

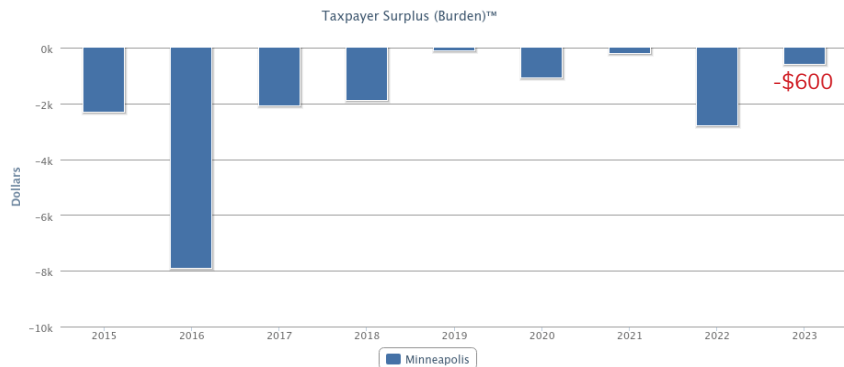


**\$93.9 million**  
MONEY NEEDED TO PAY  
BILLS



**\$600**  
TAXPAYER BURDEN™

Minneapolis' financial condition showed some improvement. But based on our analysis of its audited financial report for fiscal year 2023, the city still needed \$93.9 million to cover its bills, resulting in a Taxpayer Burden™ of \$600. This earned the city a “C” grade from Truth in Accounting, marking it as a Sinkhole City.



Despite reduced American Rescue Plan Act funding, the city's financial outlook improved due to a reduction in pension debt. The Public Employees Retirement Association of Minnesota reported an unrealized gain of nearly 9%, easing long-term liabilities. Additionally, an increase in the discount rate decreased estimated future benefit payments. However, these developments highlight the need for city officials to carefully manage Minneapolis' defined benefit pension funds, considering market risks and the uncertainty in estimating the funds required to cover benefits.

As in many other jurisdictions, employee wages and benefit costs make up over 63.5% of the city's General Fund 2023 expenditure budget, driven by rising wages, inflation, and overtime expenses. In light of this significant growth, the city's commitment to transparency is commendable, particularly for including a column that consolidates figures for both its primary government and component units within the financial statements, enhancing clarity and accountability.



**C**  
FINANCIAL GRADE



**24 out of 75**  
RANKING

## FINANCIAL FACTS

- Minneapolis had \$1.2 billion available to pay \$1.3 billion worth of bills.
- The outcome was a \$93.9 million shortfall, which breaks down to a burden of \$600 per taxpayer.
- Despite reduced federal COVID funding, the city's financial outlook improved through pension debt reduction and discount rate changes.

## The City's Bills Exceeded Its Assets

Total Assets	\$5,450,808,000
Minus: Capital Assets	-\$3,819,692,000
Restricted Assets	-\$412,526,000
Assets Available to Pay Bills	\$1,218,590,000
Minus: Total Bills*	-\$1,312,532,000
Money needed to pay bills	\$93,942,000
Each taxpayer's share of this burden	\$600

## \*Breakdown of Total Bills

Bonds	\$788,139,000
Other Liabilities	\$623,279,000
Minus: Debt Related to Capital Assets	-\$786,059,000
Unfunded Pension Benefits	\$562,749,000
Unfunded Retiree Health Care Benefits	\$124,424,000
Total Bills	\$1,312,532,000

<b>Grade:</b>	<b>Bottom line:</b>
C	Minneapolis would need \$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.