

Nevada casinos post loss for 2nd year in row - Nevada Appeal

Written by Administrator
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For only the third time in state history, Nevada casinos lost money in fiscal year 2010. The \$3.43 billion net loss, according to the annual Gaming Abstract issued by Nevada Gaming Control, was about half the \$6.78 billion casino owners reported losing in fiscal 2009.

According to Gaming Control Board Analyst Mike Lawton, the only other year in state history when casinos had a net loss

was fiscal 2002 when revenues took a dive after 9/11.

Most of the 2010 loss was in Clark County, where casinos had huge deductions from revenue because of depreciation and interest expense on mega-resorts. Total depreciation came to \$2.49 billion and interest to \$2.67 billion from total revenue of \$20.8 billion.

The Carson Valley Area, which includes the capital and valley portions of Douglas County, fared much better, reporting an overall loss of just \$435,875 by its 13 casino licensees on revenues of \$146.2 million. That is significantly better than the \$8.7 million Carson-area casinos lost in 2009.

"It's the trend we've been seeing," said Casino Fandango General Manager Court Cardinal. "Pretty much the whole time we've seen, Carson City has kind of weathered the storm."

Like other casinos in the area, most of Casino Fandango's customers are locals who continued to visit when tourist business fell off because of the recession.

He said, however, customers, whether local or visitors, are spending less.

"We really haven't seen trips drop off with our guests but they're just not spending as much money," he said.

He said the movie theater has done well despite the recession and that restaurant covers were actually up 10 percent in 2010.

One of the hardest hit areas in recent years is Stateline at South Lake Tahoe. The five casino

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licensees there finished 2010 \$90.4 million in the red. The previous year, South Shore casinos lost \$260 million. The \$366.4 million in revenue at South Shore is the lowest amount ever reported for that area.

Washoe County's 31 casinos had a net loss of \$27.5 million from total revenues of \$1.49 billion.

Of the 256 licensed casinos in Nevada, 148 are in Clark County, which generated \$3.36 billion in losses from \$18.2 billion in revenue.

The brightest spot was Elko where 18 casinos combined for just over \$37 million in net income. The 41 other casinos in rural Nevada reported combined net income of just under \$11.45 million.

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