



WASHINGTON, D.C. FINANCES STABLE

January 2018
truthinaccounting.org

THE FINANCIAL STATE OF WASHINGTON, D.C.

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Washington, D.C., ranks No. 8, earning it a "B" on TIA's grading scale.

Washington, D.C.'s elected officials have only promised the amount of benefits they can afford to pay. Because of this, the district has enough money to pay all of its bills. When broken down, the amount available to pay future bills results in a surplus of \$1,300 for each Washington, D.C., taxpayer.

The district's pension and retiree healthcare plans are extremely well-funded, resulting in a negative unfunded amount. Washington, D.C. endeavors to have enough assets to pay benefits, so the amount of assets attempts to take into account downturns in the market.

Not only does Washington D.C., have enough money to pay all of its bills, the district also isn't hiding any debt from taxpayers. A new accounting standard implemented last year requires state and local governments to report all of their pension debt on the balance sheet. And in fiscal year 2018, governments will have to disclose unfunded retiree healthcare debt as well.

8

Rank

\$346.8
million

Money available
to pay future
bills

\$1,300

Taxpayer
Surplus™

B

Financial grade

WASHINGTON, D.C. FINANCIAL BREAKDOWN

FAST FACTS

- + Washington, D.C. has \$5 billion available in assets to pay \$4.7 billion worth of bills.
- + The outcome is a \$346.8 million surplus, which breaks down to \$1,300 per taxpayer.
- + Washington, D.C. does not hide any retirement liabilities from its balance sheet since its pension and retiree healthcare plans are fully funded.

THE DISTRICT'S ASSETS EXCEED ITS BILLS

Assets	\$20,356,481,000
<i>Minus:</i> Capital assets	-\$13,308,776,000
Restricted assets	-\$2,050,348,000
Assets available to pay bills	\$4,997,357,000
<i>Minus:</i> Bills	-\$4,650,508,000
Money available to pay bills	\$346,849,000
Each taxpayer's share of surplus	\$1,300

BILLS THE DISTRICT HAS ACCUMULATED

Bonds	\$11,901,417,000
Other liabilities	\$2,971,743,000
<i>Minus:</i> Debt related to capital assets	-\$9,984,572,000
Overfunded pension benefits	-\$36,880,000
Overfunded retiree healthcare	-\$201,200,000
Bills	\$4,650,508,000

GRADE: B

Bottom line: Washington, D.C. has enough money to pay its bills, so it has received a "B" for its finances from Truth in Accounting. A "B" grade is given to entities with a Taxpayer Surplus™ between \$100 and \$10,000.

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 truthful and transparent financial information.