



THE TRUTH

Money Needed to Pay Bills

- **\$3.1 billion**

Taxpayer Burden™

- **\$6,500**

Financial Grade

D

Ranking

49 out of 75

Phoenix Finances Worsened Prior to Pandemic



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Financial State of Phoenix, Arizona

This report shows that Phoenix went into the coronavirus pandemic in poor fiscal health, and it will probably come out of the crisis worse. Based upon the city’s fiscal year 2019 audited financial report, Phoenix had a Taxpayer Burden™ of \$6,500, earning it a “D” grade from Truth in Accounting.

Phoenix’s elected officials have repeatedly made financial decisions that have left the city with a debt burden of \$3.1 billion. That burden equates to \$6,500 for every city taxpayer. Phoenix’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$10 billion in retirement benefits promised, the city has not funded \$4.8 billion in pension and \$128.8 million in retiree health care benefits.

Phoenix did not have enough money set aside to weather the current pandemic and fluctuations in the market. The city is expected to lose some revenue as a result of the pandemic. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but Phoenix’s overall debt will most likely increase.

The data included in this report is derived from the city of Phoenix’s 2019 audited Comprehensive Annual Financial Report and retirement plans’ reports. To compare cities’ financial information go to data-z.org.

Phoenix Financial Breakdown

Fast Facts

- Phoenix had \$3.8 billion available to pay \$6.9 billion worth of bills.
- The outcome was a \$3.1 billion shortfall, which breaks down to a burden of \$6,500 per taxpayer.
- Phoenix’s financial position worsened by 15 percent compared to the previous fiscal year mostly due to a \$215 million increase in unfunded pension benefits and a \$305 million increase in restricted assets.

THE CITY’S BILLS EXCEEDED ITS ASSETS

| | |
|---------------------------------------|-------------------|
| Total assets | \$17,750,218,000 |
| Minus: Capital assets | -\$12,346,936,000 |
| Restricted assets | -\$1,598,977,000 |
| Assets available to pay bills | \$3,804,305,000 |
| Minus: Total bills | -\$6,907,778,000 |
| Money available (needed) to pay bills | -\$3,103,473,000 |
| Each taxpayer’s share of this burden | -\$6,500 |

BILLS THE CITY ACCUMULATED

| | |
|---------------------------------------|------------------|
| Bonds | \$5,991,092,000 |
| Other liabilities | \$1,625,474,000 |
| Minus: Debt related to capital assets | -\$5,614,670,000 |
| Unfunded pension benefits | \$4,777,072,000 |
| Unfunded retiree health care benefits | \$128,810,000 |
| Total bills | \$6,907,778,000 |

Grade:

D

Bottom line: Phoenix would need \$6,500 from each of its taxpayers to pay all of its bills, so it has received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”

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