



IDAHO

The State Does Not Have the Money to Pay Bills

Assets	\$13,856,402,000
Less: Capital Assets	\$6,280,433,000
Restricted Assets	\$2,571,613,000
Assets Available to Pay Our Bills	\$5,004,356,000
Less: Bills	\$6,254,259,000
Money Needed to Pay Our Bills	\$1,249,903,000
Each Taxpayer's* Financial Burden	\$2,900

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Idaho has \$13.9 billion worth of assets, but most of these assets are not available to meet the state's obligations.

Almost \$6.3 billion of these assets is infrastructure like roads, bridges and parks, which cannot realistically be used to pay bills. The use of \$2.6 billion of the assets is also restricted by law or contract.

Idaho is in Financial Jeopardy

Only \$5 billion of the state's assets are available to pay \$6.3 billion of bills as they come due.

More than \$1.2 billion of state employees' retirement and other costs have been pushed into the future, and thus onto our children's and grandchildren's backs.

Each taxpayer's* share of the financial burden is \$2,900.

So-Called "Balanced" Budgets Ignore True Costs

Net Reported Liabilities	\$3,968,762,000
Additional Retirement Obligations	\$2,285,497,000
Bills	\$6,254,259,000

So-Called "Balanced" Budgets Ignore True Costs

The state of Idaho reported liabilities, not related to capital assets, of \$4 billion. Institute for Truth in Accounting's detailed analysis discovered \$2.3 billion of additional retirement benefits have been promised. When these retirement systems' obligations are included, the state's bills total \$6.3 billion.

Idaho statutes require the legislature to pass a balanced budget. One of the reasons Idaho is in this precarious financial position is state officials use antiquated budgeting and accounting rules to determine true compensation costs.

Since retirement benefits are not immediately payable in cash, Idaho politicians have ignored most of these true compensation costs when calculating "balanced" budgets. Furthermore, the state has set aside only 73 cents to pay for each dollar of these promised benefits.

Truthful budgetary accounting would include the portion of retirement benefits employees earn every year they work in the compensation costs.

Accurate accounting requires all real and certain expenses be reported in the state's budget and financial statements when earned, not when paid.

"Balanced" Budgets Result in Massive Debt

State Bonds	\$3,138,595,000
Other Liabilities	\$1,821,472,000
Less: Debt Related to Capital Assets	\$991,305,000
Net Reported Liabilities	\$3,968,762,000
Less: Reported Retirement Liabilities	\$31,717,000
Unfunded Pension Benefits Due	\$2,175,792,000
Unfunded Retirees' Health Care Benefits Due	\$141,422,000
Bills	\$6,254,259,000

"Balanced" Budgets Result in Massive Debt

Despite the balanced budget requirement, the state has accumulated bonds of \$3.1 billion, accounts payable and other liabilities of \$1.8 billion. More than \$991.3 million of this debt relates to capital assets.

The state reported retirement systems' liabilities of \$31.7 million, however, the retirement systems' actuarial reports indicate past governors and legislators have promised, but not funded, \$2.2 billion in pension benefits and \$141.4 million in retirees' health care benefits.

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

Data is derived from the state of Idaho's June 30, 2009 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

*Based on the number of federal tax filers with a tax liability. This approximates the number of households in the state.