GEORGIA RECEIVES ‘C’ GRADE FOR ITS FISCAL HEALTH

THE FINANCIAL STATE OF GEORGIA

A new analysis of the latest available audited financial reports found Georgia has a Taxpayer Burden\(^\text{TM}\) of $3,500, earning it a “C” grade from Truth in Accounting. Georgia is one of 13 states to receive a “C” grade for its financial condition.

Georgia’s elected officials have made repeated financial decisions that have left the state with a debt burden of $10.2 billion. That burden equates to $3,500 for every state taxpayer. Georgia’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the $45.8 billion in retirement benefits promised, the state has not funded $7.4 billion in pension and $6.7 billion in retiree health care benefits.

Georgia 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:

- **Rank**: 22
- **Financial grade**: C
- **Taxpayer Burden**: -$10.2 billion
- **Money needed to pay bills**: -$3,500

Fast Facts:

- Georgia has $22.9 billion available to pay $33 billion worth of bills.
- The outcome is a $10.2 billion shortfall, which breaks down to a burden of $3,500 per taxpayer.
- Georgia’s reported net position is inflated by $1.7 billion, largely because the state defers recognizing losses incurred when the net pension liability increases.

The State’s Bills Exceed Its Assets

Total assets: $75,443,407,000

\(\text{Minus:} \)

- Capital assets: -$38,374,691,000
- Restricted assets: -$14,206,736,000

Assets available to pay bills: $22,861,980,000

\(\text{Minus:} \)

- Total bills: -$33,043,990,000
- Money available (needed) to pay future bills: -$10,182,010,000

Each taxpayer’s share of this debt: -$3,500

Bills the State Has Accumulated

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>$15,324,486,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$14,110,761,000</td>
</tr>
<tr>
<td>Debt related to capital assets</td>
<td>-$10,500,327,000</td>
</tr>
<tr>
<td>Unfunded pension benefits</td>
<td>$7,445,291,000</td>
</tr>
<tr>
<td>Unfunded retiree health care benefits</td>
<td>$6,663,779,000</td>
</tr>
<tr>
<td>Total bills</td>
<td>$33,043,990,000</td>
</tr>
</tbody>
</table>

Grade: C

Bottom line: Georgia would need $3,500 from each of its taxpayers to pay all of its bills, so it has received a “C” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between $0 and $4,900 receives a “C.”

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