



Our mission is to educate and empower citizens with understandable, reliable, and transparent government financial information.

March 10, 2015

Contact: Dannie Mahoney

312.589.5100

press@truthinaccounting.org

dmahoney@truthinaccounting.org

New Report Reveals Kentucky's Debt is 160 Percent More Than its Revenue

Chicago — Today, Truth in Accounting (TIA), a Chicago-based think tank that analyzes government financial reporting, released an in-depth report entitled, [The Financial State of Kentucky](#). The report reveals that Kentucky is hiding \$29 billion of retirement debt from its balance sheet and the state's total debt is 160 percent more than its revenue.

This week, Representative Jerry Miller is encouraging the Kentucky House of Representatives to discuss placing a six percent cap on the amount of bonded debt the state can have compared to its revenue.

"While it's a step in the right direction, it's not enough," says Sheila Weinberg, Founder and CEO of TIA. "All of the debt needs to be taken into account, not just the bonded debt."

"The report by Truth in Accounting, while deeply troubling, is not a surprise to anyone who has been paying attention to the deteriorating financial condition of our retirement plans. For far too long, Kentucky has chronically overpromised and underfunded retirement benefits," Rep. Miller asserted. "As this session of the Legislature ends, I and others are focused on making this issue a priority for the 2016 session."

In addition, TIA's report reveals that Kentucky's real debt number is \$53 billion, which includes \$6 billion of bonds, \$10 billion of bills owed to vendors and others, and most importantly, \$35 billion owed to pension and other retirement plans. This debt is not related to the purchase or improvement of capital assets.

TIA researchers also discovered that the state only has \$13 billion available to pay its debt, leaving \$40 billion of debt behind for future taxpayers. If this debt was divided amongst current taxpayers, each taxpayer's share would be \$32,600, a \$6,100 increase from last year.

Data from the [Financial State of Kentucky](#) report was derived from the state of Kentucky's 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.

#