



No. 17

Long Beach Finances in Decent Shape

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The Financial State of Long Beach

A new analysis of the latest available audited financial report found Long Beach has a Taxpayer Burden™ of \$1,300, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left Long Beach with a \$205.3 million shortfall, which equates to a \$1,300 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$5.2 billion in retirement benefits promised, the city has not funded \$1.2 billion in pension and \$49.9 million in retiree health care benefits.

Here's the truth:

\$205.3
million
Money needed
to pay bills

-\$1,300
Taxpayer
Burden

C
Financial grade

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

LONG BEACH

FINANCIAL BREAKDOWN

FAST FACTS

- + Long Beach has \$2.9 billion available in assets to pay \$3.1 billion worth of bills.
- + The outcome is a \$205.3 million shortfall and a \$1,300 Taxpayer Burden.
- + Long Beach's reported net position is understated by \$276.8 million, largely because the city delays recognizing gains resulting from derivative investments.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$10,201,737,000
Minus: Capital assets	-\$6,645,844,000
Restricted assets	-\$689,125,000
Assets available to pay bills	\$2,866,768,000
Minus: Bills	-\$3,072,082,000
Money needed to pay bills	-\$205,314,000
Each taxpayer's share of this debt	-\$1,300

BILLS THE CITY HAS ACCUMULATED

Bonds	\$2,109,572,000
Other liabilities	\$1,575,821,000
Minus: Debt related to capital assets	-\$1,879,035,000
Unfunded pension benefits	\$1,215,784,000
Unfunded retiree health care	\$49,940,000
Bills	\$3,072,082,000

GRADE: C

Bottom line: Long Beach's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities, Long Beach still owes more than it owns.