



# Detroit's Road to Recovery

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## The Financial State of Detroit

A new analysis of the latest available audited financial report found Detroit has a Taxpayer Burden™ of \$6,900, earning it a "D" grade based on Truth in Accounting's grading scale. After filing for bankruptcy, the city's taxpayer burden has decreased by nearly half since 2015.

Detroit's elected officials have made repeated financial decisions that have left the city with a debt burden of \$1.5 billion, according to the analysis. That equates to a \$6,900 burden for every city taxpayer.

Detroit's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years.

### Here's the truth:



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

# DETROIT

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Detroit has \$2.6 billion available in assets to pay \$4.1 billion worth of bills.
- + The outcome is a \$1.5 billion shortfall and a \$6,900 Taxpayer Burden.
- + The city eliminated \$1.3 billion of pension and \$5.7 billion of retiree health care debt after filing for bankruptcy.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$7,333,080,000
Minus: Capital assets	-\$4,072,692,000
Restricted assets	-\$686,638,000
Assets available to pay bills	\$2,573,750,000
Minus: Bills	-\$4,091,637,000
Money needed to pay bills	-\$1,517,887,000
Each taxpayer's share of this debt	-\$6,900

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$2,368,181,000
Other liabilities	\$1,913,788,000
Minus: Debt related to capital assets	-\$1,946,590,000
Unfunded pension benefits	\$1,756,928,000
Overfunded retiree health care	-\$670,000
Bills	\$4,091,637,000

### GRADE: D

Bottom line: Detroit does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to cities with a Taxpayer Burden between \$5,000 and \$20,000.