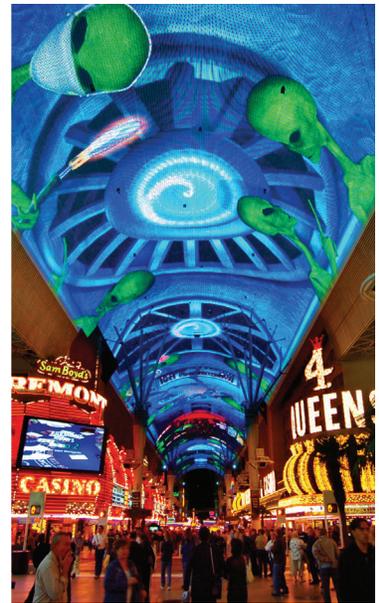
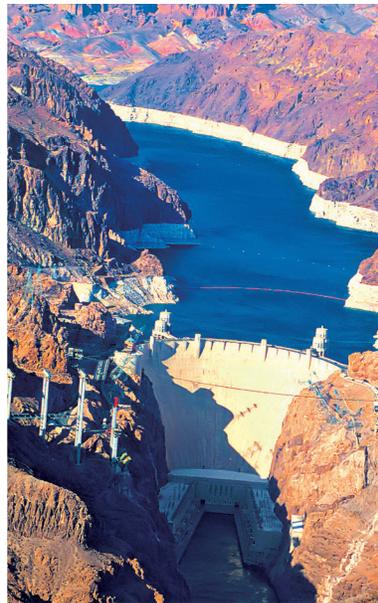


LAS VEGAS CONVENTION AND VISITORS AUTHORITY

# POPULAR ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED JUNE 30, 2015  
LAS VEGAS, CLARK COUNTY, NEVADA

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### Las Vegas Convention and Visitors Authority

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(702) 892-0711  
[www.lvcva.com](http://www.lvcva.com)

## Introductory Message



It is my pleasure to present the Las Vegas Convention and Visitors Authority's (LVCVA) Popular Annual Financial Report (PAFR) for the fiscal year (FY) ended June 30, 2015.

The PAFR summarizes the LVCVA's financial activities and performance results gathered from our FY 2015 Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited by the firm of Piercy, Bowler, Taylor & Kern, receiving an "unqualified" opinion. An unqualified opinion is given when the auditor can state that the financial statements are accurately and fairly presented.

However, the PAFR is an unaudited report and presented on a non-GAAP basis as its condensed and simplified presentation does not include all segregated funds, required presentations, and all financial statements or notes to the financial statements. The PAFR is intended to simplify, but not to replace the CAFR. Individuals desiring to view a full disclosure of our financials can obtain a copy of the CAFR at <http://www.lvcva.com/who-we-are/funding-and-finance/> or by contacting the Sr. Vice President of Finance.

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

Sincerely,

A handwritten signature in black ink that reads "Rana D. Lacer". The signature is fluid and cursive.

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

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

## ***About the Las Vegas Convention and Visitors Authority***

The LVCVA was originally created in 1955 as the Clark County Fair and Recreation Board in order to acquire and operate convention facilities within the Las Vegas metropolitan area. It is a unique organization as it does not operate as a typical membership-based convention and visitor's bureau. Instead, it's a government agency established by state law, funded primarily by room tax revenues and governed by an autonomous Board of Directors. The LVCVA celebrates 60 years of history this year.

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

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

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

Yesterday



The LV Convention Center  
Rotunda 1959

Today



The Current LV Convention Center

Tomorrow



Conceptual Render of Future Facility

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

Internationally, the LVCVA has representative offices in Australia, Brazil, Canada, China, France, Germany, Ireland, Japan, Mexico, South Korea, India, and the United Kingdom. In addition to the international offices, the LVCVA operates regional offices in Chicago, Illinois and Washington, D.C. Locally, the LVCVA maintains four visitor information centers in Southern Nevada.

## Las Vegas Convention Center

The LVCC opened in 1959 with a 20,340-square-foot rotunda, 18 meeting rooms and a 90,000-square-foot exhibit hall. Today, the LVCC is 3.2 million square feet, with 2.2 million square feet of meeting and exhibit space.

The LVCC hosted 51 conventions and tradeshows in FY 2015, along with other special events. Some of the largest conventions and shows held here annually include: MAGIC International, Specialty Equipment Marketing Association (SEMA), International Consumer Electronics Show (CES), World of Concrete, The National Mining Association, the National Finals Rodeo Cowboy Christmas Fest, and National Association of Broadcasters (NAB). The LVCC attracted nearly 1.5 million total attendees for the fiscal year. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events. In FY 2014 and 2015 the



LVCVA partnered with Cox Telecom Nevada for major technology upgrades including substantial internet bandwidth increase and unrivaled wireless internet access.

## Cashman Center

The LVCVA also owns and operates Cashman Center which opened in 1983. Cashman Center is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes more than 98,000 square feet of exhibit space, 14 meeting rooms, a 1,898 seat state-of-the-art theater, and a 10,000-seat baseball stadium which is the home of the Las Vegas 51s, currently a AAA affiliate of the New York Mets. The center is frequently used for local events, but has also hosted national events.



## ***Major Initiatives In FY 2015***

### **Las Vegas Convention Center District**

The LVCVA is in the planning and preliminary stages of the Las Vegas Convention Center District (LVCCD) expansion and renovation project. This four-phase program has an estimated budget of \$2.3 billion and is expected to be completed over an eight to ten year timeframe. Some of the visionary components of the LVCCD include expansion of exhibition space, meeting rooms, general session and support space. Renovation and modernization of the existing facilities will include additional meeting rooms, cutting edge technologies, enhanced food service, a media center and outdoor plaza.



The Riviera Hotel & Casino as it appeared in 1969

Phase one of the project included acquisition of additional land adjacent to the current campus to provide for facility expansion. The purchase of the Riviera Hotel during 2015 provided 26.4 acres of additional space and connects the LVCVA campus to Las Vegas Boulevard “the Strip”, through the issuance of debt. See page 13 for additional information on debt. This land, along with the five acres of land purchased during FY 2014, substantially increased the footprint of the LVCC.

Completion of the entire scope of the proposed project is dependent upon securing sufficient revenue streams to support the anticipated capital financing program.

### **Financial Management and Accountability**

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

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

## Marketing

The primary objectives of the advertising programs are to promote domestic and international visitation for leisure activities, and emphasize the importance of the meetings and convention industry. In FY 2015, the LVCVA proactively sought new partnerships and opportunities to extend the Las Vegas brand message and drive new and repeat visitation to increase visitor volume to the destination. From integrated media programs to innovative sales initiatives, the marketing team executed successful programs that kept the destination top of mind. Extensive research played a primary role in increasing visitor demand and helped build greater insights around our customers and the constantly evolving traveler. Industry Relations and Sales hosted impactful in-market events with global reach such as Destination Marketing Association International (DMAI) 100th Annual Convention, CAPA Americas Aviation Summit, CVENT Connect Annual Meeting, and Boyd International Aviation Forecasting Meeting.

Some other significant initiatives included:

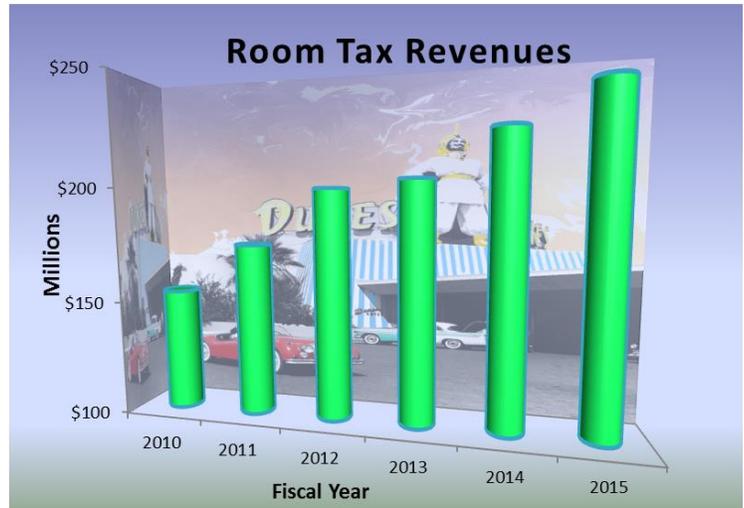
- **Leisure:** Holistic marketing approach helped reach a record-breaking visitor volume of more than 41 million. Created 32 dynamic digital videos to showcase unique properties and attractions. Integrated media programs increased social footprint from social media networks such as Tumblr, Vine, Pinterest and Instagram. Generated nearly 28,000 stories about Las Vegas worth \$2.3 billion in publicity value. Other leisure initiatives included participation in various high profile media events.
- **Business:** VegasMeansBusiness.com web visits have increased 5.7% from last year. In an effort to increase response rates and enhance overall communication with our business partners, staff developed and launched 61 new responsive email communication templates.
- **International:** To extend the Las Vegas brand globally, teams developed and conducted social media training course programs for six LVCVA international offices and successfully launched Facebook pages in Canada, Mexico, UK, Germany, Australia and Brazil. The LVCVA also continued to globalize LasVegas.com by providing translation capabilities for new languages. In addition, staff hosted 44 group media familiarization tours representing 22 countries from 13 LVCVA offices.
- **Research:** Primarily focused on visitor behavior and characteristics, the LVCVA completed various studies to examine what media and devices are used by travelers and how they use them in order to maximize reach and impact among target audiences. Research also devised a generational breakout report from the Las Vegas Visitor Profile study and conducted a pilot “Idea Hub” program to serve as an ongoing customer feedback mechanism for the resort community.
- **Airline Development:** Through combined partnership efforts with the airline industry, there have been increased air service and seat capacity for both domestic and international airlines. The estimated annualized economic impact for air service for FY15 is projected to hit \$754 million, a 67% increase over FY 2014.

## *Economic Indicators*

### Room Tax Revenues – Last Five Fiscal Years

The overall economy of the Las Vegas area is heavily dependent upon its tourism and convention industries. Room tax revenues showed substantial growth, increasing 7% over FY 2014. This represents the highest room tax revenues in LVCVA history.

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



### Area Room Inventory

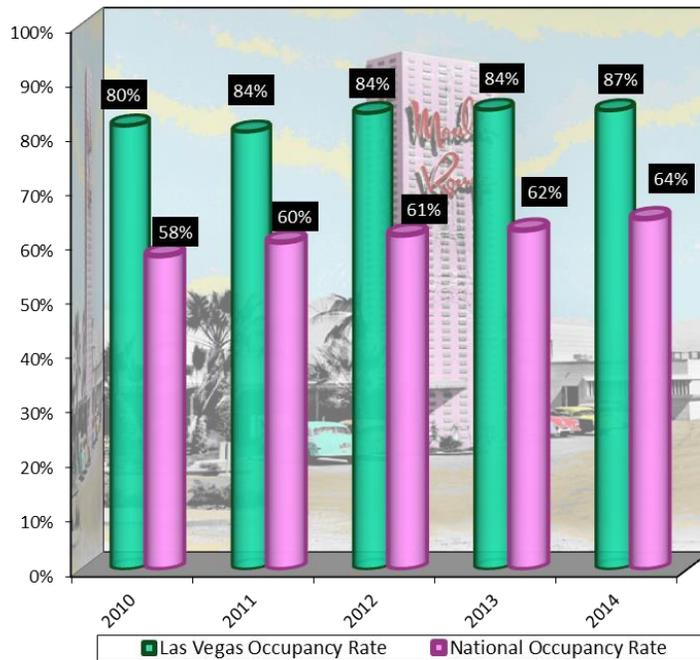
There are in excess of 162,000 hotel/motel rooms in the Southern Nevada Region served by the LVCVA. Las Vegas continues to rank as the No. 1 city in the U.S. for hotel/motel room inventory. These hotels and motel stays not only provide tax revenues, but are also important in creating and supporting local jobs. Six of the companies operating major hotels in the area are top ten Southern Nevada employers. Room inventory has remained steady over the last year. Las Vegas continues to reinvest in its future and engage visitors with new amenities including expanding restaurants and nightlife options, renovated rooms, and exciting attractions.

#### **Top Ten Las Vegas Hotels by Number of Rooms**

	Estimated Rooms at 6/30/15	% of Total Rooms
➤ MGM Grand	5,044	3.1%
➤ Luxor	4,400	2.7%
➤ Venetian	4,027	2.5%
➤ Aria Resort	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	3,460	2.1%
➤ Mandalay Bay	3,211	2.0%

In addition to the chart above, the Las Vegas market has another 107,000 rooms, while Laughlin exceeds 10,000 rooms, Jean & Primm provide almost 3,000 rooms, and Mesquite has over 1,700 rooms.

### Occupancy Rates – Last Five Calendar Years



The occupancy rate for the Las Vegas metropolitan area continued to exceed the national average by 23 points during the 2014 calendar year. This, coupled with an increase of almost 7% in the ADR, helped drive revenue growth during the year.

### ADR Impact

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

### Visitor Volume – Last Five Calendar Years

Market research for calendar year 2014 shows a record breaking 41.1 million visitors to the destination. Room tax revenues during the first six months of the 2015 calendar year (which was the second half of FY 2015), continue to show an upward trend.

Increasing room tax revenues, coupled with the highest visitor volume in history, suggest that Las Vegas continues to appeal to both leisure and business travelers. The LVCVA projects that total visitor volume will continue to increase in the 2015 calendar year.



### Conventions & Meetings

Las Vegas was recognized for the 21st consecutive year as the No. 1 destination of the Trade Show News Network's Top 250 Trade Shows in the United States for calendar year 2014. Las Vegas hosted more than 22,000 annual events and in excess of 5 million annual delegates.

## ***Principal Officials***

### **Board of Directors**

The LVCVA is governed by a Board of Directors consisting of fourteen members. Eight members are elected officials from either Clark County or one of the incorporated cities therein. The Las Vegas Chamber of Commerce (CC) and the Nevada Resort Association (NRA) each nominate three of the remaining six members.

The terms of appointment for the eight elected officials are coterminous with their terms of office. The six remaining members serve a two-year term but can be reappointed to additional two-year terms. The members of The Board of Directors at June 30, 2015 were:

Commissioner Lawrence Weekly, Chairman	Clark County
Commissioner Chuck Bowling, Vice-Chairman	Resort Hotel Industry (NRA)
Mr. Bill Noonan, Secretary	Central Business District (NRA)
Mr. Tom Jenkin, Treasurer	Resort Hotel Industry (CC)
Commissioner Tom Collins	Clark County
Mayor Carolyn Goodman	City of Las Vegas
Mayor Andy Hafen	City of Henderson
Mr. Gregory Lee	Tourism (CC)
Mayor John Lee	City of North Las Vegas
Mr. George Markantonis	Resort Hotel Industry (NRA)
Ms. Kristin McMillan	Other Commercial Interests (CC)
Councilman George Rapson	City of Mesquite
Mayor Pro Tem Steven D. Ross	City of Las Vegas
Mayor Pro Tem Cam Walker	City of Boulder City

### **Executive Committee**

The LVCVA Board serves as a policy-making body and employs a president to serve as chief executive officer. The LVCVA executive committee, at June 30, 2015 consisted of:

Mr. Rossi Ralenkotter	President/CEO
Ms. Cathy Tull	Sr. Vice President, Marketing
Ms. Rana Lacer	Sr. Vice President, Finance
Mr. Terry Jicinsky	Sr. Vice President, Operations
Mr. Mark Olson	Sr. Vice President, Human Resources
Ms. Dawn Christensen	Vice President, Public Affairs
Mr. Michael Goldsmith	Vice President, International Marketing
Mr. Chris Meyer	Vice President, Global Business Sales
Ms. Caroline Coyle	Vice President, Brand Strategy
Mr. Luke Puschnig	Vice President, Legal Counsel
Mr. Hugh Sinnock	Vice President, Customer Experience

## Overall Financial Position

The Statement of Net Position presents the LVCVA's financial position from a long-term perspective. It reports all of the LVCVA's assets and deferred outflows (what we have) and liabilities and deferred inflows (what we owe), with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the LVCVA's financial position is improving or deteriorating.

The LVCVA is focused on planning and the preliminary stages of the LVCCD to ensure the continued long-term success of the organization and the destination. The LVCVA remains vigilant to maintain fiscal stability through conservative budgeting and continuous monitoring. This provides the organization with the ability to react swiftly to economic conditions and preserve adequate fund balances to meet operating cash flow requirements and debt service obligations.



The Beatles arrive in Las Vegas in 1964 to perform at the Convention Center



Ringo Starr with Rossi Ralenkotter celebrating the 50th anniversary of the 1964 performance

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

**Las Vegas Convention & Visitors Authority's  
Statement of Net Position  
As of June 30, 2014 & 2015**

	<b>Governmental Activities FY 2014 (Restated)</b>	<b>Governmental Activities FY 2015</b>
<b>ASSETS</b>		
Current and other assets	\$ 234,222,320	\$ 278,937,127
Capital assets	486,206,676	661,194,403
<b>TOTAL ASSETS</b>	<b>720,428,996</b>	<b>940,131,530</b>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>12,932,141</b>	<b>12,671,406</b>
<b>LIABILITIES</b>		
Current liabilities	79,897,215	109,288,318
Noncurrent liabilities	701,323,574	846,457,678
<b>TOTAL LIABILITIES</b>	<b>781,220,789</b>	<b>955,745,996</b>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>14,558,826</b>
<b>NET POSITION</b>		
Net investment in capital assets	170,537,604	177,523,930
Restricted	66,143,854	68,091,853
Unrestricted	(284,541,110)	(263,117,669)
<b>TOTAL NET POSITION</b>	<b>\$ (47,859,652)</b>	<b>\$ (17,501,886)</b>

**Explanation of Significant Differences:**

The LVCVA restated the FY 2014 ending net position as required with the implementation of GASB Statement No. 68. This Statement changed the required reporting for governments participating in defined benefit cost sharing pension plans. The Statement prescribed that the LVCVA carry a proportionate share of the pension liability, net of plan assets (net pension liability), as well as related deferred inflow and outflows. Implementation of this standard required a reduction in net position for FY 2014 of \$63 million. The net pension liability (NPL) reduced in FY 2015, increasing the net position of the LVCVA. This standard is to be used for reporting only and not for funding decisions. State law indicates the LVCVA has no obligation toward the liabilities of the Nevada Public Employees Retirement System (NPERS) once all required contributions are paid. The LVCVA is current with all required contributions.

Current assets increased as cash and investments at the end of FY 2015 totaled nearly \$19 million more than FY 2014. A substantial increase in capital assets was primarily due to the purchase of property, which will be used for future facility expansion. This contributed to the increase in capital assets by about \$188 million. This purchase also increased the noncurrent liabilities due to the debt issued to finance the purchase (see the “Debt” section below). Other items including purchases, depreciation, and disposals, brought the net change to \$175 million.

The increase in net position of more than \$30 million was the result of a 3 percent increase in total revenues, while expenditures only increased by 1 percent. Net position is made up of three components: 1) Net Investment in capital assets, which represents the LVCVA’s investment in capital assets, less any related outstanding debt used to acquire those assets; 2) Restricted net position, which reflects legal constraints from debt covenants or other restrictions that limit the LVCVA’s ability to use those assets for day-to-day operations; and 3) Unrestricted net position, representing accessible resources.

### **Where the Money Came From**

The revenues presented in the table below are from general fund activities, the LVCVA’s primary operating fund. In FY 2015, general fund revenues represented 98% of total revenues. All amounts are reported using the modified accrual basis of accounting, which means that revenues are recognized when they become measurable and available to pay current period liabilities. Overall general fund revenues increased nearly \$8 million from the prior year.

#### **General Fund** (Modified accrual basis)

FUNCTION	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	% Change from FY 2014
<b>REVENUES:</b>						
Room Taxes	\$ 175,425,978	\$ 199,592,498	\$ 203,196,429	\$ 222,781,385	\$ 239,318,802	7%
Gaming Fees	1,919,186	1,813,548	1,831,589	1,710,108	1,726,843	1%
Use of Facilities	45,641,854	46,756,947	45,043,436	56,927,724	49,001,769	-14%
Other Fees & Charges	2,516,806	2,412,021	2,803,458	3,858,682	2,966,605	-23%
Interest & Other	556,204	245,570	176,440	357,484	193,356	-46%
	\$ 226,060,028	\$ 250,820,584	\$ 253,051,352	\$ 285,635,383	\$ 293,207,375	3%

**Room Taxes:** Room tax revenues accounted for an increase of more than \$16 million, or more than 7% over the previous fiscal year. Room tax collections continue to show growth as a result of increased ADR and visitation.

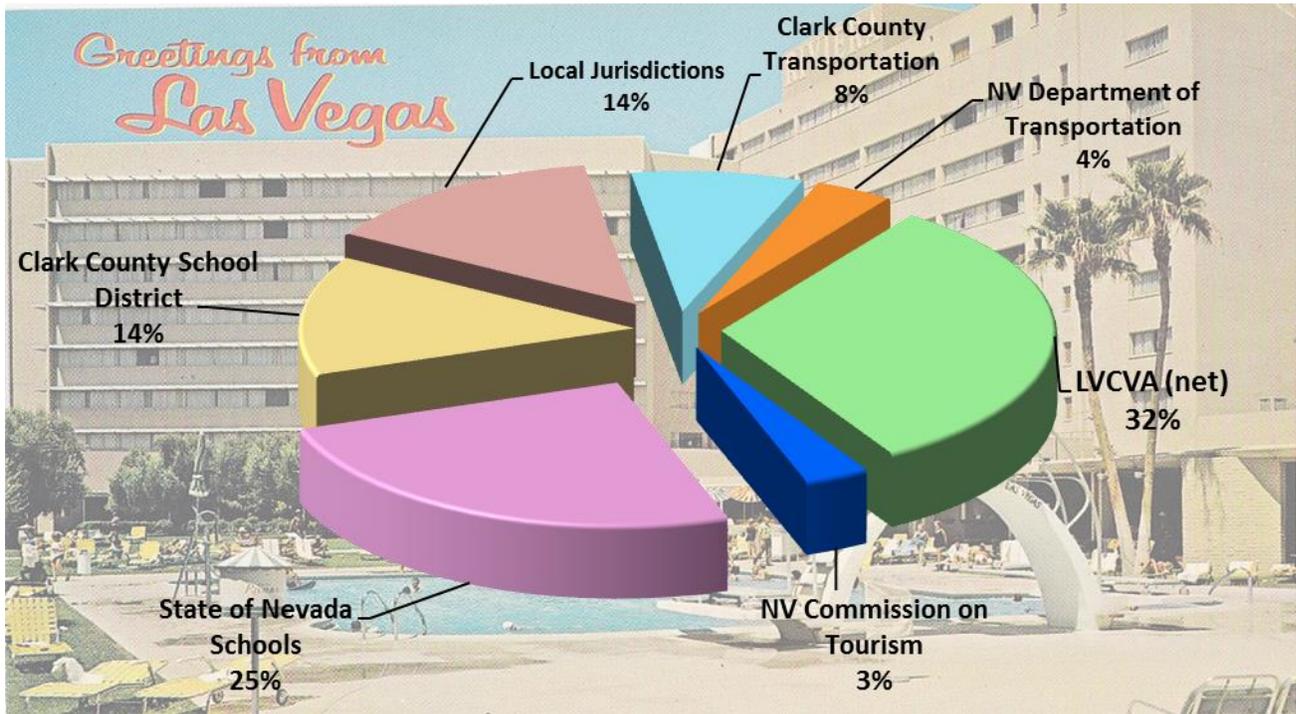
**Use of Facilities:** This category includes revenues generated by the operation of the LVCC and Cashman Center. These revenues declined from FY 2014, primarily due to the cyclical nature of some shows. CONEXPO-AGG is a large equipment and construction show taking place every three years. It was held in FY 2014 but not in FY 2015, and the revenue from this one show historically comprises 10% of facility use revenue each year it is held at the LVCC.

**Other Fees & Charges:** The decrease in revenues is partially due to reduced use of registration personnel by shows in the destination. Due to the nature of these services, this category has a tendency to fluctuate from year to year. Also, the LVCVA received a one-time sponsorship during last fiscal year for a special event that was not repeated in FY 2015.

**Interest Earned & Other:** This includes investment interest, interest and penalties related to room tax and gaming fee collections, and other miscellaneous revenues. There were fewer room tax penalties applied in FY 2015 compared with FY 2014, which accounts for the majority of the decrease.

### Primary Revenue Source

Room tax collections are the LVCVA’s primary revenue source; however, the LVCVA benefits from only a portion of all Southern Nevada room tax collections. The following chart indicates the allocation of room tax revenues. The LVCVA has discretionary use of less than one third of all room tax revenues generated, after taking into account “collection allocation” and debt service payments for NDOT transportation projects (each described on the next page).



### Where the Money Went

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

## General Fund

(Modified accrual basis)

FUNCTION	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	% Change from FY 2014
<b>EXPENDITURES:</b>						
General Government	\$ 10,373,913	\$ 12,452,224	\$ 13,246,144	\$ 14,208,721	\$ 14,322,106	1%
Marketing	27,458,590	30,289,998	30,301,848	28,242,821	34,725,317	23%
Advertising	79,504,487	83,636,231	90,587,216	92,470,992	93,148,972	1%
Special Events Grants	8,058,471	7,713,777	8,233,771	8,570,890	8,765,599	2%
Operations	34,008,771	37,131,878	36,690,902	44,964,997	39,453,977	-12%
Other Community Support	18,985,179	21,157,585	20,509,181	22,449,149	24,104,565	7%
	<b>\$ 178,389,411</b>	<b>\$ 192,381,693</b>	<b>\$ 199,569,062</b>	<b>\$ 210,907,570</b>	<b>\$ 214,520,536</b>	<b>2%</b>

**General Government:** The modest increase in General Government is primarily attributable to salary and benefit programs.

**Marketing/Advertising:** One of the primary reasons that Marketing shows a substantial increase is due to some cost centers shifting from Operations to Marketing. This also explains the decrease in Operations costs from FY 2014 to FY 2015. Marketing also increased due to salary and benefit programs. Advertising costs increased modestly, as it is directly tied to the LVCVA's core mission.

**Operations:** These costs were less than FY 2014 primarily due to the cost center shifts as described above.

**Special Events Grants:** The LVCVA continued its commitment to special events in Southern Nevada during FY 2015. These events included The National Finals Rodeo, Laughlin Town Concert, the Clark County Fair, Vegas Uncork'd by Bon Appetit, and many others.

**Other Community Support:** Other Community Support costs increased by more than \$1.5 million, or around 7%. This expenditure is directly driven by "collection allocation", which is a 10% fee returned to the collecting government agencies for room taxes and gaming fees. The increase of this expenditure corresponds directly to the increase in room tax revenues.

### **Debt at June 30, 2015**

The LVCVA issues general obligation bonds and revenue bonds to provide funding for the improvement, acquisition or construction of major capital assets. At June 30, 2015, the LVCVA had a total outstanding bonded debt of \$772.9 million. During the year, the LVCVA issued a \$275 million revenue bond in the form of a LOC, and drew \$187 million to purchase the Riviera Hotel and Casino. At June 30, 2015 LVCVA had \$88 million in remaining available on the LOC. The LVCVA also issued \$181.8 million in general obligation bonds to partially defease the LOC, along with two other existing bonds. This transaction generated \$6.5 million in present value savings. Debt related to NDOT transportation projects, which was required by state statute, comprises \$275.2 million of the total LVCVA debt.

#### **Summary of Debt Instruments**

(In thousands)

	General Obligation Bonds	Revenue Bonds	Total
Principal balance, June 30, 2014	\$ 405,445	\$ 218,280	\$ 623,725
Principal payments	(24,090)	(195,495)	(219,585)
New issuances	181,805	187,000	368,805
Principal balance, June 30, 2015	<b>\$ 563,160</b>	<b>\$ 209,785</b>	<b>\$ 772,945</b>

## Types of Debt

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

**Direct Pay Bonds:** Some of the outstanding LVCVA bonds are considered to be direct pay bonds, which are also referred to as “Build America Bonds”. The LVCVA was able to obtain certain tax advantages when issuing taxable obligations for capital projects that meet certain requirements of the U.S. Tax Code, and U.S. Treasury Regulations under the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”). In FY 2015, the LVCVA received over \$4.7 million in federal subsidies to offset a portion of interest obligations on these bonds.

**Revenue Bonds:** Under NRS 244A.637, the LVCVA may issue revenue bonds payable solely from the net revenues derived from operations and room taxes. Revenue bonds are not general obligations of the County and no ad valorem taxes may be levied to pay the debt service.

## Bond Ratings

The LVCVA’s bonds issued through Clark County are rated “AA” by Standard and Poor’s (S&P), and “Aa1” by Moody’s. A Moody’s “Aa1” is an investment grade rating reflecting a very strong capacity to meet financial commitments. An “AA” rating by S&P is a comparable rating. LVCVA’s separate bond ratings are “A+” by S&P and “A1” by Moody’s.

## Debt Issuance Compliance Policy

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

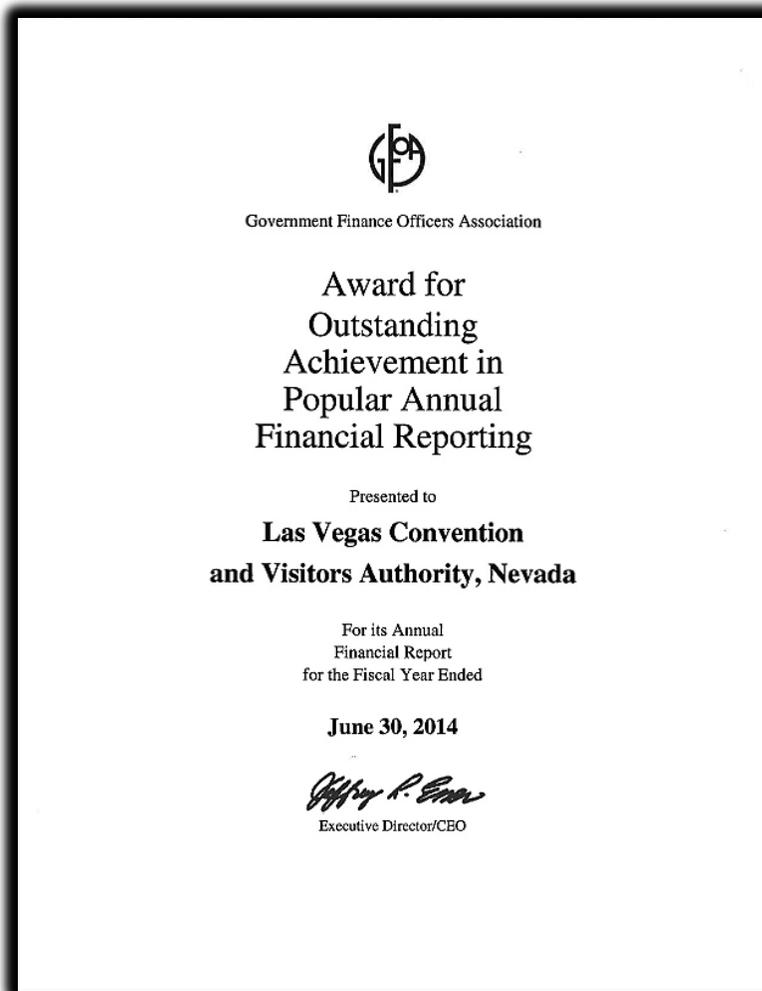
## **Awards**

### **PAFR Award**

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the LVCVA for its Popular Annual Financial Report for the fiscal year ended June 30, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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



### **Comprehensive Annual Financial Report (CAFR) Award**

The LVCVA comprehensive annual financial reports for the years ended 2011-2014, from which the information on pages, 7 and 10-14 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

We hope you found reading the Las Vegas Convention and Visitors Authority FY 2015 Popular Annual Financial Report as being both informative and enjoyable, and we invite you to read our other financial documents: the Comprehensive Annual Financial Report (CAFR) and the Annual Budget, along with this document, by going to: <http://www.lvcva.com/who-we-are/funding-and-finance/>.



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