



# NEVADA FINANCES EARN 'C' GRADE

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## THE FINANCIAL STATE OF NEVADA

A new analysis of the latest available audited financial reports found Nevada has a Taxpayer Burden™ of \$3,300, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the state's elected officials have left Nevada with a \$3.1 billion shortfall, which equates to \$3,300 for every taxpayer. Much of the state's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$11.6 billion in retirement benefits promised, the state has not funded \$2.6 billion in pension and \$1.5 billion in retiree health care benefits.

Nevada's financial condition is not only disconcerting but also misleading as government officials have failed to disclose significant amounts of retirement debt on the state's balance sheet. Residents and taxpayers have been presented with an unreliable and inaccurate accounting of the state government's finances.

### Here's the truth:



# NEVADA FINANCIAL BREAKDOWN

## FAST FACTS

- + Nevada has \$5.4 billion available in assets to pay \$8.5 billion worth of bills.
- + The outcome is a \$3.1 billion shortfall and a \$3,300 Taxpayer Burden.
- + Despite reporting all of its pension debt, the state continues to hide \$1.5 billion of its retiree health care debt.
- + Nevada's reported net position is inflated by \$286 million, largely because the state defers recognizing losses incurred when the net pension liability increases.

### THE STATE'S BILLS EXCEED ITS ASSETS

|   |                  |
|---|------------------|
| Assets                                    | \$18,537,379,000 |
| <i>Minus:</i> Capital assets              | -\$9,249,941,000 |
| Restricted assets                         | -\$3,914,471,000 |
| Assets available to pay bills             | \$5,372,967,000  |
| <i>Minus:</i> Bills                       | -\$8,463,423,000 |
| Money needed to pay bills                 | -\$3,090,456,000 |
| <b>Each taxpayer's share of this debt</b> | <b>-\$3,300</b>  |

### BILLS THE STATE HAS ACCUMULATED

|   |                        |
|---|------------------------|
| Bonds   | \$3,604,194,000        |
| Other liabilities                               | \$2,777,520,000        |
| <i>Minus:</i> Debt related to<br>capital assets | -\$1,996,022,000       |
| Unfunded pension benefits                       | \$2,579,983,000        |
| Unfunded retiree health care                    | \$1,497,748,000        |
| <b>Bills</b>                                    | <b>\$8,463,423,000</b> |

## GRADE: C

Bottom line: Nevada's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other states, Nevada still owes more than it owns.

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.