



# CINCINNATI FINANCES STRUGGLING

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## THE FINANCIAL STATE OF CINCINNATI

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Cincinnati ranks No. 63, earning it a "D" on TIA's grading scale.

Repeated decisions by city officials have left the city with a debt burden of \$1.4 billion, according to TIA's analysis of its 2016 financial filings. That burden equates to \$14,000 for every Cincinnati taxpayer.

Cincinnati's financial problems are largely driven by runaway entitlement obligations in the form of pension benefits. The city has \$1.6 billion in unfunded pension promises and \$10.1 million in unfunded retiree healthcare benefits. While Cincinnati has promised these benefits, little money has been set aside to fund them.

A new accounting standard implemented last year requires state and local governments to report all of their pension debt on the balance sheet. And in fiscal year 2018, governments will have to disclose unfunded retiree healthcare debt as well. Cincinnati should be commended because it isn't hiding any debt from taxpayers in its 2016 annual financial report.

**63**

Rank

**\$1.4  
billion**

Money needed  
to pay bills

**-\$14,000**

Taxpayer  
Burden™

**D**

Financial grade

# CINCINNATI FINANCIAL BREAKDOWN

## FAST FACTS

- + Cincinnati has \$757.9 million available in assets to pay \$2.2 billion worth of bills.
- + The outcome is a \$1.4 billion shortfall and a \$14,000 Taxpayer Burden™.
- + Unlike most cities, Cincinnati reports all of its retirement liabilities on its balance sheet.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$3,939,874,000
<i>Minus:</i> Capital assets	-\$2,797,138,000
Restricted assets	-\$384,869,000
Assets available to pay bills	\$757,867,000
<i>Minus:</i> Bills	-\$2,188,123,000
Money needed to pay bills	-\$1,430,256,000
<b>Each taxpayer's share of this debt</b>	<b>-\$14,000</b>

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,231,240,000
Other liabilities	\$491,265,000
<i>Minus:</i> Debt related to capital assets	-\$1,136,662,000
Unfunded pension benefits	\$1,592,193,000
Unfunded retiree healthcare	\$10,087,000
<b>Bills</b>	<b>\$2,188,123,000</b>

## GRADE: D

Bottom line: Cincinnati 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 cities 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.