NLC NATIONAL LEAGUE OF CITIES

CITIES STRONG TOGETHER

CITY FISCAL CONDITIONS

2023

About the National League of Cities

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions.

About the Center for Research and Data

NLC's Center for Research and Data provides research and analysis on key topics and trends important to cities.

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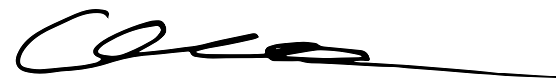
FOREWORD

The past several years have been challenging for America's cities, towns, and villages but also full of opportunities and achievements. Thanks to the timely and historic federal support in the American Rescue Plan Act (ARPA) and the Bipartisan Infrastructure Law (BIL) from which local governments continue to benefit, our cities are making a strong and sustainable fiscal recovery from the recession brought on by the COVID-19 pandemic.

Despite facing abnormally high levels of inflation during 2022, cities have seen their tax basis surge as post-pandemic economic activities picked up, property values rose, and unemployment rates dropped to historic lows. This has resulted in higher-than-expected sales, property, and income tax revenues, which have helped local governments balance their budgets and invest in critical public services, maintenance, and infrastructure.

However, as we look ahead to the next fiscal year, our cities face some uncertainties and challenges. With ARPA funding set to expire in 2026, the question remains whether cities will be able to fully maintain the investments made with their ARPA funds using their own sources of revenue. The National League of Cities, equipped with resources available to all members, stands ready to help cities determine how they can ensure the investments they made through ARPA remain sustainable in the long term.

Now in its 38th year, NLC's *City Fiscal Conditions* report aims to provide valuable insight and shed light on the state of municipal budgets today We believe that with sound fiscal management, strategic planning, and continued state and federal support, despite potential bumps in the road, our cities, villages and towns will continue to thrive and prosper in the years to come. NLC will be there to support them every step along the way.



CLARENCE E. ANTHONY
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The COVID-19 pandemic was a major shock for the economy and the public sector, especially for municipal governments that faced unprecedented challenges in delivering essential services and maintaining fiscal stability. However, thanks to timely and critical support from the federal government, cities were able to overcome the worst effects of the COVID recession[1] and recover some of their lost revenues and expenditures. Now, three years after the outbreak of the pandemic, cities are back on their feet, but they are not fully confident about their near-term future. Our survey analysis reveals that many cities are still very cautious in their budgeting and planning for the current and next fiscal year, as they anticipate potential risks and uncertainties in the post-COVID era.

Our analysis of this year's City Fiscal Conditions survey shows that America's cities, villages and towns have had a strong rebound in their fiscal health and budgets since the COVID recession, in part thanks to timely and critical infusion of funds from the federal government, overall health of the local economies and increased value of city taxes. Federal stimulus programs, such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the American Rescue Plan Act (ARPA) and the Bipartisan Infrastructure Law (BIL), continue to provide much-needed relief and support for cities to address pandemic-related costs and revenue losses, as well as opportunities to invest in infrastructure and other long-term priorities. The economic recovery also has boosted city tax bases, especially property and sales taxes, which are the main sources of city revenues. However, high inflation levels in the last year eroded some of the value of city tax revenues. That said, cities' cautious approach to budgeting has helped them maneuver through these fiscally uncertain times.

Looking ahead, municipal governments remain vigilant about their approach to balancing their budgets, mostly due to budgetary pressures and costs associated with hiring and retaining their workforce and meeting infrastructure needs. Their sense of caution only emphasizes the importance of *continued* federal support and intergovernmental fiscal help in forms similar to ARPA and BIL if our cities, villages and towns are to stay fiscally resilient and healthy.

FISCAL STRUCTURE AND THE ECONOMY

Cities in the United States generate much of their revenue by designing their own tax and fee structures within limits imposed by their respective states. Consequently, cities' fiscal structures vary across the country, with some relying heavily on property taxes and others primarily on sales taxes. Only a few cities – approximately one in 10 – rely on income or wage taxes.

Each source of revenue responds to economic changes differently. Local property tax revenues are driven by the value of residential and commercial property, with property tax bills determined by local governments' assessment of property values. Because of assessment practices, property tax revenues typically reflect the value of a property anywhere from 18 months to several years prior, so they are less immediately responsive to economic changes than other types of taxes.

While property tax revenues are considered a lagging indicator of economic changes, sales taxes are elastic – or more responsive to economic changes – and often better reflect economic shifts. This is because people tend to spend more on goods and services when consumer confidence is high, and vice versa. Like sales taxes, income taxes are also a more elastic source of revenue. At the city level, income tax revenues are driven primarily by income and wages, rather than by capital gains (New York City is a notable exception).

REVENUE AND SPENDING TRENDS

This analysis includes final data for cities' fiscal year 2022 revenues and expenditures and budgeted fiscal year 2023 revenues and expenditures. Specifically, fiscal year 2022 is the fiscal year for which finance officers have closed the books (and verified the final numbers). Fiscal year 2023 is the fiscal year that ended by June 30, 2023, for most cities and will end by December 31, 2023, for others. We examine year-over-year growth of general fund expenditures and revenues, adjusted for inflation (in 2012 constant dollars), and include fiscal data over several years.

Constant-dollar general fund revenues declined by 0.46 percent in fiscal year 2022 compared to fiscal year 2021, with cities anticipating a year-over-year decline of 2.41 percent for fiscal year 2023. This is mainly because both sales and income tax revenues are expected to stabilize after a period of strong growth that occurred when the economy rebounded following the fiscal shock of the COVID-19 pandemic.

Interestingly, looking at nominal (not adjusted for inflation) figures, we can see that the average city experienced more than a 6-percent increase in its current (i.e., unadjusted for inflation) general fund revenues. This was due not only to a healthy 2021 housing market (which significantly increased property tax receipts) and a rebound in the overall economy after the COVID-19 public health precautions were lifted (bringing sales tax receipts back to fiscal year 2019 levels) but also to a large influx of federal monies through ARPA.

Constant dollar general fund revenues declined by 0.46% in FY2022 compared to FY2021. In nominal dollars, the average city experienced more than a 6% increase in general fund revenues.

CITY SPOTLIGHTS

Several cities experienced noteworthy revenue expansion, which can be attributed to a combination of factors. For instance, **Detroit, MI**, witnessed a remarkable 21-percent increase in revenue. This surge can be largely attributed to an increase in income tax collections.

Philadelphia, PA, also experienced a substantial growth of 20 percent in revenue, with tax revenue increases and locally generated non-tax revenue contributing to the rise.

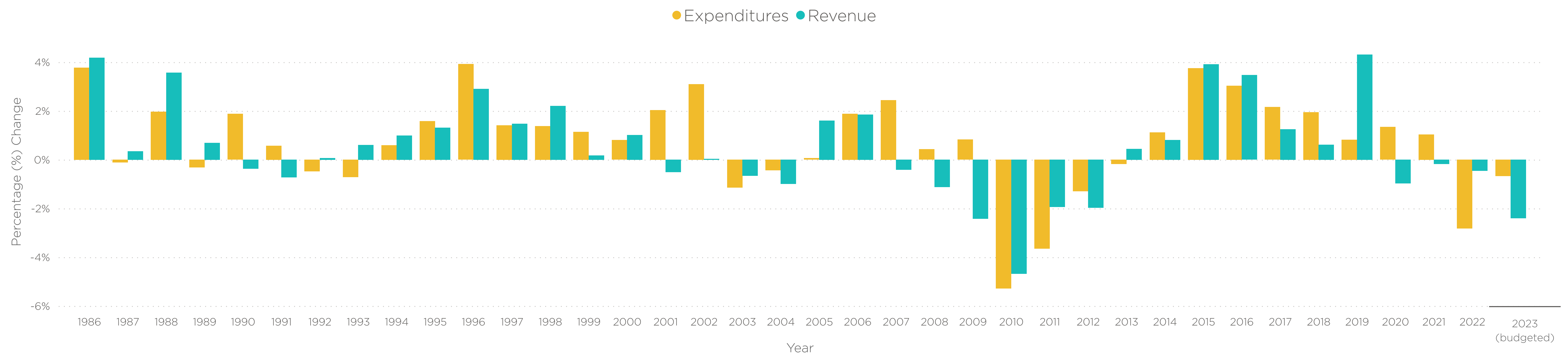
Similarly, **Albuquerque, NM**, saw a revenue increase of 16 percent, primarily due to elevated sales tax receipts and a surge in property tax collections.

At the time when many cities and towns put their 2023 budgets together (i.e., during fiscal year 2022), many still believed that the United States (and global) economy would be headed toward another fiscal downturn. Therefore, and as the City Fiscal Conditions 2022 report revealed last year, cities prepared for a potential fiscal downturn by reining in their revenue and expenditure budget estimates. However, the recent economic outlook shows that the U.S. economy may instead be headed for a "soft landing" – a gradual slowdown of growth without a sharp contraction – in which city budgets may not be impacted as negatively as once believed.[2]

Compared to fiscal year 2021, constant-dollar average spending in fiscal year 2022 shows a modest 2.82 percent decline. Fiscal year 2023 spending levels are still declining by an additional 0.68 percent over fiscal year 2022 figures. However, the decline is less significant than between 2021 and 2022, as many city governments tried to rein in their expenditure levels in anticipation of a potential slowdown of the economy.[3]

Figure 1: General funds show marginal decline as cities rein in spending and implement responsible budgeting in times of moderate fiscal uncertainty

PERCENTAGE (%) CHANGE IN EXPENDITURES AND REVENUES YEAR TO YEAR (1996-2023)



Source: NLC analysis of data from the City Fiscal Conditions survey and annual financial reports

TAX SOURCES

> Three major sources of revenues – **property, sales and income** – reflect the changing elements of the underlying economic bases of the cities.

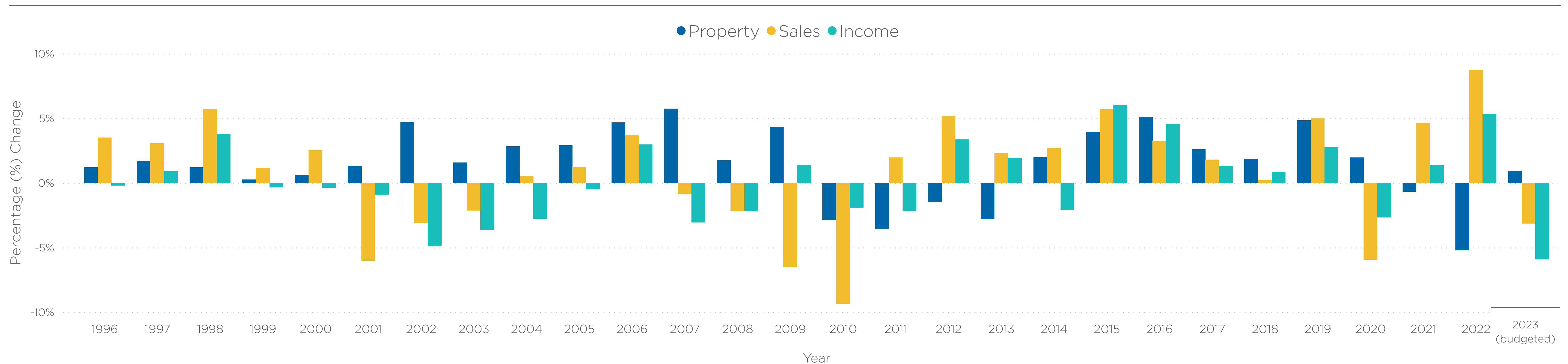
Three principal general fund revenue sources have been tracked for the annual *City Fiscal Conditions* report for over 28 years[4]. As Figure 2 demonstrates, the year-to-year changes in each of the three major sources of revenues – property, sales and income – reflect the changing elements of the underlying economic bases of the cities. Both income and sales tax receipts increased, rather substantially, in 2022 over the previous fiscal year as businesses in many states continued revenue growth trends after the reopening of the economy and as unemployment rates steadily declined.[5] Property tax collections, on the other hand, experienced negative growth (in 2012 constant dollars), despite a very strong housing market for most of fiscal years 2020 and 2021. While 2022 property tax values show a large, almost 4 percent increase (in nominal values) over 2021, high inflation rates during most of 2022 significantly deflated the constant value of tax receipts.

The two revenue sources that respond immediately to changes in the underlying economy – sales tax and income tax – generally follow the business cycle and are considered elastic. As the economy slows, retail sales tax receipts and income tax revenue decline at the same time; as the economy grows, sales and income taxes tend to increase. Property tax receipts, however, lag the underlying economy's changes due to assessment practices as well as to the fact that property does not change hands frequently, requiring assessors to estimate the value of real estate property. Consequently, property tax receipts today tend to reflect the value of property from one, two or three years in the past. (Please refer to *Appendix B* for a detailed discussion on lag between economic and city fiscal conditions.)

As most cities expected the economy to go through a period of relative slowdown toward the latter half of 2023 cities tempered their expectations and estimated all three major types of tax revenues rather conservatively in their 2023 budget projections.[6] Fiscal year 2023 property tax receipts are expected to increase marginally by some 0.91 percent (year-over-year). Sales tax receipts in 2023 are expected to experience a 3.14-percent year-over-year decline (after an extraordinarily strong FY 2022), while income tax revenues are expected to decline by 5.91 percent (adjusted for inflation).

Figure 2: Sales and income taxes grew in 2022, while property taxes show signs of growth in 2023

PERCENTAGE (%) CHANGE IN TAX REVENUES FROM YEAR TO YEAR (1996-2023)



Source: NLC analysis of data from the City Fiscal Conditions survey and annual financial reports

Note: More than 50% of the cities collect sales taxes. Only 10% of the sample collects income tax.

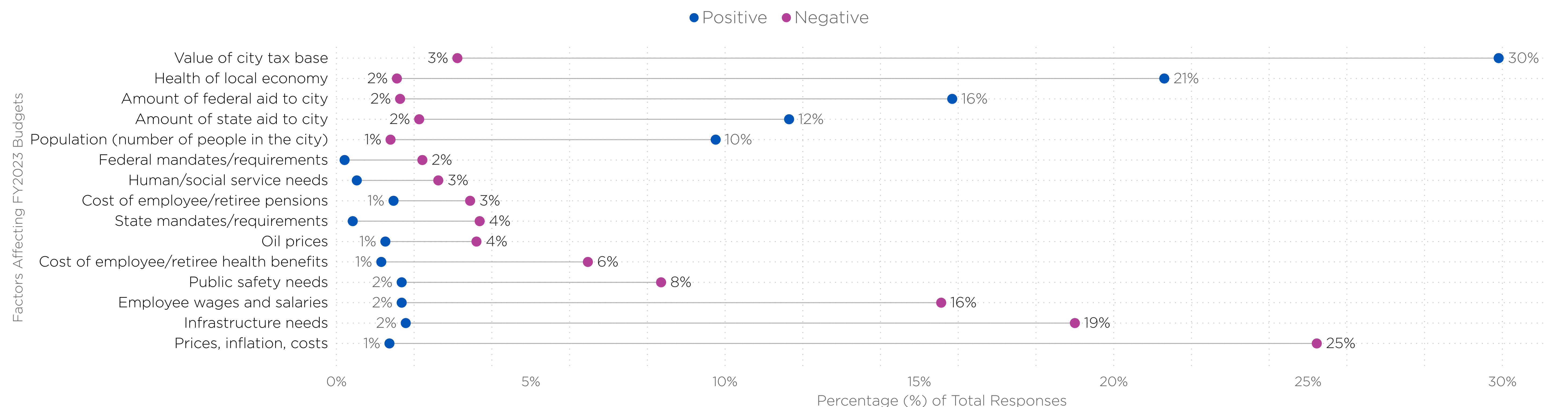
PERSPECTIVES ON ABILITY TO MEET FISCAL NEEDS

Asked about factors that had the most positive impacts on cities' ability to balance their 2023 budgets, 16% percent of respondents reported federal aid as having positive impact.

Following a strong 2022 fiscal year – in which average city taxes increased significantly over fiscal year 2021 – nearly seven out of ten finance officers report being better able to meet their financial needs in FY 2023 than in 2022 (please refer to *Appendix A* for a discussion on the survey collection and analysis). Of course, timely federal interventions in the form of ARPA funds – which provided direct financial support to cities' general operations – coupled with a strong rebounding of the economy contributed to the overall positive fiscal outlook reflected in city finance officers' sentiment. In fact, our survey finds that the value of city taxes, health of the local economy and amount of federal aid to cities were the factors city finance officers most commonly identified as having the most significant *positive* impacts on city budgets.

Figure 3: Value of city taxes most positively affects city budgets while prices, inflation, and costs have the most negative impact

PERCENTAGE (%) OF CITIES INDICATING A POSITIVE OR NEGATIVE EFFECT ON BUDGETS FOR FY2023



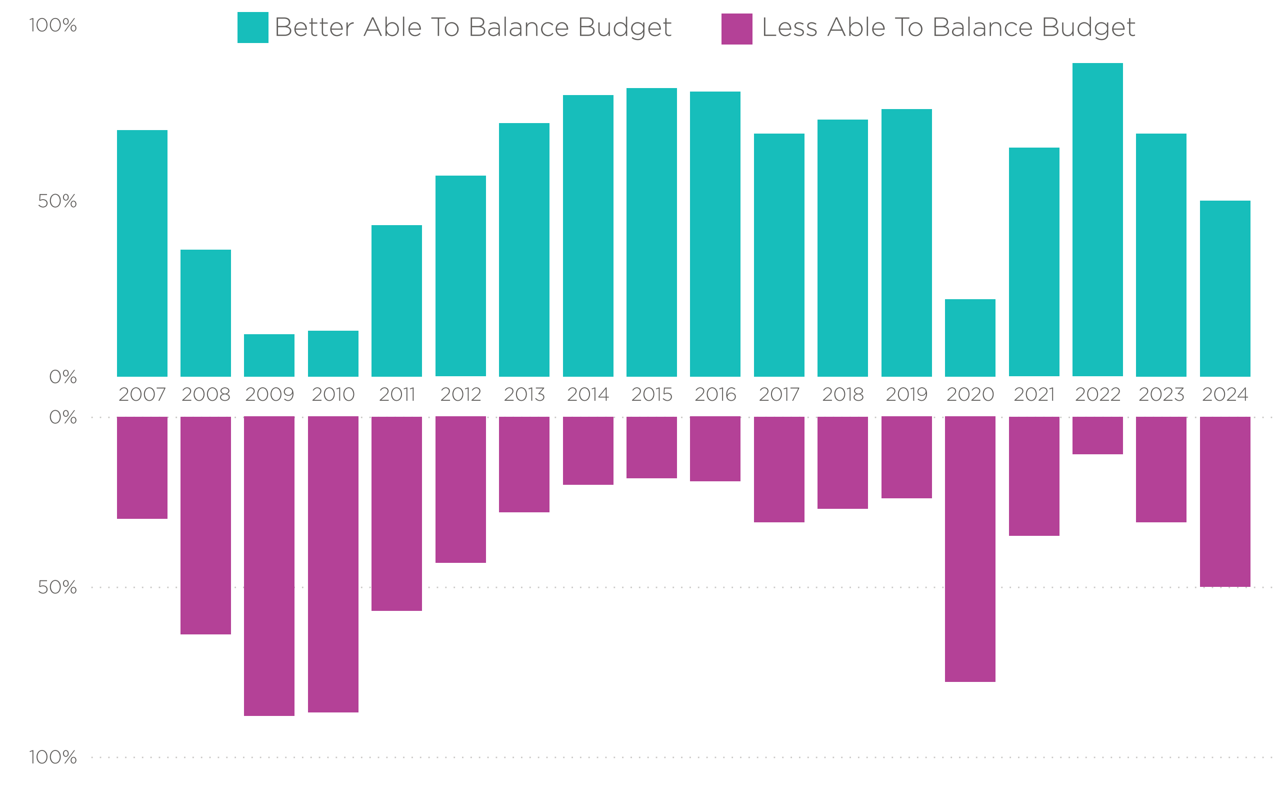
Source: City Fiscal Conditions Survey (2023)

Despite a positive outlook for the fiscal year 2023, only about 50 percent of the same group of finance officers reported optimism (in balancing budgets) for fiscal year 2024. This is likely because many governments remain cautious due to the near-term period of fiscal uncertainty. Relatedly, many municipal governments have tempered their expectations for tax revenues in their 2023 operating budgets (compared to large tax levels collected in fiscal year 2022).

Finance officers report that prices, inflation and costs, infrastructure needs, and employee wages and salaries as among the factors having negative impacts on city budgets. These factors, along with fiscal caution due to a momentarily volatile national economy, have created a fiscal gap for many cities, forcing them to make difficult choices between raising taxes, cutting spending or borrowing money. The rising prices of goods and services have eroded the purchasing power of city revenues and increased the costs of providing public services. The aging and deteriorating infrastructure of many cities requires significant investments for maintenance and upgrades, but the available funding sources are limited and often insufficient (a fact that underscores the significance of federal transfers such as the BIL). Finally, contractual obligations to city employees, as well as employee expectations, have put pressure on city budgets.

Figure 4: Cities remain cautious about their ability to balance their 2024 budgets

PERCENTAGE (%) IF CITIES BETTER OR LESS ABLE TO BALANCE BUDGET COMPARED TO LAST YEAR



Source: City Fiscal Conditions Survey (2007-2023)
Note: See Appendix Table 1 for data from 1990-2023

Percentage (%) of Responding Cities

BEYOND 2023

Overall, both sales tax and income tax revenues have rebounded sharply for cities across the nation as early as 2021, while the rebound in property tax revenues lagged and only starting to increase again in 2023. As the country began to recover from the COVID-19 pandemic and states lifted "lockdown" orders in 2021, cities experienced a strong recovery in their economic activities and tax collections. This reflects recovery from a time when many businesses had to close or reduce their operations, leading to unprecedented declines in retail sales and wages. These losses had a direct and immediate effect on the tax revenues of cities that rely on sales tax or income tax (or both) to fund their general operations. Over the last 18 months, consumers have regained their confidence and spending power, while employers have increased their hiring and wage levels.

Fiscal year 2022, and to some extent 2023, was a challenging but rewarding one for many U.S. cities. According to this year's City Fiscal Conditions survey data, 2022 city tax revenues increased significantly in nominal terms (not adjusted for inflation), despite the high inflation rates that eroded some of the gains. This reflects the resilience and adaptability of local economies in coping with unprecedented shocks, as well as the importance of federal support (in the form of ARPA) in helping cities, villages and towns in times of fiscal hardship.

Although high inflation rates eroded some of the purchasing power of these revenues in 2021 and 2022 – leading many cities to be prudent and conservative in their budget planning in anticipation of a possible downturn in the national economy by late 2023 – the Federal Reserve's market interventions[7] helped to stabilize price levels and curb the inflationary spiral. As a result, cities can expect to see more real growth in their tax revenues in the coming years, which will enable them to fund their public services and infrastructure projects more effectively.

Moreover, the cautious budgeting approach adopted by many cities in 2023 may prove to be beneficial in the long run, as they have built up some fiscal reserves and avoided excessive spending. This approach allows for optimism in the fiscal health of our cities, towns and villages despite the nearing decrease in federal allocations such as ARPA. The latest estimations also show that the U.S. economy may avoid another recession and instead achieve a "soft landing." This scenario would be favorable for cities, as it would reduce the risk of revenue shortfalls and fiscal stress.

In conclusion, while cities, villages and towns faced difficulties in last couple of years due to the COVID-19 pandemic, they have shown resilience and adaptability in managing their finances, and they should be able to look forward to a more optimistic and stable economic environment in 2023 and beyond.

APPENDICES

Appendix A: About the Survey

The NLC City Fiscal Conditions survey is a national survey of finance officers in U.S. cities conducted annually in June and July. Surveys are emailed to city finance officers from cities with various populations sizes (shown in table A1 below). Officers are asked to give their assessments of their cities' fiscal conditions and given approximately 11 weeks to respond. The survey also requests budget and finance data from all but 200 of the nation's large cities; data for those cities were collected directly from online city budget documents.[8] For 2023, we collected data from a total of 820 unique cities. Data collected for 287 cities (35 percent of the entire sample) come from Annual Comprehensive Financial Reports (ACFR's) and budget documents. Data for the other 533 cities (65 percent of the total sample) come from the survey. Therefore, the data allow for generalizations about the fiscal conditions in cities such as these. Details about population size and geographic region are shown in Tables A1 and A2 below.

Table A1: Sample by city population

Population	Percentage (%) of Cities in Sample
300,000+	10%
100,000-299,999	19%
50,000-99,999	18%
10,000-49,999	16%
<10,000	38%

Source: City Fiscal Conditions Survey (2023)

Table A2: Sample by region

Region	Percentage (%) of Cities in Sample
Midwest	31%
Northeast	8%
South	32%
West	28%

Source: City Fiscal Conditions Survey (2023)

Much of the statistical data presented here must also be understood within the context of cross-state variations in tax authority, functional responsibilities and accounting systems. The number and scope of governmental functions influence both revenues and expenditures. For example, many Northeastern cities are responsible for funding not only general government functions but also public education. Additionally, some cities are required by their states to assume more social welfare responsibilities or traditional county functions.[9]

Cities also vary according to their revenue-generating authority. Certain states – notably Kentucky, Michigan, Ohio and Pennsylvania – allow their cities to tax earnings and wages. Meanwhile, several cities – such as those in Colorado, Louisiana, New Mexico and Oklahoma – depend heavily on sales tax revenues. Moreover, state laws vary in how they require cities to account for funds.[10]

When we report on fiscal data such as general fund revenues and expenditures, we are referring to all responding cities' aggregated fiscal data. Therefore, the data are influenced by relatively larger cities that have more substantial budgets and that deliver services to a preponderance of the nation's residents.[11]

When we report on non-fiscal data – such as finance officers' assessments of their cities' ability to meet fiscal needs, or factors they perceive as affecting their budgets – we refer to the percentage of officers responding in a particular way. Each city's response to these questions is weighed equally, regardless of population size, as our analysis is at the city level, not the population level.

Appendix B: The Lag between Economic and City Fiscal Conditions

In economic terms, "lag" refers to the amount of time between economic conditions changing and those conditions having an impact on city revenue collections. In general, cities experience the impacts of changing economic conditions quite early. However, because most fiscal reporting occurs on an annual basis, those impacts are generally not immediately evident.

HOW LONG IS THE LAG?

The lag can last anywhere from 18 months to several years and is largely related to the timing of property tax collections. Because property tax bills are calculated based on property assessments from a previous year, dips in real estate assessed values rarely occur simultaneously with economic downturns. Sales and income tax revenues also exhibit lags due to various collection and administrative issues, but such lags typically do not last for more than a few months. For example, Figure 1 shows year-to-year changes in city general fund revenues and expenditures. It includes markers for the official U.S. recessions that began in 1991, 2001, 2007 and 2019 with low points, or "troughs," occurring in March 1991, November 2001, June 2009 and April 2020, respectively. When we overlay data from NLC's annual surveys,[12] we find that the low points for city revenues and expenditures lag about two years behind the onset of recessions. For instance, the low point for the 1991 recession occurred in 1993, approximately two years after the recession's trough (the recession took place between March 1991 and March 1993). Additionally, during the 2001 recession, the low point occurred in 2003, approximately 18 months after the recession trough (that recession lasted from November 2001 to April 2003).

It should be noted, however, that because the annual NLC City Fiscal Conditions survey is conducted at slightly different times each year, there is some degree of error in the lengths of these lags. For instance, had the survey been conducted in November 1992 rather than in April 1993, we might have seen the effects of changing economic conditions earlier. Nevertheless, the evidence suggests that it takes 18-24 months for the effects of changing economic conditions to become evident in city budgets.

Appendix C: Data Tables

Table C1: Year-over-year change in general fund revenues and expenditures

Percentage (%) change in revenues and expenditures (1986-2023)

Year	Revenues	Expenditures
1986	4.18%	3.78%
1987	0.34%	-0.11%
1988	3.57%	1.97%
1989	0.70%	-0.32%
1990	-0.37%	1.88%
1991	-0.73%	0.58%
1992	0.07%	-0.48%
1993	0.60%	-0.72%
1994	0.99%	0.59%
1995	1.31%	1.58%
1996	2.91%	3.92%
1997	1.48%	1.42%
1998	2.21%	1.38%
1999	0.17%	1.15%
2000	1.01%	0.80%
2001	-0.51%	2.03%
2002	0.01%	3.10%
2003	-0.66%	-1.14%
2004	-1.00%	-0.44%
2005	1.61%	0.06%
2006	1.85%	1.89%
2007	-0.41%	2.45%
2008	-1.12%	0.43%
2009	-2.42%	0.83%
2010	-4.68%	-5.28%
2011	-1.94%	-3.64%
2012	-1.97%	-1.29%
2013	0.44%	-0.18%
2014	0.81%	1.12%
2015	3.91%	3.76%
2016	3.47%	3.04%
2017	1.25%	2.16%
2018	0.62%	1.95%
2019	3.50%	0.62%
2020	-0.97%	1.34%
2021	-0.60%	0.61%
2022	-4.16%	-2.85%
2023 (Estimate)	-2.41%	-0.68%

Source: NLC analysis of data from the City Fiscal Conditions survey and annual financial reports

Table C2: Year-over-year change in sales, income and property tax receipts

Percentage (%) change in tax revenue (1996-2023)

Year	Income	Property	Sales
1996	-0.20%	1.20%	3.50%
1997	0.90%	1.70%	3.10%
1998	3.80%	1.20%	5.70%
1999	-0.35%	0.25%	1.15%
2000	-0.39%	0.61%	2.51%
2001	-0.91%	1.29%	-6.01%
2002	-4.88%	4.72%	-3.08%
2003	-3.62%	1.58%	-2.12%
2004	-2.77%	2.83%	0.53%
2005	-0.48%	2.92%	1.22%
2006	2.97%	4.67%	3.67%
2007	-3.05%	5.75%	-0.85%
2008	-2.19%	1.73%	-2.19%
2009	1.38%	4.32%	-6.49%
2010	-1.91%	-2.86%	-9.34%
2011	-2.14%	-3.54%	1.96%
2012	3.36%	-1.49%	5.16%
2013	1.95%	-2.80%	2.29%
2014	-2.12%	1.98%	2.68%
2015	6.01%	3.96%	5.68%
2016	4.56%	5.11%	3.26%
2017	1.30%	2.60%	1.80%
2018	0.84%	1.83%	0.22%
2019	2.75%	4.84%	4.99%
2020	1.39%	-0.67%	4.66%
2021	5.32%	-5.22%	8.73%
2022	-5.91%	0.91%	-3.14%
2023 (Estimate)	1.39%	-0.67%	4.66%

Source: NLC analysis of data from the City Fiscal Conditions survey and annual financial reports

Appendix C: Data Tables (continued)

Table C3: Percentage (%) of cities better or less able to balance their budgets compared to the year prior

Year	Better Able	Less Able
1990	33%	67%
1991	21%	79%
1992	22%	78%
1993	34%	66%
1994	54%	46%
1995	58%	42%
1996	65%	35%
1997	68%	32%
1998	69%	31%
1999	75%	25%
2000	73%	27%
2001	56%	44%
2002	45%	55%
2003	19%	81%
2004	37%	63%
2005	63%	37%
2006	65%	35%
2007	70%	30%
2008	36%	64%
2009	12%	88%
2010	13%	87%
2011	43%	57%
2012	57%	43%
2013	72%	28%
2014	80%	20%
2015	82%	18%
2016	81%	19%
2017	69%	31%
2018	73%	27%
2019	76%	24%
2020	22%	78%
2021	65%	35%
2022	89%	11%
2023	69%	31%
2024	50%	50%

ource: City Fiscal Conditions Survey (1990-2023)

ENDNOTES

1 The COVID-19 recession officially started in February 2020 and ended in April 2020, making it one of the shortest and deepest global recessions in history.

2 Morgan Stanley Research believes that the US economy can achieve a "soft landing," which means slowing economic growth while avoiding a recession. See Zentner, E. (2023, May 24). Soft Landing: U.S. Fed Economic Outlook 2023. Morgan Stanley Research. https://www.morganstanley.com/ideas/soft-landing-us-economic-outlook-2023. See also Carlsson-Szlezak, P., Swartz, P., & Reeves, M. (2023, July 21). What Happens After the U.S. Economy's Soft Landing? *Harvard Business Review*; and El-Erian, M. (2023, August 24). A US growth-inflation "soft landing" is vital to solving the global economy puzzle. *The Guardian*.

3 In terms of expenditures, 46 of the cities surveyed mentioned Public Safety as the item with the biggest change between fiscal year 2021 and fiscal year 2022. Twenty-nine cities indicated referenced expenditures on General Government as the item with the biggest change, with high inflation rate in fiscal year 2022 as the main driver of the increase. Other cities saw increases in expenditure in Culture, Parks and Recreation, as the demand for leisure increased; public libraries, zoos, golf camps and pools reopened; and public lands and parks incurred additional expenditures.

4 While general fund revenues and expenditures have been tracked for 38 years, different revenue sources (property, sales, and income taxes) have been tracked for 28 years, as part of the City Fiscal Conditions annual report.

5 Based on analysis of 287 city budgets and Annual Comprehensive Financial Reports (ACFRs) for fiscal years 2021, 2022 and 2023.

6 In 2023 budget estimates.

7 Cranston, M. (2022, March 17). Fed hikes rates, signals aggressive turn against inflation. *The Australian Financial Review*. https://www.afr.com/policy/economy/fed-hikes-rates-signals-aggressive-turn-against-inflation-20220317-p5a5bp

8 Fiscal data for the larger 200 cities in the sample are collected manually (and double checked) in order to ensure the accuracy of the data. This is mainly because the estimated average in the analysis are weighted averages and any inaccuracies in the data entered for these larger 200 cities could significantly impact the estimated figures.

9 Analysis based on the examination of 287 ACFRs and city budgets document over a time frame of 27 years (1996-2023).

10 Based on the analysis of 287 ACFRs and city budgets.

11 This is largely because the unit of analysis in City Fiscal Conditions analysis is "city budgets" and not "per capita dollars."

12 Including both the data collected through the annual survey of governments as well as the data collected from publicly available data from ACFRs and budget documents.

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