



# KANSAS CITY RECEIVES 'D' GRADE FOR ITS FISCAL HEALTH

January 2020  
truthinaccounting.org

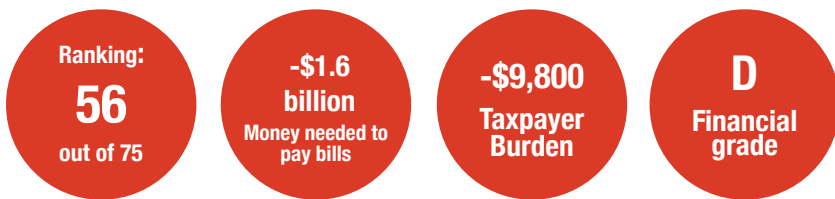
## THE FINANCIAL STATE OF KANSAS CITY, MO

A new analysis of the audited financial reports found Kansas City has a Taxpayer Burden™ of \$9,800, earning it a “D” grade from Truth in Accounting. Kansas City is one of 32 cities to receive a “D” grade for its financial condition.

Kansas City’s elected officials have made repeated financial decisions that have left the city with a debt burden of \$1.6 billion. That burden equates to \$9,800 for every city taxpayer. Kansas City’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$3.6 billion in retirement benefits promised, the city has not funded \$783.7 million in pension and \$130.4 million in retiree health care benefits.

Kansas City is not completely transparent with its taxpayers. The city’s balance sheet excludes \$21.5 million in other post-employment benefit liabilities. While this analysis includes these liabilities, a new accounting standard (GASB 75) that Kansas City will have to implement next fiscal year will require the city to recognize these liabilities.

### THE TRUTH:



# KANSAS CITY FINANCIAL BREAKDOWN

## FAST FACTS

- Kansas City has \$1.5 billion available to pay \$3 billion worth of bills.
- The outcome is a \$1.6 billion shortfall, which breaks down to a burden of \$9,800 per taxpayer.
- If retirement benefits or other costs are not reduced, then taxpayers could have to pay \$9,800 in future taxes without receiving any related services or benefits.

### THE CITY'S BILLS EXCEED ITS ASSETS

Total assets	\$9,163,227,000
<i>Minus:</i> Capital assets	-\$7,188,085,000
Restricted assets	-\$518,667,000
Assets available to pay bills	\$1,456,475,000
<i>Minus:</i> Total bills	-\$3,013,224,000
Money available (needed) to pay bills	-\$1,556,749,000
Each taxpayer's share of this debt	-\$9,800

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,962,058,000
Other liabilities	\$2,218,044,000
<i>Minus:</i> Debt related to capital assets	-\$2,080,907,000
Unfunded pension benefits	\$783,661,000
Unfunded retiree health care benefits	\$130,368,000
Total bills	\$3,013,224,000

## GRADE: D

Bottom line: Kansas City would need \$9,800 from each of its taxpayers to pay all of its bills. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D” grade.

Truth in Accounting is a 501(c)(3) committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government, citizens need truthful and transparent financial information.