

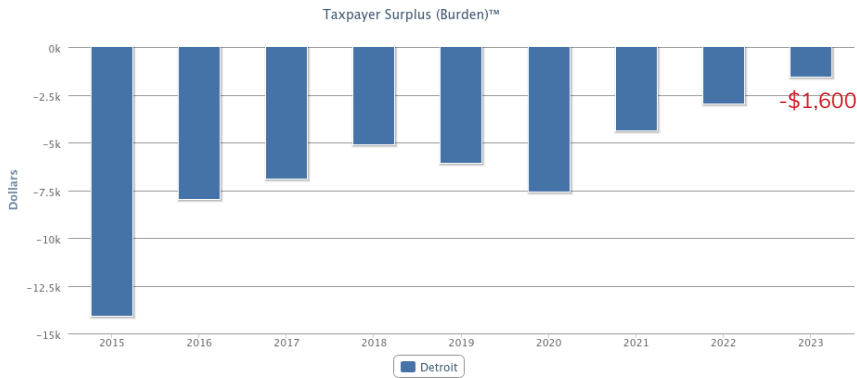
FINANCIAL STATE OF DETROIT



\$381.8 million
MONEY NEEDED TO PAY BILLS

\$1,600
TAXPAYER BURDEN™

Detroit's financial condition showed some improvement. But based on our analysis of its audited financial report for fiscal year 2023, the city still needed \$381.8 million to cover its bills, resulting in a Taxpayer Burden™ of \$1,600. This earned the city a "C" grade from Truth in Accounting, marking it as a Sinkhole City.



Detroit's financial condition improved by \$235.5 million, although the city still faces a gap in paying its bills, including unfunded pension benefits. Reported revenues, including taxes, increased, and expenses decreased, mainly due to lower pension costs established during the city's bankruptcy restructuring. Notably, expenses for Development and Management and Public Protection decreased by \$156.7 million and \$158.9 million, respectively.

Taxpayer payments for governmental activities through city taxes totaled \$1.08 billion, or 50.4% of total revenues, a \$174.5 million increase from the prior year. This was mainly due to a \$135.6 million rise in Municipal Income Taxes from updated data on tax collections. Detroit has worked to control costs, but challenges remain in closing the gap between revenues and liabilities. Continued fiscal management is essential for addressing pension obligations and ensuring long-term financial health.

FINANCIAL STATE OF DETROIT

C
FINANCIAL GRADE

33 out of 75
RANKING

FINANCIAL FACTS

- Detroit had \$4.4 billion available to pay \$4.8 billion worth of bills.
- The outcome was a \$381.8 million shortfall, which breaks down to a burden of \$1,600 per taxpayer.
- Detroit improved its financial condition by \$235.5 million, with increased revenues, reduced expenses, but still faces pension liabilities challenges.

The City's Bills Exceeded Its Assets

Total Assets	\$9,336,983,000
Minus: Capital Assets	-\$4,239,314,000
Restricted Assets	-\$727,917,000
Assets Available to Pay Bills	\$4,369,752,000
Minus: Total Bills*	-\$4,751,525,000
Money needed to pay bills	\$381,773,000
Each taxpayer's share of this burden	\$1,600

*Breakdown of Total Bills

Bonds	\$2,414,892,000
Other Liabilities	\$2,604,052,000
Minus: Debt Related to Capital Assets	-\$1,909,299,000
Unfunded Pension Benefits	\$1,640,494,000
Unfunded Retiree Health Care Benefits	\$1,386,000
Total Bills	\$4,751,525,000

Grade:	Bottom line:
C	Detroit would need \$1,600 from each of its taxpayers to pay all of its outstanding bills and received a "C" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a "C" grade.