



No. **69**

Oakland Ranks No. 69 for Fiscal Health

January 2019
truthinaccounting.org



The Financial State of Oakland

A new analysis of the latest available audited financial report found Oakland has a Taxpayer Burden™ of \$21,100, earning it an "F" grade based on Truth in Accounting's grading scale.

Oakland's elected officials have made repeated financial decisions that have left the city with a debt burden of \$2.9 billion, according to the analysis. That equates to a \$21,100 burden for every city taxpayer.

Oakland's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$6.1 billion in retirement benefits promised, the city has not funded \$1.9 billion in pension and \$969.5 million in retiree health care benefits.

Here's the truth:



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

OAKLAND

FINANCIAL BREAKDOWN

FAST FACTS

- + Oakland has \$1.3 billion available in assets to pay \$4.2 billion worth of bills.
- + The outcome is a \$2.9 billion shortfall and a \$21,100 Taxpayer Burden.
- + Oakland's reported net position is overstated by \$317.6 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS

| | |
|------------------------------------|------------------|
| Assets | \$5,751,463,000 |
| Minus: Capital assets | -\$3,815,623,000 |
| Restricted assets | -\$621,716,000 |
| Assets available to pay bills | \$1,314,124,000 |
| Minus: Bills | -\$4,175,096,000 |
| Money needed to pay bills | -\$2,860,972,000 |
| Each taxpayer's share of this debt | -\$21,100 |

BILLS THE CITY HAS ACCUMULATED

| | |
|---------------------------------------|------------------|
| Bonds | \$1,818,405,000 |
| Other liabilities | \$817,690,000 |
| Minus: Debt related to capital assets | -\$1,379,879,000 |
| Unfunded pension benefits | \$1,949,409,000 |
| Unfunded retiree health care | \$969,471,000 |
| Bills | \$4,175,096,000 |

GRADE: F

Bottom line: Oakland would need more than \$20,000 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances from Truth in Accounting.