

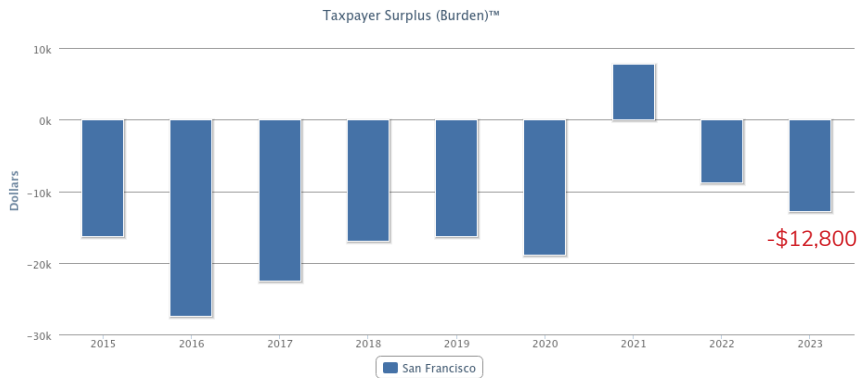


\$4 billion
MONEY NEEDED TO PAY
BILLS



\$12,800
TAXPAYER BURDEN™

San Francisco’s financial condition worsened. Based on our analysis of its audited financial report for fiscal year 2023, its financial hole deepened with a need for \$4 billion to cover its bills. This created a Taxpayer Burden™ of \$12,800, earning the city a “D” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



San Francisco’s finances deteriorated by \$1.6 billion, mainly due to an increase in its net pension liability. The city’s pension system, after a difficult investment year in 2022, saw an unrealized 5.26% return on investments in 2023. Despite this gain and additional contributions, rising service costs and interest on pension liabilities led to an increase in the system’s liability by nearly \$1 billion.

San Francisco’s recovery from the pandemic was mixed. While international travel, hotel tax revenue, and sales tax revenues saw increases, domestic travel and real property transfer tax collections declined. This highlights ongoing economic challenges and the need for balanced financial management to address rising pension liabilities and economic volatility, ensuring long-term fiscal stability.



D
FINANCIAL GRADE



64 out of 75
RANKING

FINANCIAL FACTS

- San Francisco had \$14.4 billion available to pay \$18.4 billion worth of bills.
- The outcome was a \$4 billion shortfall, which breaks down to a burden of \$12,800 per taxpayer.
- San Francisco’s finances deteriorated by \$1.6 billion due to rising pension liabilities, a mixed recovery, and ongoing challenges.

The City’s Bills Exceeded Its Assets

Total Assets	\$51,522,801,000
Minus: Capital Assets	-\$33,007,897,000
Restricted Assets	-\$4,132,463,000
Assets Available to Pay Bills	\$14,382,441,000
Minus: Total Bills*	-\$18,375,925,000
Money needed to pay bills	\$3,993,484,000
Each taxpayer’s share of this burden	\$12,800

*Breakdown of Total Bills

Bonds	\$22,208,751,000
Other Liabilities	\$10,247,847,000
Minus: Debt Related to Capital Assets	-\$22,014,599,000
Unfunded Pension Benefits	\$4,013,165,000
Unfunded Retiree Health Care Benefits	\$3,920,761,000
Total Bills	\$18,375,925,000

Grade:	Bottom line:
D	San Francisco would need \$12,800 from each of its taxpayers to pay all of its outstanding bills and received a “D” grade for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a “D” grade.