



**THE TRUTH**

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Money Needed to Pay Bills  
- **\$32.1 billion**

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Taxpayer Burden™  
- **\$26,000**

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Financial Grade  
**F**

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Ranking  
**44 out of 50**

## Kentucky Received Failing Grade For Its Fiscal Health



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### Financial State of Kentucky

Despite receiving support from COVID relief grants and other federal programs, Kentucky’s overall financial condition did not improve during the onset of the pandemic. Based upon the commonwealth’s fiscal year 2020 audited financial report, Kentucky had a Taxpayer Burden™ of \$26,000, earning it an “F” grade from Truth in Accounting.

Kentucky’s elected officials have repeatedly made financial decisions that left the commonwealth with a debt burden of \$32.1 billion. That burden came to \$26,000 for every commonwealth taxpayer. Kentucky’s financial problems stem mostly from unfunded retirement obligations that have over the years. The commonwealth had only set aside 46 cents for every dollar of promised pension benefits and 43 cents for every dollar of promised retiree health care benefits.

Kentucky did not have enough money set aside to weather the pandemic and the state has been in dire fiscal shape for years. Like all other states, Kentucky received federal assistance from the CARES Act and other COVID-19 related grants which came with stipulations on how the money could be spent. However, the commonwealth has not been properly funding its pension and retiree health care promises for years which places a burden on future taxpayers.

The data included in this report is derived from the commonwealth of Kentucky’s 2020 audited Annual Comprehensive Financial Report and retirement plans’ reports. To compare states’ financial information go to [Data-Z.org](http://Data-Z.org).

## Kentucky’s Financial Breakdown

### Fast Facts

- Kentucky had \$14.1 billion available to pay \$46.2 billion worth of bills.
- The outcome was a \$32.1 billion shortfall, which breaks down to a burden of \$26,000 per taxpayer.
- This means that each taxpayer would have to pay \$26,000 in future taxes for which they would receive no related services or benefits.

### THE COMMONWEALTH’S BILLS EXCEEDED ITS ASSETS

Total assets	\$56,624,803,000
Minus: Capital assets	-\$36,092,903,000
Restricted assets	-\$6,391,212,000
Assets available to pay bills	\$14,140,688,000
Minus: Total bills	-\$46,200,227,000
Money available (needed) to pay bills	-\$32,059,539,000
Each taxpayer’s share of this debt	-\$26,000

### BILLS THE COMMONWEALTH ACCUMULATED

Bonds	\$9,417,985,000
Other liabilities	\$11,238,449,000
Minus: Debt related to capital assets	-\$6,017,607,000
Unfunded pension benefits	\$27,904,769,000
Unfunded retiree health care benefits	\$3,656,631,000
Total bills	\$46,200,227,000

#### Grade:

**F**

Bottom line: Kentucky would need \$26,000 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.