San Diego Finances Earn 'D' Grade

January 2019
truthinaccounting.org

The Financial State of San Diego

A new analysis of the latest available audited financial report found San Diego has a Taxpayer Burden™ of $5,000, earning it a "D" grade based on Truth in Accounting's grading scale.

San Diego's elected officials have made repeated financial decisions that have left the city with a debt burden of $2.2 billion, according to the analysis. That equates to a $5,000 burden for every city taxpayer.

San Diego's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the $10.2 billion in retirement benefits promised, the city has not funded $2.5 billion in pension and $553.9 million in retiree health care benefits.

Here's the truth:

$2.2
billion
Money needed to pay bills

-$5,000
Taxpayer Burden

D
Financial grade

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

SAN DIEGO
FINANCIAL BREAKDOWN

FAST FACTS

+ San Diego has $2.2 billion available in assets to pay $4.4 billion worth of bills.

+ The outcome is a $2.2 billion shortfall and a $5,000 Taxpayer Burden.

+ San Diego's reported net position is overstated by $1.1 billion, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS	
Assets	$15,298,927,000
Minus: Capital assets	-$11,188,880,000
Restricted assets	-$1,915,885,000
Assets available to pay bills	$2,194,162,000
Minus: Bills	-$4,439,856,000
Money needed to pay bills	-$2,245,694,000
Each taxpayer's share of this debt	-$5,000

BILLS THE CITY HAS ACCUMULATED	
Bonds	$2,275,676,000
Other liabilities	$1,702,275,000
Minus: Debt related to capital assets	-$2,625,770,000
Unfunded pension benefits	$2,533,804,000
Unfunded retiree health care	$553,871,000
Bills	$4,439,856,000

GRADE: D

Bottom line: San Diego 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.