THE FINANCIAL STATE OF NEVADA

A new analysis of the latest available audited financial reports found Nevada has a Taxpayer Burden\(^\text{TM}\) of $3,100, earning it a “C” grade from Truth in Accounting. Nevada is one of 13 states to receive a “C” grade for its financial condition.

Nevada’s elected officials have made repeated financial decisions that have left the state with a debt burden of $3.1 billion. That burden equates to $3,100 for every state taxpayer. Nevada’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the $12.3 billion in retirement benefits promised, the state has not funded $2.7 billion in pension and $1.3 billion in retiree health care benefits.

Nevada and other states have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

THE TRUTH:

- Nevada has $5.5 billion available to pay $8.5 billion worth of bills.
- The outcome is a $3.1 billion shortfall, which breaks down to a burden of $3,100 per taxpayer.
- This means that each taxpayer would pay $3,100 in future taxes without receiving any related services or benefits.

Bottom line: Nevada would need $3,100 from each of its taxpayers to pay all of its bills, so it has 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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