

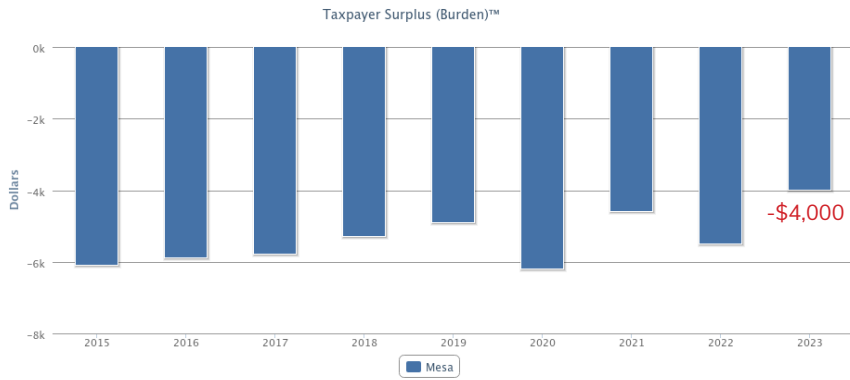
FINANCIAL STATE OF MESA



\$740.7 million
MONEY NEEDED TO PAY BILLS

\$4,000
TAXPAYER BURDEN™

Mesa's financial condition showed some improvement. But based on our analysis of its audited financial report for fiscal year 2023, the city still needed \$740.7 million to cover its bills, resulting in a Taxpayer Burden™ of \$4,000. This earned the city a "C" grade from Truth in Accounting, marking it as a Sinkhole City.



The city's financial condition improved by \$158.7 million in fiscal year 2023, driven by historically high sales tax revenue, which rose by \$29.3 million. Another key factor was a significant reduction in Mesa's unfunded retiree healthcare liability. This decrease resulted primarily from an increase in the discount rate used to calculate future benefit payments, which rose from 2.18% to 4.09%. This fluctuation highlights the uncertainty surrounding the money needed to fund benefits, as interest rates have been highly unstable recently.

Strong sales tax performance, along with favorable actuarial adjustments, has bolstered the city's financial position. However, maintaining long-term fiscal health will require continued strategic management of liabilities and revenue sources. While economic growth and tax revenues provide short-term stability, the city must remain proactive in managing pension and healthcare obligations to ensure sustainable financial health in the future.

The data included in this report is derived from Mesa'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 MESA

C
FINANCIAL GRADE

46 out of 75
RANKING

FINANCIAL FACTS

- Mesa had \$1.7 billion available to pay \$2.4 billion worth of bills.
- The outcome was a \$740.7 million shortfall, which breaks down to a burden of \$4,000 per taxpayer.
- The city experienced a decrease in retiree healthcare liability, though this estimate remains uncertain due to fluctuating interest rates.

The City's Bills Exceeded Its Assets

Total Assets	\$5,270,857,000
Minus: Capital Assets	-\$3,146,615,000
Restricted Assets	-\$472,204,000
Assets Available to Pay Bills	\$1,652,038,000
Minus: Total Bills*	-\$2,392,723,000
Money needed to pay bills	\$740,685,000
Each taxpayer's share of this burden	\$4,000

*Breakdown of Total Bills

Bonds	\$1,806,386,000
Other Liabilities	\$605,977,000
Minus: Debt Related to Capital Assets	-\$1,824,536,000
Unfunded Pension Benefits	\$1,022,777,000
Unfunded Retiree Health Care Benefits	\$782,119,000
Total Bills	\$2,392,723,000

Grade:
C

Bottom line:
Mesa would need \$4,000 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.

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