



No. **55**

Kansas City Finances Earn 'D' Grade

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The Financial State of Kansas City, MO

A new analysis of the latest available audited financial report found Kansas City has a Taxpayer Burden™ of \$9,100, earning it a "D" grade based on Truth in Accounting's grading scale.

Kansas City's elected officials have made repeated financial decisions that have left the city with a debt burden of \$1.4 billion, according to the analysis. That equates to a \$9,100 burden for every city taxpayer.

Kansas City's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$3.5 billion in retirement benefits promised, the city has not funded \$812.6 million in pension and \$130.4 million in retiree health care benefits.

Here's the truth:



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

KANSAS CITY

FINANCIAL BREAKDOWN

FAST FACTS

- + Kansas City has \$1.3 billion available in assets to pay \$2.7 billion worth of bills.
- + The outcome is a \$1.4 billion shortfall and a \$9,100 Taxpayer Burden.
- + Kansas City's reported net position is overstated by \$403.3 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$8,777,136,000
Minus: Capital assets	-\$7,009,365,000
Restricted assets	-\$444,185,000
Assets available to pay bills	\$1,323,586,000
Minus: Bills	-\$2,724,914,000
Money needed to pay bills	-\$1,401,328,000
Each taxpayer's share of this debt	-\$9,100

BILLS THE CITY HAS ACCUMULATED

Bonds	\$2,705,296,000
Other liabilities	\$1,141,421,000
Minus: Debt related to capital assets	-\$2,064,756,000
Unfunded pension benefits	\$812,585,000
Unfunded retiree health care	\$130,368,000
Bills	\$2,724,914,000

GRADE: D

Bottom line: Kansas City does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to cities with a Taxpayer Burden between \$5,000 and \$20,000.