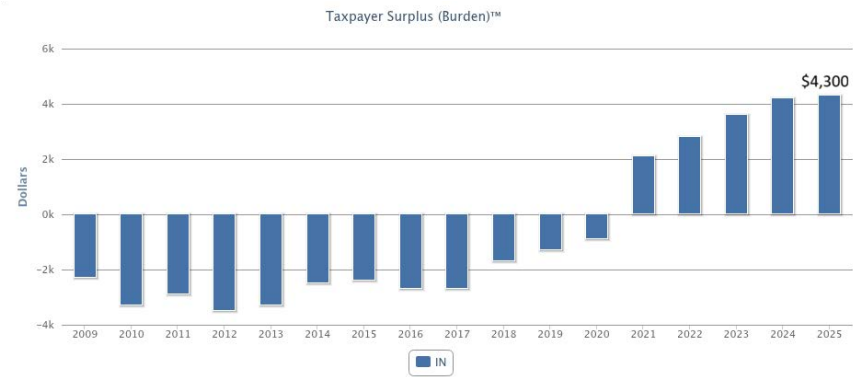


INDIANA'S FINANCIAL BREAKDOWN

Money Available to Pay Bills	\$10 billion	Ranking (Out of 50)	19
Taxpayer Surplus™	\$4,300	Financial Grade	B

In 2025, Indiana's financial situation improved. It ended the year with \$10 billion more than it needed to pay its bills. That means the state had a Taxpayer Surplus™ of \$4,300, which earned it a "B" grade from Truth in Accounting.

Indiana's financial condition improved, with assets exceeding liabilities. The state's primary government reported a decline in long-term liabilities, primarily due to reductions in net pension liabilities. This decrease resulted from contributions and investment income exceeding the interest costs associated with pension benefits. Overall, the combination of a higher net position, lower long-term liabilities, and reduced pension obligations indicates continued financial stability and strengthens Indiana's fiscal outlook.



Indiana received approximately \$27.2 billion in federal grants, which represented 39 percent of its revenue. The federal government mandates that entities receiving significant federal funds undergo a Single Audit. These audits are intended to be the taxpayers' first line of defense against potential fraud and abuse. Indiana's audit uncovered major issues with the state's unemployment insurance. Employers owed about \$180 million more in unpaid unemployment taxes than the state recorded. The audit also found weak oversight of how federal education dollars were reported and monitored, as well as reporting breakdowns across several other state agencies.

The data in this report is derived from Indiana's audited 2025 Annual Comprehensive Financial Report and its retirement systems' reports. To explore prior years or compare financial, demographic, and economic data across other states and cities, visit [Data-Z.org](#).

INDIANA'S FINANCIAL FACTS

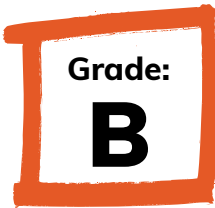
FACT #1: Indiana had \$36.3 billion available to pay \$26.4 billion worth of bills.	FACT #2: The outcome was a \$10 billion surplus, which breaks down to \$4,300 per taxpayer.
FACT #3: Indiana received 39 percent of its revenue from federal grants and was required to undergo a Single Audit, which identified potential fraud and abuse.	

THE STATE'S ASSETS EXCEEDED ITS BILLS

\$92,590,101,000	→	Total Assets
- \$34,894,462,000	→	Minus: Capital Assets
- \$21,372,839,000	→	Minus: Restricted Assets
= \$36,322,800,000	→	Assets Available to Pay Bills
- \$26,356,899,000	→	Minus: Total Bills*
= \$9,965,901,000	→	Money Available to Pay Bills
/ Divide by the estimated number of taxpayers		
= \$4,300	→	Each Taxpayer's Share of This Surplus

*BREAKDOWN OF TOTAL BILLS

\$9,764,675,000	→	Bonds
+ \$17,428,481,000	→	Other Liabilities
- \$5,056,601,000	→	Minus: Debt Related to Capital Assets
+ \$4,296,843,000	→	Unfunded Pension Benefits
+ \$76,499,000	→	Unfunded Retiree Health Care Benefits
= \$26,356,899,000	→	Total Bills



Bottom line: Indiana had more than enough money to pay its outstanding bills and received a "B" grade for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Surplus between \$1 and \$9,999 is given a "B" grade.