46 | MASSACHUSETTS RANKING

$20 Billion
AVAILABLE ASSETS
TO PAY OFF STATE BILLS

$67 Billion
FINANCIAL HOLE
**The State's Bills Exceed Its Assets**

<table>
<thead>
<tr>
<th>Assets</th>
<th>$70,770,219,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minus: Capital Assets</td>
<td>$43,825,420,000</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>$6,713,768,000</td>
</tr>
<tr>
<td>Assets Available to Pay Bills</td>
<td>$20,231,031,000</td>
</tr>
<tr>
<td>Minus: Bills</td>
<td>$87,384,606,000</td>
</tr>
<tr>
<td>Money Needed to Pay Bills</td>
<td>-$67,153,575,000</td>
</tr>
</tbody>
</table>

**Each Taxpayer's Share of Massachusetts' Debt:**

-$27,400

Massachusetts has $70.8 billion in assets, but most of these assets are not available to pay state bills.

The $43.8 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of $6.7 billion of the assets is restricted by law or contract.

That leaves $20.2 billion of state's assets available to pay $87.4 billion of bills as they come due.

The -$67.2 billion shortfall represents compensation and other costs incurred in prior years that should have been paid in those prior years. Instead these costs have been shifted to future taxpayers.

**Each Taxpayer's Share of Massachusetts' Debt:**

-$27,400

Despite the balanced budget requirement, the state has accumulated bonds of $42.7 billion and other liabilities of $15.2 billion. The calculation of assets available to pay bills does not include capital assets, so $15.4 billion of related debt is removed from the calculation of state bills.

Unfunded employees' retirement benefits represent 51% of state bills. These unfunded liabilities have accumulated because state employees have been promised $27.8 billion of pension benefits and $17 billion of retirees' health care benefits, but the state has not adequately funded them.

Unless these pension and retirees' health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.

A detailed study of Massachusetts' actuaries' schedules found retirement benefits totaling $44.9 billion have been promised, but not funded. A review of the state's balance sheet determined only $8.1 billion of these liabilities are reported. This means the state does not report $36.8 billion of retirement liabilities on its balance sheet.

Data is derived from the state of Massachusetts' June 30, 2014 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.