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Las Vegas Convention and Visitors Authority
3150 Paradise Road
Las Vegas, NV 89109

702-892-0711
www.LVCVA.com
www.VisitLasVegas.com



Budget in Brief FY 2018



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 18, 2017

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 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?

42.9 million visitors came to Las Vegas in 2016

Over 6.3 million convention delegates conducted business in Las Vegas in 2016

BUDGET FAST FACTS – FY 2018

GENERAL FUND REVENUES & SOURCES

Total Revenues	\$354,738,300
Transfer from Other Funds	191,100
Sale of Capital Assets	40,000
Total Revenues & Sources	\$354,969,400

GENERAL FUND EXPENDITURES & USES

Total Expenditures	\$251,125,800
Funding for Other Funds	115,892,477
Total Appropriations	\$367,018,277

CAPITAL EXPENDITURES

Construction in Progress	\$27,000,000
Buildings & Land Improvement	3,035,900
Furniture & Equipment	2,496,300
Total Appropriations	\$32,532,200

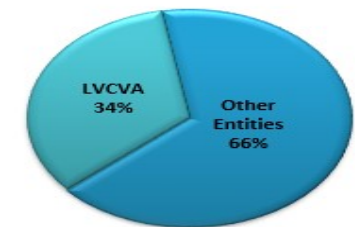
LVCCD EXPENDITURES

Construction in Progress	\$100,000,000
Total Appropriations	\$100,000,000

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 can go up to 13.38%. The projected room tax this fiscal year is over \$823.1 million, which will be collected by the entities above and dispersed as listed below.

Projected County-Wide Room Tax



Gross to LVCVA	39%
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	7%
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	3%
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 2018
Beginning Balance Fund	\$28,049,557
Room Tax	\$294,500,000
Facilities and Charges-LVCC	53,241,000
*Other	6,997,300
TOTAL REVENUES	\$354,738,300
Transfers In	191,100
Sale of Capital Assets	40,000
TOTAL SOURCE OF FUNDS	\$354,969,400

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

EXPENDITURES & OTHER USES	BUDGET FY 2018
General Government	\$24,128,900
Marketing	42,850,500
Advertising	101,325,000
Special Events	14,190,100
Operations	43,131,300
Community Support	25,000,000
Contingency	500,000
TOTAL EXPENDITURES & CONTINGENCY	\$251,125,800
Transfers Out	115,892,477
TOTAL USE OF FUNDS	\$367,018,277
Ending Fund Balance	\$16,000,680

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.

STAFFING

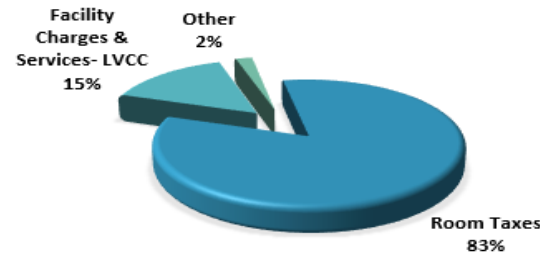
Total FT Authorized Positions	545
Total FT Positions Filled	527*

*As of April 2017

GENERAL FUND REVENUES

Total general fund sources are budgeted at \$354.7 million, which is 4.8% higher than the revised budget for FY 2017.

WHERE THE MONEY COMES FROM



- The general fund room tax is expected to provide 83% of LVCVA’s revenues. The new Senate Bill 1 (SB1) 0.5% tax increase, is expected to generate \$29.5M in FY 2018 in a separate capital fund. SB1 revenues are restricted funds, earmarked for the Las Vegas Convention Center District Program (LVCCCD).

- 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 2018 is also expected to have moderate increases in ADR.

- In FY 2017, 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 2018.

- Facilities charges and services includes LVCC building rental, paid parking, contractor services and catering/concessions. In FY 2018, facilities and charges revenue is projected to decrease by 3.3% due to cyclical rotation of shows.

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

- 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 and debt service.

GENERAL FUND EXPENDITURES

Total general fund operating expenditures are budgeted at \$250.6 million, which is flat compared to revised FY 2017 budget.

WHERE THE MONEY GOES

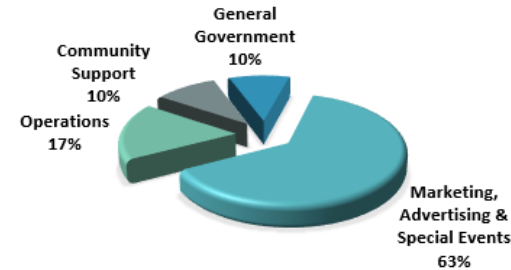


Chart does not include transfers to other funds.

- The Marketing, Operations and General Government divisions expenses as a whole remain relatively flat compared to FY 2017. Marketing services and supplies decreased as compared to last year due to non-recurring expenses in FY2017.

- 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 2018 is \$101.3 million a 4.8% increase compared to FY 2017 budget.

- Special events are sponsored throughout the destination. Annual events such as Monster Energy NASCAR race, National Finals Rodeo, Las Vegas New Years Eve celebration and numerous sporting events are budgeted at \$14.2 million in FY 2018.

- 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, the general fund will transfer out \$63.2 million for debt service for interest payments due on January 1st, and principal and interest payments due on July 1st. These funds are invested in the interim, and interest earned on the investments is transferred back to the general fund.

CAPITAL PROJECT FUNDS & LVCCD FUND

The capital fund is used to pay for furniture, equipment, building, land, land improvements and capital grants to other governments, namely the Nevada Department of Transportation (NDOT). The Authority prepares multi-year capital plans for facilities owned and operated by the LVCVA.

In addition to the Capital Project Fund, the LVCVA has recently created the LVCCD fund to account for revenues and expenses related to the LVCCD project. This new fund was established after the Nevada State legislature passed SB1, approving the development of the LVCCD project, which provides an increase in the transient lodging tax of one-half of one percent (0.5%).

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 37% 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 2018 Outstanding Beginning Balance	
Total Outstanding Debt *	\$707,660,000

FY 2018 Principal & Interest Payments	
Total Payments *	\$65,199,584

* Includes 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 \$2.5 million will be added to the reserve this fiscal year.