



No. **53**

Jacksonville Finances Earn 'D' Grade

January 2019
truthinaccounting.org

The Financial State of Jacksonville

A new analysis of the latest available audited financial report found Jacksonville has a Taxpayer Burden™ of \$8,800, earning it a "D" grade based on Truth in Accounting's grading scale.

Jacksonville's elected officials have made repeated financial decisions that have left the city with a debt burden of \$2.6 billion, according to the analysis. That equates to a \$8,800 burden for every city taxpayer.

Jacksonville's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$7.7 billion in retirement benefits promised, the city has not funded \$3.2 billion in pension and \$233.6 million in retiree health care benefits.

Here's the truth:

\$2.6
billion
Money needed to
pay bills

-\$8,800
Taxpayer
Burden

D
Financial grade

Data included in this report is derived from the city of Jacksonville 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

JACKSONVILLE

FINANCIAL BREAKDOWN

FAST FACTS

- + Jacksonville has \$3.6 billion available in assets to pay \$6.1 billion worth of bills.
- + The outcome is a \$2.6 billion shortfall and a \$8,800 Taxpayer Burden.
- + Jacksonville's reported net position is overstated by \$918 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS

| | |
|------------------------------------|------------------|
| Assets | \$14,161,042,000 |
| Minus: Capital assets | -\$9,886,111,000 |
| Restricted assets | -\$707,288,000 |
| Assets available to pay bills | \$3,567,643,000 |
| Minus: Bills | -\$6,126,836,000 |
| Money needed to pay bills | -\$2,559,193,000 |
| Each taxpayer's share of this debt | -\$8,800 |

BILLS THE CITY HAS ACCUMULATED

| | |
|---------------------------------------|------------------|
| Bonds | \$7,148,202,000 |
| Other liabilities | \$2,120,250,000 |
| Minus: Debt related to capital assets | -\$6,583,324,000 |
| Unfunded pension benefits | \$3,208,084,000 |
| Unfunded retiree health care | \$233,624,000 |
| Bills | \$6,126,836,000 |

GRADE: D

Bottom line: Jacksonville does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to cities with a Taxpayer Burden between \$5,000 and \$20,000.