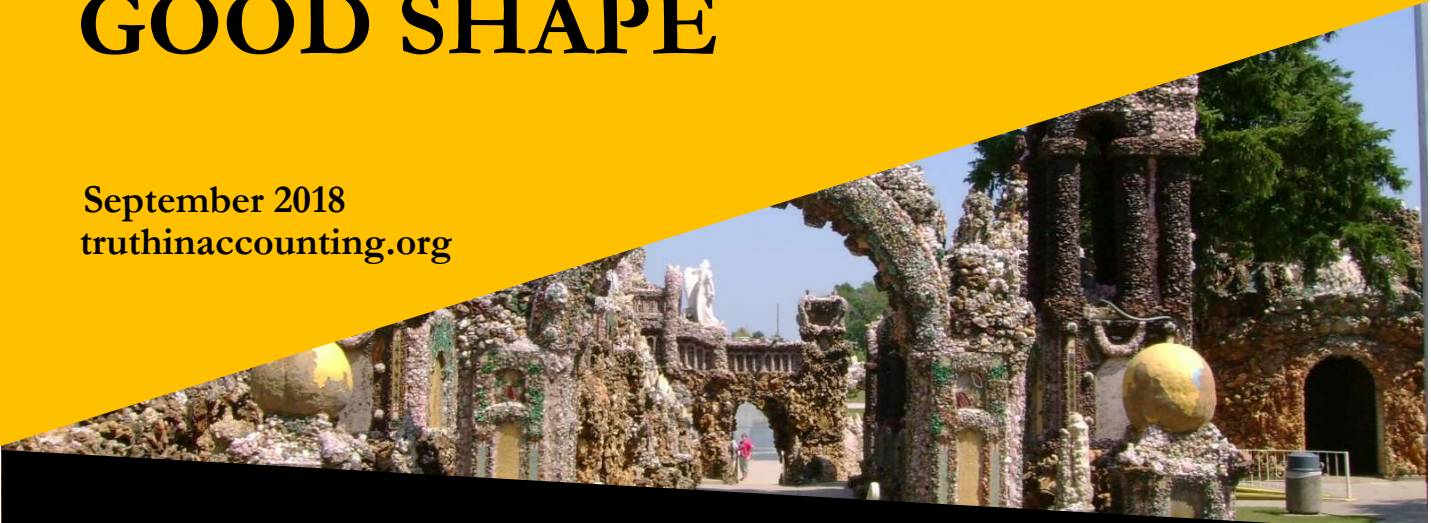




IOWA FINANCES IN GOOD SHAPE

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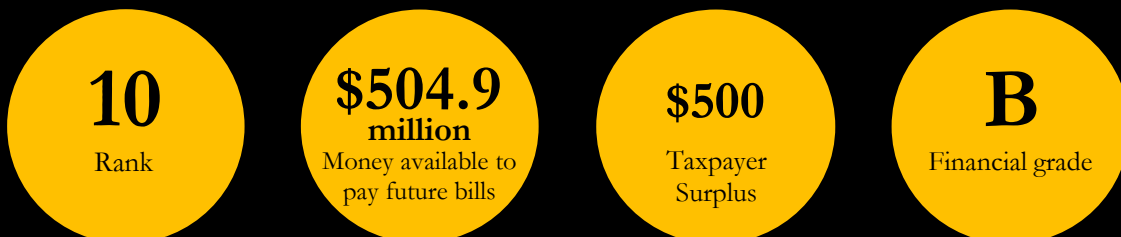
THE FINANCIAL STATE OF IOWA

A new analysis of the latest available audited financial reports found Iowa had a Taxpayer Surplus™ of \$500, earning it a "B" grade based on Truth in Accounting's grading scale.

Unlike most states, Iowa's state government has enough resources available to pay all of its bills, including public employees' retirement benefits. 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. Its reported pension liability is understated by \$64.4 million because an outdated valuation was utilized in preparation of the financials. Furthermore, \$43.4 million of retiree health care liabilities are excluded from the balance sheet.

Here's the truth:



Data included in this report is derived from the state of Iowa's 2017 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

IOWA FINANCIAL BREAKDOWN

FAST FACTS

- + Iowa has \$8.7 billion available in assets to pay \$8.2 billion worth of bills.
- + The outcome is a \$504.9 million surplus, which breaks down to \$500 per taxpayer.
- + The state excludes \$107.8 million of retirement liabilities from its balance sheet.
- + Iowa's reported net position is inflated by \$402 million, largely because the state defers recognizing losses incurred when the net pension liability increases.

THE STATE'S ASSETS EXCEED ITS BILLS

Assets	\$30,671,502,000
<i>Minus:</i> Capital assets	-\$15,353,875,000
Restricted assets	-\$6,571,142,000
Assets available to pay bills	\$8,746,485,000
<i>Minus:</i> Bills	-\$8,241,549,000
Money available to pay bills	\$504,936,000
Each taxpayer's share of surplus	\$500

BILLS THE STATE HAS ACCUMULATED

Bonds	\$5,017,309,000
Other liabilities	\$3,629,085,000
<i>Minus:</i> Debt related to capital assets	-\$2,137,798,000
Unfunded pension benefits	\$1,344,714,000
Unfunded retiree health care	\$388,239,000
Bills	\$8,241,549,000

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 and \$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.