13.0%	6.13%
Emerging Market Equity	5.0%	8.17%
Private Equity	8.0%	10.83%
Core Bonds	12.0%	0.39%
Private Debt/Direct Lending	14.0%	5.93%
Real Estate	15.0%	4.59%
Private Equity - Credit Opportunities	2.5%	7.18%
China Equity	1.3%	9.53%
Hedge Fund - Macro	1.3%	2.72%
Private Real Estate - Infrastructure/Land	7.0%	6.19%
Total	100.0%	

Mortality Rates

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

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

Actuarial Assumptions

The TPL as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of an experience study for the period from July 1, 2018 through June 30, 2021.

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

Inflation	2.50%
Salary increases	3.75% to 11.50%, varying by service, including inflation (Employees). 4.00% to 13.00%, varying by service, including inflation (Fire and Police).
Investment rate of return	6.75%, net of pension plan investment expense, including inflation.
Other assumptions	See Appendix A in the ACFR for the Employee's Plan and the Fire/Police Plan for the service retirement rates after they have been adjusted to treat DROP participation as service retirement.

Net Position Restricted for Pension Benefits

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

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

For the fiscal year ending June 30, 2024, the City incurred pension expense of \$31.9 million for the employees Plan and \$38.9 million for the Fire and Police Plan for a total pension expense of \$70.8 million.

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to the pensions as follows:

Pension Expense and Deferred Outflows and Inflows of Resources

(in thousands)

	Employees System	Fire and Police System
Components of Pension Expense		
Service cost	\$ 37,299	\$ 41,190
Interest on the total pension liability	99,304	117,304
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	8,729	11,372
Actual member contributions	(14,894)	(12,054)
Projected earnings on plan investments	(104,000)	(126,155)
Expensed portion of current-period differences between actual and projected earnings on plan investments		
Expensed portion of current-period effects of Assumption Changes	(12,003)	(14,564)
Administrative expense	2,146	2,401
Recognition of beginning of year deferred outflows of resources as pension expense	82,698	100,840
Recognition of beginning of year deferred inflows of resources as pension expense	(67,389)	(81,471)
Pension Expense	\$ 31,890	\$ 38,864

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources		
Contributions subsequent to Measurement Date	\$ 26,359	\$ 27,958
Changes of assumptions or other outputs	—	327
Difference between expected and actual experience in the Total Pension Liability	45,939	51,362
Deferred Outflows of Resources	\$ 72,298	\$ 79,646
Deferred Inflows of Resources		
Net difference between projected and actual earnings on pension plan investments	\$ 7,015	\$ 8,417
Changes of assumptions	2,007	1,754
Difference between expected and actual experience in the Total Pension Liability	2,512	1,665
Deferred Inflows of Resources	\$ 11,534	\$ 11,836

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

The \$26.4 million and \$28.0 million reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the total Pension liability during the fiscal year ending June 30, 2025. Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

2025	\$ 6,643	\$ 2,621
2026	\$ (7,992)	\$ (12,769)
2027	47,757	58,993
2028	(12,003)	(8,992)
Totals	\$ 34,405	\$ 39,853

Any differences between projected and actual investment earnings on pension plan investments are recognized over a period of five years beginning with the year in which they occur. Differences between expected and actual experiences are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through the Retirement Systems determined as of June 30, 2022 (the beginning of the measurement period ending June 30, 2023) and is 4.06 years for the Employees System and 4.49 years for the Fire & Police System.

Administrative Expenses

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

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

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

Successor Agency Retirement Plan

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

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

As of the beginning of the measurement period (July 1, 2023), the net pension liability for the Plan is \$693,565. For the measurement period ended June 30, 2024 (the measurement date), the net pension liability for the Plan is \$733,631 and the Successor Agency incurred pension expense of \$105,262 for the Plan.

As of June 30, 2024, the Successor Agency reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 60	\$ —
Difference between expected and actual experience	37	6
Changes in assumptions	44	—
Net difference between projected and actual earnings on pension plan investments	119	—
Changes in employer's proportions	11	2
Difference between the employer's contributions and the employer's proportionate share of contributions	—	44
Total	<u>\$ 271</u>	<u>\$ 52</u>

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

B. Deferred Compensation Plan

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

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

C. Compensated Absences

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

Annual leave, which may be accumulated up to 1,200 hours, depending upon bargaining unit and length of service, is payable upon termination or retirement. Holiday leave may be accumulated indefinitely depending upon the bargaining groups and is payable for active employees as well as at termination or retirement. Annual leave allows for the cashing out of the higher of 10% of the accumulated balance or 48 hours, once per fiscal year. Supplemental sick leave is awarded to unrepresented management, professionals and to white collar employees at the rate of 40 hours at the beginning of each fiscal year. The balance can only be used after other leave balances are exhausted, or for other specific reasons outlined in the various Memoranda of Understanding (MOU's) or the current Salary Resolution. The balance is payable at termination/retirement or is accounted for as part of an HRA which is unfunded and expended on a pay-as-you-go basis.

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

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

Accrued Employee Leave balances as of June 30, 2024, are as follows (in thousands):

Department/Activity	Total Accrued Vacation, Sick Leave, and HRA	Current Portion
Governmental Activities:		
General Fund	\$ 69,240	\$ 11,765
Grants Special Revenue Fund	7,278	206
Special Gas Tax	914	108
Measure C	1,219	222
Measure P	718	84
Community Services	354	38
Special Assessment	351	63
General Services	4,347	473
Risk Management	299	27
Total Governmental Activities	<u>\$ 84,722</u>	<u>\$ 12,986</u>
Business-Type Activities:		
Water System	\$ 2,016	\$ 458
Sewer System	2,051	389
Solid Waste Management	1,465	407
Transit	3,780	658
Airports	1,464	470
Community Sanitation	571	64
Billing and Collection	1,557	291
Total Business-Type Activities	<u>\$ 12,904</u>	<u>\$ 2,737</u>
Fiduciary Funds:		
Private-Purpose Trust Fund	\$ 50	\$ 17
Total	<u><u>\$ 97,676</u></u>	<u><u>\$ 15,740</u></u>

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

D. Termination Benefits

During fiscal year 2024, there were no employees who received severance pay.

E. Health Benefit Plan

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

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

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

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

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

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

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

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

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

F. Other Post-Employment Benefits

Plan Description

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

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

Contributions

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

Employees Covered

As of June 30, 2024 , the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	401
Inactive employees entitled to but not yet receiving benefit payments	—
Active employees	3,873
Total participants covered by OPEB Plan	<u>4,274</u>

Net OPEB Liability

The City's net OPEB liability of \$109.4 million was measured as of June 30, 2023 , and was determined by an actuarial valuation as of June 30, 2022 to determine the June 30, 2024 total OPEB liability.

Actuarial Assumptions and Other Inputs

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

Reporting Date	June 30, 2024
Measurement Date	June 30, 2023
Valuation Date	June 30, 2023
Discount Rate	3.93%
Healthcare Cost Trend Rates:	
Current Year Trend	5.04% / 4.82%
Second Year Trend	7.50% / 4.54%
Decrement	N/A
Ultimate Trend	4.54%
Year Ultimate Trend is Reached	2090
Salary Increases	3.50%
Actuarial Cost Method	Entry Age Normal (Percent of Salary)

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

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

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

The June 30, 2023 valuation was prepared using a discount rate of 3.93%. If the discount rate were 1% higher than what was used in this valuation, the Net OPEB Liability would decrease to \$97.7 million or by 10.7%. If the discount rate were 1% lower than was used in this valuation, the Net OPEB Liability would increase to \$123.4 million, or by 12.7%.

	1% Decrease	Current Discount Rate	1% Increase
	2.93%	3.93%	4.93%
Net OPEB Liability (in thousands)	\$ 123,402	\$ 109,448	\$ 97,734

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

The June 30, 2023 valuation was prepared using an initial trend rate of 5.04% / 4.82%. If the trend rate were 1% higher than what was used in this valuation, the Net OPEB Liability would increase to \$128.1 million or by 17.01%. If the trend rate were 1% lower than was used in this valuation, the Net OPEB Liability would decrease to \$94.5 million or by 13.7%.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	-1%	5.04% / 4.82%	1%
Net OPEB Liability (in thousands)	\$ 94,462	\$ 109,448	\$ 128,071

Changes in the Net OPEB Liability

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

	Net OPEB Liability
	Increase / (Decrease) (in thousands)
OPEB Liability as of June 30, 2022	\$ 110,982
Changes for the Year:	
Service Cost	8,243
Interest	4,179
Assumption Changes	(13,448)
Difference between Actual and Expected Experience	1,645
Benefit Payments	(2,153)
Net Changes	(1,533)
OPEB Liability as of June 30, 2023	\$ 109,448

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

For the year ended June 30, 2024, the City recognized an OPEB expense of \$5.0 million. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 2,937	\$ —
Changes of Assumptions	21,929	(47,397)
Difference Between Actual and Expected Experience	1,581	(16,129)
Total	<u>\$ 26,447</u>	<u>\$ (63,526)</u>

The \$2.9 million reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Fiscal Year	Deferred Outflows/(Inflows) of Resources
2025	\$ (7,428)
2026	(7,428)
2027	(5,968)
2028	(5,883)
2029	(6,232)
Thereafter	(7,076)
Total:	<u>\$ (40,016)</u>

G. Healthcare Plan Claims Liability

The recorded liability for the Employees Healthcare Plan at June 30, 2024 for employee health benefit claim payments for direct provider care is \$6.4 million.

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

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	End of Fiscal Year Liability
2023	\$ 7,400	\$ 66,666	\$ 66,166	\$ 7,900
2024	7,900	69,512	71,012	6,400

Note 12. No-Commitment Debt

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

A. Special District Debt

The City is not obligated in any manner for the Special District debt, but is acting as an agent for property owners in collecting the taxes/assessments, forwarding the collections to the trustee/paying agent, and initiating foreclosure proceedings, if appropriate. Special District debt payable to bond holders was \$2.1 million at June 30, 2024, as compared to \$2.3 million at June 30, 2023.

Note 13. Commitments and Contingencies

A. Closure and Post-Closure Care Cost

The City continues to monitor a former landfill site as part of the Environmental Protection Agency's (EPA) Superfund program. Management estimates the remaining monitoring costs as of June 30, 2024 to be \$9.2 million. A liability in this amount has been recorded in the Solid Waste Management Fund. It is anticipated that approximately \$0.9 million in monitoring costs and landfill site closure costs will be paid in fiscal year 2025. The Fresno sanitary landfill has not received solid waste since 1987. It was redesigned as part of a 350-acre "green" facility to integrate the Fresno sanitary landfill site into a championship caliber sports complex/regional park. The estimated total remaining post-closure care costs are based on the equipment, facilities, and services required to monitor/maintain the closed landfill. The liability for post-closure care costs is an estimate and subject to change resulting from inflation, deflation, technology or changes in applicable laws.

Fees paid by utility users will be used to cover the remaining monitoring costs. A receivable totaling \$8.2 million has been recorded in the Solid Waste Management Fund.

B. CVP Water Contract

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

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

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

Because repayment contracts do not require periodic renewal, compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) need not be repeated. This obligation is amortized and included in the volumetric water rates the City pays the

USBR. The present value of the City's debt obligation to the Bureau has been fully capitalized in the Water Fund under the caption "Unamortized CVP Water Settlement", and is being amortized against expected future revenues generated through water rates. The "Unamortized CVP Water Settlement" totaled \$0.6 million on June 30, 2024.

C. Other Litigation

There are various other lawsuits and claims pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, management, after consultation with legal counsel, is of the opinion that a majority of these matters will not have a material adverse effect on the financial condition of the City at June 30, 2024.

D. Toxics Mitigation

Old Hammer Field

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

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

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

A liability for future cleanup costs on the Old Hammer Field site is recorded on the fiscal year 2024 ACFR in the amount of \$278,000. Total costs have been estimated to range between \$10 and \$20 million, with the City's share of cleanup costs to be 10%. The cleanup time frame has also been estimated and is expected to continue for 20 to 40 years. Cleanup costs totaled \$90,000 in fiscal year 2024.

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

DBCP Groundwater Contamination

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

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

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

Pollution Remediation

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

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

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

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

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

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

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

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

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

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

G. Construction and Other Significant Commitments

On June 30, 2024, the City had commitments for the following major construction projects (in thousands):

Project Title	Remaining Construction Committed
Governmental:	
Downtown Redevelopment Grant Water & Sewer Improve	\$ 18,785
MSC0692 Generator Project Bidfile # 1230074	8,277
Welcome Home 96-Unit Modular Housing Construction	7,542
Paving Bid Package Various Locations	7,359
12302905 No 13 Park at MLK Magnet Core	6,833
Total Governmental - Major Projects	<u>48,795</u>
Other Governmental Projects	<u>107,522</u>
Total Governmental Projects	<u><u>\$ 156,317</u></u>
Proprietary:	
Q&D 3rd Amendment Phase 2 - FAT Terminal Expansion	\$ 57,959
North Ave Sewer Trunk Main Realignment	5,174
Water Main Replacement in Calwa Townsite, Phase II	4,521
Sewer Rehab in Shields, Dakota, Fruit, Palm	4,039
Fruit Ave Emergency Repair	2,579
Const Van Ness Grid Water Main Prev # 12401958	2,224
Concrete Liner Installation at NESWTF Ponds 1 & 2	2,082
Construction Services - Parking Garage	1,419
Polyethylene Water Service Replacements	1,204
Cleaning and Rehab of digesters #2 & #9	1,136
Fresno Area Express Facility Improvement Project	1,069
RQ Contract to Rehab Public Water Supply Wells EQ	1,024
RQ Contract to Rehab Public Water Supply Wells-SQ	948
Eaton Remote Auto Racking	901
Total Proprietary- Major Projects	<u>\$ 87,091</u>
Other Proprietary Projects	<u>\$ 10,359</u>
Total Major Construction Projects	<u><u>\$ 253,766</u></u>

H. Discolored Water

In February 2016, the City undertook a broad investigation into reports of discolored water and the presence of lead in drinking water in certain homes located in Northeast Fresno. The City conducted the investigation with oversight from the State Water Resources Control Board - Division of Drinking Water (DDW), Fresno County Department of Public Health, and the U.S. Environmental Protection Agency (EPA). The investigation has included, for example, water quality sampling, soil sampling, pipe testing,

field investigations and home inspections, consultations with national corrosion experts, multiple community meetings and presentations, and public distribution of information and education materials.

In early 2017, the EPA conducted a comprehensive review of the City and the State of California's oversight of the City's drinking water treatment and testing program. The EPA concluded that the City has historically complied with the regulatory action level for lead, and that the City's water system has been optimized for corrosion control since 1996.

In September 2016 and May 2017, groups of residents filed two lawsuits against the City and other parties seeking damages for harm allegedly caused by the City's water supply. Litigation is currently ongoing. The City will continue to vigorously defend itself in these matters.

The City continues to work with residents by regularly monitoring their water. For more information regarding the City's continued efforts to resolve discolored water issues, please see <https://www.fresno.gov/publicutilities/water-quality-operations-testing/>.

The City has spent \$5.1 million through June 30, 2024 to investigate and address the discolored water complaints. All of these costs have been and will continue to be recorded in the Water Fund.

Note 14. Securities Lending

The City does not engage in securities lending with any investment instruments that it holds. The City's Retirement Systems are permitted under the City's Municipal Code and Retirement Boards' policies to enter into securities lending transactions. For a detailed description of the Retirement Systems' security lending policies and the financial effect of such lending, please see the Retirement Systems' ACFRS, which can be found at <https://www.cfrs-ca.org/fire-and-police-retirement-system/financial/> for the Fire and Police Retirement System and <https://www.cfrs-ca.org/employee-retirement-system/ers-financial/> for the Employees Retirement System.

Note 15. Other Information

Construction Retainage Escrow Accounts

The City enters into construction contracts with various outside third-party contractors with respect to major capital projects. As the construction progresses, progress payments are made to the contractors. Portions of the payments, called retention payments, are paid into an escrow account. While these funds are earned by the contractors, generally 5% to 10% of the contract amount, they are not released out of the escrow account to the contractor until some agreed upon date, usually the completion of the job. These amounts are retained for a variety of reasons, as an incentive to complete the job in a timely manner, or as a fund for the benefit of suppliers and subcontractors. The City may not convert the funds in these escrow accounts for its use unless a breach of contract occurs.

COVID-Related Funding

The City has received a substantial amount of funding from the Federal and State government since the beginning of the COVID-19 pandemic to offset the pandemic's health and economic impacts. The following are the major COVID-19 mitigation funding sources that have been awarded to/received and expended by the City as of June 30, 2024.

Transit CARES – The City's Transportation Department (Transit) was awarded \$32.5 million to assist in Fixed Route Operation, Handy Ride Operating Support, and bus purchases. This funding was intended to offset funding losses caused due to COVID-related shutdowns of service or ridership restrictions. As of June 30, 2024, Transit has received the full award amount and has completed all spending and reporting requirements associated with this funding.

American Rescue Plan Act (ARPA) funding the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – In March 2021, the City was awarded \$170.8 million of SLFRF funding and has allocated all funding to various City led and Community Based Organization led projects. As of June 30, 2024, the City has expended \$94.5 million in SLFRF funding and continues to implement identified projects throughout the City of Fresno.

Airport American Rescue Plan Act (ARPA) funding the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) – In March 2021, the City's Airports Department was awarded three grants totaling \$9.7 million of SLFRF funding. The funding is for concession relief and operating expenses. As of June 30, 2024, the City has expended all funding totaling \$9,715,088 in SLFRF funding.

Emergency Rental Assistance Program (ERAP) – The City was awarded \$69.3 million in ERAP funding: \$35.6 million from the Federal government and \$33.7 million from the State. As of June 30, 2023, the City received all funding allocations. All allocations were expended in accordance with State and Federal regulations as of June 30, 2024. The program is designed to assist qualified residents in retaining housing and utilities by reimbursing landlords and utility providers for past due billings.

Note 16. Deficit Fund Equity

The Risk Management Internal Service Fund had a deficit net position as of June 30, 2024.

The deficit net position in the Risk Management Fund at June 30, 2024 was \$263.1 million, an increase of \$36.0 million. The increase was due to the City reflecting a Liability for Self-Insurance on its Combining Statement of Net Position in the amount of \$260.3 million. This liability grew by \$30.1 million between fiscal years 2022 and 2023.

City management continues to carefully monitor this fund and evaluate strategies for reducing and eliminating this deficit net position balance.

Note 17. Subsequent Events

In compliance with accounting standards, management has evaluated events that have occurred after fiscal year-end to determine if these events are required to be disclosed in the basic financial statements.

A. Fire Station No. 12 Project

The Council approved the purchase of property at 3315 W. Ashlan Avenue to construct a new Fire Station No. 12. The new station will be located at the intersection of Ashlan Avenue and Valentine Avenue [in the northwestern part of the City] and will replace the existing Station No. 12, currently located at Acacia Avenue and Marks Avenue. The new station will be significantly larger than the existing one. The structure will consist of an approximately 14,000-square-foot, single-story wood-frame building, containing four apparatus bays for fire apparatus and equipment storage, living quarters for 11 personnel, and an office area.

Construction is expected to begin in 2025, with a total estimated project cost of \$18.0 million, which is expected to be financed through the issuance of lease revenue bonds. Annual debt service will be supported with 51% of proceeds from the General Fund and 49% from impact fees.

B. 911 Emergency Call Center Project

The Fresno Police Department expects to begin work on a new 911 Emergency Call Center, which will provide a state-of-the-art, environmentally safe, and technologically advanced building with sufficient space to accommodate appropriate staffing levels. The proposed Emergency Call Center will be constructed on a 1.25-acre project site located in the eastern portion of the City's Municipal Service Center. The facility will consist of a single-story building with a large call center space, office space for managers and supervisors, a conference room, a training room, break rooms, restrooms, an exercise and fitness room, a server room, an electrical room, and an outdoor courtyard.

The Emergency Call Center will operate 24 hours a day, every day of the year, and will be managed and maintained by the Fresno Police Department. Its operation will involve transferring certain existing operations from the police department. The City will equip the Emergency Call Center using other City funding sources.

The anticipated total cost of the project is approximately \$16.9 million, which is expected to be financed through the issuance of lease revenue bonds. Annual debt service will be supported with 51% of proceeds from the General Fund and 49% from impact fees.

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Required Supplementary Information

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CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - General Fund

Fiscal Year Ended June 30, 2024

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 83,476	\$ 90,381	\$ 115,975	\$ 25,594
Resources (inflows):				
Taxes:				
Property Taxes	174,107	174,107	180,515	6,408
Sales Taxes	157,105	157,105	152,033	(5,072)
Other Taxes	42,942	42,942	43,392	450
Franchise Taxes	15,949	15,949	21,443	5,494
Licenses and Permits	14,132	14,132	9,567	(4,565)
Intergovernmental:				
State Motor Vehicle In-Lieu	—	—	671	671
Other State Revenue	753	753	2,086	1,333
Other Intergovernmental	496	496	651	155
Charges for Services:				
Charges for Services	37,468	37,661	43,416	5,755
Fines and Violations	2,943	2,943	3,125	182
Use of Money and Property	1,823	1,823	4,817	2,994
Miscellaneous	25,282	28,205	27,274	(931)
Other Financing Sources:				
Transfers from Other Funds	8,075	8,075	8,003	(72)
Total Available for Appropriations	<u>564,551</u>	<u>574,572</u>	<u>612,968</u>	<u>38,396</u>
Charges to Appropriations (outflows):				
General Government:				
Mayor and City Council	—	—	18	18
Other General Government	30,984	39,694	59,824	(20,129)
Public Protection:				
Police Department	249,327	249,856	242,801	(7,055)
Fire Department	81,681	85,166	85,233	67
Public Ways & Facilities	35,831	38,576	27,766	(10,810)
Culture and Recreation	25,987	27,502	21,727	(5,775)
Community Development	52,628	56,447	38,312	(18,135)
Capital Outlay	8,453	11,055	5,129	(5,926)
Other Financing Uses:				
Transfers to Other Funds	26,479	26,479	26,818	339
Total Charges to Appropriations	<u>511,370</u>	<u>534,775</u>	<u>507,628</u>	<u>(67,406)</u>
Less Estimated Attrition Savings	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess Resources Over Appropriations	<u>\$ 53,181</u>	<u>\$ 39,797</u>	<u>\$ 105,340</u>	<u>\$ 65,543</u>

See accompanying notes to the required supplementary information.

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - General Fund

Fiscal Year Ended June 30, 2024 (Continued)

(in thousands)

Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources:

Actual amounts (budgetary basis) available for appropriation from the Budget to Actual Comparison Schedule.	\$ 612,968
Differences - Budget to GAAP: The City budgets for taxes, intergovernmental and miscellaneous revenue on the cash basis of accounting, rather than on the modified accrual basis of accounting.	(6,515)
Interfund reimbursements are not revenues and are expenditures for financial reporting.	(26,343)
Carryovers are inflows of budgetary resources but are not revenues for financial reporting purposes.	(115,975)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(8,002)
Nonreciprocal interfund activity is not revenue and is a transfer for financial reporting.	<u>2,905</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u><u>\$ 459,038</u></u>

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the Budget to Actual Comparison Schedule.	\$ 507,628
Differences - Budget to GAAP: The City budgets for expenditures on the cash basis of accounting, rather than on the modified accrual basis of accounting.	(55,703)
Interfund reimbursements are a reduction of expenditures for financial reporting.	26,343
Pension Obligation bond debt payments and City Hall rent are recognized as transfers out to other funds.	(12,893)
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes.	(13,925)
Return on capital asset as offset for Advances to Other Funds	
Capital financing activity additions are expenditures for financial reporting purposes.	<u>5,617</u>
Total charges to appropriations as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u><u>\$ 457,067</u></u>

See accompanying notes to the required supplementary information.

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Grants Special Revenue Fund
Fiscal Year Ended June 30, 2024
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 90,695	\$ 90,915	\$ 63,560	\$ (27,355)
Resources (inflows):				
Intergovernmental:				
Federal Grants	94,063	95,059	45,234	(49,825)
State Grants	149,550	292,354	134,915	(157,439)
Local Support	103	103	490	387
Charges for Services	1,714	1,714	1,714	—
Use of Money and Property	4,152	4,721	2,539	(2,182)
Miscellaneous	843	843	1,111	268
Other Financing Sources:				
Transfers from Other Funds	52	52	3,633	3,581
Total Available for Appropriations	<u>341,172</u>	<u>485,761</u>	<u>253,196</u>	<u>(232,565)</u>
Charges to Appropriations (outflows):				
General Government	18,760	25,525	11,385	(14,140)
Public Protection	20,696	38,098	20,195	(17,903)
Public Ways & Facilities	41,322	51,439	28,253	(23,186)
Culture and Recreation	7,009	9,518	1,320	(8,198)
Community Development	194,656	233,774	61,782	(171,992)
Capital Outlay	96,165	223,529	12,596	(210,933)
Other Financing Uses:				
Transfers to Other Funds	2	2	1,389	1,387
Total Charges to Appropriations	<u>378,610</u>	<u>581,885</u>	<u>136,920</u>	<u>(444,965)</u>
Excess (Deficit) Resources Over Appropriations	<u>\$ (37,438)</u>	<u>\$ (96,124)</u>	<u>\$ 116,276</u>	<u>\$ 212,400</u>

See accompanying notes to the required supplementary information.

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Grants Special Revenue Fund
Fiscal Year Ended June 30, 2024 (Continued)
(in thousands)

Explanation of differences between budgetary inflows and outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources:

Actual amounts (budgetary basis) available for appropriation from the Budget to Actual Comparison Schedule.	\$ 253,196
Differences - Budget to GAAP: Grant reimbursements are budgeted on the cash basis of accounting rather than on the modified accrual basis of accounting.	(25,136)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(3,633)
Interfund reimbursements are not revenues and are expenditures for financial reporting.	(1,714)
Carryovers are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(63,560)</u>
The receipt of loan payments are inflows of budgetary resources but are not revenues for financial reporting purposes.	<u>(650)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u><u>\$ 158,503</u></u>

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the Budget to Actual Comparison Schedule.	\$ 136,920
Differences - budget to GAAP: The City budgets for expenditures on the cash basis of accounting rather than on the modified accrual basis of accounting.	24,524
Interfund reimbursements are a reduction of expenditures for financial reporting.	(1,714)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(1,389)</u>
Total charges to appropriations as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds.	<u><u>\$ 158,341</u></u>

See accompanying notes to the required supplementary information.

Notes to the Required Supplementary Information

A. Budgetary Data

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

The City adopts annual budgets for all governmental and business-type funds (except Fresno Revitalization Corporation) on the cash basis of accounting plus encumbrances. The budget includes: (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation, and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter (the Charter) prohibits expending funds for which there is no legal appropriation.

The budget of the City of Fresno, within the meaning and context of Section No. 1205 of the Charter, must be adopted by resolution of the City Council by June 30 of a given year. The following procedures are used in establishing the budgetary data reflected in the budgetary comparison schedules.

As provided by Section No. 1206 of the Charter, any adjustments in the amounts appropriated for the purposes indicated at the department/fund level are made only upon a motion to amend the resolution adopted by the affirmative votes of at least five City Council members.

B. Budget Development

The preparation of the budget document is the result of a Citywide effort. Each department is presented with an operating base budget that is used as the foundation for building their requests for the operations of their organizations. All one-time expenditure increases are removed, except for those demonstrable and mandatory. A five-year capital budget is required from all departments. The purpose is to give the Mayor and City Council a tool to plan for the future as well as to more realistically reflect the timing of many capital projects that take more than one year to complete.

Departments submit their requests to be analyzed and reviewed by the City's Budget and Management Studies Division (BMSD). Requests are evaluated based on individual operations, City funding resources, and the goals and strategies identified by each organization related to the impact on performance measures. Recommendations are presented to the Mayor and City Manager in a series of review meetings comprised of the Mayor, Mayor's Chief of Staff, City Manager, Assistant City Managers, Budget Manager, Department Directors and representatives from each department, and BMSD. Upon final decisions of format and content, the Mayor's Recommended Budget Document is printed and presented to the City Council for deliberation and adoption.

C. Original Budget

Prior to June 1, the Mayor submits to the City Council a recommended detailed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comment on the proposed annual budget. The Mayor and his staff analyze, review, and refine the budget submittals.

Prior to July 1, the budget is legally enacted through adoption of a resolution by the City Council.

D. Final Budget

Certain annual appropriations are budgeted on a project or program basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations are carried forward to the following year through either an encumbrance or an amendment to the budget. In certain circumstances, other programs and regular annual appropriations may be carried forward after appropriate approval. Annually appropriated funds not authorized to be carried forward lapse at the end of the fiscal year. Appropriations carried forward from the prior year are included in the final budgetary data.

The City Manager is authorized to transfer funds already appropriated within a department's budget within a fund. However, any revisions that alter the total appropriations of a department within a fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the department level within a fund.

The City adopts an annual budget for all governmental and business-type funds. The Adopted Budget Document is prepared to include all the various changes approved by the City Council. No budgets are legally adopted for Fresno Revitalization Corporation, and Fresno Enhanced Infrastructure Financing District. Budgeted amounts are reported as amended. During the year, several supplementary appropriations were necessary, but were not material in relation to the original appropriations.

E. Budgetary Results Reconciliation

1. Basis Differences

The City's budgetary process is based upon an accounting basis other than accounting principles generally accepted in the United States (GAAP). The results of operations (actual) are presented in the budget and actual comparison schedule in accordance with the budgetary process (Budget basis) to provide a meaningful comparison with the budget, while the financial statements are presented using the GAAP basis. Loan proceeds, loan repayments, transfers, and interfund reimbursements primarily cause the basis differences.

2. Timing Differences

One of the major differences between the Budget basis and GAAP basis are timing differences. Timing differences represent transactions that are accounted for in different periods for the Budget basis as opposed to the GAAP basis of reporting. Revenues such as grant revenues recognized on a cash basis are unavailable for GAAP reporting, while various expenditures not recognized on a cash basis have been accrued for GAAP reporting.

Administrative amendments within the same department/fund level may be made without approval of the City Council within written guidelines established by the Chief Administrative Officer/City Manager.

For accounting and auditing convenience, appropriations for capital improvements may be established in two or more different funds for the same capital project.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length financial plans are adopted for certain capital projects. The level of budgetary controls (the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the department level by major expenditure category. Purchase orders that result in an overrun (encumbrance exceeding available appropriations) of department-level balances by object are not released until additional appropriations are made available. Open encumbrances at June 30 are reported as restricted, committed, or assigned fund balance in the governmental funds Balance Sheet.

The City assumed an attrition savings amount of \$8.0 million in its fiscal year 2024 budget. The amount was in recognition of the fact that not all positions budgeted in the General Fund are filled during the entire fiscal year. The attrition savings was established as a negative appropriation in each General Fund department's Personnel Services budget. However, no actual savings accrued against the attrition savings account. For purposes of the Budget-to-Actual report in the Required Supplementary Information, the difference between the negative appropriation and the actual lack of activity results in the account appearing to be over-budget.

Actual Transfers from Other Funds were \$0.1 million lower than budgeted levels in fiscal year 2024. The overage was mostly due to transfers from the CARES Grant fund for eligible expenditures.

Schedule of Investment Returns

PENSION TRUST FUNDS

EMPLOYEES, FIRE AND POLICE RETIREMENT SYSTEMS

Last Ten Fiscal Years

Fiscal Year Ending June 30	Annual Money-Weighted Rate of Return Gross of Investment Expenses	Annual Money-Weighted Rate of Return Net of Investment Expense
2024	10.56%	10.38%
2023	9.74%	9.52%
2022	(7.12)%	(7.28)%
2021	30.85%	30.43%
2020	1.61%	1.26%
2019	5.54%	5.20%
2018	8.93%	8.57%
2017	14.73%	14.35%
2016	0.82%	0.53%
2015	3.32%	2.93%

The Schedule of Investment Returns above shows the annual money-weighted rate of return on the assets of the Systems, both gross and net of investment expense for ten fiscal years (2015-2024). The money-weighted rate of return expresses investment performance adjusted for timing of cash flows and the changing amounts actually invested. These returns differ slightly from the time-weighted rate of returns calculated and reported by the Systems' custodian, Northern Trust, and as independently reported by the Systems' investment consulting firm, NEPC, LLC. The Systems' custodian and investment consulting firm must use time-weighted returns as opposed to money-weighted returns in order to meet Global Investment Performance Standards for the purposes of effectively evaluating and reporting the performance of the Systems' investment managers.

The time-weighted return method is a measure of the compound rate of return of a portfolio over a stated period of time. It requires a set of sub-period returns to be calculated whenever there is an external cash flow, such as a deposit or withdrawal from the portfolio. In essence, it calculates the geometric total and mean return as opposed to the arithmetic total and mean return. This method does not include or have any distortions created when money is deposited or withdrawn from a portfolio. This is in contrast to money-weighted returns.

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

PENSION TRUST FUNDS FIRE AND POLICE RETIREMENT SYSTEMS (Last Ten Fiscal Years)

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Change in Net Pension Liability (in thousands)					
For the Fiscal Year Ended:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Reporting Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Measurement Date:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability					
Service Cost	\$45,611	\$41,190	\$38,322	\$37,563	\$37,619
Interest	125,971	117,305	114,608	109,739	105,570
Differences between expected & actual experience	48,898	51,061	22,225	(5,449)	260
Changes of assumptions	—	—	624	—	(14,745)
Benefit payments, including refunds	(90,219)	(80,937)	(75,178)	(70,963)	(67,202)
Net Change in Total Pension Liability	130,261	128,619	100,601	70,890	61,502
Total Pension Liability - Beginning	1,865,741	1,737,122	1,636,521	1,565,631	1,504,129
Total Pension Liability - Ending (a)*	\$1,996,002	\$1,865,741	\$1,737,122	\$1,636,521	\$1,565,630
Plan Fiduciary Net Position					
Contributions - employer	\$30,635	\$27,068	\$27,555	\$26,315	\$22,324
Contributions - employee	13,108	12,054	10,973	10,256	10,012
Net Investment Income	206,468	198,976	(160,517)	491,744	24,206
Benefit Payments including Refunds, PRSB	(90,219)	(80,937)	(75,178)	(70,963)	(67,202)
Administrative & Professional Expense	(2,458)	(2,401)	(2,126)	(2,282)	(1,839)
Net Change in Plan Fiduciary Net Position	157,534	154,760	(199,293)	455,070	(12,500)
Plan Fiduciary Net Position - Beginning	2,045,837	1,891,077	2,090,370	1,635,300	1,647,800
Plan Fiduciary Net Position - Ending (b)	\$2,203,371	\$2,045,837	\$1,891,077	\$2,090,370	\$1,635,300
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$(207,369)	\$(180,096)	\$(153,955)	\$(453,849)	\$(69,669)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	110.39%	109.65%	108.86%	127.73%	104.45%
Covered Payroll ⁽¹⁾	\$145,669	\$134,252	\$122,634	\$115,341	\$113,843
Plan Net Pension Liability as a percentage of covered payroll	(142.36)%	(134.15)%	(125.54)%	(393.48)%	(61.20)%

* Data above is provided in accordance with provisions of GASB Statement No. 68 for determining Total Pension Liability which for financial reporting purposes uses a version of the Entry Age method whereby the Actuarial Accrued Liability is fully accrued when a member either enters DROP or is expected to elect DROP.

(1) Covered payroll represents payroll in which contributions to the Systems are based.

PENSION TRUST FUNDS
FIRE AND POLICE RETIREMENT SYSTEMS
(Last 10 Fiscal Years)

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (cont)

Change in Net Pension Liability (in thousands)					
For the Fiscal Year Ended:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Reporting Date:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Measurement Date:	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability					
Service Cost	\$33,211	\$30,298	\$28,838	\$26,569	\$26,518
Interest	100,609	95,274	90,185	88,363	86,771
Differences between expected & actual experience	(7,067)	6,722	10,896	(42,952)	(36,528)
Changes of assumptions	55,856	2,891	—	49,427	—
Benefit payments, including refunds	(65,962)	(63,071)	(59,273)	(56,581)	(54,612)
Net Change in Total Pension Liability	116,647	72,114	70,646	64,826	22,149
Total Pension Liability - Beginning	1,387,482	1,315,368	1,244,722	1,179,896	1,157,747
Total Pension Liability - Ending (a)*	\$1,504,129	\$1,387,482	\$1,315,368	\$1,244,722	\$1,179,896
Plan Fiduciary Net Position					
Contributions - employer	\$20,604	\$19,697	\$18,543	\$18,738	\$18,967
Contributions - employee	9,597	8,964	8,169	7,748	7,385
Net Investment Income	82,872	129,163	192,315	6,063	39,164
Benefit Payments including Refunds, PRSB	(65,962)	(63,071)	(59,273)	(56,581)	(54,612)
Administrative & Professional Expense	(1,897)	(1,710)	(1,500)	(1,397)	(1,108)
Net Change in Plan Fiduciary Net Position	45,214	93,043	158,254	(25,429)	9,796
Plan Fiduciary Net Position - Beginning	1,602,586	1,509,543	1,351,289	1,376,718	1,366,922
Plan Fiduciary Net Position - Ending (b)	\$1,647,800	\$1,602,586	\$1,509,543	\$1,351,289	\$1,376,718
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$(143,671)	\$(215,104)	\$(194,175)	\$(106,567)	\$(196,822)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	109.55%	115.50%	114.76%	108.56%	116.68%
Covered Payroll ⁽¹⁾	\$109,803	\$103,934	\$97,369	\$94,266	\$91,075
Plan Net Pension Liability as a percentage of covered payroll	(130.84)%	(206.96)%	(199.42)%	(113.05)%	(216.11)%

PENSION TRUST FUNDS
EMPLOYEES RETIREMENT SYSTEMS
(Last Ten Fiscal Years)

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

Change in Net Pension Liability (in thousands)					
For the Fiscal Year Ended:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Reporting Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Measurement Date:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total Pension Liability					
Service Cost	\$ 44,235	\$ 37,299	\$ 32,382	\$ 30,993	\$ 28,762
Interest	105,949	99,304	96,311	93,358	89,222
Differences between expected & actual experience	40,919	35,440	40,833	(12,980)	5,748
Changes of assumptions	—	—	(4,262)	—	—
Benefit payments, including refunds	(83,202)	(77,873)	(71,884)	(69,246)	(64,519)
Net Change in Total Pension Liability	107,901	94,170	93,380	42,125	59,212
Total Pension Liability - Beginning	1,566,984	1,472,814	1,379,433	1,337,308	1,278,096
Total Pension Liability - Ending (a)*	\$1,674,885	\$1,566,984	\$1,472,814	\$1,379,433	\$1,337,308
Plan Fiduciary Net Position					
Contributions - employer	\$ 28,621	\$ 22,236	\$ 22,017	\$ 20,144	\$ 16,554
Contributions - employee	18,833	14,894	15,493	13,750	11,028
Net Investment Income	169,858	164,014	(132,625)	407,811	20,109
Benefit Payments including Refunds, PRSB	(83,202)	(77,873)	(71,884)	(69,246)	(64,519)
Administrative & Professional Expense	(2,318)	(2,145)	(2,050)	(2,058)	(1,749)
Net Change in Plan Fiduciary Net Position	131,792	121,127	(169,050)	370,401	(18,578)
Plan Fiduciary Net Position - Beginning	1,683,313	1,562,187	1,731,237	1,360,838	1,379,415
Plan Fiduciary Net Position - Ending (b)	\$1,815,105	\$1,683,314	\$1,562,187	\$1,731,239	\$1,360,837
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$(140,220)	\$(116,330)	\$ (89,374)	\$(351,806)	\$ (23,529)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	108.37 %	107.42 %	106.07 %	125.50 %	101.76 %
Covered Payroll ⁽¹⁾	\$213,088	\$186,219	\$164,642	\$154,031	\$149,403
Plan Net Pension Liability as a percentage of covered payroll	(65.80)%	(62.47)%	(54.28)%	(228.40)%	(15.75)%

* Data above is provided in accordance with provisions of GASB Statement No. 68 for determining Total Pension Liability which for financial reporting purposes uses a version of the Entry Age method whereby the Actuarial Accrued Liability is fully accrued when a member either enters DROP or is expected to elect DROP.

(1) Covered payroll represents payroll in which contributions to the Systems are based.

PENSION TRUST FUNDS
EMPLOYEES RETIREMENT SYSTEMS
(Last Ten Fiscal Years)

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (cont)

Change in Net Pension Liability (in thousands)					
For the Fiscal Year Ended:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Reporting Date:	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Measurement Date:	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total Pension Liability					
Service Cost	\$ 23,509	\$ 21,275	\$ 18,885	\$ 18,687	\$ 18,476
Interest	86,110	82,833	79,266	79,763	78,212
Differences between expected & actual experience	(446)	(4,164)	5,263	(24,394)	(24,691)
Changes of assumptions	35,773	2,939	—	9,612	—
Benefit payments, including refunds	(62,144)	(57,666)	(55,550)	(52,529)	(50,546)
Net Change in Total Pension Liability	82,802	45,217	47,864	31,139	21,451
Total Pension Liability - Beginning	1,195,294	1,150,077	1,102,213	1,071,074	1,049,623
Total Pension Liability - Ending (a)*	\$1,278,096	\$1,195,294	\$1,150,077	\$1,102,213	\$1,071,074
Plan Fiduciary Net Position					
Contributions - employer	\$ 14,627	\$ 14,609	\$ 15,205	\$ 13,060	\$ 12,327
Contributions - employee	10,515	10,330	10,181	9,098	8,750
Net Investment Income	69,389	108,915	162,374	5,089	33,310
Benefit Payments including Refunds, PRSB	(62,144)	(57,666)	(55,550)	(52,529)	(50,546)
Administrative & Professional Expense	(1,663)	(1,619)	(1,387)	(1,346)	(1,071)
Net Change in Plan Fiduciary Net Position	30,724	74,569	130,823	(26,628)	2,770
Plan Fiduciary Net Position - Beginning	1,348,691	1,274,122	1,143,299	1,169,927	1,167,157
Plan Fiduciary Net Position - Ending (b)	\$1,379,415	\$1,348,691	\$1,274,122	\$1,143,299	\$1,169,927
Plan Net Pension Liability (Asset) - Ending (a) - (b)	\$(101,319)	\$(153,397)	\$(124,045)	\$ (41,086)	\$ (98,852)
Plan Fiduciary Net Position as a percentage of Total Pension Liability	107.93 %	112.83 %	110.79 %	103.73 %	109.23 %
Covered Payroll ⁽¹⁾	\$138,396	\$128,461	\$119,007	\$108,541	\$105,820
Plan Net Pension Liability as a percentage of covered payroll	(73.21)%	(119.41)%	(104.23)%	(37.85)%	(93.42)%

Schedule of Employer Contribution - Pension Trust Funds

FIRE AND POLICE RETIREMENT SYSTEM

Schedule of Employer Contributions

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ending June 30	Actuarially Determined Contribution (ADC) ¹	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 30,635	\$ 30,635	—	\$ 145,669	21.03%
2023	\$ 27,068	\$ 27,068	—	\$ 134,252	20.16%
2022	\$ 27,556	\$ 27,556	—	\$ 122,634	22.47%
2021	\$ 26,315	\$ 26,315	—	\$ 115,341	22.81%
2020	\$ 22,324	\$ 22,324	—	\$ 113,843	19.61%
2019	\$ 20,604	\$ 20,604	—	\$ 109,803	18.76%
2018	\$ 19,697	\$ 19,697	—	\$ 103,934	18.95%
2017	\$ 18,543	\$ 18,543	—	\$ 97,369	19.04%
2016	\$ 18,738	\$ 18,738	—	\$ 94,266	19.88%
2015	\$ 18,967	\$ 18,967	—	\$ 91,075	20.83%

EMPLOYEES RETIREMENT SYSTEM

Schedule of Employer Contributions

Last Ten Fiscal Years

(in thousands)

Fiscal Year Ending June 30	Actuarially Determined Contribution (ADC) ¹	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 28,621	\$ 28,621	—	\$ 213,088	13.43%
2023	\$ 22,236	\$ 22,236	—	\$ 186,219	11.94%
2022	\$ 22,017	\$ 22,017	—	\$ 164,642	13.37%
2021	\$ 20,144	\$ 20,144	—	\$ 154,031	13.08%
2020	\$ 16,554	\$ 16,554	—	\$ 149,403	11.08%
2019	\$ 14,627	\$ 14,627	—	\$ 138,396	10.57%
2018	\$ 14,609	\$ 14,609	—	\$ 128,461	11.37%
2017	\$ 15,205	\$ 15,205	—	\$ 119,007	12.78%
2016	\$ 13,060	\$ 13,060	—	\$ 108,541	12.03%
2015	\$ 12,327	\$ 12,327	—	\$ 105,820	11.65%

¹ Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. As such, the actuarial valuation dated June 30, 2021, will impact the contribution rate for the fiscal year ended June 30, 2023.

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

(in thousands)

	2019	2020	2021	2022	2023	2024
OPEB Liability Beginning of Year	\$ 92,820	\$ 113,700	\$ 148,672	\$ 152,605	\$ 99,761	\$ 110,982
Changes for the Year:		—	—	—	—	—
Service Cost	5,777	10,885	10,052	6,603	6,908	8,243
Interest	3,688	3,012	3,045	3,221	3,946	4,179
Difference between Actual and Expected Experience	—	(7,800)	—	(19,028)	—	1,645
Assumption Changes	13,406	30,935	(6,622)	(40,728)	2,444	(13,448)
Benefit Payments	(1,990,681)	(2,060,561)	(2,542)	(2,912)	(2,078)	(2,153)
Net Changes	20,881	34,972	3,933	(52,844)	11,221	(1,533)
Net OPEB Liability End of Year	\$ 113,700	\$ 148,672	\$ 152,605	\$ 99,761	\$ 110,982	\$ 109,448

Covered-Employee Payroll as of December 31 ¹	\$ 236,134	\$ 250,860	\$ 257,132	\$ 294,493	\$ 304,801	\$ 359,844
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Net OPEB Liability as a percentage of covered-employee payroll	48.15 %	59.26 %	59.35 %	33.88 %	36.41 %	30.42 %
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Notes to Schedule

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable.

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

The City does not accumulate assets in a dedicated trust, or equivalent arrangement, for the purpose of funding its retiree healthcare obligation. Therefore, the actuarial value of plan assets is zero.

¹Covered-employee payroll used in the most recent valuation was calculated based on mid-year, as it was considered representative of the payroll during the fiscal year.

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Nonmajor Governmental Funds

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CITY OF FRESNO, CALIFORNIA

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2024

(in thousands)

	Special Revenue						
	High Speed Rail	Fresno Revitalization Corporation	Special Gas Tax	Measure C	Measure P	Community Services	UGM Impact Fees
Assets							
Cash and Investments	\$ 3,597	\$ —	\$ 19,455	\$ 26,328	\$ 52,644	\$ 10,489	\$ 74,946
Receivables, Net	31	—	188	238	449	966	672
Grants Receivable	15	—	—	5,942	—	327	—
Intergovernmental Receivables	—	—	3,718	1,391	7,954	1	—
Due From Other Funds	—	—	172	—	2,400	1,951	1,653
Property Held for Resale	—	—	—	—	—	—	—
Restricted Cash	—	161	—	—	—	—	—
Loans, Notes, Leases, Other Receivables, Net	—	—	—	—	—	—	—
Total Assets	<u>\$ 3,643</u>	<u>\$ 161</u>	<u>\$ 23,533</u>	<u>\$ 33,899</u>	<u>\$ 63,447</u>	<u>\$ 13,734</u>	<u>\$ 77,271</u>
Liabilities							
Accrued Liabilities	\$ 94	\$ 107	\$ 1,678	\$ 3,229	\$ 2,217	\$ 4,842	\$ 2,578
Unearned Revenue	—	—	—	—	—	809	—
Due to Other Funds	10	—	349	157	656	27	1
Advances to Other Funds	—	—	—	—	—	—	947
Property Held for Resale	—	—	—	—	—	—	—
Deposits From Others	—	—	—	—	—	31	—
Total Liabilities	<u>104</u>	<u>107</u>	<u>2,027</u>	<u>3,386</u>	<u>2,873</u>	<u>5,709</u>	<u>3,526</u>
Deferred Inflows of Resources							
Unavailable Revenue-Other	—	—	—	4,799	—	710	—
Total Deferred Inflows of Resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>4,799</u>	<u>—</u>	<u>710</u>	<u>—</u>
Fund Balances							
Restricted	3,539	54	21,506	25,714	60,574	7,315	73,745
Assigned	—	—	—	—	—	—	—
Total Fund Balances	<u>3,539</u>	<u>54</u>	<u>21,506</u>	<u>25,714</u>	<u>60,574</u>	<u>7,315</u>	<u>73,745</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,643</u>	<u>\$ 161</u>	<u>\$ 23,533</u>	<u>\$ 33,899</u>	<u>\$ 63,447</u>	<u>\$ 13,734</u>	<u>\$ 77,271</u>

							Capital Projects	
Fresno E.I.F.D.	Low and Moderate Income Housing	Special Assessments	Debt Service		Financing Authorities and Corporations	City Combined	Total Nonmajor Governmental Funds	
								Assets
\$ 338	\$ —	\$ 15,511	\$ 41	\$ 2,181	\$ 31,372	\$ 236,902	Cash and Investments	
1	1	133	13	6	288	2,986	Receivables, Net	
—	—	—	—	—	—	6,284	Grants Receivable	
—	—	98	—	—	—	13,162	Intergovernmental Receivables	
—	—	—	—	—	1,167	7,343	Due From Other Funds	
—	3,264	—	—	—	—	3,264	Property Held for Resale	
—	7,975	—	4	183	—	8,323	Restricted Cash	
—	23,818	—	—	—	—	23,818	Loans, Notes, Leases, Other Receivables, Net	
<u>\$ 339</u>	<u>\$ 35,058</u>	<u>\$ 15,742</u>	<u>\$ 58</u>	<u>\$ 2,370</u>	<u>\$ 32,827</u>	<u>\$ 302,082</u>	Total Assets	
								Liabilities
\$ —	\$ —	\$ 662	\$ —	\$ —	\$ 1,229	\$ 16,636	Accrued Liabilities	
—	—	—	—	—	—	809	Unearned Revenue	
2	—	71	—	—	1,134	2,407	Due to Other Funds	
—	—	—	—	—	—	947	Advances From Other Funds	
—	—	—	—	—	—	31	Deposits From Others	
<u>2</u>	<u>—</u>	<u>733</u>	<u>—</u>	<u>—</u>	<u>2,363</u>	<u>20,830</u>	Total Liabilities	
								Deferred Inflows of Resources
—	—	—	—	—	—	5,509	Unavailable Revenue-Other	
—	—	—	—	—	—	5,509	Total Deferred Inflows of Resources	
								Fund Balances
337	35,058	15,009	58	2,370	—	245,279	Restricted	
—	—	—	—	—	30,464	30,464	Assigned	
<u>337</u>	<u>35,058</u>	<u>15,009</u>	<u>58</u>	<u>2,370</u>	<u>30,464</u>	<u>275,743</u>	Total Fund Balances	
<u>\$ 339</u>	<u>\$ 35,058</u>	<u>\$ 15,742</u>	<u>\$ 58</u>	<u>\$ 2,370</u>	<u>\$ 32,827</u>	<u>\$ 302,082</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances	

CITY OF FRESNO, CALIFORNIA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	Special Revenue						
	High Speed Rail	Fresno Revitalization Corporation	Special Gas Tax	Measure C	Measure P	Community Services	UGM Impact Fees
Revenues							
Taxes	\$ —	\$ —	\$ —	\$ 17,247	\$ 45,095	\$ 2,260	\$ —
Intergovernmental	1,118	—	28,478	56	81	3,157	—
Charges for Services	5,980	481	47	—	—	9,005	17,011
Fines	—	—	—	—	—	—	—
Use of Money and Property	(15)	—	1,088	744	1,408	548	4,402
Miscellaneous	—	2	1	6	1	—	1
Total Revenues	7,083	483	29,614	18,053	46,585	14,970	21,414
Expenditures							
Current:							
General Government	—	—	—	—	48	624	—
Public Protection	—	—	—	—	—	1,970	706
Public Ways and Facilities	1,031	—	21,352	14,989	1,816	3,920	2,258
Culture and Recreation	—	—	—	—	33,078	1,096	6
Community Development	—	1,042	—	13	65	1,609	—
Capital Outlay	—	—	4,682	10,922	5,896	3,015	7,081
Debt Service:							
Interest	—	—	—	—	—	—	42
Total Expenditures	1,031	1,042	26,034	25,924	40,903	12,234	10,093
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,052	(559)	3,580	(7,871)	5,682	2,736	11,321
Other Financing Sources (Uses)							
Transfers In	35	—	142	56	8	354	448
Transfers Out	—	—	(877)	(846)	(736)	(728)	(3,435)
Total Other Financing Sources (Uses)	35	—	(735)	(790)	(728)	(374)	(2,987)
Net Change in Fund Balances	6,087	(559)	2,845	(8,661)	4,954	2,362	8,334
Fund Balances (Deficit) - Beginning	(2,548)	613	18,661	34,375	55,620	4,953	65,411
Fund Balances (Deficit) - Ending	\$ 3,539	\$ 54	\$ 21,506	\$ 25,714	\$ 60,574	\$ 7,315	\$ 73,745

Debt Service							Capital Projects
Fresno E.I.F.D.	Low and Moderate Income Housing	Special Assessments	City Debt	Financing Authorities and Corporations	City Combined	Total Nonmajor Governmental Funds	
							Revenues
\$ 269	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 64,871	Taxes
—	662	—	—	—	—	33,552	Intergovernmental
—	1	10,430	—	—	1,137	44,092	Charges for Services
—	—	—	—	—	—	—	Fines
(1)	16	928	25	43	2,179	11,365	Use of Money and Property
—	—	6	—	—	49	66	Miscellaneous
268	679	11,364	25	43	3,365	153,946	Total Revenues
							Expenditures
							Current:
—	—	—	3	9	1	685	General Government
—	—	—	—	1	2,062	4,739	Public Protection
2	—	10,638	—	—	280	56,286	Public Ways and Facilities
—	—	—	—	1	186	34,367	Culture and Recreation
—	639	—	—	—	—	3,368	Community Development
—	—	—	—	—	1,361	32,957	Capital Outlay
							Debt Service:
—	—	—	11,065	7,980	—	19,045	Principal
—	—	—	5,126	4,590	—	9,758	Interest
2	639	10,638	16,194	12,581	3,890	161,205	Total Expenditures
266	40	726	(16,169)	(12,538)	(525)	(7,259)	Excess (Deficiency) of Revenues Over (Under) Expenditures
							Other Financing Sources (Uses)
—	400	1	16,186	12,458	522	30,610	Transfers In
—	—	(506)	—	—	(594)	(7,722)	Transfers Out
—	400	(505)	16,186	12,458	(72)	22,888	Total Other Financing Sources (Uses)
266	440	221	17	(80)	(597)	15,629	Net Change in Fund Balances
71	34,618	14,788	41	2,450	31,061	260,114	Fund Balances (Deficit) - Beginning
\$ 337	\$ 35,058	\$ 15,009	\$ 58	\$ 2,370	\$ 30,464	\$ 275,743	Fund Balances (Deficit) - Ending

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - High Speed Rail - Special Revenue Fund

Fiscal Year Ended June 30, 2024

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ (2,781)	\$ (2,781)	\$ (2,599)	\$ 182	\$ 2,599	\$ —
Resources (inflows):						
Intergovernmental	2,481	2,481	1,142	(1,339)	(24)	1,118
Charges for Services	880	880	5,980	5,100	—	5,980
Use of Money and Property	(45)	(45)	74	119	(89)	(15)
Other Financing Sources:						
Transfers to Other Funds	46	46	263	217	(228)	35
Total Available for Appropriations	<u>581</u>	<u>581</u>	<u>4,860</u>	<u>4,279</u>	<u>2,258</u>	<u>7,118</u>
Charges to Appropriations (outflows):						
Public Ways and Facilities	1,709	1,728	966	(762)	65	1,031
Other Financing Uses:						
Transfers to Other Funds	—	—	228	228	(228)	—
Total Charges to Appropriations	<u>1,709</u>	<u>1,728</u>	<u>1,194</u>	<u>(534)</u>	<u>(163)</u>	<u>1,031</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ (1,128)</u>	<u>\$ (1,147)</u>	<u>\$ 3,666</u>	<u>\$ 4,813</u>	<u>\$ 2,421</u>	<u>\$ 6,087</u>

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Special Gas Tax - Special Revenue Fund

Fiscal Year Ended June 30, 2024

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ 9,137	\$ 9,581	\$ 7,868	\$ (1,713)	\$ (7,868)	\$ —
Resources (inflows):						
Taxes	26,709	26,709	29,214	2,505	(29,214)	—
Intergovernmental	—	—	—	—	28,478	28,478
Charges for Services	—	—	—	—	47	47
Use of Money and Property	158	157	573	416	515	1,088
Miscellaneous	142	141	650	509	(649)	1
Other Financing Sources:						
Transfers From Other Funds	—	—	143	143	(1)	142
Total Available for Appropriations	<u>36,146</u>	<u>36,588</u>	<u>38,448</u>	<u>1,860</u>	<u>(8,692)</u>	<u>29,756</u>
Charges to Appropriations (outflows):						
Public Ways and Facilities	24,105	24,998	19,684	(5,314)	1,668	21,352
Capital Outlay	11,170	16,874	1,099	(15,775)	3,583	4,682
Other Financing Uses:						
Transfers to Other Funds	—	—	749	749	128	877
Total Charges to Appropriations	<u>35,275</u>	<u>41,872</u>	<u>21,532</u>	<u>(20,340)</u>	<u>5,379</u>	<u>26,911</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ 871</u>	<u>\$ (5,284)</u>	<u>\$ 16,916</u>	<u>\$ 22,200</u>	<u>\$ (14,071)</u>	<u>\$ 2,845</u>

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Measure C - Special Revenue Fund
Fiscal Year Ended June 30, 2024
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ 7,396	\$ 7,396	\$ 9,186	\$ 1,790	\$ (9,186)	\$ —
Resources (inflows):						
Taxes	36,297	35,735	27,664	(8,071)	(10,417)	17,247
Use of Money and Property	214	214	744	530	—	744
Miscellaneous	160	160	272	112	(266)	6
Other Financing Sources:						
Intergovernmental	1,250	1,250	78	(1,172)	(22)	56
Transfers from Other Funds	14	14	78	64	(22)	56
Sale of Capital Assets	—	—	—	—	—	—
Total Available For Appropriations	<u>45,331</u>	<u>44,769</u>	<u>38,022</u>	<u>(6,747)</u>	<u>(19,913)</u>	<u>18,109</u>
Charges to Appropriations (outflows):						
Public Ways and Facilities	23,808	30,820	13,932	(16,888)	1,057	14,989
Community Development	—	36	—	(36)	13	13
Capital Outlay	70,937	77,822	—	(77,822)	10,922	10,922
Other Financing Uses:						
Transfers to Other Funds	525	525	641	116	205	846
Total Charges to Appropriations	<u>95,270</u>	<u>109,203</u>	<u>14,573</u>	<u>(94,630)</u>	<u>12,197</u>	<u>26,770</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ (49,939)</u>	<u>\$ (64,434)</u>	<u>\$ 23,449</u>	<u>\$ 87,883</u>	<u>\$ (32,110)</u>	<u>\$ (8,661)</u>

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - Measure P - Special Revenue Fund
Fiscal Year Ended June 30, 2024
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ 42,811	\$ 43,133	\$ 41,932	\$ (1,201)	\$ (41,932)	\$ —
Resources (inflows):						
Taxes	48,222	57,945	45,274	(12,671)	(179)	45,095
Use of Money and Property	2	2	1,408	1,406	—	1,408
Miscellaneous	—	—	90	90	(89)	1
Intergovernmental	—	—	81	81	—	81
Other Financing Sources:						
Transfers from Other Funds	—	—	—	—	8	8
Total Available For Appropriations	<u>91,035</u>	<u>101,080</u>	<u>88,785</u>	<u>(12,295)</u>	<u>(42,192)</u>	<u>46,593</u>
Charges to Appropriations (outflows):						
General Government	105	105	52	(53)	(4)	48
Public Ways and Facilities	2,315	2,392	2,187	(205)	(371)	1,816
Community Development	1,208	1,208	48	(1,160)	17	65
Culture and Recreation	39,607	50,516	33,822	(16,694)	(744)	33,078
Capital Outlay	30,802	35,478	1,401	(34,077)	4,495	5,896
Other Financing Uses:						
Transfers to Other Funds	531	531	532	1	204	736
Total Charges to Appropriations	<u>74,568</u>	<u>90,230</u>	<u>38,042</u>	<u>(52,188)</u>	<u>3,597</u>	<u>41,639</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ 16,467</u>	<u>\$ 10,850</u>	<u>\$ 50,743</u>	<u>\$ 39,893</u>	<u>\$ (45,789)</u>	<u>\$ 4,954</u>

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Community Services - Special Revenue Fund

Fiscal Year Ended June 30, 2024

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget to GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ (14,344)	\$ (13,972)	\$ (67)	\$ 13,905	\$ 67	\$ —
Resources (inflows):						
Taxes	3,765	3,765	2,213	(1,552)	47	2,260
Intergovernmental	3,811	3,811	3,087	(724)	70	3,157
Charges for Services	25	25	12	(13)	8,993	9,005
Fines	15,988	15,988	12,290	(3,698)	(12,290)	—
Use of Money and Property	174	179	358	179	190	548
Miscellaneous	337	338	(300)	(638)	300	—
Other Financing Sources:						
Transfers from Other Funds	568	568	354	(214)	—	354
Total Available For Appropriations	<u>10,324</u>	<u>10,702</u>	<u>17,947</u>	<u>7,245</u>	<u>(2,623)</u>	<u>15,324</u>
Charges to Appropriations (outflows):						
General Government	750	750	624	(126)	—	624
Public Protection	2,716	2,874	1,945	(929)	25	1,970
Public Ways and Facilities	4,105	7,234	2,902	(4,332)	1,018	3,920
Culture and Recreation	2,144	2,005	1,148	(857)	(52)	1,096
Community Development	3,024	3,024	—	(3,024)	1,609	1,609
Capital Outlay	6,436	9,118	1,987	(7,131)	1,028	3,015
Other Financing Uses:						
Transfers to Other Funds	631	631	664	33	64	728
Total Charges to Appropriations	<u>19,806</u>	<u>25,636</u>	<u>9,270</u>	<u>(16,366)</u>	<u>3,692</u>	<u>12,962</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ (9,482)</u>	<u>\$ (14,934)</u>	<u>\$ 8,677</u>	<u>\$ 23,611</u>	<u>\$ (6,315)</u>	<u>\$ 2,362</u>

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

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

Fiscal Year Ended June 30, 2024

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ 57,101	\$ 57,858	\$ 63,756	\$ 5,898	\$ (63,756)	\$ —
Resources (inflows):						
Charges for Services	11,649	11,649	17,011	5,362	—	17,011
Miscellaneous			1	1	—	1
Use of Money and Property	486	486	2,143	1,657	2,259	4,402
Other Financing Sources:						
Transfers from Other Funds	25	25	448	423	—	448
Total Available for Appropriations	<u>69,261</u>	<u>70,018</u>	<u>83,359</u>	<u>13,341</u>	<u>(61,497)</u>	<u>21,862</u>
Charges to Appropriations (outflows):						
General Government	—	—	42	42	(42)	—
Public Protection	442	1,199	706	(493)	—	706
Culture and Recreation	2,188	2,202	5	(2,197)	1	6
Public Ways and Facilities	8,920	9,599	2,022	(7,577)	236	2,258
Capital Outlay	29,635	34,783	1,996	(32,787)	5,085	7,081
Debt Service Interest	—	—	—	—	42	42
Other Financing Uses:						
Transfers to Other Funds	6,923	6,923	4,207	(2,716)	(772)	3,435
Total Charges to Appropriations	<u>48,108</u>	<u>54,706</u>	<u>4,771</u>	<u>(43,012)</u>	<u>5,322</u>	<u>13,528</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ 21,153</u>	<u>\$ 15,312</u>	<u>\$ 78,588</u>	<u>\$ 56,353</u>	<u>\$ (66,819)</u>	<u>\$ 8,334</u>

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Low and Moderate Income Housing - Special Revenue Fund

Fiscal Year Ended June 30, 2024

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original					
Budgetary Fund Balance, July 1	\$	—	\$	—	\$	—
Resources (inflows):						
Intergovernmental		662	662	—	—	662
Use of Money and Property		534	16	(518)	—	16
Miscellaneous		—	—	—	1	1
Other Financing Sources:						
Transfers from Other Funds		830	400	(430)	—	400
Total Available for Appropriations		2,026	1,078	(948)	1	1,079
Charges to Appropriations (outflows):						
General Government		217	—	(217)	—	—
Community Development		30	639	609	—	639
Total Charges to Appropriations		247	639	392,000	—	639
Excess (Deficit) Resources Over (Under) Appropriations	\$	1,779	\$	439	\$	1
				(1,340)		440

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual

(Non-GAAP Budgetary Basis) - Special Assessments - Special Revenue Fund

Fiscal Year Ended June 30, 2024

(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ 12,810	\$ 13,180	\$ 14,754	\$ 1,574	\$ (14,754)	\$ —
Resources (inflows):						
Charges for Services	8,197	8,197	10,430	2,233	—	10,430
Use of Money and Property	167	167	404	237	524	928
Miscellaneous	10	10	19	9	(13)	6
Other Financing Source:						
Transfers from Other Funds	406	406	1	(405)	—	1
Total Available for Appropriations	<u>21,590</u>	<u>21,960</u>	<u>25,608</u>	<u>3,648</u>	<u>(14,243)</u>	<u>11,365</u>
Charges to Appropriations (outflows):						
Public Ways and Facilities	12,757	13,751	9,572	(4,179)	1,066	10,638
Capital Outlay	1,486	1,486	24	(1,462)	(24)	—
Other Financing Sources:						
Transfers to Other Funds	397	397	454	57	52	506
Total Charges to Appropriations	<u>14,640</u>	<u>15,634</u>	<u>10,050</u>	<u>(5,584)</u>	<u>1,094</u>	<u>11,144</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ 6,950</u>	<u>\$ 6,326</u>	<u>\$ 15,558</u>	<u>\$ 9,232</u>	<u>\$ (15,337)</u>	<u>\$ 221</u>

CITY OF FRESNO, CALIFORNIA

Schedule of Revenues and Expenditures - Budget and Actual
(Non-GAAP Budgetary Basis) - City Combined - Capital Projects Fund
Fiscal Year Ended June 30, 2024
(in thousands)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under) Final Budget	Budget To GAAP Reconciliation	Actual Amounts GAAP Basis
	Original	Final				
Budgetary Fund Balance, July 1	\$ 27,392	\$ 27,392	\$ 29,616	\$ 2,224	\$ (29,616)	\$ —
Resources (inflows):						
Intergovernmental	—	—	—	—	—	—
Use of Money and Property	38	38	945	907	1,234	2,179
Miscellaneous	466	466	1,186	720	—	1,186
Other Financing Sources:						
Transfers Budgeted as Bond Proceeds	3,715	3,715	743	(2,972)	(221)	522
Total Available for Appropriations	<u>31,611</u>	<u>31,611</u>	<u>32,490</u>	<u>879</u>	<u>(28,603)</u>	<u>3,887</u>
Charges to Appropriations (outflows):						
Capital Outlay	22,367	24,417	324	(24,093)	1,392	3,890
Other Financing Uses:						
Transfers to Other Funds	—	—	1,923	1,923	(1,329)	594
Total Charges to Appropriations	<u>22,367</u>	<u>24,417</u>	<u>2,247</u>	<u>(22,170)</u>	<u>63</u>	<u>4,484</u>
Excess (Deficit) Resources Over (Under) Appropriations	<u>\$ 9,244</u>	<u>\$ 7,194</u>	<u>\$ 30,243</u>	<u>\$ 23,049</u>	<u>\$ (28,666)</u>	<u>\$ (597)</u>

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Nonmajor Enterprise Funds

CITY OF FRESNO, CALIFORNIA
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024
(in thousands)

	Business-Type Activities - Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
Assets			
Current Assets:			
Cash and Investments	\$ 3,287	\$ 50	\$ 3,337
Interest Receivable	27	12	39
Accounts Receivable, Net	2,374	—	2,374
Leases Receivable, Current	—	209	209
Total Current Assets	5,688	271	5,959
Noncurrent Assets:			
Restricted:			
Cash and Investments	—	1,419	1,419
Total Restricted Assets	—	1,419	1,419
Other Assets:			
Leases Receivable, Non Current	—	1,001	1,001
Other Assets	—	12	12
Net Pension Asset	3,428	—	3,428
Total Other Assets	3,428	1,013	4,441
Capital Assets:			
Land and Intangibles	—	12	12
Buildings, Systems and Improvements	—	3,743	3,743
Machinery and Equipment	67	—	67
Infrastructure	—	122	122
Less Accumulated Depreciation	(67)	(2,605)	(2,672)
Total Capital Assets, Net	—	1,272	1,272
Total Noncurrent Assets	3,428	3,704	7,132
Total Assets	9,116	3,975	13,091
Deferred Outflows of Resources			
Deferred Outflows - Pensions	1,056	—	1,056
Deferred Outflows - OPEB	340	—	340
Total Deferred Outflows of Resources	1,396	—	1,396
Liabilities			
Current Liabilities:			
Accrued Liabilities	679	36	715
Accrued Compensated Absences and HRA	58	—	58
Net OPEB Liability	32	—	32
Due to Other Funds	140	—	140
Bonds Payable	—	70	70
Total Current Liabilities	909	106	1,015
Noncurrent Liabilities:			
Accrued Compensated Absences and HRA	454	—	454
Bonds Payable	—	1,322	1,322
Net OPEB Liability	1,256	—	1,256
Total Noncurrent Liabilities	1,710	1,322	3,032
Total Liabilities	2,619	1,428	4,047
Deferred Inflows of Resources			
Unamortized Pension Expense	640	—	640
Unamortized OPEB Expense	821	—	821
Deferred Inflows - Leases	—	1,123	1,123
Total Deferred Inflows of Resources	1,461	1,123	2,584
Net Position			
Net Investment in Capital Assets	—	(4)	(4)
Restricted for Net Pension Asset	3,428	—	3,428
Unrestricted (deficit)	3,004	1,428	4,432
Total Net Position	\$ 6,432	\$ 1,424	\$ 7,856

CITY OF FRESNO, CALIFORNIA

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

Fiscal Year Ended June 30, 2024
(in thousands)

	Business-Type Activities - Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services	\$ 9,551	\$ 685	\$ 10,236
Operating Expenses:			
Cost of Services	6,222	73	6,295
Administration	4,001	27	4,028
Depreciation	3	190	—
Total Operating Expenses	10,226	290	193
Operating Income (Loss)	(675)	395	10,516
Non-Operating Revenue (Expenses):			
Interest Income	89	59	—
Net Increase (Decrease) in Cash Fair Value	91	—	148
Interest Expense	—	(95)	91
Total Non-Operating Revenue (Expenses)	180	(36)	(95)
Income (Loss) Before Transfers	(495)	359	—
Transfers In	—	258	—
Transfers Out	(1,086)	—	144
Change in Net Position	(1,581)	617	(964)
Total Net Position - Beginning	8,013	807	8,820
Total Net Position - Ending	\$ 6,432	\$ 1,424	\$ 7,856

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	Business-Type Activities - Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 11,965	\$ 127	\$ 12,092
Cash Received from Interfund Services Provided	—	—	—
Cash Payments to Suppliers for Services	(4,001)	(44)	(4,045)
Cash Paid for Interfund Services Used	(1,630)	(1)	(1,631)
Cash Payments to Employees for Services	(4,881)	(41)	(4,922)
Net Cash Provided by (Used for) Operating Activities	<u>1,453</u>	<u>41</u>	<u>1,494</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Interest Payments on Capital Debt	—	(67)	(67)
Payment for Cost of Issuance	—	—	—
Principal Payments on Capital Debt-Bonds	—	(65)	(65)
Acquisition and Construction of Capital Assets	—	—	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>—</u>	<u>(132)</u>	<u>(132)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Borrowing Receipt from (Payment to) Other Funds	—	—	—
Transfers In	—	258	258
Transfers Out	(1,087)	—	(1,087)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(1,087)</u>	<u>258</u>	<u>(829)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends Received (Paid) on Investments	177	52	229
Net Cash Provided by (Used for) Investing Activities	<u>177</u>	<u>52</u>	<u>229</u>
Net Increase (Decrease) in Cash and Cash Equivalents	543	219	762
Cash and Cash Equivalents, Beginning of Year	<u>2,744</u>	<u>1,250</u>	<u>3,994</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,287</u>	<u>\$ 1,469</u>	<u>\$ 4,756</u>

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Fiscal Year Ended June 30, 2024 (Continued)

	Business-Type Activities - Nonmajor Enterprise Funds		
	Community Sanitation	Parks and Recreation	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating income (loss)	\$ (675)	\$ 395	\$ (280)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	3	190	193
Change in assets and liabilities:			
Decrease (increase) in accounts receivable	223	198	421
Decrease (increase) in due from other funds	1,385	—	1,385
Decrease (increase) in prepaid items	—	—	—
Decrease (increase) in net pension asset and deferred outflows pensions	(531)	—	(531)
Decrease (increase) in prepaid insurance	—	1	1
(Decrease) increase in accounts payable	295	14	309
(Decrease) increase in salaries payable	223	(1)	222
(Decrease) increase in due to other funds	85	(539)	(454)
(Decrease) increase in net OPEB liability	(22)	—	(22)
(Decrease) increase in deferred inflows of resources pensions	467	(217)	250
Net Cash Provided by (Used for) Operating Activities	\$ 1,453	\$ 41	\$ 1,494
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:			
Cash and Investments:			
Unrestricted	\$ 3,287	\$ 50	\$ 3,337
Restricted - Current and Noncurrent	—	1,419	1,419
Cash and Cash Equivalents at End of Year on Statement of Cash Flows	\$ 3,287	\$ 1,469	\$ 4,756
Noncash Investing, Capital, and Financing Activities:			
Amortization of bond premium, discount and loss on refunding	—	(15)	(15)
Decrease (increase) in fair value of investments	(91)	—	(91)



| Internal Service Funds

CITY OF FRESNO, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024
(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
Assets						
Current Assets:						
Cash and Investments	\$ 6,846	\$ 59,598	\$ —	\$ 29,342	\$ —	\$ 95,786
Interest Receivable	197	444	28	253	—	922
Accounts Receivable, Net	2,994	13	247	16	—	3,270
Leases Receivable, Current	—	8	—	—	—	8
Grants Receivable	—	332	—	—	—	332
Inventories	—	1,730	—	—	—	1,730
Prepaid Items	—	1,210	22	—	—	1,232
Due from Other Funds	—	3,833	—	—	—	3,833
Total Current Assets	10,037	67,168	297	29,611	—	107,113
Noncurrent Assets:						
Restricted:						
Cash and Investments	2,277	—	—	—	—	2,277
Total Restricted Assets	2,277	—	—	—	—	2,277
Other Assets:						
Other Receivables	—	23	—	—	—	23
Leases Receivable, Non Current	—	324	—	—	—	324
Net Pension Asset	3,071	7,360	—	—	—	10,431
Total Other Assets	3,071	7,707	—	—	—	10,778
Capital Assets:						
Buildings, Systems & Improvements	124	21,543	—	—	—	21,667
Machinery & Equipment	121	198,996	—	—	—	199,117
Right to Use Assets Being Amortized	—	13,988	—	—	—	13,988
Construction in Progress	—	31,300	—	—	—	31,300
Less Accumulated Depreciation and Amortization	(133)	(117,716)	—	—	—	(117,849)
Total Capital Assets, Net	112	148,111	—	—	—	148,223
Total Noncurrent Assets	5,460	155,818	—	—	—	161,278
Total Assets	15,497	222,986	297	29,611	—	268,391
Deferred Outflows of Resources						
Pension Contributions	774	2,148	—	—	—	2,922
Deferred Outflows - Pension	1,350	3,921	—	—	—	5,271
Deferred Outflows - OPEB	651	1,226	128	—	—	2,005
Total Deferred Outflows of Resources	2,775	7,295	128	—	—	10,198

CITY OF FRESNO, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024
(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
Liabilities						
Current Liabilities:						
Accrued Liabilities	622	8,140	1,831	—	—	10,593
Accrued Compensated Absences & HRA	286	467	27	—	—	780
Liability for Self-Insurance	—	—	39,736	6,400	—	46,136
Unearned Revenue	75	19,157	—	—	—	19,232
Due to Other Funds	13	12,904	601	—	—	13,518
Capital Finance Obligations	—	7,671	—	—	—	7,671
Lease Liability	—	6,709	—	—	—	6,709
Net OPEB Liability	64	154	12	—	—	230
Total Current Liabilities	1,060	55,202	42,207	6,400	—	104,869
Noncurrent Liabilities:						
Accrued Compensated Absences & HRA	1,446	4,192	299	—	—	5,937
Capital Finance Obligations	—	35,501	—	—	—	35,501
Liability for Self-Insurance	—	—	220,538	—	—	220,538
Lease Liability	—	1,953	—	—	—	1,953
Net OPEB Liability	2,424	2,912	(530)	—	—	4,806
Deposits Held for Others	4,998	—	—	—	—	4,998
Total Noncurrent Liabilities	8,868	44,558	220,307	—	—	273,733
Total Liabilities	9,928	99,760	262,514	6,400	—	378,602
Deferred Inflows of Resources						
Unamortized Pension Expense	399	121	—	—	—	520
Unamortized OPEB Expense	1,759	4,172	975	—	—	6,906
Deferred Inflows - Leases	—	317	—	—	—	317
Total Deferred Inflows of Resources	2,158	4,610	975	—	—	7,743
Net Position						
Net Investment in Capital Assets	111	95,354	—	—	—	95,465
Restricted for Net Pension Asset	3,071	7,360	—	—	—	10,431
Unrestricted (Deficit)	3,004	23,197	(263,064)	23,211	—	(213,652)
Total Net Position (Deficit)	\$ 6,186	\$ 125,911	\$ (263,064)	\$ 23,211	\$ —	\$ (107,756)

CITY OF FRESNO, CALIFORNIA

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

Internal Service Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Totals
Operating Revenues:						
Charges for Services	\$ 13,135	\$ 110,466	\$ 58,079	\$ 73,288	\$ 8,364	\$ 263,332
Operating Expenses:						
Cost of Services	8,715	52,972	85,115	63,527	7,796	218,125
Administration	5,567	23,238	9,994	4,826	568	44,193
Depreciation	6	18,523	—	—	—	18,529
Total Operating Expenses	14,288	94,733	95,109	68,353	8,364	280,847
Operating Income (Loss)	(1,153)	15,733	(37,030)	4,935	—	(17,515)
Non-Operating Revenue (Expenses):						
Operating Grants	—	332,000	—	—	—	332,000
Interest Income	655	1,702	59	772	—	3,188
Net Increase (Decrease) in Cash Fair Value	1,417	2,016	496	—	—	3,929
Interest Expense	—	(940)	—	—	—	(940)
Gain (loss) on Disposal of Capital Assets	—	172	—	—	—	172
Total Non-Operating Revenue (Expenses)	2,072	3,282	555	772	—	6,681
Income (Loss) Before Contributions & Transfers	919	19,015	(36,475)	5,707	—	(10,834)
Transfers In	1,521	783	500	—	—	2,804
Transfers Out	(270)	(490)	(39)	—	—	(799)
Change in Net Position	2,170	19,308	(36,014)	5,707	—	(8,829)
Total Net Position (Deficit) - Beginning	4,016	106,603	(227,050)	17,504	—	(98,927)
Total Net Position (Deficit) - Ending	\$ 6,186	\$ 125,911	\$ (263,064)	\$ 23,211	\$ —	\$ (107,756)

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers	\$ 2,659	\$ 92,691	\$ —	\$ 12,465	\$ 5,427	\$ 113,242
Cash Received from Interfund Services Provided	11,320	27,561	46,481	60,823	2,937	149,122
Cash Payments from (to) Suppliers for Services	(22,539)	(53,418)	(12,500)	(6,416)	(568)	(95,441)
Cash Paid for Interfund Services Used	(2,700)	(1,245)	(132)	—	—	(4,077)
Cash Payments to Employees for Services	(9,082)	(21,235)	(6,467)	—	—	(36,784)
Cash Payments for Claims and Refunds			(36,342)	(63,528)	(7,796)	(107,666)
Net Cash Provided by (Used for) Operating Activities	(20,342)	44,354	(8,960)	3,344	—	18,396
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital Contributions	—	16,410	—	—	—	16,410
Interest Payments on Capital Debt	—	(1,338)	—	—	—	(1,338)
Proceeds from Capital Finance Activity	—	(23,585)	—	—	—	(23,585)
Principal Payments on Capital Finance Obligations	—	(7,203)	—	—	—	(7,203)
Proceeds from Sale of Capital Assets	—	172	—	—	—	172
Acquisition and Construction of Capital Assets	—	(18,042)	—	—	—	(18,042)
Net Cash Provided by (Used for) Capital and Related Financing Activities	—	(33,586)	—	—	—	(33,586)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Borrowing Receipt from (Payment to) Other Funds	—	(12,904)	—	—	—	(12,904)
Transfers In	1,521	783	500	—	—	2,804
Transfers Out	(270)	(490)	(39)	—	—	(799)
Net Cash Provided by (Used for) Non-Capital Financing Activities	1,251	(12,611)	461	—	—	(10,899)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and Dividends Received (Paid) on Investments	2,076	3,634	608	745	—	7,063
Net Cash Provided by (Used for) Investing Activities	2,076	3,634	608	745	—	7,063
Net Increase (Decrease) in Cash and Cash Equivalents	(17,015)	1,791	(7,891)	4,089	—	(19,026)
Cash and Cash Equivalents, Beginning of Year	26,138	57,475	7,891	25,253	—	116,757
Cash and Cash Equivalents, End of Year	\$ 9,123	\$ 59,266	\$ —	\$ 29,342	\$ —	\$ 97,731

CITY OF FRESNO, CALIFORNIA

Combining Statement of Cash Flows

Internal Service Funds

Fiscal Year Ended June 30, 2024 (Continued)

	Billing and Collection	General Services	Risk Management	Employees Healthcare Plan	Retirees Healthcare Plan	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating income (loss)	\$ (1,153)	\$ 15,733	\$ (37,030)	\$ 4,935	\$ —	\$ (17,515)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	6	18,523	—	—	—	18,529
Change in assets and liabilities:						
Decrease (increase) in accounts receivable	(1,345)	(6)	(3)	(16)	—	(1,370)
Decrease (increase) in due from other funds	—	(633)	—	—	—	(633)
Decrease (increase) in material and supplies inventory	—	(239)	—	—	—	(239)
Decrease (increase) in prepaid items	104	(771)	(22)	—	—	(689)
Decrease (increase) in net pension asset and deferred outflows pensions	123	1,702	55	—	—	1,880
(Decrease) increase in accounts payable	(155)	(1,105)	(2,611)	(402)	—	(4,273)
(Decrease) increase in salaries payable	111	264	110	327	—	812
(Decrease) increase in due to other funds	(18,452)	4,307	600	—	—	(13,545)
(Decrease) increase in unearned revenue	75	7,366	—	—	—	7,441
(Decrease) increase in liability for self-insurance	—	—	30,114	(1,500)	—	28,614
(Decrease) increase in deposits	318	—	—	—	—	318
(Decrease) increase in net OPEB liability	(52)	(135)	(47)	—	—	(234)
(Decrease) increase in deferred inflows of resources pensions	77	(780)	(126)	—	—	(829)
Net Cash Provided by (Used for) Operating Activities	\$ (20,343)	\$ 44,226	\$ (8,960)	\$ 3,344	\$ —	\$ 18,267
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:						
Cash and Investments:						
Unrestricted	\$ 6,846	\$ 59,598	\$ —	\$ 29,342	\$ —	\$ 95,786
Restricted - Current and Noncurrent	2,277	—	—	—	—	2,277
Cash and Cash Equivalents at End of Year on Statement of Cash Flows	\$ 9,123	\$ 59,598	\$ —	\$ 29,342	\$ —	\$ 98,063
Noncash Investing, Capital, and Financing Activities:						
Acquisition and construction of capital assets on accounts payable	\$ —	\$ 1,402	\$ —	\$ —	\$ —	\$ 1,402
Borrowing under capital financing	—	23,585	—	—	—	23,585
Decrease (increase) in fair value of investments	(1,417)	(2,016)	(496)	—	—	(3,929)



Fiduciary Funds

CITY OF FRESNO, CALIFORNIA

Combining Statement of Fiduciary Net Position

Fiduciary Funds - Pension Trust Funds

June 30, 2024

(in thousands)

	Pension Trust Funds		
	Fire and Police Retirement System	Employees Retirement System	Total
Assets			
Cash and Investments	\$ 746	\$ 545	\$ 1,291
Receivables:			
Receivables for Investments Sold	5,404	5,005	10,409
Interest and Dividends Receivable	2,270	1,868	4,138
Other Receivables	866	713	1,579
Total Receivables	8,540	7,586	16,126
Investments, at Fair Value:			
Short-Term Investments	8,156	6,715	14,871
Domestic Equity	536,005	441,275	977,280
International Equities	431,079	354,893	785,972
Private Equity	159,954	131,684	291,638
Fixed Income	272,387	224,247	496,634
Private Debt/Credit	295,521	243,293	538,814
Real Estate	464,049	382,655	846,704
Multi-Assets	35,352	29,104	64,456
Total Investments, at Fair Value	2,202,503	1,813,866	4,016,369
Collateral Held for Securities Lent	30,049	24,738	54,787
Capital Assets, Net of Accumulated Depreciation	212	212	424
Other Assets	105	105	210
Total Assets	2,242,155	1,847,052	4,089,207
Liabilities			
Accrued Liabilities	7,721	6,356	14,077
Collateral Held for Securities Lent	30,049	24,738	54,787
Other Liabilities	1,014	853	1,867
Total Liabilities	38,784	31,947	70,731
Net Position			
Net Position Restricted for Pension Benefits	\$ 2,203,371	\$ 1,815,105	\$ 4,018,476

CITY OF FRESNO, CALIFORNIA

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Pension Trust Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	Pension Trust Funds		
	Fire and Police Retirement System	Employees Retirement System	Total
Additions			
Contributions:			
Employer	\$ 30,635	\$ 28,621	\$ 59,256
System Members	13,108	18,833	31,941
Total Contributions	43,743	47,454	91,197
Investment Income:			
Net Appreciation in Fair Value of Investments	229,712	189,059	418,771
Interest	10,375	8,547	18,922
Dividends	7,616	6,267	13,883
Other Investment Related	154	126	280
Total Investment Income	247,857	203,999	451,856
Less Investment Expense	(41,587)	(34,305)	(75,892)
Total Net Investment Income	206,270	169,694	375,964
Securities Lending Income:			
Securities Lending Earnings	1,849	1,523	3,372
Less Securities Lending Expense	(1,650)	(1,359)	(3,009)
Net Securities Lending Income	199	164	363
Total Additions	250,212	217,312	467,524
Deductions			
Benefit Payments (including post retirement supplemental benefits)	89,196	81,556	170,752
Refund of Contributions	1,023	1,646	2,669
General and Administrative Expenses	2,458	2,318	4,776
Total Deductions	92,677	85,520	178,197
Change in Net Position	157,535	131,792	289,327
Net Position - Beginning	2,045,836	1,683,313	3,729,149
Net Position - Ending	\$ 2,203,371	\$ 1,815,105	\$ 4,018,476

CITY OF FRESNO, CALIFORNIA
Combining Statement of Fiduciary Net Position
Custodial Funds
Fiscal Year Ended June 30, 2024
(in thousands)

	City Departmental	Special Assessment District	Total Custodial Funds
Assets			
Cash and Investments	\$ 2,600	\$ 186	\$ 2,786
Restricted Cash and Investments Held by Fiscal Agent	—	545	545
Interest Receivable	28	3	31
Due From Other Governments	—	557	557
Total Assets	<u>\$ 2,628</u>	<u>\$ 1,291</u>	<u>\$ 3,919</u>
Liabilities			
Accrued Liabilities	\$ 60	\$ —	\$ 60
Due to Other Governments	3	—	3
Total Liabilities	<u>\$ 63</u>	<u>\$ —</u>	<u>\$ 63</u>
Net Position			
Restricted for:			
Individuals, Organizations, and Other Governments	2,565	1,291	3,856
Total Net Position	<u>\$ 2,565</u>	<u>\$ 1,291</u>	<u>\$ 3,856</u>

CITY OF FRESNO, CALIFORNIA

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Fiscal Year Ended June 30, 2024

(in thousands)

	City Departmental	Special Assessment District	Total Custodial Funds
Additions:			
Fees Collected for Organizations and Other Governments	\$ 6,943	\$ —	\$ 6,943
Taxes Collected for Organizations and Other Governments	1,857	—	1,857
Special Assessments for Organizations and Other Governments	—	754	754
Investment Income	35	1	36
Total Additions	<u>8,835</u>	<u>1,312</u>	<u>10,147</u>
Deductions:			
Payments to Individuals, Organizations, and Other Governments	8,496	739	9,235
Miscellaneous	—	203	203
Total Deductions	<u>8,496</u>	<u>942</u>	<u>9,438</u>
Change in Net Position	339	370	709
Net Position:			
Beginning of year	<u>2,226</u>	<u>921</u>	<u>3,147</u>
End of period year	<u>\$ 2,565</u>	<u>1,291</u>	<u>\$ 3,856</u>



Statistical Section

Statistical Section

This section of the City's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information depicts about the City's financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (pages [215-219](#))

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source: The property tax. (pages [220-223](#))

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (pages [225-233](#))

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. (pages [234-235](#))

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (pages [236-241](#))

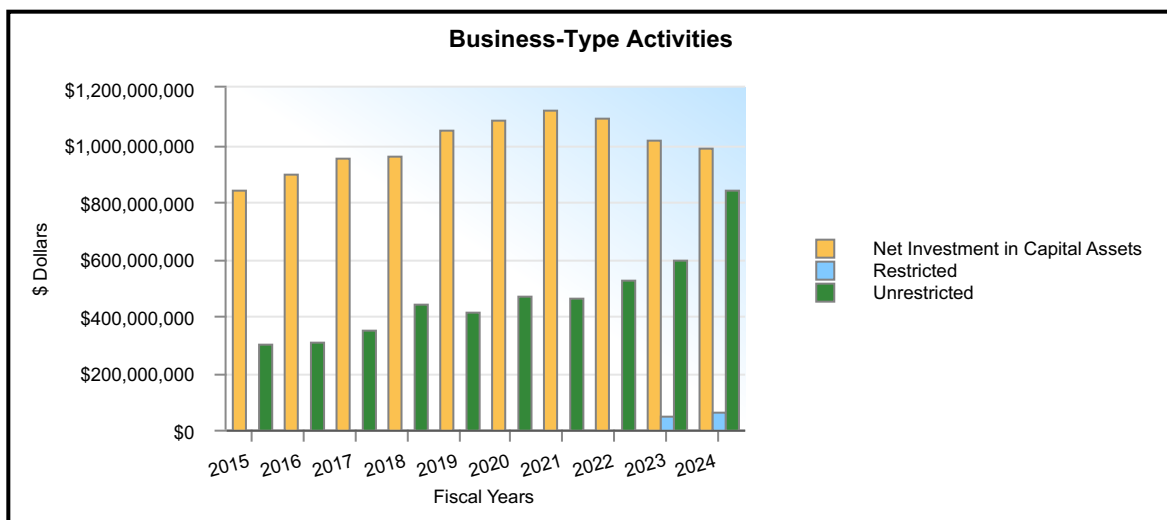
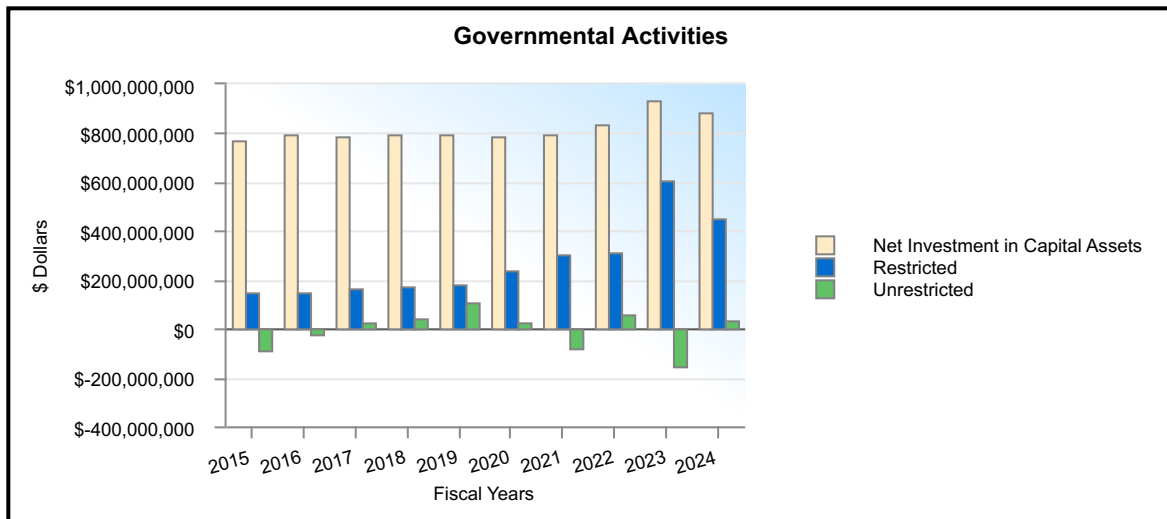
Source(s):

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

CITY OF FRESNO, CALIFORNIA
Net Position By Component
Last Ten Fiscal Years
(dollars in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 771,198	\$ 795,884	\$ 787,522	\$ 796,242	\$ 793,963	\$ 787,395	\$ 794,759	\$ 836,439	\$ 930,489	\$ 881,764
Restricted	146,174	151,345	168,927	171,473	178,858	239,898	304,925	308,444	605,023	454,508
Unrestricted (Deficit)	(86,424)	(22,058)	28,252	43,380	105,676	27,932	(76,811)	56,963	(155,348)	34,872
Total Governmental Activities	\$ 830,948	\$ 925,171	\$ 984,701	\$ 1,011,095	\$ 1,078,497	\$ 1,055,225	\$ 1,022,873	\$ 1,201,846	\$ 1,380,164	\$ 1,371,144
Business-Type Activities										
Net Investment in Capital Assets	\$ 841,773	\$ 896,818	\$ 955,128	\$ 958,169	\$ 1,054,185	\$ 1,090,352	\$ 1,120,876	\$ 1,094,088	\$ 1,015,061	\$ 987,193
Restricted	—	—	—	—	—	—	—	—	51,010	62,015
Unrestricted (Deficit)	300,296	307,315	353,436	440,872	414,184	472,210	460,988	526,841	595,300	845,548
Total Business-Type Activities	\$ 1,142,069	\$ 1,204,133	\$ 1,308,564	\$ 1,399,041	\$ 1,468,369	\$ 1,562,562	\$ 1,581,864	\$ 1,620,929	\$ 1,661,371	\$ 1,894,756
Primary Government										
Net Investment in Capital Assets	\$ 1,692,702	\$ 1,742,650	1,754,411	\$ 1,848,148	\$ 1,877,747	\$ 1,915,635	\$ 1,930,527	\$ 1,930,527	\$ 1,945,550	\$ 1,868,957
Restricted	151,345	168,927	171,473	178,858	239,898	304,925	308,444	308,444	656,033	516,523
Unrestricted (Deficit)	285,257	381,688	484,252	519,860	500,142	384,177	583,804	583,804	439,952	880,420
Total Primary Government	\$ 1,973,017	\$ 2,129,304	\$ 2,293,265	\$ 2,410,136	\$ 2,546,866	\$ 2,617,787	\$ 2,604,737	\$ 2,822,775	\$ 3,041,535	\$ 3,265,900

Source(s): City of Fresno, Finance Department



CITY OF FRESNO, CALIFORNIA

Change in Net Position

Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	\$ 28,590	\$ 32,206	\$ 44,157	\$ 31,319	\$ 42,785	\$ 46,114	\$ 90,218	\$ 90,035	\$ 80,926	\$ 92,381
Public Protection	177,829	187,733	196,006	206,163	214,903	271,085	305,172	270,465	283,947	367,609
Public Ways and Facilities	64,430	60,875	72,984	76,289	80,369	93,243	123,068	101,306	118,362	173,153
Culture and Recreation	20,036	20,223	23,500	19,771	23,809	26,039	30,882	30,324	52,570	68,735
Community Development	29,257	28,789	28,913	30,412	29,188	31,102	41,053	57,123	130,194	109,567
Redevelopment	—	—	—	—	—	—	—	—	—	—
Interest on Long-Term Debt	19,519	18,787	18,658	14,413	14,101	13,652	12,552	12,683	13,738	13,423
Total Governmental Activities	339,661	348,613	384,218	378,367	405,155	481,235	602,945	561,936	679,737	824,868
Business-Type Activities:										
Water System	62,205	64,454	63,753	73,677	94,066	101,406	100,181	112,301	123,770	140,858
Sewer System	66,148	63,980	64,124	65,991	71,793	65,166	74,428	78,646	83,232	86,052
Solid Waste Management	32,976	26,650	26,605	30,353	31,702	36,915	41,713	41,818	40,907	43,020
Transit	45,435	44,191	47,958	53,937	57,864	62,016	66,135	71,038	96,519	83,681
Airports	28,164	28,509	29,938	31,192	33,262	35,984	41,090	40,413	44,097	45,359
Fresno Convention Center	10,147	9,750	10,798	8,856	8,701	7,108	5,096	9,235	7,418	8,750
Community Sanitation	8,235	6,904	8,978	10,077	10,093	9,147	8,698	8,743	8,450	10,445
Parking	—	—	—	—	—	—	—	—	—	—
Parks and Recreation	340	316	410	283	502	586	572	416	513	385
Development Services	—	—	—	—	—	—	—	—	—	—
Stadium	3,266	3,191	3,539	2,710	2,600	2,702	2,739	2,925	3,264	2,862
Total Business-Type Activities	256,916	247,945	256,103	277,076	310,583	321,030	340,652	365,535	408,170	421,412
Total Primary Government Expenses	\$ 596,577	\$ 596,558	\$ 640,321	\$ 655,443	\$ 715,738	\$ 802,265	\$ 943,597	\$ 927,471	\$1,087,907	\$1,246,280
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 23,194	\$ 22,580	\$ 46,742	\$ 17,171	\$ 19,075	\$ 14,805	\$ 15,315	\$ 22,040	\$ 23,448	\$ 27,237
Public Protection	31,872	44,037	22,382	32,275	40,945	15,599	16,544	62,152	9,092	22,105
Public Ways and Facilities	17,426	20,468	21,911	21,009	20,461	22,219	27,060	37,839	42,770	40,793
Culture and Recreation	4,577	4,949	3,645	3,935	3,711	1,742	1,364	4,840	412	2,819
Community Development	21,130	25,239	23,496	23,033	20,347	19,400	13,050	32,305	14,492	23,417
Operating Grants and Contributions	39,550	34,015	25,016	26,488	40,278	39,037	40,393	74,245	106,441	132,944
Capital Grants and Contributions	62,472	57,955	44,586	38,584	37,525	49,161	135,064	128,553	220,903	101,289
Total Governmental Activities Program Revenues	200,221	209,243	187,778	162,495	182,342	161,963	248,790	361,974	417,558	350,604
Business-Type Activities:										
Charges for Services:										
Water System	74,285	77,959	101,895	107,377	119,029	120,252	127,651	138,492	124,858	125,514
Sewer System	81,955	78,186	83,635	81,651	81,085	77,249	77,940	87,795	84,086	89,248
Solid Waste Management	31,208	31,975	31,170	30,100	31,804	29,546	29,132	35,423	32,517	30,969
Transit	13,089	12,479	11,452	10,746	9,348	2,516	(2,328)	11,242	3,678	3,589
Airports	25,670	27,646	27,835	29,634	32,011	29,192	25,991	40,884	37,835	47,882
Fresno Convention Center	2,960	3,634	3,752	3,318	3,796	2,415	(2)	5,744	4,307	5,354
Community Sanitation	9,746	9,733	9,613	9,422	9,841	8,982	8,786	10,706	9,559	9,551
Parking	—	—	—	—	—	—	—	—	—	—
Parks and Recreation	329	325	340	323	410	278	411	630	687	685
Development Services	—	—	—	—	—	—	—	—	—	—
Stadium	1,248	677	1,082	238	406	344	580	279	102	585
Operating Grants and Contributions	40,215	29,190	37,187	22,939	37,910	80,766	56,334	71,273	112,764	52,958
Capital Grants and Contributions	14,791	18,015	47,576	69,570	33,249	38,027	29,884	17,893	31,550	242,831
Total Business-Type Activities Program Revenues	295,496	289,819	355,537	365,318	358,889	389,567	354,379	420,361	441,943	609,166
Total Primary Government Program Revenues	\$ 495,717	\$ 499,062	\$ 543,315	\$ 527,813	\$ 541,231	\$ 551,530	\$ 603,169	\$ 782,335	\$ 859,501	\$ 959,770

CITY OF FRESNO, CALIFORNIA

Change in Net Position

Last Ten Fiscal Years (Continued)

(dollars in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	\$(139,440)	\$(139,370)	\$(196,440)	\$(215,872)	\$(222,813)	\$(319,272)	\$(354,155)	\$(199,962)	\$(262,179)	\$(474,264)
Business-Type Activities	38,580	41,874	99,434	88,242	48,306	68,537	13,727	54,826	33,773	187,754
Total Primary Government Net Expense	<u>\$(100,860)</u>	<u>\$(97,496)</u>	<u>\$(97,006)</u>	<u>\$(127,630)</u>	<u>\$(174,507)</u>	<u>\$(250,735)</u>	<u>\$(340,428)</u>	<u>\$(145,136)</u>	<u>\$(228,406)</u>	<u>\$(286,510)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 113,655	\$ 117,048	\$ 123,858	\$ 130,109	\$ 138,201	\$ 142,250	\$ 149,822	\$ 154,130	\$ 167,088	\$ 180,976
Sales Taxes - Shared Revenues	61,571	74,010	86,128	85,512	96,939	98,531	125,279	192,874	197,563	197,924
In-Lieu Sales Tax	19,907	10,559	—	—	—	—	—	—	—	—
Franchise Taxes	13,469	13,722	14,335	14,811	14,493	16,101	17,729	18,271	20,180	23,872
Business Tax	17,781	16,879	19,101	20,982	18,162	20,868	20,577	21,764	26,107	23,197
Room Tax	11,006	12,045	13,127	13,936	13,998	12,453	12,566	15,205	16,454	15,604
Other Taxes	2,407	2,521	2,348	2,304	2,855	2,241	1,825	3,528	2,221	3,151
Investment Earnings	879	1,652	1,215	1,348	8,413	11,863	1,786	(10,409)	8,245	26,928
Gain on Sale of Capital Assets	402	218	214	223	2,517	2	—	—	1,732	172
Special Item - Loss on Receivable/ Transfer of Assets	—	—	—	(8,152)	—	—	—	—	—	—
Extraordinary (Loss):										
Redevelopment Agency Net Position										
Distributed to Successor Agency	—	—	—	—	—	—	—	—	—	—
Transfers:	(6,290)	(15,061)	(4,356)	(4,820)	(5,363)	(8,309)	(7,781)	(7,899)	(8,154)	(6,580)
Total Governmental Activities	<u>234,787</u>	<u>233,593</u>	<u>255,970</u>	<u>256,253</u>	<u>290,215</u>	<u>296,000</u>	<u>321,803</u>	<u>387,464</u>	<u>431,436</u>	<u>465,244</u>
Business-Type Activities:										
Investment Earnings	2,998	5,129	641	2,614	15,624	17,316	(2,206)	(24,697)	(1,299)	39,051
Debt Forgiveness	—	—	—	—	—	—	—	—	—	—
Other Financing Source- Leases	—	—	—	—	—	—	—	—	(188)	—
Gain on Sale of Capital Assets	38	—	—	36	35	31	—	—	2	—
Transfers:	6,290	15,061	4,356	4,820	5,363	8,309	7,781	7,899	8,154	6,580
Total Business-Type Activities	<u>9,326</u>	<u>20,190</u>	<u>4,997</u>	<u>7,470</u>	<u>21,022</u>	<u>25,656</u>	<u>5,575</u>	<u>(16,798)</u>	<u>6,669</u>	<u>45,631</u>
Total Primary Government	<u>\$ 244,113</u>	<u>\$ 253,783</u>	<u>\$ 260,967</u>	<u>\$ 263,723</u>	<u>\$ 311,237</u>	<u>\$ 321,656</u>	<u>\$ 327,378</u>	<u>\$ 370,666</u>	<u>\$ 438,105</u>	<u>\$ 510,875</u>
Change in Net Position										
Governmental Activities	\$ 95,347	\$ 94,223	\$ 59,530	\$ 40,381	\$ 67,402	\$ (23,272)	\$ (32,352)	\$ 187,502	\$ 169,257	\$ (9,020)
Business-Type Activities	47,906	62,064	104,431	95,712	69,328	94,193	19,302	37,804	40,442	233,385
Total Primary Government	<u>\$ 143,253</u>	<u>\$ 156,287</u>	<u>\$ 163,961</u>	<u>\$ 136,093</u>	<u>\$ 136,730</u>	<u>\$ 70,921</u>	<u>\$ (13,050)</u>	<u>\$ 225,306</u>	<u>\$ 209,699</u>	<u>\$ 224,365</u>

Source(s): City of Fresno, Finance Department

CITY OF FRESNO, CALIFORNIA

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$12,691	\$12,691	\$18,417	\$3,919	\$ 2,071	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	105	11	37	16	10	6	—	—	—	—
Committed	5,207	1,610	22,104	25,565	37,004	37,718	40,655	48,360	54,466	58,980
Assigned	1,874	2,811	3,890	2,845	4,562	5,158	19,249	19,215	18,633	11,025
Unassigned	24,643	31,808	26,749	19,533	25,312	33,046	43,039	37,116	54,284	39,034
Total General Fund	<u>\$ 44,520</u>	<u>\$ 48,931</u>	<u>\$ 71,197</u>	<u>\$ 51,878</u>	<u>\$ 68,959</u>	<u>\$ 75,928</u>	<u>\$ 102,943</u>	<u>\$104,691</u>	<u>\$ 127,383</u>	<u>\$ 109,039</u>
All other Governmental Funds										
Restricted	\$ 146,002	\$ 151,726	\$ 163,802	\$ 166,207	\$ 172,587	\$ 197,325	\$ 255,324	\$216,922	\$ 275,090	\$ 287,888
Assigned	15,928	15,847	12,177	16,115	16,137	11,194	12,843	37,622	31,061	30,464
Unassigned (Deficit)	(9,670)	(6,284)	(788)	(809)	(1,950)	(5,590)	(56,750)	(2,678)	(2,587)	—
Total all other Governmental Funds	<u>\$ 152,260</u>	<u>\$ 161,289</u>	<u>\$ 175,191</u>	<u>\$ 181,513</u>	<u>\$ 186,774</u>	<u>\$ 202,929</u>	<u>\$ 211,417</u>	<u>\$251,866</u>	<u>\$ 303,564</u>	<u>\$ 318,352</u>

Source(s): City of Fresno, Finance Department

CITY OF FRESNO, CALIFORNIA

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(dollars in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$276,847	\$266,521	\$298,425	\$289,140	\$315,903	\$330,423	\$366,645	\$452,241	\$456,443	\$463,566
Licenses and Permits	6,569	7,102	7,291	7,829	7,337	7,915	9,276	8,332	9,064	9,746
Intergovernmental	41,915	39,036	38,770	39,318	41,706	55,879	126,391	138,674	249,990	192,542
Charges for Services	44,692	46,398	49,538	51,294	57,413	53,493	64,462	66,961	81,966	79,069
Fines	3,392	4,271	3,487	3,872	3,643	3,315	1,792	2,726	2,482	3,122
Use of Money and Property	1,643	2,105	1,285	1,305	6,542	9,538	1,684	(7,050)	10,557	21,883
Miscellaneous	8,800	8,156	36,448	4,504	3,640	2,017	3,125	8,436	9,162	1,560
Total Revenues	383,858	373,589	435,244	397,262	436,184	462,580	573,375	670,320	819,664	771,488
Expenditures										
General Government	13,841	17,490	26,257	21,285	28,077	29,286	71,211	65,503	75,016	66,065
Public Protection	188,050	201,656	212,828	221,043	226,108	243,099	256,635	287,640	300,972	339,161
Public Ways and Facilities	35,607	38,293	42,430	41,682	50,561	53,686	63,186	73,443	89,085	97,898
Culture and Recreation	15,433	17,735	16,928	18,257	18,140	20,911	26,131	25,623	42,220	58,842
Community Development	30,320	29,511	29,360	31,483	30,961	32,970	39,983	57,344	126,480	103,851
Capital Outlay	38,984	23,145	29,990	31,401	26,168	27,605	54,776	75,441	67,506	78,008
Debt Service:										
Principal	19,218	17,435	19,196	17,568	18,956	19,911	21,191	20,782	23,683	22,459
Interest	19,511	18,629	17,779	14,752	14,515	13,692	12,602	12,357	11,494	10,329
Total Expenditures	360,964	363,894	394,768	397,471	413,486	441,160	545,715	618,133	736,456	776,613
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,894	9,695	40,476	(209)	22,698	21,420	27,660	52,187	83,208	(5,125)
Other Financing Sources (Uses)										
Transfers In	44,695	45,251	55,930	49,397	41,142	51,823	116,697	64,700	62,188	38,620
Transfers Out	(50,573)	(49,446)	(59,055)	(57,418)	(46,110)	(59,145)	(128,855)	(74,690)	(71,643)	(45,954)
Discount on Debt Issued	—	—	835	—	—	—	—	—	—	—
Issuance of Refunding Bonds	—	—	108,903	—	—	—	—	—	—	—
Refunded Bond Redeemed	—	—	(128,621)	—	—	—	—	—	—	—
Long-Term Debt Issued	—	—	—	—	—	—	17,145	—	—	—
Premium on Debt Issued	—	—	11,528	—	—	—	2,773	—	—	—
Finance Capital Purchase	966	7,331	4,126	3,162	2,228	9,026	83	—	—	8,903
Sale of Capital Assets	785	609	2,046	223	2,382	—	—	—	—	—
Total Other Financing Sources (Uses)	(4,127)	3,745	(4,308)	(4,636)	(358)	1,704	7,843	(9,990)	(9,455)	1,569
Special Item										
Loss on Receivable	—	—	(8,152)	—	—	—	—	—	—	—
Net Change in Fund Balances	\$ 18,767	\$ 13,440	\$ 36,168	\$ (4,845)	\$ 22,340	\$ 23,124	\$ 35,503	\$ 42,197	\$ 73,753	\$ (3,556)
Debt Service as a Percentage of Non-Capital Expenditures	11.94 %	11.00 %	10.29 %	9.11 %	8.83 %	8.16 %	6.55 %	6.27 %	5.55 %	4.66 %

Source(s): City of Fresno, Finance Department

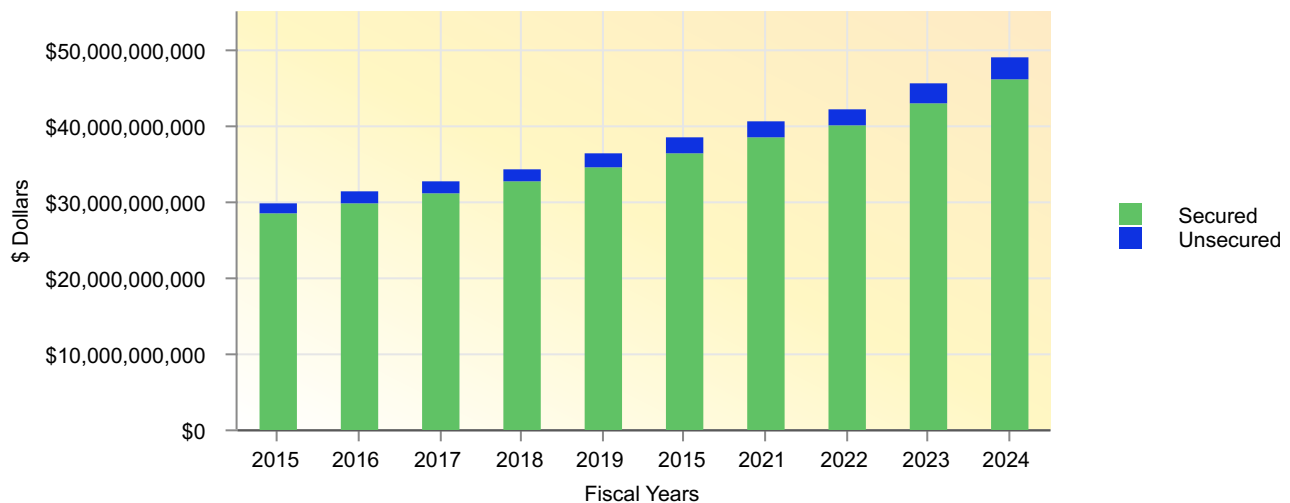
Note(s): To properly calculate the ratio of total debt service expenditures to non-capital expenditures, only governmental fund expenditures for the acquisition and construction of assets that are classified as capital assets for reporting in the Government-Wide Financial Statements have been subtracted from the total governmental fund expenditures. These figures by fiscal year are as follows: (2014) \$34,893,624; (2015) \$46,135,229; (2016) \$35,295,704; (2017) \$35,500,989; (2018) \$42,738,629; (2019) \$34,667,433; (2020) \$29,289,000; (2021) \$29,973,000; (2022) \$89,808,000; (2023) \$103,059,000, and (2024) \$72,431,000.

CITY OF FRESNO, CALIFORNIA

Gross Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured Estimated Actual	Unsecured Estimated Actual	Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percent of Estimated Actual Value
2015	\$ 28,638,669,937	\$ 1,444,805,569	\$ 30,083,475,506	1.230610	100%
2016	30,026,361,027	1,500,061,596	31,526,422,623	1.229360	100%
2017	31,344,820,623	1,596,315,117	32,941,135,740	1.229780	100%
2018	32,837,504,668	1,616,397,886	34,453,902,554	1.247240	100%
2019	34,713,392,408	1,899,808,202	36,613,200,610	1.244270	100%
2020	36,659,070,484	1,899,510,831	38,558,581,315	1.247088	100%
2021	38,644,667,812	2,225,286,118	40,869,953,930	1.271974	100%
2022	40,198,896,767	2,181,351,026	42,380,247,793	1.264390	100%
2023	43,203,054,898	2,540,898,809	45,743,953,707	1.274772	100%
2024	46,333,291,258	2,956,701,021	49,289,992,279	1.267222	100%

Estimated Value of Taxable Property



Source(s): County of Fresno

Note(s): Fresno County does not collect Actual Value (Market Value) information on taxable properties or on tax exempt properties. The estimated actual value of taxable property is the same as the gross assessed value.

CITY OF FRESNO, CALIFORNIA

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Percentage per \$100 of Assessed Value)

				Overlapping Rates		
City Direct Rate				Schools		
Fiscal Year	Property Tax Rate	Fresno Pension	Total Direct Tax Rate	Fresno Unified School District	State Center Community College District	Total Direct and Overlapping Property Tax Rate
2015	1.0	0.032438	1.032438	0.188860	0.009308	1.230606
2016	1.0	0.032438	1.032438	0.188860	0.008064	1.229362
2017	1.0	0.032438	1.032438	0.188864	0.008480	1.229782
2018	1.0	0.032438	1.032438	0.188864	0.025934	1.247236
2019	1.0	0.032438	1.032438	0.188864	0.022966	1.244268
2020	1.0	0.032438	1.032438	0.178012	0.025786	1.236236
2021	1.0	0.032438	1.032438	0.188864	0.025786	1.247088
2022	1.0	0.032438	1.032438	0.213864	0.018088	1.264390
2023	1.0	0.032438	1.032438	0.213864	0.018088	1.264390
2024	1.0	0.032438	1.032438	0.170186	0.020920	1.223544

Source(s): County of Fresno

Note(s): On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIII A of \$1.00 per \$100.00 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978.

CITY OF FRESNO, CALIFORNIA

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2024			2015		
		Taxable Assessed Value	Rank	% of Total County Assessed Value	Taxable Assessed Value	Rank	% of Total County Assessed Value
Gap Inc.	Commercial, Unsecured	\$ 216,602,500	1	0.44 %	\$ 109,817,600	5	0.37 %
Amazon.com Services LLC	Miscellaneous, Unsecured	187,720,300	2	0.38 %	—	—	—
River Park Properties	Commercial	181,515,290	3	0.37 %	146,808,851	2	0.49 %
Meganova LP	Apartments	173,915,612	4	0.35 %	—	—	—
Gallo E & J Winery	Commercial, Unsecured	162,885,333	5	0.33 %	185,813,458	1	0.62 %
Macerich Fresno Limited Partnership	Commercial	152,699,433	6	0.31 %	137,833,576	3	0.46 %
Comcast of Fresno Inc.	No Secured Property	114,770,100	7	0.23 %	120,497,400	4	0.40 %
DPML Orange LLC	Commercial	104,646,920	8	0.21 %	—	—	—
RPI Fig Garden LP	Commercial	93,001,442	9	0.19 %	—	—	—
Foster Poultry Farms	Industrial	88,765,330	10	0.18 %	—	—	—
Donahue Schriber Realty Group LP	—	—	—	—	90,183,877	6	0.30 %
Capri Sun Inc.	—	—	—	—	63,833,350	7	0.21 %
Fresno Supreme Inc.	—	—	—	—	54,240,616	8	0.18 %
M L Street Properties	—	—	—	—	53,229,566	9	0.18 %
Villagio Shopping Center LLC	—	—	—	—	50,960,339	10	0.17 %
Totals		<u>\$ 1,476,522,260</u>		<u>2.9956 %</u>	<u>\$ 1,013,218,633</u>		<u>3.3680 %</u>

Source(s): Avenu Insights & Analytics and California Municipal Statistics, Inc., as compiled by Willdan Financial Services.

Note(s): 2023/24 Taxable Assessed Valuation: \$49,289,992,279.

2014/15 Taxable Assessed Valuation: \$30,083,475,506.

CITY OF FRESNO, CALIFORNIA

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Net Tax Levy (Original Levy)	Supplemental Assessments	Redevelopment Return of Increment	Total Adjusted Tax Levy	Current Tax Collections		Delinquent Tax Collections	Total Tax Collections	Percent of Collection of Adjusted Tax Levy
					Amount Collected	Percentage of Net Tax Levy			
2015	\$ 96,468,363	\$ 11,900,327	\$ 1,609,109	\$ 109,978	\$106,989,456	97.28 %	\$ 395,578	\$107,385,034	97.64 %
2016	100,946,941	12,082,212	2,306,017	115,335	113,633,713	98.52	508,181	114,141,894	98.97
2017	105,199,432	13,077,130	2,014,329	120,291	119,336,199	99.21	386,236	119,722,435	99.53
2018	109,890,834	13,565,677	2,278,284	125,735	123,764,163	98.43	649,161	124,413,324	98.95
2019	116,141,387	14,916,496	2,786,268	133,844	132,157,601	98.74	543,876	132,701,477	99.15
2020	122,120,737	14,809,607	3,366,768	140,297	136,883,021	97.57	745,241	137,628,261	98.10
2021	128,697,400	17,130,950	5,378,795	151,207	144,896,990	95.83	1,443,494	146,340,484	96.78
2022	133,834,626	14,994,674	5,750,554	154,580	145,788,069	94.31	41,485	145,829,554	94.34
2023	143,687,506	17,402,250	3,831,083	164,921	162,101,358	98.29	390,299	162,491,658	98.53
2024	154,545,169	19,839,447	3,823,583	178,208	176,286,166	98.92	423,187	176,709,353	99.16
							Average Collections		<u>98.11 %</u>

Source(s): County of Fresno

Note(s): Supplemental Assessments include voter approved indebtedness for Fire and Police Pensions and supplemental assessments added whenever new construction is completed and whenever real property changes ownership under Chapter 3.5 of Part 0.5 of Division 1 of the California Revenue and Taxation Code.

CITY OF FRESNO, CALIFORNIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities						Business-Type Activities			
	General Obligation Bonds	Lease Revenue Bonds	Other Long Term Liability	Lease/SBITA Liability	Notes Payable	Capital Finance Obligation	Airport Revenue Bonds	Sewer Revenue Bonds	Water Revenue Bonds	Lease Revenue Bonds
2015	\$ 147,177	\$161,435	\$ 212,247	\$ —	\$ 4,569	\$ 10,113	\$54,590	\$207,280	\$147,569	\$ 79,908
2016	139,999	153,279	224,449	—	3,813	17,220	53,098	198,436	142,148	75,465
2017	131,840	144,697	246,659	—	3,016	20,884	51,508	189,134	136,569	69,492
2018	124,245	136,021	258,475	—	2,466	28,271	49,825	179,351	130,774	61,242
2019	116,160	126,191	277,457	—	2,033	39,338	83,039	34,943	124,759	55,832
2020	107,555	116,139	327,745	—	1,846	43,121	81,145	6,934	118,501	50,211
2021	98,395	125,464	373,148	—	1,648	41,153	78,383	885	90,241	44,362
2022	88,640	116,162	367,188	6,990	1,440	52,568	75,459	885	90,329	38,269
2023	78,255	105,982	414,241	15,120	—	49,606	52,110	—	90,418	32,266
2024	67,190	97,172	448,467	16,268	—	64,832	140,175	—	90,506	27,461

Source(s): Debt Information - City of Fresno, Finance Department

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

Note(s): See the Schedule of Demographic and Economic Statistics for personal income and population data on page [234](#).

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

Personal income and Per Capita Personal Income figures for fiscal year 2023 & 2024 are not currently available from the BEA.

The City is not obligated in any manner for the Special Assessment debt, but is acting as an agent for property owners in collecting the assessments and forwarding the collections to the trustee or paying agent and initiating foreclosure proceedings, if appropriate.

CITY OF FRESNO, CALIFORNIA

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years (Continued)

(dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities				Primary Government		
	Accreted Interest	Other LT Liab	Lease Liability	Notes Payable	Total Primary Government	Percentage of Personal Income	Net Debt per Capita
2015	\$ 4,235	\$ 61,150	\$ —	\$ 52,080	\$ 864,721	2.27 %	\$ 1,662
2016	4,181	63,051	—	82,795	866,253	2.20 %	1,664
2017	4,090	61,562	—	208,855	955,995	2.56 %	1,818
2018	3,961	59,902	—	364,624	1,076,819	2.74 %	2,000
2019	3,796	61,528	—	403,612	985,907	2.40 %	1,837
2020	3,595	70,058	—	407,096	936,143	2.19 %	1,715
2021	3,355	70,624	—	424,550	908,435	2.00 %	1,661
2022	3,078	53,671	357	425,341	889,095	1.83 %	1,635
2023	2,224	56,715	2,685	406,406	958,169	1.84 %	1,752
2024	2,407	55,383	2,498	391,495	931,796	Not yet available	1,714

CITY OF FRESNO, CALIFORNIA

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

General Bonded Debt Outstanding

Fiscal Year	General Bonded Debt	Tax Allocation Bonds	Total	Percent of Actual Taxable Value of Property	Population	Net Debt per Capita
2015	\$ 147,177,000	\$ —	\$ 147,177,000	0.49 %	520,159	\$ 283
2016	139,998,791	—	139,998,791	0.44 %	520,453	269
2017	131,840,000	—	131,840,000	0.40 %	525,832	251
2018	124,245,000	—	124,245,000	0.36 %	538,330	231
2019	116,160,000	—	116,160,000	0.32 %	536,683	216
2020	107,555,000	—	107,555,000	0.28 %	545,769	197
2021	98,395,000	—	98,395,000	0.24 %	546,770	180
2022	88,640,000	—	88,640,000	0.21 %	543,660	163
2023	78,255,000	—	78,255,000	0.17 %	549,242	142
2024	67,190,000	—	67,190,000	0.14 %	546,971	123

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

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

Note(s): Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

See Gross Assessed Value and Estimated Actual Value of Taxable Property schedule for property value information on page [220](#).

CITY OF FRESNO, CALIFORNIA

Direct and Overlapping Governmental Activities Debt

As of January 17, 2024

2023-24 Gross Assessed Valuation:

\$49,289,992,279

	Estimated Percent Applicable	Debt Applicable
Combined Direct Debt		
City of Fresno Pension Obligation	100%	67,190,000
Lease Revenue Bonds	100%	97,172,349
Capital Finance Obligations	100%	64,802,184
Total Combined Direct Debt		67,351,975
Overlapping Tax, and Assessment Debt		
City of Fresno Community Facilities District No. 4	100%	\$ 620,000
City of Fresno Community Facilities District No. 5	100%	545,000
City of Fresno Community Facilities District No. 7	100%	965,000
State Center Community College District	42.47%	157,319,498
Clovis Unified School District	48.07%	189,730,045
Fresno Unified School District	84.48%	684,025,381
Central Unified School District	81.97%	227,283,033
Other School Districts	Various	95,749,031
California Statewide Communities Development Authority Community Facilities District No. 2022-08	100%	3,885,000
Total Overlapping Tax, and Assessment Debt		1,360,121,988
Overlapping General Fund Obligation Debt		
Fresno County Pension Obligations	48.07%	\$ 83,650,800
Fresno County General Fund Obligations	81.97%	9,974,858
Clovis Unified School District Certificates of Participation	23.89%	80,710,223
Fresno Unified School District Certificates of Participation	55.46%	4,557,426
Central Unified School District Certificates of Participation	84.48%	39,850,481
Other School District Certificates of Participation	Various	32,134,373
City of Fresno General Fund Obligations	100%	128,196,829
City of Fresno Pension Obligation Bonds	100%	78,255,000
Total Overlapping General Fund Debt		457,329,990
Total Overlapping Tax and Assessment, General Fund and Tax Increment Debt		1,817,451,978
Total Overlapping and Direct Debt		\$1,884,803,953

Ratios to 2023-24 Assessed Valuation:

Combined Direct Debt	0.14%
Overlapping Tax, and Assessment Debt	2.76%
Combined Total Overlapping and Direct Debt	3.82%
Overlapping Tax Increment Debt (Successor Agency)	— %

Note(s): Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fresno. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

The percentage of overlapping debt applicable to the City of Fresno is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of overlapping district's taxable assessed value that is within the boundaries of the City of Fresno divided by the District's total taxable assessed value.

The Direct and Overlapping Governmental Activities Debt excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital finance obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

The Overlapping Tax, Assessment Debt and General Fund Debt percentages and figures are provided by Cal Municipal Services, Inc. and are as of December 11, 2024. Direct Debt figures are provided by the Finance Department at the City of Fresno and are as of June 30, 2024.. Direct Debt figures are provided by the Finance Department at the City of Fresno and are as of June, 30, 2024 .

CITY OF FRESNO, CALIFORNIA

Debt Coverage Ratio - Airports

Last Ten Fiscal Years (in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues (1) (2)	\$ 21,802	\$ 22,976	\$ 24,500	\$ 25,022	\$ 27,308	\$ 26,789	\$ 33,470	\$ 41,093	\$ 44,994	\$ 51,864
Less Operating Expenses (3)	14,428	14,934	16,117	17,355	18,701	19,962	20,626	21,290	24,165	(26,662)
Plus: Other Available Funds (4)	350	359	368	377	386	395	—	416	412	422
Net Revenues	7,724	8,402	8,751	8,044	8,993	7,222	12,844	20,219	21,241	25,624
Adjusted Debt Service										
Series 2000 Bonds	—	—								
Series 2013 Bonds (5)	2,805	2,808	2,803	2,801	2,802	2,801	—	2,804	2,700	2,685
Less										
Minimum PFC Contribution (6)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)	(1,600)
Additional PFC Contribution	—	(200)	—	—	—	—	—	—	—	—
Net Series 2000/2013 Debt Service	1,205	1,008	1,203	1,201	1,202	1,201	(1,600)	1,204	1,100	1,085
Series 2007 Bonds (5)	1,399	1,437	1,472	1,509	1,544	1,581	—	1,664	1,649	1,688
2019 Bonds (5)						2,141	—	1,959	1,945	1,942
Annual Adjusted Debt Service (7)	2,604	2,445	2,675	2,711	2,746	4,923	—	4,827	4,694	4,715
Annual Adjusted Debt Service Coverage (8)	2.49	2.97	3.44	3.27	2.97	3.27	1.47	N/A	4.53	5.43

Note(s):

(1) FY 2023 Revenues include \$5.2 Million of CARES Act monies. The Indenture of Trust defines Federal operating grants as Revenues.

(2) State of California law requires the exclusion of Customer Facility Charge (CFC) Revenues from the calculation of Debt Service coverage in excess of annual Debt Service associated with the Series 2007 Bonds.

(3) In accordance with the Indenture, unencumbered funds equal to 25% of Adjusted Debt Service may be designated by the City as Other Available Funds prior to the beginning of any Fiscal Year, and transferred to the Revenue Fund at the Beginning of such Fiscal Year.

(4) The Supplemental Indenture requires a Minimum PFC Contribution of \$1.6 million.

(5) Debt Service on the 2023 Bonds commenced in fiscal year 2023/24.

CITY OF FRESNO, CALIFORNIA

Debt Coverage Ratio - Water System

Last Ten Fiscal Years (in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Charges for Services and Other Operating Revenue	\$ 74,285	\$ 77,959	\$ 101,895	\$ 107,377	\$ 119,029	\$ 120,252	\$ 127,651	\$ 136,479	\$ 122,837	\$ 124,655
Less: Connection Fee Charges for Services	(1,496)	(1,563)	(1,917)	(2,531)	(2,138)	(2,596)	(1,835)	(1,643)	(1,206)	(1,180)
Net Charges for Services (1)	72,789	76,396	99,977	104,846	116,892	117,656	125,816	134,836	121,631	123,476
Interest Income	573	1,147	17	(238)	4,974	6,906	(627)	(9,267)	(343)	13,002
Total Revenues	\$ 73,363	\$ 77,543	\$ 99,994	\$ 104,608	\$ 121,866	\$ 124,562	\$ 125,189	\$ 125,570	\$ 121,288	\$ 136,478
Expenses										
Labor and Benefits	11,378	12,437	12,401	12,176	14,581	13,075	15,428	15,232	16,957	16,019
Pumping Power	8,501	8,150	9,064	9,550	8,358	9,419	10,252	11,516	11,508	13,885
Source of Supply	5,613	6,630	4,188	9,751	6,536	9,027	6,531	8,739	9,177	8,987
Transfer To Rate Stabilization	—	—	—	—	—	—	—	—	—	—
All Other Operating and Maintenance (2)	17,473	17,166	21,547	17,692	35,143	26,148	24,728	30,600	50,862	53,080
Total Operating Expenses (3)	\$ 42,965	\$ 44,382	\$ 47,201	\$ 49,168	\$ 64,617	\$ 57,668	\$ 56,940	\$ 66,087	\$ 88,503	\$ 91,971
Net Revenue	\$30,398	\$33,162	\$52,793	\$55,440	\$57,249	\$66,894	\$68,249	\$59,483	\$32,785	\$44,507
Senior Bond Debt Service (4)	1,374	1,381	1,380	1,376	1,379	1,379	—	—	—	—
State Loans Debt Service	120	120	—	—	—	—	—	—	—	—
Total Senior Debt Service	1,494	1,501	1,380	1,376	1,379	1,379	—	—	—	—
Senior Coverage Ratio	20.34	22.09	38.25	40.29	41.51	48.52	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net Revenue Available for Parity Debt Service	28,903	31,660	51,413	54,064	55,870	65,515	68,249	59,483	32,785	44,507
2010 Series A Bond Debt Service (5)	12,509	12,531	12,508	12,509	12,504	12,510	7,020	4,085	4,084	4,059
State Loans Debt Service	2,770	2,786	3,533	6,021	10,937	18,562	16,190	16,489	16,489	17,201
Total Parity Debt Service	15,280	15,317	16,041	18,530	23,441	31,072	23,211	20,574	20,574	21,260
Parity Coverage Ratio	1.89	2.07	3.21	2.92	2.38	2.11	2.94	2.89	1.59	2.09

- Note(s):** (1) 1993 Indenture defines "Current Revenues" as all revenue from the operation of the Water System except for connection fees and charges.
- (2) All Other Operating and Maintenance includes Fleet Depreciation Charge (vehicle replacement fees paid to Fleet Department).
- (3) 1993 Indenture defines "Maintenance and Operation Costs" as all expenditures incurred for maintaining and operating the Water System except for Debt Service, Depreciation, and Amortization.
- (4) 2003 Water Bonds were the only remaining Senior Bond Debt Service after FY 2016, and were paid off in FY 2020.
- (5) Paid off Remaining 2010 Series A-1 Bonds in FY 2021 with surplus cash.

CITY OF FRESNO, CALIFORNIA

Debt Coverage Ratio - Sewer System

Last Ten Fiscal Years (in thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Senior Lien Revenues:										
Charges for Services (1)	\$ 81,955	\$ 78,186	\$ 83,635	\$ 81,651	\$ 81,085	\$ 77,249	\$ 77,940	\$ 87,795	\$ 84,086	\$ 89,248
Interest Income	1,787	2,779	492	2,046	5,548	4,702	(720)	(7,943)	(1,548)	12,020
Less: Wastewater Facility Connection Fee	(1,709)	(1,844)	(1,968)	(1,996)	(3,290)	(2,600)	(3,426)	(3,393)	(2,028)	(2,176)
Total Senior Lien Revenues	\$ 82,033	\$ 79,121	\$ 82,158	\$ 81,700	\$ 83,343	\$ 79,351	\$ 73,795	\$ 76,460	\$ 80,510	\$ 100,914
Operating Expenses (2)	37,391	35,935	38,058	37,237	45,835	43,522	44,630	51,088	32,873	55,565
Net Income Before Debt Service	44,642	43,186	44,100	44,464	37,507	35,829	29,165	25,372	47,597	45,349
Senior Lien Debt Service (3)	10,695	10,387	10,712	10,701	10,684	373	6,234	40	905	—
Coverage Ratio (4)	4.17	4.16	4.12	4.16	3.51	95.96	4.68	637.08	52.60	—
100% Coverage-Subordinate Lien:										
Net Current Revenue after Senior Lien Debt (before Connection Fees)	\$ 33,947	\$ 32,798	\$ 33,388	\$ 33,763	\$ 26,823	\$ 35,455	\$ 22,931	\$ 25,332	\$ 46,692	\$ 45,349
Available from Senior Lien Revenues	\$ 33,947	\$ 32,798	\$ 33,388	\$ 33,763	\$ 26,823	\$ 35,455	\$ 22,931	\$ 25,332	\$ 46,692	\$ 45,349
Subordinate Lien Debt Service (5)	7,949	7,949	7,949	7,949	667	2,280	—	—	—	—
State Loan Debt Service (6)	—	—	—	1,280	1,286	2,573	1,286	1,286	3,397	3,397
Coverage Ratio	0.004	0.004	0.004	0.004	0.014	0.007	0.018	0.020	0.014	0.013
120% & 125% Coverage Subordinate Lien:										
Net Current Revenue (Excluding Connection Fees)	\$ 33,947	\$ 32,798	\$ 33,388	\$ 33,763	\$ 26,823	\$ 35,455	\$ 22,931	\$ 25,332	\$ 46,692	\$ 45,349
Wastewater Facility Connection Fee	1,709	1,844	1,968	1,996	3,290	2,600	3,426	3,393	2,028	2,176
Transfers From/To Rate Stabilization Fund										
Net Current Revenue (Including Connection Fees)	\$ 35,656	\$ 34,642	\$ 35,356	\$ 35,759	\$ 30,113	\$ 38,055	\$ 26,357	\$ 28,725	\$ 48,720	\$ 47,525
Available From Senior Lien Revenues	35,656	34,642	35,356	35,759	30,113	38,055	26,357	28,725	48,720	47,525
Subordinate Lien Debt Service (5)	7,949	7,949	7,949	7,949	667	2,280	—	—	—	—
State Loan Debt Service (6)	—	—	—	1,280	1,286	2,573	1,286	1,286	3,397	3,397
Coverage Ratio	4.49	4.36	4.45	3.87	15.42	7.84	20.49	22.33	14.34	13.99
Net Income After Debt Service (7)	\$ 27,707	\$ 26,694	\$ 27,407	\$ 27,810	\$ 28,160	\$ 33,202	\$ 25,070	\$ 27,438	\$ 45,323	\$ 44,128

Note(s): (1) Includes revenue paid by the City of Clovis for O&M pursuant to the 1977 Fresno-Clovis Sewerage System Joint Powers Agreement.

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

(3) 1993 Sewer System Revenue Bonds, Series A

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

(5) 2008 Sewer System Revenue Refunding Bonds, Series A.

(6) State Loan Debt Service

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

CITY OF FRESNO, CALIFORNIA

Pledged Revenue Coverage - GASB 44 Methodology

Last Ten Fiscal Years (in thousands)

Fresno Convention Center Revenue Bonds								
Debt Service								
Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage		
2015	\$ 2,960	\$ 3,844	\$ (884)	\$ 2,904	\$ 2,469	(0.16)		
2016	3,634	4,929	(1,296)	3,030	2,346	(0.24)		
2017	3,752	4,929	(1,177)	22,762	2,213	(0.05)		
2018	3,318	3,958	(640)	2,189	1,171	(0.19)		
2019	3,796	4,350	(554)	3,260	1,882	(0.11)		
2020	1,911	3,528	(1,617)	3,422	1,716	(0.31)		
2021	(2)	1,719	(1,721)	3,596	1,541	(0.34)		
2022	5,744	6,387	(643)	3,784	1,351	(0.13)		
2023	4,307	4,760	(453)	3,037	1,148	(0.11)		
2024	5,354	6,550	(1,196)	1,726	995	(0.44)		
Stadium Bonds								
Debt Service								
Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage		
2015	\$ 1,248	\$ 31	\$ 1,217	\$ 1,255	\$ 2,189	0.35		
2016	677	224	454	1,335	2,114	0.13		
2017	1,082	224	858	17,210	1,597	0.05		
2018	2,488	90	2,398	1,355	1,714	0.78		
2019	406	111	295	1,490	1,705	0.09		
2020	644	51	593	1,575	1,616	0.19		
2021	580	154	426	1,670	1,522	0.13		
2022	279	426	(147)	1,770	1,422	(0.05)		
2023	102	731	(629)	1,870	1,316	(0.20)		
2024	585	436	149	1,980	1,203	0.05		
Park Bonds								
Debt Service								
Fiscal Year	Charges for Services	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage		
2015	\$ 329	\$ 65	\$ 264	\$ 55	\$ 102	1.68		
2016	325	102	223	55	100	1.44		
2017	340	102	238	2,030	98	0.11		
2018	323	38	286	60	73	2.15		
2019	410	256	154	50	79	1.19		
2020	278	345	(67)	55	77	(0.51)		
2021	411	326	85	55	74	0.66		
2022	630	170	460	55	71	3.65		
2023	687	265	422	60	68	3.29		
2024	685	100	585	65	65	4.48		

Note(s) Operating Expenses do not include interest, amortization or depreciation expenses.

The City issued new lease-revenue bonds to refinance several existing lease-revenue bonds for economic savings on May 10, 2017. Any bonds that were callable and produced savings were included, even if it meant redeeming one project in part because there was a non-callable portion that could not be redeemed.

CITY OF FRESNO, CALIFORNIA

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars in Thousands)

Legal Debt Limit Calculation for Fiscal Year 2024

Assessed Value	\$	49,289,992
Debt Limit (20% of assessed value, pursuant to City Charter)		9,857,998
Debt applicable to the limit:		—
General obligation bonds		—
repayment of general obligation debt		—
Total net debt applicable to limit		—
Legal debt margin	\$	9,857,998

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2015	\$ 6,016,695	\$ —	\$ 6,016,695	0.00 %
2016	6,305,285	—	6,305,285	0.00
2017	6,588,227	—	6,588,227	0.00
2018	6,890,781	—	6,890,781	0.00
2019	7,322,640	—	7,322,640	0.00
2020	7,711,716	—	7,711,716	0.00
2021	8,173,990	—	8,173,990	0.00
2022	8,476,049	—	8,476,049	0.00
2023	9,148,790	—	9,148,790	0.00
2024	9,857,998	—	9,857,998	0.00

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

Note(s): The City's Judgment and Pension obligation bonds were the result of legal judgments that were financed to be paid out over a period of time. Per Article XVI, Section 18 of the California Constitution "obligations imposed by law" are deemed exceptions to the debt limit.

CITY OF FRESNO, CALIFORNIA

Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Area Square Miles
2015	520,159	\$ 37,359,815,000	\$ 38,323	10.20%	114.20
2016	520,453	39,295,335,000	40,101	9.50%	114.34
2017	525,832	41,024,000,000	41,470	8.48%	114.67
2018	538,330	42,842,800,000	43,084	7.50%	115.21
2019	536,683	45,445,944,000	45,487	7.30%	116.48
2020	545,769	48,539,267,000	48,495	12.12%	116.48
2021	546,770	52,363,942,000	51,692	12.13%	116.93
2022	543,660	51,316,407,000	50,549	5.60%	116.93
2023	549,242	53,633,038,000	52,728	7.00%	116.93
2024	546,971	Not yet available	Not yet available	8.10%	117.18

Source(s): Population Information - State of California Department of Finance, Demographic Research Unit
Unemployment Information - California Employment Development Department (EDD), Labor Market Information Division
Per Capita Income and Personal Income - Bureau of Economic Analysis (BEA).

Note(s): Personal Income and Per Capita Personal Income Information pertains to Fresno, CA, Metropolitan Statistical Area (MSA).
2023-2024 Personal Income and Per Capita Income data is not yet available from the BEA.

The 2024 Unemployment Rate is the average of estimates for the first 8 months of calendar year 2024 as provided by EDD as of October 2024.

The 2024 Population is as of 11/27/2024.

CITY OF FRESNO, CALIFORNIA

Principal Employers

Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Fresno Unified School District	13,669	1	3.18%	—	—	—
Community Medical Centers	9,750	2	2.26%	4,789	1	1.23%
County of Fresno	8,980	3	2.09%	—	—	—%
Amazon	3,900	4	0.91%	—	—	—
California State University, Fresno	5,233	5	1.22%	1,562	5	0.40
City of Fresno	5,015	6	1.16%	2,938	2	0.75%
State Center Community College District	4,367	7	1.01%	1,178	6	0.30%
Internal Revenue Service	4,230	8	0.98%	—	—	—%
Saint Agnes Medical Center	3,075	9	0.71%	2,400	3	0.62%
Foster Farms	3,009	10	0.70%	—	—	—%
Kaiser Permanente Medical Center	—	—	—	2,000	4	0.51%
Fresno Economic Opportunities Commission	—	—	—	973	7	0.25%
Ameriguard Security Services, Inc.	—	—	—	567	8	0.15%
Guarantee Real Estate	—	—	—	544	9	0.14%
Geil Enterprises	—	—	—	500	10	0.13%
Total	61,228		14.22%	17,451		4.48%
Fresno City Employment	430,500			389,400		

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

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

Note(s): FY2024 employer information provided by the Fresno County Economic Development Corporation (EDC) and represents private and public sector full-time employees.

FY2024 employer information estimated to be within the City of Fresno.

The Employer Information for the Internal Revenue Service includes employees from all Fresno offices

FY2024 Fresno City Employment figures are for June 2024 as currently available from the California EDD for Fresno (MSA).

FY2024 Fresno City Employment figures for Amazon, Internal Revenue Service and Saint Agnes Medical Center are from FY2022.

CITY OF FRESNO, CALIFORNIA

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Management	79.50	80.25	85.25	96.84	101.50	189.00	199.00	226.25	262.65	265.25
Finance	58.00	58.75	60.75	54.75	55.00	118.00	116.00	115.75	116.00	117.00
General Services	—	—	—	—	—	—	—		143.75	146.00
Other	95.00	96.25	103.50	106.00	112.00	117.00	121.00	130.00	204.00	229.20
Enterprise Functions										
Transportation										
Airports										
Sworn	15.00	15.00	19.00	19.00	19.00	19.00	19.00	21.00	24.00	25.00
Civilian	72.00	72.00	77.35	80.05	82.00	85.65	99.40	95.40	109.65	115.15
FAX Department	422.00	435.50	492.25	508.00	515.50	533.00	534.00	541.00	492.00	508.00
Public Utilities	634.75	640.50	643.80	643.80	646.80	587.75	589.00	613.50	608.55	621.05
Economic Growth and Expansion										
Development and Resource Management Department	174.60	184.60	204.80	218.70	—	—	—	—	—	—
Planning and Development	—	—	—	—	—	—	—	—	—	—
Economic Development	—	—	—	—	—	—	—	—	8.00	8.00
Planning and Development Services	0.00	0.00	0.00	0.00	218.20	138.70	141.20	161.35	196.40	206.15
Public Works	292.75	288.75	305.25	315.25	339.50	356.75	358.00	392.50	407.25	453.25
Culture and Recreation										
Parks, Recreation and Community Services	66.00	71.00	73.50	75.00	75.75	76.00	88.00	72.00	132.50	159.00
Public Protection										
Police										
Sworn	717.00	775.00	804.00	830.00	835.00	835.00	838.00	850.00	888.00	900.00
Civilian	278.80	244.56	274.65	270.34	273.75	292.00	297.60	316.90	367.50	397.50
Fire										
Sworn	310.00	314.00	334.00	334.00	334.00	302.00	305.00	347.00	371.00	375.00
Civilian	46.75	45.00	42.91	47.75	42.50	43.50	45.30	48.50	47.92	53.00
Total	\$3,262.15	\$3,321.16	\$3,521.01	\$3,599.48	\$3,650.50	\$3,693.35	\$3,750.50	\$3,931.15	\$4,379.17	\$4,578.55

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

- Note(s):**
- Figures for Full-time Equivalents (FTE's) include Permanent and Permanent Part-Time employees only.
 - Authorized Positions are established by resolution of the City Council and represent the total number of permanent, permanent part-time and permanent intermittent positions in which persons may be employed by the City during a Fiscal Year. Changes in the total number of positions can only be accomplished by resolution of the City Council.
 - Total permanent positions for each fiscal year are represented as of the following dates: FY2011 as of May 2011; FY2012 as of May 2012; FY2014 as of June 2013; FY2015 as of September 2014; FY2016 as of September 2015; FY2017 as of June 2017; FY2018 as of June 2018; FY2019 as of June 2019, and FY20 as of June 2020.
 - In FY2011 Planning and Development became the Development and Resource Management Department (DARM).
 - In FY2012 the Downtown & Community Revitalization Department was consolidated into the DARM Department.
 - In FY2012 the General Services Department (GSD) was dissolved and its operating divisions were merged into the Finance, Public Works and Transportation/FAX Departments.
 - In FY2012 effective December 1, 2011, Commercial Solid Waste Operations were franchised. 109 authorized positions in the Public Utilities Department were deleted by City Council Resolution, effective July 3, 2012.
 - In FY2017 the Transportation FAX Department added service, management and support staff positions for a variety of service additions such as Bus Rapid Transit (BRT), extended night and weekend service, and increased frequencies on four major avenues.
 - In FY2017 positions were added to address reductions that occurred in recent years. Additions to the Police Department included Police Officer Recruits, Police Officer Cadets and a Police Sergeant. Additions to the Fire Department included Firefighters and an administrative position.
 - In FY2018 the Budget and Management Studies Division was relocated from Finance to the City Manager's Office.
 - In FY2019, Development and Resource Management Department (DARM) became Planning & Development Services
 - In FY2023 Economic Development was established as its own department.

CITY OF FRESNO, CALIFORNIA

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Building Permits Issued										
Commercial	1,878	1,641	1,948	1,876	1,688	1,731	1,387	1,322	1,774	1,561
Residential	9,084	8,313	11,227	10,998	7,770	9,753	9,045	9,458	10,796	13,217
Police										
Physical Arrests	43,729	37,816	26,893	27,920	28,337	20,885	18,006	10,939	12,341	18,854
Traffic Violations (citations issued)	44,954	58,927	58,927	39,488	57,691	43,992	21,769	22,892	28,174	31,653
Calls Received for Police Service	950,099	1,026,458	950,099	1,013,411	924,016	920,020	905,206	1,256,230	1,178,900	409,219
Fire										
Emergency Medical Service Calls	20,191	19,174	21,773	21,430	32,071	27,964	21,640	25,487	25,034	25,367
Fire Incidents	16,326	18,257	16,702	16,830	25,194	14,906	19,352	22,281	21,765	23,716
Fire Inspections	9,780	12,581	13,292	12,679	12,747	13,692	11,329	14,871	16,124	18,603
Fire Hydrant Inspections	26,811	17,025	17,000	17,252	17,252	17,381	17,859	17,004	17,266	17,345
Wastewater Treatment										
Average Daily Sewage Treatment (million gallons per day)	57.20	55.90	56.90	57.10	56.20	56.10	58.00	57.38	57.66	54.88
Wastewater Treatment Capacity (million gallons per day)	80.00	80.00	80.00	80.00	91.50	91.50	91.50	94.50	91.50	91.50
Solid Waste										
Refuse Collected (tons per day)	504.83	623.00	650.41	648.00	661.55	650.00	750.00	750.41	729.90	728.09
Recyclables Collected (tons per day)	116.87	154.00	155.99	153.77	156.26	159.00	179.00	179.55	169.00	163.28
Green Waste Collected (tons per day)	275.16	348.00	358.10	353.14	365.27	366.00	368.00	358.72	353.00	355.67
Other Public Works										
Street Resurfacing (miles)	16.58	18.62	16.81	15.10	28.30	13.78	91.44	13.13	64.05	97.18
Parking Violations (citations issued)	49,326	47,531	53,760	54,865	45,407	34,514	16,524	29,251	25,751	29,388
Parks and Recreation										
Athletic Field Permits Issued	5,921	6,949	8,332	5,392	6,795	5,182	556	2,967	6,886	6,371
Memorial Auditorium User Groups	16	27	18	13	23	8	1	8	8	12
Memorial Auditorium, Audience	21,000	45,900	18,900	16,500	19,500	10,800	1,106	5,225	3,350	4,955
Senior Hot Meal Participants (All Sites)	38,103	45,070	44,686	47,605	46,604	29,007	—	—	165	22,700
Meals Served (Not Senior Hot Meals)	—	—	32,328	40,830	26,879	22,878	—	—	3	—
Picnic Shelter/Table Reservations (Roeding & Woodward)	2,194	2,457	2,053	1,907	1,841	2,438	21	4,838	1,186	1,148
Average Daily Attendance (Neighborhood Parks with Centers)	—	1,653	1,732	1,976	2,083	1,656	357	20	16	21

CITY OF FRESNO, CALIFORNIA

Operating Indicators by Function/Program

Last Ten Fiscal Years (Continued)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Convention Center										
Event Days	297	209	313	300	296	170	—	155	235	271
Gross Ticket Sales	\$ 5,594,470	\$ 7,272,305	\$ 8,049,133	\$ 6,741,116	\$12,048,880	\$ 3,792,771	\$ —	\$8,537,274.01	\$6,818,629.34	\$12,215,526
Attendance	428,086	455,491	455,587	417,918	478,541	278,299	—	234,718	251,265	330,281
Water										
Number On-Service Accounts	133,163	134,381	135,448	136,408	137,251	138,332	140,140	141,196	142,569	143,263
Main/Service Leaks Repaired	558	378	408	663	737	776	842	541	940	798
Average Daily Per Capita Consumption (gallons)	208.00	182.60	198.00	207.60	189.30	196.77	203.00	197.83	185.70	188.20
Peak Daily Consumption (MGD - Million Gallons per Day)	187.36	169.88	180.60	183.42	156.91	170.01	174.20	172.44	199.20	167.00
Transportation										
Number of Commercial Airlines	9	8	8	8	8	8	9	9	8	8
Number of Cargo Carriers	3	3	3	3	3	3	3	2	2	2
Total Number Tenant Aircraft	408	320	303	277	301	287	287	287	287	286
Annual Fuel Consumption (gallons)	9,548,919	10,541,916	10,592,430	8,698,431	2,648,061	2,002,465	2,247,020	2,549,932	2,380,532	2,299,992
Origin and Destination Passengers										
Domestic	1,252,962	1,292,784	1,328,929	1,423,248	1,621,990	1,298,554	1,094,020	1,907,434	1,945,419	2,231,783
International	153,244	182,225	208,947	212,075	235,667	207,037	200,785	302,571	320,566	365,171
Origin and Destination Mail (lbs.)	—	316	17,818	9,362	12,649	—	—	—	5,822	209
Origin and Destination Freight (lbs.)	25,843,389	24,546,856	19,873,695	20,965,016	22,399,354	34,921,956	33,956,904	34,348,311	27,125,646	21,627,362
Fresno Area Express (FAX)										
Actual Route Miles	4,157,174	4,175,783	4,208,890	4,337,684	4,649,397	4,701,969	4,693,498	4,788,756	4,833,345	5,361,880
Passengers	11,364,431	10,672,577	9,622,874	9,750,800	10,551,665	9,058,367	5,604,780	6,985,740	8,184,510	9,606,251
Mini-Buses - Purchased Transportation	50	58	63	69	56	48	43	40	38	42

Source(s):

City of Fresno - Various Departments

Note(s):

- (1) Building Permits Issued includes individual units and structures and is a composite of new construction, additions, alterations, repairs and relocations.
- (2) Police department figures are based on calendar year and are as of January 1 of reported year. FY2020 physical arrest figures are reported as of September 2019.
- (3) Information is combined for Fresno Yosemite International (FYI) and Chandler Executive Airport (FCH) for Number of Cargo Carriers, Number of Tenant Aircraft, Annual Fuel Consumption and Origin and Destination Freight.
- (4) Fire inspection figures reflect only those performed in the City of Fresno and excludes service calls for neighboring fire districts.
- (5) Fire hydrant inspections decreased in FY2016 because of an inspection schedule change. Beginning in FY2016, fire hydrant inspections are scheduled for annual inspections instead of bi-annual inspections.
- (6) The FY2016 Mini bus figure includes 8 sedans as is consistent with National Transit Database (NTD) reporting.
- (7) The FY2019 increase in FAX functional areas was due to a steady increase in FAX ridership due to strategic planning efforts, namely the addition of Bus Rapid Transit service in February 2018 and an additional line (Route 12) west of highway 99.
- (8) The FY2019 drop in fuel consumption was due to a loss of a large fixed based operator and a significant drop in the extent of fires, resulting in less military and forest service.
- (9) The FY2020 & FY2021 reduction in parking violations was related to relaxed enforcement due to COVID-19.
- (10) The FY2021 decrease in number of mini-buses was due to life cycle retirements. Passenger decrease was a direct result of COVID-19, ridership was restricted to allow for social distancing. Beginning March 2020, the passenger limit affected subsequent months and continued through June 20, 2021.
- (11) The FY2021 reduction of Parks & Recreation operations was due to the shuttering of facilities due to COVID-19.
- (12) The FY2021 increase in street resurfacing miles was due to the inclusion of Street Paving, Slurry & Construction Management miles.
- (13) The FY2021 decrease of Convention Center operations was due to the reduction of events hosted in response to COVID-19.
- (14) The FY2021 decrease in Police traffic violations was due to less people on the roads in response to COVID-19
- (15) The FY2022 increase of Convention Center operations was due to the increase of events hosted.
- (16) The FY2023 for Athletic Field Permits Issued includes Tennis
- (17) The FY2023 Meals and Senior Hot Meals increased as they were not served in FY2022 due to the Covid Pandemic
- (18) The FY2023 paratransit statistics are not included in the Revenue Miles (Actual Route Miles) or Number of Passengers categories listed within this table.
- (19) The FY2023 increase in fixed route passengers is due to the removal of COVID-19 related restrictions.
- (20) The FY2023 decrease in both directly operated fixed route buses and paratransit cutaways are due to lifecycle retirements. The Department has funding available to replenish the lost vehicles in succeeding fiscal years, however, COVID-19 staffing inconsistencies have led to procurement delays.
- (21) Information was not available for all years for all categories.

CITY OF FRESNO, CALIFORNIA

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police Department										
Stations	4	4	5	5	5	5	5	5	5	5
Patrol Bureaus	4	4	5	5	5	5	5	5	5	5
Vehicular Patrol Units	257	276	334	360	356	390	388	435	470	506
Plain Cars (No specialty vehicles)	175	173	198	197	200	228	239	64	218	273
Motorcycles	85	72	70	74	70	66	74	57	69	80
Helicopters	2	2	2	2	2	2	2	2	2	2
Fixed Wing Aircraft	1	1	1	1	—	—	—	—	—	—
Fire Department										
Fire Stations	20	20	20	20	20	20	20	20	20	20
Squad Companies	—	—	—	—	—	—	—	3	3	4
Engine Companies	18	18	17	17	18	18	18	18	18	18
Truck Companies	4	4	5	5	5	5	5	5	5	5
Public Works										
Streets (miles)	1,672	1,500	1,511	1,692	1,700	1,714	1,721	1,721	1,721	1,737
Street Lights	42,051	42,207	42,405	43,318	43,450	43,570	43,811	44,048	44,297	45,101
Traffic Signals	489	467	468	481	488	486	488	493	503	554
Solid Waste Division										
Collection Trucks	84	89	81	85	86	86	88	88	84	84
Water Division										
Water Mains (miles)	1,799	1,801	1,809	1,827	1,859	1,870.86	1,880	1,889.04	1,897	1,909
Wells	260	261	260	263	262	262	264	271	271	202
Fire Hydrants	13,170	13,218	13,332	13,484	13,536	13,638	13,717	13,784	13,865	14,004
Sewer Maintenance Division										
Sewer Mainlines (miles)	1,533	1,536	1,539	1,613	1,558	1,628.1	1,579	1,593.03	1,597.3	1,604.71
Manholes	23,776	22,834	23,947	24,146	24,359	25,546	25,546	25,046	25,238	25,398
Lift Stations	15	15	15	15	14	16	16	17	16	16
Parks										
Metropolitan Parks (Regional)	3	3	3	3	3	3	3	3	3	3
Neighborhood Parks	32	33	34	34	34	34	34	34	47	47
Pocket Parks	21	21	21	21	21	21	21	21	18	18
Zoo	1	1	1	1	1	1	1	1	1	1
Golf Courses	2	2	2	2	2	2	2	2	1	1
Community Parks	1	1	1	1	1	1	1	1	10	10
Skate Parks	6	8	8	8	8	8	8	8	8	8
Tennis Courts	40	42	42	42	42	42	42	42	42	42
Acres of Parks	1,384	1,392	1,393	1,393	1,393	1,393	1,393	1,393	1,288	1,288
Neighborhood Centers	12	12	12	12	12	12	12	12	12	12
Community Center	5	5	5	7	7	7	7	7	7	7
Swimming Pools	9	9	9	9	8	8	8	8	8	8

CITY OF FRESNO, CALIFORNIA

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years (continued)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Transportation										
Airports	2	2	2	2	2	2	2	2	2	2
Municipal Airport Total Acreage	1,875	1,875	1,875	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Length of Longest Runway (surfaced) - Linear Feet	9,539	9,539	9,539	9,539	13,165	13,165	13,165	13,165	13,165	13,165
Number of Runways	3	3	3	3	3	3	3	3	3	3
Number of Terminals	2	2	2	2	2	2	2	2	2	2
Terminals (square footage)	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364	193,364
Number of Parking Spaces (surface lot)	2,365	2,355	2,664	2,664	2,664	2,812	3,074	4,038	4,031	3,883
Air Cargo Ramp Spaces	9	8	8	9	9	9	8	8	8	8
Air Cargo Ramp (surface square footage)	806,390	806,390	806,390	806,390	806,390	806,390	806,390	806,309	806,309	806,309
Number of Hangars	302	303	303	303	303	303	303	303	303	303
Buses - Directly Operated	105	105	129	138	102	100	102	105	103	109

Source(s): City of Fresno - Various Departments

- Note(s):**
- (1) Information combined for Fresno Yosemite International (FYI) and Chandler Executive Airport (FCH).
 - (2) The FY2016 reduction in Street(miles) is due to the non-inclusion of secondary segments on the major divided roads and is not associated with any road removal.
 - (3) The Regional Sports Complex reported acreage was reduced from 268 acres to 114. While part of the Complex footprint, 154 acres are presently not available for public access.
 - (4) Three acres were added due to the opening of Martin Ray Reilly Park in FY2015. 8.3 acres were added in FY2016 due to the opening of Inspiration Park.
 - (5) In FY2020, Airports added stalls to a designated area not previously used for parking. This increased the number of stalls and had no affect on acreage.
 - (6) In FY2022 there was a significant increase in the number of parking stalls at the airport due to completion of the new parking garage on the current parking lot location. Parking stalls no longer designated Hourly/Daily. They are now Daily/Economy.
 - (7) FY2023 Street Resurfacing increase as there was no contract in place for FY2022.
 - (8) FY2023 Lift Stations decreased to 16 as DPU erroneously reported 17 in FY2022.
 - (9) FY2023 Golf Courses decreased as Palm Lakes is no longer utilized for golf.
 - (10) Information not available for all years for all categories.

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