

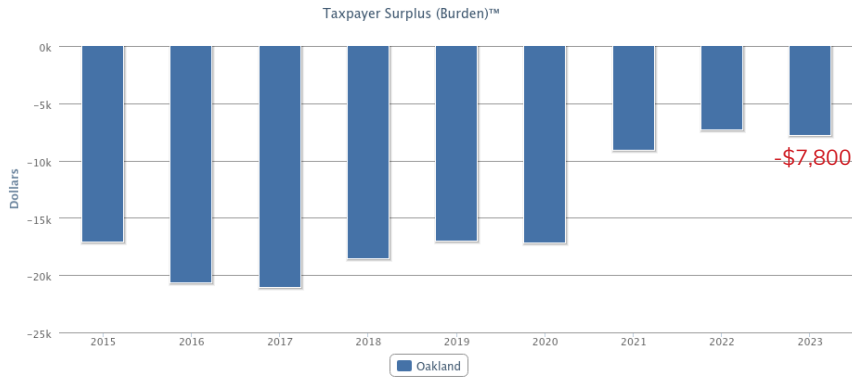
# FINANCIAL STATE OF OAKLAND



**\$1.3 billion**  
MONEY NEEDED TO PAY BILLS

**\$7,800**  
TAXPAYER BURDEN™

Oakland'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 \$1.3 billion to cover its bills. This created a Taxpayer Burden™ of \$7,800, earning the city a “D” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



The city's financial position declined by \$247 million, largely driven by an increase in Net Pension Liability (NPL) due to unrealized losses on pension investments. Market fluctuations and lower-than-expected investment returns contributed to this growing liability, placing additional strain on long-term fiscal stability. Managing pension obligations will remain a key challenge, requiring strategic financial planning to ensure sustainability.

According to city officials, the pandemic's impact on downtown office utilization appears long-lasting, potentially affecting commercial property values, construction, transit, and local businesses. Remote work may also reshape residential property demand. While outcomes remain speculative, the economic effects of the global pandemic are expected to be enduring, with lasting changes to various sectors, including real estate and business operations.

# FINANCIAL STATE OF OAKLAND

**D**  
FINANCIAL GRADE

**56 out of 75**  
RANKING

## FINANCIAL FACTS

- Oakland had \$3.7 billion available to pay \$5 billion worth of bills.
- The outcome was a \$1.3 billion shortfall, which breaks down to a burden of \$7,800 per taxpayer.
- The city's financial decline was driven by increased pension liabilities, market losses, and the pandemic's long-term economic impacts.

## The City's Bills Exceeded Its Assets

Total Assets	\$8,149,295,000
Minus: Capital Assets	-\$3,559,382,000
Restricted Assets	-\$877,511,000
Assets Available to Pay Bills	\$3,712,402,000
Minus: Total Bills*	-\$5,022,167,000
Money needed to pay bills	\$1,309,765,000
Each taxpayer's share of this burden	\$7,800

## \*Breakdown of Total Bills

Bonds	\$1,462,028,000
Other Liabilities	\$1,968,073,000
Minus: Debt Related to Capital Assets	-\$1,045,225,000
Unfunded Pension Benefits	\$2,071,495,000
Unfunded Retiree Health Care Benefits	\$565,796,000
Total Bills	\$5,022,167,000

<b>Grade:</b>	<b>Bottom line:</b>
<b>D</b>	Oakland would need \$7,800 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.