

LVCVA Board of Directors

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* Denotes Elected Officials

Budget in Brief

FY 2016



OUR MISSION
"To attract visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel."

As Adopted by the LVCVA Board of Directors
 May 21, 2015

Rossi Ralenkotter, President/CEO
 Rana D. Lacer, CPA, CGMA, Sr. Vice President of Finance
 Cathy Tull, Sr. Vice President of Marketing
 Terry Jicinsky, Sr. Vice President of Operations
 Mark Olson, Sr. Vice President of Human Resources
 Luke Puschnig, Legal Counsel

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OVERVIEW

The Las Vegas Convention and Visitors Authority (LVCVA) is charged with marketing Southern Nevada as a tourism and convention destination worldwide. The LVCVA also owns and operates the Las Vegas Convention Center and Cashman Center. With more than 160,000 hotel rooms in Clark County, and approximately 10.9 million square feet of meeting and exhibit space citywide, the LVCVA's mission centers on attracting ever-increasing numbers of leisure and business visitors to the area.

DID YOU KNOW?

41.1 million visitors came to Las Vegas in 2014

5.2 million convention delegates conducted business in Las Vegas in 2014

BUDGET FAST FACTS – FY 2016

GENERAL FUND REVENUES & SOURCES

Total Revenues	\$294,395,300
Transfer from Other Funds	104,100
Sale of Fixed Assets	55,000
Total Revenues & Sources	\$294,554,400

GENERAL FUND EXPENDITURES & USES

Total Expenditures	\$228,108,400
Funding for Other Funds	66,974,925
Total Appropriations	\$295,083,325

CAPITAL EXPENDITURES

Construction in Progress	\$153,510,000
Buildings & Land Improvement	1,178,000
Furniture & Equipment	1,752,000
Total Appropriations	\$156,440,000

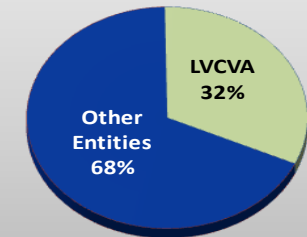
STAFFING

Total FT Authorized Positions	515
Total FT Positions Filled	500*
<small>*As of 4/21/2015</small>	

ROOM TAX DISTRIBUTION

The LVCVA is primarily funded by a visitor-paid room tax levied on hotels, motels and other lodging establishments in Clark County and the incorporated cities of: Boulder City, Henderson, Las Vegas, Mesquite and North Las Vegas. The room tax rate varies by jurisdiction and averages 12% across the board. The projected room tax this fiscal year is over \$606.8 million, which will be collected by the entities above and dispersed as listed below.

Projected County-Wide Room Tax Distribution



Gross to LVCVA	40%
Distribution of Collection Allocation	(4%)
For Nevada Department of Transportation debt service funding	(4%)
Net to LVCVA	32%
Other Local Jurisdictions retain	14%
To Clark County for transportation projects	8%
To the Clark County School District for capital project construction	14%
To the State of Nevada Supplemental School Support Fund	25%
To Nevada Department of Transportation debt service funding	4%
To the State of Nevada for tourism promotion	3%
TOTAL ROOM TAX	100%

GENERAL FUND SUMMARY

Government accounting uses “funds” to organize expenditures. It is comparable to paying your bills out of different bank accounts. The “general fund” is our primary fund used to pay most bills and deposit most revenue.

REVENUES & OTHER SOURCES	BUDGET FY 2016
Beginning Balance Fund	\$13,594,309
Room Tax	\$ 240,200,000
Use of Facilities-LVCC	47,522,000
*Other	6,673,300
TOTAL REVENUES	\$ 294,395,300
Operating Transfers In	104,100
Sale of Fixed Assets	55,000
TOTAL SOURCE OF FUNDS	\$ 294,554,400

*Other includes Cashman Facilities, Other Fees & Charges, Gaming Fees, Interest, and Discounts Earned.

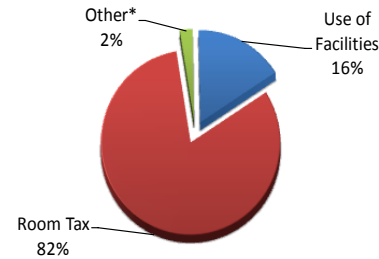
EXPENDITURES & OTHER	BUDGET FY 2016
General Government	\$ 17,755,500
Marketing	36,787,700
Advertising	93,500,000
Special Events	13,035,600
Operations	42,834,600
Community Support	24,195,000
Contingency	500,000
TOTAL EXPENDITURES & CONTINGENCY	\$ 228,608,400
Operating Transfers Out	66,974,925
TOTAL USE OF FUNDS	\$ 295,583,325
Ending Fund Balance	\$ 12,565,384

Beginning fund balance is similar to a checking account balance. It represents monies on hand at the beginning of each new fiscal year to ensure operational cash flow needs are met, protect against unforeseen circumstances and to provide a back-up for revenue short falls. The LVCVA maintains prudent fund balance levels in compliance with Nevada Revised Statutes guidance and Board policy guidance.

GENERAL FUND REVENUES

Total general fund revenues are budgeted at \$294.4 million, which is nearly 4% higher than the revised budget for FY 2015.

Where the Money Comes From



- Room Tax will provide 82% of total revenues. Room Tax is based on the number of rooms available, occupancy rate and the average daily room rate (ADR). ADR has shown consistently improved over the last five fiscal years and FY 2016 is also expected to have moderate increases in ADR.

- In FY 2015, Las Vegas room inventory exceeded 150,000, making us #1 in the U.S. for hotel/motel inventory, and room inventory in all of Clark County is over 160,000. These numbers are expected to continue in FY 2016.

- Room tax is expected to total \$240.2 million in FY 2016, an increase of 5% over the FY 2015 revised budget.

- Use of Facilities is projected to increase by 3%. This revenue comes from LVCC building rental, paid parking, contractor services and catering/concessions.

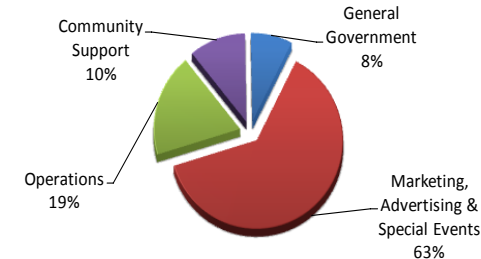
- Other revenue includes Cashman facilities, show support services, industry partner participation fees and interest.

- Transfers are not considered operating revenue, but are an “other source” of funding that enables us to meet expenditure requirements for capital and debt service.

GENERAL FUND EXPENDITURES

Total general fund operating expenditures are budgeted at \$228.1 which is nearly 3% higher than the revised FY 2015 budget.

Where the Money Goes



- The Marketing, Operations, and General Government divisions reflect marginal growth of 2%-4%, mainly due increased salary and benefits cost.

- The LVCVA promotes the destination worldwide to increase leisure travel visitors, and convention and meeting attendance.

◇ One of the most important functions of the LVCVA is advertising Southern Nevada as a destination around the world. The projected Advertising budget for FY 2016 is slightly reduced as compared with FY 2015 budget.

◇ Special events are sponsored throughout the destination, annually such as the NASCAR Sprint Cup race, National Finals Rodeo, numerous sporting events and Las Vegas New Years Eve celebration. FY 2016 has a \$4 million increase from FY 2015.

- The Operations division is in charge of the LVCC expansion and renovation project execution, and the operation of the two facilities.

- Community Support is collection allocation, in which 10% of room taxes and gaming fees are returned to the local cities and county as set forth in a cooperative agreement.

- In addition to operating expenditures, the general fund will transfer out \$60.2 million for debt service including funding for Nevada Department of Transportation (NDOT).

CAPITAL PROJECTS FUNDS

The capital fund is used to pay for furniture, equipment, building, land and land improvements, and capital grants to other governments, namely the Nevada Department of Transportation (NDOT).

The Authority accumulates funding and prepares multi-year capital plans for both facilities owned and operated by the LVCVA. FY 2016 provides for the following capital funding.

FY 2016 Capital Appropriations	\$156,440,000
Some Major Projects:	
Tradeshaw/Exhibition Booths	\$ 1,000,000
Building & Land Improvements	1,178,000
NDOT Reimbursements	12,510,000
LVCC Expansion & Renovation	
Project & Economic Reserves	141,000,000

DEBT SERVICE FUNDS

The LVCVA’s debt service funds account for all long-term debt. The LVCVA issues debt for a variety of reasons, primarily for new construction or expansions, land purchases and refunding existing debt to obtain better credit terms. As a result of a 2007 legislative mandate, the LVCVA provided \$300 million in funding to the NDOT to fund improvements to the tourism corridor. Of the LVCVA’s total outstanding debt, nearly 35% is related to the NDOT projects. The LVCVA also has a line of credit with a total availability of \$158.2 million. The LVCVA is developing a time line for the debt issuance related to the LVCC expansion and renovation project.

FY 2016 Outstanding Beginning Balance	
Total Outstanding Debt	\$772,945,000
FY 2016 Principal & Interest Payments	
Total Payments	\$63,224,365

INTERNAL SERVICE FUND

This fund was established in FY 2013 to begin accumulating reserves for Other Post-Employment Benefits (OPEB). A transfer from the General Fund of \$4.0 million will be added to the reserve this fiscal year.