

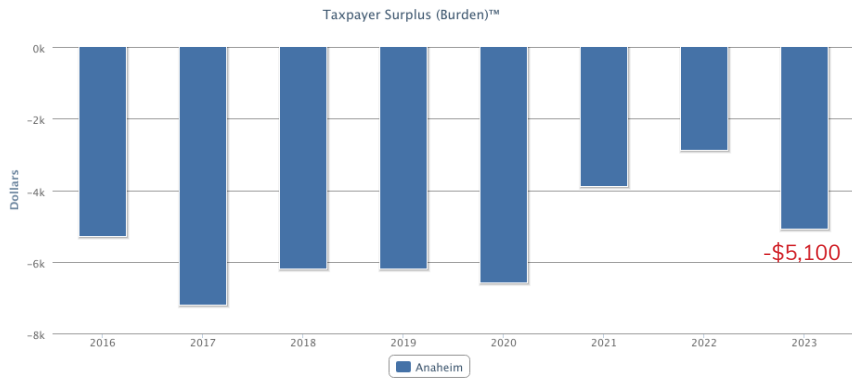
# FINANCIAL STATE OF ANAHEIM



**\$663.7 million**  
MONEY NEEDED TO PAY  
BILLS

**\$5,100**  
TAXPAYER BURDEN™

Anaheim’s financial condition worsened. Based on our analysis of its audited financial report for fiscal year 2023, its financial hole deepened with a need for \$663.7 million to cover its bills. This created a Taxpayer Burden™ of \$5,100, earning the city a “D” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



The city’s available funds declined primarily due to unrealized investment losses in its pension systems, reflecting market fluctuations. These losses increased financial pressures, highlighting the challenges of maintaining long-term pension stability. However, key revenue sources demonstrated strong growth, helping to offset some of the strain.

Transient Occupancy Tax (TOT) revenue surged by 27% compared to the previous fiscal year, marking a full recovery from the pandemic. This increase set a record for the highest TOT revenue in the city’s history, proving the resilience of the local tourism industry. Maintaining this momentum while addressing pension liabilities will be crucial for long-term fiscal stability.

# FINANCIAL STATE OF ANAHEIM

**D**  
FINANCIAL GRADE

**49 out of 75**  
RANKING

## FINANCIAL FACTS

- Anaheim had \$1.4 billion available to pay \$2.1 billion worth of bills.
- The outcome was a \$663.7 million shortfall, which breaks down to a burden of \$5,100 per taxpayer.
- Pension investment losses offset strong TOT revenue growth, causing a deterioration in Anaheim’s finances despite the revenue boost.

## The City’s Bills Exceeded Its Assets

Total Assets	\$5,598,906,000
Minus: Capital Assets	-\$3,827,039,000
Restricted Assets	-\$377,444,000
Assets Available to Pay Bills	\$1,394,423,000
Minus: Total Bills*	-\$2,058,142,000
Money needed to pay bills	\$663,719,000
Each taxpayer’s share of this burden	\$5,100

## \*Breakdown of Total Bills

Bonds	\$1,884,245,000
Other Liabilities	\$591,319,000
Minus: Debt Related to Capital Assets	-\$1,455,972,000
Unfunded Pension Benefits	\$915,828,000
Unfunded Retiree Health Care Benefits	\$122,722,000
Total Bills	\$2,058,142,000

<b>Grade:</b>	<b>Bottom line:</b>
<b>D</b>	Anaheim would need \$5,100 from each of its taxpayers to pay all of its outstanding bills and received a “D” grade for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a “D” grade.