



No. 25

Louisville Finances Earn 'C' Grade

January 2019
truthinaccounting.org

The Financial State of Louisville

A new analysis of the latest available audited financial report found Louisville has a Taxpayer Burden™ of \$2,900, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left Louisville with a \$644 million shortfall, which equates to a \$2,900 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$3.3 billion in retirement benefits promised, the city has not funded \$1.2 billion in pension and \$347.7 million in retiree health care benefits.

Here's the truth:

\$644
million
Money needed
to pay bills

-\$2,900
Taxpayer
Burden

C
Financial grade

Data included in this report is derived from the city of Louisville 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

LOUISVILLE

FINANCIAL BREAKDOWN

FAST FACTS

- + Louisville has \$1.6 billion available in assets to pay \$2.2 billion worth of bills.
- + The outcome is a \$644 million shortfall and a \$2,900 Taxpayer Burden.
- + The city is hiding all of its retiree health care debt from its balance sheet.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$6,896,958,000
Minus: Capital assets	-\$4,998,416,000
Restricted assets	-\$321,948,000
Assets available to pay bills	\$1,576,594,000
Minus: Bills	-\$2,220,593,000
Money needed to pay bills	-\$643,999,000
Each taxpayer's share of this debt	-\$2,900

BILLS THE CITY HAS ACCUMULATED

Bonds	\$3,088,062,000
Other liabilities	\$390,130,000
Minus: Debt related to capital assets	-\$2,823,960,000
Unfunded pension benefits	\$1,218,645,000
Unfunded retiree health care	\$347,716,000
Bills	\$2,220,593,000

GRADE: C

Bottom line: Louisville's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities, Louisville still owes more than it owns.