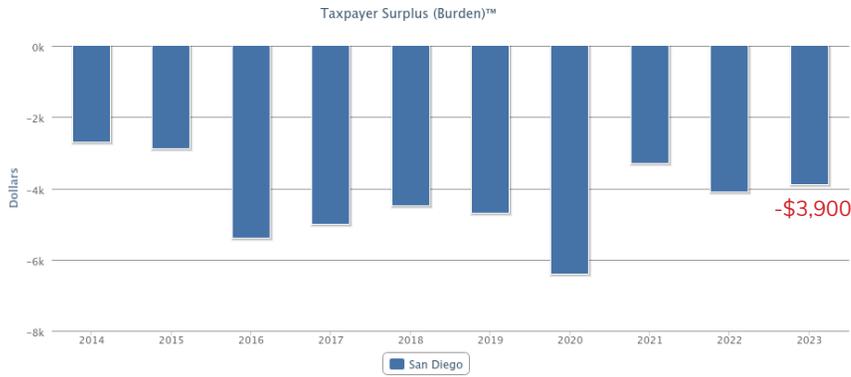




\$2.1 billion
MONEY NEEDED TO PAY BILLS

\$3,900
TAXPAYER BURDEN™

San Diego'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 \$2.1 billion to cover its bills. This created a Taxpayer Burden™ of \$3,900, earning the city a “C” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



A city proposition passed in 2012 had closed San Diego's pension plan to new hires, excluding police officers. However, in 2021, the San Diego Superior Court invalidated the measure, reopening the plan to new employees. This decision significantly increased the city's pension liability by \$332.7 million in fiscal year 2023, further straining its finances.

In addition, property tax revenue remains the largest source of general revenue, accounting for 32.4% of the total general revenue. However, rising interest rates could lead to a slowdown in property sales, which may reduce the overall property tax base and, in turn, affect this critical income stream.

The data included in this report is derived from San Diego's 2023 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other states' and cities' financial, demographic, and economic information, go to Data-Z.org.

C
FINANCIAL GRADE

44 out of 75
RANKING

FINANCIAL FACTS

- San Diego had \$3.8 billion available to pay \$5.9 billion worth of bills.
- The outcome was a \$2.1 billion shortfall, which breaks down to a burden of \$3,900 per taxpayer.
- In 2021, a court reopened San Diego's pension plan to new hires, increasing pension liabilities by \$332.7 million in 2023.

The City's Bills Exceeded Its Assets

Total Assets	\$19,535,211,000
Minus: Capital Assets	-\$13,470,554,000
Restricted Assets	-\$2,266,367,000
Assets Available to Pay Bills	\$3,798,290,000
Minus: Total Bills*	-\$5,867,401,000
Money needed to pay bills	\$2,069,111,000
Each taxpayer's share of this burden	\$3,900

*Breakdown of Total Bills

Bonds	\$2,729,743,000
Other Liabilities	\$3,499,482,000
Minus: Debt Related to Capital Assets	-\$3,688,469,000
Unfunded Pension Benefits	\$2,922,939,000
Unfunded Retiree Health Care Benefits	\$403,706,000
Total Bills	\$5,867,401,000

Grade:	Bottom line:
C	San Diego would need \$3,900 from each of its taxpayers to pay all of its outstanding bills and received a “C” grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a “C” grade.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering you with understandable, reliable, and transparent government financial information so you can be a knowledgeable participant in your government and its budget process.