



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2014 | LAS VEGAS, CLARK COUNTY, NEVADA



Comprehensive Annual Financial Report  
For The Year Ended June 30, 2014

Prepared by the Finance Department  
Under the supervision of  
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and  
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 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2014

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# INTRODUCTORY SECTION



September 19, 2014

Board of Directors  
Las Vegas Convention and Visitors Authority  
3150 Paradise Road  
Las Vegas, Nevada 89109-9096

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for the Las Vegas Convention and Visitors Authority (LVCVA) for the year ended June 30, 2014.

The Finance Department prepared these financial statements and assumes responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the Finance Department established a comprehensive internal control framework that is designed to provide reasonable assurance that the LVCVA's assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of maintaining internal controls should not exceed the benefits derived and that management is required to evaluate the cost and benefits by using estimates and judgments. All internal control evaluations occur within this framework. We believe the LVCVA's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Piercy Bowler Taylor & Kern, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of Nevada, has audited the LVCVA's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the LVCVA for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the LVCVA's basic financial statements for the fiscal year ended June 30, 2014, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). The independent auditor's report is presented as the first two pages of the financial section of this CAFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report. It provides an analytical overview to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and other information contained in this report and should be read in conjunction with it.

## **REPORTING ENTITY**

This CAFR includes all funds of the LVCVA. The LVCVA is unique, as it does not operate as a typical membership-based convention and visitors bureau. We are a governmental agency established by state law, funded primarily by room tax revenues and the governing body is composed of an autonomous Board of Directors (the Board). This fourteen-member board is comprised of eight public officials representing Clark County and its incorporated cities, and six private sector representatives who are nominated by the Las Vegas Metro Chamber of Commerce and Nevada Resort Association to represent the hotel industry and general business interests.

The LVCVA's mission statement is:

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

The LVCVA is charged with the dual purpose of attracting visitors and operating its two convention facilities efficiently. Our primary responsibility is to market and brand Las Vegas and Southern Nevada as a travel destination. Extended destinations include Laughlin, Mesquite, Boulder City and Primm. Internationally, the LVCVA has representative offices in Australia, Brazil, Canada, China, France, Germany, Ireland, Japan, Mexico, South Korea, India and the United Kingdom, Las Vegas' number one overseas market. International travelers as a percentage of overall visitation has grown over the last five years from 15% in 2008 to 20% in 2013. International visitors contributed 32% of total visitor spending in calendar year 2013.

While resorts advertise and market their individual properties, the LVCVA markets and brands the destination as a whole.

The LVCVA integrates its famous branding campaign -

***"What Happens Here Stays Here"™***

- with sales, marketing and public relations activities, as well as special events, to attract visitors. In addition to marketing the destination, we operate the Las Vegas Convention Center (LVCC) and Cashman Center to bring business travel for meetings and conventions. While leisure travel makes up the majority of visitors, business travel is a vital component of our market and represented 13% of annual visitation to Southern Nevada in calendar year 2013. Convention attendance improved during FY 2014 resulting in a 3.7% increase over the prior year.

Las Vegas was recognized for the 20<sup>th</sup> consecutive year as the No. 1 destination of the Trade Show News Networks (TSNN) Top 250 Trade Shows in the United States for calendar year 2013. Las Vegas hosted 53 of the largest 250 tradeshow, equal to the next two destinations combined.

## FACILITIES

### Las Vegas Convention Center

The Las Vegas Convention Center opened with the World Congress of Flight in 1959. Today, it is one of the busiest and most functional facilities in the world - a 3.2 million square foot facility located within a short distance of more than 100,000 guest rooms. The center is well known among industry professionals for its versatility. In addition to approximately 2 million square feet of exhibit space, 144 meeting rooms handle seating capacities ranging from 20 to 2,500. A grand lobby and registration area efficiently link exhibit halls and meeting rooms, and allow simultaneous set-up, break-down and exhibiting of multiple events. The LVCC hosted more than 47 conventions and tradeshow during FY 2014. Some of the largest conventions held here annually include: MAGIC International, International CES, Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB). The LVCC attracted an estimated 1.4 million total attendees for the fiscal year. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events and full-scale concerts. During FY 2014, the LVCC partnered with a new telecommunications company, Cox Telecom Nevada, and began expanding and upgrading its technology. The upgraded features include increased internet bandwidth, which is over double the bandwidth of any other convention center in North America and new wireless internet access points that more than triple the prior capacity. These allow for unrivaled wireless internet service throughout the 3.2 million square foot campus.



### Cashman Center



Cashman Center, which opened in 1983, is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes 98,100 square feet of exhibit space, 14 meeting rooms, a 1,922 seat

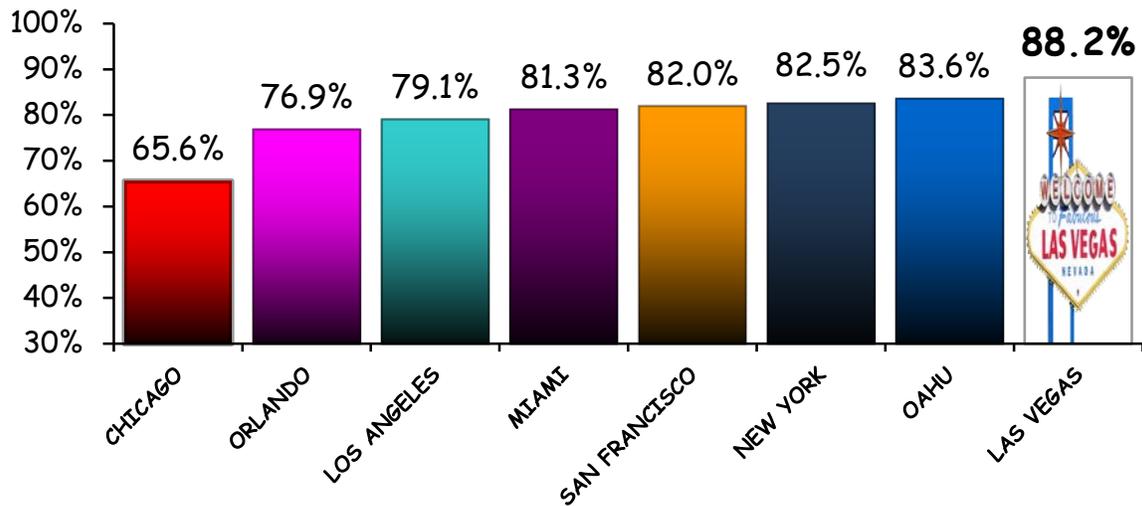
state-of-the-art theatre, over 2,500 spaces for parking, and a 10,000 seat baseball stadium which is the home of the Las Vegas 51s, AAA affiliate of the New York Mets. The center is used frequently for local events, but also has hosted national events.

## ECONOMIC CONDITION

FY 2014 was LVCVA's fourth consecutive year of recovery from the recession. Macro indicators such as the S&P 500 and Consumer Confidence Index rose modestly during the year. Employment, the Consumer Price Index and Travel Price Index rose as well as US hotel occupancy and average daily room rate (ADR).

At a local level, the Las Vegas resort and casino sector and other local businesses continued to reinvest in the destination and its future during FY 2014. Las Vegas engaged visitors with new amenities with expansive property renovations and new shopping, dining, entertainment and nightlife options to captivate and persuade visitation. With these new features, Las Vegas continued to be one of the most exciting destinations for leisure and business travel with the highest concentration of hotel rooms in a central area. Due to a focus on renovations, room inventory stayed relatively flat. Seventeen of the largest twenty hotels in North America are located in Las Vegas. Clark County room inventory was over 161,000, with just under 150,000 rooms in the Las Vegas metropolitan area. In FY 2014, the number of visitors to the area increased 2.1% over the prior year. Although room inventory remained virtually unchanged, the increased visitation boosted room occupancy 3% over last year at this time. Room occupancy in the Las Vegas area consistently exceeds other major resort destinations and historically outpaces the US average by over 20 percentage points each year.

### **Calendar Year to Date Occupancy Rate: June 30, 2014**



Sources: Smith Travel and LVCVA Research Dept.

## **Revenues**

Room tax is the LVCVA's primary revenue source. Key components of this revenue stream are room inventory, average daily taxable room rental rate (ADR) and occupancy rates. FY 2014 final budget for room tax anticipated modest growth of 5%. However, actual FY 2014 room tax results achieved its highest level in LVCVA history, outpacing budget projections and increasing nearly 10% over FY 2013. The results reflect the continued strength of the destination and its recovery. Combined General Fund room tax and gaming fees revenue increased from \$205 million in FY 2013 to \$225 million in FY 2014. Economic stabilization, consumer confidence and targeted ad campaigns continued to increase visitation and ADR throughout FY 2014.

Revenues in total exceeded the budget and outpaced the prior year by approximately 13%. Increases were largely attributable to room tax; however, facility fees also increased significantly due to the cyclical rotation of shows in the building, including the effect of CONEXPO-CON/AGG, a large construction trade show held every three years.

## **MAJOR INITIATIVES IN FY 2014**

In FY 2014 the LVCVA focused on planning and preliminary stages of the Las Vegas Global Business District (LVGBD) to ensure the continued long-term success of the organization and the destination. During FY 2014, the LVCVA purchased two new parcels of land, just over five acres, as part of the land acquisition strategy. These parcels will provide for parking and freight storage in the short-term and opportunities for future expansion of the Las Vegas Convention Center.

Continued growth in the revenue base during FY 2014 allowed the LVCVA to once again allocate resources to sustain our operational excellence and ensure the facility's future competitiveness. The LVCVA continued to update the LVCC appearance by replacing bollards, planters, air walls, traffic barriers, fencing and gates to give the campus a more aesthetically pleasing appearance to visitors. The LVCVA also began a new partnership with Cox Telecom Nevada for all of its telecommunication needs, which included the investment of a robust technology infrastructure for the building clients.

## **Marketing**

In FY 2014, we took an aggressive approach to marketing the destination by implementing multiple initiatives and proactively seeking out new research, partnerships and marketing vehicles. From media programs to public relations initiatives to social media campaigns, the marketing department executed successful programs that produced results and kept the Las Vegas brand top of mind. Industry Relations and Sales initiatives included hosting impactful events with global reach such as Meeting Professionals International-World Education Congress (MPI-WEC), IMEX America, International Pow Wow (IPW), South by Southwest Vision to Venture (SXSW V2V) and World Routes Development Forum.

Other significant initiatives include:

➤ Consumer

- LasVegas.com, the LVCVA's primary consumer website for visitors, enjoyed dramatic growth attracting on average 35% more monthly visits than FY 2013.
- Globalized LasVegas.com by providing translation capabilities for five new languages including Portuguese, Spanish, French Canadian, German and French.
- Continued to bring in media-driven special events to the destination such as Billboard Music Awards, National Finals Rodeo, World Food Championships, Vegas Uncork'd by Bon Appetit, and many more.
- Created three new "What Happens Here, Stays Here" spots as part of the "Enablers" campaign.
- Launched a summer retail campaign titled "Vegas Season" to drive visitation during slower months.
- Created eight new TSA TIPS videos utilizing Las Vegas-based entertainers to run within McCarran International Airport.
- Las Vegas was the first destination in the US to implement a national, mainstream LGBT media buy.
- Partnered with Google on GeoVegas, a web feature that allows users to explore the destination in an immersive way.
- Launched Vegas ID, a mobile application for the destination that allows consumers to create a Vegas persona.
- In our Extended Destinations, conducted brand planning exercises for Laughlin and Mesquite which resulted in new taglines and corresponding advertising campaigns.

➤ Business

- Created two new Business to Business (B2B) and Business to Consumer (B2C) advertising campaigns touting Vegas Means Business while incorporating the destination's flair and personality.
- The Host Committee engaged the business community to welcome 50+ major conventions and special events, and continued to educate locals on the importance of tourism to the economy.

➤ International

- Conducted international research to establish benchmarks for perceptions and sentiment toward Las Vegas in the countries of Germany, Australia, Japan, South Korea and France.
- Hosted 30 international group media familiarization tours with 147 journalists from 18 countries.

- Continued a successful partnership with Brand USA and received additional international exposure through select advertising programs.
- Airline Development
  - Airline lift showed domestic and international scheduled seats up 1.7% with passenger volume up 1.5% from FY 2013. Total economic impact of \$466 million.

### **Fiscal Accountability and New Accounting Standards**

Finance staff continued to review the design and compliance effectiveness of the LVCVA's internal policies and procedures and external reporting adherence to GAAP and Governmental Accounting Standards. This included a review of government finance industry best practices and review of several new GASB statements. This fiscal year the LVCVA implemented GASB Statements No. 65, reporting of assets and liabilities; Statement No. 66, risk financing; and Statement No. 70, regarding nonexchange financial guarantees. The newly implemented standards are discussed in more detail in Note 1 of the financial statements. GASB statements slated for future implementation are discussed in Note 3 of the financial statements.

In FY 2014 LVCVA successfully finalized a 5-year contract with our only union, the Service Employees International Union, Local 1107. This gives consistency to one of the most significant cost components in our operating budget as we continue long-term strategic planning.

### **LONG-TERM FINANCIAL PLANNING**

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.

The LVCVA continued to position itself for long-term success in the tradeshow industry. The LVGBD concept developed in FY 2013 embodies the overarching vision for the LVCC and surrounding neighborhood. The LVCVA organizational structure was revised during FY 2014 to provide the foundation for our Senior Executive team to focus on our long-term global branding strategies for the LVGBD. Planning for the LVGBD includes programming and design, the development of an overall budget and land acquisition. This strategic realignment established tactical executive and management teams who translate and execute these strategies in day-to-day operations.

There are three major conceptual components to the LVGBD: first, a major expansion, renovation and modernization of the existing Las Vegas Convention Center and the creation of a convention district campus; second, establishing an international business center to expand and leverage the World Trade Center designation to help us increase our business opportunities internationally; and, third, the development of a transportation center on campus to improve connectivity through a centralized hub.

This evolution expands the reach and impact of the Las Vegas brand as a truly global destination icon and establishes a foundation for the success of the LVCVA's long-term objectives. Project execution will occur in phases and may take nearly a decade to complete, with an estimated total expense of \$2.3 billion dollars. Completion of the entire scope of the proposed project is dependent on identifying sufficient revenue streams to support the anticipated debt requirements. The LVCVA is currently working on new sources that would require stakeholder support and legislative approval. The actual phasing of the construction will be aligned with those approvals.

## **DEBT ADMINISTRATION**

### **Debt Issuance Compliance Policy**

The LVCVA realizes the importance of complying with federal and other regulatory requirements regarding the issuance and ongoing management of its debt. The LVCVA's debt issuance compliance 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. The policy is intended to define compliance practices including compliance actions, records management, disclosures requirements, and process continuity within the Finance Department and the executive management of the LVCVA.

### **Debt Overview**

Each month the LVCVA transfers money from the General Fund to the Debt Service Fund so it's available to pay the principal and interest payments for outstanding debt issues due on January 1 and July 1. The reserves in the debt service funds at June 30, 2014, were sufficient to pay principal and interest due on July 1, 2014. Outstanding bonded debt and debt service reserves at June 30, 2014, are shown as:

	Rating S&P	Rating Moody's	Outstanding Debt	Reserves Restricted for Repayment of Debt Principal	Net Outstanding Debt
04/05 Revenue Bonds	A+	A1	\$ 91,735,000	\$ 13,390,000	\$ 78,345,000
05/07 Series Bonds*	AA	Aa1	25,045,000	2,625,000	22,420,000
11/07 Revenue Bonds	A+	A1	44,620,000	1,060,000	43,560,000
07/08 Series Bonds*	AA	Aa1	24,070,000	540,000	23,530,000
2010A Series Bonds*	AA	Aa1	70,770,000	-	70,770,000
2010B Series Bonds*	AA	Aa1	47,130,000	2,245,000	44,885,000
2010C Series Bonds*	AA	Aa1	155,390,000	-	155,390,000
2010D Series Bonds*	AA	Aa1	8,050,000	3,925,000	4,125,000
2010E Revenue Bonds	AA	A1	81,925,000	-	81,925,000
2012 Series Bonds*	AA	Aa1	24,990,000	1,015,000	23,975,000
2014 Series Bonds*	AA	Aa1	50,000,000	-	50,000,000
			<u>\$ 623,725,000</u>	<u>\$ 24,800,000</u>	<u>\$ 598,925,000</u>

\* Issued through Clark County.

The outstanding debt issues of the LVCVA include general obligation bonds, taxable direct pay Build America Bonds and revenue bonds. Since the LVCVA's inception in 1955, room taxes and other revenues have provided sufficient funding for debt service with no effect on operations. Property taxes have never been used to finance debt service or any other expenditure.

In early FY 2014, the LVCVA obtained approval for \$150 million in additional new general obligation debt issuances related to the LVGBD, and of that \$50 million was issued in February 2014, for the purpose of acquiring and improving several parcels of property adjacent to the LVCC. Current expectations are for \$100 million in new financing and \$68.5 million in refunding to be issued over the next year should conditions, timing and terms prove favorable to the LVCVA. Additionally, the LVCVA is evaluating the use of revenue backed bank revolving line of credit facilities, to provide flexible access to funds prior to issuing bonds. This balances the use of current debt capacity while avoiding diversion of resources from our primary operating activities. Implementation of phased flexible financing will enable the LVCVA to meet the pace of the economic environment to ensure adequate debt coverage ratios and reserves.

Additional information regarding long-term debt can be found in Note 8 on pages 34 through 38.

### **ACCOUNTING SYSTEMS AND BUDGETARY CONTROLS**

The annual budget serves as the financial plan of the LVCVA. The process starts every December and advances through various review processes. The tentative budget is filed by April 15 with the Nevada Department of Taxation and the Clark County Clerk as required by Nevada Revised Statutes (NRS). Between April 15 and the third Thursday in May, the public has the opportunity to review the tentative budget document and submit any comments for inclusion on the agenda. A public hearing provides the public an opportunity to submit additional comments on the proposed budget to the Board.

The final budget is fully integrated on July 1 with the LVCVA's accounting system. The statutory level of budgetary control is at the function level; in reality, control is maintained at the line item level through the use of a purchase order and encumbrance system. An encumbrance is recorded in the accounting system when a purchase order is issued.

Budget variance reports are distributed to the Board on a regular basis. Adjustments to the budget are accomplished through an augmentation process, which requires adoption by a majority vote of the Board at a regular meeting to increase appropriations above levels originally approved. This formal resolution procedure adheres to the process prescribed by NRS.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the LVCVA for its CAFR for the year ended June 30, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to the program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

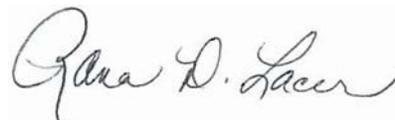
A Certificate of Achievement is valid for a period of one year only. The LVCVA has received the Certificate of Achievement for the last 30 consecutive years (fiscal years ended 1984-2013). We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of this report involved the dedicated work of staff in the Finance Department with the support and cooperation of every division. We welcome inquiries concerning this report and the finances of the Las Vegas Convention and Visitors Authority.

Respectfully submitted,



Rossi Ralenkotter  
President/CEO



Rana D. Lacer, CPA, CGMA  
Sr. Vice President of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Las Vegas Convention and Visitors  
Authority, Nevada**

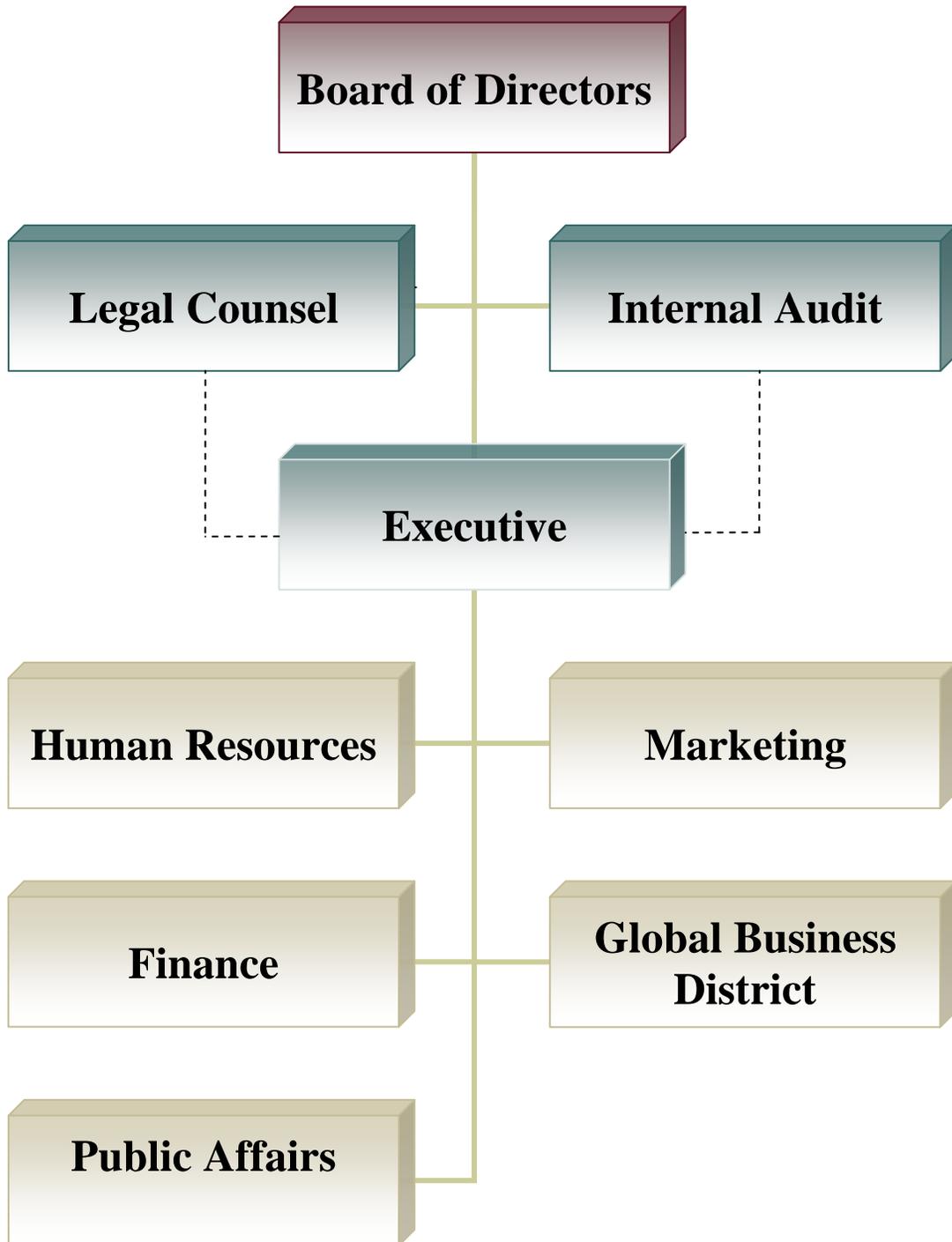
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
ORGANIZATION CHART  
As of June 30, 2014

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# LAS VEGAS CONVENTION AND VISITORS AUTHORITY PRINCIPAL OFFICIALS

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. At the end of June 2014, members of the Board included:



**TOM COLLINS**  
*Chairman*  
Commissioner  
Representing Clark County  
Term: Jan 2005 – Jan 2017



**LAWRENCE WEEKLY**  
*Vice Chairman*  
Commissioner  
Representing Clark County  
Term: Jan 2009 – Jan 2017



**CHUCK BOWLING**  
*Treasurer*  
Representing resort hotel  
Nominated by NRA  
Term: Jun 2005 – Jun 2015



**TOM JENKIN**  
*Secretary*  
Representing resort hotel  
Nominated by CC  
Term: Dec 2003 – Jun 2015



**JOHN CAPARELLA**  
Representing resort hotel  
Nominated by NRA  
Term: Jul 2013 – Jun 2015



**PAUL J. CHAKMAK**  
Representing central business  
Nominated by NRA  
Term: Jul 2011– Jun 2016



**CAROLYN G. GOODMAN**  
Mayor  
Representing City of Las Vegas  
Term: Jul 2011– Jun 2015



**ANDY HAFEN**  
Mayor  
Representing City of Henderson  
Term: Jul 2011– Jun 2017



**GREGORY LEE**  
Representing tourism  
Nominated by CC  
Term: Jul 2012– Jun 2016



**JOHN LEE**  
Mayor  
Representing North Las Vegas  
Term: Aug 2013– Jun 2017



**KRISTIN MCMILLAN**  
Representing other commercial  
Nominated by CC  
Term: May 2011 - Jun 2015



**GEORGE RAPSON**  
Councilman  
Representing City of Mesquite  
Term: Jul 2011– Jun 2015



**STEVEN D. ROSS**  
Councilman  
Representing City of Las Vegas  
Term: Jul 2011– Jun 2017



**CAM WALKER**  
Mayor Pro Tem  
Representing Boulder City  
Term: Jul 2009– Jun 2017

The terms of appointment for the eight elected officials is coterminous with their terms of office. The six remaining members serve a 2-year term and can be re-appointed to additional 2-year terms.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY EXECUTIVE STAFF

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The LVCVA Board of Directors serves as a policy-making body and employs a President to serve as Chief Executive Officer. At the end of June 2014, the LVCVA executive committee consisted of:



Rossi Ralenkotter  
President/CEO



Cathy Tull  
Senior Vice President  
Marketing



Rana Lacer  
Senior Vice President  
Finance



Terry Jicinsky  
Senior Vice President  
Operations



Rob Elliott  
Senior Vice President  
Public Affairs



Mark Olson  
Senior Vice President  
Human Resources



Caroline Coyle  
Vice President  
Brand Strategy



Michael Goldsmith  
Vice President  
International Marketing



Chris Meyer  
Vice President  
Global Business Sales



Luke Puschnig  
Vice President  
Legal Counsel



Hugh Sinnock  
Vice President  
Customer Experience

Vacant Positions:  
Executive Vice President  
Senior Vice President of Global Business District  
Vice President

# FINANCIAL SECTION

P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Directors  
Las Vegas Convention and Visitors Authority  
Las Vegas, Nevada

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the LVCVA's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the LVCVA's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LVCVA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

**Management's Responsibility for the Financial Statements.** Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility.** Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion.** In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the LVCVA as of and for the year ended June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 3-13 and 47-49 be presented to supplement the basic

financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information.** Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the LVCVA's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards*.** In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2014, on our consideration of the LVCVA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LVCVA's internal control over financial reporting and compliance.



Las Vegas, Nevada  
September 19, 2014

# **Management's Discussion and Analysis**

As management of the Las Vegas Convention and Visitors Authority (the LVCVA), we offer readers of the LVCVA's financial statements this narrative overview and analysis of the LVCVA's financial performance for the fiscal year (FY) ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages i to x of this report.

**FINANCIAL HIGHLIGHTS**

- In FY 2014, total government-wide revenues grew approximately \$32.7 million, which is the fourth consecutive year of growth. Room taxes and gaming fees comprised \$20.0 million of this increase, which is a 9.8% increase over the prior year. This is largely attributed to increased average daily room rate (ADR) and visitation for the destination.
- The LVCVA's total outstanding bonds payable increased from \$596.4 million in FY 2013 to \$623.7 million in FY 2014 as a result of \$50 million in debt issued for the purchase of land as part of the Las Vegas Global Business District (LVGBD) during FY 2014 which was partially offset by debt service principal payments.
- In FY 2014 net position increased to \$15.2 million as compared to (\$11.0) million at the end of FY 2013. The prior year negative position is largely attributed to Nevada Department of Transportation (NDOT) obligations for transportation infrastructure (See Note 8). The increase in the current year is primarily attributable to increased room and gaming tax and program revenues.
- Beginning net position was restated by (\$8.5) million to write of previously capitalized bond issuance costs, due to the implementation of GASB 65.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

<b>Comprehensive Annual Financial Report</b>	
Introductory Section	General information on the government structure, services and environment
Financial Section	<div style="border: 1px solid black; padding: 5px;">                     Independent Auditors' Report                      Management's Discussion and Analysis                      Government-wide Financial Statements                      Governmental Fund Financial Statements                      Proprietary Fund Financial Statements                      Notes to the Financial Statements                 </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">                     Required Supplementary Information                      Individual Fund Financial Schedules                 </div>
Statistical Section	Trend data and non-financial data
Additional Report of the Independent Auditors	Independent Auditors' Report

Although the Comprehensive Annual Financial Report (CAFR) is comprised of various sections, the LVCVA's basic financial statements are presented in four components:

- (1) Government-wide financial statements
- (2) Governmental fund financial statements
- (3) Proprietary fund financial statements
- (4) Notes to the financial statements

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

These two financial statements are designed to provide readers with a broad overview of the LVCVA's finances in a manner similar to private-sector business.

The *statement of net position* is, in substance, the balance sheet. It includes not just current assets and liabilities and deferred inflow and outflows, but also capital assets and long-term debt. All funds are included in this statement. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the LVCVA is improving or deteriorating.

The *statement of activities* is the operating statement for the government as a whole. It is based on full accrual accounting rather than the traditional modified accrual. Depreciation and amortization of capital assets is recognized as an expense, as are compensated absences and postemployment benefits other than pensions. The format of the statement has an unfamiliar appearance. The format focuses on the net cost of a government's individual functions and is intended to answer the question "How much did it cost and how is it being paid for?"

### **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Following the government-wide statements is a section containing the fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over specific activities. Governmental funds use the modified accrual basis of accounting, which focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. The LVCVA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **PROPRIETARY FUND FINANCIAL STATEMENTS**

Following the governmental fund financial statements is a section containing the proprietary fund financial statements. The LVCVA uses an internal service fund to accumulate monies in reserve for other post-employment benefit liabilities. Because this service benefits governmental rather than business type functions, it is included within the governmental activities in the government-wide financial statements. Proprietary funds use the accrual basis of accounting, which focuses on the determination of net position, operating income, changes in net position, and cash flows.

## **NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 46 of this report.

## **REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the LVCVA's progress in funding its obligation to provide postemployment benefits other than pensions to its employees. The general fund budgetary comparison schedule is also included in this section. Required supplementary information can be found on pages 47-49 of this report.

**CONDENSED COMPARATIVE DATA**

**ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION**

The LVCVA's net position, on the government-wide basis, increased \$26.1 million from the previous year. This is attributed to increased revenues and stable expenses from the prior period.

<b>CHANGES IN NET POSITION</b>		
	FY 2013 (restated)	FY 2014
Net position - beginning (as adjusted)	\$ (4,324,996)	\$ (10,982,988)
Revenues	260,070,634	292,733,038
Expenses	266,728,626	266,586,080
Change in net position (+/-)	(6,657,992)	26,146,958
Net position - ending (as adjusted)	\$ (10,982,988)	\$ 15,163,970

Net position was (\$2.5) million at June 30, 2013. Implementation of GASB No. 65 required a restatement of beginning net position of (\$8.5) million for debt issuance costs which are no longer capitalized, but expensed as incurred. A large portion of net position reflects the LVCVA's investment in capital assets, less debt that was used to acquire those assets. Restricted net position is reported separately to show legal constraints from debt covenants or other restrictions that limit the LVCVA's ability to use those assets for day-to-day operations.

<b>NET POSITION</b>		
	June 30, 2013 (restated)	June 30, 2014
Current and other assets	\$ 188,096,100	\$ 234,222,320
Capital assets	474,953,052	486,206,676
Total assets	663,049,152	720,428,996
Deferred Outflows of Resources	5,933,122	4,727,741
Current and other liabilities	77,800,386	79,897,215
Long-term liabilities	602,164,876	630,095,552
Total liabilities	679,965,262	709,992,767
Net position		
Net investment in capital assets	163,258,154	170,537,604
Restricted	64,167,079	66,143,854
Unrestricted	(238,408,221)	(221,517,488)
Total net position	\$ (10,982,988)	\$ 15,163,970

Total net position is \$15.2 million. Unrestricted net position totaled (\$221.5) million, of which (\$281.1) million is primarily related to the LVCVA's statutory debt obligations to the NDOT for transportation infrastructure projects (See Note 8). (\$8.5) million represents the results of all years' operations and \$68.1 million represents net position specifically identified for ongoing capital projects.

## REVENUES

Revenues are classified as either *general* or *program*. The *general revenue* classification includes all room taxes and gaming fees and investment income because they are not related to charges to program customers. The LVCVA's primary source of revenue is from room taxes, which are classified as general revenue.

All revenues that do not qualify as general revenues should be reported as *program revenues*.

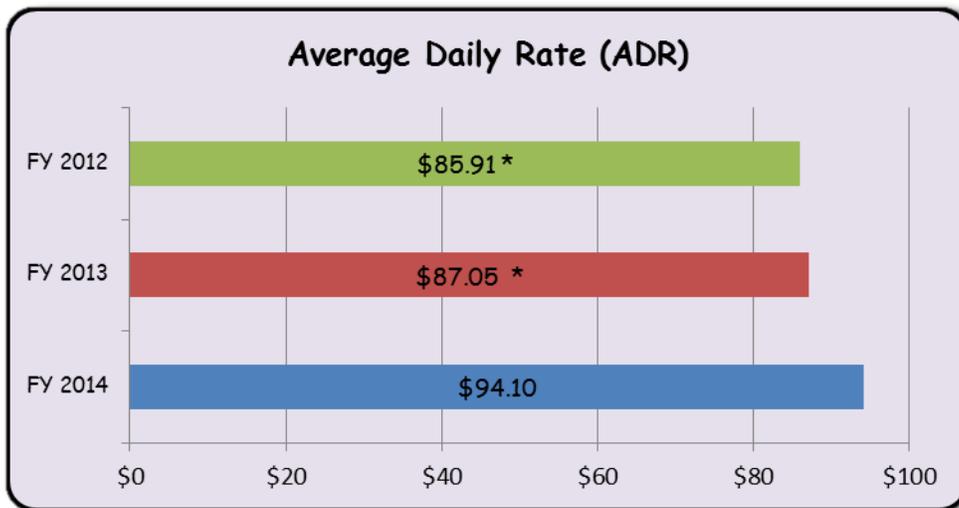
*Program revenues* are those directly generated by a function or activity of the government. For example, the cost of operating and maintaining the Las Vegas Convention Center (LVCC) and Cashman Center (CC) is reported in the Global Business District (formerly Operations) function. Revenues are generated as a direct result of the operation of those facilities in the form of building rental charges, concession sales, parking fees and other charges to users of the facilities.

Total revenues for FY 2014 amounted to \$292.7 million, a 12.6% increase over FY 2013.

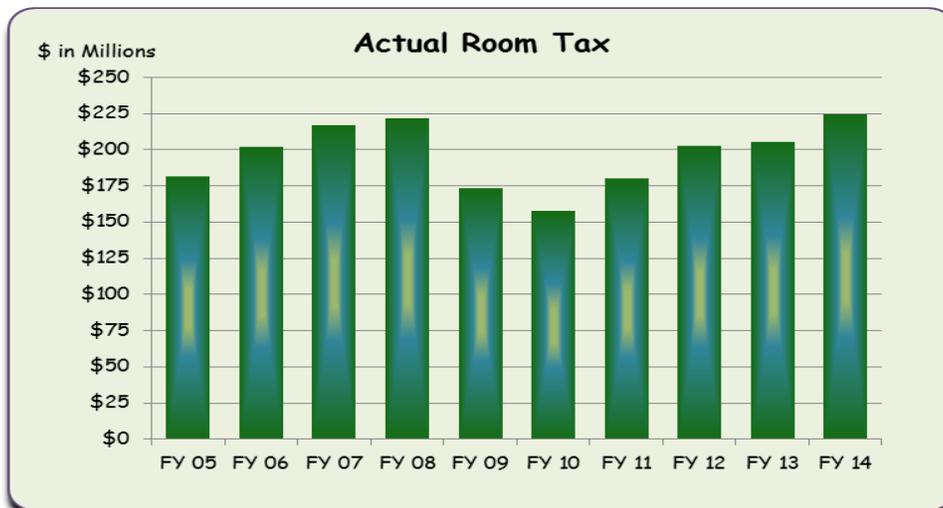
	FY 2013	FY 2014
General revenues		
Room taxes and gaming fees	\$ 205,355,108	\$ 225,381,804
Interest and investment earnings	305,297	623,522
Miscellaneous	1,005,018	796,149
Total general revenue	206,665,423	226,801,475
Program revenues		
Global business district	46,919,605	58,975,878
Marketing	1,587,392	2,203,419
General government	4,898,214	4,752,266
Total program revenues	53,405,211	65,931,563
Total revenues	\$ 260,070,634	\$ 292,733,038

Las Vegas Convention and Visitors Authority  
 Management's Discuss and Analysis  
 For The Year Ended June 30, 2014

FY 2014 represented the fourth consecutive year of growth on a year-over-year basis for room tax revenues. After a modest increase in FY 2013, FY 2014 revenues jumped 9.8% from the prior period. Room tax is based on the number of lodging rooms available, occupancy rate and the average daily taxable room rental rate (ADR). Room inventory in Clark County was relatively flat during the fiscal year while average occupancy increased a little more than 1%, up to 85.8% from 84.5% in the previous year. The increase is attributable to the increase in visitor volume. In calendar year 2013, the greater Las Vegas area occupancy rate exceeded the national average by 22 percentage points. 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. During the recession, ADR declines were the single most significant cause of revenue losses. ADR has since shown consistent improvement. FY 2014 ADR was \$94.10, an 8.1% increase over the \$87.05 result in FY 2013. Government-wide room taxes and gaming fees provided \$225.4 million during FY 2014, an increase of 9.8% from the previous fiscal year's total of \$205.4 million. LVCVA expects a modest increase in ADR to continue as the global economy improves.



\* Updated prior years for additional accuracy.



Clark County (the County) and the incorporated cities within the County levy room tax on all transient lodging establishments. The rate of tax levied varies from 12% to 13% for resort hotels and from 10% to 13% on other lodging facilities. In general, the tax is distributed as follows:

2% - 6%	LVCVA
1 5/8%	Clark County School District
0% - 2%	Collecting government - general fund
1%	Clark County - transportation
3/8%	State of Nevada - promotion of tourism
2% - 3%	State of Nevada - education and other state programs

The LVCVA received \$225.4 million in room taxes and gaming fees, the majority of which were generated in Clark County. Clark County amounted to \$208.6 million (92.6%) with the City of Las Vegas totaling the second largest collector of room taxes and gaming fees, at \$10.7 million (4.7%). The other incorporated cities of North Las Vegas, Henderson, Boulder City and Mesquite combined to provide the remaining 2.7%.

<b>FACILITY OPERATIONS</b>		
	FY 2013	FY 2014
Charges for services	\$ 46,163,605	\$ 58,617,620
Expense	58,827,508	65,679,224
Net expense	\$ (12,663,903)	\$ (7,061,604)

In FY 2014, facilities charges for services reflected an increase of 27.0% from the prior year, due primarily to a cyclical rotation of shows in the building; including CONEXPO-CON/AGG, a large construction trade show held every three years. Total expenses to operate the facilities were \$65.7 million in FY 2014, including depreciation and amortization. The majority of the increase in expense from the prior year is related to the repositioning of multiple cost centers, from Marketing into the Global Business District which totaled approximately \$5.2 million. Facility expenses also experienced an increase in utility costs of approximately \$1.1 million due to the increased demand from shows. Following accelerated maintenance programs in FY 2012 and FY 2013, the need for capital repairs and maintenance declined in FY 2014 along with net facility expense. Planning and focus were set to the development of the LVGBD.

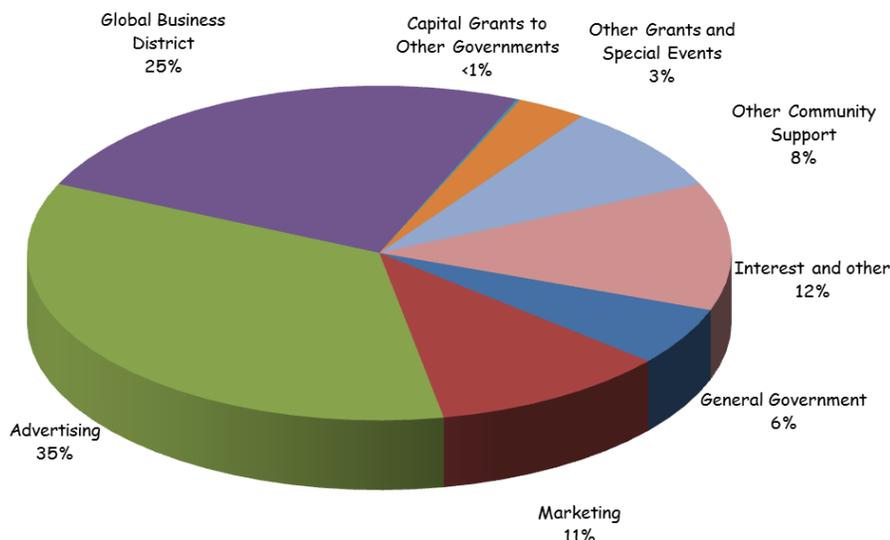
**EXPENSES**

Total government-wide expenses by function were as follows:

	FY 2013	FY 2014
General government	\$ 14,031,697	\$ 15,015,841
Marketing	31,456,495	29,014,920
Advertising	90,587,216	92,470,992
Global business district	58,827,508	65,679,224
Community support:		
Capital grants to other governments	10,605,257	402,017
Other grants and special events	8,233,771	8,570,890
Other community support	20,535,511	22,538,180
Interest and other	32,217,915	32,894,016
	<b>\$266,495,370</b>	<b>\$266,586,080</b>

In FY 2014, expenditures in total were flat. While operating expenditures increased at moderate levels to account for staffing needs and salary and benefit programs, these increases were offset by the \$10.2 million reduction in capital grants to other governments. Expenses in capital grants to other governments is the result of a legislative mandate requiring the LVCVA to contribute funds to the NDOT for critical transportation projects essential to providing access to the recreational and tourism facilities in the County. In FY 2014, these construction expenditures decreased dramatically as compared to FY 2013 as the original projects have been completed and a new project, which is expected to utilize the remaining funds, was in its beginning phase.

Other community support increased \$2.0 million or 9.8% as compared to FY 2013. Community Support includes a fee returned to the collecting government entities of room taxes and gaming fees. It equals 10% of the total room taxes and gaming fees collected in the County; and therefore, fluctuates in alignment with the related room tax revenue changes.



This chart shows the relative "slices" each function takes from the pie.

**OVERALL FINANCIAL POSITION**

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FY 2014 was our fourth consecutive year of recovery from the recession. The LVCVA is focused on planning and preliminary stages of the LVGBD to ensure the continued long-term success of the organization and the destination. The LVCVA remains vigilant to maintain fiscal satiability through conservative budgeting and continuous monitoring. This provides the organization the ability to react swiftly to economic conditions. The LVCVA is dedicated to the preservation of adequate fund balances to meet operating cash flow requirements and to satisfy debt service obligations.

**FUND ANALYSIS**

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The fund balances in the general fund and the capital projects fund increased during FY 2014 from the prior year.

	General Fund	Capital Projects Fund
Fund balance - beginning	\$ 21,281,490	\$ 59,404,276
Fund balance - ending	34,720,321	87,298,289
Increase in fund balance	\$ 13,438,831	\$ 27,894,013
Percent change	63.1%	47.0%

The general fund balance increased over the prior year as strong revenues were realized and expenditures were stable. Additionally, management strategically reduced transfers to the capital fund as major capital improvement and renovation programs are being incorporated into the vision of the LVGBD.

In February 2014 LVCVA issued \$50 million in bonds. The LVCVA purchased two new parcels of land, just over five acres, as part of the land acquisition strategy. The balance of the proceeds from the bond issuance makes up the greatest portion of the increase in the capital projects fund for FY 2014. Additional purchases are anticipated in FY 2015 to utilize these funds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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The FY 2014 budget was originally developed forecasting 5% growth in room tax revenues over the original FY 2013 budget. During the year, actual room tax revenues grew by 9.8%, the highest collection in our history. In November 2013, budget augmentation, as a result of higher than anticipated beginning fund balance, allocated funds to operations, primarily for advertising as it is directly tied to our core mission. Augmentation also allocated funds for capital and reserves, sustaining our commitment to preserving the LVCVA's financial integrity.

Las Vegas Convention and Visitors Authority  
Management's Discuss and Analysis  
For The Year Ended June 30, 2014

The tables below summarize the changes in both revenues and expenditures budget.

<b>GENERAL FUND CHANGES IN BUDGETED REVENUES AND TRANSFERS</b>			
	Original Budget	Revisions	Final Budget
Room taxes and gaming fees	\$ 214,950,000	\$ -	\$ 214,950,000
Charges for service	52,199,700	-	52,199,700
Interest and other	204,500	-	204,500
Transfers in	86,700	-	86,700
Proceeds from sale of fixed assets	20,000	-	20,000

<b>GENERAL FUND CHANGES IN BUDGETED EXPENDITURES AND TRANSFERS</b>			
	Original Budget	Revisions	Final Budget
General government	\$ 13,504,500	\$ 1,082,400	\$ 14,586,900
Marketing	28,809,900	556,600	29,366,500
Advertising	92,221,900	820,400	93,042,300
Global business district	44,053,000	985,900	45,038,900
Community support:			
Special events grants	9,017,576	-	9,017,576
Other community support	24,030,300	(2,035,300)	21,995,000
Transfers out	58,675,288	5,000,000	63,675,288

Actual general fund revenues, transfers in and proceeds from the sale of fixed assets totaled \$285.8 million which is \$18.4 million higher than the original budget. Total actual general fund expenditures and transfers out totaled \$272.4 million, about \$2.1 million more than the original budget, but lower than the final budget by \$4.3 million.

## **CAPITAL ASSETS**

During FY 2014, we completed many maintenance and renovation programs which started in FY 2012. The purpose of these programs was to sustain our operational excellence and reinvest in our facilities and infrastructure. Capital assets additions totaled \$33.9 million, which includes \$22.1 million in land acquisitions. The LVCVA's investment in capital assets as of June 30, 2014 totaled \$486.2 million (net of accumulated depreciation and amortization), which is an increase of 2.4% from FY 2013. Depreciation and amortization expense for the year was approximately \$16.9 million.

More detailed information on capital assets can be found in Note 5 on page 32.

<b>CAPITAL ASSETS</b>		
<b>(net of depreciation)</b>		
	June 30, 2013	June 30, 2014
Land	\$ 185,851,844	\$ 207,930,856
Intangibles	109,711	100,000
Construction in progress	4,198,644	2,365,549
Buildings	257,212,484	248,767,498
Improvements	22,603,250	22,328,748
Furniture and equipment	4,977,119	4,714,025
	<b>\$ 474,953,052</b>	<b>\$ 486,206,676</b>

## LONG-TERM DEBT

At June 30, 2014, the LVCVA had total outstanding bonded debt of \$623.7 million. Of this amount, \$405.4 million was general obligation bonds additionally secured by specified revenue sources and \$218.3 million was revenue bonds. Furthermore, of the total outstanding debt the LVCVA is reporting, \$281 million was for the purpose of providing funds to NDOT for transportation projects within the resort corridor in the Southern Nevada area.

You can find more detailed information on long-term debt in Note 8 on pages 34 through 38.

	General Obligation Bonds	Revenue Bonds	Total
	(In Thousands)		
Principal balance - beginning	\$ 364,375	\$ 232,000	\$ 596,375
Principal payments	(8,930)	(13,720)	(22,650)
New Issuances	50,000	-	50,000
Principal balance - ending	\$ 405,445	\$ 218,280	\$ 623,725

## INTERNAL SERVICE FUND

In FY 2013, the LVCVA established an internal service fund to accumulate resources to be held in a reserve to offset the liability for postemployment benefits. Operating transfers from the general fund to the OPEB reserve fund will be incorporated into the annual budget process based on the current revenue streams and the goal of fully funding the outstanding liability. The target for fully funding is 10 years from the establishment of the OPEB reserve fund. Operating transfers of \$3 million were completed in FY 2013 and FY 2014.

## ADDITIONAL FINANCIAL INFORMATION

The LVCVA's financial statements are designed to present users (citizens, taxpayers, customers and investors) with a general overview of the LVCVA's finances and to demonstrate accountability. If you have any questions about the report or need additional financial information, please contact:

LVCVA Senior Vice President of Finance  
3150 Paradise Road  
Las Vegas, NV 89109  
(702) 892-2990

Or, please visit our website at:

[www.lvcva.com/who-we-are/funding-and-finance/](http://www.lvcva.com/who-we-are/funding-and-finance/)

# **BASIC FINANCIAL STATEMENTS**

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**Government-Wide**

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## LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Statement of Net Position - Governmental Activities

June 30, 2014

**Assets:**

Cash and investments	\$ 178,649,000
Receivables:	
Room taxes and gaming fees	41,058,598
Accounts	9,152,013
Interest	60,948
Prepaid items	4,771,203
Inventory	413,896
Other	116,662
Capital and intangible assets,	
Non-depreciable	210,396,405
Depreciable, net of accumulated depreciation and amortization	275,810,271
Total assets	<u>720,428,996</u>

**Deferred outflows of resources:**

Deferred charges on refunding	<u>4,727,741</u>
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**Liabilities:**

Accounts payable	23,128,374
Accrued payroll and related items	3,115,700
Due to other governments	8,574,648
Deposits	407,147
Unearned revenue	255,952
Interest payable	16,357,870
Noncurrent liabilities:	
Due within one year:	
Capital lease obligation	108,769
Bonds payable	24,800,000
Compensated absences payable	3,148,755
Due in more than one year:	
Capital lease obligation	120,138
Bonds payable	598,925,000
Unamortized bond premiums and discounts	7,636,790
Compensated absences payable	1,954,463
Post-employment benefits other than pensions payable	21,459,161
Total liabilities	<u>709,992,767</u>

**Net position:**

Net investment in capital assets	170,537,604
Restricted for:	
Capital grants to other governments	19,244,163
Debt service	46,899,691
Unrestricted:	
Related to non-capital debt (See Note 3)	(281,083,725)
Related to capital projects	68,054,126
Other	(8,487,889)
Total net position	<u>\$ 15,163,970</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Statement of Activities - Governmental Activities  
For the Year Ended June 30, 2014

Function/Program	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	
<i>Governmental activities:</i>				
General government	\$ 15,015,841	\$ -	\$ 4,752,266	\$ (10,263,575)
Marketing	29,014,920	2,203,419	-	(26,811,501)
Advertising	92,470,992	-	-	(92,470,992)
Global business district (previously Operations)	65,679,224	58,617,620	358,258	(6,703,346)
<i>Community support and grants:</i>				
Capital grants to other governments	402,017	-	-	(402,017)
Special events grants	8,570,890	-	-	(8,570,890)
Other community support	22,538,180	-	-	(22,538,180)
Interest on long-term debt	31,438,801	-	-	(31,438,801)
Bond issuance costs	1,455,215	-	-	(1,455,215)
<b>Total governmental activities</b>	<b>\$ 266,586,080</b>	<b>\$ 60,821,039</b>	<b>\$ 5,110,524</b>	<b>(200,654,517)</b>

*General revenues:*

Room taxes and gaming fees	225,381,804
Interest and investment earnings	623,522
Miscellaneous	796,149
<b>Total general revenues</b>	<b>226,801,475</b>
Change in net position	26,146,958
Net position - beginning (as previously reported)	(2,521,767)
Adjustment (Note 1)	(8,461,221)
Net position - beginning (as adjusted)	(10,982,988)
Net position - ending	<b>\$ 15,163,970</b>

# **BASIC FINANCIAL STATEMENTS**

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## **Governmental Funds**

## LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Balance Sheet - Governmental Funds

June 30, 2014

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 32,122,451	\$ 87,364,640	\$ 53,179,280	\$ 172,666,371
<b>Receivables:</b>				
Room taxes and gaming fees	41,058,598	-	-	41,058,598
Accounts	8,298,204	853,809	-	9,152,013
Interest	2,018	23,911	22,043	47,972
Due from other funds	99,192	-	-	99,192
Inventory	413,896	-	-	413,896
Prepaid items	4,441,094	330,109	-	4,771,203
Other	116,662	-	-	116,662
<b>Total assets</b>	<b>\$ 86,552,115</b>	<b>\$ 88,572,469</b>	<b>\$ 53,201,323</b>	<b>\$ 228,325,907</b>
<b>Liabilities:</b>				
Accounts payable	\$ 22,607,790	\$ 520,584	\$ -	\$ 23,128,374
Accrued payroll and related items	3,115,700	-	-	3,115,700
Due to other governments	6,699,442	-	-	6,699,442
Due to other funds	-	45,000	54,192	99,192
Unearned revenue	255,952	-	-	255,952
Deposits	400,850	6,297	-	407,147
<b>Total liabilities</b>	<b>33,079,734</b>	<b>571,881</b>	<b>54,192</b>	<b>33,705,807</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	18,752,060	702,299	-	19,454,359
<b>Fund balances:</b>				
Nonspendable	4,971,652	330,109	-	5,301,761
Restricted	6,699,442	49,354,322	46,899,691	102,953,455
Committed	3,136,012	35,833,336	6,247,440	45,216,788
Assigned	17,990,000	1,780,522	-	19,770,522
Unassigned	1,923,215	-	-	1,923,215
<b>Total fund balances</b>	<b>34,720,321</b>	<b>87,298,289</b>	<b>53,147,131</b>	<b>175,165,741</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 86,552,115</b>	<b>\$ 88,572,469</b>	<b>\$ 53,201,323</b>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital and intangible assets used in the governmental activities are not current financial resources; and therefore, are not reported in the funds (See Note 2)				486,206,676
Certain assets are not available to pay for current period expenditures; and therefore, are not recorded or are deferred in the funds:				
Room taxes and gaming fees - earned but unavailable				18,752,060
Other community support				(1,875,206)
Other revenue - earned but unavailable				702,299
The internal service fund is used by management to fund the future other post-employment benefit costs. The net position of the internal service fund is reported with governmental activities.				5,995,605
Certain liabilities are not due and payable in the current period; and therefore, are not reported in the funds:				
Accrued compensated absences				(5,103,218)
Post-employment benefits other than pensions				(21,459,161)
Net effect of difference in the treatment of long-term debt and related items (See Note 2)				(643,220,826)
<b>Net position, governmental activities</b>				<b>\$ 15,163,970</b>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2014

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues:</b>				
Room taxes and gaming fees	\$ 224,491,493	\$ -	\$ -	\$ 224,491,493
Charges for services	60,786,406	-	-	60,786,406
Interest and investment earnings	353,464	134,462	113,857	601,783
Federal grant subsidy	-	-	4,752,266	4,752,266
Miscellaneous	4,020	792,129	-	796,149
<b>Total revenues</b>	<b>285,635,383</b>	<b>926,591</b>	<b>4,866,123</b>	<b>291,428,097</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	14,208,721	-	-	14,208,721
Marketing	28,242,821	-	-	28,242,821
Advertising	92,470,992	-	-	92,470,992
Global business district (previously Operations)	44,964,997	-	-	44,964,997
<b>Community support and grants:</b>				
Capital grants to other governments	-	402,017	-	402,017
Special events grants	8,570,890	-	-	8,570,890
Other community support	22,449,149	-	-	22,449,149
<b>Capital outlay:</b>				
Capitalized assets	-	28,122,603	-	28,122,603
Non-capitalized assets	-	1,261,179	-	1,261,179
<b>Debt service:</b>				
Principal	-	119,927	22,650,000	22,769,927
Interest	-	710	31,743,473	31,744,183
Debt issuance costs	-	1,455,215	-	1,455,215
<b>Total expenditures</b>	<b>210,907,570</b>	<b>31,361,651</b>	<b>54,393,473</b>	<b>296,662,694</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>74,727,813</b>	<b>(30,435,060)</b>	<b>(49,527,350)</b>	<b>(5,234,597)</b>
<b>Other financing sources (uses):</b>				
Transfers in	114,454	7,250,000	51,233,509	58,597,963
Transfers out	(61,483,509)	-	(114,454)	(61,597,963)
Proceeds from the sale of assets	80,073	-	-	80,073
Issuance of capital lease obligation	-	334,547	-	334,547
Issuance of debt	-	50,000,000	-	50,000,000
Premium on debt issuance	-	744,526	-	744,526
<b>Total other financing sources (uses)</b>	<b>(61,288,982)</b>	<b>58,329,073</b>	<b>51,119,055</b>	<b>48,159,146</b>
<b>Net change in fund balances</b>	<b>13,438,831</b>	<b>27,894,013</b>	<b>1,591,705</b>	<b>42,924,549</b>
<b>Fund balances - beginning</b>	<b>21,281,490</b>	<b>59,404,276</b>	<b>51,555,426</b>	<b>132,241,192</b>
<b>Fund balances - ending</b>	<b>\$ 34,720,321</b>	<b>\$ 87,298,289</b>	<b>\$ 53,147,131</b>	<b>\$ 175,165,741</b>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2014

Net change in fund balances - total governmental funds \$ 42,924,549

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures and do not report donated capital assets. However, in the statement of net position, assets with an initial, individual cost that meets LVCVA's capitalization threshold are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlays (asset additions)	\$ 28,122,603	
Depreciation and amortization expense, including loss on disposed assets	(17,227,237)	
Donated capital assets	358,258	11,253,624

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 924,944

The issuance of long-term debt (*i.e.*, bonds and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred in the statement of net position and amortized over the term of the related debt.

Issuance of debt	(50,000,000)	
Issuance of capital lease obligation	(334,547)	
Premium on debt issuance	(744,526)	
Amortization of debt premiums and discounts	1,718,047	
Amortization of refunding charges	(1,205,381)	
Accrued interest expense	(207,283)	
Repayment of debt principal	22,769,927	(28,003,763)

Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(252,727)	
Postemployment benefits other than pensions	(3,632,376)	
Grants and special events - payable to other governments	(89,031)	(3,974,134)

The internal service fund is used by management to fund the future other post-employment benefit costs. The change in net position of the internal service fund is reported with governmental activities.

Change in net position of governmental activities \$ 26,146,958

# **BASIC FINANCIAL STATEMENTS**

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## **Proprietary Funds**

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Statement of Net Position - Proprietary Funds  
June 30, 2014

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	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 79,817
Investments	5,902,812
Interest receivable	12,976
Total assets	\$ 5,995,605
Net position:	
Unrestricted	\$ 5,995,605

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Year Ended June 30, 2014

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	Governmental Activities
	<u>Internal Service Fund</u>
Nonoperating revenues (expenses):	
Interest and investment earnings	<u>\$          21,738</u>
Income before transfers	21,738
Transfers in	<u>3,000,000</u>
Change in net position	3,021,738
Net position - beginning	<u>2,973,867</u>
Net position - ending	<u><u>\$          5,995,605</u></u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2014

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	Governmental Activities
	Internal Service Fund
Cash flows from noncapital financing activities:	
Transfers in	\$ 3,000,000
Cash flows from investing activities	
Purchase of investments	(2,997,789)
Interest on investments	31,034
Net cash used for investing activities	(2,966,755)
Net increase in cash	33,245
Cash and cash equivalents, beginning	46,572
Cash and cash equivalents, ending	\$ 79,817
Noncash investing, capital and financing activities	
Change in fair value of investments	\$ (12,818)

# **BASIC FINANCIAL STATEMENTS**

## **Notes to the Financial Statements**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of the Las Vegas Convention and Visitors Authority (the LVCVA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the primary source of governmental accounting and financial reporting principles. The LVCVA's significant accounting policies are summarized below, along with a discussion of some of the practices that are unique to governments.

**REPORTING ENTITY**

The LVCVA was created in 1955 under the provisions of Nevada Revised Statutes (NRS) 244A as the Clark County Fair and Recreation Board. This NRS governs the powers and duties of the Board of Directors (the Board), including the number, selection, and term of its members. The LVCVA is subject to State of Nevada (the State or Nevada) laws governing local governments, including the Local Government Budget and Finance Act. The Board is responsible for establishing policy for overall operations. The LVCVA President serves as chief executive officer. The LVCVA does not include any component units in its financial statements and is not included as a component unit in any other entity's financial statements.

The LVCVA is mandated to establish, acquire and improve recreation and convention facilities and to advertise and promote the recreation facilities located within Clark County (the County). In addition, the LVCVA may solicit and promote conventions and tourism to enhance the general economy of the area.

The Las Vegas Global Business District (LVGBD) was developed and conceptually approved by the board in FY 2013. Project execution will occur in phases and may take nearly a decade to complete, with an estimated total expense of \$2.3 billion dollars. Completion of the entire scope of the proposed project is dependent on identifying sufficient revenue streams to support the anticipated debt requirements which would require stakeholder support and legislative approval.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

*Government-wide financial statements* display information about the reporting government as a whole. In order to present an accurate financial picture, the effects of interfund activity have been eliminated. The purpose of the statement of activities is to allow financial statement users to determine operating results of the LVCVA in its entirety over a period of time. It demonstrates the degree to which the direct expenses are offset by program revenues.

*Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. The LVCVA's program revenues include, but are not limited to, charges to customers for facility rentals, commissions from concession stand sales, parking revenue, and commissions from electrical, plumbing and telecommunication services.

Room taxes and gaming fees and other items not included among program revenues are reported instead as general revenues.

The statement of net position is intended to present a snapshot of the financial position of the LVCVA as a whole as of year end. It displays the difference between assets and deferred outflows and liabilities and deferred inflows as net position.

Las Vegas Convention and Visitors Authority  
Notes to the Financial Statements  
For The Year Ended June 30, 2014

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*Governmental fund financial statements* are used to account for essentially the same functions reported in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year (FY).

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund types are used to account for the general governmental activities. The operating fund of the LVCVA is the general fund. The capital projects fund is used to account for the acquisition of capital assets, the construction of new facilities and improvement of the facilities. Servicing of long-term debt obligations is recorded in the debt service fund.

*Proprietary funds* distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. Internal service funds may be used to account for all or a portion of a government's risk financing activities. The LVCVA's only proprietary fund is an internal service fund. Established in FY 2013 the fund is to account for resources held for future use to offset the liability for post-employment benefits through transfers from the general fund.

#### **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of measurement focus.

*Government-wide financial statements* are presented on a *full accrual* basis of accounting with an *economic resource measurement focus*, as are proprietary (internal service fund) financial statements. An economic resource measurement focus concentrates on net position. All transactions and events that affect the total economic resources (net position) during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and liabilities are recorded at the time the obligations are incurred, regardless of the timing of related cash inflows and outflows.

*Governmental fund financial statements* are presented using a *modified accrual* basis and the *current financial resources measurement focus*. Earned revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Liabilities are generally recorded when an obligation is incurred, as under accrual accounting. However, debt service expenditures and certain other long-term obligation expenditures are recorded only when payment is due.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are necessary to explain the adjustments needed to transform the fund based financial statements into the government-wide presentation.

The financial transactions of the LVCVA are recorded in individual funds. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets and deferred outflows, liabilities and deferred inflows, fund balance, revenues, expenditures and other funding sources (uses).

The GASB Statement No. 34 model sets forth minimum criteria (percentage of the assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of either fund category or the government combined) for the determination of major funds for financial reporting purposes. This statement also gives governments the discretion to include as major funds those having particular importance.

The LVCVA reports the following major governmental funds:

*General Fund*

- Used as the LVCVA's primary operating fund, it accounts for resources traditionally associated with governments that are not required to be accounted for in another fund. The most significant sources of revenue are room taxes and gaming fees, which are assessed on hotels and motels in Clark County. Facility rentals, concession commissions, and contractor commissions also provide a large amount of general fund revenue. The primary expenditures are for advertising, marketing and operation of the facilities.

*Capital Projects Fund*

- Accounts for capital expenditures for furniture, equipment, and improvements or additions to land, and buildings financed by general government resources.
- Accounts for capital grants to other governments, which are for the express purpose of capital construction activities by the other government.

*Debt Service Fund*

- Used by the LVCVA to accumulate monies for the payment of principal and interest on the following long-term debt:

4/05 Revenue Bonds	5/07 General Obligation Refunding Bonds
12/07 Revenue Bonds	7/08 (NDOT) General Obligation Bonds
2010A (NDOT/BABs) General Obligation Bonds	2010B (NDOT) General Obligation/Refunding Bonds
2010C (NDOT/BABs) General Obligation Bonds	2010D (NDOT) General Obligation Bonds
2010E Refunding Revenue Bonds	2012 General Obligation Bonds
2014 General Obligation Bonds	

The LVCVA reports the following proprietary fund:

*Internal Service Fund*

- Used by the LVCVA to accumulate monies in reserve for other post-employment benefits liabilities.

## **DEPOSITS AND INVESTMENTS**

Cash and cash equivalents are defined as demand deposit accounts, petty cash, money market demand accounts and certificates of deposits with original maturities of three months or less.

The LVCVA's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. Agencies, commercial paper, banker's acceptances, money market funds, repurchase agreements (REPOs) and the Nevada State Treasurer's Local Government Investment Pool (LGIP). The holding period of the LVCVA's

investments does not exceed five years. The LVCVA's policy also governs the limitations as to the percentage of each type of investment held, its term to maturity, and allocation of investments in two to five year maturities.

The LVCVA's investments are generally reported at fair value, as determined by quoted market price. However, the LVCVA reports investments at cost if they have a remaining maturity at the time of purchase of one year or less. The LVCVA includes in investment income the change in fair value along with any realized gains or losses.

#### **RECEIVABLES AND PAYABLES**

Transactions between funds that are outstanding at year end are reported as "due to/from other funds" within the fund financials statements. For government-wide financial statements, receivables and related revenues are recognized as soon as they are earned, whereas for governmental fund financial statement purposes, receivables and related revenues are recognized when earned and are both measurable and available. Room taxes and gaming fees receivable, the LVCVA's major revenue source, are considered measurable and available when they can be collected within 30 days after year end. On governmental financial statements, room taxes and gaming fees received more than 30 days after year end are now classified as deferred inflows, per GASB Statement No. 65.

Receivables are reported at gross value and, if appropriate, are reduced by any significant amounts expected to be uncollectible.

#### **PREPAID ITEMS AND INVENTORY**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

Inventory is primarily comprised of promotional items and is recorded at cost. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.

#### **CAPITAL ASSETS**

Capital assets, which include property, plant, equipment (including some under capital leases), and intangibles, are accounted for in the government-wide financial statements. All purchased capital assets are valued at historical cost net of impairment adjustments, if any. Donated assets are valued at their estimated fair value on the date of gift. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly enhance the functionality of an asset are capitalized.

Costs incurred for normal repairs and maintenance that do not add to the functionality of assets or materially extend asset lives are expensed as incurred.

The LVCVA classifies an item as a capital asset that has an estimated useful life of at least one year and meets the cost thresholds of the following:

- Assets with a unit acquisition cost greater than \$10,000.
- Bulk purchases with a total combined cost greater than \$25,000.

Depreciation and amortization on exhaustible assets and intangibles is recorded in the statement of activities, while accumulated depreciation and amortization is reflected in the statement of net position.

Las Vegas Convention and Visitors Authority  
Notes to the Financial Statements  
For The Year Ended June 30, 2014

Depreciation and amortization is computed on a straight-line basis over the following estimated useful lives and for buildings and land improvement using a half-year convention:

ASSET DESCRIPTION	USEFUL LIFE (YEARS)
Buildings	50
Major land improvements, leasehold improvements and building improvements. Leasehold improvements are limited to the shorter of useful life or lease term.	10
Furniture/fixtures, and the following equipment items: baseball equipment, carts, communication equipment (mobile), forklifts, heavy equipment, set-up equipment, power tools, risers, tables, telephones, test equipment, turf equipment, typewriters, vacuums, and word processing equipment.	10
Equipment items in the following categories: camera equipment, cleaning equipment, copiers, fax machines, MATV equipment, mowers, refuse equipment, mobile sound equipment, tools, turnstiles, vehicles, and other equipment.	5-15
Computers, printers, and software	3

Intangibles assets with indefinite lives are not amortized, but rather are evaluated annually for continued compliance with applicable requirements.

Gains or losses from sales or retirements of capital assets are included in the statement of activities.

#### **COMPENSATED ABSENCES**

Personal time off (PTO) is a benefit that provides employees greater flexibility in the use of time off with pay. Employees who do not complete the introductory period of two months forfeit all accrued PTO and are not entitled to pay-out on accrued PTO. Upon separation from the LVCVA, regular employees having less than three years of service are entitled to receive 60% of their unused PTO balance. Employees having in excess of three years of service are entitled to payment of a maximum of 300 hours (500 hours for non-bargaining/non-management employees) at 100% with the remaining PTO balance paid on an increasing percentage based on years of service to the LVCVA. Management and executive employees having less than two years of service are entitled to payment for their unused PTO balance at a rate of 60% and are entitled to 100% for more than two years of service. For management and executive non-bargaining employees hired on or after July 1, 2007, PTO will accrue and can be carried over from fiscal year to fiscal year to a maximum of 1,040 hours. Any amount of PTO over 1,040 hours as of the last pay period ending in June each year are paid to the employee on the first pay period of the new fiscal year at the employee's hourly pay rate as of June 30.

#### **EMPLOYEE HEALTH BENEFITS**

The LVCVA provides fully paid health insurance benefits to its full time employees. The LVCVA participates in an interlocal agreement with Clark County and various other local entities in order to obtain the most cost effective monthly rates. The programs available to active employees are the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF), a cost-sharing multiple-employer plan, and Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO) plan. LVCVA is obligated to pay its monthly share of the CCSF charges incurred and a contractually determined premium for HPN.

#### **OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):**

Effective July 1, 2007, the LVCVA implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In accordance with the transition rules of that statement, the LVCVA elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net OPEB obligation at zero for the year ended

Las Vegas Convention and Visitors Authority  
Notes to the Financial Statements  
For The Year Ended June 30, 2014

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June 30, 2008. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contributions (ARC) of the LVCVA, calculated using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The OPEB obligation at June 30, 2014, is determined by adding the annual OPEB cost to the OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

In a proactive measure to address the OPEB liability, the LVCVA created an internal service fund in FY 2013. Its purpose is to accumulate resources through yearly budget transfers from the general fund for the LVCVA's OPEB liability. The LVCVA has targeted a ten-year period to fund the current and expected liability. This is an intermediate funding step and does not constitute an OPEB contribution for actuarial reporting. Rather, such actions are regarded as earmarking of employer assets to reflect our current intent to apply those assets to finance the cost of benefits at some time in the future; and therefore, does not offset or reduce the liability recorded for OPEB.

### **LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums, discounts and deferred refunding charges are recorded and amortized over the life of the bonds. Bond issuance costs previously were reported as deferred charges on the statement of net position and amortized over the term of the related debt. However, under GASB Statement No. 65, beginning with FY 2014 bond issuances costs are expensed as incurred and any unamortized costs as of July 1, 2013 were written off. Accordingly, beginning net position has been reduced by approximately \$8.5 million (Note 1 - Accounting Changes).

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period, as applicable. Bond proceeds are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

### **ACCOUNTING CHANGES**

The LVCVA implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in FY 2014. The intent of the statement, in addition to requiring bond issuance costs to be expensed as incurred, is to further clarify which balances previously reported in the financial statements as assets and liabilities should instead be reported as deferred inflows or outflows. As of June 30, 2014, LVCVA reports deferred outflows consisting of deferred charges on refunding of \$4,727,741. Under prior guidance such amounts would have been netted against non-current liabilities. In the governmental fund financial statements as of June 30, 2014, LVCVA reports deferred inflows consisting of unavailable revenue of \$19,454,359. \$18,752,060 relates to room tax and gaming fees and \$702,299 relates to building contractor agreements. Under prior guidance such amount would have been included in unearned revenue.

The LVCVA also implemented GASB Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees," in this reporting year and, accordingly, has disclosed additional information related to Clark County Nevada guarantees of certain LVCVA debt issuances (Note 8).

The LVCVA also implemented GASB Statement No. 66 which did not have an effect on the financials.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:**

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net positions - governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that "capital and intangible assets used in the governmental activities are not current financial resources; and therefore, are not reported in the funds." The details of this \$486,206,676 difference are as follows:

Depreciable and amortizable capital and intangible assets	\$	509,399,611
Accumulated depreciation and amortization		(233,589,340)
		275,810,271
Depreciable and amortizable capital and intangible assets, net		275,810,271
Non-depreciable and non-amortizable capital and intangible assets		210,396,405
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	486,206,676

Another element of that reconciliation is long-term liabilities, including bonds, deferred refunding charges, accrued interest that are not due and payable in the current period, as well as related items; and therefore, are not reported in the funds. The details of this \$643,220,826 difference are as follows:

Bonds payable, due in more than one year	\$	598,925,000
Bonds payable, due within one year		24,800,000
Capital lease obligation, due within one year		108,769
Capital lease obligation, due in more than one year		120,138
Unamortized bond premiums and discounts □		7,636,790
Unamortized refunding charges		(4,727,741)
Interest payable		16,357,870
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	643,220,826

**NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

**BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with GAAP for all of the LVCVA's governmental and proprietary funds. Requests for current year transfers and following year appropriations are submitted by divisions and sections for review and approval. As required by the NRS, the tentative budget documents are filed with the Nevada Department of Taxation and the County Clerk by April 15. After April 15 and before the third Thursday in May, the public has the opportunity to review the tentative budget document and submit any comments for inclusion on the agenda of the public hearing. The approved budget is fully integrated on July 1 with LVCVA's accounting system. All appropriations lapse at the end of the fiscal year.

NRS 354.626 prohibits expenditures in excess of appropriations at the function level, which is the legal level of budgetary control. Budget transfers are reviewed by the Finance Department for budget availability and conformance with policies and the NRS. Three types of budget transfers are permitted by the NRS:

- Functional budget transfers are defined as transfers within the same function (*i.e.* general government, marketing, global business district (formerly operations), and community support) and same fund (*i.e.* general fund, capital projects fund). Transfers \$250,000 and under are approved by the Senior Vice President of Finance; else the President/CEO's approval is required.
- Intra-fund budget transfers are defined as transfers between different functions, but within the same fund. The approval level is the same as functional transfers and the Board is advised of these transfers.
- Inter-fund or contingency budget transfers are defined as transfers between different funds and require prior approval of the Board.

Augmentations (increasing total appropriations) are accomplished by formal Board action. During the year, funds were re-appropriated to honor encumbrances that lapsed at June 30, 2013. All amendments made to the original budget were as prescribed by law.

For FY 2014, expenditures for the Community Support function exceed its budgeted amount by \$454,149. This is not considered a violation of NRS 354.626 as the excess consists of statutorily required payments to another government resulting from an increase in exempt revenue that was not anticipated during the preparation of the budget.

**UNRESTRICTED NET POSITION**

Total unrestricted net position at June 30, 2014, was (\$221,517,488). The components of unrestricted net position were as follows:

- Outstanding non-capital debt obligation of (\$281,083,725) to the Nevada Department of Transportation (NDOT) for critically needed transportation projects (see Note 8).
- Cumulative results of all past years' operations of (\$8,487,889) and \$68,054,126 specifically identified for ongoing capital projects.

**NEW PRONOUNCEMENTS**

Statement No. 67 was issued by GASB in June 2012, effective for periods beginning after June 15, 2013. This Statement is *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. This

does not have a direct effect on the LVCVA for fiscal year 2014; however, it will impact the LVCVA through Statement 68 in fiscal year 2015.

GASB issued Statement No. 68 in June 2012, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans covered by the scope of this statement, as well as non-employer governments that have a legal obligation to contribute to those plans. GASB also issued Statement No. 71 in November 2013. The Statement *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of FASB Statement No. 68*, has an effective date simultaneous with GASB Statement No. 68. The provisions of these statements are effective for periods beginning after June 15, 2014, which is FY 2015 for the LVCVA. The LVCVA is currently evaluating the provisions which may prove to have a substantial impact upon the financial statements when implemented. The LVCVA will be in a better position to gauge the impact of No. 68, after the State PERS FY 2014 Statements are issued.

GASB issued Statement No. 69 in January 2013. This Statement, *Government Combinations and Disposals of Government Operations*, covers transactions such as mergers, acquisitions, and transfers of operations within or between governmental entities. This Statement is effective for fiscal years beginning after December 15, 2013, meaning FY 2015 for the LVCVA. It does not appear, at this time, that any of the provisions will have an immediate effect upon the financial statement of the LVCVA; however, the provision will be evaluated in FY 2015 for final determination.

**NOTE 4. CASH AND INVESTMENTS:**

The LVCVA maintains a cash and investment pool that is available for use by all funds. At June 30, 2014, this pool is displayed in the statement of net position and governmental funds balance sheet as "cash and investments" and in the internal service fund statement of net position as "cash and cash equivalents" and "investments". The LVCVA accounts for its debt issuance proceeds portfolio separately in the capital projects funds. At year end, the LVCVA's cash and investment balances consisted of the following:

Cash:	
Cash on hand	\$ 19,200
Deposits in bank and cash equivalents	105,843,099
Investments (U.S. Agencies and LGIP)	72,786,701
	\$ 178,649,000

At year end, the LVCVA's carrying amount of deposits was \$105,843,099, and the bank balance was \$105,934,106.

According to the NRS, the LVCVA monies must be deposited in federally insured banks, credit unions, or savings and loan associations in the State. The LVCVA is authorized to use demand accounts, time accounts, and certificates of deposits. The NRS do not specifically require collateral for all demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable LVCVA investments described below, except that the NRS permits longer terms and include securities issued by municipalities within the

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State. The LVCVA's deposits are fully covered by the federal depository insurance or collateralized at 102% by securities held by the LVCVA's agent in the LVCVA's name.

LGIP is an external investment pool administered by the Treasurer of the State of Nevada, with oversight by the Board of Finance. The LVCVA deposits monies with the State Treasurer to be pooled with monies of other local governments for investment in the LGIP fund. The LGIP operates in accordance with all applicable NRS and the fair value of its shares is the same as the reported value of the shares. LGIP financial statements may be obtained from the State Treasurer's Office, 101 N. Carson Street Suite 4, Carson City, NV 89701. As of June 30, 2014, the LVCVA had the following investments:

	Original Cost	Fair Value	Investments by Maturities		Accrued Interest	Total Value
			Less than 1 Year	1 - 5 Years		
U.S. Agencies	\$ 38,747,402	\$ 38,632,794	\$ 8,001,710	\$ 30,631,084	\$ 58,430	\$ 38,691,224
LGIP	34,153,907	34,153,907	34,153,907	-	2,518	34,156,425
Total	\$ 72,901,309	\$ 72,786,701	\$ 42,155,617	\$ 30,631,084	\$ 60,948	\$ 72,847,649

#### CONCENTRATION OF CREDIT RISK

The NRS and the LVCVA's investment policy limits investment instruments by credit risk. All of the LVCVA's investments in commercial paper must be rated P-1 by Moody's Investor Service and A-1 by Standard and Poor's. The LVCVA's money market investments must be invested in those funds rated by a nationally recognized rating service as AAA or its equivalent and that invest only in securities issued by the Federal Government, U.S. Agencies, or REPOs fully collateralized by such securities. The LVCVA's investments in U.S. Agencies, which are implicitly guaranteed by the U.S. Government must be all rated AAA or its equivalent by a nationally recognized rating service. The LGIP does not have a credit rating.

To limit exposure to concentrations of credit risk, the LVCVA's investment policy limits investment in U.S. Agencies to 80%, money market mutual funds to 30%, Deposits, Repurchase Agreements and Overnight Investments to 60%, LGIP to 40%, Certificates of Deposit to 5%, and Commercial Paper to 20% of the entire portfolio at the time of investment. As of June 30, 2014, 30% of the LVCVA's investments, including cash equivalents, were classified in U.S. Agencies, 43% in Demand Deposits, and 27% in the LGIP.

The LVCVA's investment in U.S. Agencies was comprised of securities issued by the Federal Home Loan Bank (31%), the Federal Home Loan Mortgage Corporation (3%), the Federal National Mortgage Association (25%), and the Federal Farm Credit Bank (41%).

#### INTEREST RISK:

The LVCVA manages its exposure to the declines in fair value by limiting the maturities of its investments to five years or less. Some of the U.S. Agency investments have call options or prepayment risk, which, if exercised, could shorten the maturity of these investments.

#### CUSTODIAL CREDIT RISK:

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the LVCVA will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At year end, the LVCVA did not have any significant custodial credit risk.

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**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2014, was as follows:

Description	Balance at June 30, 2013	Increases	Decreases	Balance at June 30, 2014
<i>Capital assets not being depreciated or amortized:</i>				
Land	\$ 185,851,844	\$ 22,079,012	\$ -	\$ 207,930,856
Intangibles	100,000	-	-	100,000
Construction in progress	4,198,644	3,864,792	(5,697,887)	2,365,549
Total capital assets not being depreciated or amortized	<u>190,150,488</u>	<u>25,943,804</u>	<u>(5,697,887)</u>	<u>210,396,405</u>
<i>Capital assets being depreciated or amortized:</i>				
Buildings	441,154,844	3,577,859	(181,923)	444,550,780
Intangibles	306,581	-	(149,464)	157,117
Improvements other than buildings	42,982,276	3,475,381	(199,742)	46,257,915
Furniture and equipment	18,450,798	944,979	(961,978)	18,433,799
Total capital assets being depreciated or amortized	<u>502,894,499</u>	<u>7,998,219</u>	<u>(1,493,107)</u>	<u>509,399,611</u>
<i>Accumulated depreciation or amortization:</i>				
Buildings	(183,942,360)	(11,966,816)	125,894	(195,783,282)
Intangibles	(296,870)	(7,104)	146,857	(157,117)
Improvements other than buildings	(20,379,026)	(3,747,954)	197,813	(23,929,167)
Furniture and equipment	(13,473,679)	(1,183,920)	937,825	(13,719,774)
Total accumulated depreciation or amortization	<u>(218,091,935)</u>	<u>(16,905,794)</u>	<u>1,408,389</u>	<u>(233,589,340)</u>
Net capital assets being depreciated or amortized	<u>284,802,564</u>	<u>(8,907,575)</u>	<u>(84,718)</u>	<u>275,810,271</u>
Governmental activities capital assets, net	<u>\$ 474,953,052</u>	<u>\$ 17,036,229</u>	<u>\$ (5,782,605)</u>	<u>\$ 486,206,676</u>

Depreciation and amortization expense for governmental activities was charged to functions as follows:

General government	\$ 68,950
Marketing	72,780
Global business district (previously Operations)	16,764,064
	<u>\$ 16,905,794</u>

**NOTE 6. INTERFUND TRANSACTIONS:**

The following schedule details the amounts due from/to other funds at June 30, 2014:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 54,192
General Fund	Capital Improvement	45,000
		<u>\$ 99,192</u>

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The outstanding balances between funds result mainly from the delayed time period between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) interest on investments in the debt fund that is earned and transferred back to the general fund.

Fund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. For the year ended June 30, 2014, transfers between funds were as follows:

	Transfers In	Transfers Out	
		General Fund	Debt Service Fund
General Fund	\$ 114,454	\$ -	\$ 114,454
Capital Fund	7,250,000	7,250,000	-
Internal Service Fund	3,000,000	3,000,000	-
Debt Service Fund	51,233,509	51,233,509	-
	<u>\$ 61,597,963</u>	<u>\$ 61,483,509</u>	<u>\$ 114,454</u>

**NOTE 7. LEASES:**

**OPERATING LEASES**

The LVCVA has non-cancelable operating leases for office space, parking spaces, computers, copiers and other equipment. Total rental costs for such leases were \$193,888 for the year ended June 30, 2014. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 176,362
2016	228,991
2017	222,600
2018	224,655
2019	226,466
2020-2024	1,220,139
2025	<u>21,616</u>
Total	<u>\$ 2,320,829</u>

**CAPITAL LEASES**

On September 1, 2013, the LVCVA entered into a \$334,547 capital lease for computer equipment, which was capitalized as furniture and equipment. Amortization expense for FY 2014 was \$92,930 and total accumulated amortization was also \$92,930 (since this was the first year of the contract). As of June 30, 2014, the net value of this capital lease is \$241,617. Total lease payments for FY 2014 were \$117,217.

The LVCVA entered into a five year capital lease in April 2013 for \$14,942 to purchase a copier which was capitalized as furniture and equipment. Amortization expense for FY 2014 was \$2,988 and the total accumulated amortization was \$3,735. The net value at June 30, 2014 was \$11,207. Total lease payments for FY 2014 were \$3,420. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 120,637
2016	120,637
2017	3,420
2018	2,565
	<u>247,259</u>
Less portion of payment representing interest	<u>(18,352)</u>
Present value of minimum lease payments	<u><u>\$ 228,907</u></u>

:

**NOTE 8. LONG-TERM DEBT:**

**GENERAL OBLIGATION / PLEDGED REVENUE BONDS**

LVCVA issues general obligation and revenue bonds to fund the improvement, acquisition, and construction of capital assets consisting primarily of meeting and exhibit and support facilities at the Las Vegas Convention Center. In addition, the LVCVA, pursuant to legislative directive provided \$300,000,000 of funding to the NDOT for transportation projects and issued general obligation bonds in this regard (\$281,015,000 outstanding at June 30, 2014). The amount paid to NDOT through June 30, 2014 is \$280.8 million.

Eight of the LVCVA's outstanding bonds are general obligation bonds of Clark County, Nevada, acting by and through the LVCVA. The terms and outstanding balances of these general obligation bonds are shown in the tables below.

Clark County Nevada acts as the guarantor of these general obligation bonds, as defined in GASB Statement No. 70. The bonds are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented primarily room taxes on hotels and motels in Clark County, Nevada. Revenues from the capital, debt, and internal service funds have been excluded since these are not a constant source of income. Maintenance expenditures are comprised of all expenditures except marketing, advertising, bond issuance costs, capital improvement and debt service.

In FY 2014, room taxes and gaming fees of \$224.5 million exceeded four times the amount necessary to pay the \$54.4 million of principal and interest payments.

No requirements for repayment by the LVCVA to the County exist. It has been the practice of the LVCVA never to resort to the use of ad valorem taxes for debt service, but rather to use only net pledged revenues derived from operations. In fact, as of June 30, 2014, no ad valorem tax revenues have been allocated to the LVCVA for any purpose, including guarantee debt payments. No change in this practice is contemplated in the future.

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The following is a summary of general obligation / pledged revenue bonds payable at June 30, 2014:

\$38,200,000 - 5/07 Refunding Bonds due in annual installments through FY 2022. Semi-annual interest from 4 - 5.5%	\$ 25,045,000
\$26,455,000 - 7/08 (NDOT) Bonds due in annual installments through FY 2028. Semi-annual interest from 4 - 5%	24,070,000
\$70,770,000 - 2010A (NDOT/BABs) Bonds due in annual installments through FY 2020. Semi-annual interest from 6.55 - 6.75%	70,770,000
\$53,520,000- 2010B (NDOT/Refunding) Bonds due in annual installments through FY 2027. Semi-annual interest from 2 - 5%	47,130,000
\$155,390,000- 2010C (NDOT/BABs) Bonds due in annual installments through FY 2039. Semi-annual interest from 4 - 7%	155,390,000
\$18,515,000 - 2010D (NDOT) Bonds due in annual installments through FY 2016. Semi-annual interest from 3 - 5%	8,050,000
\$24,990,000 - 2012 General Obligation Bonds due in annual installments through FY 2033. Semi-annual interest from 2 - 4%	24,990,000
\$50,000,000 - 2014 General Obligation Bonds due in annual installments through FY 2044. Semi-annual interest from 2 - 5%	50,000,000
	\$ 405,445,000

**REVENUE BONDS**

In 1999, the State passed legislation that allowed the LVCVA to issue revenue bonds. The legislation allowed the bonds to be secured by and payable from room taxes and gaming fees, in addition to revenues from the operation of the facility.

The following is a summary of revenue bonds payable at June 30, 2014:

\$118,745,000 - 4/05 Revenue Bonds due in annual installments through FY 2020. Semi-annual interest from 3 - 5.25%	\$ 91,735,000
\$50,000,000- 11/07 Revenue Bonds due in annual installments through FY 2037. Semi-annual interest from 4 - 6%	44,620,000
\$81,925,000- 2010E Revenue Bonds due in annual installments through FY 2041. Semi-annual interest from 4 - 5.5%	81,925,000
	\$ 218,280,000

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Annual debt service requirements to maturity for general obligation / pledged revenue bonds and revenue bonds principal and interest are as follows:

Year Ending June 30,	General Obligation / Pledged Revenue Bonds		Revenue Bonds		All Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 10,350,000	\$ 21,809,940	\$ 14,450,000	\$ 10,573,205	\$ 24,800,000	\$ 32,383,145
2016	10,795,000	21,645,830	16,870,000	9,764,168	27,665,000	31,409,998
2017	11,255,000	21,181,255	17,740,000	8,904,017	28,995,000	30,085,272
2018	11,660,000	20,700,787	18,630,000	8,022,674	30,290,000	28,723,461
2019	12,200,000	20,199,363	19,560,000	7,095,474	31,760,000	27,294,837
2020-2024	73,840,000	91,383,680	35,065,000	27,416,103	108,905,000	118,799,783
2025-2029	82,375,000	69,957,052	22,335,000	22,306,963	104,710,000	92,264,015
2030-2034	82,105,000	46,729,405	28,685,000	15,913,224	110,790,000	62,642,629
2035-2039	95,105,000	19,159,661	34,015,000	7,424,229	129,120,000	26,583,890
2040-2044	15,760,000	1,747,611	10,930,000	609,400	26,690,000	2,357,011
	<u>\$ 405,445,000</u>	<u>\$ 334,514,584</u>	<u>\$ 218,280,000</u>	<u>\$ 118,029,457</u>	<u>\$ 623,725,000</u>	<u>\$ 452,544,041</u>

In early FY 2014, the LVCVA obtained approval from the Clark County Debt Management Commission for \$150 million in additional new general obligation debt issuances related to the LVGBD, and of that \$50 million was issued in February 2014. Current expectations are for \$100 million in new financing and \$68.5 million in refunding to be issued over the next year should conditions, timing and terms prove favorable to the LVCVA. Additionally, the LVCVA is evaluating the use of revenue backed bank revolving line of credit facilities to provide flexible access to funds prior to issuing bonds, which would need board approval.

#### ARBITRAGE REBATE AND DEBT COVENANT REQUIREMENTS

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the LVCVA. Under this Act, an amount may be required to be rebated to the United States Treasury (called "arbitrage") for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent such date, the LVCVA's management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

In addition, certain LVCVA long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels and revenue/expense ratios for which LVCVA management believes it to be in compliance.

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The changes in long-term liabilities for the fiscal year are as follows:

	Interest paid During the Year	Beginning Balance, July 1, 2013	Additions	Reductions	Ending Balance, June 30, 2014
<b>BONDS</b>					
<i>General Obligation/Pledged Revenue Bonds</i>					
5/07 Refunding Bonds	\$ 1,273,988	\$ 27,540,000	\$ -	\$ (2,495,000)	\$ 25,045,000
7/08 General Obligation Bonds	1,144,385	24,585,000	-	(515,000)	24,070,000
2010A General Obligation Bonds	4,721,166	70,770,000	-	-	70,770,000
2010B General Obligation/Refunding Bonds	2,160,725	49,315,000	-	(2,185,000)	47,130,000
2010C General Obligation Bonds	9,910,195	155,390,000	-	-	155,390,000
2010D General Obligation Bonds	495,875	11,785,000	-	(3,735,000)	8,050,000
2012 General Obligation Bonds	727,073	24,990,000	-	-	24,990,000
2014 General Obligation Bonds	-	-	50,000,000	-	50,000,000
<i>Revenue Bonds</i>					
4/05 Revenue Bonds	4,988,850	104,435,000	-	(12,700,000)	91,735,000
11/07 Revenue Bonds	2,180,835	45,640,000	-	(1,020,000)	44,620,000
2010E Revenue Bonds	4,140,382	81,925,000	-	-	81,925,000
Unamortized premiums and discounts		8,610,311	744,526	(1,718,047)	7,636,790
Subtotal Bonds	<u>31,743,474</u>	<u>604,985,311</u>	<u>50,744,526</u>	<u>(24,368,047)</u>	<u>631,361,790</u>
<b>OTHER LIABILITIES</b>					
Compensated absences	-	4,850,491	3,966,104	(3,713,378)	5,103,217
Capital lease obligations	-	14,287	334,547	(119,927)	228,907
Postemployment benefits other than pensions	-	17,826,785	5,719,054	(2,086,678)	21,459,161
Subtotal Other Liabilities	<u>-</u>	<u>22,691,563</u>	<u>10,019,705</u>	<u>(5,919,983)</u>	<u>26,791,285</u>
	<u>\$ 31,743,474</u>	<u>\$ 627,676,874</u>	<u>\$ 60,764,231</u>	<u>\$ (30,288,030)</u>	<u>\$ 658,153,075</u>

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The portion of each long-term liability that is due in FY 2015 is shown below:

	Principal	Interest
<b>BONDS</b>		
<hr/>		
General Obligation/Pledged Revenue Bonds		
5/07 Refunding Bonds	\$ 2,625,000	\$ 1,145,988
7/08 General Obligations Bonds	540,000	1,123,285
2010A General Obligations Bonds	-	4,721,165
2010B General Obligations Bonds	2,245,000	2,094,275
2010C General Obligations Bonds	-	9,910,195
2010D General Obligations Bonds	3,925,000	304,375
2012 General Obligations Bonds	1,015,000	716,922
2014 General Obligations Bonds	-	1,793,735
Revenue Bonds		
4/05 Revenue Bonds	13,390,000	4,303,988
12/07 Revenue Bonds	1,060,000	2,128,835
2010E Revenue Bonds	-	4,140,382
	24,800,000	32,383,145
 <b>OTHER LIABILITIES</b>		
<hr/>		
Compensated absences	3,148,755	-
Capital lease obligation	108,769	11,868
	\$ 28,057,524	\$ 32,395,013

The general fund has been used in prior years to liquidate compensated absences, net pension obligations and other post-employment obligations.

**NOTE 9. RISK MANAGEMENT:**

The LVCVA is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The LVCVA has third-party coverage for all lines of insurance, including property, commercial liability, and employees. For worker's compensation, the LVCVA is self-insured at a relatively low threshold. For claims over the threshold, third-party coverage would take effect. Settled claims from these risks have not exceeded commercial insurance coverage for the past four years.

**NOTE 10. EMPLOYEE RETIREMENT PLAN:**

**PLAN DESCRIPTION**

All of the LVCVA's regular, full-time employees participate in a statewide, cost-sharing, multiple-employer defined benefit pension plan for governmental employees administered by the Public Employees Retirement System of Nevada (PERS). PERS was established in 1948 by the Nevada State Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the Governor. The LVCVA exercises no control over PERS. NRS 286.110 states that "The respective participating public employers are not liable for any obligations of the system".

Chapter 286 of the NRS establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation.

PERS provides pension, survivor, death and disability benefits. Various payment options for these benefits are available. Regular members of the system receive full benefits upon retirement at:

- Age 65 with at least 5 years of service
- Age 60 with 10 or more years of service (if hired before January 1, 2010)
- Age 62 with 10 or more years of service (if hired after January 1, 2010)
- Any age with 30 years or more service

Retirement benefits, payable monthly for life, are equal to 2.5% of a member's average compensation per service year completed prior to July 1, 2001 and 2.67% for each year completed on or after July 1, 2001. Average compensation is the average of 36 consecutive months of the highest compensation. Benefits are fully vested upon reaching 5 years of service up to a maximum of 90% for those entering the system prior to July 1985 and 75% for those entering after that date. Vested employees who have not attained the required age may retire at any age with reduced benefits.

Contribution rates are established by the NRS and may only be amended through legislation. The contribution structure provides for yearly increases until such time as the actuarially determined unfunded liability of PERS is reduced to zero.

The required contribution rate and amount paid for fiscal years 2012-2014 were as follows:

Fiscal year ended June 30,	Annual Required Contribution Rate	Annual Contribution Amounts
2012	23.75%	\$ 6,757,897
2013	23.75%	7,174,667
2014	25.75%	8,159,778

PERS issues a stand-alone CAFR that includes financial statements and required supplementary information for the plan. This report may be obtained by contacting PERS at the following address:

Public Employees Retirement System of Nevada  
693 W. Nye Lane  
Carson City, NV 89703-1599  
(775) 687-4200

**NOTE 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):**

From the accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the costs occur, rather than in the future years when paid. The requirements of *GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, were adopted for the year ended June 30, 2008. The LVCVA recognizes the cost of postemployment healthcare in the year when the employee services are received by reporting the accumulated liability from the prior years, and providing useful information in assessing potential demands on the LVCVA's future cash flows.

**PLAN DESCRIPTION**

In accordance with NRS, retirees of the LVCVA may continue insurance through existing plans, if enrolled as an active employee at the time of retirement. The two programs available to active employees and retirees are the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF), a cost-sharing multiple-employer defined benefit plan, and Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO) plan.

The CCSF and HPN plans are not administered as a qualifying trust or equivalent arrangement, as defined by *GASB Statement No. 45*, and are included in the Clark County CAFR as an internal service fund (the Self-Funded Group Insurance Fund). The CCSF report may be obtained by writing Clark County, Nevada, PO Box 551210, 500 S. Grand Central Parkway, Las Vegas, Nevada 89155-1210.

The LVCVA provides continuation of medical insurance coverage to retirees under the State of Nevada Public Employees Benefits Program (PEBP) a cost-sharing multiple-employer defined benefit plan. For participants who enrolled in the PEBP prior to September 1, 2008, the LVCVA is responsible for payment of a monthly subsidy, based on the years of service with a local government in the Nevada PERS system for the life of the retiree. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The PEBP report may be obtained by writing or calling the Public Employee Benefit Plan, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701, (800) 326-5496.

**FUNDING POLICY**

For the CCSF and HPN plans, contribution requirements of plan members and the LVCVA are established and may be amended through negotiations between the LVCVA and Clark County. In some years, the LVCVA has made additional contributions, as determined by the CCSF Executive Board, under terms of the agreement. Retirees in the CCSF and HPN programs receive no direct subsidy from the LVCVA. Retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claim cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the LVCVA. Based on the FY 2013 actuarial report, the LVCVA has 58 PEBP retirees, 97 non-PEBP retirees, 5 surviving spouses and 474 active employees in the plans. The LVCVA currently pays for postemployment healthcare benefits on a pay-as-you-go basis.

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At the September 13, 2011, Board of Directors meeting, revisions to the LVCVA's Financial Management Policy were approved to establish a funding plan for OPEB obligations. In FY 2013, the LVCVA established an internal service fund to accumulate resources to be held in a reserve to offset the liability for postemployment benefits. Operating transfers from the general fund to the OPEB reserve fund have been incorporated into the annual budget process based on the current revenue streams and the goal of fully funding the outstanding liability. The target for fully funding is 10 years from the establishment of the OPEB reserve fund.

The LVCVA is required to pay the PEBP an explicit subsidy, based on years of service, for retirees enrolled in this plan. In 2014, retirees were eligible for a minimum subsidy of \$114 per month after 5 years of service with a Nevada state or local government entity. The maximum subsidy of \$628 per month is earned after 20 years of combined service with an eligible entity. The subsidy is set by the Nevada State Legislature.

Annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the LVCVA's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the LVCVA's net OPEB obligation.

	CCSF and		
	HPN	PEBP	Total
Annual required contribution (ARC)	\$ 4,623,286	\$ 382,697	\$ 5,005,983
Interest on net OPEB obligation	658,558	54,513	713,071
Adjustment to the ARC	(1,312,998)	(108,685)	(1,421,683)
Annual OPEB cost (expense)	3,968,846	328,525	4,297,371
Contributions made	(454,612)	(210,383)	(664,995)
Increase in net OPEB obligations	3,514,234	118,142	3,632,376
Net OPEB obligation - beginning of the year	17,732,115	94,670	17,826,785
Net OPEB obligation - end of the year	\$ 21,246,349	\$ 212,812	\$ 21,459,161

The LVCVA's annual OPEB cost, the percentage of annual cost contributed and net OPEB obligation for fiscal years 2012-2014 were as follows:

	Fiscal year ended June 30,	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
CCSF and HPN	2012	\$ 4,483,308	7.5%	\$ 14,317,598
	2013	3,822,256	10.7%	17,732,115
	2014	3,968,846	11.5%	21,246,349
PEBP	2012	411,851	55.4%	(85,888)
	2013	412,238	56.2%	94,670
	2014	328,525	64.0%	212,812

**FUNDED STATUS AND FUNDING PROGRESS**

The funded status of the plans as of the most recent actuarial valuation date was as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a percentage of Covered Payroll
<b>CCSF and HPN</b>						
7/1/2012	\$ -	\$ 40,159,887	\$ 40,159,887	0%	\$ 30,228,041	133%
<b>PEBP</b>						
7/1/2012	\$ -	\$ 6,363,081	\$ 6,363,081	0%	N/A*	N/A*

\*PEBP is a closed plan; and therefore, there are no current employees covered by the PEBP.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**ACTUARIAL METHODS AND ASSUMPTIONS**

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the LVCVA and the plan members. Bi-annual actuarial reports and mid-period adjustments to such estimates reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

	<u>CCSF, HPN and PEBP</u>
Actuarial valuation date	July 1, 2012
Actuarial cost method	Entry age normal, level dollar amount
Amortization method	30 years, open, level dollar amount
Remaining amortization period	30 years remaining as of July 1, 2012
Asset valuation	N/A, no assets in trust
<b>Actuarial assumptions:</b>	
Investment rate of return	4%
Projected salary increases	N/A
Cost of living adjustments	N/A
Healthcare inflation rates	PPO - 8.5% in 2013/2014, grading down 0.5% per year until reaching an ultimate rate of 5.0%. HMO - 8.5% in 2013/2014, 10% in 2014/2015, 8.0% in 2015/2016, grading down 0.5% per year until reaching an ultimate rate of 5.0%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

## **NOTE 12. CLASSIFICATION OF NET POSITION AND FUND BALANCES:**

### **FUND BALANCE CLASSIFICATIONS:**

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, effective for periods beginning after June 15, 2010. Under GASB Statement No. 54, fund balances are required to be reported in classifications based on the following LVCVA definitions:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. These classifications include inventories, prepaid items, assets held for sale and long-term receivables.

Restricted Fund Balance - Includes constraints placed on the use of these resources that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed Fund Balance - Includes amounts that can only be used for a specific purpose because of a formal action (resolution or board approval both of which are considered to be equally binding) by the government's highest level of decision-making authority, which is the LVCVA's Board of Directors. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

Assigned Fund Balance - Includes amounts that are constrained by the LVCVA's intent for specific purposes, but do not meet the criteria to be classified as restricted or committed. The LVCVA Board of Directors has provided such authority to express intent in policy FIN-25 to the President/CEO and the Senior Vice President of Finance. Constraints imposed on the use of assigned amounts can be removed without formal Board action.

Unassigned Fund Balance - This is the residual classification of the general fund. This is fund balance that has not been reported in any other classification. The general fund is the only fund that can report a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as a result of overspending for specific purposes for which amounts have been restricted, committed or assigned.

### **SPENDING PRIORITIZATION IN USING AVAILABLE RESOURCES:**

When both restricted resources and other resources (*i.e.* committed, assigned, and unassigned) can be used for the same purposes, the LVCVA financial management policy considers restricted resources to be spent first.

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the LVCVA budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

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**GENERAL FUND BALANCE POLICY:**

Based on Nevada Administrative Code 354.650-660, a minimum unreserved fund balance of 4.0% of budgeted general fund operating expenditures must be maintained. The LVCVA begins each new fiscal year operating from beginning fund balance for six weeks based on the timing of the first "new" years' room tax collections. Six weeks is approximately 12% of budgeted operating expenditures. Thus, in order to ensure that the LVCVA has sufficient cash on hand to meet all of its financial obligations in a timely manner and to ensure that essential services are not disrupted in times of fluctuating revenues, the LVCVA's fiscal practice is to target an ending fund balance between 4% and 16% to prepare for potential variances in economic conditions without detriment to operations.

The fund balances by component at June 30, 2014, were:

	General Fund	Capital Project Funds	Debt Service Funds
Non-Spendable			
Inventory	\$ 413,896	\$ -	\$ -
Prepaid items	4,441,094	330,109	-
Other	116,662	-	-
Restricted			
Capital project programs	-	30,110,159	-
Debt service programs	-	-	46,899,691
Collection allocation	6,699,442	-	-
Nevada Department of Transportation	-	19,244,163	-
Committed			
Capital project programs	-	35,833,336	-
Debt service programs	-	-	6,247,440
Operating budget	3,136,012	-	-
Assigned			
Marketing and advertising	4,675,000	-	-
Capital project programs	11,500,000	1,780,522	-
General government	580,000	-	-
Global business district	435,000	-	-
Community support	800,000	-	-
Unassigned	1,923,215	-	-
	<u>\$ 34,720,321</u>	<u>\$ 87,298,289</u>	<u>\$ 53,147,131</u>

**NOTE 13. COMMITMENTS AND CONTINGENCIES:**

From 2007 through 2009, the United States experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which had far-reaching effects on the economic activity in the country. In FY 2012 and FY 2013, the economy began to stabilize and has helped to stabilize the LVCVA's current operations as well. In FY 2014, the LVCVA showed higher than expected increases in its primary revenue stream, room tax. However, the long-term impact of these factors on the Nevada economy and the LVCVA's future operation cannot be predicted at this time.

The LVCVA often carries cash and cash equivalents on deposits with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of the economic conditions discussed in the foregoing paragraph. The extent of a future loss to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution, if any, is not subject to estimation at this time.

**CONTRACTS AND COMMITMENTS**

**ADVERTISING AGENCY**

R&R Partners is the official advertising and marketing communications agency for the LVCVA. The company develops marketing plans for both long-term and short-term initiatives and works with the LVCVA in the areas of consumer marketing, business and convention marketing, international marketing and extended destination marketing. Compensation is 12.5% of gross billed amounts for commission on media and external production and services, plus an agency service fee of \$480,000 per month in the current fiscal year. The current contract term is through June 2015, which can be terminated by either party with 90 days' notice. The LVCVA, through R&R Partners, also sponsors various special events which bring people to Las Vegas. Some of these involve multi-year contracts. The sponsorship contract commitments at June 30, 2014 are \$4.2 million for FY 2015 and \$1.1 million for FY 2016.

**INTERNATIONAL OFFICES**

The Authority is party to contracts for international office representation in Australia, Canada, European Union, Mexico, United Kingdom, South America, Japan, China, and South Korea. The 2-year contracts were approved at the May 13, 2014, board of directors meeting. The contract's value for FY 2015 and FY 2016 are \$4.1 million collectively and can be terminated immediately, with cause, by written notice.

**NATIONAL FINALS RODEO**

In January 2014, and amended in August 2014, the LVCVA entered into an agreement with Professional Rodeo Cowboys Association (PRCA), through Las Vegas Events, to provide annual payments of \$2.2 million as an annual sponsorship fee for the National Finals Rodeo, with the possibility of adding another event with an addition sponsorship fee of \$287,000. The contract is for 10 years, lasting through FY 2024.

**TECHNOLOGY SERVICES AGREEMENT**

In August 2013, the LVCVA entered into an agreement with Cox Nevada Telcom (Cox) for telecommunications services for the Las Vegas Convention Center, Cashman Center and various other buildings belonging to the LVCVA. Cox is obligated to invest at least \$9.5 million of telecommunication infrastructure improvements to the LVCVA's facilities, over the life of the agreement which ends on

September 28, 2020. As of June 30, 2014 the total investment was \$8,608,044. The investment shall be owned by the LVCVA at the end of the term. If early termination occurs the LVCVA is obligated to reimburse Cox for a portion of their investment (\$8,078,463 if termination occurred June 30, 2014). This is considered a contingent liability which is not recorded in the LVCVA financial statements.

**OTHER OBLIGATIONS**

The LVCVA has no long-term obligation to fund other organizations, for example, Las Vegas Events. However, we acknowledge these other organizations do engage in long-term sponsorship commitments.

**CONSTRUCTION CONTRACTS AND OTHER SIGNIFICANT COMMITMENTS**

The LVCVA is a party to several contracts and commitments relating to construction projects and services related to the LVCVA's facilities and land. At June 30, 2014, such contracts, in the capital projects fund, totaled approximately \$6,130,086 with an estimated outstanding balance of \$2,384,506. Other significant encumbrances in the general fund totaled approximately \$3,423,582.

**LEGAL MATTERS**

The LVCVA is the defendant in various legal actions. It is the opinion of the LVCVA's management and legal counsel that they will not result in any material liabilities to the LVCVA.

The LVCVA does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

There is ground water contamination in one of the parking areas of the LVCC. However, the source and cause of the contamination has not been established. Management does not believe that the LVCVA is responsible for this condition or its clean up.

**NOTE 14. ROOM TAX REVENUE:**

Revenue for the LVCVA is primarily provided by a 10%-13% room tax imposed on lodging establishments in Clark County, Nevada. The division of this tax is presented below:

	Total	LVCVA	Clark County School District	Clark County Transportation	Taxing Entity	State of Nevada
Resort hotels	12%-13%	5%-6%	1 5/8%	1%	0%-2%	3 3/8%
Other hotel and motels	10%-13%	2%-5%	1 5/8%	1%	0%-2%	2 3/8% - 3 3/8%

As provided for by NRS 244A.645, up to 10% of the total room taxes and gaming fees received by the LVCVA may be paid back to the county and incorporated cities. The LVCVA has an agreement with these entities that determines the individual split of these amounts collected, which cannot exceed 10% of the total amounts remitted to the LVCVA. The total recognized as other community support was \$22,538,180 in FY 2014.

**NOTE 15. SUBSEQUENT EVENTS:**

Land acquisition is an integral part of the LVGBD. During September 2014, the LVCVA has made various offers on parcels of land near or adjacent to the LVCC campus. Negotiations are currently underway.

# REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF FUNDING PROGRESS

Postemployment Benefits Other Than Pensions

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

### Governmental Funds

#### *General Fund*

This fund is the primary operating fund, which accounts for the accumulation of financial resources of the LVCVA; except for those required to be accounted for in a separate fund.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Schedule of Funding Progress  
Postemployment Benefits Other Than Pensions

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>CCSF and HPN</u>						
7/1/2008	---	\$ 25,033,272	\$ 25,033,272	0%	\$ 30,317,437	83%
7/1/2010	---	40,177,231	40,177,231	0%	28,609,549	140%
7/1/2012	---	40,159,887	40,159,887	0%	30,228,041	133%
<u>PEBP</u>						
7/1/2008	---	\$ 221,086	\$ 221,086	0%	N/A*	N/A*
7/1/2010	---	7,094,936	7,094,936	0%	N/A*	N/A*
7/1/2012	---	6,363,081	6,363,081	0%	N/A*	N/A*

\* PEBP is a closed plan; and therefore, there are no current employees covered by the PEBP.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Room taxes and gaming fees	\$ 214,950,000	\$ 214,950,000	\$ 224,491,493	\$ 9,541,493
Charges for services	52,199,700	52,199,700	60,786,406	8,586,706
Interest and investment earnings	199,200	199,200	353,464	154,264
Miscellaneous	5,300	5,300	4,020	(1,280)
<b>Total revenues</b>	<b>267,354,200</b>	<b>267,354,200</b>	<b>285,635,383</b>	<b>18,281,183</b>
<b>Expenditures:</b>				
General government	13,504,500	14,586,900	14,208,721	378,179
Marketing	28,809,900	29,366,500	28,242,821	1,123,679
Advertising	92,221,900	93,042,300	92,470,992	571,308
Global business district (previously Operations)	44,053,000	45,038,900	44,964,997	73,903
Community support and grants:				
Special events grants	9,017,576	9,017,576	8,570,890	446,686
Other community support	24,030,300	21,995,000	22,449,149	(454,149)
<b>Total expenditures</b>	<b>211,637,176</b>	<b>213,047,176</b>	<b>210,907,570</b>	<b>2,139,606</b>
Excess of revenues over expenditures	55,717,024	54,307,024	74,727,813	20,420,789
<b>Other financing sources (uses):</b>				
Transfers in	86,700	86,700	114,454	27,754
Transfers out	(58,675,288)	(63,675,288)	(61,483,509)	2,191,779
Proceeds from the sale of assets	20,000	20,000	80,073	60,073
<b>Total other financing sources (uses):</b>	<b>(58,568,588)</b>	<b>(63,568,588)</b>	<b>(61,288,982)</b>	<b>2,279,606</b>
<b>Net change in fund balances</b>	<b>(2,851,564)</b>	<b>(9,261,564)</b>	<b>13,438,831</b>	<b>22,700,395</b>
Fund balances - beginning	21,281,490	21,281,490	21,281,490	-
<b>Fund balances - ending</b>	<b>\$ 18,429,926</b>	<b>\$ 12,019,926</b>	<b>\$ 34,720,321</b>	<b>\$ 22,700,395</b>

**NOTE 1. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS:**

For the year ended June 30, 2014, no significant events occurred that would have affected or changed the benefits provision, size or composition of those covered by the other post-employment benefit plans, or actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2012.

The actuarial accrued liability and unfunded actuarial accrued liability involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These estimates are subject to continual revisions.

Additional information related to postemployment benefits other than pensions can be found in Note 11 to the LVCVA's basic financial statements on pages 40 through 43 of this report.

**NOTE 2. BASIS OF PRESENTATION:**

The accompanying required supplementary general fund schedule of revenues, expenditures and changes in fund balances presents the original adopted budget, the final amended budget and actual general fund data. The original budget was adopted on a basis consistent with the LVCVA's financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

Additional budgetary information can be found in Note 3 to the LVCVA's financial statements on page 29-30 of this report.

# INDIVIDUAL FUND INFORMATION

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL

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### **Governmental Funds**

#### Capital Projects Fund

This fund is used to account for the acquisition of capital assets and the construction of new facilities or improvements.

#### Debt Service Fund

This fund accounts for the accumulation of resources and principal and interest payments of the LVCVA's long-term debt.

### **Proprietary Funds**

#### Internal Service Fund

This fund is used to accumulate monies in reserve for other post-employment benefits liabilities.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Capital Projects Fund  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest and investment earnings	\$ 85,700	\$ 85,700	\$ 134,462	\$ 48,762
Miscellaneous	-	-	792,129	792,129
Total revenues	<u>85,700</u>	<u>85,700</u>	<u>926,591</u>	<u>840,891</u>
<b>Expenditures:</b>				
Capital outlay:				
Land	-	21,750,000	21,008,640	741,360
Land improvements	100,000	2,110,050	1,679,577	430,473
Building	758,200	2,722,442	2,534,754	187,688
Furniture and equipment	866,800	1,153,340	774,230	379,110
Construction in progress	525,000	6,073,052	2,125,402	3,947,650
Noncapitalized assets	-	600,000	1,261,179	(661,179)
Capital grants to other governments	-	7,611,653	402,017	7,209,636
Debt service				
Principal	-	-	119,927	(119,927)
Interest	-	-	710	(710)
Debt issuance costs	-	300,000	1,455,215	(1,155,215)
Total expenditures	<u>2,250,000</u>	<u>42,320,537</u>	<u>31,361,651</u>	<u>10,958,887</u>
Deficiency of revenues under expenditures	<u>(2,164,300)</u>	<u>(42,234,837)</u>	<u>(30,435,060)</u>	<u>11,799,777</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,250,000	7,250,000	7,250,000	-
Issuance of capital lease obligation	-	-	334,547	334,547
Issuance of debt	-	50,000,000	50,000,000	-
Premium on debt issuance	-	-	744,526	744,526
Total other financing sources (uses)	<u>2,250,000</u>	<u>57,250,000</u>	<u>58,329,073</u>	<u>1,079,073</u>
Net change in fund balances	85,700	15,015,163	27,894,013	12,878,850
Fund balances - beginning	<u>59,404,276</u>	<u>59,404,276</u>	<u>59,404,276</u>	-
Fund balances - ending	<u><u>\$59,489,976</u></u>	<u><u>\$74,419,439</u></u>	<u><u>\$87,298,289</u></u>	<u><u>\$ 12,878,850</u></u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Debt Service Fund  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest and investment earnings	\$ 86,700	\$ 86,700	\$ 113,857	\$ 27,157
Federal grant subsidy	2,560,488	2,560,488	4,752,266	2,191,778
	<u>2,647,188</u>	<u>2,647,188</u>	<u>4,866,123</u>	<u>2,218,935</u>
<b>Expenditures:</b>				
3/05 Bond				
Principal	12,700,000	12,700,000	12,700,000	-
Interest	4,988,850	4,988,850	4,988,850	-
2007 Bond				
Principal	2,495,000	2,495,000	2,495,000	-
Interest	1,273,988	1,273,988	1,273,988	-
11/07 Bond				
Principal	1,020,000	1,020,000	1,020,000	-
Interest	2,180,835	2,180,835	2,180,835	-
7/08 NDOT Bond				
Principal	515,000	515,000	515,000	-
Interest	1,144,385	1,144,385	1,144,385	-
2010B NDOT/Refunding Bonds				
Principal	2,095,000	2,095,000	2,095,000	-
Interest	982,725	982,725	982,725	-
2010A NDOT/BABs Bond				
Interest	4,721,166	4,721,166	4,721,166	-
2010B Refunding Bond				
Principal	90,000	90,000	90,000	-
Interest	1,178,000	1,178,000	1,178,000	-
2010C NDOT/BABs Bond				
Interest	9,910,195	9,910,195	9,910,195	-
2010D NDOT Bond				
Principal	3,735,000	3,735,000	3,735,000	-
Interest	495,875	495,875	495,875	-
2010E Refunding Bond				
Interest	4,140,382	4,140,382	4,140,382	-
2012 Land Bond				
Interest	727,072	727,072	727,072	-
Total expenditures	<u>54,393,473</u>	<u>54,393,473</u>	<u>54,393,473</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(51,746,285)</u>	<u>(51,746,285)</u>	<u>(49,527,350)</u>	<u>2,218,935</u>
<b>Other financing sources (uses):</b>				
Transfers in	53,425,288	53,425,288	51,233,509	(2,191,779)
Transfers out	(86,700)	(86,700)	(114,454)	(27,754)
Total other financing sources (uses):	<u>53,338,588</u>	<u>53,338,588</u>	<u>51,119,055</u>	<u>(2,219,533)</u>
Net change in fund balances	1,592,303	1,592,303	1,591,705	(598)
Fund balances - beginning	51,555,426	51,555,426	51,555,426	-
Fund balances - ending	<u>\$ 53,147,729</u>	<u>\$ 53,147,729</u>	<u>\$ 53,147,131</u>	<u>\$ (598)</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
Internal Service Fund  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Non-operating revenues (expenses):				
Interest and investment earnings	\$ 16,700	\$ 16,700	\$ 21,738	\$ 5,038
Income before transfers	16,700	16,700	21,738	5,038
Transfers in	\$ 3,000,000	\$ 3,000,000	3,000,000	-
Change in net position	3,016,700	3,016,700	3,021,738	5,038
Net position - beginning	2,973,867	2,973,867	2,973,867	-
Net position - ending	\$ 5,990,567	\$ 5,990,567	\$ 5,995,605	\$ 5,038

# STATISTICAL SECTION

## Statistical Section (unaudited)

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Statistical schedules differ from financial statements because they usually cover several fiscal years and may present non-accounting data. The statistical tables presented in this section reflect social and economic data along with financial trends of the LVCVA. Certain tables recommended by the Governmental Accounting Standards Board (GASB) are not included because property taxes are not a source of revenue.

### Financial Trends

These schedules contain trend information to help the reader understand how the LVCVA's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the LVCVA's most significant local revenue source, room tax.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the LVCVA's current levels of outstanding debt and the LVCVA's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the LVCVA's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the LVCVA's financial report relates to services the LVCVA provides and the activities it measures.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands <sup>(3)</sup>)  
(unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Primary government										
Net investment in capital assets	\$ 97,216	\$ 143,282	\$ 136,713	\$ 136,347	\$ 183,400	\$ 189,393	\$ 161,799	\$ 156,090	\$ 163,258	\$ 170,538
Restricted:										
Capital grants to other governments					13,281	68,705	97,234	30,181	19,612	19,244
Debt service	16,771	17,502	16,684	20,423	48,584	51,058	34,276	43,659	44,555	46,900
Unrestricted:										
Related to non-capital debt					(26,455)	(125,655)	(299,100)	(293,465)	(287,360)	(281,084)
Related to capital projects	44,747	51,330	84,605	115,136	77,250	56,272	37,552	44,172	39,793	68,054
Other*	49,412	30,826	46,539	56,094	15,861	12,677	19,740	15,038	9,159	(8,488)
Total primary government net position*	<u>\$ 208,146</u>	<u>\$ 242,940</u>	<u>\$ 284,541</u>	<u>\$ 328,000</u>	<u>\$ 311,921</u>	<u>\$ 252,450</u>	<u>\$ 51,501</u>	<u>\$ (4,325)</u>	<u>\$ (10,983)</u>	<u>\$ 15,164</u>

\* Retroactive restatement of balances for implementation of GASB No. 65 in FY 2014.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS** <sup>(1) (2)</sup>  
**LAST TEN FISCAL YEARS**  
(amounts expressed in millions <sup>(3)</sup>)  
(unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
Reserved	\$ 1.1	\$ 2.8	\$ 4.0	\$ 1.1	\$ 0.5	\$ 0.9	-	-	-	-
Unreserved	46.0	26.8	33.2	44.7	17.9	18.6	-	-	-	-
Nonspendable	-	-	-	-	-	-	\$ 1.8	\$ 2.5	\$ 3.3	\$ 5.0
Restricted	-	-	-	-	-	-	5.3	5.4	5.8	6.7
Committed	-	-	-	-	-	-	11.7	10.4	2.9	3.1
Assigned	-	-	-	-	-	-	13.7	11.1	6.9	18.0
Unassigned	-	-	-	-	-	-	3.2	4.1	2.4	1.9
Total general fund	<u>47.1</u>	<u>29.6</u>	<u>37.2</u>	<u>45.8</u>	<u>18.4</u>	<u>19.5</u>	<u>35.7</u>	<u>33.5</u>	<u>21.3</u>	<u>34.7</u>
All other governmental funds										
Reserved	61.5	68.8	101.3	133.8	141.3	176.0	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	0.1	-	-	-	-	-
Capital fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	0.1	0.1	1.4	11.6	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	0.3
Restricted	-	-	-	-	-	-	131.6	73.9	64.2	96.3
Committed	-	-	-	-	-	-	37.2	24.9	43.9	42.1
Assigned	-	-	-	-	-	-	0.3	19.2	2.9	1.8
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>61.6</u>	<u>68.9</u>	<u>102.7</u>	<u>145.4</u>	<u>141.4</u>	<u>176.0</u>	<u>169.1</u>	<u>118.0</u>	<u>111.0</u>	<u>140.5</u>
Total governmental funds	<u>\$ 108.7</u>	<u>\$ 98.5</u>	<u>\$ 139.9</u>	<u>\$ 191.2</u>	<u>\$ 159.8</u>	<u>\$ 195.5</u>	<u>\$ 204.8</u>	<u>\$ 151.5</u>	<u>\$ 132.3</u>	<u>\$ 175.2</u>

(1) This schedule uses the modified accrual basis of accounting.

(2) In FY11, new classifications were implemented as required under GASB 54.

(3) Amounts expressed in thousands or millions may not foot due to rounding.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**CHANGES IN NET POSITION <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands<sup>(6)</sup>)  
(unaudited)

<b>Program Revenues</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Charges for Services</b>										
Marketing	\$ 2,065	\$ 2,843	\$ 2,671	\$ 3,486	\$ 1,618	\$ 1,869	\$ 1,929	\$ 1,388	\$ 1,587	\$ 2,203
Global business district <sup>(7)</sup>	43,004	45,575	48,400	55,781	45,408	43,832	46,177	47,311	46,164	58,618
<b>Operating Grants and Contributions:</b>										
Special events grants	-	-	-	-	866	-	-	-	-	-
<b>Capital Grants and Contributions:</b>										
General government	-	-	-	-	-	711	3,608	5,121	4,898	4,752
Global business district <sup>(7)</sup>									756	358
<b>Total governmental activities program revenues</b>	<b>45,069</b>	<b>48,417</b>	<b>51,071</b>	<b>59,267</b>	<b>47,892</b>	<b>46,412</b>	<b>51,714</b>	<b>53,820</b>	<b>53,405</b>	<b>65,931</b>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government <sup>(2)</sup>	4,063	7,527	7,798	9,773	14,279	11,040	11,226	13,162	14,032	15,016
Marketing	30,374	32,198	33,061	34,617	30,620	27,329	28,625	31,488	31,456	29,015
Advertising	78,213	82,923	84,713	88,074	89,548	87,199	79,504	83,636	90,587	92,471
Global business district <sup>(7)</sup>	45,890	50,554	54,072	58,248	50,099	50,810	53,087	57,771	58,828	65,679
<b>Community support and grants:</b>										
Capital grants to other governments	-	-	-	-	10,960	45,989	144,135	67,095	10,605	402
Special events grants	8,128	11,017	14,810	12,967	6,574	7,437	8,059	7,714	8,234	8,571
Other community support	21,168	22,871	25,360	25,590	21,317	16,929	19,297	21,274	20,536	22,538
Interest on long-term debt	11,688	12,826	12,552	14,317	17,230	17,138	27,346	32,610	32,218	31,439
Bond issuance costs	-	-	-	-	-	-	-	-	-	1,455
<b>Total governmental activities expenses</b>	<b>199,524</b>	<b>219,916</b>	<b>232,366</b>	<b>243,586</b>	<b>240,627</b>	<b>263,871</b>	<b>371,278</b>	<b>314,750</b>	<b>266,495</b>	<b>266,586</b>
<b>Net Expenses</b>	<b>(154,455)</b>	<b>(171,499)</b>	<b>(181,295)</b>	<b>(184,319)</b>	<b>(192,735)</b>	<b>(217,459)</b>	<b>(319,564)</b>	<b>(260,930)</b>	<b>(213,090)</b>	<b>(200,655)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Room taxes and gaming fees	181,805	202,050	216,893	221,744	173,580	157,810	180,466	202,571	205,355	225,382
Interest and investment earnings	2,048	3,800	5,777	6,599	3,522	875	1,045	448	305	624
Miscellaneous	-	-	-	-	-	-	1,412	1,620	1,005	796
Gain/loss on the sale of capital assets <sup>(3)</sup>	17	28	53	(7)	-	-	-	-	-	-
<b>Total general revenues</b>	<b>183,870</b>	<b>205,878</b>	<b>222,723</b>	<b>228,336</b>	<b>177,102</b>	<b>158,685</b>	<b>182,922</b>	<b>204,639</b>	<b>206,665</b>	<b>226,801</b>
Special item - Miscellaneous <sup>(5)</sup>	-	-	-	-	-	-	(59,481)	-	-	-
<b>Total general revenues and special items</b>	<b>183,870</b>	<b>205,878</b>	<b>222,723</b>	<b>228,336</b>	<b>177,102</b>	<b>158,685</b>	<b>123,441</b>	<b>204,639</b>	<b>206,665</b>	<b>226,801</b>
Change in net position	29,415	34,379	41,428	44,017	(15,633)	(58,774)	(196,123)	(56,291)	(6,425)	26,146
Net position - beginning (as previously reported)	204,140	210,808	245,187	286,614	330,631	314,998	256,317	60,194	3,903	(2,522)
Adjustments <sup>(4)</sup>	(22,748)	-	-	-	-	93	-	-	-	(8,461)
Net position - beginning (as adjusted)	181,392	210,808	245,187	286,614	330,631	315,091	256,317	60,194	3,903	(10,983)
<b>Net position - ending</b>	<b>\$210,808</b>	<b>\$245,187</b>	<b>\$ 286,614</b>	<b>\$ 330,631</b>	<b>\$ 314,998</b>	<b>\$ 256,317</b>	<b>\$ 60,194</b>	<b>\$ 3,903</b>	<b>\$ (2,522)</b>	<b>\$ 15,164</b>

(1) This schedule uses the accrual basis of accounting under GASB 34.

(2) In FY 2006, Public affairs section transferred from Marketing to General government. Beginning in FY 2009, the Finance and Materials management sections were transferred from Operations to General government.

(3) Beginning in FY 2009, any gains or losses on the sale of capital assets have been recorded as an expense of the Operations function.

(4) Adjustments to beginning fund balance were the result of a change in accounting estimate in FY 2005, GASB 51 implementation in FY 2010 and GASB 65 implementation in FY 2014.

(5) Special item in FY 2012 related to an impairment of CWIP.

(6) Amounts expressed in thousands may not foot due to rounding.

(7) In FY2014, Operations was renamed Global business district.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands <sup>(3)</sup>)  
(unaudited)

<b>Revenues</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Room taxes and gaming fees	\$ 178,201	\$ 202,050	\$215,205	\$ 222,585	\$178,828	\$ 156,007	\$ 177,345	\$201,406	\$ 205,028	\$ 224,492
Charges for service	45,056	48,360	50,916	57,689	46,504	44,536	48,159	49,169	47,847	60,786
Earnings on investments	2,048	3,801	5,777	6,599	3,522	875	1,045	448	331	602
Federal grant subsidy	-	-	-	-	-	711	3,608	5,121	4,898	4,752
Miscellaneous	12	59	155	1,004	794	1,046	1,396	1,620	1,005	796
<b>Total revenues</b>	<b>225,318</b>	<b>254,270</b>	<b>272,053</b>	<b>287,877</b>	<b>229,648</b>	<b>203,175</b>	<b>231,552</b>	<b>257,764</b>	<b>259,109</b>	<b>291,428</b>
<b>Expenses</b>										
General government <sup>(2)</sup>	4,061	7,430	7,799	9,192	12,861	10,701	10,374	12,452	13,246	14,209
Marketing	30,225	31,991	33,079	33,909	30,165	26,755	27,459	30,290	30,302	28,243
Advertising	78,213	82,923	84,713	88,074	89,548	87,199	79,504	83,636	90,587	92,471
Global business district <sup>(4)</sup>	34,824	36,890	41,270	43,940	37,350	34,186	34,009	37,132	36,691	44,965
Community support and grants:										
Capital grants to other governments	-	-	-	-	10,960	45,989	144,135	67,095	10,605	402
Special events grants	6,948	9,817	13,544	11,967	6,574	7,438	8,058	7,714	8,234	8,571
Other community support	21,805	24,435	24,873	26,920	22,559	16,749	18,985	21,158	20,509	22,449
Other	-	-	-	-	-	-	5,193	-	-	-
Capital outlay:										
Capitalized assets	5,574	46,794	29,801	112,556	46,378	9,410	9,619	7,480	32,886	28,123
Non-capitalized assets	572	918	992	906	616	698	848	1,505	3,316	1,261
Debt service:										
Principal	9,950	11,725	11,050	11,605	13,340	13,580	121,511	9,175	21,689	22,770
Interest	14,528	11,498	13,341	12,384	17,114	14,983	19,236	33,676	32,360	31,744
Bond issuance costs	1,816	2	722	1,053	-	1,018	-	-	724	1,455
<b>Total expenditures</b>	<b>208,516</b>	<b>264,423</b>	<b>261,184</b>	<b>352,506</b>	<b>287,465</b>	<b>268,706</b>	<b>478,931</b>	<b>311,313</b>	<b>301,149</b>	<b>296,663</b>
Excess (deficiency of revenues over (under) expenditures	16,802	(10,153)	10,869	(64,628)	(57,817)	(65,531)	(247,379)	(53,549)	(42,040)	(5,235)
<b>Other financing sources (uses)</b>										
Transfers in	46,852	79,275	62,393	67,761	60,217	43,928	84,168	61,133	69,848	59,354
Transfers out	(46,852)	(79,275)	(62,393)	(67,761)	(60,217)	(43,928)	(84,168)	(61,133)	(72,848)	(62,354)
Proceeds from the sale of capital assets	33	30	70	14	15	218	29	223	57	80
Issuance of capital lease obligation	-	-	-	-	-	-	281	-	15	335
Issuance of debt	118,745	-	69,200	115,000	26,455	124,290	255,830	-	24,990	50,000
Premium on debt issuance	10,359	-	2,050	911	-	2,052	1,685	-	756	745
Discount on debt issuance	-	-	-	-	-	-	(1,192)	-	-	-
Payment of refunded debt escrow agent	(128,953)	-	(40,797)	-	-	(25,322)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>185</b>	<b>30</b>	<b>30,524</b>	<b>115,925</b>	<b>26,470</b>	<b>101,238</b>	<b>256,633</b>	<b>223</b>	<b>22,818</b>	<b>48,160</b>
<b>Net change in fund balances</b>	<b>16,987</b>	<b>(10,123)</b>	<b>41,393</b>	<b>51,296</b>	<b>(31,347)</b>	<b>35,707</b>	<b>9,254</b>	<b>(53,326)</b>	<b>(19,222)</b>	<b>42,925</b>
<b>Fund balance - beginning</b>	<b>91,624</b>	<b>108,610</b>	<b>98,487</b>	<b>139,879</b>	<b>191,176</b>	<b>159,829</b>	<b>195,535</b>	<b>204,789</b>	<b>151,463</b>	<b>132,241</b>
<b>Fund balance - ending</b>	<b>\$ 108,610</b>	<b>\$ 98,487</b>	<b>\$139,879</b>	<b>\$ 191,176</b>	<b>\$159,829</b>	<b>\$ 195,535</b>	<b>\$ 204,789</b>	<b>\$ 151,463</b>	<b>\$ 132,241</b>	<b>\$ 175,166</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>12.1%</b>	<b>10.7%</b>	<b>10.5%</b>	<b>10.0%</b>	<b>12.7%</b>	<b>11.1%</b>	<b>30.1%</b>	<b>14.2%</b>	<b>20.2%</b>	<b>20.3%</b>

(1) This schedule uses the modified accrual basis of accounting.

(2) In FY 2005, Safety section was transferred from General government to Operations. In FY 2006, the Public affairs section transferred from Marketing to General government. Beginning in FY 2009, the Finance and Materials management sections were transferred from Operations to General government.

(3) Amounts expressed in thousands may not foot due to rounding.

(4) In FY2014, Operations was renamed Global business district.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
GENERAL GOVERNMENTAL EXPENDITURES <sup>(1)</sup>  
FOR ALL GOVERNMENTAL FUND TYPES  
LAST TEN FISCAL YEARS  
(unaudited)

The schedule below includes expenditures recorded in the general, debt service, capital improvement and replacement funds excluding nonrecurring expenditures. Nonrecurring expenditures include miscellaneous expenditures from the general fund including; annual depreciation and amortization, OPEB, non-capitalized assets, disposal of assets and related gain or loss, compensated absences, capital grants to other governments, non-capitalized assets, debt issuance costs and other. Additionally, expenditures from any special revenue funds are excluded.

Fiscal Year	Total Expenditures	General Government <sup>(3)</sup>		Marketing <sup>(2)</sup>		Advertising	
2005	\$ 171,875,280	\$ 4,060,571	2%	\$ 30,226,423	18%	\$ 78,211,815	46%
2006	226,611,761	7,429,634	3%	31,990,834	14%	82,923,473	37%
2007	198,904,193	7,799,028	4%	33,079,358	17%	84,713,300	43%
2008	214,024,724	9,192,348	4%	33,908,754	16%	88,074,185	41%
2009	236,824,486	12,860,753	5%	30,165,052	13%	89,547,692	38%
2010	186,919,649	10,700,951	6%	26,754,911	14%	87,199,280	47%
2011	232,226,854	10,373,913	4%	27,458,590	12%	79,504,487	34%
2012	241,712,622	12,452,224	5%	30,289,998	14%	83,636,231	35%
2013	286,504,452	13,246,144	5%	30,301,848	10%	90,587,216	32%
2014	293,544,284	14,208,721	5%	28,242,821	9%	92,470,992	31%

Fiscal Year	Global Business District <sup>(5)(6)</sup>		Special Events Grants		Other Community Grants <sup>(6)</sup>		Capital Outlay		Debt Service <sup>(4)</sup>	
2005	\$ 34,824,210	20%	\$ 6,948,346	4%	\$ 21,804,746	13%	\$ 6,145,825	4%	\$ 24,477,554	14%
2006	36,890,102	16%	9,816,706	4%	24,431,488	11%	46,794,116	21%	23,225,511	10%
2007	41,269,630	21%	13,543,716	7%	24,872,455	13%	10,505,252	5%	24,391,084	12%
2008	43,940,271	21%	11,967,338	6%	26,673,197	12%	20,209,772	9%	23,999,130	11%
2009	37,350,037	16%	6,574,416	3%	20,227,815	9%	46,994,159	20%	30,454,599	13%
2010	34,186,143	18%	7,437,670	4%	16,650,670	9%	9,409,687	5%	28,766,480	15%
2011	34,008,771	15%	8,058,471	3%	18,785,979	8%	9,618,513	4%	44,418,130	19%
2012	37,131,878	15%	7,713,777	3%	20,157,585	8%	7,479,924	3%	42,851,005	18%
2013	36,690,902	13%	8,233,771	3%	20,509,181	7%	32,886,283	11%	54,049,107	19%
2014	44,964,997	15%	8,570,890	3%	22,449,149	8%	28,122,603	10%	54,514,110	19%

(1) This schedule uses the modified accrual basis of accounting.

(2) In FY 2006, the Public Affairs section was transferred from the Marketing function to the General Government function.

(3) In FY 2009, the Finance and Materials Management sections were transferred from Operations to the General Government function.

(4) Includes debt service from capital project fund and debt service fund.

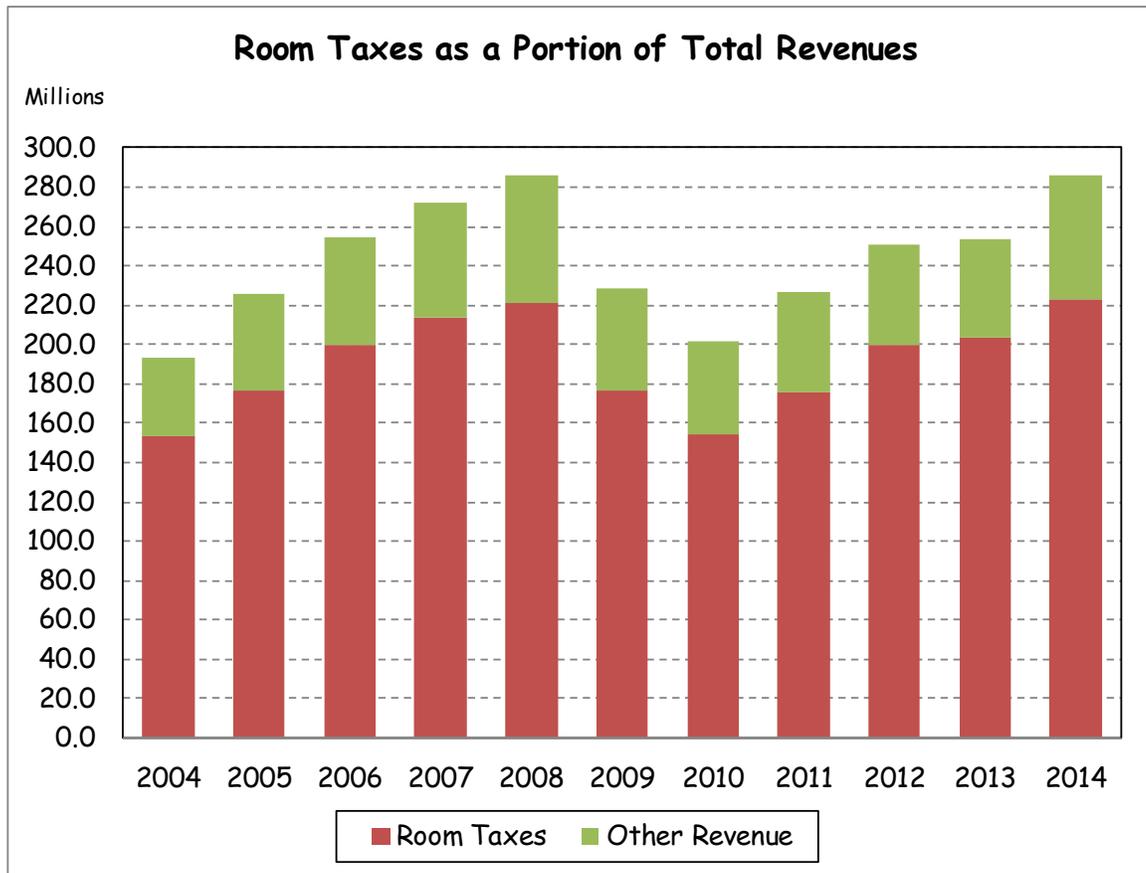
(5) In FY 2014, the Operation division was renamed Global Business District (GBD), Departments within Marketing that were a function of the building were moved to GBD.

(6) In prior years Other Miscellaneous expense was included in Other Community Grants, beginning FY 2014 it is included in GBD.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 GENERAL GOVERNMENTAL REVENUES BY SOURCE <sup>(1)</sup>  
 LAST TEN FISCAL YEARS  
 (unaudited)

The schedule below includes revenues recorded in the general, debt service, and capital funds, with the exception of nonrecurring items. Nonrecurring revenues include miscellaneous revenues, revenues from any special revenue fund, and federal grant subsidies.

Fiscal Year	Total Revenues	Room Tax	Charges for Services	Gaming Tax	Interest
2005	\$ 225,305,805	\$ 176,339,258 78%	\$ 45,056,357 20%	\$ 1,861,748 1%	\$ 2,048,441 <1%
2006	254,210,786	200,086,827 79%	48,359,640 19%	1,963,608 1%	3,800,710 1%
2007	271,663,033	213,256,076 79%	50,916,320 19%	1,949,332 1%	5,541,305 2%
2008	286,098,907	220,733,128 77%	57,689,079 20%	1,851,848 1%	5,824,852 2%
2009	228,854,315	176,726,992 77%	46,503,953 20%	2,101,166 1%	3,522,204 2%
2010	201,417,740	154,046,265 76%	44,535,733 22%	1,960,431 1%	875,310 <1%
2011	226,290,335	175,425,978 78%	47,900,661 21%	1,919,186 <1%	1,044,510 <1%
2012	251,177,767	199,592,498 79%	49,323,986 20%	1,813,548 <1%	447,735 <1%
2013	253,206,343	203,196,429 80%	47,846,895 19%	1,831,589 <1%	331,430 <1%
2014	285,879,682	222,781,385 78%	60,786,406 21%	1,710,108 <1%	601,783 <1%



(1) This schedule uses the modified accrual basis of accounting.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Commercial Paper	Premiums, Discounts & Other <sup>(1)</sup>	Total Primary Government	Amount of Debt per Visitor <sup>(2)</sup>
2005	\$ 107,885,000	\$ 150,870,000	-	\$ 844,456	\$ 259,599,456	6.73
2006	97,610,000	149,420,000	-	349,248	247,379,248	6.36
2007	85,135,000	149,180,000	-	967,529	235,282,529	6.00
2008	73,775,000	198,935,000	\$96,000,000	1,293,480	370,003,480	9.87
2009	87,810,000	198,015,000	96,000,000	1,243,182	383,068,182	10.54
2010	184,645,000	187,005,000	96,000,000	2,746,886	470,396,886	12.60
2011	355,935,000	246,130,000	-	2,841,980	604,906,980	15.54
2012	347,955,000	245,025,000	-	2,421,231	595,401,231	14.99
2013	364,375,000	232,000,000	-	2,677,189	599,052,189	15.10
2014	405,445,000	218,280,000	-	2,909,049	626,634,049	n/a <sup>(3)</sup>

(1) This includes unamortized premiums, discounts and deferred refunding charges.

(2) These ratios are calculated using the total number of visitors to Las Vegas based on a calendar year located in the Visitors Analysis Schedule.

(3) Information was not available as of the report issuance date.

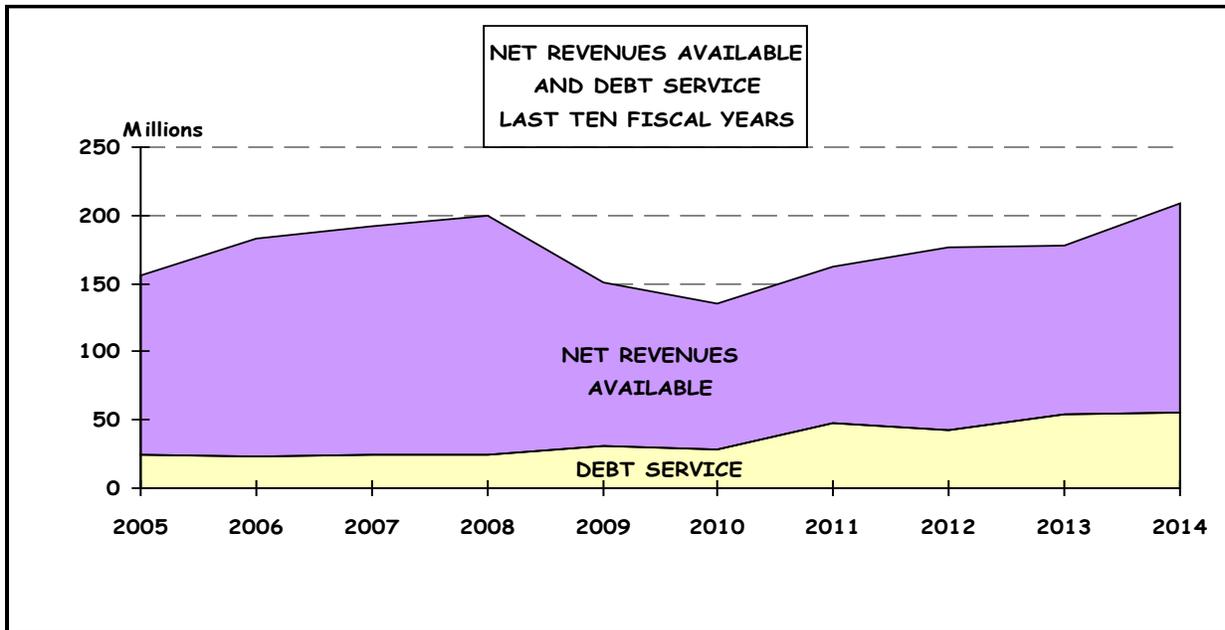
LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 BOND COVERAGE  
 LAST TEN FISCAL YEARS  
 (unaudited)

Eight of the LVCVA's eleven outstanding bonds are general obligation bonds of Clark County, acting by and through the LVCVA. They are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of ad valorem taxes for debt service, using only net pledged revenues derived from operations. In fact, as of June 30, 2014, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. The remaining bond issues are LVCVA revenue bonds.

Although the LVCVA's operations are not considered to be a business-type activity, its bond issues and related debt service have characteristics similar to traditional revenue bonds, making this schedule relevant.

Gross revenues include interest income and miscellaneous fees and charges in the general fund. Revenues from the capital, debt, and internal service funds have been excluded since these are not a constant source of income. Maintenance expenditures are comprised of all expenditures except marketing, advertising, bond issuance costs, capital improvement and debt service. Principal and interest contains expenditures for debt service.

FISCAL YEAR	GROSS REVENUES	MAINTENANCE EXPENDITURES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL AND INTEREST	SERVICE COVERAGE
2005	\$ 224,770,553	\$ 69,073,445	\$ 155,697,108	\$ 24,477,554	6.36
2006	253,172,523	70,240,449	182,932,074	23,223,269	7.88
2007	269,118,610	77,608,699	191,509,911	24,391,084	7.85
2008	281,918,943	81,762,822	200,156,121	23,989,128	8.34
2009	225,143,478	74,174,827	150,968,651	30,454,599	4.96
2010	200,737,367	65,614,509	135,122,858	28,562,969	4.73
2011	226,060,027	66,460,656	159,599,371	44,321,298	3.60
2012	250,820,583	73,815,377	177,005,206	42,754,341	4.14
2013	253,051,352	74,631,057	178,420,295	53,951,716	3.31
2014	285,635,383	77,050,163	208,585,220	55,149,034	3.78



LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 COMPUTATION OF LEGAL DEBT MARGIN  
 LAST TEN FISCAL YEARS  
 JUNE 30, 2014  
 (unaudited)

FISCAL YEAR	APPROXIMATE ASSESSED VALUATION <sup>(1)</sup>	BONDED DEBT LIMIT <sup>(2)</sup>	TOTAL DEBT APPLICABLE TO DEBT LIMIT <sup>(3)</sup>	DEBT MARGIN
2005	\$ 44,626,661,108	\$ 2,231,333,055	\$ 107,885,000	\$ 2,123,448,055
2006	66,848,185,904	3,342,409,295	97,610,000	3,244,799,295
2007	93,359,179,034	4,667,958,952	85,135,000	4,582,823,952
2008	108,649,925,840	5,432,496,292	73,775,000	5,358,721,292
2009	112,805,485,594	5,640,274,280	87,810,000	5,552,464,280
2010	91,733,233,181	4,586,661,659	184,645,000	4,402,016,659
2011	64,126,946,544	3,206,347,327	355,935,000	2,850,412,327
2012	56,712,550,689	2,835,627,534	347,955,000	2,487,672,534
2013	53,267,069,961	2,663,353,498	364,375,000	2,298,978,498
2014	54,715,695,579	2,735,784,779	405,445,000	2,330,339,779

(1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada (the County). It includes the assessed valuation of the redevelopment agencies. These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bonded indebtedness. This valuation is used to determine the LVCVA's debt margin since our debt is issued in the name of the County as described below.

(2) State statute allows debt issued by the LVCVA to be issued in the name of the County. The LVCVA's Board of Directors is empowered to issue general obligation bonds, which are secured by the full faith and credit of the County and are additionally secured by a pledge of revenues derived by the LVCVA. NRS 244A.653 states that the County may not become indebted in excess of 5% of the total last assessed valuation of taxable County property for the issuance of general obligation bonds designated for County recreational purposes. This requirement applies to the LVCVA.

NRS 244A.059 limits the aggregate principal amount of the County's general obligation debt to 10% of the County's total reported assessed valuation.

(3) The LVCVA's outstanding general obligation indebtedness includes general obligation bonds and medium-term obligations, as applicable.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 CLARK COUNTY, NEVADA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 JUNE 30, 2014  
 (unaudited)

	GROSS DEBT	MONIES AVAILABLE	NET OUTSTANDING DEBT	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVER-LAPPING DEBT
<u>Direct Debt:</u>					
Las Vegas Convention and Visitors Authority <sup>(1)(2)</sup>	\$ 626,634,049	\$ 24,800,000	\$ 601,834,049	100%	\$ 601,834,049
<u>Overlapping Debt:</u>					
Clark County <sup>(3)</sup>			4,883,688,702	100%	4,883,688,702
				Total	<u>\$ 5,485,522,751</u>

(1) Ad valorem taxes have never been used to repay these debts.

(2) The LVCVA's gross debt includes general obligation bonds, issued by the County on behalf of the LVCVA and revenue bonds, net of unamortized premiums, discounts and deferred refunding charges.

(3) Source: Clark County Comptroller's Office.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 DEMOGRAPHIC STATISTICS  
 CLARK COUNTY, NEVADA  
 (unaudited)

Even though Clark County combines the exciting gaming and entertainment mecca of Las Vegas alongside rural living, it is not much different from other counties of its size. There are parks, museums, libraries and religious centers.

The median age of the population is 36.4, with 24.4% of the population under the age of 18. The Clark County School District is the fifth largest in the nation with 357 schools. The median household income is \$50,454.

Per the Census Bureau, Clark County is the nation's 13<sup>th</sup> most populous county in the United States. The population in FY 2013 increased 2% as compared from FY 2012.



Source: <http://gisgate.co.clark.nv.us/gismo/gismo>

Entity	Incorporation Date	2013 Population	Square Miles (approx.)
Clark County	1909	899,622	7,220
Las Vegas	1911	598,520	133
N. Las Vegas	1946	226,199	100
Henderson	1953	274,270	105
Boulder City	1958	15,635	208
Mesquite	1984	17,477	32

AS OF JUNE 30,	POPULATION (A)	LABOR FORCE (B)	UN-EMPLOYMENT RATE (B)	AS OF DEC 31,	PER CAPITA INCOME (C)	MEDIAN AGE (D)	MEDIAN HOUSE-HOLD INCOME	SCHOOL ENROLLMENT
2005	1,796,380	870,562	4.70%	2004	35,695	47.5	47,097	295,165
2006	1,874,837	909,956	4.40%	2005	38,603	47.9	47,320	304,444
2007	1,954,319	932,615	4.80%	2006	39,864	47.5	53,111	315,697
2008	1,967,716	971,190	6.80%	2007	40,859	50.1	53,704	323,037
2009	1,952,040	984,809	11.20%	2008	39,936	35.7	57,403	330,519
2010	1,968,831	998,482	12.60%	2009	36,839	35.3	58,148	323,607
2011	1,967,722	996,985	12.60%	2010	36,692	35.4	58,432	323,637
2012	1,988,195	995,401	11.60%	2011	37,396	34.5	54,255	322,555
2013	2,031,723	991,597	10.40%	2012	38,221	36.2	50,962	325,179
2014	n/a	990,015	7.90%	2013	38,920	36.4	50,454	329,034

Sources:

- (A) Nevada Demographer - 2014 information is not available from NV Taxation Dept./ State Demographer at the time of printing.
  - (B) Nevada Workforce - 2014 figure is preliminary at the time of printing.
  - (C) U.S. Bureau of Economic Analysis SA1-3.
  - (D) Starting with calendar year 2008 - median age calculation includes entire population; previously it was the adult population only.
- All other statistics as of December 31 are from the Las Vegas Perspective.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 ASSESSED PROPERTY VALUE, CONSTRUCTION AND DEPOSITS  
 CLARK COUNTY, NEVADA**  
 (unaudited)

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (IN THOUSANDS)  
 LAST TEN FISCAL YEARS

FISCAL YEAR	Amounts expressed in thousands					
	REAL PROPERTY		PERSONAL PROPERTY		TOTAL	
	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE
2005	\$ 45,391,834	\$ 126,690,955	\$ 5,029,248	\$ 14,369,280	\$ 50,421,082	\$ 141,060,235
2006	61,060,916	174,459,759	5,787,270	16,535,058	66,848,186	190,994,817
2007	87,405,016	249,728,618	5,954,163	17,011,894	93,359,179	266,740,512
2008	102,349,025	292,425,787	6,300,900	18,002,573	108,649,925	310,428,360
2009	106,988,179	305,680,511	5,817,307	16,620,877	112,805,486	322,301,388
2010	86,961,002	248,460,005	4,772,231	13,634,947	91,733,233	262,094,952
2011	60,420,431	172,629,803	3,706,515	10,590,044	64,126,946	183,219,847
2012	53,342,795	152,407,986	3,369,756	9,627,873	56,712,551	162,035,859
2013	48,963,146	139,894,703	4,303,924	12,296,926	53,267,070	152,191,629
2014	49,809,243	143,312,124	4,906,452	14,018,435	54,715,695	157,330,559

The total net assessed value over the last ten years has consistently represented 35% of the total estimated actual value.

NEW CONSTRUCTION (IN THOUSANDS)  
 LAST TEN CALENDAR YEARS

CALENDAR YEAR	HOTEL/MOTEL CONSTRUCTION		COMMERCIAL/PUBLIC CONSTRUCTION		RESIDENTIAL CONSTRUCTION		TOTAL NEW CONSTRUCTION
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	
2004	74	\$ 924,101	1,007	\$ 1,031,196	32,685	\$ 4,043,096	\$ 5,998,393
2005	27	610,299	1,223	1,358,803	31,041	4,726,394	6,695,496
2006	39	616,411	1,120	2,569,673	21,898	4,278,204	7,464,288
2007	69	2,286,411	1,074	2,486,733	13,831	3,902,161	8,675,305
2008	41	2,090,020	558	1,738,803	6,241	1,333,286	5,162,109
2009	3	25,797	170	790,696	4,034	562,292	1,378,785
2010	5	-	122	183,328	4,607	573,065	756,393
2011	0	-	154	214,984	3,958	559,903	774,887
2012	3	98,830	134	409,084	6,225	882,433	1,390,347
2013	0	-	225	457,887	7,334	1,031,545	1,489,432

Residential Construction includes only single family and multi-family units not additions, upgrades, guest homes or mobile homes.

Note: New construction information is only available on a calendar year basis.

Source: Real & Personal Property: Clark County Assessor  
 New Construction: Las Vegas Perspective

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 VISITOR ANALYSIS  
 LAST TEN CALENDAR YEARS  
 (unaudited)

In its role of promoting Las Vegas as a travel destination, the LVCVA contributes to the growth of the entire local economy. The Las Vegas economy is heavily dependent on the tourism industry. In 2013 Southern Nevada tourism industry supported 46% of the regions total workforce (includes direct, indirect and induced impacts). The health of the hotel and gaming industry is directly related to the volume of visitors, presented below.

CALENDAR YEAR	CONVENTION DELEGATES	% OF TOTAL VISITORS	TOURISTS	% OF TOTAL VISITORS	TOTAL VISITORS	CHANGE
2004	5,724,864	15.3%	31,663,917	84.7%	37,388,781	5.2%
2005	6,166,194	16.0%	32,400,523	84.0%	38,566,717	3.2%
2006	6,307,961	16.2%	32,606,928	83.8%	38,914,889	0.9%
2007	6,209,253	15.8%	32,987,508	84.2%	39,196,761	0.7%
2008	5,899,725	15.7%	31,581,827	84.3%	37,481,552	-4.4%
2009	4,492,275	12.4%	31,859,194	87.6%	36,351,469	-3.0%
2010	4,473,134	12.0%	32,862,302	88.0%	37,335,436	2.7%
2011	4,865,272	12.5%	34,063,436	87.5%	38,928,708	4.3%
2012	4,944,014	12.4%	34,783,008	87.6%	39,727,022	2.1%
2013	5,107,416	12.9%	34,560,805	87.1%	39,668,221	-0.1%

Source: Las Vegas Convention and Visitors Authority Marketing Division - Strategic Research & Analytical Department

Strong visitor levels produce beneficial secondary effects in other industries, as well, since visitors purchase a significant amount of goods and services while they visit the area. Indicators of the economic impact include total gaming revenues and room taxes collected in Clark County.

CALENDAR YEAR	NON-GAMING CONVENTION REVENUE (In Thousands)	CHANGE	GAMING REVENUES (In Thousands)	CHANGE	LVCVA ROOM TAXES <sup>(2)</sup> (Fiscal Year)	CHANGE
2004	\$ 6,860,512	4.8%	\$ 8,710,976	11.2%	\$ 153,119,152	17.1%
2005	7,608,151	10.9%	9,709,408	11.5%	176,339,258	15.2%
2006	8,182,818	7.6%	10,643,206	9.6%	200,086,827	13.5%
2007	8,388,240	2.5%	10,868,029	2.1%	213,256,076	6.6%
2008	n/a <sup>(1)</sup>	n/a	9,796,970	-9.9%	220,733,128	3.5%
2009	n/a <sup>(1)</sup>	n/a	8,833,902	-9.8%	176,726,992	-19.9%
2010	n/a <sup>(1)</sup>	n/a	8,908,698	0.8%	154,046,265	-12.8%
2011	n/a <sup>(1)</sup>	n/a	9,222,906	3.5%	175,425,978	13.9%
2012	n/a <sup>(1)</sup>	n/a	9,399,882	1.9%	199,592,498	13.8%
2013	n/a <sup>(1)</sup>	n/a	9,676,458	2.9%	203,196,429	1.8%

Source: Las Vegas Convention and Visitors Authority; Nevada State Gaming Control Board

(1) Beginning in 2008, the LVCVA no longer tracks non-gaming convention revenue.

(2) Modified Accrual Basis

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 USE OF FACILITIES  
 LAST TEN FISCAL YEARS  
 (unaudited)

CONVENTION CENTER BUILDING UTILIZATION

FY*	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2005	74	12	-	-	10	96	\$ 33,244,601
2006	84	12	-	-	10	106	35,825,314
2007	78	15	-	-	3	96	35,961,983
2008	66	12	-	-	5	83	42,587,445
2009	68	-	11	4	7	90	35,951,249
2010	64	-	7	2	2	75	35,783,911
2011	64	-	7	3	2	76	38,483,619
2012	53	-	8	3	3	67	39,022,683
2013	47	-	9	7	1	64	36,854,055
2014	47	-	12	1	3	63	47,067,894

CASHMAN CENTER BUILDING UTILIZATION

FY*	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2005	6	135	-	-	62	203	\$ 1,884,378
2006	4	137	-	-	99	240	1,966,014
2007	4	158	-	-	95	257	2,157,445
2008	2	163	-	-	112	277	2,069,376
2009	-	-	11	91	38	140	1,412,766
2010	1	-	6	94	38	139	1,497,930
2011	1	-	3	115	34	153	1,592,040
2012	1	-	4	142	36	183	1,699,204
2013	2	-	3	149	35	189	1,760,894
2014	1	-	5	164	35	205	1,708,593

Source: LVCVA - Strategic Research & Analytical Department

\* In 2009, the categorizations of events at both facilities was revised. Rather than "Events" and "Meetings", the new categories are "Special Events", which are directly tied to visitors to the County and "Public Events", which include shows aimed at local residents, meetings and other local organization events. Historical data for 2009 was adjusted under the new method.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
SUMMARY OF AUTHORIZED POSITIONS  
LAST TEN FISCAL YEARS  
(unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i><u>GENERAL GOVERNMENT</u></i>										
Executive	15	17	17	17	17	18	15	15	14	16
Finance <sup>(1)</sup>	--	--	--	--	42	43	35	35	35	36
Human Resources	7	8	10	10	10	10	8	8	8	8
Public Affairs	--	12	14	18	18	19	19	19	20	20
	22	37	41	45	87	90	77	77	77	80
<i><u>MARKETING</u></i>										
Advertising <sup>(4)</sup>	2	2	2	2	2	2	1	1	1	--
Convention Center Sales <sup>(5)</sup>	--	12	12	12	13	12	10	10	13	--
Convention Sales <sup>(5)</sup>	--	30	30	28	28	31	26	26	24	--
Global Business Sales <sup>(5)</sup>	--	--	--	--	--	--	--	--	--	38
Convention Services <sup>(6)</sup>	15	15	15	16	16	16	15	15	14	--
Destination Services <sup>(2)</sup>	10	10	10	10	10	7	4	4	3	--
Digital Marketing <sup>(2)</sup>	--	--	--	--	--	--	9	9	9	7
Research <sup>(2)</sup>	5	6	6	7	7	11	2	2	3	--
Diversity Marketing	--	2	4	4	4	2	1	1	1	--
International Sales	--	2	2	8	8	6	7	7	8	11
Leisure Sales	--	17	19	15	17	16	12	12	11	10
Registration <sup>(3) (6)</sup>	4	4	4	4	4	4	6	6	6	--
Strategic Research & Analytics	--	--	--	--	--	--	--	--	--	6
Sports Marketing	2	2	2	4	2	2	3	3	2	2
Industry Relations (was Strategic Planning) <sup>(3)</sup>	--	--	--	--	--	--	3	3	7	4
Visitor Information <sup>(3) (6)</sup>	18	18	18	18	18	18	26	26	23	--
Call Center <sup>(3) (6)</sup>	26	26	26	24	23	23	--	--	--	--
Brand Strategy <sup>(4)</sup>	--	--	--	--	--	--	--	--	--	5
Sales	44	--	--	--	--	--	--	--	--	--
Tourism	19	--	--	--	--	--	--	--	--	--
Public Affairs	12	--	--	--	--	--	--	--	--	--
	157	146	150	152	152	150	125	125	125	83

<sup>(1)</sup> In FY 2009, the Finance, Purchasing and Materials Management sections were combined into one department.

<sup>(2)</sup> In FY 2010, Destination Services and Internet Marketing/Research were re-organized, creating an additional department called Digital Marketing.

<sup>(3)</sup> In FY 2011, Call Center was consolidated into the Visitor Information. The Registration and Housing sections were combined, and a new department - Strategic Planning was added, later renamed Industry Relations. In FY 2013 Registration & Housing was renamed Registration.

<sup>(4)</sup> In FY 2014, Brand Strategy was created within Marketing and the Advertising personnel function was moved into the department.

<sup>(5)</sup> In FY 2014, Convention Center Sales and Convention Sales were merged into Global Business Sales.

<sup>(6)</sup> In FY 2014, Convention Services, Registration, Visitor Information & Call Center were moved to Global Business District (formerly Operations).

(continued)

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
SUMMARY OF AUTHORIZED POSITIONS (continued)  
LAST TEN FISCAL YEARS  
(unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i><u>GLOBAL BUSINESS DISTRICT</u></i> <sup>(7)</sup>										
Client Services	113	112	116	126	126	126	112	112	112	112
Customer Experience	--	--	2	2	2	1	2	2	2	4
Convention Services <sup>(6)</sup>	--	--	--	--	--	--	--	--	--	15
Registration <sup>(3)(6)</sup>	--	--	--	--	--	--	--	--	--	5
Visitor Information <sup>(3)</sup>	--	--	--	--	--	--	--	--	--	19
Facilities	2	--	--	--	--	--	--	--	--	--
Engineering	--	--	--	111	113	109	101	101	100	100
Engineering Systems	49	50	50	--	--	--	--	--	--	--
Engineering Maintenance	49	49	50	--	--	--	--	--	--	--
Facility Projects	3	5	6	7	4	8	5	5	5	4
Information Technology	12	12	12	15	15	15	13	13	14	13
Fire Prevention	6	5	5	17	17	17	17	17	17	5
Security	47	49	50	39	39	39	34	34	36	47
Traffic	5	11	15	17	17	17	19	19	17	23
Finance <sup>(1)</sup>	20	19	21	22	--	--	--	--	--	--
Purchasing & Contracts <sup>(1)</sup>	9	9	10	11	--	--	--	--	--	--
Materials Management <sup>(1)</sup>	9	9	9	10	--	--	--	--	--	--
	324	330	346	377	333	332	303	303	303	347
<i><u>TOTAL LVCA</u></i>	503	513	537	574	572	572	505	505	505	510

<sup>(1)</sup> In FY 2009, the Finance, Purchasing and Materials Management sections were combined into one department and moved into the Executive Division.

<sup>(3)</sup> In FY 2011, Call Center was consolidated into the Visitor Information. The Registration and Housing sections were combined; and a new department - Strategic Planning was added, later renamed Industry Relations. In FY 2013 Registration & Housing was renamed Registration.

<sup>(6)</sup> In FY 2014, Convention Services, Registration, Visitor Information & Call Center were moved to Global Business District (formerly Operations).

<sup>(7)</sup> In FY 2014, Operations was renamed Global Business District.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
ACTIVITY MEASURES  
LAST TEN FISCAL YEARS  
(unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>GENERAL GOVERNMENT</u></b>										
<b>Human Resources</b>										
# of active employees	496	515	539	531	500	484	477	482	485	500
# of new full-time employees processed	79	63	75	48	-	-	13	47	22	48
<b>Public Affairs</b>										
Media inquiries received	626	944	1,000	1,095	1,284	1,089	730	897	1,091	642
Press releases distributed	48	52	60	93	102	95	63	50	98	37
Online press kit article page views	n/a	n/a	n/a	32,069	22,526	n/a	n/a	n/a	n/a	n/a
Video projects completed	n/a	n/a	92	108	76	215	274	292	215	245
Photo assignments completed	n/a	510	600	659	720	678	614	593	668	645
<b>Finance</b>										
Payroll checks/deposit advices issued	19,282	19,862	21,314	22,271	22,199	20,164	18,884	20,157	20,268	21,671
Accounts Payable disbursements	6,859	6,905	7,051	7,060	6,002	4,997	4,135	3,928	-	-
# of Invoices associated w/ AP disbursements <sup>(1)</sup>	-	-	-	-	-	-	-	-	12,349	13,235
<b>Purchasing and Contracts</b>										
Contracts administered	441	580	706	436	259	471	645	755	439	419
Purchase orders issued	1,034	1,209	1,298	1,218	869	553	752	787	783	790
<b>Materials</b>										
Packages shipped	260,000	296,000	280,000	281,585	191,170	44,586	45,892	44,019	50,538	43,449
Copies produced	1.3M	1.3M	1.5M	1.5M	1.0M	0.7M	0.6M	0.6M	0.6M	0.8M
<b><u>MARKETING</u></b>										
<b>Digital Marketing and Research</b>										
Statistical Reports and Publications produced	16	30	26	31	34	33	32	28	31	33
Web site visits - combined LVCVA sites	7.3M	8.8M	7.0M	7.1M	8.2M	8.7M	9.0M	10.5M	14.1M	17.5M
Web site referrals - combined LVCVA sites	n/a	3.3M	4.6M	4.9M	4.6M	4.3M	3.9M	3.4M	2.5M	2.4M
<b>Sales</b>										
Total leads distributed (originated and facilitated)	n/a	3,540	4,018	4,013	3,186	2,890	2,930	3,640	4,067	3,636
Converted leads	n/a	1,014	1,238	1,229	1,026	845	885	1,322	1,928	1,411
In-person out of market sales calls	n/a	1,163	1,974	1,983	4,846	4,144	3,112	3,108	2,874	2,906
Travel industry events attended	n/a	595	681	813	819	902	711	732	885	876
<b>Registration Services<sup>(3)</sup></b>										
Meetings and conventions supported	325	343	314	283	281	266	282	284	256	-
<b>Call Center<sup>(3)</sup></b>										
Total calls managed	n/a	281,666	224,778	201,384	156,401	133,736	112,461	92,594	85,922	-
<b>Visitor Information<sup>(3)</sup></b>										
Total visitor volume	n/a	278,500	283,306	246,818	225,307	277,539	213,152	206,513	198,336	-
<b><u>GLOBAL BUSINESS DISTRICT<sup>(2)</sup></u></b>										
<b>Client Services</b>										
Show support (man-hours)	12,992	12,899	15,093	16,093	13,550	12,323	12,853	11,971	10,877	15,777
Set/strike meeting rooms/halls (man-hours)	20,217	21,442	23,402	23,432	21,875	19,957	17,045	19,031	18,617	19,383
<b>Facilities</b>										
Leased net square foot serviced (LVCC)	16,651,949	17,785,909	16,357,462	18,922,197	14,334,348	12,856,175	14,234,743	13,940,090	13,877,643	17,390,712
Building attendees supported (LVCC)	1,592,285	1,679,219	1,755,154	1,805,994	1,457,106	1,408,063	1,470,325	1,421,022	1,486,545	1,715,512
<b>Security</b>										
Special events hours worked	n/a	2,006	2,347	637	363	274	22	385	334	447
Percentage of lost items returned to owner	52%	50%	50%	48%	49%	47%	51%	50%	48%	49%
Patients treated in First Aid	n/a	n/a	n/a	3,932	3,000	2,151	1,854	1,928	2,216	2,378
<b>Information Technology</b>										
Computer training hours	1,440	1,896	2,104	2,053	1,803	302	410	361	224	132
Call resolution time (average hours)	3.5	3.5	3.5	4.0	4.1	4.3	7.5	7.5	6.7	6.8
<b>Registration<sup>(3)</sup></b>										
Meetings and conventions supported	-	-	-	-	-	-	-	-	-	284
<b>Call Center<sup>(3)</sup></b>										
Total calls managed	-	-	-	-	-	-	-	-	-	82,251
<b>Visitor Information<sup>(3)</sup></b>										
Total visitor volume	-	-	-	-	-	-	-	-	-	185,965

(1) In FY 2013, Accounts Payable changed from the total of disbursements to the total number of invoices associated with the disbursements.

(2) In FY 2014 Operations was renamed Global Business District.

(3) In FY 2014, Registration, Call Center & Visitor Information were moved under Global Business District.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 CAPITAL ASSETS BY FUNCTION <sup>(2)</sup>  
 LAST NINE FISCAL YEARS <sup>(1)</sup>  
 (unaudited)

Fiscal Year	General Government <sup>(3)</sup>	Marketing	Global Business District <sup>(3)(4)</sup>	Total
2006	\$ 25,527	\$ 61,693	\$ 388,324,539	\$ 388,411,759
2007	35,497	205,351	405,975,373	406,216,221
2008	26,006	294,258	506,030,244	506,350,508
2009	191,960	212,482	539,608,792	540,013,234
2010	355,203	259,280	533,519,929	534,134,412
2011	5,761	41,341	467,743,263	467,790,365
2012	94,230	19,800	458,005,442	458,119,472
2013	67,572	29,558	474,855,922	474,953,052
2014	76,624	569,329	485,560,723	486,206,676

(1) Ten years of data is not available but will be accumulated over time.

(2) Totals are net of accumulated depreciation and amortization.

(3) Finance and Materials Mangement transferred from Operations to General Government in FY 2009.

(4) In FY2014, Operations was renamed Global Business District.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
 CLARK COUNTY'S TEN LARGEST EMPLOYERS <sup>(1)</sup>  
 CURRENT YEAR and NINE YEARS PRIOR  
 (unaudited)

Employers	Approximate Employees <sup>(1)</sup>	Percentage of County Employment *
CLARK COUNTY SCHOOL DISTRICT	36,900	4.32%
CLARK COUNTY, NEVADA	8,250	0.97%
WYNN LAS VEGAS LLC	8,250	0.97%
BELLAGIO LLC	7,750	0.91%
MGM GRAND HOTEL/CASINO	7,750	0.91%
ARIA RESORT & CASINO LLC	7,250	0.85%
MANDALAY BAY RESORT AND CASINO	7,250	0.85%
CAESARS PALACE	6,250	0.73%
UNIVERSITY OF NEVADA - LAS VEGAS	5,250	0.61%
LAS VEGAS METROPOLITAN POLICE	4,750	0.56%
Total for Principal Employers	99,650	11.66%

Clark County Employment as of March 31, 2014	854,889
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Employers	Approximate Employees <sup>(1)</sup>	Percentage of County Employment *
CLARK COUNTY SCHOOL DISTRICT	31,500	3.76%
BELLAGIO LLC	9,750	1.17%
CLARK COUNTY, NEVADA	8,250	0.99%
MGM GRAND HOTEL/CASINO	7,750	0.93%
MANDALAY BAY RESORT AND CASINO	7,750	0.93%
UNIVERSITY OF NEVADA - LAS VEGAS	5,750	0.69%
MRAGE CASINO - HOTEL	5,750	0.69%
LAS VEGAS METROPOLITAN POLICE	4,750	0.57%
CAESARS PALACE	4,750	0.57%
RIO SUITE HOTEL	4,250	0.51%
Total for Principal Employers	90,250	10.79%

Clark County Employment as of March 31, 2005	836,732
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(1) Number of employees is rounded based on percentage of total county labor force.

Source: Nevada Department of Employment, Training & Rehabilitation

Note: June 2014 data is unavailable at the time of printing.

\* Percentage figures may not add due to rounding.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
PRINCIPAL ROOM TAXPAYERS  
JUNE 30, 2014  
(unaudited)

The primary source of revenue for the LVCVA is from room taxes imposed on hotels and motels in Clark County. The hotels listed below represent the ten largest hotel properties in Clark County and generate the greatest volume of room taxes for the LVCVA.

	Rooms at Dec 31, 2013	% of total rooms
MGM Grand	5,044	3.1%
Luxor	4,400	2.7%
Mandalay Bay	4,328	2.7%
Venetian	4,027	2.5%
Aria	4,004	2.5%
Excalibur	3,991	2.5%
Bellagio	3,933	2.4%
Caesars Palace	3,776	2.3%
Circus Circus	3,767	2.3%
Flamingo Las Vegas	3,460	2.1%
	<u>40,730</u>	<u>25.1%</u>
Total Jean/Primm	2,944	1.8%
Other Hotels and motels	106,919	65.7%
Total Las Vegas metropolitan area	<u>150,593</u>	<u>92.6%</u>
Total Laughlin	10,333	6.4%
Total Mesquite	1,736	1.0%
Total inventory of rooms	<u><u>162,662</u></u>	<u><u>100.0%</u></u>

Note: Other Hotels and motels does not include timeshare properties.

In spite of the increasing availability of rooms, the occupancy rate for the Las Vegas metropolitan area exceeds the national average by an average of over 25% for the past ten calendar years.

Calendar Year	Total Visitor Volume	Rooms Inventory <sup>(1)</sup>	Occupancy Rate	Average Rooms Occupied Daily	Average Daily Rate	National Occupancy Percentage
2004	37,388,781	131,503	88.6%	116,512	\$ 89.78	61.3%
2005	38,566,717	133,186	89.2%	118,802	103.12	63.1%
2006	38,914,889	132,605	89.7%	118,947	119.66	63.4%
2007	39,196,761	132,947	90.4%	120,184	132.09	63.2%
2008	37,481,552	140,529	86.0%	120,855	119.19	60.4%
2009	36,351,469	148,941	81.5%	121,387	93.19	55.1%
2010	37,335,436	148,935	80.4%	119,744	94.91	57.6%
2011	38,928,708	150,161	83.8%	125,835	105.11	60.1%
2012	39,727,022	150,481	84.4%	127,006	108.08	61.4%
2013	39,668,221	150,593	84.3%	126,950	110.72	62.3%

<sup>(1)</sup> Total Las Vegas metropolitan area and Jean/Primm properties.

Source: LVCVA Strategic Research & Analytical Department

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 2014  
(unaudited)

	NAME OF INSURER	POLICY NUMBER	LIMIT	EXPIRATION DATE
Property/Terrorism	Factory Mutual Insurance Co.	UC529	Various	8/1/2015
Crime	Great American Insurance Co.	GVT379271411	Various	8/1/2015
General Liability	Philadelphia Indemnity Ins. Co.	PHPK1203761	Various	8/1/2015
Workers Compensation (DC & IL)	Twin City Fire Ins Co (Hartford)	53WECRQ2921	\$ 1,000,000	8/1/2015
Excess Workers Compensation	Safety National Casualty Corp.	SP4050998	\$ 1,000,000	8/1/2015
Automobile	Philadelphia Indemnity Ins Co.	PHPK1203761	\$ 1,000,000 \$ 5,000 \$ 1,000,000	8/1/2015
Umbrella Liability	National Union Fire Ins Co. of Pittsburgh, PA	BE66844708	\$ 10,000,000	8/1/2015
Excess over \$25 million	Great American Ins Co of New York	EXC1911229	\$25,000,000	8/1/2015
Excess over \$50 million	Fireman's Fund Ins Co	SHX32105645	\$25,000,000	8/1/2015
Excess over \$75 million	Federal Insurance Co. (Chubb)	79736487	\$25,000,000	8/1/2015
Public Officials & Employees Liability	Ace American Insurance Co.	G21656586010	\$ 10,000,000	8/1/2015
Public Officials & Employees Excess Liability	National Union Fire Ins Co of Pittsburgh, PA	014159515	\$ 10,000,000	8/1/2015
Foreign Protection	Navigators Insurance Co	PH14FPK0A1T7ONV	Various	3/23/2015
Travel Insurance	American Insurance Co.	ADDN04986210	Various	1/1/2015
Medical Benefits Abroad	CIGNA	04071A	Various	11/30/2014

**Additional Report of  
the Independent Auditors'**

# P B T K

PIERCY BOWLER  
TAYLOR & KERN

Certified Public Accountants  
Business Advisors

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Las Vegas Convention and Visitors Authority  
Las Vegas, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents, and have issued our report thereon dated September 19, 2014.

**Internal Control over Financial Reporting.** In planning and performing our audit of the basic financial statements, we considered the LVCVA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LVCVA's internal control. Accordingly, we do not express an opinion on the effectiveness of the LVCVA's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LVCVA's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters.** As part of obtaining reasonable assurance about whether the LVCVA's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the LVCVA, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report.** The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LVCVA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LVCVA internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Perry Bowler Taylor + Kern". The signature is written in a cursive style with a plus sign between "Taylor" and "Kern".

Las Vegas, Nevada  
September 19, 2014