



ARIZONA FINANCES EARN 'C' GRADE

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truthinaccounting.org

THE FINANCIAL STATE OF ARIZONA

A new analysis of the latest available audited financial reports found Arizona has a Taxpayer Burden™ of \$4,500, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the state's elected officials have left Arizona with a \$8.8 billion shortfall, which equates to \$4,500 for every taxpayer. Much of the state's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$24.3 billion in retirement benefits promised, the state has not funded \$7.6 billion in pension and \$1.2 billion in retiree health care benefits.

Arizona's financial condition is not only disconcerting but also misleading as government officials have failed to disclose significant amounts of retirement debt on the state's balance sheet. Residents and taxpayers have been presented with an unreliable and inaccurate accounting of the state government's finances.

Here's the truth:

21

Rank

**\$8.8
billion**

Money needed to
pay bills

-\$4,500

Taxpayer
Burden

C

Financial grade

ARIZONA FINANCIAL BREAKDOWN

FAST FACTS

- + Arizona has \$9.8 billion available in assets to pay \$18.6 billion worth of bills.
- + The outcome is a \$8.8 billion shortfall and a \$4,500 Taxpayer Burden.
- + The state is hiding \$2.1 billion of pension debt and \$896.5 million of retiree health care debt from its balance sheet.
- + Arizona's reported net position is inflated by \$906.4 million, largely because the state defers recognizing losses incurred when the net pension liability increases.

THE STATE'S BILLS EXCEED ITS ASSETS

Assets	\$48,565,689,000
<i>Minus:</i> Capital assets	-\$29,166,033,000
Restricted assets	-\$9,557,293,000
Assets available to pay bills	\$9,842,363,000
<i>Minus:</i> Bills	-\$18,637,573,000
Money needed to pay bills	-\$8,795,210,000
Each taxpayer's share of this debt	-\$4,500

BILLS THE STATE HAS ACCUMULATED

Bonds	\$7,522,658,000
Other liabilities	\$8,973,680,000
<i>Minus:</i> Debt related to capital assets	-\$6,653,783,000
Unfunded pension benefits	\$7,640,583,000
Unfunded retiree health care	\$1,154,435,000
Bills	\$18,637,573,000

GRADE: C

Bottom line: Arizona's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other states, Arizona still owes more than it owns.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.