


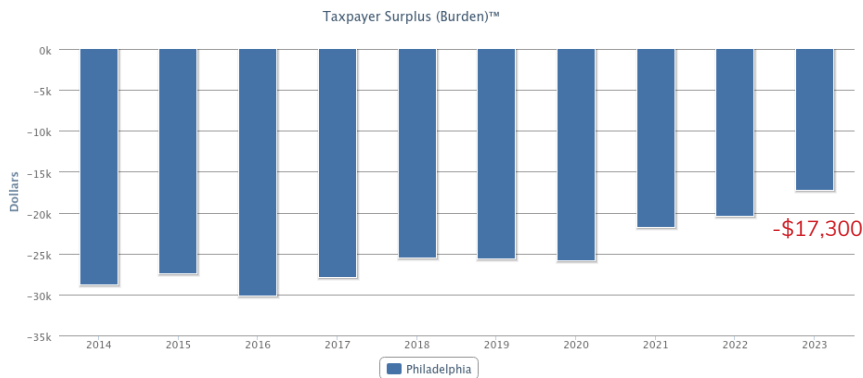


\$10.3 billion
MONEY NEEDED TO PAY
BILLS




\$17,300
TAXPAYER BURDEN™

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.



D
FINANCIAL GRADE



70 out of 75
RANKING

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:
D	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.