



THE TRUTH

Money Needed to Pay Bills

-\$175.1 million

Taxpayer Burden™

-\$1,100

Financial Grade

C

Ranking

20 out of 75

Minneapolis' Finances Worsened Despite Federal Aid



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Financial State of Minneapolis, MN

Despite receiving support from COVID relief grants and other federal programs, Minneapolis' overall financial condition did not improve during the onset of the pandemic. Based upon the city's fiscal year 2020 audited financial report, Minneapolis had a Taxpayer Burden™ of \$1,100, earning it a "C" grade from Truth in Accounting.

Minneapolis' elected officials have repeatedly made financial decisions that left the city with a debt burden of \$175.1 million. That burden came to \$1,100 for every city taxpayer. Minneapolis' financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. The city had set aside only 83 cents for every dollar of promised pension benefits and no money for promised retiree health care benefits.

Minneapolis did not have enough money set aside to weather the pandemic and the city has been in poor fiscal shape for years. Like all other cities, Minneapolis received federal assistance from the CARES Act and other COVID-19 related grants which came with stipulations on how the money could be spent. Also, the city has not been properly funding its pension and retiree health care promises which places a burden on future taxpayers.

The data included in this report is derived from the city of Minneapolis' 2020 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other city financial, demographic, and economic information go to Data-Z.org.

Minneapolis' Financial Breakdown

Fast Facts

- Minneapolis had \$986.9 million available to pay \$1.2 billion worth of bills.
- The outcome was a \$175.1 million shortfall, which breaks down to a burden of \$1,100 per taxpayer.
- Minneapolis' money needed to pay bills decreased by \$153 million mostly because the city's investment in capital assets increased leaving fewer resources available to pay bills and the city's pension liability increased by almost \$60 million.

THE CITY'S BILLS EXCEEDED ITS ASSETS

Total assets	\$4,814,810,000
Minus: Capital assets	-\$3,447,654,000
Restricted assets	-\$380,220,000
Assets available to pay bills	\$986,936,000
Minus: Total bills	-\$1,162,063,000
Money available (needed) to pay bills	-\$175,127,000
Each taxpayer's share of this burden	-\$1,100

BILLS THE CITY ACCUMULATED

Bonds	\$717,596,000
Other liabilities	\$473,278,000
Minus: Debt related to capital assets	-\$661,996,000
Unfunded pension benefits	\$590,053,000
Unfunded retiree health care benefits	\$43,132,000
Total bills	\$1,162,063,000

Grade:

C

Bottom line: Minneapolis would need \$1,100 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" grade.

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