



THE TRUTH

Money Needed to Pay Bills
- **\$5.1 billion**

Taxpayer Burden™
- **\$4,000**

Financial Grade
C

Ranking
38 out of 75

Los Angeles Ranked No. 38 of 75 for Fiscal Health



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Financial State of Los Angeles, California

This report shows that Los Angeles went into the coronavirus pandemic in mediocre fiscal health, and it will probably come out of the crisis worse. Based upon the city’s fiscal year 2019 audited financial report, Los Angeles had a Taxpayer Burden™ of \$4,000, earning it a “C” grade from Truth in Accounting.

Los Angeles’s elected officials have repeatedly made financial decisions that have left the city with a debt burden of \$5.1 billion. That burden equates to \$4,000 for every city taxpayer. Los Angeles’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$67.4 billion in retirement benefits promised, the city has not funded \$8.5 billion in pension and \$2.7 billion in retiree health care benefits.

Los Angeles did not have enough money set aside to weather the current pandemic and fluctuations in the market. The city is expected to lose some revenue as a result of the pandemic. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but Los Angeles’s overall debt will most likely increase.

The data included in this report is derived from the city of Los Angeles’s 2019 audited Comprehensive Annual Financial Report and retirement plans’ reports. To compare cities’ financial information go to data-z.org.

Los Angeles Financial Breakdown

Fast Facts

- Los Angeles had \$16.3 billion available to pay \$21.4 billion worth of bills.
- The outcome was a \$5.1 billion shortfall, which breaks down to a burden of \$4,000 per taxpayer.
- This means that each taxpayer would have to pay \$4,000 in future taxes for which they would receive no related services or benefits.

THE CITY’S BILLS EXCEEDED ITS ASSETS

Total assets	\$70,604,988,000
Minus: Capital assets	-\$48,561,506,000
Restricted assets	-\$5,698,576,000
Assets available to pay bills	\$16,344,906,000
Minus: Total bills	-\$21,400,799,000
Money available (needed) to pay bills	-\$5,055,893,000
Each taxpayer’s share of this burden	-\$4,000

BILLS THE CITY ACCUMULATED

Bonds	\$31,051,565,000
Other liabilities	\$7,290,084,000
Minus: Debt related to capital assets	-\$28,155,887,000
Unfunded pension benefits	\$8,541,002,000
Unfunded retiree health care benefits	\$2,674,035,000
Total bills	\$21,400,799,000

Grade:	Bottom line: Los Angeles would need \$4,000 from each of its taxpayers to pay all of its bills, so it has received a “C” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,900 receives a “C.”
C	

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