



WEST VIRGINIA RANKS NO. 30 FOR ITS FISCAL HEALTH

September 2019
truthinaccounting.org

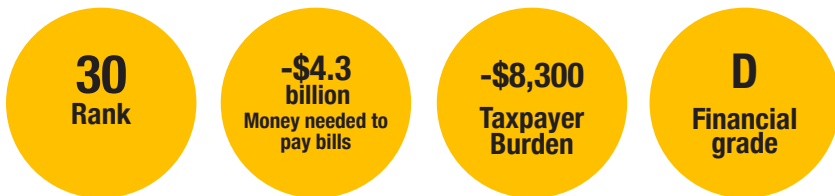
THE FINANCIAL STATE OF WEST VIRGINIA

A new analysis of the latest available audited financial reports found West Virginia has a Taxpayer Burden™ of \$8,300, earning it a “D” grade from Truth in Accounting. West Virginia’s overall financial condition improved by 13 percent from the previous fiscal year.

West Virginia’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$4.3 billion. That burden equates to \$8,300 for every state taxpayer. West Virginia’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$18.6 billion in retirement benefits promised, the state has not funded \$3.1 billion in pension and \$1.9 billion in retiree health care benefits.

West Virginia 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:



WEST VIRGINIA FINANCIAL BREAKDOWN

FAST FACTS

- West Virginia has \$9.2 billion available to pay \$13.5 billion worth of bills.
- The outcome is a \$4.3 billion shortfall, which breaks down to a burden of \$8,300 per taxpayer.
- This means that each taxpayer would pay \$8,300 in future taxes without receiving any related services or benefits.

THE STATE’S BILLS EXCEED ITS ASSETS

Total assets	\$26,857,855,000
<i>Minus:</i> Capital assets	-\$13,570,343,000
Restricted assets	-\$4,039,256,000
Assets available to pay bills	\$9,248,256,000
<i>Minus:</i> Total bills	-\$13,515,595,000
Money available (needed) to pay future bills	-\$4,267,339,000
Each taxpayer’s share of this debt	-\$8,300

BILLS THE STATE HAS ACCUMULATED

Bonds	\$5,340,811,000
Other liabilities	\$5,093,279,000
<i>Minus:</i> Debt related to capital assets	-\$1,920,744,000
Unfunded pension benefits	\$3,091,414,000
Unfunded retiree health care benefits	\$1,910,835,000
Total bills	\$13,515,595,000

GRADE: D

Bottom line: West Virginia would need \$8,300 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.