



THE TRUTH

Money Needed to Pay Bills
- **\$1.3 billion**

Taxpayer Burden™
- **\$8,400**

Financial Grade
D

Ranking
52 out of 75

Tucson Tardy with Annual Financial Report



January 2021

truthinaccounting.org | data-z.org

Financial State of Tucson, Arizona

This report shows that Tucson went into the coronavirus pandemic in poor fiscal health, and it will probably come out of the crisis worse. As of January 19, 2021, Tucson had not released its fiscal year 2019 annual financial report, so we were forced to rely on numbers that are nearly two years old. Based upon the city’s fiscal year 2018 audited financial report, Tucson had a Taxpayer Burden™ of \$8,400, earning it a “D” grade from Truth in Accounting.

Tucson’s elected officials have repeatedly made financial decisions that have left the city with a debt burden of \$1.3 billion. That burden equates to \$8,400 for every city taxpayer. Tucson’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$2.8 billion in retirement benefits promised, the city has not funded \$1.2 billion in pension and \$247.6 million in retiree health care benefits.

Tucson 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 Tucson’s overall debt will most likely increase.

The data included in this report is derived from the city of Tucson’s 2018 audited Comprehensive Annual Financial Report and retirement plans’ reports. To compare cities’ financial information go to data-z.org.

Tucson Financial Breakdown

Fast Facts

- Tucson had \$559.5 million available to pay \$1.9 billion worth of bills.
- The outcome was a \$1.3 billion shortfall, which breaks down to a burden of \$8,400 per taxpayer.
- This means that each taxpayer would have to pay \$8,400 in future taxes for which they would receive no related services or benefits.

THE CITY’S BILLS EXCEEDED ITS ASSETS

| | |
|---------------------------------------|------------------|
| Total assets | \$4,280,188,000 |
| Minus: Capital assets | -\$3,499,881,000 |
| Restricted assets | -\$220,811,000 |
| Assets available to pay bills | \$559,496,000 |
| Minus: Total bills | -\$1,872,238,000 |
| Money available (needed) to pay bills | -\$1,312,742,000 |
| Each taxpayer’s share of this burden | -\$8,400 |

BILLS THE CITY ACCUMULATED

| | |
|---------------------------------------|-----------------|
| Bonds | \$768,171,000 |
| Other liabilities | \$604,371,000 |
| Minus: Debt related to capital assets | -\$944,252,000 |
| Unfunded pension benefits | \$1,196,332,000 |
| Unfunded retiree health care benefits | \$247,616,000 |
| Total bills | \$1,872,238,000 |

Grade:

D

Bottom line: Tucson would need \$8,400 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.”

Truth in Accounting is a 501(c)(3) nonprofit 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.