



THE TRUTH

Money Needed to Pay Bills
\$283.7 Billion

Taxpayer Burden™
\$21,900

Financial Grade
F

Ranking
45 out of 50

California Tardy With Its Annual Financial Report



October 2022

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Financial State of California

As of September 2022, California had not released its fiscal year 2021 annual financial report. Based upon the state's fiscal year 2020 audited financial report, California had a Taxpayer Burden™ of \$21,900, 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 \$283.7 billion in 2020. That burden came to \$21,900 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 three 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. 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 2020 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare state financial, demographic and economic information go to Data-Z.org.



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California's Financial Breakdown

Fast Facts

- California had \$170.3 billion available to pay \$454 billion worth of bills.
- The outcome was a \$283.7 billion shortfall, which breaks down to a burden of \$21,900 per taxpayer.
- As of September 30, 2022, California had not released its fiscal year 2021 annual financial report. The information in this report could be very valuable during the state's budget process.

THE STATE'S BILLS EXCEEDED ITS ASSETS

Total assets	\$442,233,670,000
Minus: Capital assets	-\$191,099,642,000
Restricted assets	-\$80,799,306,000
Assets available to pay bills	\$170,334,722,000
Minus: Total bills*	-\$454,048,108,000
Money needed to pay bills	\$283,713,386,000
Each taxpayer's share of this burden	\$21,900

* BREAKDOWN OF TOTAL BILLS

Bonds	\$133,483,121,000
Other liabilities	\$138,875,268,000
Minus: Debt related to capital assets	-\$56,311,798,000
Unfunded pension benefits	\$116,995,946,000
Unfunded retiree health care benefits	\$121,005,571,000
Total bills	\$454,048,108,000

Grade:

F

Bottom line: California needed \$21,900 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"

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