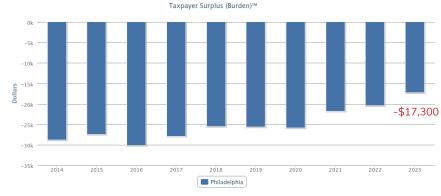
# FINANCIAL STATE OF PHILADELPHIA







Philadelphia's financial condition showed some improvement. But based on our analysis of its audited financial report for fiscal year 2023, the city still needed \$10.3 billion to cover its bills, resulting in a Taxpayer Burden™ of \$17,300. This earned the city a "D" grade from Truth in Accounting, marking it as a Sinkhole City.



Philadelphia's finances showed significant improvement, with a net gain of \$884.1 million, as reported revenues outpaced expenses. The city's Governmental Activities charges for services rose by \$71.7 million, driven largely by \$200.1 million in revenue from the Opioid Settlement. However, this boost was partially offset by declines in general management charges (\$101.9 million) and health service charges (\$21.9 million), which impacted overall revenue growth.

Additionally, the city's retiree healthcare benefit liability decreased by \$357 million, mainly due to a favorable adjustment in the interest rate used to calculate future benefit payments. While these improvements strengthened Philadelphia's fiscal position, the city still faced a significant financial challenge. It was unable to cover \$10.3 billion in accumulated bills, underscoring the ongoing need for fiscal strategies to address long-term obligations and balance its budget effectively.

February 2025

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The data included in this report is derived from Philadelphia'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 PHILADELPHIA





#### FINANCIAL FACTS

- Philadelphia had \$10.3 billion available to pay \$20.6 billion worth of bills.
- The outcome was a \$10.3 billion shortfall, which breaks down to a burden of \$17,300 per taxpayer.
- Philadelphia's finances improved by \$884.1 million, boosted by \$200.1 million in opioid settlement revenue and reduced retiree healthcare.

The City's Bills Exceeded Its Assets	
Total Assets	\$27,873,545,000
Minus: Capital Assets	-\$14,662,298,000
Restricted Assets	-\$2,861,669,000
Assets Available to Pay Bills	\$10,349,578,000
Minus: Total Bills*	-\$20,641,512,000
Money needed to pay bills	\$10,291,934,000
Each taxpayer's share of this burden	\$17,300

*Breakdown of Total Bills	
Bonds	\$9,972,600,000
Other Liabilities	\$10,631,532,000
Minus: Debt Related to Capital Assets	-\$10,893,733,000
Unfunded Pension Benefits	\$8,610,063,000
Unfunded Retiree Health Care Benefits	\$2,321,050,000
Total Bills	\$20,641,512,000

### Grade:



#### **Bottom line:**

Philadelphia would need \$17,300 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.

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