

Nevada's largest casinos lose \$4 bil. in 2011

By Sean Whaley, Nevada News Bureau

CARSON CITY – Nevada's major casinos saw total revenues increase to \$22 billion last fiscal year, but the 256 properties reported a net loss of just less than \$4 billion, the Gaming Control Board reported Friday.

It was the third year of losses in a row. Before that the only loss since records have been kept came in 2002, the year after the terrorist attacks.

The report, called the Nevada Gaming Abstract, analyzes those casino properties grossing \$1 million or more in gaming revenue for the year ending June 30, 2011.

It shows that total revenues increased by just more than \$1.1 billion from fiscal year 2010, but the total dollar value of the loss reported by the properties increased as well, by \$600 million from the \$3.4 billion loss reported in 2010.

The abstract shows that 2008 was the last year the major casinos in Nevada turned a collective profit.

Michael Lawton, senior research analyst for the control board, said the report shows mixed results for the gaming industry.

"Really there are two sides to this income statement and the first side obviously is revenues," he said. "Revenues did increase. They are at \$22 billion compared to \$20.8 billion last year. That's the first increase we've seen since fiscal year 2007, however it's still about 13 percent below the peak levels we saw in fiscal year 2007."

The expense side continues to show volatility, however, Lawton said.

The report shows that visitors are coming to Nevada and Las Vegas casinos, but they are spending less on gaming and more on other amenities, he said.

“Total revenue” is the money spent by patrons on gaming, rooms, food, beverage and other attractions. “Net income/loss” is the money retained by casinos after expenses have been paid but prior to deducting federal income taxes and prior to accounting for extraordinary expenses.

Gaming revenue accounted for nearly \$10.2 billion of the \$22 billion in total revenues, or 46.2 percent of the total. The 256 casinos paid \$792.4 million in gaming taxes and fees, equating to 7.8 percent of their gaming revenue.

On a county-by-county basis, Clark County had 148 casinos grossing \$1 million or more in gaming revenue during FY2011, which generated a combined net loss of just under \$4 billion from total revenues of \$19.5 billion. Washoe County had 30 casinos, which reported a combined net loss of \$44.5 million from total revenues of \$1.4 billion.

Nevada Gaming Abstract 2011 – Selected Statistics By Gaming Market

Area	Net Income/Loss	% Change from FY2010	Total Revenue	% Change from FY 2010	Gaming revenue from FY2010	% Change from FY 2010
Statewide	-\$4 bil	+16.4%	\$22 bil	+5.6%	\$10.2 bil	+2.6%
Clark County	-\$4 bil	+18.7%	\$19.5 bil	+6.8%	\$8.7 bil	+3.8%
Las Vegas Strip	-\$2.2 bil	-14.1%	\$14.5 bil	+9.3%	\$5.5 bil	+6.4%
Downtown Las Vegas	-\$59.9 mil	-18.7%	\$900 mil	-0.6%	\$496 mil	-2.4%

Washoe County	-\$44.5 mil	+61.9%	\$1.4 bil	-4.6%	\$739 mil	-5.2%
Reno/Sparks	-\$54.1 mil	+156%	\$1.2 bil	-4.8%	\$662 mil	-5.1%
Stateline	-\$24 mil	-72.7%	\$344 mil	-6%	\$198 mil	-9.1%

In FY2011, 69 casinos owned by public companies accounted for 78.2 percent of the total gaming revenue generated statewide during the fiscal year.