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Hawaii Hides 71 Percent of its Retirement Debt

CHICAGO — Truth in Accounting (TIA), a Chicago-based think tank that analyzes government financial reporting, released a new report titled, *The Financial State of Hawaii*. In this report, TIA researchers state that Hawaii did not report over \$10 billion of its retirement debt on the state's balance sheet.

TIA researchers also discovered that Hawaii only reported \$4 billion in pension and retirees' healthcare benefits, yet owes approximately \$15 billion. Because the state government uses outdated accounting methods, a majority of liabilities are excluded from its financial reporting.

When TIA researchers included the \$10 billion of hidden debt, they discovered that Hawaii:

- owes nearly \$18 billion in bills;
- has \$5 billion available to pay bills; and
- needs more than \$12 billion to pay bills

If Hawaii's \$12 billion shortfall were divided among its taxpayers, each taxpayer's personal share would be \$26,500. "It is time Hawaii officials acknowledge the state's true debt," asserts Sheila Weinberg, TIA CEO and founder. "Until Hawaii's financial data is truly accurate and transparent, citizens cannot knowledgeably participate in addressing the state's financial issues."

Data from the study was derived from Hawaii's June 30, 2014 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Founded in 2002, Truth in Accounting is dedicated to educating and empowering citizens with understandable, reliable, and transparent government financial information. Sheila Weinberg is a Certified Public Accountant with more than 30 years of experience in the field.

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