



LOUISVILLE FINANCES IN DECENT SHAPE

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THE FINANCIAL STATE OF LOUISVILLE

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Louisville ranks No. 14, earning it a "C" on TIA's grading scale.

Decisions by city officials have left the city with a debt burden of \$137.7 million, according to TIA's analysis of the city's 2016 financial filings. That burden equates to \$600 for every Louisville taxpayer.

The city has \$992.4 million in unfunded pension promises and \$180.3 million in unfunded retiree healthcare benefits. While Louisville has not put enough funds in these retirement plans to meet promised benefits, most of these benefits could be funded with other assets the city has available.

City government officials continue to obscure significant amounts of retirement debt from their balance sheets, despite new rules to increase financial transparency. Louisville excludes 23% of its retirement liabilities from its financial statements. This skewed financial data gives residents a false impression of their city's overall financial health.

14

Rank

**\$137.7
million**

Money needed
to pay bills

-\$600

Taxpayer
Burden™

C

Financial grade

LOUISVILLE FINANCIAL BREAKDOWN

FAST FACTS

- + Louisville has \$1.6 billion available in assets to pay \$1.8 billion worth of bills.
- + The outcome is a \$137.7 million shortfall and a \$600 Taxpayer Burden™.
- + Despite reporting most of its pension debt, the city hides all of its retiree healthcare debt. The city's total hidden debt amounts to \$268 million.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$6,635,779,000
<i>Minus:</i> Capital assets	-\$4,748,625,000
Restricted assets	-\$271,795,000
Assets available to pay bills	\$1,615,359,000
<i>Minus:</i> Bills	-\$1,753,107,000
Money needed to pay bills	-\$137,748,000
Each taxpayer's share of this debt	-\$600

BILLS THE CITY HAS ACCUMULATED

Bonds	\$2,948,950,000
Other liabilities	\$426,869,000
<i>Minus:</i> Debt related to capital assets	-\$2,795,375,000
Unfunded pension benefits	\$992,386,000
Unfunded retiree healthcare	\$180,277,000
Bills	\$1,753,107,000

GRADE: C

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

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.