



# Philadelphia Finances Earn 'F' Grade

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## The Financial State of Philadelphia

An analysis of the latest available audited financial report found Philadelphia has a Taxpayer Burden™ of \$27,900, earning it an "F" grade based on Truth in Accounting's grading scale.

Philadelphia's elected officials have made repeated financial decisions that have left the city with a debt burden of \$15 billion, according to the analysis. That equates to a \$27,900 burden for every city taxpayer.

Philadelphia's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$21.9 billion in retirement benefits promised, the city has not funded \$10 billion in pension and \$2.6 billion in retiree health care benefits.

Here's the truth:



Data included in this report is derived from the city of Philadelphia 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

# PHILADELPHIA

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Philadelphia has \$5.1 billion available in assets to pay \$20.1 billion worth of bills.
- + The outcome is a \$15 billion shortfall and a \$27,900 Taxpayer Burden.
- + Philadelphia's reported net position is overstated by \$1.3 billion, largely because the city delays recognizing losses incurred when the net pension liability increases.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$17,838,108,000
Minus: Capital assets	-\$11,171,663,000
Restricted assets	-\$1,608,366,000
Assets available to pay bills	\$5,058,079,000
Minus: Bills	-\$20,075,205,000
Money needed to pay bills	-\$15,017,126,000
Each taxpayer's share of this debt	-\$27,900

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$8,577,900,000
Other liabilities	\$7,105,550,000
Minus: Debt related to capital assets	-\$8,255,657,000
Unfunded pension benefits	\$9,999,843,000
Unfunded retiree health care	\$2,647,569,000
Bills	\$20,075,205,000

### GRADE: F

Bottom line: Philadelphia would need more than \$20,000 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances from Truth in Accounting.