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New Report Reveals Illinois Hiding \$118 Billion in Debt

CHICAGO — Today, Truth in Accounting (TIA), a Chicago-based think tank that analyzes government financial reporting, released a new report, *The Financial State of Illinois*. TIA researchers found that 75 percent, or \$118 billion, of Illinois' retirement debt is not reported on the state's balance sheet.

TIA researchers discovered that the state government only reported \$40 billion in retirement and health care benefits. However, the state government actually owes \$158 billion. Because the state government uses outdated accounting methods, a significant amount of liabilities are excluded from its financial reporting.

When TIA researchers included the \$118 billion in hidden debt, they discovered Illinois:

- owes \$214 billion in bills;
- has \$30 billion in assets; and
- needs \$184 billion to pay its bills

“The state government is charging retirement benefits and pensions to its "pension credit card", but does not report the debt,” said Sheila Weinberg, TIA founder and CEO. “To make matters worse, the state government essentially pretends as if they do not owe these funds to current and retired employees.”

TIA researchers also calculated the taxpayer burden – the amount each Illinois taxpayer would owe if the state's debt were divided amongst the state's taxpayers. The taxpayer burden for Illinois is \$45,000.

“Governor Rauner is taking a step in the right direction by making serious budget cuts, but it's not enough,” said Weinberg. “If the state government budgeted using the accounting methods corporations are required to use, our state would not be in this situation. It's time for Illinois state officials to not only acknowledge the state's financial mess, but report accurate numbers so real action can be taken.”

Data from the Financial State of Illinois was derived from Illinois' 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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