

Nevada casinos lose \$1.35 bil. in 2013

By Natalie Cullen, AP

CARSON CITY – Nevada's largest casinos, still climbing out of the recession, suffered a combined net loss of \$1.35 billion in 2013, marking the fifth straight year without an overall profit, state regulators reported Friday.

But there was some positive news in the annual abstract report released by the Nevada Gaming Control Board, which looks at the total revenue of casinos that gross more than \$1 million in gambling revenue.

The total revenue of the 263 casinos included in this year's report rose for the third consecutive year, to \$23 billion. That's an increase of 0.4 percent, or \$99.2 million, from 2012.

While the casinos' losses grew by 11.2 percent or \$136 million, a control board analyst said much of that was tied to increased expenses.

"For the state, an increase in revenue was primarily driven by gambling," said Mike Lawton, senior analyst with the control board. "But due to an increase in expenses, the net loss for the state increased."

Total revenue is the money patrons spent on gambling, rooms, food, beverage and entertainment.

Net income or loss is what casinos retain after expenses have been paid, but before deductions for federal income taxes and accounting for extraordinary expenses.

On the Las Vegas Strip, Nevada's gambling mecca of posh resorts, the losses narrowed, and for the first time since

2007, the growth of gambling revenue outpaced the growth from other aspects such as hotel rooms, food, beverages and entertainment.

The Strip's gambling revenue of \$5.7 billion was up 3.5 percent from 2012, while the Strip's total revenue of \$15.5 billion rose 1.7 percent. It's the 15th straight year in which Strip gambling revenue made up less than half of all revenue, a trend indicative of a tourism market where visitors come for other recreational activities besides gambling.

"It's a positive for the Strip," Lawton said. "Revenues increased and the net loss decreased."

Statewide, the large casinos' \$10.4 billion in gambling revenue rose 1.1 percent and accounted for 45 percent of total revenue, the second lowest percentage ever recorded.

Nevada casinos haven't posted a net profit since 2008, when profits totaled \$721 million. The bottom fell out a year later as the recession put a chokehold on the economy. Casinos in 2009 had a loss of nearly \$6.8 billion.

Before the current string of yearly losses, the only other net loss recorded by Nevada casinos was in fiscal year 2002, after the Sept. 11 attacks.

The 263 casinos included in this year's report paid \$804 million in gambling taxes and fees.

Most of the casinos are in Clark County, which includes the Las Vegas Strip. The 150 Clark County casinos included in the report had a combined net loss of \$1.3 billion on total revenue of \$20.6 billion.

Elsewhere in the state, Washoe County casinos reported a profit of \$719,000, while the 18 casinos in Elko County had \$42.7 million in combined net income. Five casinos on the south shore of Lake Tahoe had a net loss of \$90 million, while

the Carson Valley Area that encompasses Carson City and parts of Douglas county netted \$7 million.