



No. **36**

Seattle Earns 'C' Grade for its Finances

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The Financial State of Seattle

A new analysis of the latest available audited financial report found Seattle has a Taxpayer Burden™ of \$4,900, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left Seattle with a \$1.3 billion shortfall, which equates to a \$4,900 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$6 billion in retirement benefits promised, the city has not funded \$1.1 billion in pension and \$702.2 million in retiree health care benefits.

Here's the truth:

\$1.3
billion
Money needed
to pay bills

-\$4,900
Taxpayer
Burden

C
Financial grade

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

SEATTLE

FINANCIAL BREAKDOWN

FAST FACTS

- + Seattle has \$2.6 billion available in assets to pay \$3.9 billion worth of bills.
- + The outcome is a \$1.3 billion shortfall and a \$4,900 Taxpayer Burden.
- + The city is hiding \$531.1 million of retiree health care debt from its balance sheet.

THE CITY'S BILLS EXCEED ITS ASSETS

| | |
|------------------------------------|-------------------|
| Assets | \$14,024,047,000 |
| Minus: Capital assets | -\$10,548,294,000 |
| Restricted assets | -\$832,558,000 |
| Assets available to pay bills | \$2,643,195,000 |
| Minus: Bills | -\$3,899,263,000 |
| Money needed to pay bills | -\$1,256,068,000 |
| Each taxpayer's share of this debt | -\$4,900 |

BILLS THE CITY HAS ACCUMULATED

| | |
|---------------------------------------|------------------|
| Bonds | \$5,724,900,000 |
| Other liabilities | \$1,258,206,000 |
| Minus: Debt related to capital assets | -\$4,902,863,000 |
| Unfunded pension benefits | \$1,116,812,000 |
| Unfunded retiree health care | \$702,208,000 |
| Bills | \$3,899,263,000 |

GRADE: C

Bottom line: Seattle'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, Seattle still owes more than it owns.