



# MICHIGAN UNTIMELY WITH ITS ANNUAL REPORT

September 2019  
truthinaccounting.org

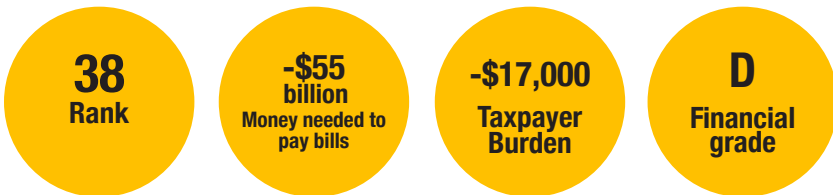
## THE FINANCIAL STATE OF MICHIGAN

A new analysis of the latest available audited financial reports found Michigan has a Taxpayer Burden™ of \$17,000, earning it a “D” grade from Truth in Accounting. Michigan had consistently published its annual financial report within the 180-day standard since 2009, but was more than 30 days late this past fiscal year.

Michigan’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$55 billion. That burden equates to \$17,000 for every state taxpayer. Michigan’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$129.4 billion in retirement benefits promised, the state has not funded \$37.6 billion in pension and \$18.3 billion in retiree health care benefits.

Michigan and other states have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

### THE TRUTH:



# MICHIGAN FINANCIAL BREAKDOWN

## FAST FACTS

- Michigan has \$27.8 billion available to pay \$82.7 billion worth of bills.
- The outcome is a \$55 billion shortfall, which breaks down to a burden of \$17,000 per taxpayer.
- This means that each taxpayer would pay \$17,000 in future taxes without receiving any related services or benefits.

### THE STATE’S BILLS EXCEED ITS ASSETS

Total assets	\$71,782,778,000
<i>Minus:</i> Capital assets	-\$28,529,094,000
Restricted assets	-\$15,498,200,000
Assets available to pay bills	\$27,755,484,000
<i>Minus:</i> Total bills	-\$82,739,506,000
Money available (needed) to pay future bills	-\$54,984,022,000
Each taxpayer’s share of this debt	-\$17,000

### BILLS THE STATE HAS ACCUMULATED

Bonds	\$20,090,400,000
Other liabilities	\$11,632,962,000
<i>Minus:</i> Debt related to capital assets	-\$4,840,944,000
Unfunded pension benefits	\$37,602,953,000
Unfunded retiree health care benefits	\$18,254,135,000
Total bills	\$82,739,506,000

### GRADE: D

Bottom line: Michigan would need \$17,000 from each of its taxpayers to pay all of its bills, so it has received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”