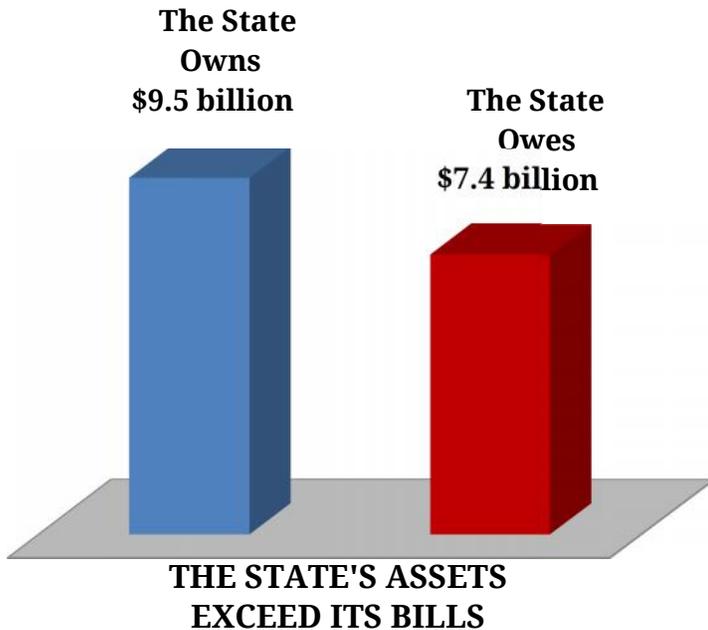


THE 4th BEST STATE

UTAH IS A SUNSHINE STATE



The state of Utah is a sunshine state because it has assets above its outstanding bills. The State has a \$2 billion financial surplus.

Each Taxpayer's Share of This Financial Surplus is \$2,700

Unlike most states, Utah has the money needed to fund State employees' retirement benefits and other outstanding bills. Utah is in good financial shape because the legislators and governors have only promised citizens and employees what they can afford to deliver.

Number of taxpayers is based on the number of Utah federal tax filers with a tax liability.



THE STATE REPORTS RETIREMENT PLAN ASSETS, INSTEAD OF ITS RETIREMENT PLAN LIABILITIES

Reported Retirement Plan Assets	\$841,000
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Actual Retirement Plans' Liabilities	\$2,130,805,000
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Truth in Accounting's detailed analysis discovered a total of \$2.1 billion of retirement benefits have been promised but not funded. Because of the confusing way the State does its accounting, retirement assets of \$841,000 are reported on Utah's balance sheet.

- ⇒ Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.
- ⇒ We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.
- ⇒ To be knowledgeable participants in their State government and its budget process, citizens need to be provided with truthful and transparent financial information.

Data is derived from the state of Utah's June 30, 2013 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

The Financial State of Utah
As of June 30, 2013

The State's Assets Exceed Its Bills

Assets	\$37,324,986,000
Less: Capital Assets	\$21,196,412,000
Restricted Assets	\$6,654,470,000
Assets Available to Pay Bills	\$9,474,104,000
Less: Bills	\$7,436,382,000
Money Available to Pay Bills	\$2,037,722,000
Each Taxpayer's Surplus	\$2,700

The state of Utah has \$37.3 billion in assets, but most of these assets are not available to pay State bills.

The \$21.2 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 \$9.5 billion of State's assets available to pay \$7.4 billion of bills as they come due.

Utah's elected officials seem to promise only the amount of benefits they can afford to pay.

Each Taxpayer's Share of the Financial Surplus is \$2,700

Number of taxpayers is based on the number of Utah federal tax filers with a tax liability.

Data is derived from the state of Utah's June 30, 2013 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.



The Bills the State Has Accumulated

State Bonds	\$6,836,044,000
Other Liabilities	\$2,849,278,000
Less: Debt Related to Capital Assets	\$4,379,745,000
Unfunded Pension Benefits	\$1,860,094,000
Unfunded Retirees' Health Care Benefits	\$270,711,000
Bills	\$7,436,382,000

The State has accumulated bonds of \$6.8 billion and other liabilities of \$2.8 billion. The calculation of assets available to pay bills does not include capital assets, so \$4.4 billion of related debt is removed from the calculation of State bills.

Unfunded employees' retirement benefits represent 29% of State bills. These unfunded liabilities have accumulated because State employees have been promised \$1.9 billion of pension benefits and \$270.7 million of retirees' health care benefits. Unlike most states, Utah has the assets needed to pay these liabilities.

Utah elected officials seem to promise only what they can afford.

The State Reports Retirement Plan Assets Instead of the True Liabilities

Reported Retirement Plan Assets	\$841,000
Unfunded Pension Benefits	\$1,860,094,000
Unfunded Retirees' Health Care Benefits	\$270,711,000
Retirement Plans' Liabilities	\$2,130,805,000

A detailed study of Utah's actuaries' schedules found retirement benefits totaling \$2.1 billion have been promised, but not funded. A review of the State's balance sheet determined assets related to the State's retirees' health care plan of \$841,000 are reported.