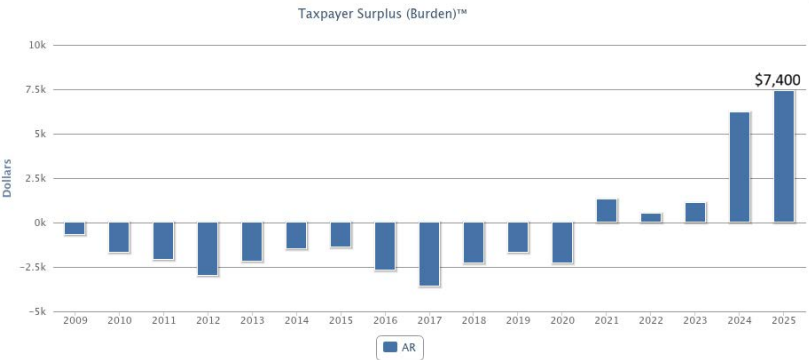


ARKANSAS' FINANCIAL BREAKDOWN

Money Available to Pay Bills	\$6.4 billion	Ranking (Out of 50)	11
Taxpayer Surplus™	\$7,400	Financial Grade	B

In 2025, Arkansas' financial situation improved. It ended the year with \$6.4 billion more than it needed to pay its bills. That means the state had a Taxpayer Surplus™ of \$7,400 and earned a “B” grade from Truth in Accounting.

Arkansas reported revenues exceeding expenses for the year, driven primarily by elevated federal grants, including additional Medicaid funding, and stronger investment earnings. A large portion of these earnings came from mortgage-backed securities, benefiting from favorable financial market conditions. Investment returns for the state's pension systems approached 10 percent, increasing asset values and available resources to pay benefits. These gains improved overall financial results and eased pressure on unfunded pension liabilities. Even with these recent gains, the state's promised future retirement benefits have continued to grow.



Arkansas received approximately \$12.9 billion in federal grants, which represented 42 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. Auditors found significant control failures across Arkansas agencies, including an EBT program failing to return \$5 million in unused benefits to the federal government. They also found the Arkansas Economic Development Commission provided grant money to non-awardees; a lack of proper documentation across education programs; and several errors in payments to deceased or incarcerated individuals for programs meant to help children and vulnerable families.

The data in this report is derived from Arkansas' audited 2025 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit Data-Z.org.

ARKANSAS' FINANCIAL FACTS

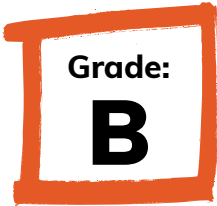
FACT #1: Arkansas had \$14.8 billion available to pay \$8.4 billion worth of bills.	FACT #2: The outcome was a \$6.4 billion surplus, which breaks down to \$7,400 per taxpayer.
FACT #3: Arkansas received 42 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.	

THE STATE'S ASSETS EXCEEDED ITS BILLS

\$42,740,713,000	→	Total Assets
- \$22,026,109,000	→	Minus: Capital Assets
- \$5,927,823,000	→	Minus: Restricted Assets
= \$14,786,781,000	→	Assets Available to Pay Bills
- \$8,357,382,000	→	Minus: Total Bills*
= \$6,429,399,000	→	Money Available to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$7,400	→	Each Taxpayer's Share of This Surplus

*BREAKDOWN OF TOTAL BILLS

\$3,411,003,000	→	Bonds
+ \$4,534,903,000	→	Other Liabilities
- \$2,928,845,000	→	Minus: Debt Related to Capital Assets
+ \$1,813,508,000	→	Unfunded Pension Benefits
+ \$1,526,813,000	→	Unfunded Retiree Health Care Benefits
= \$8,357,382,000	→	Total Bills



Bottom line: Arkansas had more than enough money to pay its outstanding bills and received a “B” grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Surplus between \$1 and \$9,999 is given a “B” grade.