



California's Financial Report Tardy Again

Financial State of California

As of August 25, 2023, California had not released its fiscal year 2022 annual financial report. Based upon the state's last audited financial report for fiscal year 2021, it had a Taxpayer Burden™ of \$18,600, earning it a "D" grade from Truth in Accounting. At that time California needed \$240.6 billion to pay its bills.

Unfunded pensions and other employee retirement obligations continued to plague the state. Based upon the state's outdated data, in 2021 the state had only set aside 81 cents for every dollar of promised pension benefits and 4 cents for every dollar of promised retiree health care benefits. The state's retirement obligations could increase because of declines in the financial markets in 2022 and 2023. These declines could result in a significant decrease in the value of retirement systems' investments and cause the unfunded retirement promises to dramatically increase.

California is extremely tardy with its annual financial report. The Government Finance Officers Association standard for timeliness is 180 days after the fiscal year-end. 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 California's 2022 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare prior years and other states' financial, demographic, and economic information, go to Data-Z.org.

California's Financial Breakdown

- In 2021 California had \$250.9 billion available to pay \$491.5 billion worth of bills.
- The outcome was a \$240.6 billion shortfall, which breaks down to a burden of \$18,600 per taxpayer.
- As of August 25, 2023, California had not released its fiscal year 2022 annual financial report. The information in this report could be very valuable during the state's budget process and other financial decisions.

The State's Bills Exceeded Its Assets

Total Assets	\$535,557,057,000
Minus: Capital Assets	-\$197,237,686,000
Restricted Assets	-\$87,402,174,000
Assets Available to Pay Bills	\$250,917,197,000
Minus: Total Bills*	\$491,522,804,000
Money needed to pay bills	\$240,605,607,000
Each taxpayer's share of this burden	\$18,600

*Breakdown of Total Bills

Bonds	\$131,519,445,000
Other Liabilities	\$212,372,546,000
Minus: Debt Related to Capital Assets	-\$59,346,379,000
Unfunded Pension Benefits	\$84,333,577,000
Unfunded Retiree Health Care Benefits	\$122,643,615,000
Total Bills	\$491,522,804,000

Grade:

D

Bottom line: California would need \$18,600 from each of its taxpayers to pay all of its outstanding bills and received a "D" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 is given a "D" grade.

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