

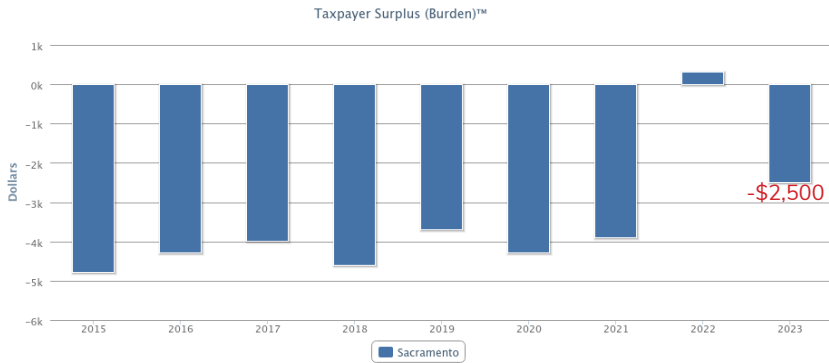


\$515.4 million
MONEY NEEDED TO PAY
BILLS



\$2,500
TAXPAYER BURDEN™

Sacramento’s financial condition worsened in 2023, transitioning from a Sunshine City to a Sinkhole City. Based upon our analysis of its audited financial report for fiscal year 2023, the city needed \$515.4 million to cover its bills. This led to a Taxpayer Burden™ of \$2,500, earning the city a “C” grade from Truth in Accounting.



With CalPERS pension data for June 30, 2023, unavailable, the city relied on the previous year’s data, which showed investment losses. These losses played a key role in Sacramento’s shift from having sufficient funds to cover bills to requiring additional resources to meet its obligations. The increased financial strain highlights the impact of market fluctuations on long-term fiscal planning and the city’s ability to maintain essential services.

Rising pension costs increased police and fire expenses, driven by actuarial changes and lower-than-expected projected earnings. Growing pension liabilities add financial pressure, making it challenging to fund public safety while ensuring fiscal stability. Addressing these issues requires strategic planning to balance essential services with long-term pension obligations and maintain the city’s financial health.



C
FINANCIAL GRADE



40 out of 75
RANKING

FINANCIAL FACTS

- Sacramento had \$1.5 billion available to pay \$2 billion worth of bills.
- The outcome was a \$515.4 million shortfall, which breaks down to a burden of \$2,500 per taxpayer.
- Sacramento faces financial strain due to rising pension costs, including a decrease in the pension system’s investment values.

The City’s Bills Exceeded Its Assets

Total Assets	\$5,693,595,000
Minus: Capital Assets	-\$3,705,154,000
Restricted Assets	-\$537,240,000
Assets Available to Pay Bills	\$1,451,201,000
Minus: Total Bills*	-\$1,966,587,000
Money needed to pay bills	\$515,386,000
Each taxpayer’s share of this burden	\$2,500

*Breakdown of Total Bills

Bonds	\$1,208,969,000
Other Liabilities	\$654,156,000
Minus: Debt Related to Capital Assets	-\$1,405,849,000
Unfunded Pension Benefits	\$1,302,841,000
Unfunded Retiree Health Care Benefits	\$206,470,000
Total Bills	\$1,966,587,000

Grade:	Bottom line:
C	Sacramento would need \$2,500 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.