



INDIANA EARNS 'C' GRADE FOR ITS FINANCES

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truthinaccounting.org

THE FINANCIAL STATE OF INDIANA

A new analysis of the latest available audited financial reports found Indiana has a Taxpayer Burden™ of \$2,700, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the state's elected officials have left Indiana with a \$5.7 billion shortfall, which equates to \$2,700 for every taxpayer. Much of the state's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$25.6 billion in retirement benefits promised, the state has not funded \$13.6 billion in pension and \$878.6 million in retiree health care benefits.

Indiana's financial condition is not only disconcerting but also misleading as government officials have failed to disclose significant amounts of retirement debt on the state's balance sheet. Residents and taxpayers have been presented with an unreliable and inaccurate accounting of the state government's finances.

Here's the truth:

13

Rank

**\$5.7
billion**

Money needed to
pay bills

-\$2,700

Taxpayer
Burden

C

Financial grade

INDIANA

FINANCIAL BREAKDOWN

FAST FACTS

- + Indiana has \$23 billion available in assets to pay \$28.8 billion worth of bills.
- + The outcome is a \$5.7 billion shortfall and a \$2,700 Taxpayer Burden.
- + Despite reporting all of its pension debt, the state continues to hide \$727.9 million of its retiree health care debt.
- + Indiana's reported net position is inflated by \$2 billion, largely because the state defers recognizing losses incurred when the net pension liability increases.

THE STATE'S BILLS EXCEED ITS ASSETS

Assets	\$58,540,417,000
<i>Minus:</i> Capital assets	-\$26,513,811,000
Restricted assets	-\$9,008,118,000
Assets available to pay bills	\$23,018,488,000
<i>Minus:</i> Bills	-\$28,753,281,000
Money needed to pay bills	-\$5,734,793,000
Each taxpayer's share of this debt	-\$2,700

BILLS THE STATE HAS ACCUMULATED

Bonds	\$9,000,000,000
Other liabilities	\$10,387,610,000
<i>Minus:</i> Debt related to capital assets	-\$5,131,452,000
Unfunded pension benefits	\$13,618,494,000
Unfunded retiree health care	\$878,629,000
Bills	\$28,753,281,000

GRADE: C

Bottom line: Indiana's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other states, Indiana still owes more than it owns.

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 truthful and transparent financial information.