



# NORTH DAKOTA RANKS NO. 2 FOR ITS FINANCES

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## THE FINANCIAL STATE OF NORTH DAKOTA

A new analysis of the latest available audited financial reports found North Dakota had a Taxpayer Surplus™ of \$24,900, earning it an "A" grade based on Truth in Accounting's grading scale.

Unlike most states, North Dakota's state government has enough resources available to pay all of its bills, including public employees' retirement benefits. When broken down, the amount available to pay future bills results in a surplus of \$24,900 for each North Dakota taxpayer. Because a large percentage of the state's revenue is derived from taxes related to the energy industry, it is at risk if energy prices or production decrease.

Although North Dakota has enough money to pay all of its bills, it is still not completely transparent with taxpayers. Its reported pension liability is understated by \$348.4 million because an outdated valuation was utilized in preparation of the financials. Furthermore, \$50.3 million of retiree health care liabilities are excluded from the balance sheet.

### Here's the truth:

**2**

Rank

**\$7.1  
billion**

Money available to  
pay future bills

**\$24,900**

Taxpayer  
Surplus

**A**

Financial grade

# NORTH DAKOTA FINANCIAL BREAKDOWN

## FAST FACTS

- + North Dakota has \$14.5 billion available in assets to pay \$7.4 billion worth of bills.
- + The outcome is a \$7.1 billion surplus, which breaks down to \$24,900 per taxpayer.
- + The state excludes \$398.7 million of retirement liabilities from its balance sheet.
- + North Dakota's reported net position is inflated by \$152.2 million, largely because the state defers recognizing losses incurred when the net pension liability increases.

### THE STATE'S ASSETS EXCEED ITS BILLS

Assets	\$28,441,603,000
<i>Minus:</i> Capital assets	-\$6,331,612,000
Restricted assets	-\$7,594,888,000
Assets available to pay bills	\$14,515,103,000
<i>Minus:</i> Bills	-\$7,414,024,000
Money available to pay bills	\$7,101,079,000
<b>Each taxpayer's share of surplus</b>	<b>\$24,900</b>

### BILLS THE STATE HAS ACCUMULATED

Bonds	\$1,577,017,000
Other liabilities	\$5,268,888,000
<i>Minus:</i> Debt related to capital assets	-\$348,873,000
Unfunded pension benefits	\$865,411,000
Unfunded retiree health care	\$51,581,000
<b>Bills</b>	<b>\$7,414,024,000</b>

## GRADE: A

Bottom line: North Dakota has substantially more than enough money to pay its bills, so it has received an "A" for its finances from Truth in Accounting. An "A" grade is given to states with a Taxpayer Surplus greater than \$10,000.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.