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Budget in Brief FY 2017



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 19, 2016

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?

42.3 million visitors came to Las Vegas in 2015

Over 5.8 million convention delegates conducted business in Las Vegas in 2015

BUDGET FAST FACTS – FY 2017

GENERAL FUND REVENUES & SOURCES

Total Revenues	\$329,510,800
Transfer from Other Funds	109,900
Sale of Capital Assets	58,000
Total Revenues & Sources	\$329,678,700

GENERAL FUND EXPENDITURES & USES

Total Expenditures	\$248,379,700
Funding for Other Funds	78,073,300
Total Appropriations	\$326,453,000

CAPITAL EXPENDITURES

Construction in Progress	\$107,500,000
Buildings & Land Improvement	4,420,500
Furniture & Equipment	3,429,500
Total Appropriations	\$115,350,000

STAFFING

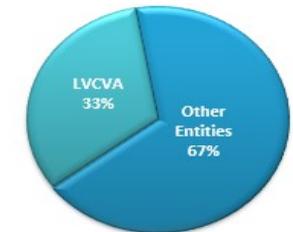
Total FT Authorized Positions	541
Total FT Positions Filled	509*

*As of March 2016

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 \$675.0 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	(3%)
Net to LVCVA	33%
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 for education and other state programs	25%
To Nevada Department of Transportation debt service funding	3%
To the State General Fund—a portion of proceeds are allocated to tourism	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.

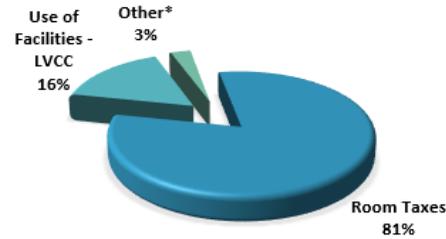
REVENUES & OTHER SOURCES	BUDGET FY 2017
Beginning Balance Fund	\$21,569,356
Room Tax	\$ 267,200,000
Facilities and Charges-LVCC	53,079,500
*Other	9,231,300
TOTAL REVENUES	\$ 329,510,800
Transfers In	109,900
Sale of Capital Assets	58,000
TOTAL SOURCE OF FUNDS	\$ 329,678,700
<small>*Other includes Cashman Facilities, Other Fees & Charges, Gaming Fees, Interest, and Discounts Earned.</small>	
EXPENDITURES & OTHER USES	BUDGET FY 2017
General Government	\$ 20,173,800
Marketing	45,164,200
Advertising	96,500,000
Special Events	14,280,600
Operations	44,866,100
Community Support	26,895,000
Contingency	500,000
TOTAL EXPENDITURES & CONTINGENCY	\$248,379,700
Transfers Out	78,073,300
TOTAL USE OF FUNDS	\$326,453,000
Ending Fund Balance	\$ 24,795,056

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 sources are budgeted at \$329.7 million, which is 10% higher than the revised budget for FY 2016.

WHERE THE MONEY COMES FROM

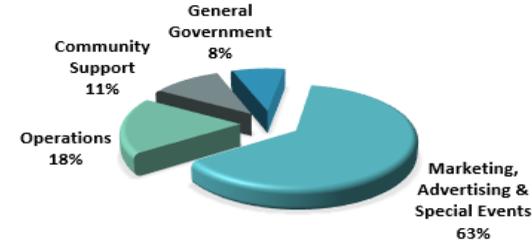


- Room tax will provide 81% of total revenues, based on the number of rooms available, occupancy rate, and the average daily room rate (ADR). ADR has shown consistently improved over the last five fiscal years and FY 2017 is also expected to have moderate increases in ADR.
- In FY 2016, Las Vegas room inventory exceeded 150,000; making the city #1 in the U.S. for hotel/motel inventory. Clark County room inventory is over 160,000 and is expected to remain flat in FY 2017.
- LVCVA Room tax is expected to total \$267.2 million in FY 2017, an increase of 9.0% over the FY 2016 revised budget.
- Facilities charges and services includes LVCC building rental, paid parking, contractor services, and catering/concessions. In FY 2017, facilities and charges revenue is projected to increase by 12% due to cyclical rotation of shows which includes CONEXPO-CON/AGG, a large construction trade show held every three years.
- Other revenue includes Cashman facilities, show support services, industry partner participation fees, and interest.
- Transfers are not considered operating revenue, but are “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 \$248.4 million, which is 7% higher than the revised FY 2016 budget.

WHERE THE MONEY GOES



- The Marketing, Operations, and General Government divisions reflect increases ranging from 3%-20%, reflective of several non-recurring special program expenditures including the Presidential Debate, combined with programmed personnel compensation and benefit increases.
- 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 2017 is \$96.5 million a slight increase compared to FY 2016 budget.
- Special events are sponsored throughout the destination. Annual events such as NASCAR Sprint Cup race, National Finals Rodeo, Las Vegas New Years Eve celebration and numerous sporting events is budgeted at \$14.3 million in FY 2017.
- The Operations division is in charge of the LVCCD project execution, and 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 \$62.2 million for debt service including funding for the 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 prepares multi-year capital plans for both facilities owned and operated by the LVCVA. FY 2017 provides for the following capital funding.

FY 2017 Capital Appropriations	\$ 115,350,000
Some Major Projects:	
Furniture & Equipment	\$3,429,500
Building & Land Improvements	\$4,420,500
LVCCD Project & Economic Reserves	\$107,500,000

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 36% is related to the NDOT projects. The LVCVA also has a bank line of credit. The LVCVA is developing a time line for additional debt issuance related to the LVCCD project in alignment with available resources.

FY 2017 Outstanding Beginning Balance	
Total Outstanding Debt	\$745,280,000
FY 2017 Principal & Interest Payments	
Total Payments *	\$63,979,460

* Includes budgeted interest pay on Line of Credit

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 \$5.5 million will be added to the reserve this fiscal year.