




**The Financial Debt in Large Cities and Its Impact:
Were Cities Ready for Covid-19?**

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Financial State of the Cities

63 CITIES DO NOT HAVE ENOUGH MONEY TO PAY THEIR BILLS



When cities do not have enough money to pay their bills, TIA takes the money needed to pay bills and divides it by the estimated number of city taxpayers. We call the resulting number a Taxpayer Burden and rank cities based on this measure.



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\$323.2 BILLION IN UNFUNDED DEBT

In total, debt among the 75 most populous cities was more than \$323 billion at the end of the 2018 fiscal year.





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\$176.2 BILLION IN PENSION DEBT & \$149.8 BILLION IN OPEB DEBT

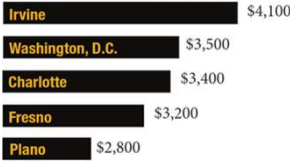


Unfunded retirement liabilities are the main contributing factor to the \$323 billion in city-level debt. One of the ways cities make their budgets look balanced is by shortchanging public pension and OPEB funds. This practice has resulted in a \$176.2 billion shortfall in pension funds and a \$149.8 billion shortfall in OPEB funds.




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TOP 5 SUNSHINE CITIES




City	Value
Irvine	\$4,100
Washington, D.C.	\$3,500
Charlotte	\$3,400
Fresno	\$3,200
Plano	\$2,800




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TOP 5 SINKHOLE CITIES



City	Value
New Orleans	-\$18,800
Philadelphia	-\$25,500
Honolulu	-\$26,400
Chicago	-\$37,100
New York City	-\$63,100



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To review how each city's debt is calculated, go to



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Financial State of Baltimore

THE CITY'S BILLS EXCEED ITS ASSETS	
Total assets	\$12,155,150,000
<i>Minus:</i> Capital assets	-\$9,203,416,000
Restricted assets	-\$678,782,000
Assets available to pay bills	\$2,272,952,000
<i>Minus:</i> Total bills	-\$5,797,106,000
Money available (needed) to pay bills	-\$3,524,154,000
Each taxpayer's share of this debt	-\$16,000

BILLS THE CITY HAS ACCUMULATED	
Bonds	\$825,307,000
Other liabilities	\$4,909,650,000
<i>Minus:</i> Debt related to capital assets	-\$2,682,621,000
Unfunded pension benefits	\$1,882,668,000
Unfunded retiree health care benefits	\$862,102,000
Total bills	\$5,797,106,000



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Baltimore Keeps Two Sets of Books

- Its consolidated balance sheet reports its pension and retiree health care liabilities.
- The General Fund balance sheet does not.
- Therefore the Baltimore reported its General Fund had a balance of \$811 million.



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Eliminating Two Sets of Books

- These two sets of books allow elected officials to claim balanced budgets while going into debt at the same time.
- You can help us change this by urging the Governmental Accounting Standards Board to change the rules.



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What can you do?

- Visit our websites to educate yourself
 - www.truthinaccounting.org
 - www.data-z.org
- Sign up for our daily newsletter Morning Call
- Write an email to GASB to change the rules



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Truth in Accounting

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