



THE TRUTH

Money Needed to Pay Bills

- \$2 billion

Taxpayer Burden™

- \$14,200

Financial Grade

D

Ranking

62 out of 75

Miami’s Fiscal Health Worsened Prior to Pandemic



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Financial State of Miami, Florida

This report shows that Miami went into the coronavirus pandemic in poor fiscal health, and it will probably come out of the crisis worse. Based upon the city’s fiscal year 2019 audited financial report, Miami had a Taxpayer Burden™ of \$14,200, earning it a “D” grade from Truth in Accounting.

Miami’s elected officials have repeatedly made financial decisions that have left the city with a debt burden of \$2 billion. That burden equates to \$14,200 for every city taxpayer. Miami’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$4.2 billion in retirement benefits promised, the city has not funded \$1 billion in pension and \$864.1 million in retiree health care benefits.

Miami 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 Miami’s overall debt will most likely increase.

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

Miami Financial Breakdown

Fast Facts

- Miami had \$400.5 million available to pay \$2.4 billion worth of bills.
- The outcome was a \$2 billion shortfall, which breaks down to a burden of \$14,200 per taxpayer.
- Miami’s financial position worsened by 25 percent from the previous fiscal year mostly due to historically low investment returns on the city’s retirement plans. The city’s retiree health care plan also adjusted its assumptions and decreased its discount rate, which resulted in a larger liability.

THE CITY’S BILLS EXCEEDED ITS ASSETS

Total assets	\$1,953,089,000
Minus: Capital assets	-\$1,164,441,000
Restricted assets	-\$388,126,000
Assets available to pay bills	\$400,522,000
Minus: Total bills	-\$2,438,508,000
Money available (needed) to pay bills	-\$2,037,986,000
Each taxpayer’s share of this burden	-\$14,200

BILLS THE CITY ACCUMULATED

Bonds	\$673,183,000
Other liabilities	\$446,042,000
Minus: Debt related to capital assets	-\$545,730,000
Unfunded pension benefits	\$1,000,889,000
Unfunded retiree health care benefits	\$864,124,000
Total bills	\$2,438,508,000

Grade:

D

Bottom line: Miami would need \$14,200 from each of its taxpayers to pay all of its bills, so it has received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”

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