



# HAWAII RANKS NO. 45 FOR ITS FISCAL HEALTH

September 2018  
truthinaccounting.org

## THE FINANCIAL STATE OF HAWAII

A new analysis of the latest available audited financial reports found Hawaii has a Taxpayer Burden™ of \$31,600, earning it an "F" grade based on Truth in Accounting's grading scale.

Hawaii's elected officials have made repeated financial decisions that have left the state with a debt burden of \$15.6 billion, according to the analysis. That burden equates to \$31,600 for every state taxpayer. Hawaii's financial problems stem mostly from unfunded retirement obligations in the form of pension and other post-employment benefits. Of the \$30.1 billion in retirement benefits promised, the state has not funded \$9 billion in pension and \$9.3 billion in retiree health care benefits.

Hawaii's financial condition is not only alarming but also misleading as government officials have failed to disclose significant amounts of retirement debt on the state's balance sheet. Residents and taxpayers have been presented with an unreliable and inaccurate accounting of the state government's finances.

### Here's the truth:

**45**

Rank

**\$15.6  
billion**

Money needed to  
pay bills

**-\$31,600**

Taxpayer  
Burden

**F**

Financial grade

# HAWAII

## FINANCIAL BREAKDOWN

### FAST FACTS

- + Hawaii has \$6.9 billion available in assets to pay \$22.5 billion worth of bills.
- + The outcome is a \$15.6 billion shortfall and a \$31,600 Taxpayer Burden.
- + Despite reporting all of its pension debt, the state continues to hide \$4.2 billion of its retiree health care debt.
- + Hawaii's reported net position is inflated by \$3.1 billion, largely because the state defers recognizing losses incurred when the net pension liability increases.

#### THE STATE'S BILLS EXCEED ITS ASSETS

Assets	\$27,456,156,000
<i>Minus:</i> Capital assets	-\$16,287,067,000
Restricted assets	-\$4,262,210,000
Assets available to pay bills	\$6,906,879,000
<i>Minus:</i> Bills	-\$22,521,607,000
Money needed to pay bills	-\$15,614,728,000
<b>Each taxpayer's share of this debt</b>	<b>-\$31,600</b>

#### BILLS THE STATE HAS ACCUMULATED

Bonds	\$10,582,455,000
Other liabilities	\$2,689,922,000
<i>Minus:</i> Debt related to capital assets	-\$9,044,857,000
Unfunded pension benefits	\$8,979,417,000
Unfunded retiree health care	\$9,314,670,000
<b>Bills</b>	<b>\$22,521,607,000</b>

### GRADE: F

Bottom line: Hawaii would need more than \$20,000 from each of its taxpayers to pay all of its bills, so it has received an "F" for its finances from Truth in Accounting.

Truth in Accounting is 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.