FINANCIAL STATE OF EL PASO

Truth in Accounting

## $526.4 million
MONEY NEEDED TO PAY BILLS

$2,300
TAXPAYER BURDEN™

El Paso'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 $526.4 million to cover its bills. This created a Taxpayer Burden™ of $2,300, earning the city a "C" grade from Truth in Accounting and solidifying its status as a Sinkhole City.

Taxpayer Surplus (Burden)™

-$2,300
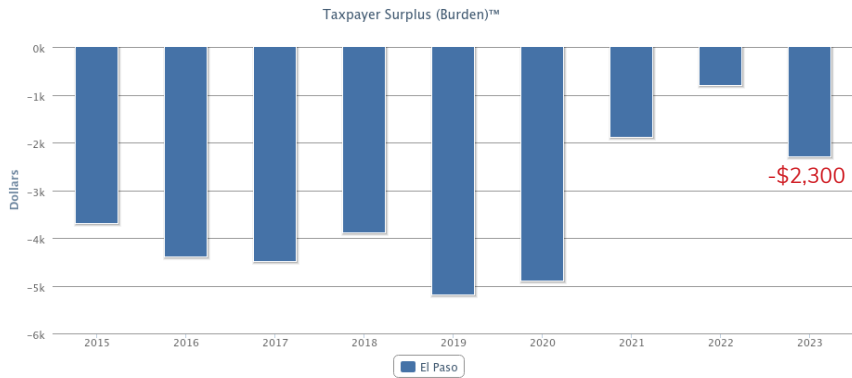
El Paso's financial position declined by $369.6 million, primarily due to unrealized pension investment losses exceeding 9%. The city's fiscal year ended on August 31, 2023, but pension investments and liabilities were valued as of December 31, 2022, when market conditions were unfavorable. This raises concerns about the accuracy of the city's financial health, as the fiscal snapshot should reflect a specific point in time, especially given market volatility.

While El Paso is committed to providing pension and healthcare benefits to employees, the city—and taxpayers—incur risks associated with these retirement systems. These include market volatility affecting system investments and uncertainty surrounding actuarial assumptions for future benefit payments. This highlights the importance of managing pension investments prudently to mitigate the impact of market downturns, ensuring long-term fiscal stability.

The data included in this report is derived from El Paso'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 EL PASO

C
FINANCIAL GRADE

39 out of 75
RANKING

FINANCIAL FACTS

- El Paso had $2.2 billion available to pay $2.7 billion worth of bills.
- The outcome was a $526.4 million shortfall, which breaks down to a burden of $2,300 per taxpayer.
- El Paso's finances declined by $369.6 million due to pension investment losses, highlighting financial risks and uncertainty in funding benefits.

The City's Bills Exceeded Its Assets	
Total Assets	$7,023,904,000
Minus: Capital Assets	-$4,539,693,000
Restricted Assets	-$328,453,000
Assets Available to Pay Bills	$2,155,758,000
Minus: Total Bills*	-$2,682,122,000
Money needed to pay bills	$526,364,000
Each taxpayer's share of this burden	$2,300

*Breakdown of Total Bills	
Bonds	$1,876,268,000
Other Liabilities	$2,312,849,000
Minus: Debt Related to Capital Assets	-$2,456,794,000
Unfunded Pension Benefits	$822,954,000
Unfunded Retiree Health Care Benefits	$126,845,000
Total Bills	$2,682,122,000

Grade: C

Bottom line:
El Paso would need $2,300 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.