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Lexington Earns 'D' Grade for its Finances

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The Financial State of Lexington

A new analysis of the latest available audited financial report found Lexington has a Taxpayer Burden™ of \$6,900, earning it a "D" grade based on Truth in Accounting's grading scale.

Lexington's elected officials have made repeated financial decisions that have left the city with a debt burden of \$627.9 million, according to the analysis. That equates to a \$6,900 burden for every city taxpayer.

Lexington's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$1.6 billion in retirement benefits promised, the city has not funded \$419.4 million in pension and \$242.2 million in retiree health care benefits.

Here's the truth:



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

LEXINGTON

FINANCIAL BREAKDOWN

FAST FACTS

- + Lexington has \$341.7 million available in assets to pay \$969.6 million worth of bills.
- + The outcome is a \$627.9 million shortfall and a \$6,900 Taxpayer Burden.
- + The city is hiding \$134.3 million of retiree health care debt from its balance sheet.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$2,203,307,000
Minus: Capital assets	-\$1,678,807,000
Restricted assets	-\$182,816,000
Assets available to pay bills	\$341,684,000
Minus: Bills	-\$969,582,000
Money needed to pay bills	-\$627,898,000
Each taxpayer's share of this debt	-\$6,900

BILLS THE CITY HAS ACCUMULATED

Bonds	\$607,579,000
Other liabilities	\$219,985,000
Minus: Debt related to capital assets	-\$519,593,000
Unfunded pension benefits	\$419,373,000
Unfunded retiree health care	\$242,238,000
Bills	\$969,582,000

GRADE: D

Bottom line: Lexington 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.