

# Financial state of the city

# FRESNO



MONEY  
AVAILABLE TO  
PAY BILLS:  
\$320.3 MILLION



Truth in  
Accounting



\$2,100  
TAXPAYER  
SURPLUS

# THE FINANCIAL STATE OF FRESNO

## Why did Fresno report a pension asset of \$326.7 million this year?

Because of a new accounting rule, Fresno now has to report its pension debt on its balance sheet. The city actually has overfunded its pension, so it reported a pension asset of \$326.7 million in 2015. In 2014, no pension asset was disclosed.

For years, Truth in Accounting has called for this financial reporting change, and we welcome the shift towards more transparent accounting.

### The city's assets exceed its bills

Assets	\$3,138,834,000
Minus: Capital assets	-\$2,269,164,000
Restricted assets	-\$146,174,000
Assets available to pay bills	\$723,496,000
Minus: Bills	-\$403,246,000
Money available to pay future bills	\$320,250,000
Each taxpayer's share of surplus	<b>\$2,100</b>

Fresno has \$3.1 billion in assets, but most of these assets are not available to pay city bills.

The \$2.3 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$146.2 million of the assets is restricted by law or contract.

That leaves \$723.5 million of the city's assets available to pay \$403.2 million of bills as they come due.



Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

## Key findings

- Fresno has \$723.5 million available to pay \$403.2 million worth of bills. Therefore, the city has a \$320.3 million surplus.
- Fresno has a taxpayer surplus of \$2,100, which is each taxpayer's share of the city's excess funds.
- The city has been more transparent with their pensions, but still continues to hide \$59.6 million of retiree health care debt.

### The bills Fresno has accumulated

Bonds	\$799,373,000
Other liabilities	\$428,745,000
Minus: Debt related to capital assets	-\$660,798,000
Overfunded pension benefits	-\$295,674,000
Unfunded retiree health care benefits	\$131,600,000
<b>Bills</b>	<b>\$403,246,000</b>

The city has accumulated bonds of \$799.4 million and other liabilities of \$428.7 million. The calculation of assets available to pay bills does not include capital assets, so \$660.8 million of related debt is removed from the calculation of city bills.

Unfunded employees' retirement benefits represent 33% of city bills. These unfunded liabilities have accumulated because city employees have been promised \$131.6 million of retiree health care benefits. Unlike most states, Fresno has the assets needed to pay for these liabilities.

Fresno's elected officials seem to promise only the amount of benefits they can afford to pay.

Data is derived from the city of Fresno's June 30, 2015 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the city's population with a federal tax liability.

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