



SCARSDALE FINANCIALLY DISTRESSED

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THE FINANCIAL STATE OF SCARSDALE, NY

A new analysis of the latest available audited financial report found Scarsdale has a Taxpayer Burden™ of \$14,600, earning it a "D" grade based on Truth in Accounting's grading scale.

Scarsdale's elected officials have made repeated financial decisions that have left the village with a debt burden of \$89.2 million, according to the analysis. That burden equates to \$14,600 for every taxpayer. Scarsdale's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$275.1 million in retirement benefits promised, the village has not funded \$11 million in pension and \$91.2 million in retiree health care benefits.

Scarsdale's financial condition is not only disconcerting, but also misleading as government officials have failed to disclose significant amounts of retirement debt on the village's balance sheet. As a result, residents and taxpayers have been presented with an inaccurate and untruthful accounting of their government's finances.

Here's the truth:

\$89.2
million

Money needed to
pay bills

-\$14,600

Taxpayer
Burden

D

Financial grade

SCARSDALE FINANCIAL BREAKDOWN

FAST FACTS

- + Scarsdale has \$26.7 million available in assets to pay \$115.9 million worth of bills.
- + The outcome is a \$89.2 million shortfall and a \$14,600 Taxpayer Burden.
- + Despite reporting all of its pension debt, the village continues to hide \$58.7 million of retiree health care debt.
- + Scarsdale's reported net position is inflated by \$6.7 million, largely because the village defers recognizing all losses incurred when the net pension liability increases.

THE VILLAGE'S BILLS EXCEED ITS ASSETS

Assets	\$100,341,000
<i>Minus:</i> Capital assets	-\$61,351,000
Restricted assets	-\$12,308,000
Assets available to pay bills	\$26,682,000
<i>Minus:</i> Bills	-\$115,850,000
Money needed to pay bills	-\$89,168,000
Each taxpayer's share of this debt	-\$14,600

BILLS THE VILLAGE HAS ACCUMULATED

Bonds	\$18,821,000
Other liabilities	\$15,329,000
<i>Minus:</i> Debt related to capital assets	-\$20,454,000
Unfunded pension benefits	\$10,989,000
Unfunded retiree health care	\$91,165,000
Bills	\$115,850,000

GRADE: D

Bottom line: Scarsdale does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to entities with a Taxpayer Burden between \$5,000 and \$20,000.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.