



No. **72**

# Honolulu Ranks No. 72 for Fiscal Health

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## The Financial State of Honolulu

A new analysis of the latest available audited financial report found Honolulu has a Taxpayer Burden™ of \$23,000, earning it an "F" grade based on Truth in Accounting's grading scale.

Honolulu's elected officials have made repeated financial decisions that have left the city with a debt burden of \$2.8 billion, according to the analysis. That equates to a \$23,000 burden for every city taxpayer.

Honolulu's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$7.8 billion in retirement benefits promised, the city has not funded \$2.5 billion in pension and \$2 billion in retiree health care benefits.

### Here's the truth:



Data included in this report is derived from the city of Honolulu 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

# HONOLULU

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Honolulu has \$2.7 billion available in assets to pay \$5.5 billion worth of bills.
- + The outcome is a \$2.8 billion shortfall and a \$23,000 Taxpayer Burden.
- + Honolulu's reported net position is overstated by \$1.1 billion, largely because the city delays recognizing losses incurred when the net pension liability increases.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$13,322,827,000
Minus: Capital assets	-\$10,447,748,000
Restricted assets	-\$184,161,000
Assets available to pay bills	\$2,690,918,000
Minus: Bills	-\$5,506,052,000
Money needed to pay bills	-\$2,815,134,000
Each taxpayer's share of this debt	-\$23,000

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$5,266,990,000
Other liabilities	\$1,275,555,000
Minus: Debt related to capital assets	-\$5,468,884,000
Unfunded pension benefits	\$2,465,279,000
Unfunded retiree health care	\$1,967,112,000
Bills	\$5,506,052,000

### GRADE: F

Bottom line: Honolulu would need more than \$20,000 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances from Truth in Accounting.