



LAS VEGAS FINANCES IN DECENT SHAPE

January 2018
truthinaccounting.org



THE FINANCIAL STATE OF LAS VEGAS

Truth in Accounting's (TIA) new city report ranks and grades the 75 most populous cities in the United States by their financial health. Las Vegas ranks No. 18, earning it a "C" on TIA's grading scale.

Decisions by city officials have left the city with a debt burden of \$241.2 million, according to TIA's analysis of its 2016 financial filings. That burden equates to \$1,200 for every Las Vegas taxpayer.

Las Vegas's financial problems are largely driven by long-term debt and entitlement obligations in the form of pension benefits. The city has \$535.6 million in unfunded pension promises and \$73.8 million in unfunded retiree healthcare benefits. While Las Vegas has promised these benefits, little money has been set aside to fund them.

A new accounting standard implemented last year requires state and local governments to report all of their pension debt on the balance sheet. And in fiscal year 2018, governments will have to disclose unfunded retiree healthcare debt as well. Las Vegas should be commended because it did not hide any debt in its 2016 annual financial report.

18

Rank

\$241.2
million

Money needed
to pay bills

-\$1,200

Taxpayer
Burden™

C

Financial grade

LAS VEGAS FINANCIAL BREAKDOWN

FAST FACTS

- + Las Vegas has \$597.6 million available in assets to pay \$838.7 million worth of bills.
- + The outcome is a \$241.2 million shortfall and a \$1,200 Taxpayer Burden™.
- + Unlike most cities, Las Vegas reports all of its retirement liabilities on its balance sheet.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$5,488,760,000
<i>Minus:</i> Capital assets	-\$4,566,527,000
Restricted assets	-\$324,677,000
Assets available to pay bills	\$597,556,000
<i>Minus:</i> Bills	-\$838,713,000
Money needed to pay bills	-\$241,157,000
Each taxpayer's share of this debt	-\$1,200

BILLS THE CITY HAS ACCUMULATED

Bonds	\$858,066,000
Other liabilities	\$170,602,000
<i>Minus:</i> Debt related to capital assets	-\$799,321,000
Unfunded pension benefits	\$535,594,000
Unfunded retiree healthcare	\$73,772,000
Bills	\$838,713,000

GRADE: C

Bottom line: Las Vegas' 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 cities, Las Vegas 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.