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Las Vegas Convention and Visitors Authority

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Budget in Brief

FY 2015



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 15, 2014

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 over 10.5 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?

Almost **39.7 million** visitors came to Las Vegas in 2013

Over **5.1 million** convention delegates conducted business in Las Vegas in 2013

BUDGET FAST FACTS – FY 2015

GENERAL FUND REVENUES & SOURCES

Total Revenues	\$273,241,900
Transfer from Other Funds	81,500
Sale of Fixed Assets	30,000
Total Revenues & Sources	\$273,353,400

GENERAL FUND EXPENDITURES & USES

Total Expenditures	\$214,815,500
Funding for Other Funds	61,673,912
Total Appropriations	\$276,489,412

CAPITAL EXPENDITURES

Construction in Progress	\$71,712,100
Buildings & Land Improvement	2,563,000
Furniture & Equipment	461,400
Total Appropriations	\$74,736,500

STAFFING

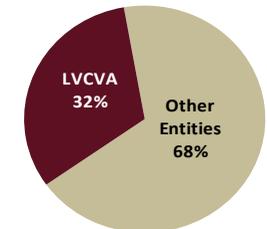
Total FT Authorized Positions	515
Total FT Positions Filled	494*

*As of 4/14/2014

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 \$559.6 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

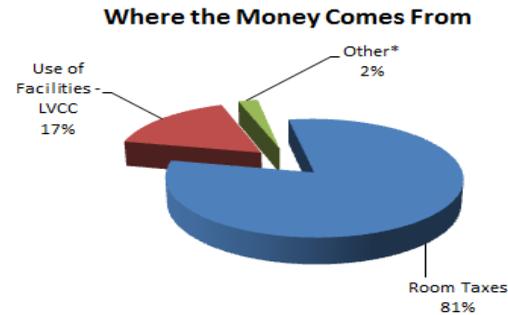
Government accounting uses “funds” to organize expenditures. It is comparable to paying your bills out of different bank accounts. The “general fund” is our primary fund used to pay most bills and deposit most revenue.

REVENUES & OTHER SOURCES	BUDGET FY 2015
Beginning Balance Fund	\$12,019,926
Room Tax	\$ 221,600,000
Use of Facilities-LVCC	45,043,500
*Other	6,598,400
TOTAL REVENUES	\$ 273,241,900
Operating Transfers In	81,500
Sale of Fixed Assets	30,000
TOTAL SOURCE OF FUNDS	\$ 273,353,400
<small>*Other includes Cashman Facilities, Other Fees & Charges, Gaming Fees, and Interest. Discounts Earned</small>	
EXPENDITURES & OTHER USES	BUDGET FY 2015
General Government	\$ 15,004,800
Marketing	28,780,000
Advertising	91,000,000
Special Events	9,030,000
Global Business District	45,366,800
Community Support	22,355,000
Contingency	3,278,900
TOTAL EXPENDITURES	\$ 214,815,500
Operating Transfers Out	61,673,912
TOTAL USE OF FUNDS	\$ 276,489,412
Ending Fund Balance	\$ 8,883,914

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 \$273.2 million, which is nearly 2% higher than the approved budget for FY 2014.



- Room Tax will provide 81% 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 four fiscal years and FY 2015 is also expected to have moderate increases in ADR.

- In FY 2015, Las Vegas room inventory will exceed 150,000, #1 in the U.S. for hotel/motel inventory. Room inventory in all Clark County will be over 160,000.

- Room tax is expected to total \$221 million in FY 2015, an increase of 4% over the FY 2014 approved budget.

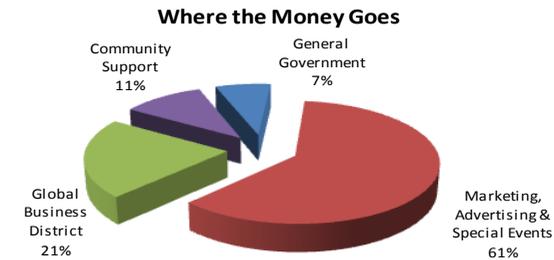
- Use of Facilities revenue comes from LVCC building rental, paid parking, contractor services and catering/concessions. Rental of Facilities is budgeted to decrease mainly due to the seasonal rotation of shows, as CONEXPO-CON/AGG, a large construction trade show held every three years was held in FY 2014.

- Other revenue includes Cashman facilities, show support services, industry partner participation fees and interest. The budget is expected to decrease 3% mainly due to a non-recurring international air development sponsorship in FY 2014.

- 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 \$214.8 million, flat as compared to revised FY 2014.



- The Marketing division decreased 4% as compared to FY 2014 due to a non-recurring event cost during FY 2014 while Global Business District and General Government divisions increased, 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 2015 is slightly reduced as compared with FY 2014.

◇ 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.

- The Global Business District is in charge of the LVGBD execution, customer experience 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 \$57.2 million for debt service including funding for Nevada Department of Transportation (NDOT) projects in the tourism corridor, \$1 million to fund capital projects and \$3.5 million to the Internal Service Fund.

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 2015 provides for the following capital funding.

FY 2015 Capital Appropriations	\$74,736,500
Some Major Projects:	
Airwall Replacement (LVCC)	\$ 211,000
Land Improvements	1,955,000
NDOT Reimbursements	12,012,100
LVGBD Reserves	41,000,000

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 50% is related to the NDOT projects. The LVCVA is developing a time line for the debt issuance related to the LVGBD.

FY 2015 Outstanding Beginning Balance	
Total Outstanding Debt	\$623,725,000
FY 2015 Principal & Interest Payments	
Total Payments	\$63,427,588

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 \$3.5 million will be added to the reserve this fiscal year.