

IOWA FINANCES ARE A MODEL OF GOOD ACCOUNTING

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THE FINANCIAL STATE OF IOWA

Unlike most states, Iowa's elected officials have only promised the amount of benefits they can afford to pay. Because of this, Iowa has enough money to pay all of its bills. When broken down, the amount available to pay future bills results in a surplus of \$500 for each Iowa taxpayer.

Although Iowa has enough money to pay all of its bills, it is still not completely transparent with taxpayers. Because of a new accounting standard from last year, it now has to report its pension debt on the face of the balance sheet. However, Iowa is still hiding 7% of its debt. When it comes to retiree health care benefits, Iowa is hiding \$344.6 million from taxpayers.

Here's the truth:

**\$528.6
million**

money available
to pay future
bills

\$500

taxpayer
surplus™

B

Iowa's financial
grade

Data included in this report is derived from the state of Iowa's 2016 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

IOWA FINANCIAL BREAKDOWN

FAST FACTS

- + Iowa has \$8.4 billion available in assets to pay \$7.8 billion worth of bills.
- + The outcome: A \$528.6 million surplus, which breaks down to \$500 per taxpayer.
- + Despite reporting most of its pension debt, the state continues to hide most of its retiree health care debt. The state's total hidden debt amounts to \$578.3 million.

THE STATE'S ASSETS EXCEED ITS BILLS

| | |
|---|-------------------|
| Assets | \$29,112,500,000 |
| <i>Minus:</i> Capital assets | -\$14,632,178,000 |
| Restricted assets | -\$6,125,824,000 |
| Assets available to pay bills | \$8,354,498,000 |
| <i>Minus:</i> Bills | -\$7,825,905,000 |
| Money available to pay bills | \$528,593,000 |
| Each taxpayer's share of surplus | \$500 |

BILLS THE STATE HAS ACCUMULATED

| | |
|--|------------------------|
| Bonds | \$4,876,043,000 |
| Other liabilities | \$3,181,140,000 |
| <i>Minus:</i> Debt related to capital assets | -\$2,167,233,000 |
| Unfunded pension benefits | \$1,292,607,000 |
| Unfunded retiree health care | \$643,348,000 |
| Bills | \$7,825,905,000 |

GRADE: B

Bottom line: Iowa has enough money to pay its bills, so it has received a "B" for its finances from Truth in Accounting. A "B" grade is given to states with a taxpayer surplus™ between \$100 & \$10,000.

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.