



DELAWARE FINANCES IN DIRE STRAITS

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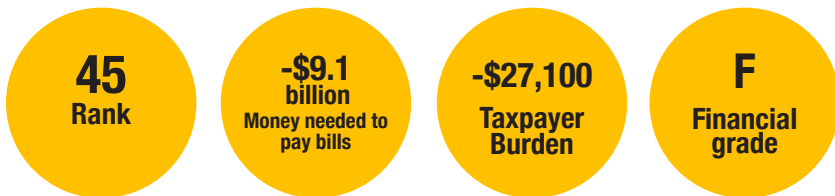
THE FINANCIAL STATE OF DELAWARE

A new analysis of the latest available audited financial reports found Delaware has a Taxpayer Burden™ of \$27,100, earning it an “F” grade from Truth in Accounting. Delaware’s overall financial condition improved by nine percent from the previous fiscal year.

Delaware’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$9.1 billion. That burden equates to \$27,100 for every state taxpayer. Delaware’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$19.6 billion in retirement benefits promised, the state has not funded \$1.7 billion in pension and \$8.1 billion in retiree health care benefits.

Delaware 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:



DELAWARE FINANCIAL BREAKDOWN

FAST FACTS

- Delaware has \$3 billion available to pay \$12 billion worth of bills.
- The outcome is a \$9.1 billion shortfall, which breaks down to a burden of \$27,100 per taxpayer.
- This means that each taxpayer would pay \$27,100 in future taxes without receiving any related services or benefits.

THE STATE’S BILLS EXCEED ITS ASSETS

Total assets	\$14,358,565,000
<i>Minus:</i> Capital assets	-\$9,453,488,000
Restricted assets	-\$1,947,236,000
Assets available to pay bills	\$2,957,841,000
<i>Minus:</i> Total bills	-\$12,033,805,000
Money available (needed) to pay future bills	-\$9,075,964,000
Each taxpayer’s share of this debt	-\$27,100

BILLS THE STATE HAS ACCUMULATED

Bonds	\$3,582,313,000
Other liabilities	\$2,376,279,000
<i>Minus:</i> Debt related to capital assets	-\$3,723,000,000
Unfunded pension benefits	\$1,683,177,000
Unfunded retiree health care benefits	\$8,115,036,000
Total bills	\$12,033,805,000

GRADE: F

Bottom line: Delaware would need \$27,100 from each of its taxpayers to pay all of its bills, so it has 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.”

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.