Once these hidden debts are counted, Jackson's balance sheet doesn't look so great. In fact, the city is sinking in debt. One of the reasons Jackson is in this precarious financial position is city officials use antiquated budgeting and accounting rules to report Jackson's financial condition.

Truth in Accounting's detailed analysis discovered a total of $114 million of retirement benefits are owed, but not funded. Because of the confusing way the city does its accounting, only $13 million of these liabilities are reported on Jackson's balance sheet. If this debt is included, Jackson has a $84 million shortfall, which effectively represents compensation and other costs that have been pushed into the future.

Jackson's BILLS EXCEED ITS ASSETS
Jackson has $177 million in assets, but most of these assets are not available to pay city bills.

The $134 million of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of $7 million of the assets is restricted by law or contract.

That leaves $36 million of city's assets available to pay $120 million of bills as they come due.

The $84 million shortfall represents compensation and other costs incurred in prior years that should have been paid in those prior years. Instead these costs have been shifted to future taxpayers.

Each Taxpayer's share of the city's debt is $8,200.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

A detailed study of Jackson's actuaries' schedules found retirement benefits totaling $114 million have been promised, but not funded. A review of the city's balance sheet determined only $13 million of these liabilities are reported. This means the city does not report $101 million of retirement liabilities on its balance sheet.

Data is derived from the city of Jackson's June 30, 2013 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.