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Hawaii Hiding 71 Percent of Retirement Debt

CHICAGO — Truth in Accounting (TIA), a Chicago-based think tank that analyzes government financial reporting, released a new report today titled *The Financial State of Hawaii*. TIA researchers found that the state government did not report \$10.4 billion of retirement debt on its 2014 balance sheet.

TIA researchers analyzed Hawaii's financials and discovered that the state only reported \$4.3 billion of pension and retirees' healthcare benefits yet owes approximately \$14.7 billion. Because the state government uses outdated accounting methods, a vast majority of liabilities are excluded from its financial reporting.

When TIA researchers included the \$10.4 billion of hidden debt, they discovered that Hawaii:

- owes \$17.8 billion in bills;
- has \$5.4 billion available to pay bills; and
- has more than \$12.4 billion in total debt remaining.

If Hawaii's \$12.4 billion shortfall were divided among its taxpayers, each taxpayer's personal share would be \$26,500.

"It is time for state government officials to acknowledge the state's true debt," said Sheila Weinberg, Founder and CEO of TIA. "Until its financial data is truly accurate and transparent, Hawaiians cannot knowledgeably participate in addressing the state's financial issues."

Data from the study was derived from Hawaii's June 30, 2014 audited *Comprehensive Annual Financial Report* and retirement plans' actuarial reports.

Founded in 2002, Truth in Accounting is dedicated to educating and empowering citizens with understandable, reliable, and transparent government financial information. Sheila Weinberg is a Certified Public Accountant with more than 30 years of experience in the field.

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