



No. **51**

Omaha Finances Earn 'D' Grade

January 2019
truthinaccounting.org

The Financial State of Omaha

A new analysis of the latest available audited financial report found Omaha has a Taxpayer Burden™ of \$7,300, earning it a "D" grade based on Truth in Accounting's grading scale.

Omaha's elected officials have made repeated financial decisions that have left the city with a debt burden of \$1.1 billion, according to the analysis. That equates to a \$7,300 burden for every city taxpayer.

Omaha's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$2.2 billion in retirement benefits promised, the city has not funded \$832.9 million in pension and \$400.9 million in retiree health care benefits.

Here's the truth:

\$1.1
billion
Money needed
to pay bills

-\$7,300
Taxpayer
Burden

D
Financial grade

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

OMAHA

FINANCIAL BREAKDOWN

FAST FACTS

- + Omaha has \$393.8 million available in assets to pay \$1.5 billion worth of bills.
- + The outcome is a \$1.1 billion shortfall and a \$7,300 Taxpayer Burden.
- + The city is hiding \$132.9 million of retiree health care debt from its balance sheet.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$2,876,892,000
Minus: Capital assets	-\$2,276,483,000
Restricted assets	-\$206,602,000
Assets available to pay bills	\$393,807,000
Minus: Bills	-\$1,509,190,000
Money needed to pay bills	-\$1,115,383,000
Each taxpayer's share of this debt	-\$7,300

BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,068,739,000
Other liabilities	\$565,023,000
Minus: Debt related to capital assets	-\$1,358,395,000
Unfunded pension benefits	\$832,945,000
Unfunded retiree health care	\$400,878,000
Bills	\$1,509,190,000

GRADE: D

Bottom line: Omaha 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.