



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

POPULAR ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2017



LAS Vegas
CONVENTION AND VISITORS AUTHORITY

Clark County, Nevada

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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, 2017.

The PAFR summarizes the LVCVA's financial activities and performance results gathered from our FY 2017 Comprehensive Annual Financial Report (CAFR). The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and was audited by the firm of Piercy, Bowler, Taylor & Kern, receiving an "unmodified" opinion. An unmodified opinion is given when the auditor can state that the financial statements are accurately and fairly presented, in all material aspects.

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 Chief Financial Officer.

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

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

Rana D. Lacer, CPA, CGMA
Chief Financial Officer

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

About the Las Vegas Convention and Visitors Authority

The LVCVA was originally created in 1955 as the Clark County Fair and Recreation Board 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, the LVCVA is a government agency established by state law, funded primarily by room tax revenues and governed by an autonomous Board of Directors.

While resorts advertise and market their individual properties, the LVCVA is the marketing organization for all of Southern Nevada 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 LVCVA fulfills its mission primarily through national and international advertising campaigns, sales efforts, public relations, special events and operation of the Las Vegas Convention Center (LVCC) and Cashman Center (CC).

Internationally, the LVCVA has international office representation which covers the following areas: Australia, Brazil, Canada, China, France, Germany, Ireland, Italy, Japan, Mexico, the Netherlands, Scandinavia, South Korea, India and the United Kingdom, Las Vegas' number one overseas market.



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 50 large conventions and tradeshows in FY 2017, along with other special events. Some of the largest conventions and shows held here annually include: CONEXPO-CON/AGG, MAGIC International, International

Consumer Electronics Show (CES), Specialty Equipment Marketing Association (SEMA), World of Concrete, the National Finals Rodeo Cowboy Christmas Fest, and National Association of Broadcasters (NAB). The LVCC attracted 1.8 million attendees for the fiscal year. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events. The LVCVA has partnered with Cox Telecom Nevada for major technology upgrades including substantial internet bandwidth increase and unrivaled wireless internet access.

Cashman Center

The LVCVA also currently operates Cashman Center which opened in 1983. The LVCVA owned the Cashman Facility until June 2017, at which time ownership was transferred to the City of Las Vegas to enhance redevelopment opportunities on the site for the benefit of the community. Cashman Center is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The LVCVA will continue to operate the convention facilities until



December 31, 2017 at which time it will be placed in a “moth-ball” status. The facility is also home to a 10,000-seat baseball stadium which is the home of the Las Vegas 51s, currently a AAA affiliate of the New York Mets. Under a management agreement with the City of Las Vegas, the LVCVA will continue to operate the stadium until the current lease agreement expires in December 2022, or until the team terminates the lease. At that time the management agreement will terminate and the LVCVA will no longer operate Cashman Center.

Major Initiatives in FY 2017

Las Vegas Convention Center District

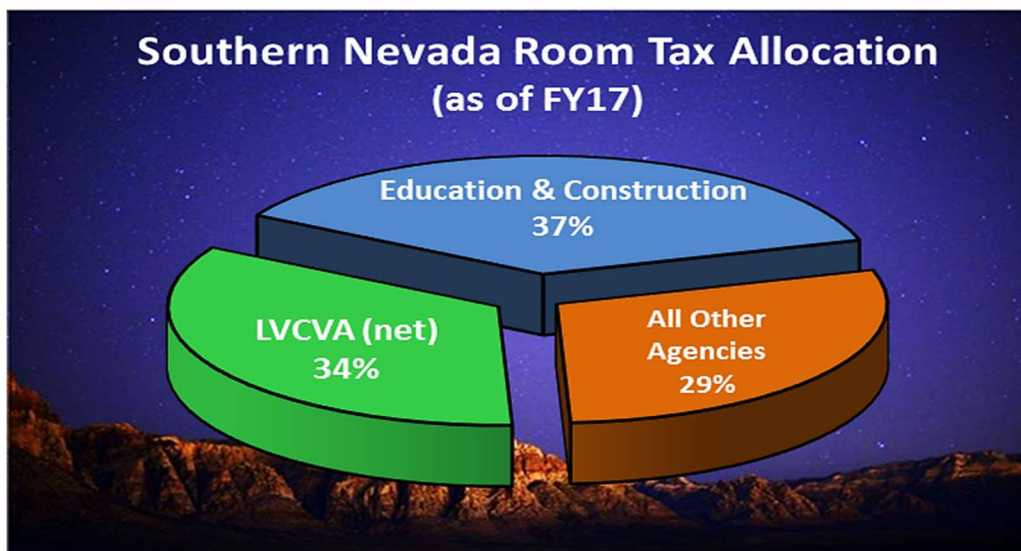
The Las Vegas Convention Center District (LVCCD) program was originally introduced in 2012. The LVCCD includes the expansion of the LVCC with the construction of a 600,000 square foot exhibit hall, plus all required meeting rooms and ancillary support space, in addition to a comprehensive facility renovation of the LVCC plan to modernize and grow the existing facility. The LVCCD will position the organization for continued long-term success and expand the reach and impact of the Las Vegas brand. Over the past year, the LVCVA made significant progress on its strategic vision to protect existing tradeshow business and to attract new shows to Las Vegas.



The LVCCD consists of three essential phases. Phase One included the acquisition and site preparation of land, with the acquisition of the Riviera Hotel and Casino and the subsequent tower implosions and removal of the existing structures. The picture above shows the dedication of the completed outdoor exhibit space with additional parking areas on the land, which was completed in FY 2017. Phase Two of the plan will use this area to construct an additional 600,000 square feet of indoor exhibit space, plus additional meeting rooms, parking, food and beverage outlets, and service spaces. This part of the plan is currently in the design stage. Phase Three will include the renovation and modernization of existing LVCC facilities.

One of the primary aspects of embarking on such an ambitious project, was securing additional funding in conjunction with existing revenues to meet the project budget. During FY 2017, the passage of Senate Bill 1 (SB1), provided additional room tax revenue 0.5% to the LVCVA. The additional room tax revenues are specifically earmarked to be used for Phase Two and Three of the LVCCD project. The tax went in effect mid-way in FY 2017, and the LVCVA received \$11.2 million additional funding in FY 2017. SB1 also capped the maximum funds for collection allocation which is discussed on page 13. The LVCVA has created a new capital fund to report revenues and expenditures related to Phase Two and Three of the LVCCD project.

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



Financial Management and Accountability

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

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

Marketing

The Marketing Division continues efforts on expanding the reach of the Las Vegas brand message domestically and internationally. A first ever destination research study focused on need based states of customers with the goal of applying the findings to media buys, sponsorships and activations was conducted. In addition, messaging will be derived from the study's learnings. On the business front, Las Vegas hosted the final 2016 Presidential Debate in partnership with the University of Nevada, Las Vegas (UNLV) and garnered \$114 million in publicity value. Interactive technology tradeshow booth displays were completed, putting the destination at the forefront of technology and allowing our resort partners to showcase their properties. New brand campaigns were developed for Laughlin, Mesquite and Boulder City. Additionally, a new website was created for Boulder City. A \$17.5 million Distributed Antenna System (DAS) installation was completed, providing a better wi-fi experience for customers at the Las Vegas Convention Center. A new food and beverage provider was selected for the LVCC and Cashman Center.

Other marketing initiatives included:

Consumer Marketing

- Focused on producing engaging video content which generated over 350 million total views across Facebook, YouTube & Twitter.
- Hosted the final 2016 Presidential Debate in partnership with UNLV, attracting more than 71 million television viewers and generating nearly \$114 million in publicity value for UNLV and Las Vegas.
- Continued to expand and mature our international digital presence with 1,735 pieces of content created (160% increase year over year (YOY)), 706,400 fans (98% increase YOY), 2.6 million engagements (470.3% increase YOY) and 255.2 million impressions (249% increase YOY).
- Enhanced the destination's brand presence at both international and domestic exhibitions through the use of state-of-the-art touchscreen technology. Created more than 4,000 pieces of custom content including 360-degree video, time lapse photography, and still images for guests to experience the destination through an interactive map.
- Supported 21 new airline routes through paid media, including the first nonstop flight from China.

Leisure and International Sales

- Exhibited at 152 trade shows with a combined attendance of 1.7 million.
- Conducted 2,382 sales calls to travel professionals around the world.
- Produced 416 events with an attendance of 22,756 travel professionals.
- Hosted 74 familiarization tours from 22 countries which attracted 1,144 travel buyers.

Global Business Sales

- Produced 83 client engagement events that 3,957 clients attended along with Las Vegas resort industry partners.
- Participated in 316 industry events and produced 22 trade shows with over 20,000 meeting, trade show, event, incentive planners and organizers who bring group business to Las Vegas.

Airline Development/Business Sales

- Increased air service lift by 3.3% in combined international and domestic seats into the destination and a sustained air service capacity of 86% load factor or higher.
- Increased air service from 13 domestic and 13 international markets resulting in an estimated non-gaming economic impact of more than \$567 million to the destination.
- Domestic air capacity resulted in a 3.5% increase while international air capacity saw an increase of 1.2%.

Research

- Implemented an online survey of Clark County wedding license applicants to acquire visitor information in support of expanded wedding marketing efforts.
- Expanded online library of research reports and resources published on LVCVA.com

Economic Indicators

Room Tax Revenues

The overall economy of the Las Vegas area is heavily dependent upon its tourism and convention industries. Room tax revenues showed substantial growth, increasing 8.2% in a year over year comparison, and in excess of 13% overall including the new SB1 room tax revenue.

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

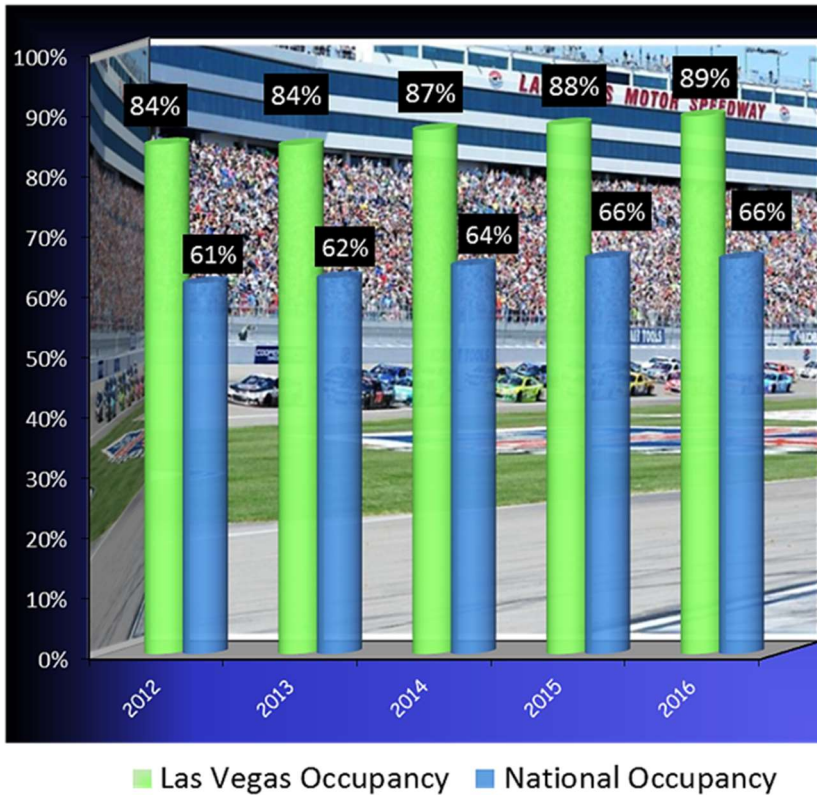
There are in nearly 161,000 hotel/motel rooms in the Southern Nevada Region served by the LVCVA. Las Vegas continues to rank as the No. 1 city in the U.S. for hotel/motel room inventory. These hotel and motel stays not only provide tax revenues, but are also important in creating and supporting local jobs. Hotel properties represent seven of the top ten Southern Nevada employers. Room inventory has remained fairly 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 12/31/16	% of Total Rooms
➤ MGM Grand	5,044	3.1%
➤ Luxor	4,400	2.7%
➤ Venetian	4,027	2.5%
➤ Aria	4,004	2.5%
➤ Excalibur	3,981	2.5%
➤ Bellagio	3,933	2.4%
➤ Caesars Palace	3,792	2.4%
➤ Circus Circus	3,767	2.3%
➤ Flamingo Las Vegas	3,460	2.1%
➤ Mandalay Bay	3,211	2.0%

In addition to the properties above, the Las Vegas market has approximately another 107,000 rooms, while Laughlin has nearly 10,000 rooms, Jean & Primm provide almost 3,000 rooms, and Mesquite has over 1,900 rooms.

Occupancy Rates – Last Five Calendar Year



The occupancy rate for the Las Vegas metropolitan area continued to exceed the national average by 23 points during the 2016 calendar year. This, coupled with an increase of over 7% in the ADR for FY 2017, 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 2016 shows a record breaking 42.9 million visitors to the destination. Indicators showed that this five-year upward trend continued into 2017.

Increasing room tax revenues, stimulated by the highest visitor volume in history, suggest that Las Vegas continues to appeal to both leisure and business travelers.



Conventions & Meetings

Las Vegas was recognized for the 23rd 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 2016. Las Vegas hosted more than 21,000 annual events and nearly 6.3 million annual delegates.

Principal Officials

Board of Directors

The Las Vegas Convention and Visitors Authority is governed by a Board of Directors consisting of fourteen members. Eight members are elected officials of either Clark County or one of its incorporated cities. The Las Vegas Metro Chamber of Commerce (CC) and Nevada Resort Association (NRA) nominate three each of the remaining six members. Seven of eight elected officials are selected periodically by their respective governing bodies; their terms on the Board are coterminous with their terms of office. The elected official from the second least populated incorporated city serves a two-year term, starting with their term in office. The six remaining members serve a 2-year term and can be re-appointed to additional 2-year terms. As of June 30, 2017, members of the board included:

Commissioner Lawrence Weekly, Chairman	Clark County
Mr. Chuck Bowling, Vice-Chairman	Resort Hotel Industry (NRA)
Mr. Bill Noonan, Secretary	Central Business District (NRA)
Mayor Pro Tem Cam Walker, Treasurer	City of Boulder City
Councilman Ricki Barlow	City of Las Vegas
Commissioner Larry Brown	Clark County
Mayor Carolyn G. Goodman	City of Las Vegas
Mr. Tom Jenkin	Resort Hotel Industry (CC)
Mr. Gregory Lee	Tourism (CC)
Mayor John Lee	City of North Las Vegas
Councilman John Marz	City of Henderson
Ms. Kristin McMillan	Other Commercial Interests (CC)
Councilman George Rapson	City of Mesquite
Mr. Maurice Wooden	Resort Hotel Industry (NRA)

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, 2017 consisted of:

Mr. Rossi Ralenkotter	President/CEO
Ms. Barbara Bolender	Chief Human Resources Officer
Ms. Rana Lacer	Chief Financial Officer
Ms. Jacqueline Peterson	Chief Communications & Public Affairs Officer
Vacant Position	Chief Operating Officer
Mr. Ed Finger	Sr. Vice President, Finance
Mr. Terry Jicinsky	Sr. Vice President, Operations
Ms. Cathy Tull	Sr. Vice President, Marketing
Mr. Michael Goldsmith	Vice President, International Sales
Mr. Chris Meyer	Vice President, Global Business Sales
Mr. Luke Puschnig	Vice President, Legal Counsel
Mr. Hugh Sinnock	Vice President, Customer Experience
Mr. Kevin Bagger	Executive Director, Research Center
Mr. Lawrence Roney	Executive Director, Information Technology
Ms. Valerie Segarra	Executive Director, Strategic Initiatives
Mr. Ray Suppe	Executive Director, Customer Safety

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 the next 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.



(Left: The Las Vegas "Strip" looking north, Center: New York New York on the Strip, Right: Laughlin, NV)

The following financial information includes a Statement of Net Position for governmental activities. Governmental funds normally include the general fund, capital funds, debt service funds, special revenue funds, and certain internal service funds. The LVCVA presents a general fund, capital projects fund, LVCCD capital 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, 2017**

	Governmental Activities FY 2016 (Restated)	Governmental Activities FY 2017
ASSETS		
Current and other assets	\$ 274,934,630	\$ 282,521,541
Capital assets	679,077,721	677,365,626
TOTAL ASSETS	954,012,351	959,887,167
DEFERRED OUTFLOWS OF RESOURCES	9,241,382	19,433,119
LIABILITIES		
Current liabilities	102,614,288	83,979,327
Noncurrent liabilities	825,859,862	814,805,792
TOTAL LIABILITIES	928,474,150	898,785,119
DEFERRED INFLOWS OF RESOURCES	8,246,985	5,072,760
NET POSITION		
Net investment in capital assets	189,376,462	209,841,668
Restricted	69,025,936	70,033,074
Unrestricted	(231,869,800)	(204,412,335)
TOTAL NET POSITION	\$ 26,532,598	\$ 75,462,407

Explanation of Significant Differences:

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. The Statement of Net Position was restated related to the implementation of GASB 82.

Net position increased by nearly \$49 million over FY 2016. Cash and cash equivalents increased by \$9 million, while room taxes receivable also increased. These are primarily a result of higher room tax revenues and service revenues. The LVCVA continued its practice of containing expenses below revenues. Total liabilities decreased nearly \$30 million primarily due to scheduled maturing debt. This also increased the net investment in capital assets portion of net position. The primary driver to the changes in deferred outflows and inflows relates to pension plan items. Capital assets overall slight decrease relates to the transfer of the Cashman Facility at a net value of \$9.9 million which was mostly offset by increases in capital assets related to completion of Phase One of the LVCCD project described on page 4.

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 2017, general fund revenues represented 95% of total revenues. All amounts are reported using the modified accrual basis of accounting, which means that revenues are recognized when they become measurable and available to pay current period liabilities. Overall general fund revenues increased over \$28 million from the prior year.

General Fund (Modified accrual basis)

FUNCTION	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	% Change from FY 2016
REVENUES:						
Room taxes	\$ 203,196,429	\$ 222,781,385	\$ 239,318,802	\$ 259,967,636	\$ 281,389,017	8%
Gaming fees	1,831,589	1,710,108	1,726,843	1,646,281	1,593,600	-3%
Use of facilities	45,043,436	56,927,724	49,001,769	56,884,742	59,984,761	5%
Other fees & charges	2,803,458	3,858,682	2,966,604	3,950,825	8,022,338	103%
Interest & other	176,440	357,484	193,357	200,074	397,606	99%
	\$ 253,051,352	\$ 285,635,383	\$ 293,207,375	\$ 322,649,558	\$ 351,387,322	9%

Room Taxes: Room tax revenues accounted for an increase of more than \$21 million, about 8% 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. They increased over FY 2016, primarily due to the cyclical nature of some shows, including the CONEXPO-CON/AGG show during FY 2017 which takes place every third year.

Other Fees & Charges: Other fees & charges increased substantially over FY 2016, primarily driven by two items. The first is a non-recurring revenue related to support for the LVCVA’s co-hosting of the Presidential Debate accounted for half of these revenues. These revenues were offset by additional related expenditures as seen in the increase of Marketing expenditures noted below. Also, the LVCVA began receiving new restricted revenue in FY 2017, which the LVCVA must use for wedding promotions.

Interest Earned & Other: Interest & other includes investment interest, interest and penalties related to room tax, and other miscellaneous revenues. The increase over the previous fiscal year primarily due to an increase in room tax penalties collected.

Where the Money Went

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

General Fund
(Modified accrual basis)

FUNCTION	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	% Change from FY 2016
EXPENDITURES:						
General government	\$ 13,246,144	\$ 14,208,721	\$ 14,322,106	\$ 16,146,746	\$ 19,532,835	21%
Marketing	30,301,848	28,242,821	34,725,317	36,537,160	45,094,547	23%
Advertising	90,587,216	92,470,992	93,148,972	95,012,365	95,905,154	1%
Operations	36,690,902	44,964,997	39,453,977	41,415,858	39,289,787	-5%
Special events grants	8,233,771	8,570,890	8,765,599	11,665,284	12,196,297	5%
Other community support	20,509,181	22,449,149	24,104,565	26,161,392	25,000,000	-4%
	\$ 199,569,062	\$ 210,907,570	\$ 214,520,536	\$ 226,938,805	\$ 237,018,620	4%

General Government: The primary increase is related to the Information Technology Department moving from Operations to General Government, which increased General Government, but reduced Operation's expenditures.

Marketing/Advertising: Marketing showed a substantial increase over the previous fiscal year, while advertising increased a modest one percent. The primary driver behind the Marketing increase relates to expenditures related to co-hosting the Final Presidential Debate, as mentioned in the revenue section.

Operations: Operations decrease is primarily due to moving the Information Technology department to General Government, as described above.

Special Events Grants: The LVCVA continued its commitment to support special events in Southern Nevada during FY 2017 and adjusts funding yearly. FY 2017 events included National Finals Rodeo (NFR), New Year's Eve and NASCAR.

Other Community Support: Other Community Support decreased in FY 2017. This expenditure is directly driven by "collection allocation", which is a flat 10% fee returned to the collecting government agencies. Provision in SB1 capped the maximum funds for collection allocations returned to the collecting entities at \$25 million. The remainder of the collection allocation is now transferred to the LVCCD capital fund in accordance with the new law.

Debt at June 30, 2017

The LVCVA issues general obligation bonds and revenue bonds to provide funding for the improvement, acquisition or construction of major capital assets. In addition, at June 30, 2017, the LVCVA had a total outstanding bonded debt of \$707.7 million. During the year the LVCVA completed four bond refunding. These transactions were completed to restructure and extend maturities on the Line of Credit amounts outstanding or for cost savings. At June 30, 2017 the LVCVA had \$99 million available, with an additional \$200 million authorized on the LVCVA's line of credit. Debt related to NDOT transportation projects, which was required by state statute, comprises \$239.1 million of the total LVCVA debt.

Summary of Debt Instruments

(In thousands)

	General Obligation		
	Bonds	Revenue Bonds	Total
Principal balance, June 30, 2016	\$ 552,365	\$ 192,915	\$ 745,280
Principal payments & reductions	(46,090)	(183,585)	\$ (229,675)
New issuances	21,175	170,905	\$ 192,080
Principal balance, June 30, 2017	\$ 527,450	\$ 180,235	\$ 707,685

Types of Debt

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

Direct Pay Bonds: Some of the outstanding LVCVA bonds are considered to be direct pay bonds, which are also referred to as "Build America Bonds". The LVCVA was able to obtain certain tax advantages when issuing taxable obligations for capital projects that meet certain requirements of the U.S. Tax Code, and U.S. Treasury Regulations under the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). In FY 2017, the LVCVA received over \$4.7 million in federal subsidies to offset a portion of interest obligations on these bonds.

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

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.

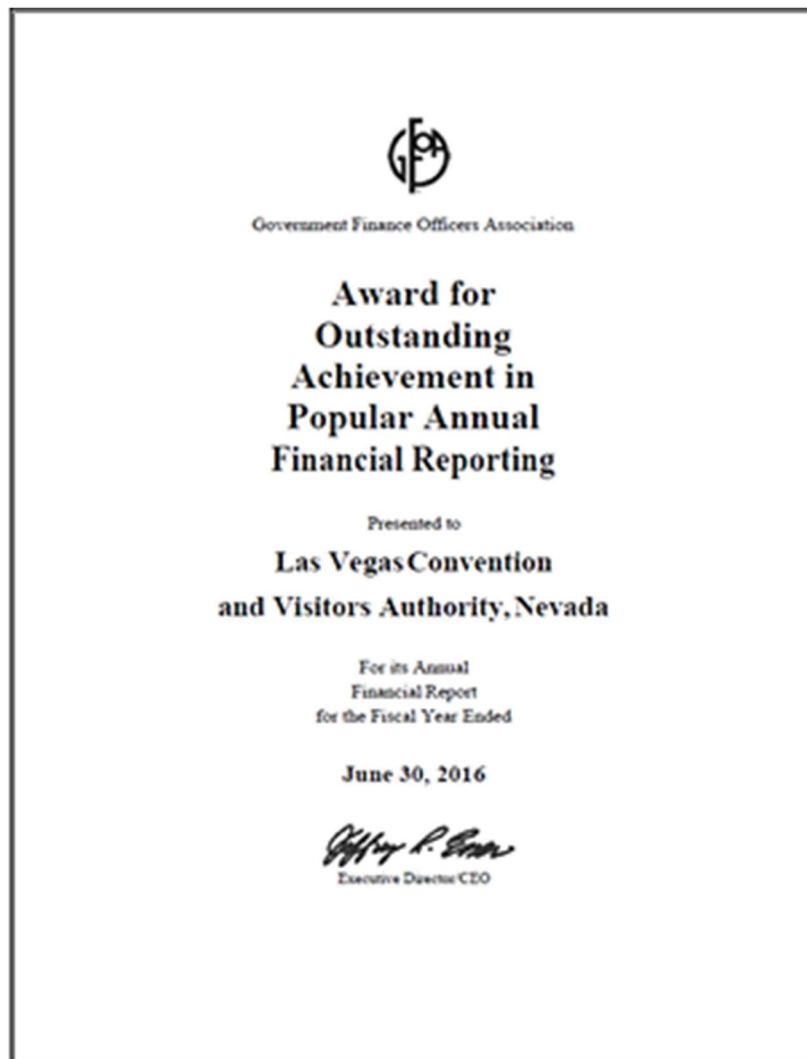
Awards

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, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

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

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



Comprehensive Annual Financial Report (CAFR) Award

The LVCVA comprehensive annual financial reports for the years ended 2013-2016, from which the information on pages, 7, 8 and 10-14 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

We hope you found reading the Las Vegas Convention and Visitors Authority FY 2017 Popular Annual Financial Report both informative and enjoyable, and we invite you to read our other financial documents: The Comprehensive Annual Financial Report (CAFR) and the Annual Budget, along with this document, by going to: <http://www.lvcva.com/who-we-are/funding-and-finance/>.





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