



No. **35**

Cleveland Finances Earn 'C' Grade

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The Financial State of Cleveland

A new analysis of the latest available audited financial report found Cleveland has a Taxpayer Burden™ of \$4,700, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left Cleveland with a \$639.4 million shortfall, which equates to a \$4,700 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$4.4 billion in retirement benefits promised, the city has not funded \$756 million in pension and \$600.2 million in retiree health care benefits.

Here's the truth:

\$639.4
million
Money needed
to pay bills

-\$4,700
Taxpayer
Burden

C
Financial grade

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

CLEVELAND

FINANCIAL BREAKDOWN

FAST FACTS

- + Cleveland has \$1.6 billion available in assets to pay \$2.3 billion worth of bills.
- + The outcome is a \$639.4 million shortfall and a \$4,700 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	\$6,319,813,000
Minus: Capital assets	-\$4,297,925,000
Restricted assets	-\$375,164,000
Assets available to pay bills	\$1,646,724,000
Minus: Bills	-\$2,286,142,000
Money needed to pay bills	-\$639,418,000
Each taxpayer's share of this debt	-\$4,700

BILLS THE CITY HAS ACCUMULATED

Bonds	\$2,265,860,000
Other liabilities	\$759,639,000
Minus: Debt related to capital assets	-\$2,095,485,000
Unfunded pension benefits	\$755,964,000
Unfunded retiree health care	\$600,164,000
Bills	\$2,286,142,000

GRADE: C

Bottom line: Cleveland'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, Cleveland still owes more than it owns.