



El Paso Finances Earn 'C' Grade

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The Financial State of El Paso

A new analysis of the latest available audited financial report found El Paso has a Taxpayer Burden™ of \$4,500, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left El Paso with a \$881.1 million shortfall, which equates to a \$4,500 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$2.8 billion in retirement benefits promised, the city has not funded \$599.4 million in pension and \$109.7 million in retiree health care benefits.

Here's the truth:

\$881.1
million
Money needed
to pay bills

-\$4,500
Taxpayer
Burden

C
Financial grade

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

EL PASO

FINANCIAL BREAKDOWN

FAST FACTS

- + El Paso has \$630.7 million available in assets to pay \$1.5 billion worth of bills.
- + The outcome is a \$881.1 million shortfall and a \$4,500 Taxpayer Burden.
- + El Paso's reported net position is overstated by \$198.5 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS

| | |
|------------------------------------|------------------|
| Assets | \$4,077,995,000 |
| Minus: Capital assets | -\$3,138,542,000 |
| Restricted assets | -\$308,709,000 |
| Assets available to pay bills | \$630,744,000 |
| Minus: Bills | -\$1,511,815,000 |
| Money needed to pay bills | -\$881,071,000 |
| Each taxpayer's share of this debt | -\$4,500 |

BILLS THE CITY HAS ACCUMULATED

| | |
|---------------------------------------|------------------|
| Bonds | \$1,428,991,000 |
| Other liabilities | \$1,143,435,000 |
| Minus: Debt related to capital assets | -\$1,769,726,000 |
| Unfunded pension benefits | \$599,373,000 |
| Unfunded retiree health care | \$109,742,000 |
| Bills | \$1,511,815,000 |

GRADE: C

Bottom line: El Paso's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities, El Paso still owes more than it owns.