



**THE TRUTH**

Money Needed to Pay Bills

- \$4.6 billion

Taxpayer Burden™

- \$1,400

Financial Grade

C

Ranking

15 out of 50

**North Carolina Ranked No. 15 for its Fiscal Health**



September 2020

truthinaccounting.org | data-z.org

**Financial State of North Carolina**

This report shows that North Carolina did not go into the coronavirus pandemic in good fiscal shape, and it will probably come out of the crisis even worse. Based upon the state’s latest audited financial report, which is dated before the crisis began, North Carolina had a Taxpayer Burden™ of \$1,400, earning it a “C” grade from Truth in Accounting.

North Carolina’s elected officials have made repeated financial decisions that left the state with a debt burden of \$4.6 billion. That burden equates to \$1,400 for every state taxpayer. North Carolina’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$53.4 billion in retirement benefits promised, the state did not fund \$4.8 billion in pension and \$15.3 billion in retiree health care benefits.

North Carolina did not have enough money set aside to weather the current pandemic and fluctuations in the market. According to rough estimates by Truth in Accounting, North Carolina is projected to lose \$11 billion in revenue as a result of this crisis. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but North Carolina’s overall debt will most likely increase.

The data included in this report is derived from the state of North Carolina’s 2019 audited Comprehensive Annual Financial Report and retirement plans’ reports. To compare states’ financial information go to Data-Z.org.

**North Carolina Financial Breakdown**

**Fast Facts**

- North Carolina had \$37.5 billion available to pay \$42.1 billion worth of bills.
- The outcome was a \$4.6 billion shortfall, which breaks down to a burden of \$1,400 per taxpayer.
- This means that each taxpayer would have to pay \$1,400 in future taxes for which they would receive no related services or benefits.

**THE STATE’S BILLS EXCEEDED ITS ASSETS**

Total assets	\$122,680,039,000
Minus: Capital assets	-\$75,013,936,000
Restricted assets	-\$10,131,283,000
Assets available to pay bills	\$37,534,820,000
Minus: Total bills	-\$42,123,150,000
Money available (needed) to pay bills	-\$4,588,330,000
Each taxpayer’s share of this debt	-\$1,400

**BILLS THE STATE ACCUMULATED**

Bonds	\$12,327,657,000
Other liabilities	\$18,358,659,000
Minus: Debt related to capital assets	-\$8,699,802,000
Unfunded pension benefits	\$4,803,126,000
Unfunded retiree health care benefits	\$15,333,510,000
Total bills	\$42,123,150,000

**Grade:**

**C**

Bottom line: North Carolina needed \$1,400 from each of its taxpayers to pay all of its bills, so it received a “C” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,900 receives a “C.”

Truth in Accounting is a 501(c)(3) committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.