Financial state of the city

LONG BEACH

Money available to pay bills: $79.3 million

$600 taxpayer surplus

Truth in Accounting
Because of a new accounting rule, Long Beach now has to report its pension debt on its balance sheet. As a result, the city's reported pension debt grew from $0 in 2014 to $890.2 million in 2015.

For years, Truth in Accounting has called for this financial reporting change, and we welcome the shift towards more transparent accounting.

Long Beach has $9.6 billion in assets, but most of these assets are not available to pay city bills.

The $6 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of $845.7 million of the assets is restricted by law or contract.

That leaves $2.7 billion of the city's assets available to pay $2.7 billion of bills as they come due.

The city has accumulated bonds of $2.1 billion and other liabilities of $1.3 billion. The calculation of assets available to pay bills does not include capital assets, so $1.8 billion of related debt is removed from the calculation of city bills.

Unfunded employees' retirement benefits represent 39% of city bills. These unfunded liabilities have accumulated because city employees have been promised $890.2 million of pension benefits and $153.4 million of retiree health care benefits. Unlike most states, Long Beach has the assets needed to pay these liabilities.

Long Beach's elected officials seem to promise only the amount of benefits they can afford to pay.

Data is derived from the city of Long Beach's September 30, 2015 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the city's population with a federal tax liability.

www.TruthInAccounting.org

www.StateDataLab.org