Financial state of the state

10  IOWA

$1,100 TAXPAYER SURPLUS

MONEY AVAILABLE TO PAY BILLS: $1.1 BILLION

Truth in Accounting
THE FINANCIAL STATE OF IOWA

Why did Iowa's reported pension debt increase by $770 million this year?

Because of a new accounting rule, Iowa now has to report its pension debt on its balance sheet. As a result, the state's reported pension debt grew from $63.8 million in 2014 to $833.9 million in 2015. However, the state is still hiding $169 million of pension debt from taxpayers.

For years, Truth in Accounting has called for this financial reporting change, and we welcome the shift towards more transparent accounting.

Key findings

- Iowa has $9.1 billion available to pay $7.9 billion worth of bills. Therefore, the state has a $1.1 billion surplus.
- Iowa has a taxpayer surplus of $1,100, which is each taxpayer's share of the state's excess funds.
- Despite reporting most of its pension debt, the state still continues to hide most of its retiree health care debt. The state's total hidden debt is $568.2 million.

The state's assets exceed its bills

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$28,802,132,000</td>
</tr>
<tr>
<td>Minus: Capital assets</td>
<td>-$13,814,077,000</td>
</tr>
<tr>
<td>Restricted assets</td>
<td>-$5,916,200,000</td>
</tr>
<tr>
<td>Assets available to pay bills</td>
<td>$9,071,855,000</td>
</tr>
<tr>
<td>Minus: Bills</td>
<td>-$7,928,676,000</td>
</tr>
<tr>
<td>Money available to pay future bills</td>
<td>$1,143,179,000</td>
</tr>
<tr>
<td>Each taxpayer's share of surplus</td>
<td>$1,100</td>
</tr>
</tbody>
</table>

Iowa has $28.8 billion in assets, but most of these assets are not available to pay state bills.

The $13.8 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of $5.9 billion of the assets is restricted by law or contract.

That leaves $9.1 billion of the state's assets available to pay $7.9 billion of bills as they come due.

Data is derived from the state of Iowa's June 30, 2015 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the state's population with a federal tax liability.

www.TruthInAccounting.org
www.StateDataLab.org

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.