



**Las Vegas Convention and Visitors Authority
Comprehensive Annual Financial Report**

Year Ended June 30, 2006

Las Vegas, Nevada



**Prepared by the Finance Department
Under the Supervision of
Brenda Siddall, Vice President of Finance**

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2006**

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November 14, 2006

Board of Directors
LAS VEGAS CONVENTION AND VISITORS AUTHORITY
3150 Paradise Road
Las Vegas, Nevada 89109-9096

We are pleased to present the Las Vegas Convention and Visitors Authority's (LVCVA) Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2006.

This report was prepared by the Finance Department in conformity with generally accepted accounting principles (GAAP) and with Nevada Revised Statutes. This year's CAFR features an enhanced statistical section as mandated by the body that sets the guidelines for the CAFR, the Governmental Accounting Standards Board (GASB). The new statistical section is designed to more clearly showcase an entity's financial position and the economic condition in which the entity operates.

Although the report contains our independent auditors' opinions, responsibility for the accuracy of the presented data and accompanying disclosures and the completeness and fairness of the presentation rests with LVCVA management.

The LVCVA maintains a system of internal controls designed, among other things, to provide reasonable assurance that (1) assets are safeguarded against loss or unauthorized use, and (2) financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of maintaining internal controls should not exceed the benefits derived and that management is required to evaluate the cost and benefits using estimates and judgments.

REPORTING PRESENTATION

This report includes only the funds of the LVCVA. No other entities or organizations are included since none met established criteria for inclusion in the reporting entity.

The report is presented in three sections:

Introductory section includes the transmittal letter, organizational chart, board of directors, and principal officers.

Financial section includes the independent auditors' opinion, management discussion and analysis, government-wide financial statements, notes to the financial statements, as well as schedules for LVCVA funds.

Statistical section includes multi-year comparisons of revenue and expenditures, debt computations, and selected demographic information.

BOARD OF DIRECTORS

REPORTING ENTITY

For more than 50 years, the Las Vegas destination has built, planned, marketed, rebuilt and expanded to earn its current status as one of the world's most exciting resort destinations. Created in 1955 as the Clark County Fair and Recreation Board, the LVCVA was charged with the dual mission of attracting visitors and operating the convention facilities efficiently. In response to the new challenges presented by increased global competition for both convention and tourist travelers, the LVCVA has updated its mission statement to read as follows:

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

The keys to successfully promoting Las Vegas and Southern Nevada are defined in the LVCVA's Vision Plan, which seeks to *grow* the brand, *house* the brand, and *live* the brand. The LVCVA is guided in its mission by five key tenants:

Inspire people to visit Las Vegas and Southern Nevada. Using marketing and sales strategies that are as dynamic and trendsetting as the destination itself, the LVCVA continually reinforces the message that Las Vegas and Southern Nevada are the most desirable locations for vacations, conventions, and special events.

Provide world-class customer service. As ambassadors for the destination, the LVCVA brings people back to Las Vegas and Southern Nevada time and again by providing legendary service with each and every customer interaction, especially with our convention and meeting customers.

Deliver on the brand promise. Through our employees and our facilities, we deliver on the promise that Las Vegas and Southern Nevada offer exactly what a customer wants – an experience that's unmatched by any destination and exceeds expectations every time.

Serve as the "Authority". Through our research, resources and expertise, the LVCVA sets industry benchmarks in every facet of destination promotion, living up to its name as the "Authority" on Las Vegas and Southern Nevada, as well as on leisure and business travel in general.

Create an experience. People come to Las Vegas and Southern Nevada for an experience they can't find anywhere else. The LVCVA creates the same type of environment for its employees – an atmosphere in which both business and fun are highly valued, and where every interaction mirrors the organization's core values: Loyalty, Integrity, Trust, Excellence and Respect.

BOARD OF DIRECTORS

ECONOMIC CONDITION

Fiscal Year 2006

Many people question how Las Vegas can continue to remain a top destination in the world. The answer may have to do with a shift in the development of the city into a complete resort/entertainment destination. In addition to offering the largest selection of gaming properties in the world, Las Vegas has added new, upscale, themed resort properties, a large increase in shopping and dining experiences, new attractions and recreational opportunities. Live casino games, the world's top entertainers, exciting stage productions, Broadway-style productions, luxurious spas, challenging golf courses, and world-class special and sport events are among the attractions that keep visitors interested in experiencing the unique environment.

The LVCVA's financial position is directly affected by the volume of visitors to the Las Vegas and Southern Nevada areas, as our major source of revenue is derived from room taxes. Room tax revenue increased from \$176 million to \$202 million in fiscal year (FY) 2006. Market research for the calendar year 2005 shows that the number of visitors to Las Vegas exceeded 38.5 million, resulting in a \$36.7 billion contribution to the local economy.

Despite increased competition from other gaming and resort destinations, hotel and motel occupancy rates average 17 percentage points higher than those of other U.S. destinations.

	Calendar		
	2004	2005	Change
Las Vegas	88.6%	89.2%	0.6
L.A./Long Beach	71.7%	74.6%	2.9
Orlando	70.9%	70.7%	-0.2
San Diego	70.9%	72.3%	1.4
Miami	68.2%	72.6%	4.4
San Francisco	68.0%	71.5%	3.5

Source: LVCVA Research Department and Smith Travel Research

Las Vegas is also popular as a convention destination. One reason is the sales staff at both the area resorts and the LVCVA. They work diligently to help tradeshow producers and meeting planners find suitable venues for their events. In 2005, Las Vegas maintained its position as the top-ranked destination for tradeshows, holding a 22 % market share, by hosting 44 of the 200 largest tradeshows in North America.

The LVCVA's sales team works to book space not only at the LVCVA's venues (Las Vegas Convention Center and Cashman Center) but also throughout the resort community. The LVCVA's philosophy is that it doesn't matter where meeting planners and show producers hold their events, as long as they're in Las Vegas.

BOARD OF DIRECTORS

Another reason could be that Las Vegas is home to three of the country's ten largest convention venues and home to 17 of the 20 largest hotels in the world to house the show attendees. The

LVCVA realizes that convention space growth is necessary to compete with the nation's other top convention destinations and is in the final planning phase for its most ambitious enhancement project to date. This enhancement project will allow the Las Vegas Convention Center (LVCC) to increase the level of service to its building customers and increase the facility's functionality. Traditionally, the city itself draws more attendees to a convention than the same event held in another city. Delegates know there is plenty to do outside the trade show hall. Attendance increased 7.7% to more than 6.2 million convention delegates attending 22,154 conventions during 2005 and convention capacity has grown to 9.8 million square feet of meeting and exhibit space citywide.

To market Las Vegas and Southern Nevada and to attract international visitors, the LVCVA operates offices in Japan, United Kingdom, Germany, France, Australia, South Korea and Mexico. In addition to the international offices, the LVCVA operates regional offices in Laughlin, Nevada; Chicago, Illinois; and Washington, D.C. to market and advertise Southern Nevada around the nation. Locally, the LVCVA maintains visitor information centers in the communities of Boulder City, Laughlin, Mesquite, Primm, and Las Vegas to assist tourists.

WHAT THE FUTURE HOLDS

Over the past two years, strategic planning has been the main focus of the LVCVA. The product of that strategic planning was the 2005 Vision Plan. The plan was comprehensive and aggressive – with an immediate goal of achieving 43 million visitors by 2009. The Vision Plan serves as the foundation for the LVCVA operations, using the priorities and issues identified as guiding factors in setting objectives and resource allocation decisions.

These objectives and decisions include the upgrading of the Las Vegas Convention Center, the successful signing of major sporting events and the appointment of mission-critical professionals.

Las Vegas Convention Center Master Plan Enhancement Program

In response to ever-increasing global competition for convention and tourist travelers, and to continue to deliver a world-class customer experience, the LVCVA has continually made improvements to its facility. In late FY 2005, the LVCVA partnered with a consultant to update our master plan by developing building and site plan recommendations to keep pace with the future of the convention and tradeshow market. Their analysis showed that while our facilities are being well used, there is room to grow and improve over-all customer service.

BOARD OF DIRECTORS

In the first quarter of FY 2006, the LVCVA conducted extensive interviews and focus groups with the LVCC customers and other stakeholders to determine the components of this enhancement program. Based on our consultants' and customers' recommendations, five broad areas needed improvement/enhancements:

- Renovation of existing spaces
- Improve access and circulation in and around the LVCC
- Technology enhancements in the facility
- Enclose link to the Monorail
- Improve security/safety by incorporating an on-site police substation and fire station.

In February 2006, the LVCVA board of directors unanimously approved a proposed \$737 million master plan enhancement program (MPEP) for the Las Vegas Convention Center (LVCC). Upon this approval from the Board, the LVCVA began prioritizing the projects and finalized the funding of this enhancement program on August 24, 2006 with the issuance of \$340 million of commercial paper. The focus of the schematic design for MPEP continues to be reviewed, and construction is scheduled to begin in last half of FY 2007.

Las Vegas To Host NBA All-Star 2007

Las Vegas has been selected to host the 2007 NBA All-Star game, and it will mark the first time that an NBA All-Star game will be held in a city without an NBA team.

The LVCVA will serve as the host organization for NBA All-Star 2007. This week-long celebration will enable fans of all ages to experience a multitude of events around the city and have the thrill of seeing some of the world's greatest athletes play the game they love while also leaving a lasting impact in the host city's community.

In addition, the NBA will partner with schools and community-based organizations in Las Vegas and the surrounding areas to showcase the League's on-going commitment to the community.



The NBA All-Star competitions will tip off on Friday, Feb. 16, as the league's top rookies and second-year players square off in the Rookie Challenge. The excitement will continue the next day with NBA All-Star Saturday featuring:

- ❖ *Shooting Stars*, a shooting competition featuring NBA Legends, NBA and WNBA players;
- ❖ *Skills Challenge*, a competition of top guards working against the clock to complete a series of passes, long-range shots and agility drills;

BOARD OF DIRECTORS

- ❖ ***Three-Point Shootout***, where six of the NBA's best long-range shooters compete against each other and versus the clock in the test of three-point shooting accuracy.
- ❖ ***Slam Dunk Contest***, the evening's grand finale, will showcase some of the NBA's best athletes as they take to the air mystifying fans with their gravity-defying creativity.

The festivities will culminate on Sunday, Feb. 18 with the playing of the 56th NBA All-Star Game at the Thomas & Mack Center. The game will reach a worldwide television audience in more than 200 countries.

MAJOR INITIATIVES FOR 2005-2006

Property Acquisition

The updated master plan approved by the Board of Directors established a strategy to improve and enhance the LVCC, as well as allow for future expansion of the LVCC. One recommendation was to acquire real property that would provide passenger vehicle and truck circulation, additional customer parking, outdoor exhibit space and improve event attendee ingress/egress into and from the LVCC.

In FY 2006, the LVCVA acquired four parcels of property (approximately 6.77 acres) for approximately \$34 million. Negotiations continue to acquire additional property adjacent to the LVCC.

Addition of Mission-Critical Professionals

With the primary objective of ensuring a consistent customer service throughout the LVCC and Cashman Center, the LVCVA hired four mission-critical professionals.

Vice-President of Public Affairs - this position is responsible for planning and directing all aspects of the LVCVA's public affairs and public relations policies, objectives, and initiatives.

Director of Project Development - the Project Development department, along with this position, was created in order to provide experienced oversight of the Las Vegas Convention Center enhancement project and other routine construction projects.

Director of Customer Service - this position will serve as liaison between the LVCVA and show exhibitors, attendees and in-house vendors who provide various services such as telecommunications, catering and transportation.

Senior Director, Office of the President - this position is responsible for developing relationships within the Las Vegas community, as well as providing marketing and travel industry information to the Las Vegas and Southern Nevada resort partners.

BOARD OF DIRECTORS

DEBT ADMINISTRATION

It is the LVCVA's policy to fund principal and interest payments for outstanding debt issues due on January 1 and July 1 in quarterly installments. The reserves in the debt service funds at June 30, 2006, were sufficient to pay principal and interest due on July 1, 2006.

Outstanding bonded debt and debt service reserves at June 30, 2006, are shown below:

	Rating S&P	Rating Moody's	Gross Bonding Debt	Reserves In Debt Service	Net Bonded Debt
9/1/96 Series Bonds*	AA	Aa2	\$ 43,500,000	\$ 2,963,450	\$ 40,536,550
1998A Series Bonds*	AA	Aa2	35,740,000	979,766	34,760,234
11/99 Series Bonds	AAA	AAA	32,025,000	1,008,050	31,016,950
05/03 Series Bonds*	AAA	Aaa	18,370,000	9,419,250	8,950,750
04/05 Series Bonds*	AAA	Aaa	117,395,000	3,132,419	114,262,581
			\$ <u>247,030,000</u>	\$ <u>17,502,935</u>	\$ <u>229,527,065</u>

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

Additional information regarding long-term debt can be found in note 8 on page 29 and 31.

CASH MANAGEMENT

The LVCVA's policy is to maintain a balanced investment program by following a conservative approach while still seeking to maximize interest earnings. Investments in government securities, repurchase agreements, banker's acceptances, and certificates of deposit, as well as bank deposit balances, are collateralized by securities held by an independent bank acting as the LVCVA's agent. Such investments and deposits are considered to be a very low credit and market risk, which is discussed further in note 4 to the financial statements on pages 25 and 26.

The LVCVA averaged a 3.76% rate of return, which totaled over \$3.8 million in FY 2006.

RISK MANAGEMENT

The LVCVA's risk management program includes various risk control techniques, especially in the area of safety awareness. Several programs in place are: a health and safety committee consisting of representative employees from all divisions; regularly scheduled safety training sessions; and a "traveling safety trophy" that is awarded quarterly to the section with the best safety record.

BOARD OF DIRECTORS

The LVCVA has third-party coverage for all lines of insurance, covering property, commercial liability, and employees. For worker's compensation, the LVCVA is self-insured at a relatively low threshold. For claims over the threshold, third-party coverage would take effect. See note 10 to the financial statements, on page 32, for additional information.

PENSION BENEFITS

The LVCVA contributes to the Nevada Public Employees Retirement System, a multiple-employer public employee-defined plan. Additional information can be found in note 11 on pages 32 and 33.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROLS

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

The final budget is fully integrated on July 1 with the LVCVA's accounting system. The statutory level of budgetary control is at the function level; in reality, control is maintained at the line item level through the use of a purchase order and encumbrance system. An encumbrance is recorded in the accounting system when a purchase order is issued. At fiscal year end, outstanding encumbrances are reported as reservations of fund balance and are re-appropriated in the next fiscal year since they are not considered expenditures or liabilities.

Budgetary performance is measured by line item budget variance reports issued to operating sections on a weekly basis. Budget variance reports are distributed to the Board on a monthly basis.

There are three types of transfers of budget appropriations that are permitted by state law. The Department of Taxation is notified of these transfers by means of filing the tentative budget that contains current year budget revisions.

BOARD OF DIRECTORS

Adjustments to the budget are accomplished through an augmentation process. It requires adoption by a majority vote of the Board of Directors at a regular meeting to increase appropriations above levels originally approved. This formal resolution procedure adheres to the process prescribed by Nevada Revised Statutes.

INDEPENDENT AUDIT

In accordance with Nevada law, the LVCVA's financial records are subject to an annual audit by a firm of independent accountants. Such an audit is conducted in accordance with generally accepted auditing standards. The auditors determine whether or not the LVCVA followed GAAP. The firm of Kafoury, Armstrong and Company, Certified Public Accountants, audited this report, and its opinion is presented on page 1.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the LVCVA for its comprehensive annual financial report (CAFR) for the year ended June 30, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to the program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The LVCVA has received the Certificate of Achievement for the last 22 consecutive years (fiscal years ended 1984-2005). We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

We express our appreciation to all of the Finance Department staff that assisted in and contributed to the preparation of this report.

Sincerely,



Rossi Ralenkotter
President/CEO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Las Vegas Convention
& Visitors Authority,
Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

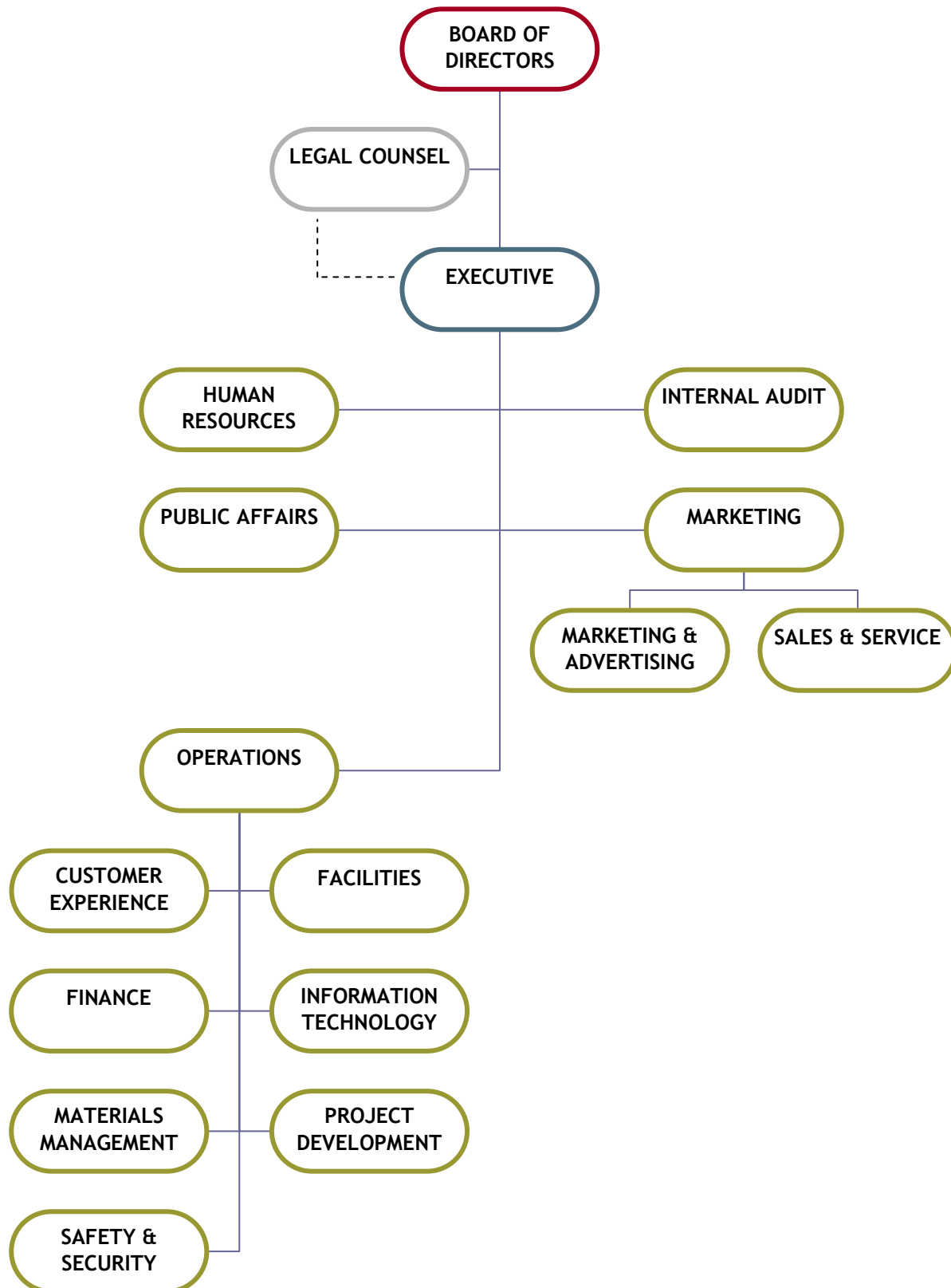
President

Jeffrey R. Emer

Executive Director

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

ORGANIZATIONAL CHART



LAS VEGAS CONVENTION AND VISITORS AUTHORITY 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 the County or one of the incorporated cities therein. The Las Vegas Chamber of Commerce (CC) and Nevada Resort Association (NRA) nominate three each of the remaining six members. Members of the Board as of June 30, 2006 are:



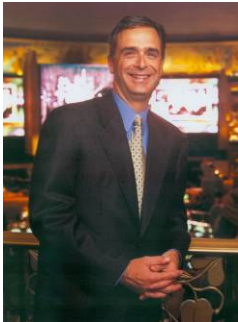
Mr. Keith Smith
Vice-Chair
Resort Hotel Industry, NRA



Mayor Oscar B. Goodman
Chair
City of Las Vegas



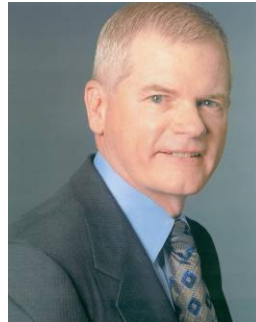
Mayor James Gibson
Secretary/Treasurer
City of Henderson



Mr. Chuck Bowling
Central Business District
NRA



Councilman
Larry Brown
City of Las Vegas



Mr. Glenn Christenson
Resort hotel industry,
NRA



Commissioner
Tom Collins
Clark County



Commissioner
Yvonne Atkinson Gates
Clark County



Mr. Tom Jenkin
Resort hotel business
CC



Ms. Kara Kelley
Other Commercial Interests
CC



Mr. Kevin Kelley
Tourism
CC

LAS VEGAS CONVENTION AND VISITORS AUTHORITY PRINCIPAL OFFICIALS



Mayor
Michael Montandon
City of North Las Vegas



Mayor Bill Nicholes
City of Mesquite

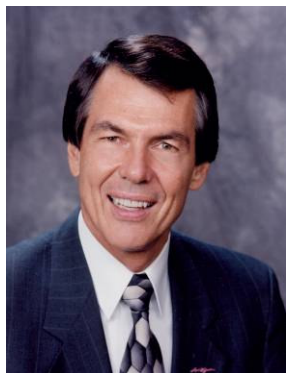


Councilman
Mike Pacini
City of Boulder City

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

EXECUTIVE STAFF

The LVCVA Board of Directors serves a policy-making body and employs a president to serve as chief executive officer. LVCVA executive staff are:



Mr. E. James Gans
Sr. Vice President,
Operations



Mr. Rossi T. Ralenkotter
President\CEO



Mr. Terry Jicinsky
Sr. Vice President,
Marketing



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Las Vegas Convention & Visitors Authority
Las Vegas, Nevada

We have audited the accompanying financial statements of the governmental activities and each major fund of the Las Vegas Convention & Visitors Authority (LVCVA) as of and for the year ended June 30, 2006, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the LVCVA's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the LVCVA as of June 30, 2006, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2006 on our consideration of the LVCVA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LVCVA's basic financial statements. The introductory section, individual fund financial schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund financial schedules on pages 37 and 38 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Las Vegas, Nevada
September 15, 2006

Kafoury, Armstrong & Co.

Management's Discussion and Analysis

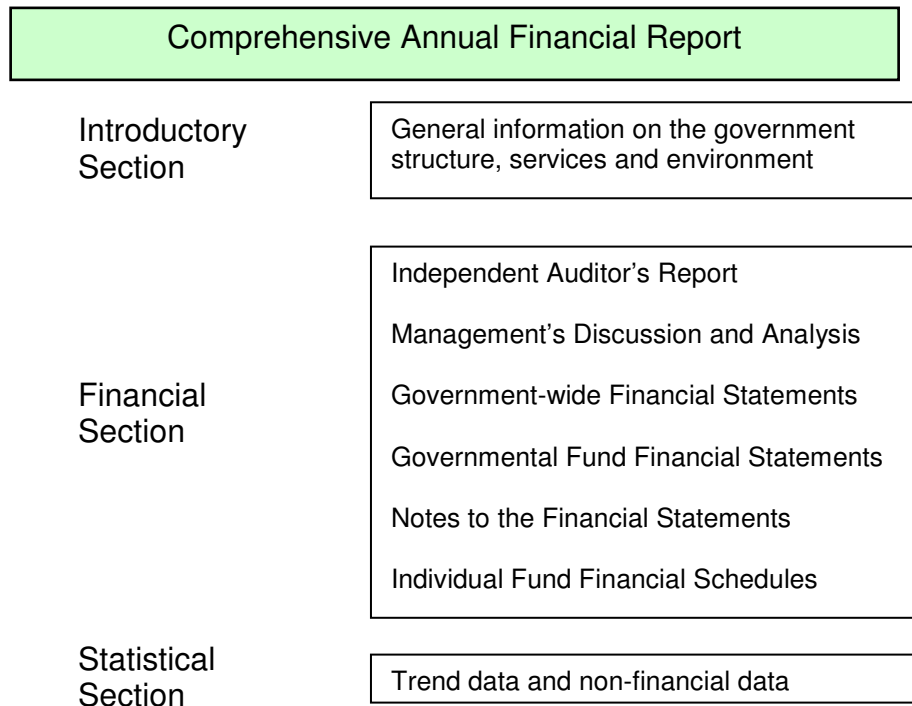
**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

As management of the LVCVA, we offer readers of the LVCVA's financial statements this narrative overview and analysis of the LVCVA's financial performance for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages i to x of this report.

The LVCVA's basic financial statements are presented in three components:

- (1) Government-wide financial statements
- (2) Fund financial statements
- (3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.



GOVERNMENT-WIDE FINANCIAL STATEMENTS

The first two financial statements presented are highly condensed and are based (somewhat) on the accounting model used by private sector businesses.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Statement of Net Assets

The Statement of Net Assets is, in substance, the balance sheet. It includes not just current assets and liabilities, but also capital assets and long-term debt. All funds are reported with a consolidated total.

Statement of Activities

The Statement of Activities is the operating statement for the government as a whole. It is based on full accrual accounting rather than the traditional modified accrual. Depreciation of capital assets is recognized as an expense, as are interest payments on bonds. The format of the statement has an unfamiliar appearance. The format focuses on the net cost of a government's individual functions and is intended to answer the typical question "How much did it cost and how is it being paid for?"

FUND FINANCIAL STATEMENTS

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

Balance Sheet

Statement of Revenues, Expenditures, and Changes in Fund Balance

These statements present all three of the LVCVA's funds (all of which are considered major funds) each in its own column: the general fund, capital projects fund, and debt service fund. The fund statements are prepared using the traditional government model of modified accrual basis, which measures cash and all other financial assets that can be readily converted to cash. These statements provide a detailed *short-term* view of the LVCVA's operations.

Reconciliation from Government-wide to Fund Statements

Because the numbers on these statements do not agree to the numbers on the government-wide statements, a reconciliation schedule is presented.

Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual

A budgetary comparison statement for the general fund is considered to be required supplementary information and is included in the basic financial statements. The same schedules for the capital projects and debt service funds can be found following the notes.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

CONDENSED COMPARATIVE DATA

ASSETS, LIABILITIES AND NET ASSETS

The LVCVA's net assets, on the government-wide basis, increased \$35 million from the previous year. The increase was the result of revenues growing at a greater pace than expenses.

Changes in Net Assets		
	FY 2005	FY 2006
Net assets, beginning	\$ 181,394,530	\$ 210,808,791
Revenues	228,938,506	254,297,158
Expenses	199,524,245	219,916,537
Increase in net assets	29,414,261	34,380,621
Net assets, ending	\$ 210,808,791	\$ 245,189,412

Net assets were \$245.2 million at June 30, 2006. The largest portion of net assets (60%) reflects the LVCVA's investment in capital assets, less debt that was used to acquire those assets. Another 28% of net assets are restricted. Restricted net assets are 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.

Net Assets		
	June 30, 2005	June 30, 2006
Current and other assets	\$ 154,941,484	\$ 151,230,842
Capital assets	354,153,041	388,411,782
Total Assets	509,094,525	539,642,624
Current and other liabilities	33,234,329	41,109,223
Long-Term Liabilities	265,051,405	253,343,989
Total Liabilities	298,285,734	294,453,212
Net Assets		
Invested in capital assets, net of debt	97,216,124	143,281,642
Restricted	61,517,818	68,832,796
Unrestricted	52,074,849	33,074,974
Total Net Assets	\$ 210,808,791	\$ 245,189,412

The \$33 million in unrestricted net assets represents the accumulated results of all past years' operations. It means if we had to pay off all of our bills *today*, including all of our non-capital liabilities (compensated absences, for example), we would have \$33 million of unrestricted assets left.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

REVENUES

Total revenues for FY 06 amounted to \$254 million, an 11% increase from FY 05.

	June 30, 2005	June 30, 2006
General Revenues		
Room and Gaming Taxes	\$ 181,804,688	\$ 202,050,542
Interest	2,048,440	3,800,710
Other	16,805	27,757
Total General Revenue	\$ 183,869,933	\$ 205,879,009
Program Revenues		
Use of Facilities	43,003,856	45,575,524
Marketing	2,064,717	2,842,625
Total Program Revenue	45,068,573	48,418,149
Total Revenues	\$ 228,938,506	\$ 254,297,158

Revenues are classified as either *general* or *program*.

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

Operation of the facilities cost \$51 million in FY 06, including depreciation. At the same time, building rental charges and user fees generated revenues totaling \$46 million.

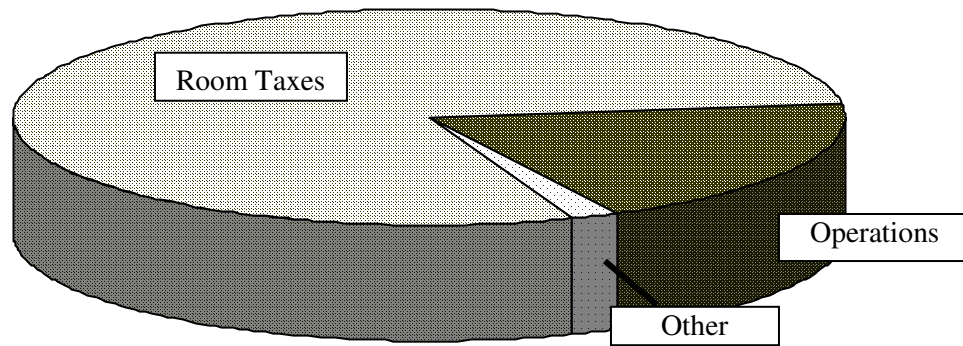
FACILITY OPERATIONS

	FY 05	FY 06
Revenues	\$ 43,003,856	\$ 45,575,524
Expense	45,890,293	50,554,392
Net Expense	\$ 2,886,437	\$ 4,978,868

The 6% increase in facilities revenues is a factor of the mix of trade shows and events leasing the building during the year. The increase in facilities expense is the result of increases in utility costs, the establishment of a new department (Project Development) to oversee capital projects, the use of additional personnel in traffic and parking, and an increase in depreciation expense.

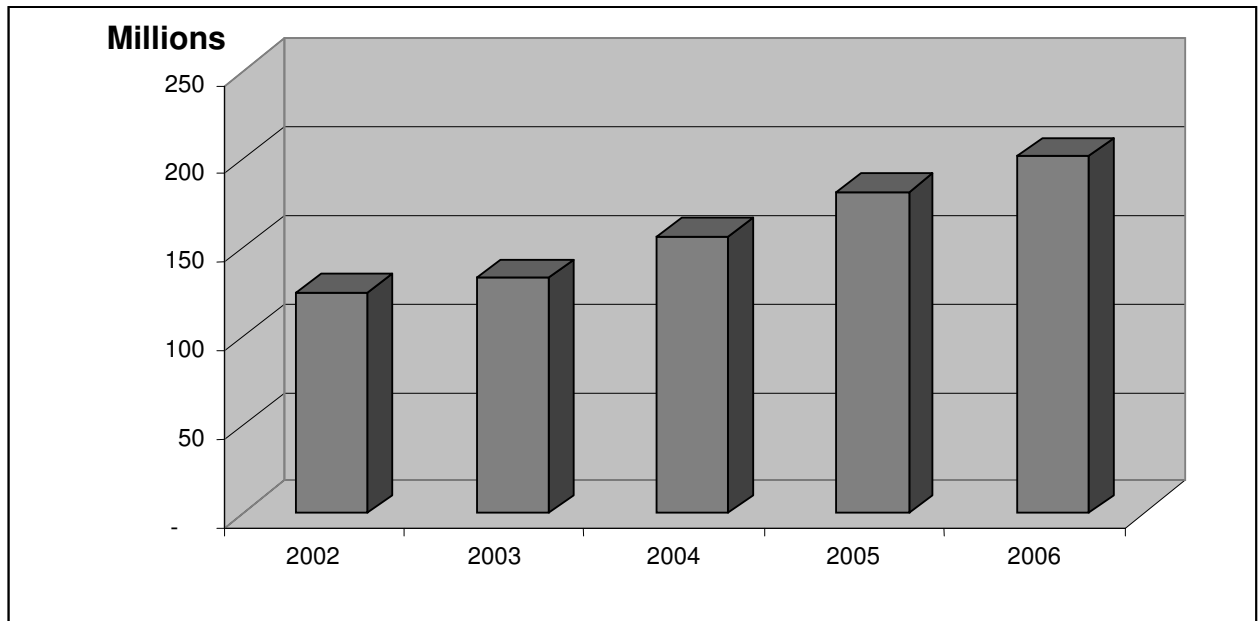
**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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



Room and gaming taxes provided \$202 million during FY 06, an increase of 11% from the previous fiscal year's total of \$182 million. The upsurge was the result of a considerable increase in the average daily room rental rate (ADR). In FY 06, the ADR averaged \$76.16, an increase of 12% over FY 05. In addition, the average occupancy rate for the year increased to 88.1%, a growth of 1.5% over FY 05. This level of occupancy was achieved even though total rooms available grew by almost 4,000.

Room Tax Revenue



**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Clark County and the incorporated cities within the County levy the room tax on all transient lodging establishments. The rate of tax levied varies from 11% to 9% for resort hotels and from 9% to 7% on other lodging facilities. In general, the tax is distributed as follows:

4% - 5%	LVCVA
1 5/8%	Clark County School District
1% - 2%	Collecting government – general fund
1%	Clark County transportation
3/8%	State of Nevada – promotion of tourism

The majority of room tax is collected within Clark County, amounting to \$183 million, or 91% of the total \$202 million. The city of Las Vegas is the second largest collector of room taxes, at \$11.8 million. The other incorporated cities of North Las Vegas, Henderson, Boulder City and Mesquite combined provide the remaining 3%.

EXPENSES

Total government-wide expenses by function were as follows:

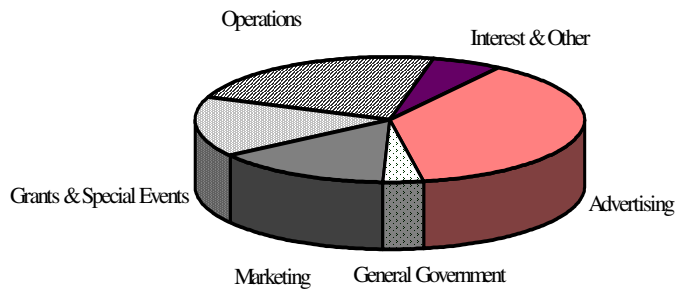
	June 30, 2005	June 30, 2006
General Government	\$ 4,062,531	\$ 7,526,735
Marketing	30,374,297	32,197,763
Advertising	78,212,937	82,923,473
Operations	45,890,293	50,554,392
Grants & Special Events	28,973,364	33,887,834
Interest & Other	12,010,823	12,826,340
	\$ 199,524,245	\$ 219,916,537

The General Government function increased 85%, due to the Public Affairs and News Bureau departments moving from Marketing to General Government. In addition, Public Affairs sponsored the Society of American Travel Writers tradeshow, which was held in Las Vegas.

Although Public Affairs and News Bureau departments moved to the General Government, Marketing expenses still increased 6% in FY 06 (as opposed to 21% in FY 05). This increase was due to increasing emphasis on the domestic and international sales effort and hosting focus group meetings for the LVCVA Master Plan Enhancement Program. Advertising expenses also increased 6% to expand the advertising campaign to drive more visitation to the destination.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The growth in Grants & Special Events correlates to the growth in room taxes. A fee is returned to the collecting government entities equaling 10% of the total collected.



This chart shows the relative "slices" each of the operational functions takes from the pie.

OVERALL FINANCIAL POSITION

The overall financial position of the LVCVA improved 16% during FY 06. Revenues increased significantly, primarily room taxes. The improved economy and strengthening travel industry worked to enhance an already vigorous visitor volume. Expenses grew at a much lower rate, resulting in a healthy expansion in overall financial position.

FUND ANALYSIS

The fund balance in the General Fund decreased from the prior year while the Capital Projects Fund increased during FY 06.

	General Fund	Capital Projects Fund
Fund balance, 6/30/05	\$ 47,028,002	\$ 44,747,484
Fund balance, 6/30/06	29,590,304	51,329,862
Increase (Decrease) in fund balance	\$ (17,437,698)	\$ 6,582,378
Percent Increase(Decrease)	(22%)	15%

The fund balance in the general fund decreased 22%. Fund balance on 6/30/05 was budgeted to provide resources for FY 06 expenditures. In actuality, usage of fund balance was less than budgeted.

A capital reserve account in the Capital Projects Fund has grown over several years to provide a pay-as-you-go source of funding for the master plan in addition to incurrence of debt. Funds of almost \$48 million were transferred to the capital reserve in FY 06, while only \$42 million were expended, resulting in a growth in the fund balance.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

GENERAL FUND BUDGETARY HIGHLIGHTS

The LVCVA's Board of Directors approved several increases to the original budget during two augmentation processes. In the fall of 2005, appropriations for advertising and marketing were increased by \$1.8 million and \$1.4 million, respectively. Addition funding of \$1.5 million was augmented in the Grants/Special Events to extend a contract and sponsor a new event. The capital projects and capital reserve accounts were increased by approximately \$12 million.

In the spring augmentation, increased room taxes of \$17 million were recognized, as well as a corresponding increase in the 10% collection allocation grant.

During the year, inter-departmental transfers were made to provide additional funding for salaries and employee benefits. The tables below summarize the changes in both revenues and expenditures.

GENERAL FUND CHANGES IN BUDGETED REVENUES

	<u>Original Budget</u>	<u>Revisions</u>	<u>Final Budget</u>
Room & gaming taxes	\$ 184,925,000	\$ 17,000,000	\$ 201,925,000
Charges for service	41,302,800		41,302,800
Interest	1,050,000		1,050,000
Other	12,000		12,000
Transfers In	490,000		490,000
Proceed from the sale of assets	40,000		40,000
Total revenues	\$ 227,819,800	\$ 17,000,000	\$ 244,819,800

GENERAL FUND CHANGES IN BUDGETED EXPENDITURES

	<u>Original Budget</u>	<u>Augmentations</u>	<u>Departmental Transfers</u>	<u>Final Budget</u>
General				
Government	\$ 4,495,900	\$ 826,825	\$ 3,022,621	\$ 8,345,346
Marketing	34,199,900	1,538,339	(2,677,938)	33,060,301
Advertising	80,094,300	3,800,000	(79,883)	83,814,417
Operations	37,673,500	2,906,334	(1,121,000)	39,458,834
Grants/Special Events	31,437,198	1,600,000	2,000,000	35,037,198
Other	2,800,000	-	(1,133,800)	1,666,200
Transfer out	54,770,200	23,454,400	(10,000)	78,214,600
Total expenditures & transfer	\$ 245,470,998	\$ 34,125,898	\$ -	\$ 279,596,896

Actual revenues totaled \$253 million, exceeding the final budget by \$9 million. Total actual general fund expenditures and transfers out amounted to \$272 million, about \$7.9 million less than

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

the final revised budget. Most of those variances were in the Marketing and Operations operating budgets. In addition, the contingency and payroll suspense accounts listed as "other" are reserves from which no expenditures are made.

CAPITAL ASSETS

The LVCVA's investment in capital assets as of June 30, 2006 amounts to \$388 million (net of accumulated depreciation), which is a increase of 10%. Depreciation expense for the year was approximately \$12.5 million. During the year, the LVCVA purchased four parcels of land (6.77 acres) adjacent to the Las Vegas Convention Center for \$34.4 million. You can find more detailed information on capital assets in Note 5 in the notes to the financial statements.

LVCVA Capital Assets (net of depreciation)		
	June 30, 2005	June 30, 2006
Land	\$ 74,945,409	\$ 109,476,537
Construction in progress	250,000	8,528,549
Buildings	274,485,110	265,178,512
Improvements	1,331,342	1,881,117
Equipment	3,141,180	3,347,067
	\$ 354,153,041	\$ 388,411,782

LONG-TERM DEBT ACTIVITY

At June 30, 2006, the LVCVA had a total outstanding bonded debt of \$247 million. Of this amount, \$98 million was general obligation bonds additionally secured by specified revenue sources and \$149 million was revenue bonds.

You can find more detailed information on long-term debt in Note 8 in the notes to the financial statements.

	In thousands		
	G.O.	Revenue	Total
Principal balance, June 30, 2005	\$107,885	\$ 150,870	\$ 258,755
Principal payments	(10,275)	(1,450)	(11,725)
Principal balance, June 30, 2006	\$ 97,610	\$ 149,420	\$ 247,030

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

ADDITIONAL FINANCIAL INFORMATION

The notes to the financial statements, located on pages 18 through 36, are a source of additional information about the LVCVA and its financial operations.

The LVCVA's financial statements are designed to present users (citizens, taxpayers, customers, and investors) with a general overview of the LVCVA's finances and to demonstrate accountability. If you have any questions or comments about the report, please contact the LVCVA's Vice-President of Finance at 3150 Paradise Road, Las Vegas, NV 89109.

BASIC FINANCIAL STATEMENTS

Government-Wide

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Net Assets - Governmental Activities
June 30, 2006

Assets:	
Cash and investments	\$ 107,548,736
Receivables:	
Room taxes	34,434,268
Accounts	3,527,806
Interest	716,538
Prepaid items	2,754,386
Deferred charges - issuance costs	2,249,108
Capital assets:	
Land and construction in progress	118,005,086
Other capital assets (net of accumulated depreciation)	270,406,696
Total assets	<u>539,642,624</u>
Liabilities:	
Accounts payable	24,445,256
Accrued payroll and related items	1,734,988
Due to other governments	7,611,809
Customer deposits	679,035
Unearned revenue	185,200
Interest payable	6,452,935
Noncurrent liabilities:	
Due within one year	
Bonds payable	11,050,000
Compensated absences payable	2,468,602
Due in more than one year	
Bonds payable	236,329,248
Compensated absences payable	3,496,139
Total liabilities	<u>294,453,212</u>
Net assets:	
Invested in capital assets, net of related debt	143,281,642
Restricted for:	
Capital projects	51,329,862
Debt service	17,502,934
Unrestricted	33,074,974
Total net assets	<u><u>\$ 245,189,412</u></u>

The notes to the financial statements are an integral part of this statement.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Activities

For the year ended June 30, 2006

Function/Program	Expenses	Program Revenues Charges for Service	Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
Primary government:			
Governmental activities			
General government	\$ 7,526,735		\$ (7,526,735)
Marketing	32,197,763	\$ 2,842,625	(29,355,138)
Advertising	82,923,473		(82,923,473)
Operations	50,554,392	45,575,524	(4,978,868)
Grants and special events	33,887,834		(33,887,834)
Interest on long-term debt	12,826,340		(12,826,340)
Total governmental activities	\$ 219,916,537	\$ 48,418,149	\$ (171,498,388)
General revenues:			
			202,050,542
			3,800,710
			27,757
			205,879,009
			34,380,621
			210,808,791
			\$ 245,189,412

The notes to the financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Government-Funds

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Balance Sheet

Governmental Funds

June 30, 2006

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:				
Cash and investments	\$ 74,173,455	\$ 15,624,596	\$ 17,750,685	\$ 107,548,736
Receivables:				
Room and gaming	34,434,268			34,434,268
Accounts	3,527,806			3,527,806
Interest	507,344	159,808	49,386	716,538
Due from other funds	875,642	38,029,504		38,905,146
Prepaid items	2,754,386			2,754,386
	<u>\$ 116,272,901</u>	<u>\$ 53,813,908</u>	<u>\$ 17,800,071</u>	<u>\$ 187,886,880</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 22,601,198	\$ 1,844,058		\$ 24,445,256
Accrued payroll and related items	1,734,988			1,734,988
Due to other governments	7,611,799			7,611,799
Due to other funds	38,029,504	639,988	\$ 235,654	38,905,146
Unearned revenue	16,026,073			16,026,073
Customer deposits	679,035			679,035
	<u>86,682,597</u>	<u>2,484,046</u>	<u>235,654</u>	<u>89,402,297</u>
Fund balances:				
Reserved for:				
Prepays	2,754,386			2,754,386
Construction commitments		51,329,862		51,329,862
Debt service			17,502,934	17,502,934
Unreserved	26,835,918		61,483	26,897,401
	<u>29,590,304</u>	<u>51,329,862</u>	<u>17,564,417</u>	<u>98,484,583</u>
Total liabilities and fund balances	<u>\$ 116,272,901</u>	<u>\$ 53,813,908</u>	<u>\$ 17,800,071</u>	

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

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. (See note 2)	388,411,782
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Room and gaming taxes - earned but unavailable	15,840,863
Deferred charges - issuance charges	2,249,108
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds	(5,964,741)
Long-term liabilities, including bonds payable, and accrued interest are not due and payable in the current period and therefore are not reported in the funds. (See note 2)	(253,832,183)
	<u>\$ 245,189,412</u>

The notes to the financial statements are an integral part of this statement.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2006

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Revenues:				
Room and gaming taxes	\$ 202,050,435			\$ 202,050,435
Charges for service	48,359,641			48,359,641
Earnings on investments	2,757,487	\$ 530,819	\$ 512,404	3,800,710
Miscellaneous	4,960	53,549		58,509
Total revenues	<u>253,172,523</u>	<u>584,368</u>	<u>512,404</u>	<u>254,269,295</u>
Expenditures:				
Current:				
General government	7,429,634			7,429,634
Marketing	31,990,835			31,990,835
Advertising	82,923,473			82,923,473
Operations	36,890,102			36,890,102
Grants and special events	34,248,193			34,248,193
Other	3,774			3,774
Capital outlay:				
Capitalized assets		46,794,116		46,794,116
Non-capitalized assets		918,462		918,462
Debt service:				
Principal			11,725,000	11,725,000
Interest			11,498,269	11,498,269
Bond issuance costs			2,242	2,242
Total expenditures	<u>193,486,011</u>	<u>47,712,578</u>	<u>23,225,511</u>	<u>264,424,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,686,512</u>	<u>(47,128,210)</u>	<u>(22,713,107)</u>	<u>(10,154,805)</u>
Other financing sources (uses):				
Transfers in	1,060,516	54,258,700	23,955,869	79,275,085
Transfers out	(78,214,569)	(548,112)	(512,404)	(79,275,085)
Proceeds from the sale of assets	29,843			29,843
Total other financing sources (uses)	<u>(77,124,210)</u>	<u>53,710,588</u>	<u>23,443,465</u>	<u>29,843</u>
Net change in fund balances	(17,437,698)	6,582,378	730,358	(10,124,962)
Fund balances - beginning	<u>47,028,002</u>	<u>44,747,484</u>	<u>16,834,059</u>	<u>108,609,545</u>
Fund balances - ending	<u>\$ 29,590,304</u>	<u>\$ 51,329,862</u>	<u>\$ 17,564,417</u>	<u>\$ 98,484,583</u>

The notes to the financial statements are an integral part of this statement.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Government Funds to the Statement of Activities
Year Ended June 30, 2006

Net change in fund balances-total governmental funds	\$	(10,124,962)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost that meets LVCVA's capitalization threshold are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Depreciation exceeded capital outlays in the current period by this amount.

Capital outlays	46,794,116	
Gain on disposal of capital assets	27,757	
Proceeds from sale of capital assets	(29,843)	
Depreciation expense	(12,533,289)	34,258,741

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		107
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The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bond principal	11,725,000	11,725,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures.

Compensated absences	(512,796)	
Events and grants - collection allocation	360,359	
Amortization of bond premiums	1,240,378	
Amortization of deferred charges on issuance costs	(413,435)	
Amortization of deferred charges on refunding	(745,170)	
Accrued interest	(1,407,601)	(1,478,265)

Change in net assets of governmental activities	\$	<u><u>34,380,621</u></u>
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The notes to the financial statements are an integral part of this statement.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Room and gaming taxes	\$ 184,925,000	\$ 201,925,000	\$ 202,050,435	\$ 125,435
Charges for service	41,302,800	41,302,800	48,359,641	7,056,841
Earnings on investments	1,050,000	1,050,000	2,757,487	1,707,487
Miscellaneous	12,000	12,000	4,960	(7,040)
Total revenues	<u>227,289,800</u>	<u>244,289,800</u>	<u>253,172,523</u>	<u>8,882,723</u>
Expenditures:				
General government	4,495,900	8,345,346	7,429,634	915,712
Marketing	34,398,200	33,060,301	31,990,835	1,069,466
Advertising	79,896,000	83,814,417	82,923,473	890,944
Operations	37,673,500	39,458,834	36,890,102	2,568,732
Grants and special events	31,437,198	35,037,198	34,248,193	789,005
Other	2,800,000	1,666,200	3,774	1,662,426
Total expenditures	<u>190,700,798</u>	<u>201,382,296</u>	<u>193,486,011</u>	<u>7,896,285</u>
Excess of revenues over expenditures	<u>36,589,002</u>	<u>42,907,504</u>	<u>59,686,512</u>	<u>16,779,008</u>
Other financing sources (uses):				
Transfer in	490,000	490,000	1,060,516	570,516
Transfer out	(54,770,200)	(78,214,600)	(78,214,569)	31
Proceeds from the sale of assets	40,000	40,000	29,843	(10,157)
Total other financing sources (uses):	<u>(54,240,200)</u>	<u>(77,684,600)</u>	<u>(77,124,210)</u>	<u>560,390</u>
Net change in fund balance	<u>(17,651,198)</u>	<u>(34,777,096)</u>	<u>(17,437,698)</u>	<u>17,339,398</u>
Fund balance - beginning	<u>47,028,002</u>	<u>47,028,002</u>	<u>47,028,002</u>	<u>-</u>
Fund balance - ending	<u>\$ 29,376,804</u>	<u>\$ 12,250,906</u>	<u>\$ 29,590,304</u>	<u>\$ 17,339,398</u>

The notes to the financial statements are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

Notes to the Financial Statements

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

REPORTING ENTITY

The LVCVA was created in 1955 under the provisions of Nevada Revised Statute 244A as the Clark County Fair and Recreation Board. These statutes govern the powers and duties of the Board of Directors, including the number, selection, and term of its members. The LVCVA is subject to all state laws governing local governments, including the Local Government Budget and Finance Act. The Board of Directors is responsible for establishing policy for overall operations. The President serves as chief executive officer. The LVCVA does not include any component units in its financial statements.

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements display information about the reporting government as a whole. In order to present an accurate financial picture, the effects of interfund activity have been eliminated.

The Statement of Activities' purpose is to allow financial statement users to determine operating results of the LVCVA in its entirety over a period of time. It demonstrates the degree to which the direct expenses are offset by program revenues.

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The Statement of Net Assets is intended to present a snapshot of the financial position of the LVCVA as a whole as of year end. It displays the difference between assets and liabilities as net assets.

Governmental fund financial statements are separate financial statements for governmental funds. Each major governmental fund is reported individually as a separate column in the fund financial statements.

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued):

The financial transactions of the LVCVA are recorded in individual funds. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures.

GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the government combined) for the determination of major funds for financial reporting purposes. GASB 34 also gives governments the discretion to include as major funds those having particular importance.

The LVCVA reports the following major governmental funds:

General Fund

- The LVCVA's primary operating fund. It is used to account for resources traditionally associated with governments that are not required to be accounted for in another fund. The most significant source of revenue is room tax, which is assessed on hotels and motels in Clark County. Facility rentals, concession commissions, and contractor commissions also provide a large amount of general fund revenue. The primary expenditures are for advertising, marketing and operation of the facilities.

Capital Projects Fund

- Accounts for capital expenditures for furnishings, equipment, and improvements or additions to land, and buildings financed by the general government resources.
- Accounts for the extraordinary repair, maintenance or improvements of capital projects as required by Nevada Revised Statutes.

Debt Service Fund

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

9/1/96 Refunding/Building Bonds
1998A Refunding Bonds
11/99 Revenue Bonds
5/03 Refunding Bonds
04/05 Revenue Refunding Bonds

When both restricted and unrestricted resources are available for use, it is the policy of the LVCVA to use restricted resources first, then unrestricted resources as they are needed.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued):

ASSETS, LIABILITIES AND EQUITY

DEPOSITS AND INVESTMENTS

The LVCVA's investment policy authorizes investments in obligations of the U.S. Treasury, commercial paper, banker's acceptances, money market funds, repurchase agreements and the State Treasurer's investment pool. The holding period of LVCVA's investments does not exceed two years. LVCVA policy also governs the limitations as to the percentage of each type of investment held and its term to maturity.

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

RECEIVABLES AND PAYABLES

Transactions between funds that are outstanding at year end are reported as "due to/from other funds." For government-wide financial statements, receivables and related revenues are recognized as soon as they are earned, whereas for governmental fund financial statement purposes, receivables and related revenues are recognized only when they are both measurable and available. Room taxes receivable, the LVCVA's major revenue source, are considered measurable and available when they can be collected within 30 days after year-end.

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

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. A fund balance reserve indicates that the amount is not available for appropriation.

CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are accounted for in the government-wide section of the financial statements. All capital assets are valued at historical cost. Donated assets are valued at their fair value on the date of gift. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued):

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

As a policy, LVCVA classifies an item as a capital asset that has an estimated useful life of at least one year and meets the cost threshold explained in the following table:

ASSET TYPE	DESCRIPTION	THRESHOLD
High Risk	An item meeting two or more of the following criteria: easily convertible to personal use or cash; easily removed from LVCVA property without detection; or not assigned to any individual. Examples: computers, tools, and cameras.	\$500
Low Risk	An item meeting two or more of the following criteria: specialized equipment not easily convertible to personal use or cash; not easily removed from LVCVA property without detection; or under departmental inventory control. Examples: trucks, carts, permanent sound equipment	\$3,000
No Risk	Those assets that are not moveable. No risk assets would include buildings and land.	\$20,000
Bulk Inventory Assets	Exceptions to the capitalization threshold are made for bulk purchases. Typical bulk purchases include tables, chairs, podiums and trash receptacles. While individually these items may cost less than \$500, these items are combined and capitalized as a group of assets.	None

Depreciation on exhaustible assets is recorded in the Statement of Activities, while accumulated depreciation is reflected in the Statement of Net Assets. Depreciation is computed on a straight-line basis over the following estimated useful lives.

ASSET DESCRIPTION	YEARS
Buildings (Half-year convention method used)	40
Major land improvements, leasehold improvements and building improvements. (Half-year convention method used)	15-25
Furniture/fixtures, and the following equipment items: baseball equipment, carts, communication equipment (mobile), forklifts, heavy equipment, set-up equipment, power tools, risers, tables, telephones, test equipment, turf equipment, typewriters, vacuums, and word processing equipment	10
Equipment items in the following categories: camera equipment, cleaning equipment, copiers, fax machines, MATV equipment, miscellaneous equipment, mowers, other equipment, refuse equipment, mobile sound equipment, tools, turnstiles, and vehicles	5
Computers, printers, and software	3

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued):

COMPENSATED ABSENCES

Personal time off (PTO) is a benefit that provides employees greater flexibility in the use of time off with pay. Employees who do not complete the introductory period of two months forfeit all accrued PTO and are not entitled for pay-out on accrued PTO. Upon separation from the LVCVA, regular employees having less than three years of service are entitled to receive 60% of the unused PTO balance. Employees having in excess of three years of service are entitled to payment of a maximum of 300 hours (500 hours for non-bargaining/non-management employees) at 100% with remaining balance at an increasing percentage based on years of service to the LVCVA. Management and Executive employees having less than two years of service are entitled to payment for unused PTO balance at a rate of 60% and are entitled to 100% for more than two years of service.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges on the Statement of Net Assets and are amortized over the term of the related debt.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

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

A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$388,411,782 difference are as follows:

Total depreciable capital assets	\$	396,547,575
Total accumulated depreciation		(126,140,879)
Total depreciable capital assets, net		<u>270,406,696</u>
Total non-depreciable capital assets		<u>118,005,086</u>
Net adjustment to increase <i>fund balance</i> – <i>total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	\$	<u><u>388,411,782</u></u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$253,832,182 difference are as follows:

Bonds payable, due in more than one year	\$	235,980,000
Bonds payable, due in one year		11,050,000
Unamortized bond premium		10,595,334
Interest Payable		6,452,935
Deferred charges on refunding		<u>(10,246,086)</u>
Net adjustment to reduce <i>fund balance-total</i> <i>governmental funds</i> to arrive at <i>net assets -</i> <i>governmental activities</i>	\$	<u><u>253,832,183</u></u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with GAAP for all of the LVCVA's governmental funds. Requests for current year revisions and following year appropriations are submitted by divisions and sections for review and consolidation. The Board of Directors holds public hearings on the budgets prior to adoption. Board action occurs on or before April 15 for the current year budget revisions and prior to June 1 for the proposed budget. The approved budget is fully integrated on July 1 with LVCVA's accounting system. All appropriations lapse at the end of the fiscal year.

State statute prohibits expenditures in excess of appropriations at the function level, which is the legal level of budgetary control. Statutes permit adjustments of appropriations between line items within a fund upon approval by the President. Transfers between funds require prior approval by the Board of Directors. The Department of Taxation is notified of these adjustments and transfers by means of filing the tentative budget, which contains current year budget revisions.

Augmentations (increasing total appropriations) are accomplished by formal Board action. During the year, augmentations provided additional appropriations to honor encumbrances that lapsed at June 30, 2006, and to re-appropriate funds for previously approved incomplete capital projects.

NOTE 4. CASH AND INVESTMENTS:

The LVCVA maintains a cash and investment pool that is available for use by all funds. At June 30, 2006, this pool is displayed in the statement of net assets and governmental funds balance sheet as "cash and investments". The LVCVA accounts for its debt issuance proceeds portfolio separately in the capital projects funds. At year end, the LVCVA's cash balances consisted of the following:

Petty Cash	\$	15,300
Cash on Deposit		(2,948,921)
Investments		<u>110,482,357</u>
	\$	<u>107,548,736</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 4. CASH AND INVESTMENTS (continued):

As of June 30, 2006 the LVCVA had the following investments:

	Original Cost	Fair Value	Investments by Maturities			Accrued Interest	Total Value
			Less than 1 Year	1 - 2 Years			
U.S. Agencies	\$59,271,727	\$59,063,414	\$43,108,627	\$15,954,787	\$566,343	\$ 59,629,757	
Repurchase agreements	23,599,680	23,599,680	23,599,680		61,636	23,661,316	
Money Market Mutual Fund	15,054,380	15,054,380	15,054,380		35,529	15,089,909	
State of NV Investment Pool	12,764,200	12,764,883	12,764,883		53,030	12,817,913	
Total	\$ 110,689,987	\$ 110,482,357	\$ 94,527,570	\$ 15,954,787	\$ 716,538	\$ 111,198,895	

Interest rate risk

The LVCVA has an investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from interest rate risk. Nevada statutes and LVCVA policy impose certain restrictions by investment instrument. These include limiting maturities on U.S. Treasuries and Agencies to no more than two years, limiting maturities on banker's acceptances to 180 days, limiting maturities on commercial paper to 270 days and limiting maturities on repurchase agreements to 7 days. U.S. Agencies as reported above consist of securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Association, and Federal Home Loan Banks. State statutes allows the LVCVA to invest in the State of Nevada Investment Pool. Since investments in these agencies are in several cases backed by assets such as mortgages, they are subject to prepayment risk. Also, approximately, \$35 million of the U.S. Agencies investments reported above have a call option, which should interest rates change, could shorten the maturity of these investments.

Credit Risk

State statute and the LVCVA's own investment policy limit investment instruments by the credit risk. The LVCVA's investments in commercial paper is rated P-1 by Moody's Investor Service and Standard and Poor's as A-1. The LVCVA's money market investments are only with those funds rated by a nationally recognized rating service as AAA or its equivalent and invest only in securities issued by the Federal Government, U.S. Agencies, or repurchase agreements fully collateralized by such securities. The State of Nevada Investment Pool does not have a credit rating.

Concentration of Credit Risk

To limit exposure to concentrations of credit risk, the LVCVA's investment policy limits investment in U.S. Agencies to 80%, repurchase agreements to 20%, money market mutual funds to 30% and State of Nevada Investment Pool to 40%, of the entire portfolio on the day of purchase. As of June 30, 2006, more than 5% of LVCVA's investments are in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.. These investments are 27%, 13%, and 13%, respectively of the LVCVA's total investments. Repurchase agreements at June 30, 2006, was 21% of LVCVA's total investments. This resulted in a violation of LVCVA's investment policy and a portion of this amount was anticipated to be expended the next business day for outstanding electronic funds transfers at June 30, 2006 and substantial expenditures due.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2006 was as follows:

Description	Balance at June 30, 2005	Increases	Decreases	Balance at June 30, 2006
Capital assets not being depreciated:				
Land	\$ 74,945,409	\$ 34,531,128		\$ 109,476,537
Construction in progress	250,000	8,278,549		8,528,549
Total capital assets not being depreciated	<u>75,195,409</u>	<u>42,809,677</u>		<u>118,005,086</u>
Capital assets being depreciated:				
Buildings	372,309,971	1,225,427		373,535,398
Improvements other than buildings	7,296,634	1,160,902		8,457,536
Furniture and equipment	13,298,933	1,598,109	(342,401)	14,554,641
Total capital assets being depreciated	<u>392,905,538</u>	<u>3,984,438</u>	<u>(342,401)</u>	<u>396,547,575</u>
Accumulated depreciation:				
Buildings	(97,824,861)	(10,532,025)		(108,356,886)
Improvements other than buildings	(5,965,292)	(611,127)		(6,576,419)
Furniture and equipment	(10,157,753)	(1,390,137)	340,316	(11,207,574)
Total accumulated depreciation	<u>(113,947,906)</u>	<u>(12,533,289)</u>	<u>340,316</u>	<u>(126,140,879)</u>
Total capital assets being depreciated, net	<u>278,957,632</u>	<u>(8,548,851)</u>	<u>(2,085)</u>	<u>270,406,696</u>
Governmental activities capital assets, net	<u>\$ 354,153,041</u>	<u>\$ 34,260,826</u>	<u>\$ (2,085)</u>	<u>\$ 388,411,782</u>

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

General Government	\$ 1,326
Marketing	49,833
Operations	<u>12,482,130</u>
	<u>\$ 12,533,289</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 6. INTERFUND TRANSACTIONS:

The following schedule details the amounts due from/to other funds at June 30, 2006:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Project Fund	\$ 639,988
	Debt Service Fund	235,654
Capital Project Fund	General Fund	<u>38,029,504</u>
		<u>\$ 38,905,146</u>

The outstanding balances between funds result mainly from the delayed time period between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) interest on investments in the capital and debt fund have not been transferred back to the general fund.

Fund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. In general, the general fund provides funds to the capital projects and debt service funds for operating transfers. Transfers between funds, principally to fund capital projects and make debt service payments, for the year ended June 30, 2006, were as follows:

	Transfers <u>In</u>	<u>Transfers Out</u>		
		<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>
General Fund	\$ 1,060,516		\$ 548,112	\$ 512,404
Capital Projects Fund	54,258,700	\$ 54,258,700		
Debt Service Fund	23,955,869	23,955,869		
	<u>\$ 79,275,085</u>	<u>\$ 78,214,569</u>	<u>\$ 548,112</u>	<u>\$ 512,404</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 7. LEASES:

OPERATING LEASES

The LVCVA has non-cancelable operating leases for office space, parking spaces, computers, copiers and other office equipment. Total rental costs for such leases were \$268,361 for the year ended June 30, 2006. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>		
2007	\$	255,488
2008		189,971
2009		144,932
2010		67,888
2011		<u>67,504</u>
Total	\$	<u><u>725,783</u></u>

NOTE 8. LONG-TERM DEBT

General Obligation Bonds

Three of the LVCVA's outstanding bonds are general obligation bonds of Clark County, Nevada, acting by and through the LVCVA. They are primarily secured by *ad valorem* taxes and are additionally secured by net pledged revenues of the LVCVA basically represented by room taxes on hotels and motels in Clark County, Nevada.

It has been the practice of the LVCVA never to resort to the use of property taxes for debt service, but rather to use only net pledged revenues derived from operations. In fact, no *ad valorem* property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated in the future.

The following is a summary of general obligation bonds payable at June 30, 2006:

\$97,425,000 – 9/1/96 Refunding/Building Bonds due in annual installments through FY 2022. Semi-annual interest from 5.4-6%.	\$	43,500,000
\$36,200,000 – 1998A Refunding Bonds due in annual installments through FY 2027. Semi-annual interest from 4.7- 5.1%.		35,740,000
\$35,070,000 – 5/03 Refunding Bonds due in annual installments through FY 2008. Semi-annual interest from 3-5%.		<u>18,370,000</u>
Total	\$	<u><u>97,610,000</u></u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 8. LONG-TERM DEBT (continued):

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

Year ending June 30,	Principal	Interest
2007	\$ 10,810,000	\$ 4,831,241
2008	11,360,000	4,269,821
2009	12,585,000	3,663,536
2010	2,145,000	3,286,169
2011	2,260,000	3,165,394
2012-2016	13,300,000	13,772,394
2017-2021	17,375,000	9,589,594
2022-2026	22,555,000	4,306,778
2027	5,220,000	133,763
Total	\$ 97,610,000	\$ 47,018,690

Revenue Bonds

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

The following is a summary of revenue bonds payable at June 30, 2006:

\$150,000,000 – 11/99 Revenue Bonds due in annual installments through FY 2020. Semi-annual interest from 4.8 – 6.0%.	\$ 32,025,000
\$118,745,000 – 4/05 Revenue Bonds due in annual installments through FY 2020. Semi-annual interest from 3-5%.	117,395,000
	\$ 149,420,000

Annual debt service requirements to maturity for the revenue bond, principal and interest are as follows:

Year ending June 30	Principal	Interest
2007	\$ 240,000	\$ 7,796,338
2008	245,000	7,787,000
2009	250,000	7,777,225
2010	10,145,000	7,494,944
2011	10,715,000	6,924,638
2012-2016	63,580,000	24,806,700
2017-2020	64,245,000	6,628,875
Total	\$ 149,420,000	\$ 69,215,720

The LVCVA complies with all federal arbitrage regulations, applicable to its bond issues.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 8. LONG-TERM DEBT (continued):

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

	Interest Paid During Period	Beginning Balance July 1, 2005	Additions	Reductions	Ending Balance June 30, 2006
BONDS					
General Obligation /Pledged Revenue Bonds					
9/1/96 Refunding/Building Bonds	\$ 2,432,260	\$ 45,180,000		\$ (1,680,000)	\$ 43,500,000
1998A Refunding Bonds	1,801,313	35,815,000		(75,000)	35,740,000
5/03 Refunding Bonds	1,131,500	26,890,000		(8,520,000)	18,370,000
Revenue Bonds:					
11/99 Revenue Bonds	1,818,550	32,125,000		(100,000)	32,025,000
4/05 Revenue Bonds	4,314,646	118,745,000		(1,350,000)	117,395,000
Plus: Premium on Bonds		11,835,712		(1,240,378)	10,595,334
Less: Deferred losses on refunding		(10,991,256)		745,170	(10,246,086)
OTHER LIABILITIES					
Compensated absences		5,451,945	512,796		5,964,741
Total LVCVA obligations	\$ <u>11,498,269</u>	\$ <u>265,051,401</u>	\$ <u>512,796</u>	\$ <u>(12,220,208)</u>	\$ <u>253,343,989</u>

The portion of each long-term liability that is due in FY 2006-2007 is shown below:

	Payment Due in 2006-2007	
	Principal	Interest
BONDS		
General Obligation/Pledged Revenue Bonds		
9/1/96 Refunding/Building Bonds	\$ 1,770,000	\$ 2,339,110
1998A Refunding Bonds	80,000	1,797,631
5/03 Refunding Bonds	8,960,000	694,500
Revenue		
11/99 Revenue Bonds	100,000	1,813,600
4/05 Revenue Bonds	140,000	5,982,738
Total Bonds	<u>11,050,000</u>	<u>12,627,579</u>
OTHER LIABILITIES		
Compensated absences	2,468,602	-
Total LVCVA obligations	\$ <u>13,518,602</u>	\$ <u>12,627,579</u>

The general fund has been used in prior years to liquidate compensated absences and other long-term liabilities other than debt.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 9. PRIOR-YEAR DEFEASANCE OF DEBT:

Certain outstanding general obligation (limited tax) bonds have been defeased in prior years by placing the proceeds of new refunding bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. As of June 30, 2006, \$141,205,000 of outstanding bonds is considered defeased. Accordingly, these bonds are not included in the LVCVA's financial statements.

NOTE 10. RISK MANAGEMENT:

The LVCVA is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 11. EMPLOYEE RETIREMENT PLAN:

PLAN DESCRIPTION

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

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

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

Age 65 with at least 5 years of service
Age 60 with 10 or more years of service
Any age with 30 years or more service

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 11. EMPLOYEE RETIREMENT PLAN (continued):

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

CONTRIBUTIONS

Contribution rates are established by state statute and may only be amended through legislation. The contribution structure provides for yearly increases of up to 1% until such time as the actuarially determined unfunded liability of PERS is reduced to zero. The employer currently makes all required contributions.

The required contributions for fiscal years 2004-2006 were as follows:

Ended June 30,	Covered Payroll	Annual Required Contriubtion Rate	Contribution Paid By LVCVA
2004	\$ 24,775,032	20.25%	\$ 4,962,350
2005	24,299,695	20.25%	4,919,475
2006	26,678,950	19.75%	5,282,288

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

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

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 12. FUND BALANCE RESERVED:

Portions of the fund balances are reserved to indicate that the amounts are either legally segregated for a specific future use or are not available for appropriation or expenditure. The LVCVA's reserved fund balances at June 30, 2006, are as follows:

RESERVED FOR:	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>
Prepaid items	\$ 2,754,386		
Construction commitments		\$ 51,329,862	
Debt service			\$ 17,502,934
Total fund balances reserved	<u>\$ 2,754,386</u>	<u>\$ 51,329,862</u>	<u>\$ 17,502,934</u>

RESERVED FOR CONSTRUCTION COMMITMENTS

The reserves in the Capital Projects Fund are restricted for facility construction, land acquisition and extraordinary repairs and improvements.

NOTE 12. FUND BALANCE RESERVED (continued):

RESERVED FOR DEBT SERVICE

These amounts are legally restricted to the payment of general long-term debt principal and interest maturing in future years.

NOTE 13. COMMITMENTS AND CONTINGENCIES:

VISITORS' CENTERS

The LVCVA has entered into cooperative agreements with the State of Nevada to staff, operate, and maintain three visitor information centers owned by the State in Boulder City, Mesquite, and Primm, Nevada. The centers provide information on recreational opportunities in Clark County. The agreements for Boulder City and Mesquite have been extended through October 2008. The Primm agreement expires in July 2028. All agreements contain a five-year renewal option.

FREMONT STREET EXPERIENCE

In December 2002, the LVCVA Board approved a request from the City of Las Vegas to provide \$7,000,000 (payable over a 7-year period in equal installments of \$1 million) for the improvement of the light show at the Fremont Street Experience. The final payment will take place in fiscal year 2009.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued):

NATIONAL FINALS RODEO

In November 2005, the LVCVA entered into an agreement with PRCAP to provide annual payments of \$1,000,000 as a sponsorship fee for the National Finals Rodeo. The final payment will take place in fiscal year 2009.

NBA ALL-STAR GAME AND EVENTS

The LVCVA has entered into an agreement with the NBA Entertainment to host the 2007 NBA All-Star Game and related events in February 2007. The LVCVA Board has approved expenditures of up to \$4,535,000 for this event.

CITY OF HENDERSON RECREATIONAL FACILITY CAPITAL GRANT

In July 2004, the LVCVA entered into an agreement to provide the City of Henderson with \$8,000,000 (payable over an 8-year period in equal installments of \$1 million) to make capital improvements to the public recreational facilities at the Plaza at Henderson City Hall. The final payment will take place in fiscal year 2012.

LEGAL MATTERS

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

NOTE 14. ROOM TAX REVENUE:

Revenue for the LVCVA is primarily provided by a 9% room tax imposed on lodging establishments in Clark County, Nevada. The division of this tax is presented below:

	<u>Total</u>	<u>LVCVA</u>	<u>Clark County School District</u>	<u>Clark County Transportation</u>	<u>Taxing Entity</u>	<u>State of Nevada</u>
Resort hotels	9%	5%	1 5/8%	1 %	1%	3/8%
Other hotel and motels	9%	4%	1 5/8%	1%	2%	3/8%

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 15. SUBSEQUENT EVENTS:

MASTER PLAN ENHANCEMENT PROGRAM / SALE OF COMMERCIAL PAPER

As part of the LVCVA's Vision Plan, the Board approved in February 2006 the Master Plan Enhancement Program (MPEP). This plan/program provides an analysis and plan of enhancements to the Las Vegas Convention Center. The resources of the MPEP will be funded with proceeds from the sale of \$680 million in commercial paper and approximately \$57 million from LVCVA's capital reserve funds. In August 2006, the LVCVA issued \$340 million (half of the \$680 million). Of the \$340 million issued, the LVCVA has drew \$12 million to begin the program and continues to review architectural designs and schematics of the various projects included in this program.

PROPERTY ACQUISITION

In July 2006, the LVCVA Board authorized an estimated expenditure of \$3,650,000 to acquire property adjacent to the Las Vegas Convention Center as part of the Master Plan Enhancement Program. On July 31, 2006, a deposit of \$250,000 was expended and remaining funds for the balance is to be disbursed on December 29, 2006 (close of escrow).

SUPPLEMENTAL INFORMATION

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

Governmental Funds

Capital Projects Fund

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

Debt Service Fund

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ 93,000	\$ 93,000	\$ 530,819	\$ 437,819
Miscellaneous	1,000	1,000	53,549	52,549
Total revenues	<u>94,000</u>	<u>94,000</u>	<u>584,368</u>	<u>490,368</u>
Expenditures:				
Capital outlay:				
Land	-	34,450,000	34,531,128	(81,128)
Land improvements	1,171,200	3,091,685	1,160,903	1,930,782
Building	2,891,400	3,151,326	1,225,427	1,925,899
Furniture and equipment	1,843,600	3,968,710	1,598,109	2,370,601
Construction in progress	9,650,000	50,202,729	8,278,549	41,924,180
Noncapitalized assets	-	-	918,462	(918,462)
Total expenditures	<u>15,556,200</u>	<u>94,864,450</u>	<u>47,712,578</u>	<u>47,151,872</u>
Deficiency of revenues under expenditures	<u>(15,462,200)</u>	<u>(94,770,450)</u>	<u>(47,128,210)</u>	<u>47,642,240</u>
Other financing sources (uses):				
Transfer in	15,064,300	54,258,700	54,258,700	-
Transfer out	(75,000)	(75,000)	(548,112)	(473,112)
Total other financing sources (uses):	<u>14,989,300</u>	<u>54,183,700</u>	<u>53,710,588</u>	<u>(473,112)</u>
Net change in fund balances	<u>(472,900)</u>	<u>(40,586,750)</u>	<u>6,582,378</u>	<u>47,169,128</u>
Fund balances - beginning	<u>44,747,484</u>	<u>44,747,484</u>	<u>44,747,484</u>	<u>-</u>
Fund balances - ending	<u>\$ 44,274,584</u>	<u>\$ 4,160,734</u>	<u>\$ 51,329,862</u>	<u>\$ 47,169,128</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Earnings on investments	\$ 415,000	\$ 415,000	\$ 512,404	\$ 97,404
Expenditures:				
9/1/96 Bond				
Principal	1,680,000	1,680,000	1,680,000	-
Interest	2,432,260	2,432,260	2,432,260	-
1998A Bond				
Principal	75,000	75,000	75,000	-
Interest	1,801,313	1,801,313	1,801,313	-
11/99 Bond				
Principal	100,000	100,000	100,000	-
Interest	1,818,550	1,818,550	1,818,550	-
5/03 Bond				
Principal	8,520,000	8,520,000	8,520,000	-
Interest	1,131,500	1,131,500	1,131,500	-
3/05 Bond				
Principal	1,350,000	1,350,000	1,350,000	-
Interest	4,314,646	4,314,646	4,314,646	-
Bond issuance costs	-	-	2,242	(2,242)
2005 Proposed Building Fund				
Principal	-	-	-	-
Interest	5,250,000	-	-	-
Total expenditures	<u>28,473,269</u>	<u>23,223,269</u>	<u>23,225,511</u>	<u>(2,242)</u>
Deficiency of revenues under expenditures	<u>(28,058,269)</u>	<u>(22,808,269)</u>	<u>(22,713,107)</u>	<u>95,162</u>
Other financing sources (uses):				
Transfer in	39,705,900	23,955,900	23,955,869	(31)
Transfer out	(415,000)	(375,000)	(512,404)	(137,404)
Total other financing sources (uses):	<u>39,290,900</u>	<u>23,580,900</u>	<u>23,443,465</u>	<u>(137,435)</u>
Net change in fund balances	11,232,631	772,631	730,358	(42,273)
Fund balances - beginning	<u>16,834,059</u>	<u>16,834,059</u>	<u>16,834,059</u>	<u>-</u>
Fund balances - ending	<u>\$ 28,066,690</u>	<u>\$ 17,606,690</u>	<u>\$ 17,564,417</u>	<u>\$ (42,273)</u>

Statistical Section

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NET ASSETS BY COMPONENT ^{(1) (2)}
LAST FIVE FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006⁽³⁾</u>
Primary government					
Invested in capital assets, net of related debt	99,874	105,501	113,002	97,216	143,282
Restricted	34,037	44,649	49,227	61,518	68,832
Unrestricted	46,990	34,407	41,913	52,075	33,075
Total primary government net assets	180,901	184,557	204,143	210,809	245,189

(1) The schedule Includes assets net of related debt.

(2) This schedule uses the accrual basis of accounting.

(3) The LVCVA implemented GASB 34, the new reporting standard, in fiscal year 2002, Therefore, ten years of data is not available but will be accumulated over time.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
FUND BALANCES OF GOVERNMENTAL FUNDS ⁽¹⁾
LAST TEN FISCAL YEARS
(amounts expressed in millions)
(unaudited)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002⁽²⁾</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	3.6	2.1	3.6	2.7	1.5	1.1	1.1	1.6	1.1	2.8
Unreserved	36.0	33.7	45.4	54.4	58.7	47.7	32.3	40.8	46.0	26.8
Total general fund	39.6	35.8	49.1	57.1	60.2	48.9	33.4	42.4	47.0	29.6
All other governmental funds										
Reserved	90.4	54.8	44.9	183.3	65.2	34.0	44.6	49.2	61.5	68.8
Unreserved, reported in:										
Capital Fund	12.6	8.2	2.4	5.9	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	0.1	0.1
Special Revenue Fund	-	0.0	0.0	0.0	-	-	-	-	-	-
Total all other governmental funds	103.0	62.9	47.3	189.2	65.2	34.0	44.6	49.2	61.6	68.9
Total governmental funds	142.6	98.8	96.4	246.3	125.4	82.9	78.0	91.6	108.6	98.5

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

(2) The LVCVA implemented GASB 34, the new reporting standard, in fiscal year 2002.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 CHANGES IN NET ASSETS ⁽¹⁾
 LAST FIVE FISCAL YEARS
 (amounts expressed in thousands)
 (unaudited)

Program Revenues	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General government					
Marketing	2,178	1,838	1,906	2,065	2,843
Advertising					
Operations	30,298	32,788	35,749	43,004	45,576
Administration ⁽²⁾	16	25	-	-	-
Grants and special events					
Interest on long-term debt					
Total governmental activities program revenues	<u>32,493</u>	<u>34,651</u>	<u>37,656</u>	<u>45,069</u>	<u>48,418</u>
Expenses					
General government	3,426	3,891	4,461	4,063	7,527
Marketing	25,407	23,410	25,176	30,374	32,198
Advertising	60,213	59,224	65,003	78,213	82,923
Operations	36,195	36,841	41,924	45,890	50,554
Administration ⁽²⁾	4,981	5,655	-	-	-
Grants and special events	20,639	21,656	24,489	28,973	33,888
Other	-	-	-	323	-
Interest on long-term debt	16,030	14,788	14,440	11,688	12,826
Total governmental activities expenses	<u>166,889</u>	<u>165,466</u>	<u>175,493</u>	<u>199,524</u>	<u>219,916</u>
Net Expenses	(134,396)	(130,815)	(137,838)	(154,456)	(171,498)
General Revenues and Other Changes in Net Assets					
Room and gaming tax	125,130	133,030	156,435	181,805	202,051
Interest and investment earnings	2,925	1,437	997	2,048	3,801
Gain/loss on the sale of fixed assets	(19)	4	(10)	17	28
Total general revenues	<u>128,036</u>	<u>134,471</u>	<u>157,423</u>	<u>183,870</u>	<u>205,879</u>
<i>Special item</i> - Miscellaneous	5,749	-	-	-	-
Total general revenues and special items	<u>133,785</u>	<u>134,471</u>	<u>157,423</u>	<u>183,870</u>	<u>205,879</u>
Change in net assets	<u>(611)</u>	<u>3,656</u>	<u>19,585</u>	<u>29,414</u>	<u>34,381</u>
Net assets - beginning	181,512	180,901	184,557	204,143	210,809
Prior period adjustment	-	-	-	(22,748)	-
Net assets - beginning (as restated)	<u>181,512</u>	<u>180,901</u>	<u>184,557</u>	<u>181,395</u>	<u>210,809</u>
Net assets - ending	<u>180,901</u>	<u>184,557</u>	<u>204,143</u>	<u>210,809</u>	<u>245,189</u>

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

(2) Beginning in FY 2004, the Administration Division and Operations Division were merged.

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

Revenues	2002	2003	2004	2005	2006
Room and gaming taxes	126,173	132,631	155,034	178,201	202,050
Charges for service	32,484	34,645	37,354	45,056	48,360
Earnings on investments	2,925	1,437	997	2,048	3,801
Miscellaneous	5,758	6	302	12	59
Total revenues	167,340	168,718	193,687	225,318	254,269
Expenses					
General government	3,347	3,728	4,438	4,061	7,430
Marketing	25,121	23,283	25,181	30,225	31,991
Advertising	60,213	59,224	65,003	78,213	82,923
Operations	26,782	27,626	32,854	34,824	36,890
Administration ⁽²⁾	4,645	5,377	-	-	-
Grants and special events	20,807	21,512	24,389	28,753	34,248
Other	26	113	-	-	4
Capital outlay:					
Capitalized assets	60,262	5,307	2,714	5,574	46,794
Non-capitalized assets	630	500	281	572	918
Debt service:					
Principal	9,865	10,350	10,865	9,950	11,725
Interest	16,270	15,779	14,372	14,528	11,498
Bond issuance costs	-	194	-	1,816	2
Total expenditures	227,967	172,993	180,097	208,515	264,424
Excess (deficiency of revenues over (under) expenditures)	(60,627)	(4,274)	13,591	16,803	(10,155)
Other financing sources (uses)					
Transfers in	32,058	43,821	32,684	46,852	79,275
Transfers out	(32,058)	(43,821)	(32,684)	(46,852)	(79,275)
Bond proceeds	-	35,075	-	-	-
Refunding bonds issued	-	-	-	118,745	-
Bond premium	-	2,749	-	10,359	-
Payment of refunded bond escrow agent	-	(38,423)	-	(128,953)	-
Proceeds from the sale of capital assets	32	5	7	33	30
Total other financing sources (uses)	32	(594)	7	185	30
Net change in fund balances	(60,594)	(4,868)	13,598	16,987	(10,125)
Fund balance - beginning	143,487	82,893	78,025	91,623	108,610
Fund balance - ending	82,893	78,025	91,623	108,610	98,485

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

(2) Beginning in FY 2004, the Administration Division and Operations Division were merged.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION ⁽¹⁾
FOR ALL GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS
(unaudited)

The schedule below includes expenditures recorded in the general, debt service, capital improvement and replacement funds excluding nonrecurring expenditures. Nonrecurring expenditures include miscellaneous expenditures from the general fund, expenditures from the special revenue fund, which was only in existence for fiscal years 1998-2001, and expenditures from the capital expansion funds.

Fiscal Year	Total Expenditures	General Government		Marketing		Advertising ⁽²⁾		Administration ⁽³⁾	
1997	112,004,518	2,643,787	2%	43,507,208	39%	n/a		3,646,592	3%
1998	165,847,933	2,454,362	1%	47,299,093	29%	n/a		3,564,214	2%
1999	126,136,698	2,501,993	2%	48,707,657	39%	n/a		3,729,602	3%
2000	134,007,191	3,351,549	3%	56,583,728	42%	n/a		3,810,214	3%
2001	164,007,342	3,338,192	2%	74,052,024	45%	n/a		4,394,558	3%
2002	174,376,073	3,346,846	2%	25,121,114	14%	60,212,568	35%	4,645,125	3%
2003	211,302,185	3,727,811	2%	23,282,693	11%	59,224,247	28%	5,377,499	3%
2004	180,096,563	4,437,711	2%	25,180,916	14%	65,002,609	36%	n/a	
2005	206,699,491	4,060,571	2%	30,226,424	15%	78,211,815	38%	n/a	
2006	263,501,864	7,429,634	3%	31,990,835	12%	82,923,473	31%	n/a	

Fiscal Year	Operations*		Grants and Special Events		Capital Outlay		Debt Service	
1997	19,568,139	17%	25,877,742	23%	2,777,622	2%	13,983,428	12%
1998	19,300,757	12%	35,653,165	21%	4,287,800	3%	53,288,542	32%
1999	20,966,425	17%	27,572,800	22%	5,563,442	4%	17,094,779	14%
2000	21,350,350	16%	26,694,290	20%	3,517,847	3%	18,699,213	14%
2001	23,776,552	14%	27,376,226	17%	2,703,897	2%	28,365,893	17%
2002	26,781,519	15%	20,807,260	12%	7,326,996	4%	26,134,645	15%
2003	27,625,785	13%	21,511,863	10%	5,806,115	3%	64,746,172	30%
2004	32,854,219	18%	24,388,640	14%	2,995,162	2%	25,237,306	14%
2005	34,824,210	17%	28,753,093	14%	6,145,825	3%	24,477,554	12%
2006	36,890,102	14%	34,248,194	13%	46,794,116	18%	23,225,511	9%

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

(2) Beginning in FY 2002, the Advertising function is presented separately from Marketing.

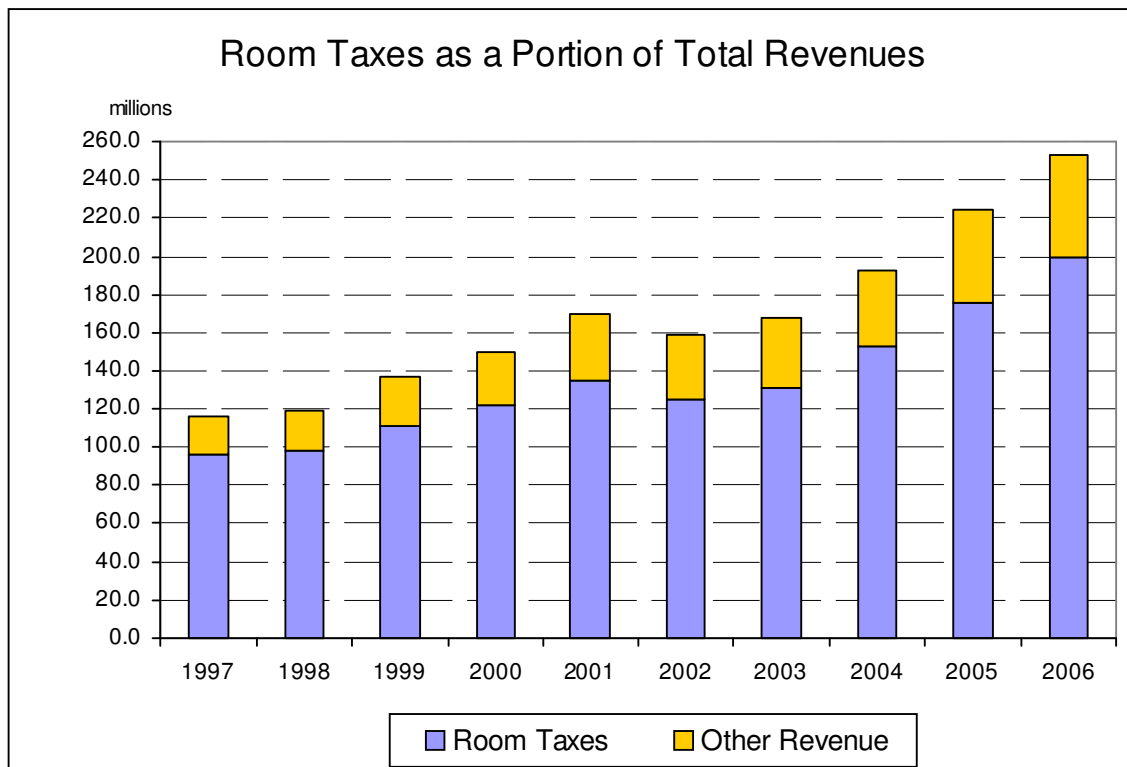
(3) Beginning in FY 2004, the Administration Division and Operations Division were merged.

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

The schedule below includes revenues recorded in the general, debt service, and capital improvement and replacement funds, with the exception of nonrecurring items. Nonrecurring revenues include miscellaneous revenues from the general fund, revenues from the special revenue fund, which was only in existence for fiscal years 1998-2001, and any revenues from the capital expansion funds. Prior to fiscal year 2000, 5/8 of 1% of the room tax was restricted to the promotion of tourism and special events in Nevada. As of July 1999, it was diverted to the Clark County School District.

Fiscal Year	Total Revenues	Room Tax		Charges for Services		Gaming Tax		Interest	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
1997	116,134,797	95,685,264	82%	16,030,260	14%	1,470,113	1%	2,949,160	3%
1998	118,942,465	97,505,210	82%	16,458,277	14%	1,783,015	1%	3,195,963	3%
1999	137,029,759	110,650,133	81%	22,226,496	16%	1,722,086	1%	2,431,044	2%
2000	150,454,545	121,601,298	81%	23,598,086	16%	1,775,145	1%	3,480,016	2%
2001	170,067,856	135,841,371	80%	27,698,278	16%	2,085,169	1%	4,443,038	3%
2002	160,456,123	124,171,822	77%	32,483,745	20%	2,001,338	1%	1,799,218	1%
2003	168,352,691	130,749,469	78%	34,644,610	21%	1,881,540	1%	1,077,073	<1%
2004	193,181,747	153,119,152	79%	37,353,826	20%	1,914,919	1%	793,851	<1%
2005	224,770,554	176,339,258	78%	45,056,357	20%	1,861,748	<1%	1,513,190	<1%
2006	253,302,034	200,086,827	79%	48,359,640	19%	1,963,608	<1%	2,891,958	1%

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



LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 CLARK COUNTY, NEVADA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2006⁽³⁾
 (unaudited)

	GROSS DEBT	MONIES AVAILABLE	NET DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVER-LAPPING DEBT
<u>Direct Debt:</u>					
Las Vegas Convention and and Visitors Authority (1)	247,030,000	23,677,579	223,352,421	100%	223,352,421
<u>Overlapping Debt:</u>					
Clark County G.O. Debt (2)	738,835,000	127,989,000	610,846,000	100%	610,846,000
Clark County					
School District	\$ 3,220,456,000	\$ 422,875,000	\$ 2,797,581,000	100%	\$ 2,797,581,000
Bond Bank (1)	632,000,000	-	632,000,000	100%	632,000,000
Clark County Fire Dist. (2)	1,445,000	1,395,000	50,000	100%	50,000
Big Bend Water Dist. (1)	11,463,000	-	11,463,000	100%	11,463,000
Searchlight Town (2)	90,000	41,000	49,000	100%	49,000
Regional Flood					
Control District (1)(2)	134,465,000	12,809,000	121,656,000	100%	121,656,000
Department of Aviation (1)	79,550,000	-	79,550,000	100%	79,550,000
University Medical Ctr. (1)	99,830,000	-	99,830,000	100%	99,830,000
Kyle Canyon Water Dist.	73,000	-	73,000	100%	73,000
Clark County					
Sanitation District (1)	46,020,000	-	46,020,000	100%	46,020,000
Las Vegas Water Dist. (1)	976,390,000	-	976,390,000	100%	976,390,000
City of Henderson	395,476,000	849,000	394,627,000	100%	394,627,000
City of Mesquite	18,068,000	-	18,068,000	100%	18,068,000
City of Las Vegas	304,296,000	9,490,000	294,806,000	100%	294,806,000
City of North Las Vegas	105,405,000	4,811,000	100,594,000	100%	100,594,000
State of Nevada (1)	2,550,953,000	-	2,550,953,000	58%	1,479,553,000
Clark County Library Dist.	41,125,000	9,780,000	31,345,000	100%	31,345,000
Other Clark County Debt (2)	1,844,000	191,000	1,653,000	100%	1,653,000
Total	<u>\$ 9,357,784,000</u>	<u>\$ 590,230,000</u>	<u>\$ 8,767,554,000</u>		<u>\$ 7,696,154,000</u>

- (1) Ad valorem taxes are not used to repay these debts.
 (2) These monies are held in the Clark County debt service funds.
 (3) FY06 balances for others entities were unavailable at the time of printing.

Notes: The LVCVA's schedule of direct and overlapping debt is the same as Clark County, Nevada's since it was created as separate County agency to operate within its boundaries. Cities, towns and special districts overlap with county, school, convention authority, water district and state, but not with each other.

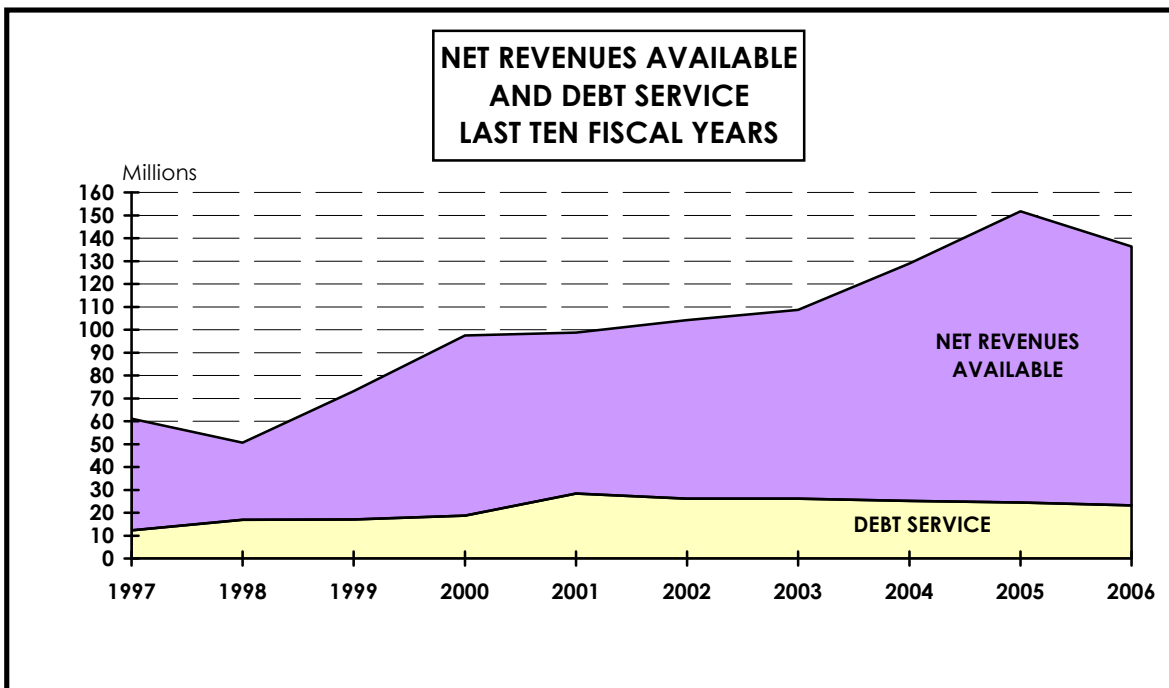
**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
BOND COVERAGE
LAST TEN FISCAL YEARS
(unaudited)**

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

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

Revenues and expenditures from the general, capital projects and debt service funds are included here, with the exception of unusual nonrecurring items. Expenditures for marketing, advertising, debt service, and construction in progress are excluded from operating and maintenance expenditures.

<u>FISCAL YEAR</u>	<u>GROSS REVENUES</u>	<u>MAINTENANCE EXPENDITURES</u>	<u>AVAILABLE FOR DEBT SERVICE</u>	<u>PRINCIPAL AND INTEREST</u>	<u>SERVICE COVERAGE</u>
1997	115,605,229	54,469,471	61,135,758	12,375,384	4.9
1998	118,296,737	67,702,254	50,594,483	16,978,698	3.0
1999	138,541,972	65,443,599	73,098,373	17,094,779	4.3
2000	158,784,023	61,314,356	97,469,667	18,699,213	5.2
2001	176,833,594	78,132,110	98,701,484	28,365,893	3.5
2002	167,340,114	63,138,895	104,201,219	26,134,645	4.0
2003	168,696,763	60,059,472	108,637,291	26,129,200	4.2
2004	193,671,805	64,675,732	128,996,073	25,237,306	5.1
2005	225,287,833	73,533,699	151,754,134	24,477,554	6.2
2006	254,415,875	118,085,130	136,330,745	23,225,511	5.9



LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2006
 (unaudited)

	<u>Las Vegas Convention and Visitors Authority</u>	<u>Clark County</u>
Approximate assessed valuation ⁽¹⁾	\$ 66,848,185,904	\$ 66,848,185,904
Bonded debt limit ⁽²⁾	<u>5%</u>	<u>10%</u>
Statutory debt limitation	3,342,409,295	6,684,818,590
Less:		
Amount of debt applicable to debt limit	<u>97,610,000</u> ⁽³⁾	<u>1,282,405,000</u> ⁽⁴⁾
Debt margin	<u>\$ 3,244,799,295</u>	<u>\$ 5,402,413,590</u>

(1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada for FY 2006. It includes the assessed valuation of the redevelopment agencies. These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bonded indebtedness. This valuation is used to determine the LVCVA's debt margin since our debt is issued in the name of the County as described below.

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

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

(3) The LVCVA's Outstanding General Obligation indebtedness includes general obligation bonds, and medium-term obligations.

(4) County's Outstanding General Obligation Indebtedness includes general obligation bonds, general obligation revenue bonds, notes, and medium-term obligations.

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

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

The median age of the adult population is 47.9, with 26.4% of the population under the age of 18. The Clark County School District is the fifth largest in the nation with 317 schools. The median household income is \$47,320 and 57.2% of the residents are homeowners.

Per the 2000 U.S. Census, Clark County was the nation's 13th fastest growing county. This is evident in that over 50% of the population has lived here for over ten years, and over 160 newcomers arrive each day. The population in 2006 is expected to increase by 4.9% over 2005.



Source: www.co.clark.nv.us/ceit/gismo/gismo

Entity	Incorporation Date	2005 Population	Square Miles (approx.)
Clark County	1909	781,871	8,260
Las Vegas	1911	575,973	110
N. Las Vegas	1946	182,159	80
Henderson	1953	243,730	96
Boulder City	1958	15,367	200
Mesquite	1984	16,600	15

Sources: Nevada State Demographer Website

AS OF JUNE 30,	POPULATION (A)	LABOR FORCE (B)	UN-EMPLOYMENT RATE (B)
1997	1,170,113	629,640	4.70%
1998	1,246,193	665,800	4.60%
1999	1,321,319	704,870	4.60%
2000	1,428,690	724,110	4.70%
2001	1,498,279	757,910	5.30%
2002	1,578,332	775,500	6.10%
2003	1,641,529	799,410	5.80%
2004	1,747,025	827,270	4.80%
2005	1,815,700	866,190	4.20%
2006	1,923,420	905,790	4.30%

AS OF DEC 31,	MEDIAN HOUSE-HOLD INCOME	MEDIAN AGE	SCHOOL ENROLLMENT (C)
1996	38,389	45.4	189,000
1997	40,514	45.8	199,000
1998	40,958	47.5	214,458
1999	41,875	46.6	228,742
2000	41,657	48.5	242,992
2001	43,787	46.3	257,754
2002	45,607	47.8	269,382
2003	44,307	48.4	283,885
2004	47,097	47.5	297,771
2005	47,320	47.9	308,876

Sources:

- (A) June 30 population estimates provided by Clark County Department of Comprehensive Planning. 2000 population is actual U.S. Census count.
- (B) June 30 labor force statistics and unemployment rate provided by Nevada Department of Employment, Training & Rehabilitation – Information Development & Processing Division – Research & Analysis Bureau.
- (C) Total public and private school provided by Nevada Department of Education – Research Bulletins.

All other statistics are as of December 31 and are from the *Las Vegas Perspective*.

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

LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL	
	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE
1997	18,228,223	52,080,637	2,746,811	7,848,030	20,975,034	59,928,667
1998	20,039,063	57,254,467	3,224,240	9,212,113	23,263,303	66,466,580
1999	22,608,381	64,595,373	3,666,727	10,476,365	26,275,108	75,071,738
2000	26,357,090	75,305,971	3,952,031	11,291,518	30,309,121	86,597,489
2001	29,164,283	83,326,523	4,143,630	11,838,942	33,307,913	95,165,465
2002	32,205,772	92,016,490	4,284,553	12,241,581	36,490,325	104,258,071
2003	36,258,580	103,595,943	4,355,373	12,443,922	40,613,953	116,039,865
2004	39,852,174	113,863,354	4,774,487	13,641,392	44,626,661	127,504,746
2005	45,391,834	126,690,955	5,029,248	14,369,280	50,421,082	141,060,235
2006	61,060,916	174,459,759	5,787,270	16,535,058	66,848,186	190,994,817

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

NEW CONSTRUCTION (IN THOUSANDS)
 LAST TEN CALENDAR YEARS

CAL- ENDAR YEAR	HOTEL/MOTEL CONSTRUCTION		COMMERCIAL/PUBLIC CONSTRUCTION		RESIDENTIAL* CONSTRUCTION		TOTAL NEW CONSTRUCTION (000)
	NUMBER OF PERMITS	VALUE (000)	NUMBER OF PERMITS	VALUE (000)	NUMBER OF PERMITS	VALUE (000)	
1996	81	739,690	1,090	920,323	20,262	2,060,241	3,720,254
1997	90	667,102	1,129	815,404	20,468	2,044,487	3,526,993
1998	58	586,770	1,071	926,585	21,128	2,194,974	3,708,329
1999	34	287,552	855	756,016	20,693	1,824,925	2,868,493
2000	47	281,912	802	805,159	22,042	2,570,542	3,657,613
2001	27	144,349	978	904,727	22,855	2,704,706	3,753,782
2002	41	771,014	735	775,451	22,926	3,816,047	5,362,512
2003	36	1,446,496	1,140	1,097,097	28,461	3,731,900	6,275,493
2004	74	924,101	1,365	1,971,808	32,705	4,042,716	6,938,625
2005	27	610,299	1,165	802,403	31,041	4,727,902	6,140,604

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

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

SOURCES:

Assessed and Estimated Actual Property Values – Clark County Assessor’s Office.
 New Construction – *Las Vegas Perspective*.

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

In its role of promoting Las Vegas as a travel destination, the LVCVA contributes to the growth of the entire local economy. The Las Vegas economy is heavily dependent on the hotel/gaming industry, which employs 32.5% of the labor force. The health of hotel/gaming industry is directly related to the volume of visitors, presented below.

CALENDAR YEAR	CONVENTION DELEGATES	% OF TOTAL VISITORS	TOURISTS	% OF TOTAL VISITORS	TOTAL VISITORS	INCREASE
1996	3,305,507	11.2%	26,330,854	88.8%	29,636,361	2.2%
1997	3,519,424	11.6%	26,945,211	88.4%	30,464,635	2.8%
1998	3,301,705	10.8%	27,303,423	89.2%	30,605,128	0.5%
1999	3,772,726	11.2%	30,036,408	88.8%	33,809,134	10.5%
2000	3,853,363	10.7%	31,996,328	89.3%	35,849,691	6.0%
2001	5,014,240 *	14.3%	30,003,077	85.7%	35,017,317	-2.3%
2002	5,105,450	14.6%	29,966,054	85.4%	35,071,504	0.2%
2003	5,657,796	15.9%	29,882,330	84.1%	35,540,126	1.3%
2004	5,724,864	15.3%	31,663,917	84.7%	37,388,781	5.2%
2005	6,166,194	16.0%	32,400,523	84.0%	38,566,717	3.2%

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

*Beginning in 2002 convention delegate counts are based on an updated methodology that reflects significant growth in the small meetings market. 2001 counts were revised retroactively.

Strong visitor levels produce beneficial secondary effects in other industries, as well, since visitors purchase a significant amount of goods and services while they visit the area. Visitors to Las Vegas in 2005 contributed nearly \$36.7 billion to the economy of the area. Indicators of the economic impact include total gaming revenues in Clark County and room taxes collected on behalf of the LVCVA.

CALENDAR YEAR	NON-GAMING CONVENTION REVENUE \$ (000)	INCREASE	GAMING REVENUES \$ (000)	INCREASE	ROOM TAXES (Fiscal Year)	INCREASE
1996	3,943,105	17.4%	5,783,735	1.2%	76,606,392	10.2%
1997	4,435,311	12.5%	6,152,415	6.4%	84,656,095	10.5%
1998	4,278,385	-3.5%	6,346,958	3.2%	86,249,080	1.9%
1999	4,117,599	-3.8%	7,209,032	13.6%	97,872,354	13.5%
2000	4,289,390	4.2%	7,671,252	6.4%	120,536,301	23.2%
2001	5,814,790 *	35.6%	7,636,547	-0.5%	135,841,371	12.7%
2002	5,962,850	2.5%	7,630,562	-0.1%	124,171,822	-8.6%
2003	6,546,776	9.8%	7,831,464	2.6%	130,749,469	5.3%
2004	6,860,512	4.8%	8,710,976	11.2%	153,119,152	17.1%
2005	7,608,151	10.9%	9,709,408	11.5%	176,339,258	15.2%

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

*Beginning in 2002 convention delegate counts are based on an updated methodology that reflects significant growth in the small meetings market. 2001 counts were revised retroactively.

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

CONVENTION CENTER BUILDING UTILIZATION

FY	CONVENTIONS	EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES
					USAGE REVENUE
1997	54	12	219	285	9,950,051
1998	57	7	176	240	10,243,852
1999	50	17	106	173	14,135,912
2000	68	18	84	170	14,848,193
2001	68	4	96	168	18,818,224
2002	63	8	17	88	23,841,647
2003	79	3	23	105	25,599,432
2004	80	4	24	108	26,877,290
2005	74	12	10	96	33,244,601
2006	84	12	10	106	35,825,314

Source: Las Vegas Convention and Visitors Authority

CASHMAN CENTER BUILDING UTILIZATION

FY	CONVENTIONS	EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES
					USAGE REVENUE
1997	5	162	323	490	1,188,223
1998	1	175	280	456	1,238,679
1999	3	166	315	484	1,524,804
2000	4	177	266	447	1,846,319
2001	10	224	261	495	1,837,459
2002	8	218	225	451	1,532,790
2003	6	241	232	479	1,904,130
2004	4	136	77	217	1,971,544
2005	6	135	62	203	1,884,378
2006	4	137	99	240	1,966,014

Source: Las Vegas Convention and Visitors Authority

Note: Facilities usage revenue does not include catering/concession revenues or reimbursed services.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 PRINCIPAL ROOM TAXPAYERS
 JUNE 30, 2006
 (unaudited)

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

	Rooms at June 30	% of total rooms
MGM Grand	5,034	3.4%
Luxor	4,408	3.0%
Venetian	4,027	2.7%
Excalibur	3,991	2.7%
Bellagio	3,933	2.7%
Circus Circus	3,763	2.6%
Flamingo Hilton	3,565	2.4%
Caesars Palace	3,348	2.3%
Mandalay Bay	3,215	2.2%
Paris Las Vegas	3,211	2.2%
	<u>38,495</u>	<u>26.2%</u>
Other Hotels/Motels	91,095	62.1%
Total Las Vegas metropolitan area	129,590	88.3%
Total Laughlin	10,698	7.3%
Total Mesquite	2,683	1.8%
Total Jean/Primm	3,757	2.6%
Total Inventory of Rooms	<u>146,728</u>	<u>100.0%</u>

Note: Other Hotels/Motels does not include timeshare properties.

In spite of the increasing availability of rooms, the occupancy rate for Las Vegas metropolitan area continues to grow, exceeding the national average by over 40% for calendar year 2005.

<u>Calendar Year</u>	<u>Rooms Available*</u>	<u>Occupancy Percentage</u>	<u>National Occupancy Percentage</u>
1996	99,072	90.4	65.2
1997	105,347	86.4	64.5
1998	109,365	85.8	63.8
1999	120,294	88	63.3
2000	124,945	89.1	63.5
2001	126,610	84.7	60.1
2002	126,787	84	59.1
2003	130,482	85	59.2
2004	131,503	88.6	61.3
2005	133,186	89.2	63.1

Source: Las Vegas Convention and Visitors Authority, Marketing Division – Research Department

* Total Las Vegas metropolitan area and Jean/Primm properties.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2006
(unaudited)

	<u>NAME OF INSURER</u>	<u>POLICY NUMBER</u>	<u>LIMIT \$</u>	<u>EXPIRATION DATE</u>
Comprehensive general liability Base Policy	Fireman's Fund	MXC80415897	1,000,000	8/1/2006
Primary Umbrella	Nat'l Union Fire Ins. Co.	BE2963623	25,000,000	8/1/2006
Excess over \$25 million	Amer. Guar. & Liab (Zurich)	AEC937571602	25,000,000	8/1/2006
Excess over \$50 million	Great American Assurance	EXC4718700	25,000,000	8/1/2006
Excess over \$75 million	Fed. Ins. (Chubb)	7973-64-87	25,000,000	8/1/2006
Public Officials & Employees Liab.	Illinois Union Ins.	G21656586002	5,000,000	8/1/2006
Property/Boiler/Terrorism	Allianz Insurance Co.	CLP3006420	400,000,000	8/1/2006
Workers' Compensation - WA/IL	Hartford/Twin City Fire Ins.	53WECNP2099	1,000,000	7/1/2006
Excess Workers' Compensation	Safety National	AGC8207NV	1,000,000	7/1/2006
NV Workers' Compensation Bond	Safety National	SIB 2992 NV	202,000 amt of Bond	Still in effect

Additional Reports of Independent Auditors



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Las Vegas Convention & Visitors Authority
Las Vegas, Nevada

We have audited the financial statements of the governmental activities and each major fund of the Las Vegas Convention & Visitors Authority (LVCVA) as of and for the year ended June 30, 2006, which collectively comprise the LVCVA's basic financial statements and have issued our report thereon dated September 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered LVCVA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LVCVA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
September 15, 2006



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of the
Las Vegas Convention & Visitors Authority
Las Vegas, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624(5)(a):

- The identified funds are being used expressly for the purposes for which they were created.
- The funds are administered in accordance with accounting principles generally accepted in the United States of America.
- The reserved fund balances in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2006 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau).
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements.
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2006, except as disclosed in the financial statements.
- The balance of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the Las Vegas Convention & Visitors Authority.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
September 15, 2006

**LAS VEGAS CONVENTION & VISITORS AUTHORITY
AUDITOR'S COMMENTS
JUNE 30, 2006**

CURRENT YEAR STATUTE COMPLIANCE

The Las Vegas Convention & Visitors Authority conformed to all significant statutory constraints on its financial administration during the year.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Las Vegas Convention & Visitors Authority monitored compliance with all significant statutes and regulations.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the prior year.

CURRENT YEAR RECOMMENDATIONS

We did not note any financial weaknesses of a magnitude to justify inclusion within this report.

LAS VEGAS CONVENTION & VISITORS AUTHORITY
NEVADA REVISED STATUTES
354.6113
JUNE 30, 2006

NEVADA REVISED STATUTE 354.6113

Nevada Revised Statute 354.6113 requires that the audit report must include a statement by the auditor indicating whether the annual budget and audit report of the local government prepared pursuant to NRS 354.624 specifically identify the fund and: (Our responses are in italics.)

- A. Indicate in detail the capital projects that have been constructed with money from the fund.

The Capital Projects Fund was created by LVCVA in accordance with Nevada Revised Statute 354.6113. At June 30, 2006, the Schedule of Revenues, Expenditures and Changes in Fund Balance for the Fund is included in the financial statements on page 37. This schedule reports the total expenditures during the year for capital projects. The Finance Department of the LVCVA maintains detailed records of each capital project constructed or capital item acquired.

- B. Specify the amount of money, if any, that will be deposited in the fund for the next fiscal year.

The amount of money that is expected to be deposited into the fund via transfers from other funds and local sources of revenue has been incorporated in the LVCVA's 2006-2007 budget.

- C. Specify any proposed capital projects that will be constructed with money from the fund during the next fiscal year.

The LVCVA has a five-year capital improvement plan. The proposed capital projects have been incorporated in the LVCVA's 2006-2007 budget.

- D. Identify any planned accumulation of the money in the fund.

The planned accumulation and the planned uses thereof have been incorporated in the LVCVA's 2006-2007 budget.