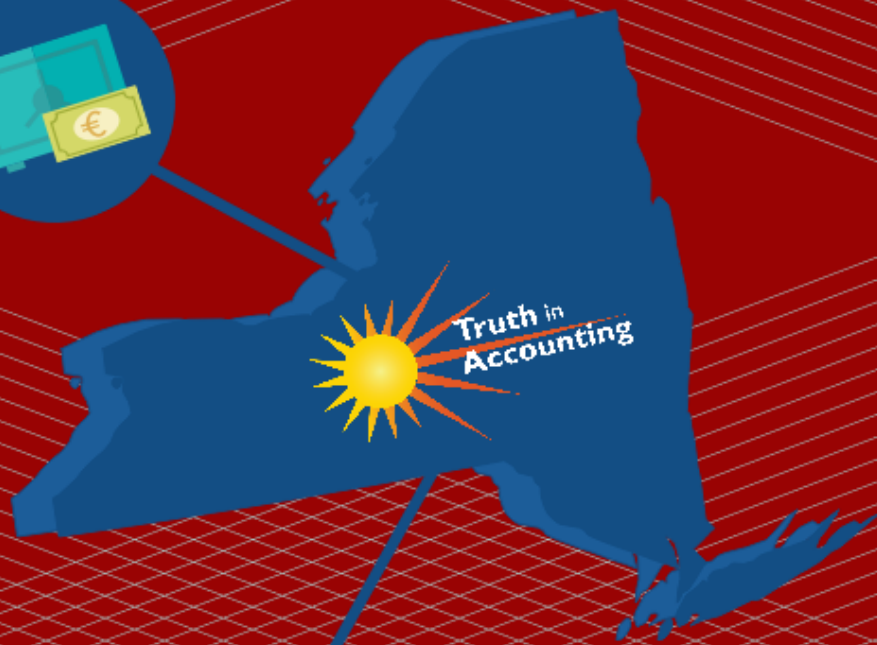


Financial state of the city

# NEW YORK CITY

MONEY  
NEEDED TO  
PAY BILLS:  
\$167.6  
BILLION



-\$61,000  
TAXPAYER  
BURDEN



# THE FINANCIAL STATE OF NEW YORK CITY

## Are New York City's financial reports completely transparent?

Because of a new accounting standard, New York City now has to report all of its pension debt on its balance sheet. The city actually implemented the standard a year early, and its reported pension liability grew from \$568.1 million in 2013 to \$48.7 billion in 2014.

In 2015, the city reported a net pension liability of \$55.3 billion. According to our calculations, the liability is actually closer to \$55.9 billion.

### The city's bills exceed its assets

Assets	\$155,081,666,000
<i>Minus: Capital assets</i>	-\$91,831,229,000
<i>Restricted assets</i>	-\$8,255,691,000
Assets available to pay bills	\$54,994,746,000
<i>Minus: Bills</i>	-\$222,618,279,000
Money needed to pay bills	-\$167,623,533,000
<b>Each taxpayer's share of this debt</b>	<b>-\$61,000</b>

New York City has \$155.1 billion in assets, but most of these assets are not available to pay city bills.

The \$91.8 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$8.3 billion of the assets is restricted by law or contract.

That leaves \$55 billion of the city's assets available to pay \$222.6 billion of bills as they come due.

The -\$167.6 billion shortfall represents compensation and other costs incurred in prior years that should have been paid in those years. Instead these costs have been shifted to future taxpayers.



Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

## Key findings

- New York City has only \$55 billion available to pay \$222.6 billion worth of bills. Therefore, the city has a -\$167.6 billion financial hole.
- New York City has a taxpayer burden of -\$61,000, which is each taxpayer's share of the city's unfunded debt.
- The city reports nearly all of its retirement obligations on its balance sheet. Just over half a billion of pension debt is not reported.

### The bills New York City has accumulated

Bonds	\$126,658,168,000
Other liabilities	\$55,406,848,000
<i>Minus: Debt related to capital assets</i>	-\$89,990,369,000
Unfunded pension benefits	\$55,876,708,000
Unfunded retiree health care benefits	\$74,666,924,000
<b>Bills</b>	<b>\$222,618,279,000</b>

Despite the balanced budget requirement, the city has accumulated bonded debt of \$126.7 billion and other liabilities of \$55.4 billion. The calculation of assets available to pay bills does not include capital assets, so \$90 billion of related debt is removed from the calculation of city bills.

Unfunded employees' retirement benefits represent 59% of city bills. These unfunded liabilities have accumulated because city employees have been promised \$55.9 billion of pension benefits and \$74.7 billion of retiree health care benefits, but the city has not adequately funded them.

Unless these pension and retiree health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.

Data is derived from the city of New York City's June 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.

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