

Money Needed
\$260.3 billion



Taxpayer Burden™
\$17,400



Financial Grade



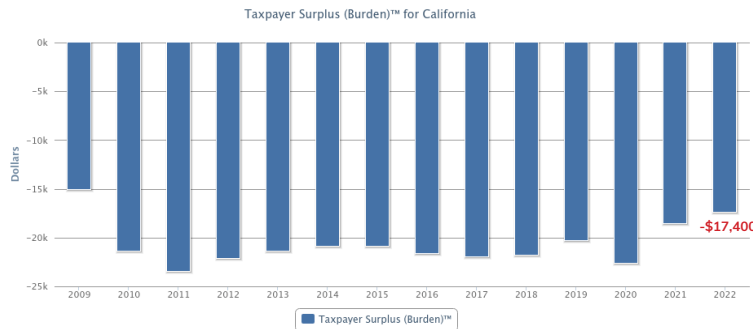
Ranking

46 out of 50



As of August 31 2024, California had not released its fiscal year 2023 annual financial report. This is the fifth year in a row California has been tardy. Based upon the state's last audited financial report for the fiscal year 2022, it had a Taxpayer Burden of \$17,400, earning it a "D" grade from Truth in Accounting. At that time, California needed \$260.3 billion to pay its bills. Unfunded pensions and other employee retirement obligations continued to plague the state in 2022, and we expect the same occurred in 2023.

Based upon the state's outdated data, in 2022, the state had only set aside 82 cents for every dollar of promised pension benefits and five cents for every dollar of promised retiree health care benefits. Predicting California's current economic condition is difficult due to many factors. Stock market returns may have boosted the value of retirement systems' investments on paper, yet inflationary pressures have concurrently driven up expenses. Despite previously high employment figures, recent reports indicate a slowdown in job growth.



Delaying financial reporting for five consecutive years is, at best, negligent and could even be considered reckless. 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 2023 financial report, citizens and elected officials are missing crucial information needed to make informed decisions regarding budgets, future legislative actions, and tax collection.

- California had \$275.4 billion available to pay \$535.8 billion worth of bills.
- The outcome was a \$260.3 billion shortfall, which breaks down to a burden of \$17,400 per taxpayer.
- California's outdated data reveals inadequate pension and retiree healthcare funding.

The State's Bills Exceeded Its Assets

Total Assets	\$589,656,062,000
Minus: Capital Assets	-\$209,496,799,000
Restricted Assets	-\$104,739,568,000
Assets Available to Pay Bills	\$275,419,695,000
Minus: Total Bills*	\$535,753,025,000
Money needed to pay bills	\$260,333,330,000
Each taxpayer's share of this burden	\$17,400

*Breakdown of Total Bills

Bonds	\$134,317,610,000
Other Liabilities	\$280,456,475,000
Minus: Debt Related to Capital Assets	-\$67,766,180,000
Unfunded Pension Benefits	\$84,292,805,000
Unfunded Retiree Health Care Benefits	\$104,452,315,000
Total Bills	\$535,753,025,000

Grade:

D

Bottom line: California would need \$17,400 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.