



## THE TRUTH

Money Needed to Pay Bills  
**\$877.9 Million**

Taxpayer Burden™  
**\$800**

Financial Grade  
**C**

Ranking  
**23 out of 50**

# Nevada's Financial Condition Worsened Despite Federal Funds



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## Financial State of Nevada

Nevada's latest financial report indicated the state's financial position improved in 2021 due to a great deal of federal aid and dramatic increases in the value of pension system assets. But the state still needed \$877.9 million to pay the bills it had accumulated. The resulting Taxpayer Burden™ was \$800, which represents each taxpayer's share of the state's debt. Therefore, the state earned a "C" grade from Truth in Accounting.

Nevada's financial problems stem mostly from unfunded retirement obligations. Record gains in the stock market in 2021 made funding levels of the state's pension system appear healthier than in 2020, but much of that improvement is fading. Markets have lost an average of 14% value in 2022. Although pension liabilities decreased by \$968.3 million in 2021 due to the increase in investment value, much of the value increase is only on paper. Until the pension investments are sold, these liability decreases are not real. Given these facts, the state's overall debt situation will likely further deteriorate over the coming year.

Even with these reported increases in pension assets, Nevada had only set aside 87 cents for every dollar of promised pension benefits and no money set aside for every dollar of promised retiree health care benefits. If benefits and funding are not changed, future taxpayers will be burdened with paying the under-funded retirement promises.

The data included in this report is derived from the State of Nevada's 2021 audited Annual Comprehensive Financial Report and retirement plans' reports. To compare state financial, demographic and economic information go to Data-Z.org.



UNIVERSITY of  
**DENVER**

DANIELS COLLEGE OF BUSINESS  
School of Accountancy

# Nevada's Financial Breakdown

## Fast Facts

- Nevada had \$11.9 billion available to pay \$12.8 billion worth of bills.
- The outcome was a \$877.9 million shortfall, which breaks down to a burden of \$800 per taxpayer.
- Nevada's overall financial condition improved considerably, but much of the improvement came from \$3.3 billion in federal funding and \$164.3 million in sales and use taxes.

## THE STATE'S BILLS EXCEEDED ITS ASSETS

Total assets	\$29,275,573,000
Minus: Capital assets	-\$13,906,277,000
Restricted assets	-\$3,453,614,000
Assets available to pay bills	\$11,915,682,000
Minus: Total bills*	-\$12,793,599,000
Money needed to pay bills	\$877,917,000
Each taxpayer's share of this burden	\$800

## \* BREAKDOWN OF TOTAL BILLS

Bonds	\$3,740,685,000
Other liabilities	\$7,951,011,000
Minus: Debt related to capital assets	-\$2,171,865,000
Unfunded pension benefits	\$1,782,238,000
Unfunded retiree health care benefits	\$1,491,530,000
Total bills	\$12,793,599,000

### Grade:

# C

Bottom line: Nevada would need \$800 from each of its taxpayers to pay all of its bills, so it received a "C" for its finances. According to Truth in Accounting's grading scale, any government with a Taxpayer Burden between \$0 and \$4,900 receives a "C."

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