



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Popular Annual Financial Report

FOR THE YEAR ENDED JUNE 30, 2018 • CLARK COUNTY, NV



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Las Vegas Convention and Visitors Authority

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Introductory Message



It is my pleasure to present the Las Vegas Convention and Visitors Authority's (LVCVA) Popular Annual Financial Report (PAFR) for the fiscal year (FY) ended June 30, 2018.

The PAFR summarizes the LVCVA's financial activities and performance results gathered from our FY 2018 Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited by the firm of Piercy, Bowler, Taylor & Kern, receiving an "unmodified" opinion. An unmodified opinion is given when the auditor can state that the financial statements are accurately and fairly presented, in all material aspects.

The PAFR, however, is an unaudited report and presented on a non-GAAP basis. It is a condensed and simplified presentation, and does not include all segregated funds, required presentations, all financial statements, nor notes to the financial statements. The PAFR is intended to simplify, but not to replace the CAFR. Individuals desiring to view a full disclosure of our financials can obtain a copy of the CAFR at <http://www.lvcva.com/who-we-are/funding-and-finance/> or by contacting the Chief Financial Officer.

On behalf of Las Vegas Convention and Visitors Authority, I would like to thank you for taking the time to read our PAFR. We hope this report will provide you with information about our financials and the services we provide.

A handwritten signature in black ink, appearing to be 'E. Finger', written over a horizontal line.

Ed Finger, CPA
Chief Financial Officer

To view this report and other financial information, including the Comprehensive Annual Financial Report (CAFR), please visit the Financial Information link at <http://www.lvcva.com/who-we-are/funding-and-finance/>

About the Las Vegas Convention and Visitors Authority

The LVCVA was originally created in 1955 as the Clark County Fair and Recreation Board to acquire and operate convention facilities within the Las Vegas metropolitan area. It is a unique organization as it does not operate as a typical membership-based convention and visitor's bureau. Instead, the LVCVA is a government agency established by state law, funded primarily by room tax revenues and governed by an autonomous Board of Directors.

While resorts advertise and market their individual properties, the LVCVA is the marketing organization for all of Southern Nevada including the extended destinations of Laughlin, Mesquite, Boulder City, and Primm.

In response to challenges presented by increased global competition for both convention and tourist travelers, the LVCVA has continued to stand by its mission:

"To attract visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel."



(Rendering of the new facility & the renovated existing facility)

The LVCVA fulfills its mission primarily through national and international advertising campaigns, sales efforts, public relations, special events and operation of the Las Vegas Convention Center (LVCC).

Internationally, the LVCVA has international office representation which covers the following areas: Australia and New Zealand, Canada, China, Hong Kong, Taiwan, Europe, France, Germany, Scandinavia, Switzerland, Austria, Japan, Mexico, Italy and Spain, South and Central America, South Korea, Ireland, and the United Kingdom.

Las Vegas Convention Center



The LVCC opened in 1959 with a 20,340-square-foot rotunda, 18 meeting rooms and a 90,000-square-foot exhibit hall. Today, the LVCC is 3.2 million square feet, with 2.2 million square feet of meeting and exhibit space. The LVCC hosted 54 large conventions and tradeshows in FY 2018, along with other special events. Some of the largest conventions and shows held here

annually include: MAGIC International, International Consumer Electronics Show (CES), Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB). The LVCC attracted an estimated 1.7 million attendees for the fiscal year. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events. With over 2,000 access points, the LVCC offers one of the most robust Wi-Fi installations in the country.

Cashman Center

On June 1, 2017, the Cashman Center property was transferred to the City of Las Vegas in an effort to redevelop the site. The transfer agreement is joined to a management agreement, whereby the City of Las Vegas engaged the LVCVA to continue operating the meeting and exhibit hall facilities through December 2017. At the end of the calendar year, the LVCVA closed the meeting, convention and theater space, maintaining



it in the agreed upon "mothballed" status. Under the management agreement, the LVCVA will continue to operate Cashman Field (the stadium) until the baseball team lease is terminated (no later than December 2022). The baseball team is currently building its own stadium, so the transfer is currently expected to occur in spring 2019. At that time, the management agreement for the Cashman campus will cease and the City of Las Vegas will assume all responsibilities for the property.

Major Initiatives in FY 2018

Las Vegas Convention Center District

The Las Vegas Convention Center District (LVCCD) project was originally introduced in 2012. The project is intended to protect the competitive advantage that Las Vegas has as the number one tradeshow destination in North America. The LVCCD includes the expansion of the LVCC with the construction of an exhibit hall, plus all required meeting rooms and ancillary support space, in addition to a comprehensive facility renovation plan to modernize the existing facility. The LVCCD will position the organization for continued long-term success and expand the reach and impact of the Las Vegas brand. Over the past year, the LVCVA made significant progress on its strategic vision to protect existing tradeshow business and to attract new shows to Las Vegas.

The LVCCD consists of three essential phases. Phase One, completed in January 2017, was the acquisition and site preparation of the Riviera Hotel and Casino property. The property was purchased in 2015 and was cleared in anticipation of an expansion of the Las Vegas Convention Center. Prior to new construction, the cleared lot was paved and is utilized for outdoor exhibits and overflow parking. The LVCVA funded Phase One of the project with existing resources including debt capacity.

Phase Two is currently in the architectural design phase and site work has begun. Phase Two will add approximately 1.4 million total square feet with 600,000 square feet of new indoor and outdoor exhibit space, plus additional square footage for meeting rooms, additional parking, new food and beverage outlets, and support and service spaces. The estimated budget for Phase Two of the LVCCD Program is \$935 million.

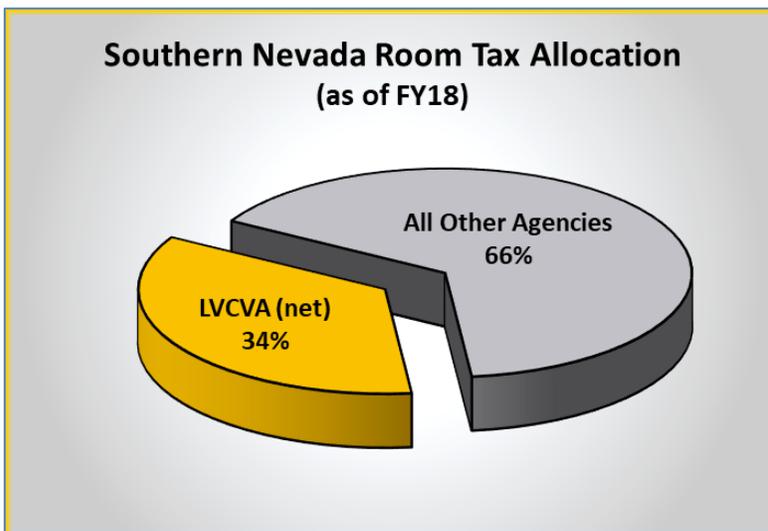


(Rendering of the new convention center addition.)

Phase Three of the LVCCD project consists of renovation, modernization and additions to the current facility. Improvements include upgrades to the exhibit halls, meeting rooms, restrooms and entrances with upgraded technology, lights and design. Phase Three of the LVCCD project will also provide upgraded restrooms and new food and beverage outlets. Structuring the project in this manner provides space for the LVCVA's trade shows while existing facilities are closed for renovation during Phase Three of the LVCCD project. The existing exhibit halls will be renovated on a schedule such that there is no diminishment of leasable exhibition space during the project from existing, pre-expansion space. Design work is expected to begin on this phase in FY 2019 and the estimated budget for Phase Three of the LVCCD project is currently anticipated at \$540 million.

Room Tax

Room tax collections are the LVCVA's primary revenue source; however, the LVCVA benefits from only a portion of all Southern Nevada room tax collections. The following chart indicates the allocation of room tax revenues. The LVCVA has discretionary use slightly more than one third of all room tax revenues generated, after taking into account "collection allocation" and debt service payments for NDOT transportation projects (each described in the "Overall Financial Position" section).



Financial Management and Accountability

Strategic planning has been a key focus of the LVCVA over the last decade. Finance staff updated long-term operating forecasts to ensure alignment with the LVCVA's strategic objectives, including the enhancement of the global Las Vegas brand as a destination for serious business as well as fun. The primary objectives of the advertising programs are to promote domestic and international visitation for leisure activities, and emphasize the importance of the meetings and convention industry.

In addition, Finance staff continued to review the design and compliance performance of the LVCVA's internal policies and procedures and external reporting adherence to accounting principles and Governmental Accounting Standards. This includes review of government finance industry best practices and review of new accounting standards statements.

Marketing

The Marketing Division continues its efforts on expanding the reach of the Las Vegas brand message domestically and internationally. A unified global campaign was developed to provide crisis response guidance and messaging to resort partners and key community stakeholders during the October 1st tragedy, and worked with longstanding local and national media partners to share Las Vegas' message of strength and resilience. \$3 million in donated media placements was received from advertising partners. The LVCVA debuted the first and only destination virtual reality art program, Vegas: Alter Your Reality (VAYR) during Miami Art week, including 232 placements, 11.9 million impressions and publicity value of

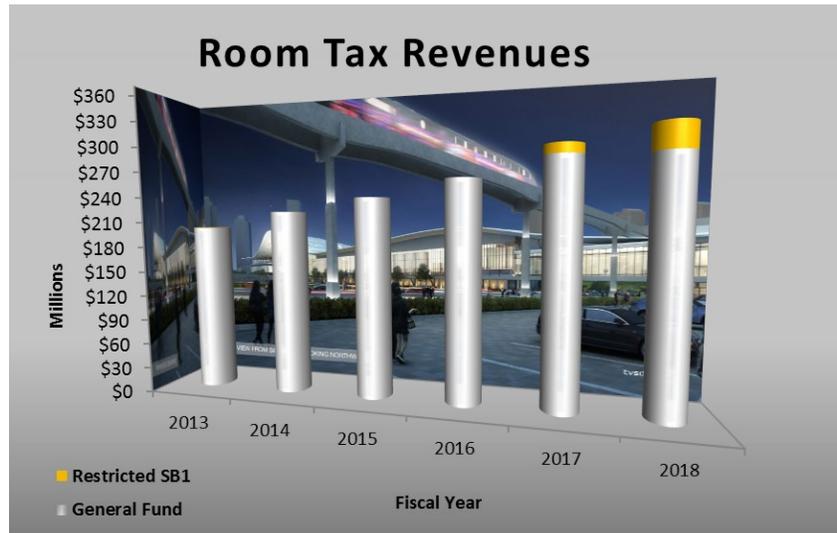
\$2.6 million. Additionally, \$16 million in upgrades to the food service areas at the LVCC was completed during the year. Other marketing initiatives included:

- Launched VisitLasVegas.com, a new consumer responsive designed website replacing our e-commerce partnership with LasVegas.com. Redesigned VegasMeansBusiness.com, our business website with new assets and content for meeting planners, trade show executives, C-suite executives and show attendees.
- Increased total Las Vegas seat capacity by approximately 2%; domestic capacity was up 2% while international was up 1%. The estimated annualized overall economic impact of increased air service for FY 2018 is \$1.1 billion. Increased capacity enabled more carrier competition into Las Vegas and allowed for record passenger numbers at McCarran Airport, making 2017 the busiest year in the airport's 70-year history.
- International air service continued to yield strong results. Overall, 15 markets saw new airline entrants or capacity increases by existing airlines, representing more than 139,000 new inbound international seats. In addition, the team secured the first nonstop service from Sao Paula, Brazil to Las Vegas by LATAM Airlines.
- Domestic air service continued to grow with 19 markets receiving new airline service to Las Vegas and 50 markets gaining significant capacity increases by existing airlines. In total, this represented more than 1.2 million new inbound domestic seats.
- Exceeded 1,000 participants in the educational Familiarization Program (FAMS) with brings international travel professionals to Las Vegas.
- Introduced new trade show booth technology in five additional countries allowing resort partners to engage with travel facilitators and buyers in an interactive setting.
- Incorporated new sports marketing initiatives for the organization including a Sports Public Relations (PR) Executive Committee, PR strategy, sports media FAMS, facility audit, travel trade program, and ambassador engagement program.
- Increased year over year growth on all Las Vegas and LVCVA domestic and international social media channels. The Digital Engagement team hosted 30 international social media influencers that curated 296 posts about Las Vegas, garnering over 121 million impressions and nearly 2 million engagements. The team also executed 13 activations in international markets including China, Japan, German, Brazil, United Kingdom, and Belgium.
- Through international media missions and trade shows, the International PR team met with more than 275 international journalists and bloggers from Mexico, India, France, Spain, Australia Ireland, New Zealand, United Kingdom, Brazil and Germany. In addition, the team brought more than 150 journalists and bloggers from more than 15 countries to the destination.
- Installed a double-sided, 40' LED digital signage board in the LVCC Grand Lobby.
- Facilitated new green initiatives with community groups (i.e. Greenourplanet.org) to garner support for waste and/or product collection benefitting local schools' gardening projects and saving show exhibitors costs by reducing freight and/or waste charges. Facilitated a gardening tool donation from the National Hardware show that resulted in new gardens at 15 schools around the Las Vegas Valley.
- Successfully bid to host the International Association of Exhibitions and Events (IAEE) Expo! Expo! annual meeting and exhibition in Las Vegas (December 2019), GTM West (2019) and the American Society of Association Executives Annual Meeting (August 2020). In FY 2018, Las Vegas hosted the Society of Independent Show Organizers (SISO) CEO Summit, Travel Leaders Network, Travel Agent Forum, Signature Travel Network and GTM West.
- Continued to broaden perceptions of weddings through content and media programs pursuant to the interlocal agreement with Clark County. In FY 2018, the program received 94.2 million impressions, 3.5 million video views and 3.5 million engagements.

Economic Indicators

Room Tax Revenues

The overall economy of the Las Vegas area is heavily dependent upon its tourism and convention industries. General fund room tax revenues remained stable over the previous year, while dedicated SB1 room tax revenues increased due to a full year of receipt. Because of these factors FY 2018 marks the eight-consecutive year of year-over-year growth in revenues.



Visitor volume and hotel stays are very important to the LVCVA, especially since the majority of LVCVA revenues are provided by room taxes. Several factors come into play in determining what these revenues will be, including: number of available rooms, rate of occupancy, average daily room rate (ADR), and total annual visitors.

Area Room Inventory

There are in over 159,000 hotel/motel rooms in the Southern Nevada Region served by the LVCVA. Las Vegas continues to rank as the No. 1 city in the U.S. for hotel/motel room inventory. These hotel and motel stays not only provide tax revenues, but are also important in creating and supporting local jobs. Hotel properties represent seven of the top ten Southern Nevada employers. Las Vegas continues to reinvest in its future and engage visitors with new amenities including expanding restaurants and nightlife options, renovated rooms, and exciting attractions.

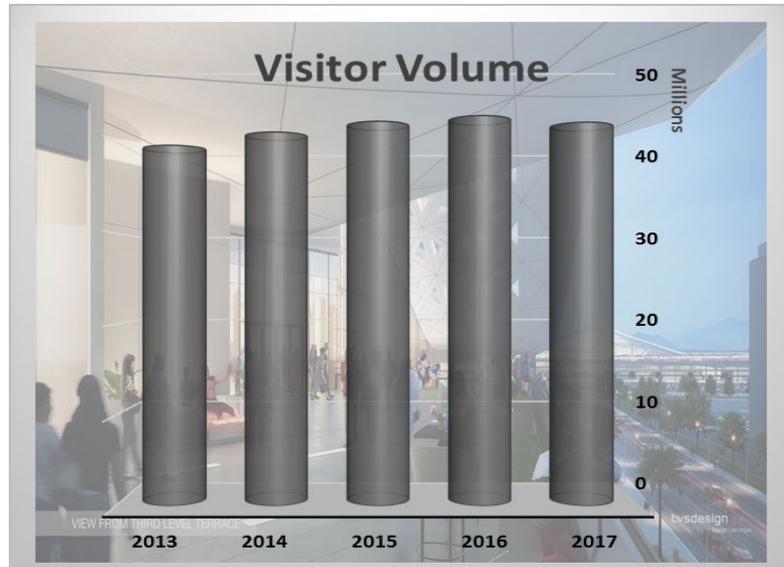
Top Ten Las Vegas Hotels by Number of Rooms

	Estimated Rooms at 12/31/17	% of Total Rooms
➤ MGM Grand	4,968	3.1%
➤ Luxor	4,400	2.7%
➤ Venetian	4,027	2.5%
➤ Aria	4,004	2.5%
➤ Excalibur	3,981	2.5%
➤ Bellagio	3,933	2.4%
➤ Caesars Palace	3,793	2.4%
➤ Circus Circus	3,763	2.3%
➤ Flamingo Las Vegas	3,466	2.2%
➤ Mandalay Bay	3,211	2.0%

In addition to the properties above, the Las Vegas market has another 106,307 rooms, while Laughlin has 9,862 rooms, Jean/Primm provide over 3,000 rooms, and Mesquite has nearly 1,900 rooms.

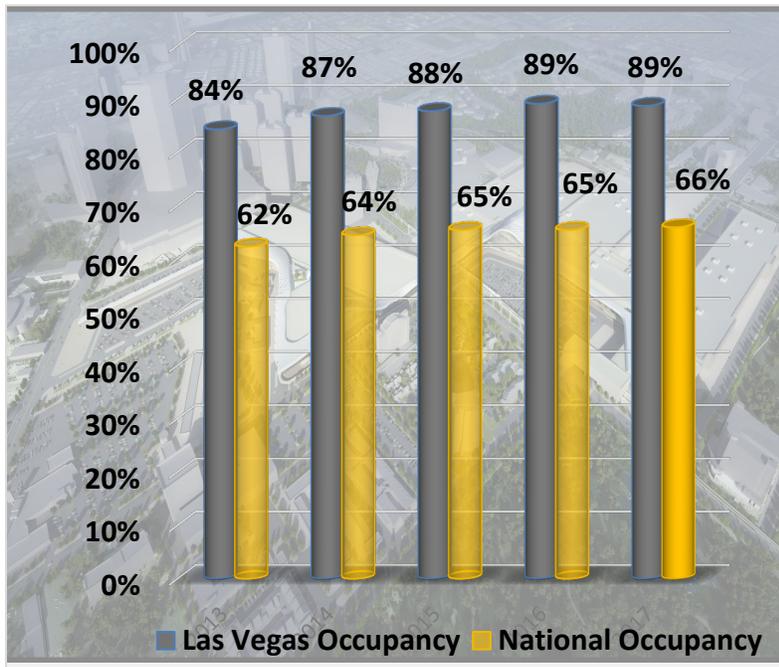
Visitor Volume – Last Five Calendar Years

Market research for calendar year 2017 shows 42.2 million visitors to the destination. This was a 1.7% decrease from 2016.



Occupancy Rates – Last Five Calendar Year

The occupancy rate for the Las Vegas metropolitan area dipped slightly from 89.1% to 88.7% due to lower visitor counts but, continued to exceed the national average by 23 points during the 2017 calendar year that shows continued demand and attractiveness for the destination.



Conventions & Meetings

Las Vegas was recognized for the 24th consecutive year as the No. 1 destination of the Trade Show News Network’s Top 250 Trade Shows in the United States for calendar year 2017. Las Vegas hosted more than 21,000 annual events and over 6.6 million annual delegates.

ADR

The most volatile factor in calculating room taxes is ADR. With hotel rooms being booked over the internet, price fluctuations are common with hotels having the ability to respond quickly to occupancy trends. ADR averaged

\$118.23 in FY 2018, a 2.5% increase over the \$115.38 result in FY 2017. The LVCVA expects ADR to remain stable based on an improving global economy.

Actual FY 2018 room tax results achieved its highest level in the LVCVA’s history, but were relatively flat compared to FY 2017, up 0.8%. The lower than expected results were a combination of factors including the reaction to the October 1, 2017 tragedy and lower available room inventory due to renovations. However, steady room tax revenues, along with consistent visitor volume, suggest that Las Vegas continues to appeal to both leisure and business travelers.

ADR Impact
 Each \$1 change in ADR changes LVCVA room tax revenue by more than \$2 million annually

Principal Officials

Board of Directors

The Las Vegas Convention and Visitors Authority is governed by a Board of Directors consisting of fourteen members. Eight members are elected officials of either Clark County or one of its incorporated cities. The Las Vegas Metro Chamber of Commerce (CC) and Nevada Resort Association (NRA) nominate three each of the remaining six members. Seven of eight elected officials are selected periodically by their respective governing bodies; their terms on the Board are coterminous with their terms of office. The elected official from the second least populated incorporated city serves a two-year term, starting with their term in office. The six remaining members serve a 2-year term and can be re-appointed to additional 2-year terms. As of September 30, 2018, members of the board included:

Commissioner Lawrence Weekly, Chair	Clark County
Mr. Chuck Bowling, Vice-Chair	Resort Hotel Industry (NRA)
Mr. Bill Noonan, Secretary	Central Business District (NRA)
Commissioner Larry Brown, Treasurer	Clark County
Councilwoman Michele Fiore	City of Las Vegas
Mayor Carolyn G. Goodman	City of Las Vegas
Mr. Tom Jenkin	Resort Hotel Industry (CC)
Mayor Pro Tem Peggy Leavitt	Boulder City
Mr. Gregory Lee	Tourism (CC)
Mayor John Lee	City of North Las Vegas
Councilman John Marz	City of Henderson
Councilman George Rapson	City of Mesquite
Ms. Mary Beth Sewald	Other Commercial Interests (CC)
Mr. Maurice Wooden	Resort Hotel Industry (NRA)

CEO & C-Suite Executives

The LVCVA Board of Directors serves as a policy-making body and employs a President to serve as Chief Executive Officer. As of September 30, 2018, the LVCVA CEO and C-suite executives consisted of:

Mr. Steve Hill	CEO/President
Mr. Ed Finger	Chief Financial Officer
Ms. Cathy Tull	Chief Marketing Officer
Ms. Barbara Bolender	Chief People Officer
Ms. Jacqueline Peterson	Chief Communications & Public Affairs Officer

Overall Financial Position

The following financial information includes a Statement of Net Position for governmental activities. Governmental funds normally include the general fund, capital funds, debt service funds, special revenue funds, and certain internal service funds. The LVCVA presents a general fund, LVCCD capital fund, LVCCD debt service fund, capital projects fund, debt service fund, and internal service fund. The LVCVA does not have a special revenue fund. The general fund is the primary operating fund for the LVCVA. The information for revenues and expenditures is presented on a modified accrual basis.

**Las Vegas Convention & Visitors Authority's
Statement of Net Position
As of June 30, 2018**

	Governmental Activities	Governmental Activities
	FY 2017 (Restated)	FY 2018
ASSETS		
Current and other assets	\$ 282,521,541	\$ 688,975,867
Capital assets	677,365,626	684,073,176
TOTAL ASSETS	959,887,167	1,373,049,043
DEFERRED OUTFLOWS OF RESOURCES	19,433,119	25,323,804
LIABILITIES		
Current liabilities	83,979,327	102,155,189
Noncurrent liabilities	833,425,804	1,142,057,043
TOTAL LIABILITIES	917,405,131	1,244,212,232
DEFERRED INFLOWS OF RESOURCES	5,072,760	10,575,336
NET POSITION		
Net investment in capital assets	209,841,668	226,056,855
Restricted	70,033,074	236,655,652
Unrestricted	(223,032,347)	(319,127,228)
TOTAL NET POSITION	\$ 56,842,395	\$ 143,585,279

The Statement of Net Position presents the LVCVA's financial position from a long-term perspective. It reports all of the LVCVA's assets and deferred outflows (what we have) and liabilities and deferred inflows (what we owe), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the LVCVA's financial position is improving or deteriorating. Net position is made up of three components: 1) Net investment in capital assets, which represents the LVCVA's investment in capital assets, less any related outstanding debt used to acquire those assets; 2) Restricted net position, which reflects legal constraints from debt covenants or other restrictions that limit the LVCVA's ability to use those assets for day-to-day operations; and 3) Unrestricted net position, representing accessible resources.

Explanation of Significant Differences:

Net position increased by \$86.7 million over FY 2017. Government-wide revenues were managed to be approximately \$47.5 million over expenditures for funding the LVCCD Phase Two project. Additionally, the first full-year of collections of the SB1 revenues increased room tax collections by nearly \$18 million. Overall expenditures were down \$9.4 million.

The LVCVA is focused on the next stages of the LVCCD to ensure the continued long-term success of the organization and the destination. To that end, cash and cash equivalents increased by approximately \$403 million, deferred outflows increased \$6 million and total liabilities increased \$327 million, which are all primarily attributable to the receipt of debt issuance funds for the project. Debt issuances are also the primary driver in the increase in restricted net position.

Capital assets overall increase of \$6.7 million relates to construction work in progress assets which was partially offset by annual depreciation and amortization.

The primary driver in deferred inflows increase of \$5.5 million is related to revised reporting requirements related to pension other post-employment benefits other than pension items which is largely based on actuarial assumptions and calculations.

The LVCVA remains vigilant to maintain fiscal stability through conservative budgeting and continuous monitoring. This provides the organization with the ability to react swiftly to economic conditions and preserve adequate fund balances to meet operating cash flow requirements and debt service obligations.

Where the Money Came From

The revenues presented in the table below are from general fund activities, the LVCVA’s primary operating fund. In FY 2018, general fund revenues represented 95% of total revenues. All amounts are reported using the modified accrual basis of accounting, which means that revenues are recognized when they become measurable and available to pay current period liabilities. Overall general fund revenues remained flat from the prior year.

General Fund (Modified accrual basis)

REVENUES:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	% Change from FY 17
Room taxes	\$ 222,781,385	\$ 239,318,802	\$ 259,967,636	\$ 281,389,017	\$ 283,540,300	1%
Gaming fees	1,710,108	1,726,843	1,646,281	1,593,600	1,581,702	-1%
Use of facilities	56,927,724	49,001,769	56,884,742	59,984,761	58,809,912	-2%
Other fees & charges	3,858,682	2,966,604	3,950,825	8,022,338	7,019,488	-13%
Interest & other	357,484	193,357	200,074	397,606	453,044	14%
	\$ 285,635,383	\$ 293,207,375	\$ 322,649,558	\$ 351,387,322	\$ 351,404,446	0%

Room Taxes: Room tax revenues increased approximately \$2 million, about 1% over the previous fiscal year. As described above, ADR increases were partially offset by slightly lower visitation.

Use of Facilities: This category includes revenues generated by the operation of the LVCC and Cashman Center. They decreased 2% from FY 2017, primarily due to the cyclical nature of some shows, including the CONEXPO-CON/AGG show during FY 2017. Fewer Cashman shows, due to the closure of Cashman meeting space in December 2017 also contributed to the decrease.

Other Fees & Charges: Other fees & charges decreased by \$1 million from FY 2017. The primary reason for the decrease was a non-recurring revenue related to support for the LVCVA’s co-hosting of the Presidential Debate in FY 2017, which was largely offset by the recognition of donated media from the October 1, 2017 tragedy which is also a onetime event.

Interest Earned & Other: Interest & other includes investment interest, interest and penalties related to room tax, and other miscellaneous revenues. Fiscal year 2018 saw an increase in interest rates as well as cash and investment balances leading to greater interest income.

Where the Money Went

The expenditures presented in the following chart are from general fund activities. The general fund is the largest source of expenditures for the LVCVA. It is used for the general operations and activities of the LVCVA, and does not include capital, debt service, or the internal service fund activities which are accounted for in separate funds. The modified accrual basis of accounting is used for the general fund, which recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows or outflows of cash.

General Fund

(Modified accrual basis)

EXPENDITURES:	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	% Change from FY 17
General government	\$ 14,208,721	\$ 14,322,106	\$ 16,146,746	\$ 19,532,835	\$ 20,029,693	3%
Marketing	28,242,821	34,725,317	36,537,160	45,094,547	39,813,998	-12%
Advertising	92,470,992	93,148,972	95,012,365	95,905,154	106,726,431	11%
Special events grants	8,570,890	8,765,599	11,665,284	12,196,297	12,551,768	3%
Operations	44,964,997	39,453,977	41,415,858	39,289,787	39,898,070	2%
Other community support	22,449,149	24,104,565	26,161,392	25,000,000	25,000,000	0%
	<u>\$ 210,907,570</u>	<u>\$ 214,520,536</u>	<u>\$ 226,938,805</u>	<u>\$ 237,018,620</u>	<u>\$ 244,019,960</u>	<u>3%</u>

General Government: Increase in expenditures of \$0.5 million are primarily due to an increase of professional services.

Marketing/Advertising and Special events: Marketing showed a substantial decrease compared to the previous fiscal year related to a non-recurring event, the 2016 Final Presidential debate. Advertising increased 11% mainly related to a focus on driving higher visitation and the recognition of donated media from the October 1, 2017 tragedy. The LVCVA also continued its commitment to support special events in Southern Nevada during FY 2018 and adjusts funding yearly. FY 2018 events included National Finals Rodeo (NFR), New Year's Eve, and NASCAR.

Operations: Increase in expenditures of \$0.6 million are primarily due to expected increases in salary and benefits.

Other Community Support: Other Community Support remained the same in FY 2018. This expenditure is directly driven by "collection allocation", which is a flat 10% fee returned to the collecting government agencies. Provision in SB1 capped the maximum funds for collection allocations returned to the collecting entities at \$25 million. The remainder of the collection allocation is now transferred to the LVCCD capital fund in accordance with the new law.

Debt at June 30, 2018

The LVCVA issues general obligation bonds and revenue bonds to provide funding for the improvement, acquisition or construction of major capital assets. At June 30, 2018, the LVCVA had a total outstanding bonded debt of \$1 billion. During the year the LVCVA completed two debt refundings and one new debt issuance. At June 30, 2018, the LVCVA had \$1 million outstanding, \$99 million available, and an additional \$200 million authorized on its line of credit.

Bond Ratings: Current LVCVA bonds issued through Clark County are rated “AA+” by Standard and Poor’s (S&P), and “Aa1” by Moody’s. A Moody’s “Aa1” is an investment grade rating reflecting a very strong capacity to meet financial commitments. An “AA” rating by S&P is a comparable rating. LVCVA’s separate bond ratings as of June 30, 2018 were “A+” by S&P and “A1” by Moody’s. The Moody’s rating was upgraded in August 2018 to “Aa3”.

Summary of Debt Instruments

(In thousands)

	GO Bonds	Revenue Bonds	Total
Principal balance, June 30, 2017	\$ 527,450	\$ 180,235	\$ 707,685
Principal payments	(26,060)	(78,530)	(104,590)
New issuances	326,855	71,005	397,860
Principal balance, June 30, 2018	\$ 828,245	\$ 172,710	\$ 1,000,955

Types of Debt

General Obligation Bonds (G.O.): The LVCVA may issue general obligation bonds in the name of, and on behalf of Clark County. General obligation bonds are direct and general obligations of Clark County and the full faith and credit of the County is pledged for the payment of principal and interest, subject to certain Nevada constitutional and statutory limitations. The general obligation bonds are additionally secured by a pledge of revenues from the LVCVA. As a matter of practice, the LVCVA has never had to use property taxes for debt service, using only net pledged revenues derived from operations.

Direct Pay Bonds: Some of the outstanding LVCVA bonds are considered to be direct pay bonds, which are also referred to as “Build America Bonds”. The LVCVA was able to obtain certain tax advantages when issuing taxable obligations for capital projects that meet certain requirements of the U.S. Tax Code, and U.S. Treasury Regulations under the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”). In FY 2018, the LVCVA received over \$4.6 million in federal subsidies to offset a portion of interest obligations on these bonds.

Revenue Bonds: Under Nevada Law the LVCVA may issue revenue bonds payable solely from the net revenues derived from operations and room taxes. Revenue bonds are not general obligations of the County and no ad valorem taxes may be levied to pay the debt service. The LVCVA’s line of credit is a subordinate revenue bond.

Debt Issuance Compliance Policy

The Board of Directors has adopted a debt issuance compliance policy, which is applicable to all debt issuance activities of the LVCVA. This policy establishes the requirements and procedures for ensuring compliance with federal laws relating to issuance and post issuance monitoring of tax-exempt bonds and taxable direct pay bonds.

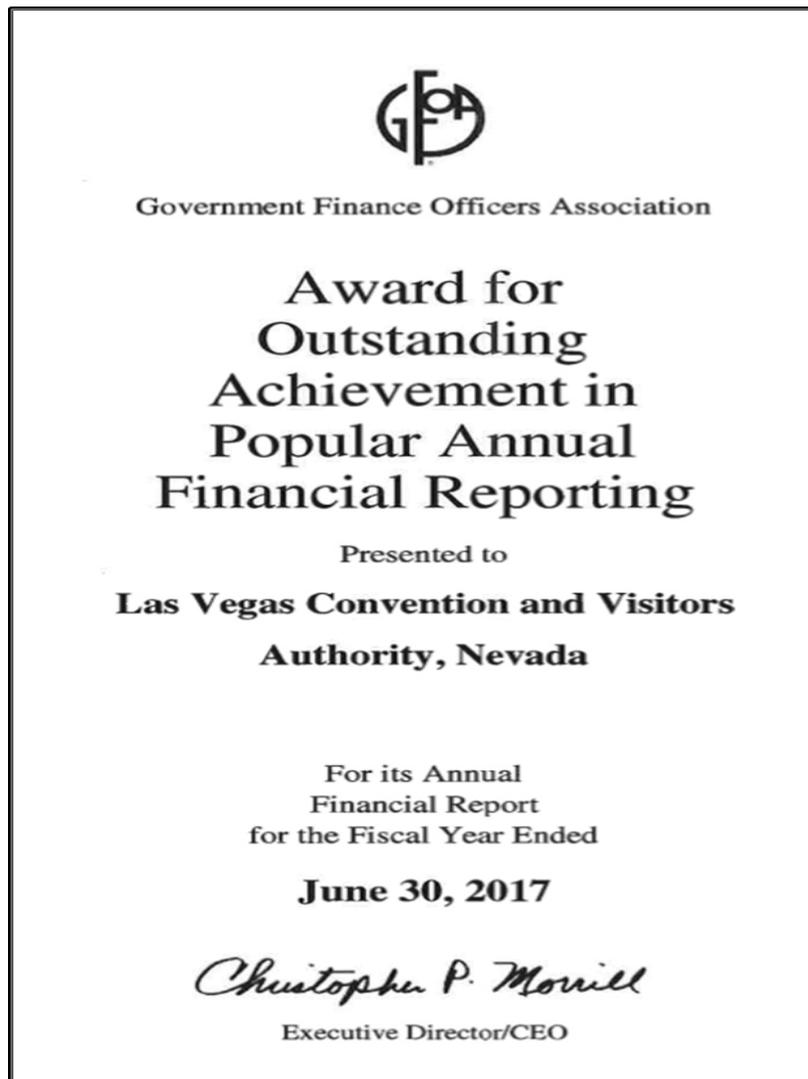
Awards

PAFR Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the LVCVA for its Popular Annual Financial Report for the fiscal year ended June 30, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to achieve an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program stands of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The LVCVA has received a Popular Award for the last eight consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.



Comprehensive Annual Financial Report (CAFR) Award

The LVCVA comprehensive annual financial reports for the years ended 2014-2017, from which the information on pages, 7, 8 and 10-14 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both general accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we will be submitting our CAFR for the current year to the GFOA.

We hope you found reading the Las Vegas Convention and Visitors Authority FY 2018 Popular Annual Financial Report both informative and enjoyable, and we invite you to read our other financial documents: The Comprehensive Annual Financial Report (CAFR) and the Annual Budget, along with this document, by going to: <http://www.lvcva.com/who-we-are/funding-and-finance/>.





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