



LOUISVILLE RANKS NO. 19 FOR ITS FISCAL HEALTH

January 2020
truthinaccounting.org

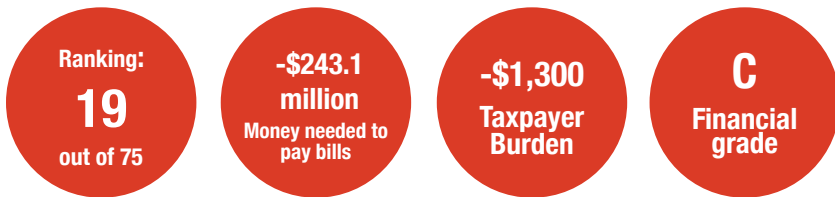
THE FINANCIAL STATE OF LOUISVILLE

A new analysis of the audited financial reports found Louisville has a Taxpayer Burden™ of \$1,300, earning it a “C” grade from Truth in Accounting. Louisville is one of 27 cities to receive a “C” grade for its financial condition.

Louisville’s elected officials have made repeated financial decisions that have left the city with a debt burden of \$243.1 million. That burden equates to \$1,300 for every city taxpayer. Louisville’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$2.9 billion in retirement benefits promised, the city has not funded \$1 billion in pension and \$300 million in retiree health care benefits.

Louisville and other cities have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

THE TRUTH:



LOUISVILLE FINANCIAL BREAKDOWN

FAST FACTS

- Louisville has \$1.7 billion available to pay \$1.9 billion worth of bills.
- The outcome is a \$243.1 million shortfall, which breaks down to a burden of \$1,300 per taxpayer.
- If retirement benefits or other costs are not reduced, then taxpayers could have to pay \$1,300 in future taxes without receiving any related services or benefits.

THE CITY’S BILLS EXCEED ITS ASSETS

Total assets	\$7,312,936,000
<i>Minus:</i> Capital assets	-\$5,343,574,000
Restricted assets	-\$272,604,000
Assets available to pay bills	\$1,696,758,000
<i>Minus:</i> Total bills	-\$1,939,896,000
Money available (needed) to pay bills	-\$243,138,000
Each taxpayer’s share of this debt	-\$1,300

BILLS THE CITY HAS ACCUMULATED

Bonds	\$3,260,408,000
Other liabilities	\$413,780,000
<i>Minus:</i> Debt related to capital assets	-\$3,070,242,000
Unfunded pension benefits	\$1,035,943,000
Unfunded retiree health care benefits	\$300,007,000
Total bills	\$1,939,896,000

GRADE: C

Bottom line: Louisville would need \$1,300 from each of its taxpayers to pay all of its bills. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,900 receives a “C” grade.

Truth in Accounting is a 501(c)(3) committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government, citizens need truthful and transparent financial information.