



No. **43**

Mesa Finances Troublesome

January 2019
truthinaccounting.org

The Financial State of Mesa

A new analysis of the latest available audited financial report found Mesa has a Taxpayer Burden™ of \$5,800, earning it a "D" grade based on Truth in Accounting's grading scale.

Mesa's elected officials have made repeated financial decisions that have left the city with a debt burden of \$812.5 million, according to the analysis. That equates to a \$5,800 burden for every city taxpayer.

Mesa's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$2.6 billion in retirement benefits promised, the city has not funded \$830.4 million in pension and \$648.4 million in retiree health care benefits.

Here's the truth:



Data included in this report is derived from the city of Mesa 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

MESA

FINANCIAL BREAKDOWN

FAST FACTS

- + Mesa has \$1.1 billion available in assets to pay \$1.9 billion worth of bills.
- + The outcome is a \$812.5 million shortfall and a \$5,800 Taxpayer Burden.
- + Mesa's reported net position is overstated by \$175.3 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$4,096,940,000
Minus: Capital assets	-\$2,892,371,000
Restricted assets	-\$131,767,000
Assets available to pay bills	\$1,072,802,000
Minus: Bills	-\$1,885,329,000
Money needed to pay bills	-\$812,527,000
Each taxpayer's share of this debt	-\$5,800

BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,797,457,000
Other liabilities	\$267,493,000
Minus: Debt related to capital assets	-\$1,658,419,000
Unfunded pension benefits	\$830,420,000
Unfunded retiree health care	\$648,378,000
Bills	\$1,885,329,000

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.