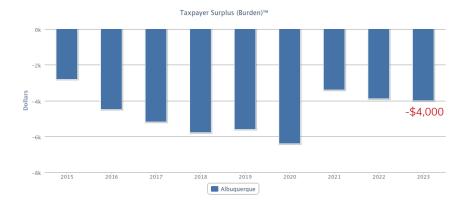
## FINANCIAL STATE OF ALBUQUERQUE







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.

February 2025

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Daniels College of Business UNIVERSITY OF DENVER School of Accountancy

The data included in this report is derived from Albuquerque'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.

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## FINANCIAL STATE OF ALBUQUERQUE





#### **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:

# C

#### Bottom line:

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.

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering you with understandable, reliable, and transparent government financial information so you can be a knowledgeable participant in your government and its budget process.

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