



THE TRUTH

Money Needed to Pay Bills

- \$264.5 billion

Taxpayer Burden™

- \$20,300

Financial Grade

F

Ranking

43 out of 50

California Untimely with its Annual Financial Report



December 2020

truthinaccounting.org | data-z.org

Financial State of California

This report shows that California went into the coronavirus pandemic in dire fiscal health, and it will probably come out of the crisis even worse. California did not release its fiscal year 2019 annual financial report until late October 2020, which is more than 400 days after the fiscal year-end. Based upon the state's latest audited financial report, California had a Taxpayer Burden™ of \$20,300, earning it an "F" grade from Truth in Accounting.

California's elected officials have made repeated financial decisions that have left the state with a debt burden of \$264.5 billion. That burden equates to \$20,300 for every state taxpayer. California's financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$520.9 billion in retirement benefits promised, the state has not funded \$107.5 billion in pension and \$113.9 billion in retiree health care benefits.

California does not have any money set aside to weather the current pandemic and fluctuations in the market. According to rough estimates by Truth in Accounting, California is projected to lose \$16 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 California's overall debt will most likely increase.

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

California Financial Breakdown

Fast Facts

- California had \$134.9 billion available to pay \$399.4 billion worth of bills.
- The outcome was a \$264.5 billion shortfall, which breaks down to a burden of \$20,300 per taxpayer.
- This means that each taxpayer would have to pay \$20,300 in future taxes for which they would receive no related services or benefits.

THE STATE'S BILLS EXCEED ITS ASSETS

Total assets	\$397,628,457,000
Minus: Capital assets	-\$183,807,694,000
Restricted assets	-\$78,921,988,000
Assets available to pay bills	\$134,898,775,000
Minus: Total bills	-\$399,382,138,000
Money available (needed) to pay bills	-\$264,483,363,000
Each taxpayer's share of this debt	-\$20,300

BILLS THE STATE HAS ACCUMULATED

Bonds	\$132,830,343,000
Other liabilities	\$99,222,638,000
Minus: Debt related to capital assets	-\$54,091,371,000
Unfunded pension benefits	\$107,536,177,000
Unfunded retiree health care benefits	\$113,884,351,000
Total bills	\$399,382,138,000

Grade:

F

Bottom line: California would need \$20,300 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden greater than \$20,000 receives an "F."

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.