

# Financial State of Los Angeles

Money Needed to Pay Bills

**\$1.8 billion**



Taxpayer Burden™

**\$1,300**



Ranking (Out of 5)

**1st**

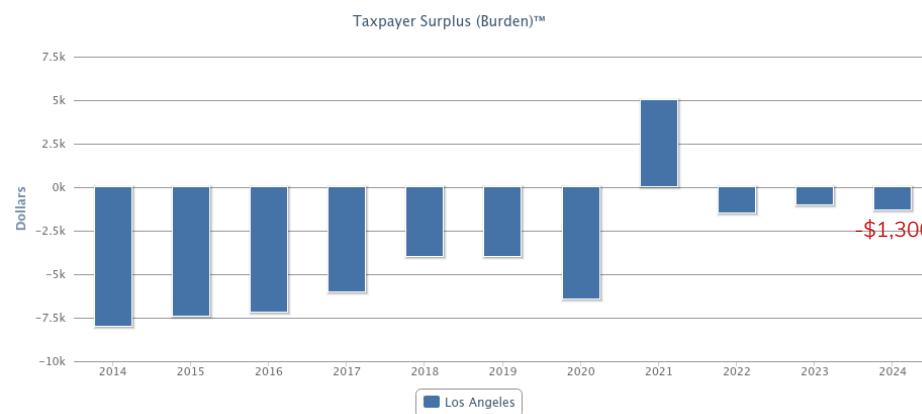


Grade

**C**



Los Angeles' financial condition worsened in 2024, leaving the city with insufficient money to pay its bills. The shortfall amounted to \$1.8 billion. Based upon the city's latest audited financial report for fiscal year 2024, it had a Taxpayer Burden of \$1,300, earning it a "C" grade from Truth in Accounting.



Los Angeles' net investment in capital assets and restricted assets increased. Capital assets include infrastructure, land, and software, which cannot be used to pay bills. Restricted funds, subject to various restrictions on how they may be used, also increased. The growth of net capital and restricted assets reduced resources and decreased the money readily available to cover the city's financial obligations.

Los Angeles is in better financial shape than many cities because its pension and retiree health care benefits are nearly fully funded. The city prefunds its pension obligations and Other Post-Employment Benefits (OPEB) to reduce long-term liabilities and maintain financial stability. These practices are the result of careful local planning, negotiations with employee unions, and a desire to protect the city's credit rating. By acting proactively, Los Angeles avoids the large funding gaps seen in cities like New York and Chicago.

The data in this report comes from Los Angeles' audited 2024 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit [Data-Z.org](https://www.data-z.org).

# Los Angeles' Financial Facts

## FACT #1:

Los Angeles had \$18.8 billion available to pay \$20.6 billion worth of bills.

## FACT #2:

The outcome was a \$1.8 billion shortfall, which breaks down to a burden of \$1,300 per taxpayer.

## FACT #3:

The growth of net capital and restricted assets reduced funds readily available to cover the city's financial obligations.

## The City's Bills Exceeded Its Assets

Total Assets	\$88,618,063,000
Minus: Capital Assets	-\$62,672,125,000
Restricted Assets	-\$7,158,713,000
Assets Available to Pay Bills	\$18,787,225,000
Minus: Total Bills*	-\$20,575,382,000
Money Needed to Pay Bills	\$1,788,157,000
Each Taxpayer's Share of this Burden	\$1,300

## \*Breakdown of Total Bills

Bonds	\$39,328,872,000
Other Liabilities	\$11,611,326,000
Minus: Debt Related to Capital Assets	-\$38,288,817,000
Unfunded Pension Benefits	\$7,307,373,000
Unfunded Retiree Health Care Benefits	\$616,628,000
Total Bills	\$20,575,382,000

**Grade:**

**C**

## Bottom line:

Los Angeles, CA would need \$1,300 from each of its taxpayers to pay all of its outstanding bills and received a "C" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a "C" grade.