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Sacramento Finances Earn 'C' Grade

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The Financial State of Sacramento

A new analysis of the latest available audited financial report found Sacramento has a Taxpayer Burden™ of \$4,000, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left Sacramento with a \$620.9 million shortfall, which equates to a \$4,000 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$3.5 billion in retirement benefits promised, the city has not funded \$864.7 million in pension and \$357.4 million in retiree health care benefits.

Here's the truth:

\$620.9
million
Money needed
to pay bills

-\$4,000
Taxpayer
Burden

C
Financial grade

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

SACRAMENTO

FINANCIAL BREAKDOWN

FAST FACTS

- + Sacramento has \$1.2 billion available in assets to pay \$1.8 billion worth of bills.
- + The outcome is a \$620.9 million shortfall and a \$4,000 Taxpayer Burden.
- + Sacramento's reported net position is overstated by \$178.9 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$4,432,286,000
Minus: Capital assets	-\$3,040,911,000
Restricted assets	-\$229,950,000
Assets available to pay bills	\$1,161,425,000
Minus: Bills	-\$1,782,349,000
Money needed to pay bills	-\$620,924,000
Each taxpayer's share of this debt	-\$4,000

BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,139,848,000
Other liabilities	\$357,806,000
Minus: Debt related to capital assets	-\$937,414,000
Unfunded pension benefits	\$864,746,000
Unfunded retiree health care	\$357,363,000
Bills	\$1,782,349,000

GRADE: C

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