


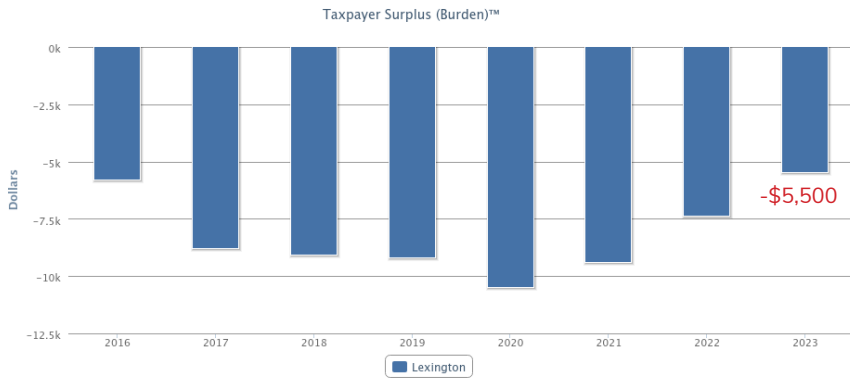
FINANCIAL STATE OF LEXINGTON



 **\$578.5 million**
MONEY NEEDED TO PAY
BILLS

 **\$5,500**
TAXPAYER BURDEN™

Lexington’s financial condition showed some improvement. But based on our analysis of its audited financial report for fiscal year 2023, the city still needed \$578.5 million to cover its bills, resulting in a Taxpayer Burden™ of \$5,500. This earned the city a “D” grade from Truth in Accounting, marking it as a Sinkhole City.




Lexington’s financial condition strengthened in 2023, with revenues for governmental activities growing by 8.61% and business-type activities increasing by 6.15%. Despite rising expenses, the city posted a revenue surplus of \$101.5 million. While the increase in net pension liability was largely offset by a reduction in unfunded retiree healthcare liability, the city still lacked sufficient funds to cover its accumulated financial obligations, including those in its business-type activities.

Lexington’s economic recovery remains steady, with a 3.7% unemployment rate as of June 2023. Economic growth has boosted tax revenues and business activity. To ensure long-term stability, the city must implement sustainable fiscal policies, balance pension obligations, and invest in essential services while supporting continued economic development.

The data included in this report is derived from Lexington’s 2023 audited Annual Comprehensive Financial Report and retirement plans’ reports. To compare prior years and other states’ and cities’ financial, demographic, and economic information, go to Data-Z.org.

FINANCIAL STATE OF LEXINGTON

 **D**
FINANCIAL GRADE

 **51 out of 75**
RANKING

FINANCIAL FACTS

- Lexington had \$717 million available to pay \$1.3 billion worth of bills.
- The outcome was a \$578.5 million shortfall, which breaks down to a burden of \$5,500 per taxpayer.
- Lexington’s financial condition improved with strong revenue growth, but the city still lacked funds to cover accumulated obligations.

The City’s Bills Exceeded Its Assets

Total Assets	\$2,869,523,000
Minus: Capital Assets	-\$2,024,681,000
Restricted Assets	-\$127,832,000
Assets Available to Pay Bills	\$717,010,000
Minus: Total Bills*	-\$1,295,498,000
Money needed to pay bills	\$578,488,000
Each taxpayer’s share of this burden	\$5,500

*Breakdown of Total Bills

Bonds	\$779,926,000
Other Liabilities	\$411,090,000
Minus: Debt Related to Capital Assets	-\$757,574,000
Unfunded Pension Benefits	\$625,367,000
Unfunded Retiree Health Care Benefits	\$236,689,000
Total Bills	\$1,295,498,000

Grade:	Bottom line:
D	Lexington would need \$5,500 from each of its taxpayers to pay all of its outstanding bills and received a “D” grade for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a “D” grade.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering you with understandable, reliable, and transparent government financial information so you can be a knowledgeable participant in your government and its budget process.