



No. **56**

Cincinnati Receives 'D' Grade for its Finances

January 2019
truthinaccounting.org

The Financial State of Cincinnati

A new analysis of the latest available audited financial report found Cincinnati has a Taxpayer Burden™ of \$9,200, earning it a "D" grade based on Truth in Accounting's grading scale.

Cincinnati's elected officials have made repeated financial decisions that have left the city with a debt burden of \$943.2 million, according to the analysis. That equates to a \$9,200 burden for every city taxpayer.

Cincinnati's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years.

Here's the truth:

\$943.2
million
Money needed
to pay bills

-\$9,200
Taxpayer
Burden

D
Financial grade

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

CINCINNATI

FINANCIAL BREAKDOWN

FAST FACTS

- + Cincinnati has \$728.3 million available in assets to pay \$1.7 billion worth of bills.
- + The outcome is a \$943.2 million shortfall and a \$9,200 Taxpayer Burden.
- + Of the \$4.4 billion in retirement benefits promised, the city has not funded \$984.4 million in pension and \$23.5 million in retiree health care benefits.

THE CITY'S BILLS EXCEED ITS ASSETS

| | |
|------------------------------------|------------------|
| Assets | \$4,090,773,000 |
| Minus: Capital assets | -\$2,834,954,000 |
| Restricted assets | -\$527,551,000 |
| Assets available to pay bills | \$728,268,000 |
| Minus: Bills | -\$1,671,492,000 |
| Money needed to pay bills | -\$943,224,000 |
| Each taxpayer's share of this debt | -\$9,200 |

BILLS THE CITY HAS ACCUMULATED

| | |
|---------------------------------------|------------------|
| Bonds | \$1,316,184,000 |
| Other liabilities | \$537,801,000 |
| Minus: Debt related to capital assets | -\$1,190,442,000 |
| Unfunded pension benefits | \$984,438,000 |
| Unfunded retiree health care | \$23,511,000 |
| Bills | \$1,671,492,000 |

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.