

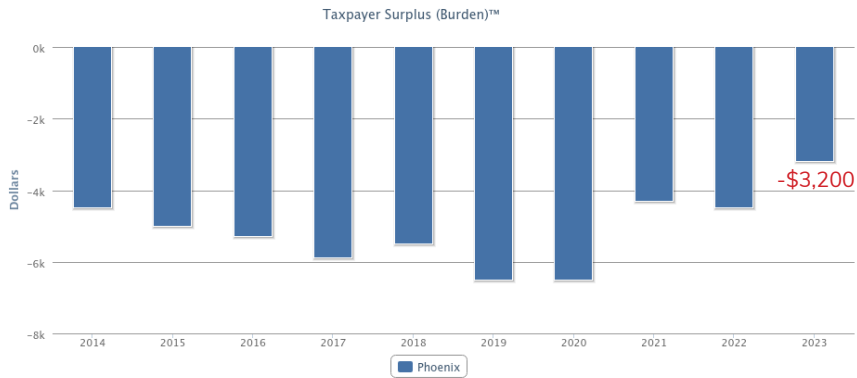
FINANCIAL STATE OF PHOENIX



\$1.9 billion
MONEY NEEDED TO PAY BILLS

\$3,200
TAXPAYER BURDEN™

Phoenix’s financial condition showed some improvement. But based on our analysis of its audited financial report for fiscal year 2023, the city still needed \$1.9 billion to cover its bills, resulting in a Taxpayer Burden™ of \$3,200. This earned the city a “C” grade from Truth in Accounting, marking it as a Sinkhole City.



Phoenix’s financial health improved by \$455.1 million, primarily due to higher tax revenues. State-shared revenues saw a significant boost, particularly from state income and sales taxes. The city also benefited economically from hosting Super Bowl LVII events. Excise taxes increased as retail sales, construction activity, restaurant and bar spending, hotel and motel lodging, and rental services surged. Additionally, Phoenix experienced gains in transportation program revenues, largely driven by its investment in Valley Metro Rail Inc.

Despite these financial gains, Phoenix faced challenges with its public safety retirement system. The city’s net pension liability rose by \$213 million, partly due to unrealized investment losses. This underscores the ongoing fiscal pressures associated with retirement system funding. While the city’s revenue growth has strengthened its financial position, managing pension liabilities remains a critical issue for long-term fiscal stability.

The data included in this report is derived from Phoenix’s 2023 audited Annual Comprehensive Financial Report and retirement plans’ reports. To compare prior years and other states’ and cities’ financial, demographic, and economic information, go to Data-Z.org.

FINANCIAL STATE OF PHOENIX

C
FINANCIAL GRADE

42 out of 75
RANKING

FINANCIAL FACTS

- Phoenix had \$6.8 billion available to pay \$8.7 billion worth of bills.
- The outcome was a \$1.9 billion shortfall, which breaks down to a burden of \$3,200 per taxpayer.
- Phoenix’s financial health improved by \$455.1 million due to higher tax revenues, but pension liabilities are still a long-term challenge.

The City’s Bills Exceeded Its Assets

Total Assets	\$22,965,168,000
Minus: Capital Assets	-\$14,178,380,000
Restricted Assets	-\$1,961,362,000
Assets Available to Pay Bills	\$6,825,426,000
Minus: Total Bills*	-\$8,708,312,000
Money needed to pay bills	\$1,882,886,000
Each taxpayer’s share of this burden	\$3,200

*Breakdown of Total Bills

Bonds	\$6,611,824,000
Other Liabilities	\$2,891,615,000
Minus: Debt Related to Capital Assets	-\$6,124,756,000
Unfunded Pension Benefits	\$5,261,974,000
Unfunded Retiree Health Care Benefits	\$67,655,000
Total Bills	\$8,708,312,000

Grade:	Bottom line:
C	Phoenix would need \$3,200 from each of its taxpayers to pay all of its outstanding bills and received a “C” grade for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,999 is given a “C” grade.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering you with understandable, reliable, and transparent government financial information so you can be a knowledgeable participant in your government and its budget process.