

# 48

Sinkhole State

# ILLINOIS

FINANCIAL STATE OF ILLINOIS AS OF JUNE 30, 2009



## ILLINOIS IS IN THE 48th WORST FINANCIAL POSITION OF ALL 50 STATES

Illinois has \$55 billion worth of assets, but most of these assets are not available to meet the state's obligations. More than \$29 billion of these assets is infrastructure like roads, bridges and parks, which cannot realistically be used to pay bills. The use of \$6.4 billion of the assets is also restricted by law or contract. Less than \$19.6 billion of the state's assets are available to pay \$130.2 billion of bills as they come due.

Illinois statutes require the legislature to pass a balanced budget. One of the reasons Illinois is in this precarious financial position is state officials use antiquated budgeting and accounting rules ("political math") to report Illinois' financial condition. Since employee retirement benefits are not immediately payable in cash, politicians have ignored the state's true compensation costs when calculating "balanced" budgets. Additional problematic accounting methods include recording loan proceeds as revenues and delaying the payment of bills.

More than \$110.6 billion of state employees' retirement and other costs have been pushed into the future, and thus onto our children's and grandchildren's backs. Each taxpayer's share of the financial burden is \$26,800.

**Citizens need to demand their state legislators use Truth in Accounting.**

[www.Illinois.StateBudgetWatch.org](http://www.Illinois.StateBudgetWatch.org)

### THIS STATE DOES NOT HAVE THE MONEY TO PAY ITS BILLS

Assets	\$54,989,889,000
Less: Capital Assets	\$29,042,925,000
Restricted Assets	\$6,386,240,000
<b>Assets Available to Pay Bills</b>	<b>\$19,560,724,000</b>
Bills	\$130,191,853,000
<b>Money Needed to Pay Bills</b>	<b>\$110,631,129,000</b>

**Each Taxpayer's\* Burden** **\$26,800**

### So-Called "Balanced Budgets" Ignore True Costs

Net Reported Liabilities	\$64,077,658,000
Hidden Retirement Liabilities	+ 66,114,195,000
<b>Bills</b>	<b>\$130,191,853,000</b>

Data is derived from the state of Illinois's June 30, 2009 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

\*Based on the number of federal tax filers with a tax liability. This approximates the number of households in the state.