



## THE TRUTH

Money Needed to Pay Bills

**-\$3 billion**

Taxpayer Burden™

**-\$6,400**

Financial Grade

**D**

Ranking

**45 out of 75**

## San Diego's Finances Worsened Despite Federal Aid



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### Financial State of San Diego, CA

Despite receiving support from COVID relief grants and other federal programs, San Diego remained in poor fiscal shape during the onset of the pandemic. Based upon the city's fiscal year 2020 audited financial report, San Diego had a Taxpayer Burden™ of \$6,400, earning it a "D" grade from Truth in Accounting.

San Diego's elected officials have repeatedly made financial decisions that left the city with a debt burden of \$3 billion. That burden came to \$6,400 for every city taxpayer. San Diego's financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. The city had set aside only 69 cents for every dollar of promised pension benefits and 20 cents for every dollar of promised retiree health care benefits.

San Diego 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, San Diego 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 San Diego's 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](http://Data-Z.org).

## San Diego's Financial Breakdown

### Fast Facts

- San Diego had \$2.5 billion available to pay \$5.5 billion worth of bills.
- The outcome was a \$3 billion shortfall, which breaks down to a burden of \$6,400 per taxpayer.
- San Diego's overall financial condition worsened by \$849 million mostly because the city's pension plans experienced poor investment returns.

### THE CITY'S BILLS EXCEEDED ITS ASSETS

Total assets	\$16,699,684,000
Minus: Capital assets	-\$12,169,829,000
Restricted assets	-\$2,033,241,000
Assets available to pay bills	\$2,496,614,000
Minus: Total bills	-\$5,477,957,000
Money available (needed) to pay bills	-\$2,981,343,000
Each taxpayer's share of this burden	-\$6,400

### BILLS THE CITY ACCUMULATED

Bonds	\$2,527,648,000
Other liabilities	\$2,098,084,000
Minus: Debt related to capital assets	-\$3,118,665,000
Unfunded pension benefits	\$3,508,374,000
Unfunded retiree health care benefits	\$462,516,000
Total bills	\$5,477,957,000

### Grade:

**D**

Bottom line: San Diego would need \$6,400 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" grade.

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