



SOUTH CAROLINA RANKS NO. 36 FOR ITS FISCAL HEALTH

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THE FINANCIAL STATE OF SOUTH CAROLINA

A new analysis of the latest available audited financial reports found South Carolina has a Taxpayer Burden™ of \$14,500, earning it a “D” grade from Truth in Accounting. South Carolina’s overall financial condition improved by 17 percent from the previous fiscal year.

South Carolina’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$21.8 billion. That burden equates to \$14,500 for every state taxpayer. South Carolina’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$43 billion in retirement benefits promised, the state has not funded \$14 billion in pension and \$11.1 billion in retiree health care benefits.

South Carolina 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:



SOUTH CAROLINA FINANCIAL BREAKDOWN

FAST FACTS

- South Carolina has \$20.4 billion available to pay \$42.1 billion worth of bills.
- The outcome is a \$21.8 billion shortfall, which breaks down to a burden of \$14,500 per taxpayer.
- South Carolina’s reported net position is inflated by \$1.4 billion, largely because the state defers recognizing losses incurred when the net pension liability increases.

THE STATE’S BILLS EXCEED ITS ASSETS

Total assets	\$61,023,562,000
<i>Minus:</i> Capital assets	-\$30,095,590,000
Restricted assets	-\$10,554,155,000
Assets available to pay bills	\$20,373,817,000
<i>Minus:</i> Total bills	-\$42,134,522,000
Money available (needed) to pay future bills	-\$21,760,705,000
Each taxpayer’s share of this debt	-\$14,500

BILLS THE STATE HAS ACCUMULATED

Bonds	\$13,392,509,000
Other liabilities	\$12,566,431,000
<i>Minus:</i> Debt related to capital assets	-\$8,969,765,000
Unfunded pension benefits	\$14,011,861,000
Unfunded retiree health care benefits	\$11,133,486,000
Total bills	\$42,134,522,000

GRADE: D

Bottom line: South Carolina would need \$14,500 from each of its taxpayers to pay all of its bills, so it has received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”