



# INDIANA'S FINANCES IMPROVE

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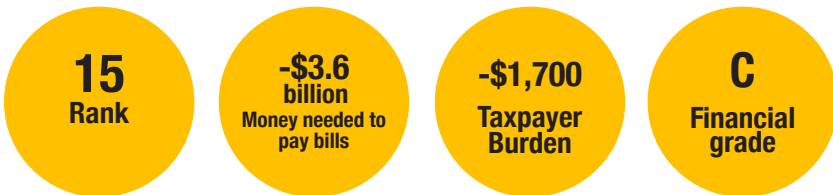
## THE FINANCIAL STATE OF INDIANA

A new analysis of the latest available audited financial reports found Indiana has a Taxpayer Burden™ of \$1,700, earning it a “C” grade from Truth in Accounting. Indiana’s overall financial condition improved by 38 percent from the previous fiscal year.

Indiana’s elected officials have made repeated financial decisions that have left the state with a debt burden of \$3.6 billion. That burden equates to \$1,700 for every state taxpayer. Indiana’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$22.7 billion in retirement benefits promised, the state has not funded \$12.2 billion in pension and \$825.6 million in retiree health care benefits.

Indiana 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:



Data included in this report is derived from the state of Indiana’s 2018 audited Comprehensive Annual Financial Report and retirement plans’ reports.

# INDIANA FINANCIAL BREAKDOWN

## FAST FACTS

- Indiana has \$24.6 billion available to pay \$28.2 billion worth of bills.
- The outcome is a \$3.6 billion shortfall, which breaks down to a burden of \$1,700 per taxpayer.
- Indiana’s reported net position is inflated by \$1.8 billion, largely because the state defers recognizing losses incurred when the net pension liability increases.

### THE STATE’S BILLS EXCEED ITS ASSETS

Total assets	\$61,698,075,000
<i>Minus:</i> Capital assets	-\$27,345,136,000
Restricted assets	-\$9,744,788,000
Assets available to pay bills	\$24,608,151,000
<i>Minus:</i> Total bills	-\$28,168,121,000
Money available (needed) to pay future bills	-\$3,559,970,000
Each taxpayer’s share of this debt	-\$1,700

### BILLS THE STATE HAS ACCUMULATED

Bonds	\$8,900,000,000
Other liabilities	\$11,516,566,000
<i>Minus:</i> Debt related to capital assets	-\$5,317,024,000
Unfunded pension benefits	\$12,243,011,000
Unfunded retiree health care benefits	\$825,568,000
Total bills	\$28,168,121,000

## GRADE: C

Bottom line: Indiana would need \$1,700 from each of its taxpayers to pay all of its bills, so it has received a “C” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,900 receives a “C.”

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