



No. **45**

# Phoenix Receives 'D' Grade for its Finances

January 2019  
[truthinaccounting.org](http://truthinaccounting.org)

## The Financial State of Phoenix

A new analysis of the latest available audited financial report found Phoenix has a Taxpayer Burden™ of \$5,900, earning it a "D" grade based on Truth in Accounting's grading scale.

Phoenix's elected officials have made repeated financial decisions that have left the city with a debt burden of \$2.7 billion, according to the analysis. That equates to a \$5,900 burden for every city taxpayer.

Phoenix's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$9.1 billion in retirement benefits promised, the city has not funded \$4.5 billion in pension and \$185.5 million in retiree health care benefits.

Here's the truth:

**\$2.7**  
billion  
Money needed to  
pay bills

**-\$5,900**  
Taxpayer  
Burden

**D**  
Financial grade

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

# PHOENIX

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Phoenix has \$3.8 billion available in assets to pay \$6.5 billion worth of bills.
- + The outcome is a \$2.7 billion shortfall and a \$5,900 Taxpayer Burden.
- + The city is hiding all of its retiree health care debt from its balance sheet.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$17,179,736,000
Minus: Capital assets	-\$11,972,491,000
Restricted assets	-\$1,420,907,000
Assets available to pay bills	\$3,786,338,000
Minus: Bills	-\$6,460,152,000
Money needed to pay bills	-\$2,673,814,000
Each taxpayer's share of this debt	-\$5,900

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$6,374,287,000
Other liabilities	\$1,404,656,000
Minus: Debt related to capital assets	-\$5,973,642,000
Unfunded pension benefits	\$4,469,372,000
Unfunded retiree health care	\$185,479,000
Bills	\$6,460,152,000

### GRADE: D

Bottom line: Phoenix 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.