



No. 38

Santa Ana Finances Troublesome

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The Financial State of Santa Ana

A new analysis of the latest available audited financial report found Santa Ana has a Taxpayer Burden™ of \$5,100, earning it a "D" grade based on Truth in Accounting's grading scale.

Santa Ana's elected officials have made repeated financial decisions that have left the city with a debt burden of \$559.5 million, according to the analysis. That equates to a \$5,100 burden for every city taxpayer.

Santa Ana's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the \$2 billion in retirement benefits promised, the city has not funded \$633.7 million in pension and \$54.6 million in retiree health care benefits.

Here's the truth:

\$559.5
million
Money needed
to pay bills

-\$5,100
Taxpayer
Burden

D
Financial grade

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

SANTA ANA

FINANCIAL BREAKDOWN

FAST FACTS

- + Santa Ana has \$296.2 million available in assets to pay \$855.7 million worth of bills.
- + The outcome is a \$559.5 million shortfall and a \$5,100 Taxpayer Burden.
- + The city is hiding \$104.5 million of retirement liabilities from its balance sheet.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$1,546,658,000
Minus: Capital assets	-\$1,071,192,000
Restricted assets	-\$179,285,000
Assets available to pay bills	\$296,181,000
Minus: Bills	-\$855,680,000
Money needed to pay bills	-\$559,499,000
Each taxpayer's share of this debt	-\$5,100

BILLS THE CITY HAS ACCUMULATED

Bonds	\$130,364,000
Other liabilities	\$163,945,000
Minus: Debt related to capital assets	-\$126,887,000
Unfunded pension benefits	\$633,683,000
Unfunded retiree health care	\$54,575,000
Bills	\$855,680,000

GRADE: D

Bottom line: Santa Ana 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.