



**THE TRUTH**

Money Needed to Pay Bills

- \$264.5 billion

Taxpayer Burden™

- \$21,100

Financial Grade

F

Ranking

42 out of 50

## California Tardy With Its Annual Financial Report



September 2021

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### Financial State of California

As of August 31, 2021, California had not released its fiscal year 2020 annual financial report, which is more than 400 days after the fiscal year-end. Based upon the state’s fiscal year 2019 audited financial report, California had a Taxpayer Burden™ of \$21,100, earning it an “F” grade from Truth in Accounting.

California’s elected officials have repeatedly made financial decisions that left the state with a debt burden of \$264.5 billion. That burden came to \$21,100 for every state taxpayer. California’s financial problems stem mostly from unfunded retirement obligations that have over the years. The state had only set aside 73 cents for every dollar of promised pension benefits and 2 cents for every dollar of promised retiree health care benefits.

California is extremely tardy with its annual financial report for the second year in a row. Typically, the standard for timeliness is 180 days after the fiscal year-end as set by the Government Finance Officers Association (GFOA). Truth in Accounting believes governments should release their financial reports within 100 days of the fiscal year-end. The average turnaround time for corporate financial reports is within 45 days of their fiscal year-end. Without the information from the financial report, citizens and elected officials are left in the dark during the budgeting process.

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

## California’s 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 \$21,100 per taxpayer.
- This means that each taxpayer would have to pay \$21,100 in future taxes for which they would receive no related services or benefits.

### THE STATE’S BILLS EXCEEDED 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	-\$21,100

### BILLS THE STATE 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 \$21,100 from each of its taxpayers to pay all of its bills, so it 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” grade.

Truth in Accounting is a 501(c)(3) nonprofit organization 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.