



WASHINGTON RANKS NO. 28 FOR ITS FISCAL HEALTH

September 2019
truthinaccounting.org

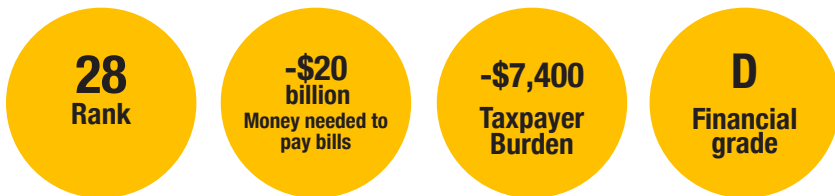
THE FINANCIAL STATE OF WASHINGTON

A new analysis of the latest available audited financial reports found Washington has a Taxpayer Burden™ of \$7,400, earning it a “D” grade from Truth in Accounting. Washington’s overall financial condition improved by 13 percent from the previous fiscal year.

Washington’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$20 billion. That burden equates to \$7,400 for every state taxpayer. Washington’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$91 billion in retirement benefits promised, the state has not funded \$19.4 billion in pension and \$10.4 billion in retiree health care benefits.

Washington and other states have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

THE TRUTH:



Data included in this report is derived from the state of Washington’s 2018 audited Comprehensive Annual Financial Report and retirement plans’ reports.

WASHINGTON FINANCIAL BREAKDOWN

FAST FACTS

- Washington has \$40.4 billion available to pay \$60.4 billion worth of bills.
- The outcome is a \$20 billion shortfall, which breaks down to a burden of \$7,400 per taxpayer.
- This means that each taxpayer would pay \$7,400 in future taxes without receiving any related services or benefits.

THE STATE’S BILLS EXCEED ITS ASSETS

| | |
|--|-------------------|
| Total assets | \$101,596,775,000 |
| <i>Minus:</i> Capital assets | -\$45,026,354,000 |
| Restricted assets | -\$16,162,415,000 |
| Assets available to pay bills | \$40,408,006,000 |
| <i>Minus:</i> Total bills | -\$60,440,636,000 |
| Money available (needed) to pay future bills | -\$20,032,630,000 |
| Each taxpayer’s share of this debt | -\$7,400 |

BILLS THE STATE HAS ACCUMULATED

| | |
|--|-------------------|
| Bonds | \$25,968,865,000 |
| Other liabilities | \$26,775,659,000 |
| <i>Minus:</i> Debt related to capital assets | -\$22,079,043,000 |
| Unfunded pension benefits | \$19,407,390,000 |
| Unfunded retiree health care benefits | \$10,367,765,000 |
| Total bills | \$60,440,636,000 |

GRADE: D

Bottom line: Washington would need \$7,400 from each of its taxpayers to pay all of its bills, so it has received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”

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.