

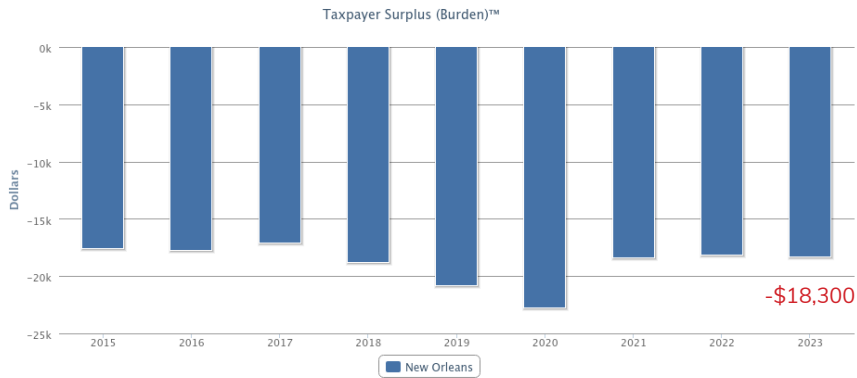


**\$2.1 billion**  
MONEY NEEDED TO PAY  
BILLS



**\$18,300**  
TAXPAYER BURDEN™

New Orleans’ financial condition worsened. Based on our analysis of its audited financial report for fiscal year 2023, its financial hole deepened with a need for \$2.1 billion to cover its bills. This created a Taxpayer Burden™ of \$18,300, earning the city a “D” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



The city’s financial condition deteriorated primarily due to challenges within the Firefighters’ Pension Fund. Actuaries projected that the plan’s assets would fall short of covering benefits for current members. As a result, the actuaries decreased the interest rate used to calculate the present value of future benefit payments from 7.5% to 3.26%. This adjustment significantly raised the estimated pension liability, adding further strain to the city’s long-term financial outlook.

Despite pension challenges, general fund revenues grew by \$4 million in 2023, driven by increased red-light camera enforcement and traffic fines. While these revenues provide some fiscal relief, the city needs a comprehensive long-term solution to fund its \$1.5 billion of unfunded pension benefits and \$388.6 million of unfunded retiree healthcare benefits. To ensure stability, the city must implement balanced strategies to manage obligations and maintain services, focusing on sustainable growth and resilience.



**D**  
FINANCIAL GRADE



**72 out of 75**  
RANKING

### FINANCIAL FACTS

- New Orleans had \$1.5 billion available to pay \$3.5 billion worth of bills.
- The outcome was a \$2.1 billion shortfall, which breaks down to a burden of \$18,300 per taxpayer.
- The city’s financial challenges stemmed mostly from pension liabilities, despite revenue growth. Long-term solutions are needed for fiscal stability.

### The City’s Bills Exceeded Its Assets

Total Assets	\$10,849,775,000
Minus: Capital Assets	-\$8,487,835,000
Restricted Assets	-\$885,104,000
Assets Available to Pay Bills	\$1,476,836,000
Minus: Total Bills*	-\$3,528,173,000
Money needed to pay bills	\$2,051,337,000
Each taxpayer’s share of this burden	\$18,300

### \*Breakdown of Total Bills

Bonds	\$2,759,735,000
Other Liabilities	\$1,917,082,000
Minus: Debt Related to Capital Assets	-\$3,084,331,000
Unfunded Pension Benefits	\$1,547,119,000
Unfunded Retiree Health Care Benefits	\$388,568,000
Total Bills	\$3,528,173,000

<b>Grade:</b>	<b>Bottom line:</b>
<b>D</b>	New Orleans would need \$18,300 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.