

Las Vegas Convention and Visitors Authority  
Popular Annual Financial Report  
Fiscal Year Ended June 30, 2013



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## Introductory Message



It is my pleasure to present the Las Vegas Convention and Visitors Authority's (LVCVA) Popular Annual Financial Report (PAFR) for the fiscal year (FY) ended June 30, 2013.

The PAFR summarizes the LVCVA's financial activities and performance results gathered from our FY 2013 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, we are a government agency established by state law, funded primarily by room tax revenues and governed by an autonomous Board of Directors.

While resorts advertise and market their individual properties, the LVCVA is the marketing organization for all of Southern Nevada 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."*



*(The Las Vegas Strip)*

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, Netherlands, South Korea, Spain 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 visitor information centers in the communities of Boulder City, Laughlin, Mesquite, Primm and Las Vegas, to assist tourists.

## 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 has 3.2 million square feet of meeting and exhibit space. The LVCC hosted 47 conventions and tradeshows in FY 2013, along with other special events, for a total of 64 events during the year. 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 and full-scale concerts.



## 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 1,922 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 hosted national events as well. 2013 commemorates Cashman Center's 30<sup>th</sup> anniversary.





## ***MAJOR INITIATIVES IN FY 2013***

### **Las Vegas Global Business District**

The LVCVA unveiled its long-range plan for the Las Vegas Global Business District (LVGBD) in FY 2013. The transformation project is designed to launch Las Vegas decades ahead of competing cities and further develop Las Vegas as an international business destination.

There are three major conceptual components to this project. The first is to expand an international business center and leverage the LVCC "World Trade Center" designation which will help increase our business opportunities around the world. Next is a major expansion and renovations to the LVCC which will include adding additional exhibit space, meeting rooms and general session space, upgraded technology, new food and beverage outlets and the creation of a true convention center district. Finally, the plans call for the development of a transportation center on the LVCC campus. This will help our visitors move around the resort corridor and improve customer experience.

This project will be completed in phases and may take over a decade to complete, with a total estimated expense of \$2.5 billion. 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.



### ***Las Vegas Global Business District***

### **Bond Issuance**

After months of due diligence meetings and financial reporting updates, Finance staff completed in FY 2013 the general obligation bond issuance of \$25 million to fund the purchase of several parcels of land adjacent to the LVCC.

With the announcement of the LVGBD, finance staff began meetings with financial advisors and bond counsel in identifying various flexible financing options to ensure adequate debt coverage ratios and reserves with the issuance of additional bonds. Beginning in FY 2014, and over the next three fiscal years, the LVCVA expects to issue \$150 million in new debt (\$50 million in FY 2014 and \$100 million in FY 2016) and \$68.5 million in FY 2015 in refinanced debt.

### Financial Management and Accountability

Throughout FY 2013, the Finance Department continued monitoring revenue trends, updating forecasts and identifying financing options for of the LVGBD project. As revenues continued to grow for the third consecutive fiscal year, the LVCVA continued to implement its 'Nine-Point Restoration Plan' that included incremental funding restoration in marketing and operating activities, reinvestment in human capital and personnel funding, restoration of economic reserves as well as rebuilding funding for construction.

This nine-point restoration plan is also part of the organization's Strategic Business Plan which was developed in FY 2011 and identified three phases for the tourism market: Stabilization, Revitalization, and The New Reality. Fiscal year 2011 brought Stabilization, as revenues leveled out and began to improve. Revitalization occurred through FY 2012 as revenue had significant growth. FY 2013's moderate growth showed the prior year as a general benchmark of expectations for the future and represents the New Reality. Fiscal year 2014 is budgeted for modest growth based upon this analysis.

### Marketing

The LVCVA continues to take a leadership role with a variety of marketing and sales initiatives. This work includes the launch of our consumer website [lasvegas.com](http://lasvegas.com) to integrate social media, video and other rich media. Sales initiatives include the development of strategies that flow across all sales disciplines and focus on leads and bookings, including hosting industry events.

Some significant initiatives included:

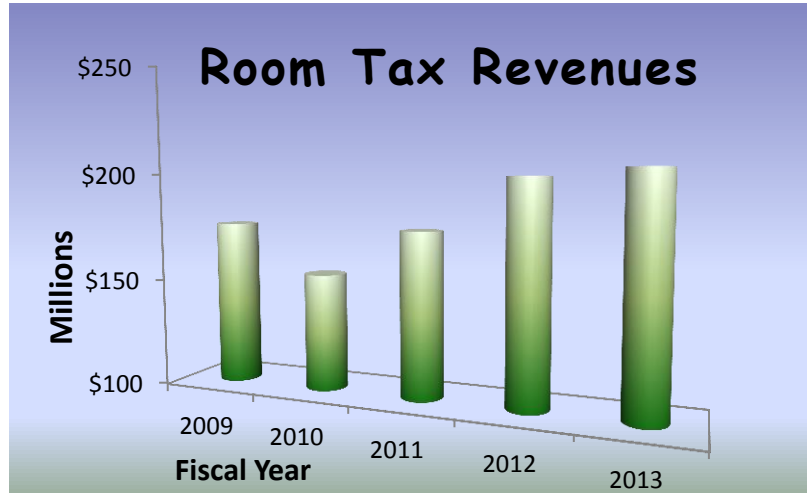
- Created opportunistic ad campaigns that aligned with current events (i.e. Re-energized the "Know the Code" campaign for Prince Harry's trip to Las Vegas). This particular campaign generated more than 150 million media impressions worldwide and equated to over \$23 million in public relations value.
- Continued to bring in media-driven special events to the destination like the Power of Love Gala, Billboard Music Awards, National Finals Rodeo, NASCAR Champions Week, Latin GRAMMY Awards, Miss USA and Miss America.
- Aligned with Brand USA and received additional international exposure through select advertising programs. Launched co-op advertising opportunities in eight markets.
- The Host Committee engaged the business community and rolled out the "red carpet" to welcome 22 major conventions and special events to the city, and continued to educate the public on the importance of tourism to our local economy.
- Initiated new marketing strategies and sales tactics to craft a niche medical tourism market segment.
- Launched international research, planning programs, and consumer advertising in Brazil, Canada, Mexico and the United Kingdom.

## ***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 continue to show modest growth, increasing nearly 2% over FY 2012. These revenues are above FY 2006 levels, and are expected to continue to grow at a moderate pace in the next fiscal year.

Visitor volume and hotel stays are very important to the LVCVA, especially since the largest revenues for the LVCVA are those derived from 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 160,000 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 providing area jobs. Six of the companies operating major hotels in the area are top ten Southern Nevada employers. Las Vegas has continued to reinvest in its future and engage visitors with new amenities including expanding restaurants and nightlife options, renovated rooms, and exciting attractions.

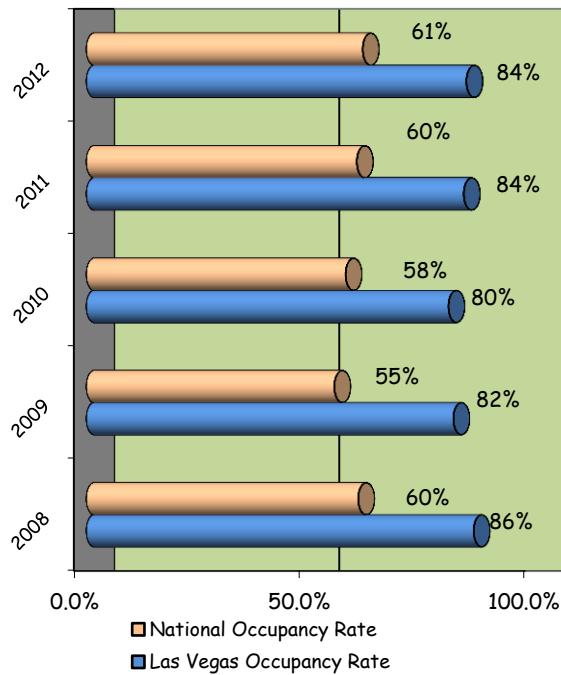
#### **Top Ten Hotels by Room Amounts in Las Vegas**

|                  | Estimated Rooms<br><u>at 6/30/13</u> | % of Total<br><u>Rooms</u> |
|------------------|--------------------------------------|----------------------------|
| ➤ MGM Grand      | 4,996                                | 3.1%                       |
| ➤ Luxor          | 4,400                                | 2.7%                       |
| ➤ Mandalay Bay   | 4,328                                | 2.7%                       |
| ➤ Venetian       | 4,027                                | 2.5%                       |
| ➤ Aria Resort    | 4,004                                | 2.5%                       |
| ➤ Excalibur      | 3,991                                | 2.5%                       |
| ➤ Bellagio       | 3,933                                | 2.4%                       |
| ➤ Ceasars Palace | 3,772                                | 2.3%                       |
| ➤ Circus Circus  | 3,733                                | 2.3%                       |
| ➤ Flamingo       | 3,460                                | 2.0%                       |

Additionally, the Las Vegas metropolitan area has about another 107,000 rooms, while Laughlin has in excess of 10,000, Jean & Primm nearly 3,000, and just under 2,000 in Mesquite.



## Occupancy Rates - Last Five Calendar Years



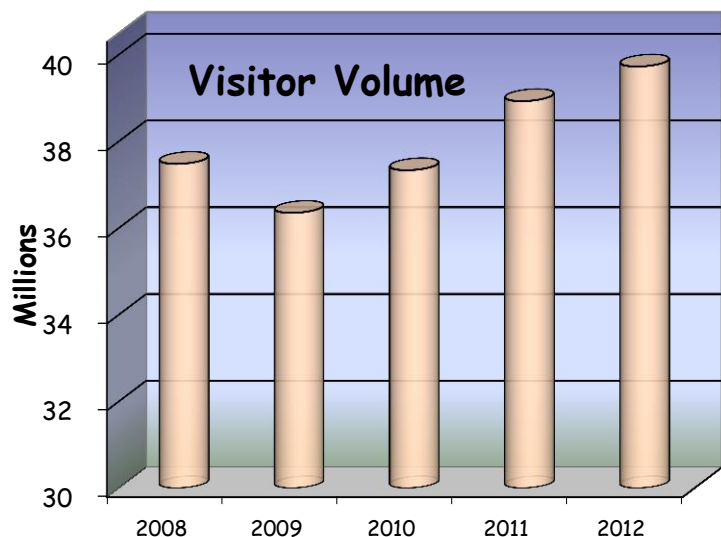
The occupancy rate for the Las Vegas metropolitan area continues to exceed the national average by 23 points during the 2012 calendar year. This, coupled with an increase of over 2% in the ADR, helped the revenue growth during the year.

## ADR Impact

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

## Visitor Volume - Last Five Calendar Years

Market research for calendar year 2012 shows that the number of visitors to Las Vegas was over 39.7 million, an increase of over 2% from calendar year 2011. Room tax revenues during the first six months of the 2013 calendar year (which was the second half of FY 2013), indicate that the upward trend continues, as revenues for that period were up about 2%. Las Vegas continues to hold the number one tradeshow destination ranking in North America with nearly 22,000 annual events and 4.9 million annual delegates.



Increasing room tax revenues, coupled with visitor volume increase, suggest that the market continues to stabilize and grow. The LVCVA projects that total visitor volume will reach more than 40 million in the 2013 calendar year, the most in Las Vegas history.

## *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, 2013 were:

|   |                                 |
|---|---------------------------------|
| Commissioner Tom Collins, Chairman          | Clark County                    |
| Commissioner Lawrence Weekly, Vice-Chairman | Clark County                    |
| Mr. Scott Nielson, Treasurer                | Resort Hotel Industry (NRA)     |
| Mr. Tom Jenkin, Secretary                   | Resort Hotel Industry (CC)      |
| Mr. Charles Bowling                         | Resort Hotel Industry (NRA)     |
| Mayor Shari L. Buck                         | City of North Las Vegas         |
| Mr. Paul Chakmak                            | Central Business District (NRA) |
| Mayor Carolyn Goodman                       | City of Las Vegas               |
| Mayor Andy Hafen                            | City of Henderson               |
| Ms. Kristin McMillan                        | Other Commercial Interests (CC) |
| Mr. Gregory Lee                             | Tourism (CC)                    |
| Councilman George Rapson                    | City of Mesquite                |
| Councilman Steven 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, 2013 consisted of:

|                       |                                     |
|-----------------------|-------------------------------------|
| Mr. Rossi Ralenkotter | President/CEO                       |
| Mr. Terry Jicinsky    | Sr. Vice President, Operations      |
| Ms. Cathy Tull        | Sr. Vice President, Marketing       |
| Mr. Vince Alberta     | Vice President, Public Affairs      |
| Mr. Michael Goldsmith | Vice President, International Sales |
| Ms. Rana Lacer        | Vice President, Finance             |
| Mr. Chris Meyer       | Vice President, Sales               |
| Mr. Mark Olson        | Vice President, Human Resources     |
| Mr. Luke Puschnig     | Vice President, Legal Counsel       |

## *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 (what we have) and liabilities (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 effective financial measures that the LVCVA is continuing to implement allow the LVCVA to continue to meet operating cash needs and satisfy debt service obligations.

Total LVCVA general fund revenues increased by 1% during the year. The number of visitors to the area increased for a second year, and area hotel occupancy rates continued to remain high for FY 2013. The state economy continued showing signs of stabilization and growth in FY 2013.

The following financial information includes a Statement of Net Position for governmental activities. Governmental funds normally include the general fund, capital funds, debt service funds, special revenue funds, and certain internal service funds. The LVCVA does have a general fund, capital fund, debt service fund, and internal service fund however, no special revenue funds at this time. Also included in the financial information, are figures for revenues and expenditures in the general fund. The general fund is the primary operational fund for the LVCVA. All of this information is presented on a modified accrual basis. Modified accrual basis is explained in the sections below.

**Las Vegas Convention & Visitors Authority's  
Statement of Net Position  
As of June 30, 2013**

|                                  | <b>Governmental<br/>Activities<br/>2012</b> | <b>Governmental<br/>Activities<br/>2013</b> |
|----------------------------------|---|---|
| <b>ASSETS</b>                    |   |   |
| Current and other assets         | \$ 212,193,725                              | \$ 196,557,321                              |
| Capital assets                   | 458,119,472                                 | 474,953,052                                 |
| <b>TOTAL ASSETS</b>              | <b>670,313,197</b>                          | <b>671,510,373</b>                          |
| <b>LIABILITIES</b>               |   |   |
| Current liabilities              | 76,487,594                                  | 77,800,386                                  |
| Noncurrent liabilities           | 589,922,634                                 | 596,231,754                                 |
| <b>TOTAL LIABILITIES</b>         | <b>666,410,228</b>                          | <b>674,032,140</b>                          |
| <b>NET POSITION</b>              |   |   |
| Net investment in capital assets | 156,089,778                                 | 163,258,154                                 |
| Restricted                       | 73,840,227                                  | 64,167,079                                  |
| Unrestricted                     | (226,027,036)                               | (229,947,000)                               |
| <b>TOTAL NET POSITION</b>        | <b>\$ 3,902,969</b>                         | <b>\$ (2,521,767)</b>                       |



## Explanation of Significant Differences:

The primary decrease in current and other assets relates to lower cash and investment balances related to bond proceeds previously issued on behalf of the Nevada Department of Transportation (NDOT). Cash and investments were used to pay for transportation projects within the resort corridor in Southern Nevada as part of a partnership with NDOT, per a 2007 legislative mandate. A major NDOT project was completed during FY 2013. Total capital assets increased primarily due to the land acquisitions the LVCVA made during FY 2013. There was an increase in noncurrent liabilities primarily due to the issuance of bonds for the purchase of land. The increase was also due to the rise in liabilities for our employee's future Other Post Employment Benefits (OPEB) costs. In order to address this increasing liability, the LVCVA established a fund in FY 2013 to set aside resources for future payments relating to OPEB benefits. A ten-year funding plan is expected.

Net position is made up of three components and is negative at June 30, 2013. The net investment in capital assets portion represent the LVCVA's investment in capital assets, less any related outstanding debt used to acquire those assets. It increased during the year due to land purchases. 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. The decrease is primarily related to the use of restricted funds for NDOT projects. Funds related to unrestricted net position are those which are 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 2013, General Fund revenues represented 97% 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 \$2.2 million from the prior year.

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

| FUNCTION             | FY 2009               | FY 2010               | FY 2011               | FY 2012               | FY 2013               | % Change<br>from FY 2012 |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| <b>REVENUES:</b>     |                       |                       |                       |                       |                       |                          |
| Room Taxes           | \$ 176,726,992        | \$ 154,046,265        | \$ 175,425,978        | \$ 199,592,498        | \$ 203,196,429        | 2%                       |
| Gaming Fees          | 2,101,166             | 1,960,431             | 1,919,186             | 1,813,548             | 1,831,589             | 1%                       |
| Use of Facilities    | 43,184,527            | 41,939,382            | 45,641,854            | 46,756,947            | 45,043,436            | -4%                      |
| Other Fees & Charges | 2,456,105             | 2,596,351             | 2,516,806             | 2,412,021             | 2,803,458             | 16%                      |
| Interest & Other     | 674,689               | 194,938               | 556,204               | 245,570               | 176,440               | -28%                     |
|                      | <u>\$ 225,143,479</u> | <u>\$ 200,737,367</u> | <u>\$ 226,060,028</u> | <u>\$ 250,820,584</u> | <u>\$ 253,051,352</u> | <u>1%</u>                |

**Room Taxes & Gaming Fees:** These two revenues accounted for an increase of over \$3.6 million, nearly a 2% increase from the previous fiscal year. This was primarily due to increased ADR and visitation.

**Use of Facilities:** This category includes revenues from Facilities Use and Reimbursement of Expenditures generated by the LVCC and Cashman Center. These revenues exceeded budget,

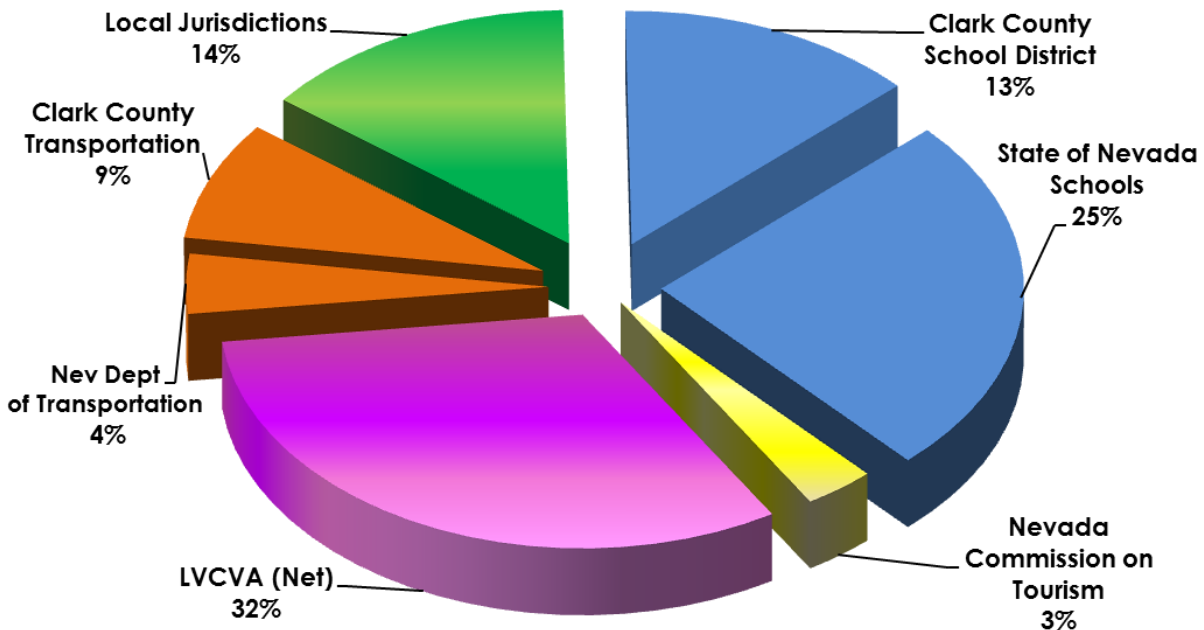
however, they decreased by 4% as compared to the previous year. This is primarily due to the cyclical nature of some shows which occur every other, or every third year. These revenues are budgeted to increase in FY 2014.

**Other Fees & Charges:** Rent revenue increased substantially as a new tenant, American Express, created a business lounge at the LVCC.

**Interest Earned & Other:** This includes investment interest, interest and penalties related to room tax and gaming fee collections, and other miscellaneous revenues. Interest revenues remain down as interest rates stay low, and investment balances have decreased. In addition, hotels are making their tax payments more promptly and thus incurring fewer late penalties.

**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 collected, after taking into account "collection allocation" and debt service payments for NDOT transportation projects (each described below).



## *Where the Money Went*

The expenditures presented are from General Fund activities. The General Fund is the largest source of expenditures for the LVCVA. The remaining expenditures are accounted for in capital debt service funds, and the internal service fund. The modified accrual basis of accounting is used on 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 2009               | FY 2010               | FY 2011               | FY 2012               | FY 2013               | % Change<br>from FY 2012 |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------|
| <b>EXPENDITURES:</b>    |                       |                       |                       |                       |                       |                          |
| General Government      | \$ 12,860,753         | \$ 10,700,951         | \$ 10,373,913         | \$ 12,452,224         | \$ 13,246,144         | 6%                       |
| Marketing               | 30,165,052            | 26,754,911            | 27,458,590            | 30,289,998            | 30,301,848            | 0%                       |
| Advertising             | 89,547,692            | 87,199,280            | 79,504,487            | 83,636,231            | 90,587,216            | 8%                       |
| Operations              | 37,350,037            | 34,186,143            | 34,008,771            | 37,131,878            | 36,690,902            | -1%                      |
| Special Events Grants   | 6,574,416             | 7,437,670             | 8,058,471             | 7,713,777             | 8,233,771             | 7%                       |
| Other Community Support | 20,249,780            | 16,749,540            | 18,985,179            | 21,157,585            | 20,509,181            | -3%                      |
|                         | <u>\$ 196,747,730</u> | <u>\$ 183,028,495</u> | <u>\$ 178,389,411</u> | <u>\$ 192,381,693</u> | <u>\$ 199,569,062</u> | 4%                       |

**General Government/Operating/Marketing/Advertising:** These categories had a combined increase of over 4% compared to FY 2012. Advertising had the most significant increases, as it is our core mission.

**Special Events Grants:** The LVCVA continued its commitment to events in Southern Nevada during FY 2013. Expenditures increased over FY 2012 and FY 2013 events included The Professional Bull Riders World Finals, The Maaco Bowl Las Vegas, The Wrangler National Finals Rodeo, Sports Illustrated Swimsuit Week, The Billboard Music Awards, and conference basketball tournaments for the Mountain West & Pac 12 college conferences.

**Other Community Support:** The 3% decrease in "Other Community Support" is primarily related to a multi-year capital grant obligations that concluded in FY 2012. No such grants were issued in FY 2013. The bulk of the expenditure each year was a result of "collection allocation", which is a 10% fee returned to the collecting government agencies for room taxes and gaming fees. This expenditure increased nearly \$362 thousand as revenues from room taxes and gaming fees increased.

## *Debt at June 30, 2013*

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, 2013, the LVCVA had a total outstanding bonded debt of \$596 million. Debt related to NDOT transportation projects comprised \$287.4 million of the total debt. The LVCVA issued \$25 million in general obligation bonds in FY 2013 for land acquisitions and improvements.



## Summary of Debt Instruments

(In thousands)

|                                  | General          |               |            |
|----------------------------------|------------------|---------------|------------|
|                                  | Obligation Bonds | Revenue Bonds | Total      |
| Principal balance, June 30, 2012 | \$ 347,955       | \$ 245,025    | \$ 592,980 |
| Principal payments               | (8,570)          | (13,025)      | (21,595)   |
| New issuances                    | 24,990           |               | 24,990     |
| Principal balance, June 30, 2013 | \$ 364,375       | \$ 232,000    | \$ 596,375 |

### 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 2013, the LVCVA received approximately \$4.9 million in federal subsidies to assist in interest payments for this type of debt.

**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 and "Aa1" by Moody's. A Moody's "Aa1" rating indicates that bonds are judged to be of high quality with very low credit risk. LVCVA's separate bond ratings are "A+" and "AA-" by Standard and Poor's and "A1" by Moody's for the previous bond issues.

### 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 and Accolades*

The Government Finance Officers Association (GFOA) has given the following awards for outstanding achievement in financial reporting to the LVCVA. These are prestigious national awards recognizing conformance with the highest standards in the preparation of state and local government reports.

### **Annual Report:**

The GFOA awarded the Award for Outstanding Achievement in Popular Annual Financial Reporting to the LVCVA for its June 30, 2012 popular annual financial reporting. This was the sixth year the LVCVA has received this award. In order to receive this award, the contents of this report must conform to program standards of creativity, presentation, understandability and reader appeal.



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Las Vegas Convention  
and Visitors Authority  
Nevada**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**Budget:**

GFOA awarded the Distinguished Budget Presentation Award to the LVCVA for the 25th consecutive year for its June 30, 2013 budget document.

**Financial Reporting:**

GFOA has awarded the Certificate of Achievement for Excellence in Financial Reporting for the 29th consecutive year for its June 30, 2012 CAFR.

**Purchasing:**

The LVCVA received the Achievement of Excellence in Procurement award for the 18<sup>th</sup> consecutive year. This is awarded in recognition of excellence in public procurement.

We hope you found reading the Las Vegas Convention and Visitors Authority FY 2013 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/>.

