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Budget in Brief FY 2020



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 22, 2019

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 operates the Las Vegas Convention Center. With approximately 161,000 hotel rooms in Clark County and approximately 11.5 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?

42.1 million visitors came to Las Vegas in 2018

Over 6.5 million convention delegates conducted business in Las Vegas in 2018

BUDGET FAST FACTS – FY 2020

GENERAL FUND REVENUES & SOURCES

Total Revenues	\$357,772,200
Transfer from Other Funds	325,000
Sale of Capital Assets	55,000
Total Revenues & Sources	\$358,152,200

GENERAL FUND EXPENDITURES & USES

Total Expenditures	\$252,050,652
Funding for Other Funds	104,337,000
Total Appropriations	\$356,387,652

CAPITAL PROJECTS FUND EXPENDITURES

Construction in Progress	\$ 62,500,000
Economic & Strategic Reserve	31,300,000
Buildings & Land Improvement	6,746,900
Grants-Other Governments	5,300,000
Furniture & Equipment	2,786,600
Bond Issuance Costs	1,000,000
Total Appropriations	\$109,633,500

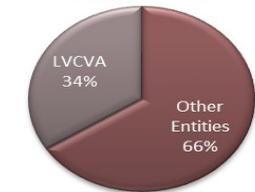
LVCCD CAPITAL FUND EXPENDITURES

Construction in Progress	\$650,000,000
Transfer to LVCCD Debt Fund	16,007,500
Bond Issuance Costs	1,200,000
Total Appropriations	\$667,207,500

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 its incorporated cities: Boulder City, Henderson, Las Vegas, Mesquite, and North Las Vegas. The room tax rate varies by jurisdiction, up to 14%. The projected room tax this fiscal year is over \$813 million, which will be collected by the entities above and dispersed as listed :

Projected County-Wide Room Tax



Gross to LVCVA for general operations	35%
SB 1 - restricted for LVCCD Activities	4%
Distribution of Collection Allocation	(3%)
For Nevada Department of Transportation debt service funding	(2%)
Net to LVCVA	34%
Other Local Jurisdictions retain	12%
Las Vegas Stadium Authority	6%
Clark County for transportation projects	8%
Clark County School District for capital project construction	12%
State of Nevada for education and other state programs	23%
Nevada Department of Transportation debt service funding	2%
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 the primary fund used to pay most bills and deposit most revenue.

REVENUES & OTHER SOURCES	BUDGET FY 2020
Beginning Fund Balance	\$29,889,142
Room Tax	\$290,810,300
Facilities and Charges-LVCC	60,317,900
*Other	6,644,000
TOTAL REVENUES	\$357,772,200
Transfers In	325,000
Sale of Capital Assets	55,000
TOTAL SOURCE OF FUNDS	\$358,152,200

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

EXPENDITURES & OTHER USES	BUDGET FY 2020
General Government	\$20,741,900
Marketing	40,315,400
Advertising	101,500,000
Destination Events	19,574,852
Operations	44,818,500
Community Support	25,000,000
Contingency	100,000
TOTAL EXPENDITURES & CONTINGENCY	\$252,050,652
Transfers Out	104,337,000
TOTAL USE OF FUNDS	\$356,387,652
Ending Fund Balance	\$31,653,690

Beginning fund balance 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 shortfalls. The LVCVA maintains prudent fund balance levels in compliance with Nevada Revised Statutes guidance and Board policy guidance.

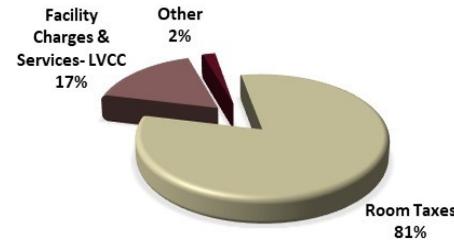
STAFFING

Total FT Authorized Positions (482 funded positions)	494
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GENERAL FUND REVENUES

Total general fund sources are budgeted at \$358.2 million, which is 3.8% higher than projected FY 2019.

WHERE THE MONEY COMES FROM



- The general fund room tax is expected to provide 81% of LVCVA's revenues. The Senate Bill 1 (SB1) 0.5% tax, accounted for in the LVCCD Capital Fund, is expected to generate \$30M in FY 2020. The LVCCD Capital Fund revenues are restricted funds, earmarked for the Las Vegas Convention's expansion and renovation.

- Room tax is based on the number of rooms available, occupancy rate, and the average daily room rate (ADR). ADR has shown YOY growth over the last nine fiscal years. In FY 2020, LVCVA's share is projected to be \$290.8 million, which would be a record high for LVCVA room tax collections.

- Room inventory in Clark County for 2019 is expected to remain stable with approximately 161,000 rooms, of which 149,000 rooms are in the metropolitan Las Vegas area. On any given night, Las Vegas has an average of over 130,000 hotel rooms occupied, which is more than any other destination in the United States.

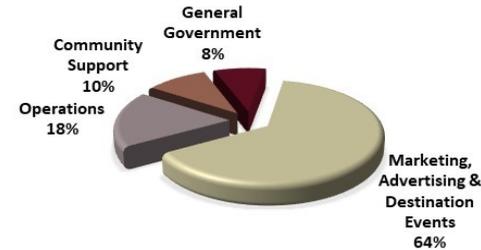
- Facilities charges and services include LVCC building rental, paid parking, contractor services, catering/concessions, business center, and rent. In FY 2020, facilities and charges revenue is budgeted to increase by 12% compared to FY 2019 projections, as expected due to the rotation of tradeshow.

- Transfers are not looked at as operating revenue but are considered an "other source" of funding that enables us to meet expenditure requirements for capital, the LVCCD project, and debt service.

GENERAL FUND EXPENDITURES

Total general fund operating expenditures are budgeted at \$252.1 million, which is up 3.5% compared to projected FY 2019.

WHERE THE MONEY GOES



*Chart does not include transfers to other funds.

- The Marketing, Operations, and General Government divisions' expenses, as a whole, will increase 4% compared to FY 2019 projections.

- 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 2020 is \$102 million, which is flat compared to FY 2019 projected budget.

- Special events are sponsored throughout the destination. Annual events such as two NASCAR races, National Finals Rodeo, Las Vegas New Years Eve celebration, sponsorship of the new Las Vegas Ballpark, and numerous sporting events are budgeted at \$19.6 million in FY 2020.

- Community support is collection allocation, in which 10% of general fund room taxes and gaming fees are returned to the local cities and county as set forth in a cooperative agreement. In FY 2017, a \$25 million cap on Collection Allocation was imposed as part of SB1. Amounts over the cap are restricted to the LVCCD project.

- In addition to operating expenditures, transfers from the General Fund are budgeted at \$104.3 million, a decrease of 6% from FY 2019 projections, primarily related to reduced required transfers to the Debt Service Fund.

CAPITAL PROJECTS FUND & LVCCD CAPITAL FUND

The capital fund is used to pay for furniture, equipment, building, land, and land improvements. The Authority prepares multi-year capital plans for facilities owned and operated by the LVCVA. Expenditures for FY 2020 are budgeted at \$109.6 million.

In addition to the Capital Projects Fund, the LVCVA has recently created the LVCCD Capital Fund to account for revenues and expenses related to Phases Two and Three of the LVCCD project. This new fund was established after the Nevada State legislature passed SB1, approving the development of the LVCCD project. Expenditures for FY 2020 are budgeted at \$667.2 million.

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 NDOT to fund improvements to the tourism corridor from bond proceeds.

In FY 2018, a new LVCCD Debt Fund was created to account for the debt payments related to Phases Two and Three of the LVCCD project. A \$200 million general obligation bond was issued in April 2018. A \$500 million bond was issued in October 2018. An additional \$200 million is anticipated in FY20.

FY 2020 Outstanding Beginning Balance	
Total LVCVA Outstanding Debt	\$1,552,745,000

FY 2020 Principal & Interest Payments	
Total Payments (all LVCVA debt)*	\$111,442,137

* Includes funds in escrow, capitalized interest, anticipated issuances, and reserves.

OPEB FUND

This fund was established in FY 2013 to begin accumulating reserves for Other Post-Employment Benefits (OPEB). Budgeted ending fund balance for FY 202 is \$28.9 million.