

Washington, D.C.

Best in Nation for Finances

The Truth

Money Available to Pay Future Bills **\$3.5 billion**

Taxpayer Surplus™ **\$14,000**

Financial Grade **A**

Ranking **1 out of 75**



Financial State of Washington, D.C.

Washington D.C.'s healthy financial condition improved in 2021 after the Covid-pandemic in large part due to a temporary decrease in its pension liability and the federal government stimulus money. Based upon Washington D.C.'s fiscal year 2021 audited financial report, Washington D.C. had a Taxpayer Surplus™ of \$14,000, earning it an "A" grade from Truth in Accounting.

The city's pension liability is calculated by subtracting earned and promised benefits from the market value of pension assets. Based on an exceptionally good year in the markets in 2021, the pension assets' values were high. The result was a dramatic decrease in Washington D.C.'s pension liability and a corresponding increase in its money available to pay future bills to \$3.5 billion, including public employees' retirement benefits. Each taxpayer's share of this surplus is \$14,000.

It is important to note that inflation and stock market downturns in 2022 will most likely affect this positive outlook next year. These negative influences could cause the value of pension assets to decrease and the pension liability to increase. The uncertainty surrounding their financial condition makes it impossible to determine if Washington D.C. will maintain current levels of government services and benefits without a negative impact on its financial health.

The data included in this report is derived from Washington D.C.'s 2021 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other cities' financial, demographic, and economic information, go to Data-Z.org.

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www.truthinaccounting.org
www.data-z.org



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Washington, D.C.'s Financial Breakdown

Fast Facts

- Washington, DC had \$3.5 billion available to pay future bills, which was \$2.2 billion more than it had in 2020.
- Mostly due to high, short-lived gains in the value of pension plan assets, pension debt decreased by \$1.7 billion.
- The city's pension plans appear to be overfunded, which is advisable during an upturn in the markets to accommodate future downturns like those that occurred in 2022.

The City's Assets Exceeded Its Bills

| | |
|---------------------------------------|-------------------|
| Total Assets | \$26,869,285,000 |
| Minus: Capital Assets | -\$16,836,307,000 |
| Restricted Assets | -\$1,784,494,000 |
| Assets Available to Pay Bills | \$8,248,484,000 |
| Minus: Total Bills* | -\$4,776,605,000 |
| Money Available to Pay Future Bills | \$3,471,879,000 |
| Each Taxpayer's Share of this Surplus | \$14,000 |

*Breakdown of Total Bills

| | |
|---|-------------------|
| Bonds | \$12,656,287,000 |
| Other Liabilities | \$6,762,333,000 |
| Minus: Debt Related to Capital Assets | -\$12,294,334,000 |
| Overfunded Pension Benefits | -\$2,034,326,000 |
| Overfunded Retiree Health Care Benefits | -\$313,355,000 |
| Total Bills | \$4,776,605,000 |

Grade:

A

Bottom line: Washington, D.C. had more than enough money to pay its bills, so it received an "A" for its finances from Truth in Accounting. An "A" grade is given to governments with a Taxpayer Surplus greater than \$10,000.