The state of Nevada is sinking in debt. The State's $2.6 billion shortfall represents compensation and other costs that have been pushed into the future.

Each Taxpayer's Share of This Financial Burden is $3,100

Nevada statutes require the legislature to pass a balanced budget. One of the reasons Nevada is in this precarious financial position is state officials use antiquated budgeting and accounting rules to report Nevada's financial condition. Since employee retirement benefits are not immediately payable in cash, the related compensation costs have been ignored when calculating balanced budgets.

Truth in Accounting's detailed analysis discovered a total of $2.5 billion of retirement benefits have been promised but not funded. Because of the confusing way the State does its accounting, only $1,000 of these liabilities are reported on Nevada's balance sheet.

The Institute for Truth in Accounting is committed to compelling governments to provide citizens with truthful and transparent financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

A transparent budget process would provide citizens with the information they need to be knowledgeable participants in their state government.

To be knowledgeable participants in their State government, citizens need to be provided with truthful and transparent financial information.

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Number of taxpayers based on the number of Nevada federal tax filers with a tax liability.

Data is derived from the state of Nevada's June 30, 2012 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.
The Financial State of Nevada
As of June 30, 2012

The Bills the State Has Accumulated

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bonds</td>
<td>$4,090,610,000</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>$3,057,629,000</td>
</tr>
<tr>
<td>Less: Debt Related to Capital Assets</td>
<td>$2,176,725,000</td>
</tr>
<tr>
<td>Unfunded Pension Benefits</td>
<td>$1,487,738,000</td>
</tr>
<tr>
<td>Unfunded Retirees' Health Care Benefits</td>
<td>$1,041,905,000</td>
</tr>
<tr>
<td><strong>Bills</strong></td>
<td><strong>$7,501,157,000</strong></td>
</tr>
</tbody>
</table>

Despite the balanced budget requirement, the State has accumulated bonds of $4.1 billion and other liabilities of $3.1 billion. The calculation of assets available to pay bills does not include capital assets, so $2.2 billion of related debt is removed from the calculation of State Bills.

Unfunded employees' retirement benefits represent 34% of State bills. These unfunded liabilities have accumulated because State employees have been promised $1.5 billion of pension benefits and $1 billion of retirees' health care benefits, but the State has not adequately funded them.

Unless these pension and retirees' health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.

Today Each Taxpayer Owes $3,100

Number of taxpayers is based on the number of Nevada federal tax filers with a tax liability.

Data is derived from the state of Nevada's June 30, 2012 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.