



# MESA FINANCES STILL STRUGGLING

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## THE FINANCIAL STATE OF MESA

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Mesa ranks No. 45, earning it a "D" on TIA's grading scale.

Decisions by city officials have left the city with a debt burden of \$784.6 million, according to TIA's analysis of its 2016 financial filings. That burden equates to \$5,900 for every Mesa taxpayer.

Mesa's financial problems are largely driven by entitlement obligations in two categories: pensions and retiree healthcare benefits. The city has \$691.2 million in unfunded pension promises and \$646.1 million in unfunded retiree healthcare benefits. While Mesa has promised these benefits, little money has been set aside to fund them.

In 2015, government officials increased financial transparency by including the vast majority of the pension debt on the city's balance sheet. Unfortunately, a quarter of Mesa's unfunded retiree healthcare debt is still not reported. With additional changes to accounting standards being implemented in fiscal year 2018, hopefully all retirement debt will be reported.

**45**

Rank

**\$784.6**  
million

Money needed  
to pay bills

**-\$5,900**

Taxpayer  
Burden™

**D**

Financial grade

# MESA FINANCIAL BREAKDOWN

## FAST FACTS

- + Mesa has \$903.1 million available in assets to pay \$1.7 billion worth of bills.
- + The outcome is a \$784.6 million shortfall and a \$5,900 Taxpayer Burden™.
- + Mesa reports most of its retirement liabilities on its balance sheet. However, \$170.3 million of pension and retiree healthcare obligations have been excluded.

### THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$3,869,701,000
<i>Minus:</i> Capital assets	-\$2,835,486,000
Restricted assets	-\$131,080,000
Assets available to pay bills	\$903,135,000
<i>Minus:</i> Bills	-\$1,687,769,000
Money needed to pay bills	-\$784,634,000
<b>Each taxpayer's share of this debt</b>	<b>-\$5,900</b>

### BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,675,978,000
Other liabilities	\$242,350,000
<i>Minus:</i> Debt related to capital assets	-\$1,567,817,000
Unfunded pension benefits	\$691,160,000
Unfunded retiree healthcare	\$646,098,000
<b>Bills</b>	<b>\$1,687,769,000</b>

## GRADE: D

Bottom line: Mesa 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.

Truth in Accounting is 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.