Tucson Earns 'D' Grade for its Finances

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The Financial State of Tucson

A new analysis of the latest available audited financial report found Tucson has a Taxpayer Burden™ of $8,900, earning it a "D" grade based on Truth in Accounting's grading scale.

Tucson's elected officials have made repeated financial decisions that have left the city with a debt burden of $1.3 billion, according to the analysis. That equates to a $8,900 burden for every city taxpayer.

Tucson's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the $2.7 billion in retirement benefits promised, the city has not funded $1.2 billion in pension and $222.7 million in retiree health care benefits.

Here's the truth:

$1.3 billion
Money needed to pay bills

-$8,900
Taxpayer Burden

D
Financial grade

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

TUCSON
FINANCIAL BREAKDOWN

FAST FACTS

+ Tucson has $513.4 million available in assets to pay $1.8 billion worth of bills.

+ The outcome is a $1.3 billion shortfall and a $8,900 Taxpayer Burden.

+ Tucson's reported net position is overstated by $169.1 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS	
Assets	$4,223,163,000
Minus: Capital assets	-$3,525,784,000
Restricted assets	-$183,972,000
Assets available to pay bills	$513,407,000
Minus: Bills	-$1,832,586,000
Money needed to pay bills	-$1,319,179,000
Each taxpayer's share of this debt	-$8,900

BILLS THE CITY HAS ACCUMULATED	
Bonds	$829,938,000
Other liabilities	$607,732,000
Minus: Debt related to capital assets	-$1,038,581,000
Unfunded pension benefits	$1,210,833,000
Unfunded retiree health care	$222,664,000
Bills	$1,832,586,000

GRADE: D

Bottom line: Tucson 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.