



**THE TRUTH**

---

Money Needed to Pay Bills  
- **\$2.5 billion**

---

Taxpayer Burden™  
- **\$800**

---

Financial Grade  
**C**

---

Ranking  
**13 out of 50**

## Virginia's Unfunded Pension Benefits Increased by \$1 Billion



September 2020

[truthinaccounting.org](http://truthinaccounting.org) | [data-z.org](http://data-z.org)

### Financial State of Virginia

This report shows that Virginia did not go into the coronavirus pandemic in good fiscal shape, and it will probably come out of the crisis even worse. Based upon the commonwealth's latest audited financial report, which is dated before the crisis began, Virginia had a Taxpayer Burden™ of \$800, earning it a "C" grade from Truth in Accounting.

Virginia's elected officials have made repeated financial decisions that left the commonwealth with a debt burden of \$2.5 billion. That burden equates to \$800 for every commonwealth taxpayer. Virginia's financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$35.9 billion in retirement benefits promised, the commonwealth did not fund \$7.5 billion in pension and \$2.6 billion in retiree health care benefits.

Virginia did not have enough money set aside to weather the current pandemic and fluctuations in the market. According to rough estimates by Truth in Accounting, Virginia is projected to lose \$11 billion in revenue as a result of this crisis. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but Virginia's overall debt will most likely increase.

The data included in this report is derived from the commonwealth of Virginia's 2019 audited Comprehensive Annual Financial Report and retirement plans' reports. To compare states' financial information go to [Data-Z.org](http://Data-Z.org).

## Virginia Financial Breakdown

### Fast Facts

- Virginia had \$43.1 billion available to pay \$45.6 billion worth of bills.
- The outcome was a \$2.5 billion shortfall, which breaks down to a burden of \$800 per taxpayer.
- Virginia's unfunded pension benefits increased by \$1 billion from the previous fiscal year because the pension plan readjusted its assumptions and decreased the discount rate.

### THE COMMONWEALTH'S BILLS EXCEEDED ITS ASSETS

Total assets	\$119,426,771,000
Minus: Capital assets	-\$55,972,663,000
Restricted assets	-\$20,316,954,000
Assets available to pay bills	\$43,137,154,000
Minus: Total bills	-\$45,634,566,000
Money available (needed) to pay bills	-\$2,497,412,000
Each taxpayer's share of this debt	-\$800

### BILLS THE COMMONWEALTH ACCUMULATED

Bonds	\$28,287,553,000
Other liabilities	\$25,169,810,000
Minus: Debt related to capital assets	-\$17,843,414,000
Unfunded pension benefits	\$7,465,605,000
Unfunded retiree health care benefits	\$2,555,012,000
Total bills	\$45,634,566,000

#### Grade:

**C**

Bottom line: Virginia needed \$800 from each of its taxpayers to pay all of its bills, so it 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."

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