

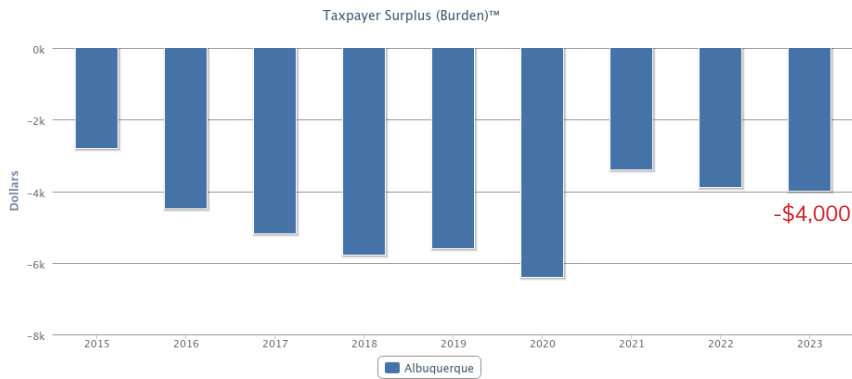


\$768.5 million
MONEY NEEDED TO PAY
BILLS




\$4,000
TAXPAYER BURDEN™

Albuquerque’s financial condition worsened. Based on our analysis of its audited financial report for fiscal year 2023, its financial hole deepened with a need for \$768.5 million to cover its bills. This created a Taxpayer Burden™ of \$4,000, earning the city a “C” grade from Truth in Accounting and solidifying its status as a Sinkhole City.



The city recovered from the COVID-19 pandemic’s economic impact with improved investment income and program revenues offsetting rising expenses. However, its financial condition worsened primarily due to an increase in the unfunded pension liability, which grew to \$1 billion, highlighting the need to finance earned and promised benefits, and putting pressure on long-term fiscal stability.

Governmental activities expenditures rose by \$143.4 million, from \$948.3 million in fiscal year 2022 to \$1.1 billion in fiscal year 2023. This increase was driven by higher spending in various areas, primarily due to upticks in grant funding and inflation. These factors contributed to a broader rise in expenditures, reflecting the city’s need to address growing financial demands.



C
FINANCIAL GRADE



45 out of 75
RANKING

FINANCIAL FACTS

- Albuquerque had \$1.1 billion available to pay \$1.9 billion worth of bills.
- The outcome was a \$768.5 million shortfall, which breaks down to a burden of \$4,000 per taxpayer.
- Despite improved investment income and program revenues, rising expenses and increasing pension liabilities led to the city’s financial decline.

The City’s Bills Exceeded Its Assets

| | |
|--------------------------------------|------------------|
| Total Assets | \$6,075,144,000 |
| Minus: Capital Assets | -\$4,407,681,000 |
| Restricted Assets | -\$556,962,000 |
| Assets Available to Pay Bills | \$1,110,501,000 |
| Minus: Total Bills* | -\$1,878,974,000 |
| Money needed to pay bills | \$768,473,000 |
| Each taxpayer’s share of this burden | \$4,000 |

*Breakdown of Total Bills

| | |
|---------------------------------------|-----------------|
| Bonds | \$902,565,000 |
| Other Liabilities | \$494,793,000 |
| Minus: Debt Related to Capital Assets | -\$673,464,000 |
| Unfunded Pension Benefits | \$1,016,826,000 |
| Unfunded Retiree Health Care Benefits | \$138,254,000 |
| Total Bills | \$1,878,974,000 |

| | |
|---------------|--|
| Grade: | Bottom line: |
| C | Albuquerque 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. |