

Money Available  
**\$1.1 billion**



Taxpayer Surplus™  
**\$1,100**



Financial Grade



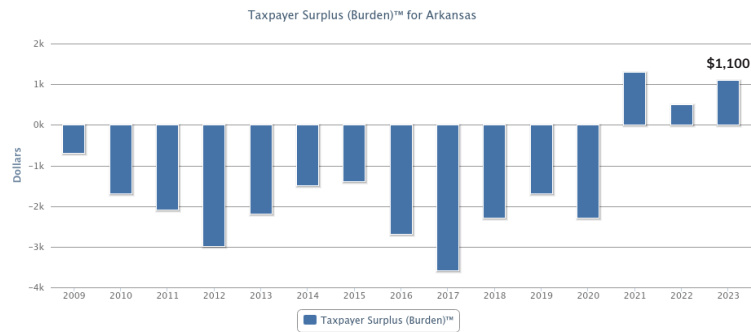
Ranking

**21 out of 50**



Arkansas, like most other states, improved its financial condition in 2023. This is a positive development, and Truth in Accounting applauds the state's commitment to improving its fiscal solvency. The state increased its money available to pay bills by \$647 million. This means the state had a Taxpayer Surplus™ of \$1,100, earning it a "B" grade.

According to the Arkansas audited financial report, governmental revenues increased by 3.34 percent overall in 2023, with significant contributions from COVID-related funds. These funds boosted revenues by \$313.3 million. However, there was a split scenario in tax revenue collections. Personal and corporate income tax revenues declined by \$558.5 million because of a retroactive tax cut effective January 1, 2023, while consumer sales tax revenue rose by \$360.6 million, because of strong economic growth.



Although Arkansas ended its 2023 fiscal year in strong financial health, as outlined in the comprehensive 2024 Financial State of the States report, market fluctuations in pension values, coupled with uncertainty around inflation and employment, make it challenging to predict the future resources needed to sustain government services and benefits. In light of these uncertainties, it's reassuring that the state has retained funds to cover its financial obligations.

- Arkansas had \$10.5 billion available to pay \$9.4 billion worth of bills.
- The outcome was a \$1.1 billion surplus, which breaks down to \$1,100 per taxpayer.
- Arkansas' 2023 revenues rose 3.34 percent, with COVID-relief fund and gains in sales tax, but income tax declined.

## The State's Assets Exceeded Its Bills

Total Assets	\$38,684,369,000
Minus: Capital Assets	-\$19,462,710,000
Restricted Assets	-\$8,731,943,000
Assets Available to Pay Bills	\$10,489,716,000
Minus: Total Bills*	\$9,421,759,000
Money available to pay bills	\$1,067,957,000
Each taxpayer's share of this surplus	\$1,100

## \*Breakdown of Total Bills

Bonds	\$3,348,705,000
Other Liabilities	\$4,979,511,000
Minus: Debt Related to Capital Assets	-\$2,975,802,000
Unfunded Pension Benefits	\$2,525,168,000
Unfunded Retiree Health Care Benefits	\$1,544,177,000
Total Bills	\$9,421,759,000

**Grade:**

**B**

Bottom line: Arkansas had more than enough money to pay its outstanding bills and received a "B" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Surplus between \$1 and \$9,999 is given a "B" grade.