



PORTLAND FINANCES IN TROUBLE

January 2018
truthinaccounting.org

THE FINANCIAL STATE OF PORTLAND, ORE.

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Portland ranks No. 70, earning it an "F" on TIA's grading scale.

Repeated decisions by city officials have left the city with a staggering debt burden of \$4.4 billion, according to TIA's analysis of its 2016 financial filings. That burden equates to \$21,400 for every Portland taxpayer.

Portland's financial problems are largely driven by long-term debt and runaway entitlement obligations in the form of pension benefits. The city has \$4 billion in unfunded pension promises and \$81.3 million in unfunded retiree healthcare benefits. While Portland has promised these benefits, little money has been set aside to fund them.

These statistics are jarring, but what's also alarming is that city government officials continue to hide significant amounts of retirement debt from their balance sheets, despite new rules to increase financial transparency. This skewed financial data gives residents a false impression of their city's overall financial health.

70

Rank

**\$4.4
billion**

Money needed
to pay bills

-\$21,400

Taxpayer
Burden™

F

Financial grade

PORTLAND FINANCIAL BREAKDOWN

FAST FACTS

- + Portland has \$1 billion available in assets to pay \$5.5 billion worth of bills.
- + The outcome is a \$4.4 billion shortfall and a \$21,400 Taxpayer Burden™.
- + Portland reports most of its retirement liabilities on its balance sheet. However, \$399.6 million of pension and retiree healthcare obligations are still excluded.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$8,347,758,000
<i>Minus:</i> Capital assets	-\$6,476,753,000
Restricted assets	-\$837,959,000
Assets available to pay bills	\$1,033,046,000
<i>Minus:</i> Bills	-\$5,480,094,000
Money needed to pay bills	-\$4,447,048,000
Each taxpayer's share of this debt	-\$21,400

BILLS THE CITY HAS ACCUMULATED

Bonds	\$3,394,375,000
Other liabilities	\$455,967,000
<i>Minus:</i> Debt related to capital assets	-\$2,403,977,000
Unfunded pension benefits	\$3,952,405,000
Unfunded retiree healthcare	\$81,324,000
Bills	\$5,480,094,000

GRADE: F

Bottom line: Portland would need more than \$20,000 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances from Truth in Accounting.

Truth in Accounting is 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.