



**Comprehensive Annual Financial Report
For The Year Ended June 30, 2007
Las Vegas, Nevada**



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

For The Year Ended June 30, 2007

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2007**

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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November 13, 2007

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Las Vegas Convention and Visitors Authority (LVCVA) for the year ended June 30, 2007. This report was prepared by the Finance Department in conformity with accounting principles generally accepted in the United States (GAAP), Nevada Revised Statutes (NRS) and standards set forth by the Governmental Accounting Standards Board (GASB).

Although the report contains our independent auditors' reports, 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 control 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 GAAP. The concept of reasonable assurance recognizes that the cost of maintaining internal controls should not exceed the benefits derived and that management is required to evaluate the cost and benefits by using estimates and judgments.

Piercy Bowler Taylor & Kern, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of Nevada, has audited the LVCVA's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the LVCVA for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the LVCVA's basic financial statements for the fiscal year ended June 30, 2007, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first page of the financial section of this report.

This report has been prepared using the financial reporting requirements as outlined in GASB

Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This standard requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management’s Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors report.

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 its 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 tenets:

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.

ECONOMIC CONDITION

Fiscal Year 2007

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 events and sporting events are among the attractions keeping 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 and gaming tax revenue increased from \$202 million to \$215 million in fiscal year (FY) 2007. Market research for the calendar year 2006 shows that the number of visitors to Las Vegas was 38.9 million, resulting in a \$39.4 billion impact on the local economy.

Despite increased competition from other gaming and resort destinations, Las Vegas city-wide hotel and motel occupancy rates average 17.7 percentage points higher than those of other top U.S. destinations.

| | 2006 | Net Difference |
|---------------|-------|-------------------|
| Las Vegas | 89.7% | |
| Los Angeles | 75.1% | 14.6 |
| San Diego | 73.3% | 16.4 |
| Miami | 70.8% | 18.9 |
| San Francisco | 72.9% | 16.8 |
| Orlando | 67.7% | 22.0 |

Source: LVCVA Research Department and Smith Travel Research

Las Vegas is also the leading convention destination. One reason is the sales staff at both the area resorts and the LVCVA work diligently to help tradeshow producers and meeting planners find the best venues for their events. In 2006, Las Vegas marked 13 years as the top-ranked destination for tradeshows by hosting 45 of the 200 largest tradeshows in North America, according to *Tradeshow Week*.

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.

Another reason is that Las Vegas is home to three of the country's ten largest convention venues and to 17 of the 20 largest hotels in the world. With more than 9.5 million square feet of meeting space, Las Vegas is able to provide the perfect venue for every event. In order to *house the brand*, the LVCVA is in the final planning phase for its most ambitious construction project to date. The Master Plan Enhancement Program will improve and expand the Las Vegas Convention Center (LVCC) and to continue to provide its building customers the best experience possible. Traditionally, events in Las Vegas attract more delegates than when held in another destination. Overall, Las Vegas attracted 6.3 million convention delegates to its 23,825 events during 2006.

To market Las Vegas and Southern Nevada and to attract international visitors, the LVCVA operates offices in Japan, the United Kingdom, Germany, France, Australia, South Korea, Mexico and Canada. 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 few years, strategic planning has been the main focus of the LVCVA. The product of that strategic planning was the 2005 Vision Plan. 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. The plan was comprehensive and aggressive – with an immediate goal of achieving 43 million visitors by the end of the decade.

By then, the destination will gain an estimated 35,000 new rooms. In order to maintain our current occupancy levels, annual visitation must increase by 200,000 for every 1,000 new rooms.

The LVCVA will fulfill its mission by growing demand for the destination. In addition to the already popular “What Happens Here, Stays Here” campaign, future marketing programs will be established to bring visitors to Las Vegas. Included in this are new efforts for aligning the brand with the music and sports worlds to position Las Vegas as the best place to experience both. For the business market, new campaigns will further the message that Las Vegas is a serious business destination.

Las Vegas Convention Center Master Plan Enhancement Program

In response to ever-increasing global competition for convention travelers, and to continue to deliver a world-class customer experience, the LVCVA has continually made improvements to its facilities.

In late FY 2005, the LVCVA partnered with its consultants 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 overall customer service.

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 and other research, the following areas were identified for improvement/enhancement:

- Renovation of existing concourses, meeting rooms and other public areas
- Improvement to access within, around and to the Convention Center campus
- Improvement of technology infrastructure throughout the facility
- Addition of new meeting rooms to meet the needs of future customers
- Increased amenities such as food service, business services and concierge functions
- Improvement of security/safety by incorporating an on-site police substation and fire station
- Enhanced image for the Convention Center in keeping with the Las Vegas brand

In February 2006, the LVCVA Board of Directors (the Board) unanimously approved a proposed \$737 million master plan enhancement program (MPEP) for the 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, the Board authorized the issuance of \$340 million of commercial paper, of which, as of June 30, 2007, \$31 million had been issued. In February 2007, after more intricate planning and market research, the Board approved an additional \$153 million, bringing the total MPEP program budget to \$890 million.

During FY 2007, the schematic design for the MPEP was completed. A mock-up of meeting rooms has been finished and will serve as a laboratory for design of new and renovated meeting rooms. Additionally, the LVCVA selected HNTB as the master architect for the completion of the design documents for all projects within MPEP.

Both the on-site police substation and fire station were approved and the design/build process began. The Metro police substation is expected to break ground in late 2007, and construction of the fire station is slated to begin in April 2008.

MAJOR INITIATIVES FOR 2006-2007

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. 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 at the LVCC.

In FY 2007, the LVCVA acquired two additional properties. One of these properties is adjacent to our Cambridge site and the other is across the street from the LVCC. The properties will assist in the Master Plan Enhancement by allowing space for staff during construction. The properties will also increase parking facilities for construction workers during construction.

Bond Refunding

During the year, the LVCVA issued \$38,200,000 general obligation refunding bonds to take advantage of lower interest rates and reduce total debt service payments on \$39,865,000 of general obligation bonds. By taking advantage of the lower interest rates, this refunding reduced total debt service payments over the next 15 years by over \$5.8 million.

Sporting Events

Las Vegas hosted the 2007 NBA All-Star game, the first time that an NBA All-Star game was held in a city without an NBA franchise. The LVCVA served as the host organization for NBA All-Star 2007. The week-long celebration enabled 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. The NBA partnered 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 LVCVA participated in NBA Europe Live. This consisted of four NBA teams playing a series of games in cities throughout Europe and Russia. The LVCVA sponsored promotional programs during six of these games allowing the LVCVA to penetrate the marketplace and promote the All-Star Game.

LVCVA TV Program

In early 2007, the LVCVA began to produce its own television program "Las Vegas 360". "Las Vegas 360: Travel & Tourism" is a quarterly television program produced by the LVCVA Public Affairs Department. The 30-minute program is designed to educate Southern Nevada residents about the benefits of tourism to the community, and airs on local government access channels and Las Vegas One.

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, 2007, were sufficient to pay principal and interest due on July 1, 2007.

Outstanding bonded debt and debt service reserves at June 30, 2007, 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+ | Aa1 | \$ 1,865,000 | \$ 1,915,355 | \$ (50,355) |
| 1998A Series Bonds* | AA+ | Aa1 | 35,660,000 | 982,866 | 34,677,134 |
| 11/99 Series Bonds | A+ | Aa3 | 31,925,000 | 1,005,550 | 30,919,450 |
| 05/03 Series Bonds* | AA+ | Aa1 | 9,410,000 | 9,645,250 | (235,250) |
| 04/05 Series Bonds | A+ | Aa3 | 117,255,000 | 3,135,319 | 114,119,681 |
| 05/07 Series Bonds | AA+ | Aa1 | 38,200,000 | - | 38,200,000 |
| | | | <u>\$ 234,315,000</u> | <u>\$ 16,684,339</u> | <u>\$ 179,430,661</u> |

* Issued through Clark County, remaining issue is through the LVCVA.

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 32.

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 4.93% rate of return, which totaled over \$5.7 million in FY 2007.

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, and regularly scheduled safety training sessions.

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 Clark 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. A 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, 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.

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.

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, 2006. 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 23 consecutive years (fiscal years ended 1984-2006). 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 who 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, 2006

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.

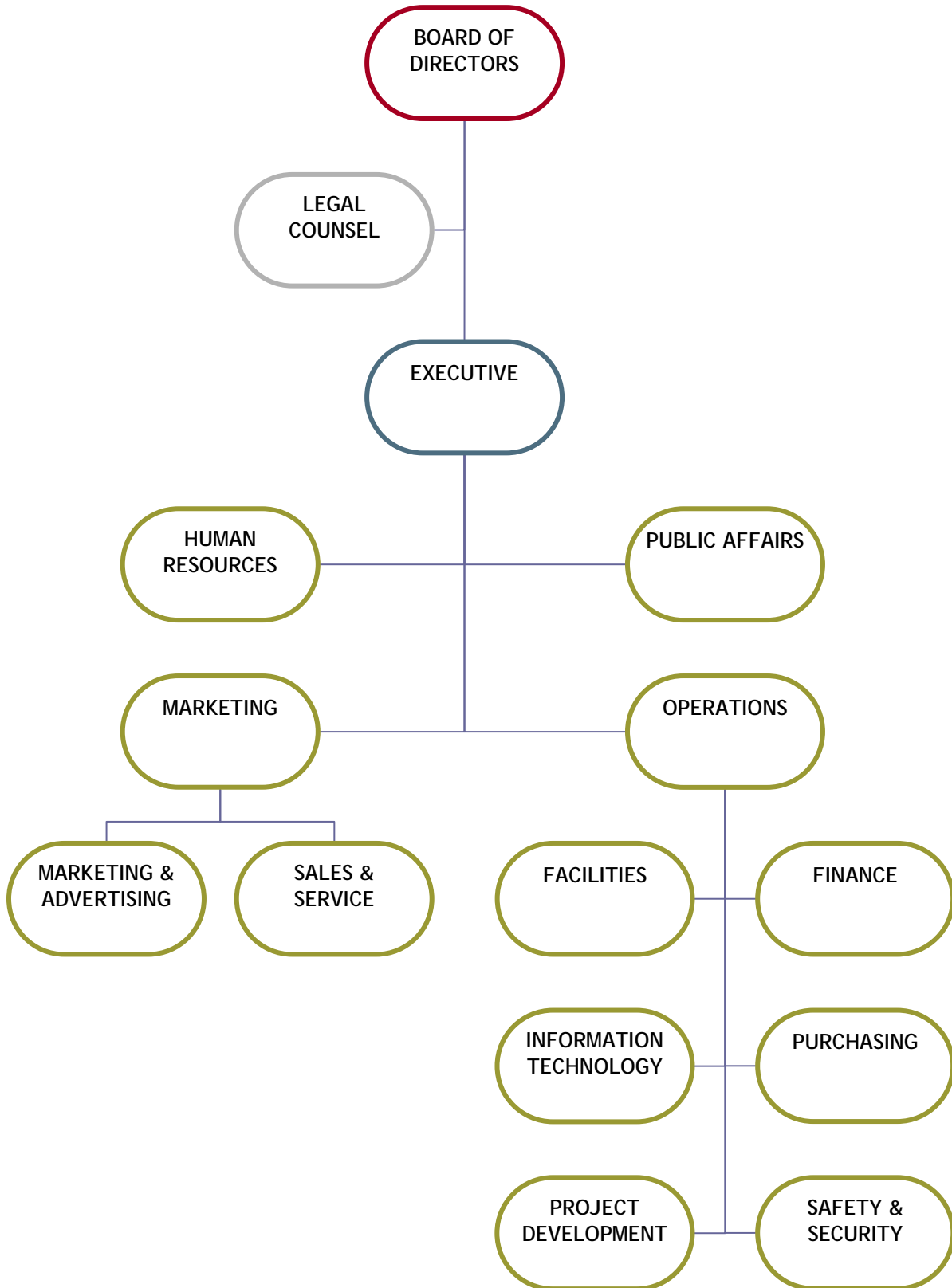


President

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, 2007 are:



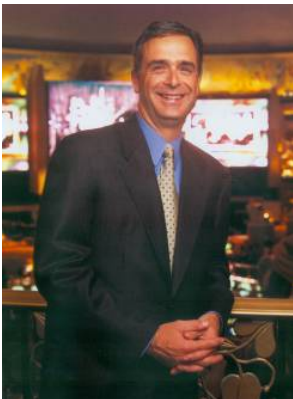
Mr. Keith Smith
Vice-Chair
Resort Hotel Industry, NRA



Mayor Oscar B. Goodman
Chair
City of Las Vegas



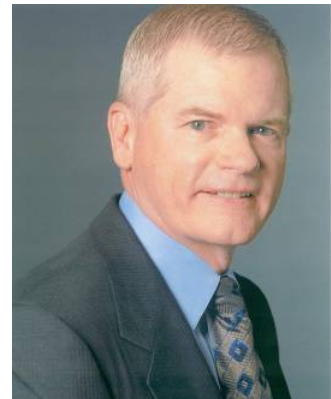
Mayor James Gibson
Secretary/Treasurer
City of Henderson



Mr. Chuck Bowling
Central Business District
NRA



Councilman
Larry Brown
City of Las Vegas



Mr. Glenn Christenson
Resort hotel industry,
NRA

LAS VEGAS CONVENTION AND VISITORS AUTHORITY PRINCIPAL OFFICIALS



Commissioner
Tom Collins
Clark County



Mr. Tom Jenkin
Resort hotel business
CC



Ms. Kara Kelley
Other Commercial Interests
CC



Mayor
Michael Montandon
City of North Las Vegas



Mayor
Bill Nicholes
City of Mesquite



Councilman
Mike Pacini
City of Boulder City



Mr. Andrew Pascal
Representing Tourism
CC



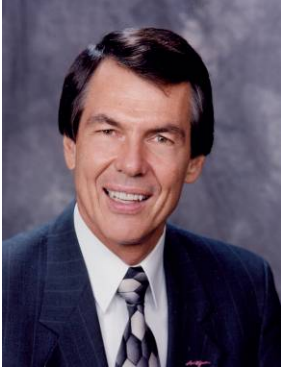
Commissioner
Rory Reid
Clark County

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.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

EXECUTIVE STAFF

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



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



Mr. Rossi T. Ralenkotter
President\CEO



Mr. Terry Jicinsky
Sr. Vice President,
Marketing

Mr. Vince Alberta

Vice President, Public Affairs

Mr. Mark Haley

Vice President, Facilities

Mr. Chris Meyer

Vice President, Convention Center Sales

Ms. Nancy Murphy

Vice President, Sales

Mr. Mark Olson

Vice President, Human Resources

Mr. Luke Pushnig

Legal Counsel

Ms. Brenda Siddall

Vice President, Finance

Ms. Cathy Tull

Sr. Director, Office of the President

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

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2007, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free 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 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 basic 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, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2007, on our consideration of the LVCVA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 11 and 17 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. 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 therefore, express no opinion on it.

Our audit was made 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 section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



October 11, 2007

Management's Discussion and Analysis

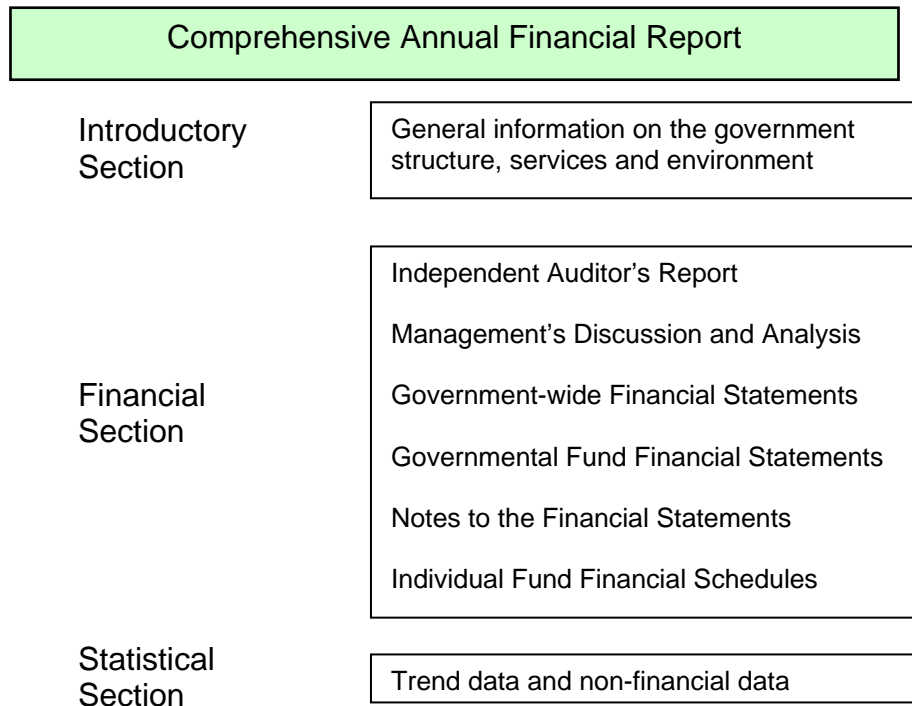
**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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, 2007. 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 viii 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, 2007**

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 included in the 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 and
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 as other supplemental information.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

CONDENSED COMPARATIVE DATA

ASSETS, LIABILITIES AND NET ASSETS

The LVCVA's net assets, on the government-wide basis, increased \$41 million from the previous year. The increase was the result of revenues growing at a greater pace than expenses.

| Changes in Net Assets | | |
|------------------------------|----------------|----------------|
| | FY 2006 | FY 2007 |
| Net assets - beginning | \$ 210,808,791 | \$ 245,189,412 |
| Revenues | 254,297,158 | 273,793,935 |
| Expenses | 219,916,537 | 232,366,066 |
| Increase in net assets | 34,380,621 | 41,427,869 |
| Net assets - ending | \$ 245,189,412 | \$ 286,617,281 |

Net assets were \$286.6 million at June 30, 2007. The largest portion of net assets (48%) reflects the LVCVA's investment in capital assets, less debt that was used to acquire those assets. Another 35% 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, 2006 | June 30, 2007 |
| Current and other assets | \$ 151,230,842 | \$ 193,397,107 |
| Capital assets | 388,411,782 | 406,198,540 |
| Total assets | 539,642,624 | 599,595,647 |
| Current and other liabilities | 41,109,223 | 55,672,966 |
| Long-term liabilities | 253,343,989 | 257,305,400 |
| Total liabilities | 294,453,212 | 312,978,366 |
| Net assets | | |
| Invested in capital assets, net of related debt | 143,281,642 | 136,713,336 |
| Restricted | 68,832,796 | 101,289,351 |
| Unrestricted | 33,074,974 | 48,614,594 |
| Total net assets | \$ 245,189,412 | \$ 286,617,281 |

The \$48.6 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 \$48.6 million of unrestricted assets left.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

REVENUES

Total revenues for FY 2007 amounted to \$274 million, an 8% increase from FY 2006.

| | June 30, 2006 | June 30, 2007 |
|-----------------------|----------------|----------------|
| General revenues | | |
| Room and gaming taxes | \$ 202,050,542 | \$ 216,893,233 |
| Interest | 3,800,710 | 5,776,566 |
| Other | 27,757 | 52,692 |
| Total general revenue | \$ 205,879,009 | \$ 222,722,491 |
| Program revenues | | |
| Use of facilities | 45,575,524 | 48,400,265 |
| Marketing | 2,842,625 | 2,671,179 |
| Total program revenue | 48,418,149 | 51,071,444 |
| Total revenues | \$ 254,297,158 | \$ 273,793,935 |

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 \$54.1 million in FY 2007, including depreciation. At the same time, building rental charges and user fees generated revenues totaling \$48.4 million.

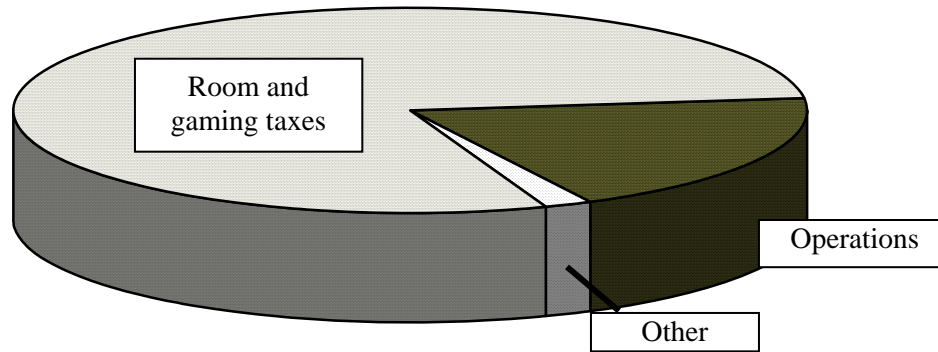
FACILITY OPERATIONS

| | FY 2006 | FY 2007 |
|-------------|---------------|---------------|
| Revenues | \$ 45,575,524 | \$ 48,400,265 |
| Expense | 50,554,392 | 54,072,067 |
| Net expense | \$ 4,978,868 | \$ 5,671,802 |

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, additional non-capitalized expenses related to the LVCVA Master Plan Enhancement Project, and the use of additional personnel in the Traffic/Parking and Client Services departments.

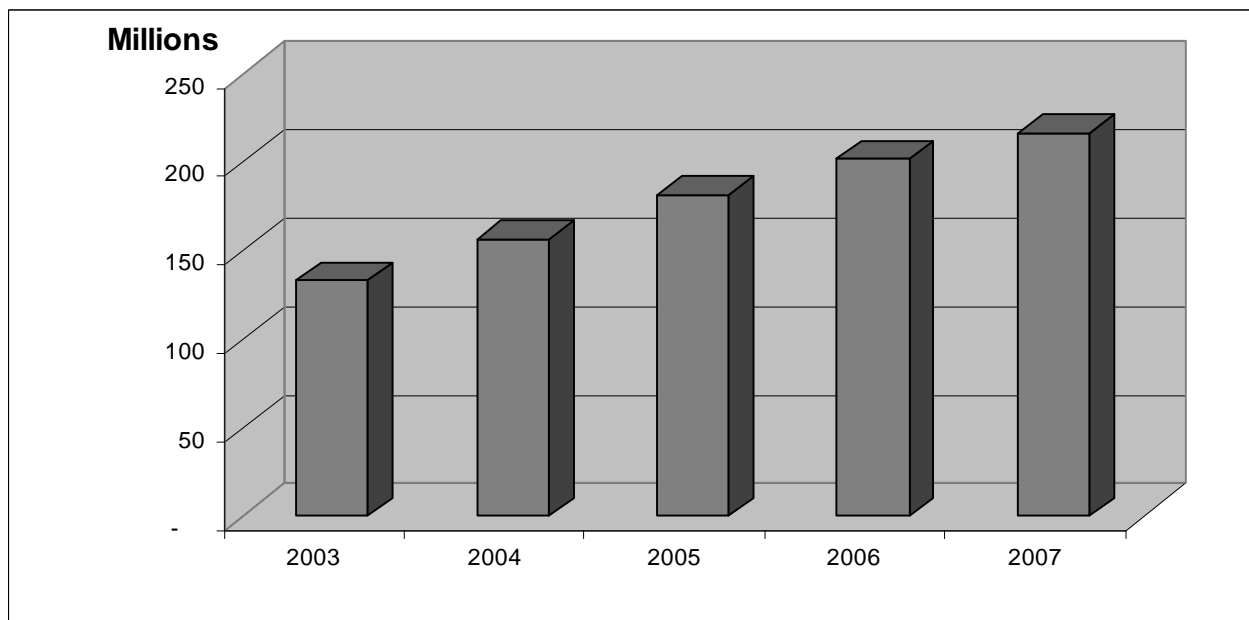
**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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



Room and gaming taxes provided \$217 million during FY 2007, an increase of 7% from the previous fiscal year's total of \$202 million. The upsurge was the result of a considerable increase in the average daily room rental rate (ADR). In FY 2007, the ADR averaged \$127.80, an increase of 14% over FY 2006. In addition, the average occupancy rate for the year increased to 90.1%, a growth of 1% over FY 2006.

Room Tax Revenue



**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Clark County (the 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 \$196 million, or 91% of the total \$215 million. The City of Las Vegas is the second largest collector of room taxes, at \$12 million. The other incorporated cities of North Las Vegas, Henderson, Boulder City and Mesquite combined provide the remaining 3%.

The LVCVA investment portfolio provided income of \$5.7 million during FY 2007, an increase of 52% over FY 2006. This rise in interest income was primarily due to an overall improvement in interest rates during FY 2007 as well as an increased focus on the management of the investment portfolio.

EXPENSES

Total government-wide expenses by function were as follows:

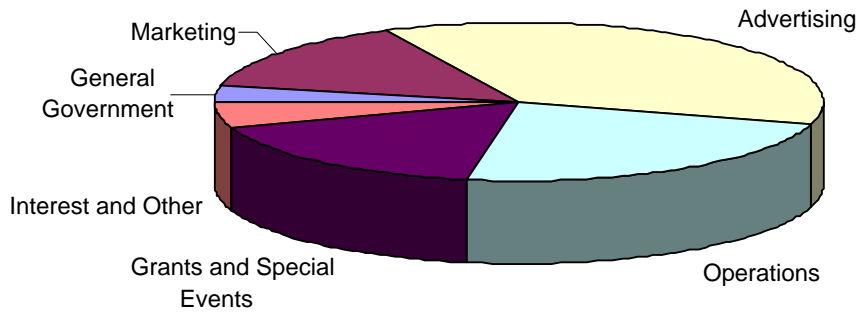
| | <u>FY 2006</u> | <u>FY 2007</u> |
|---------------------------|-----------------------|-----------------------|
| General government | \$ 7,526,735 | \$ 7,797,901 |
| Marketing | 32,197,763 | 33,061,204 |
| Advertising | 82,923,473 | 84,713,300 |
| Operations | 50,554,392 | 54,072,067 |
| Grants and special events | 33,887,834 | 40,169,890 |
| Interest and other | 12,826,340 | 12,551,696 |
| | <u>\$ 219,916,537</u> | <u>\$ 232,366,066</u> |

The General Government, Marketing and Advertising functions increased only slightly by 4%, 3% and 2%, respectively. These increases were mostly due to the added expense incurred from activities related to the NBA All Star Game weekend. The Operations division had a 7% increase in expenses due to staff increases in the Traffic/Safety and Parking departments and because of increased utility costs realized throughout the year.

The largest year-over-year increase in expenses was in Grants and Special Events, which increased 19% over FY 2006. This growth was almost entirely due to the direct expenses incurred from the hosting of the NBA All Star Game, which made up over \$4 million of the increase. The remaining

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

growth in Grants and 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 17% during FY 2007. 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 balances in the General Fund and the Capital Projects Fund both increased during FY 2007 over the prior year.

| | General Fund | Capital Projects Fund |
|--------------------------|---------------|-----------------------|
| Fund balance - beginning | \$ 29,590,304 | \$ 51,329,862 |
| Fund balance - ending | 37,140,544 | 84,605,012 |
| Increase in fund balance | \$ 7,550,240 | \$ 33,275,150 |
| Percent Increase | 26% | 65% |

The fund balance in the general fund increased 26%. Fund balance on June 30, 2006 was budgeted to provide resources for FY 2007 expenditures. In actuality, usage of fund balance was less than budgeted.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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 \$33 million were transferred to the capital reserve in FY 2007, with an additional \$31 million of proceeds coming from the issuance of commercial paper for a total of \$64 million of other funding sources into the fund. With only \$31 million in capital expenditures, the resulting growth in the fund balance was over \$33 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The LVCVA's Board approved several increases to the original budget during a single augmentation process. In the fall of 2006, appropriations for advertising as well as the General Government function were increased by approximately \$1 million each. The capital projects and capital reserve accounts were increased by approximately \$55 million in appropriations and \$8 million in revenue.

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 and gaming taxes | \$ 213,925,000 | \$ - | \$ 213,925,000 |
| Charges for service | 49,747,400 | | 49,747,400 |
| Interest | 1,800,000 | | 1,800,000 |
| Other | 7,500 | | 7,500 |
| Transfers in | 531,000 | | 531,000 |
| Proceeds from the sale of assets | 20,000 | | 20,000 |
| Total revenues | \$ 266,030,900 | \$ - | \$ 266,030,900 |

GENERAL FUND CHANGES IN BUDGETED EXPENDITURES

| | <u>Original Budget</u> | <u>Augmentations</u> | <u>Departmental Transfers</u> | <u>Final Budget</u> |
|---|------------------------|----------------------|-------------------------------|-----------------------|
| General Government | \$ 7,173,900 | \$ 952,348 | \$ 446,900 | \$ 8,573,148 |
| Marketing | 34,627,300 | 3,174 | (98,000) | 34,532,474 |
| Advertising | 84,683,100 | 1,000,000 | 273,300 | 85,956,400 |
| Operations | 40,974,600 | 201,747 | 1,397,300 | 42,573,647 |
| Grants and Special Events | 40,244,274 | 20,000 | (130,000) | 40,134,274 |
| Other | 4,140,000 | - | (1,889,500) | 2,250,500 |
| Transfers out | 50,829,288 | 8,000,000 | - | 58,829,288 |
| Total expenditures and transfers | \$ 262,672,462 | \$ 10,177,269 | \$ - | \$ 272,849,731 |

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Actual general fund revenues totaled \$272 million, exceeding the final budget by \$6 million. Total actual general fund expenditures and transfers out amounted to \$264 million, about \$9 million less than 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, 2007 amounts to \$406 million (net of accumulated depreciation), which is an increase of 4.5%. Depreciation expense for the year was approximately \$12 million. During the year, the LVCVA purchased two parcels of land (.95 acres) adjacent to the Las Vegas Convention Center for \$5.5 million. More detailed information on capital assets can be found in Note 5 in the notes to the financial statements.

| LVCVA Capital Assets (net of depreciation) | | | | |
|--|---------------|-------------|---------------|-------------|
| | June 30, 2006 | | June 30, 2007 | |
| Land | \$ | 109,476,537 | \$ | 113,856,835 |
| Construction in progress | | 8,528,549 | | 25,975,171 |
| Buildings | | 265,178,512 | | 259,777,813 |
| Improvements | | 1,881,117 | | 2,284,982 |
| Equipment | | 3,347,067 | | 4,303,739 |
| | \$ | 388,411,782 | \$ | 406,198,540 |

LONG-TERM DEBT ACTIVITY

During the year, the LVCVA sold refunding bonds with an interest rate between 4 and 5%. Debt service will reduce approximately \$387,000 a year for the next 15 years. Actual savings amount to over \$5.8 million over the life of the issue. In addition to the refunding bonds, the LVCVA Board authorized the issuance of \$340 million in commercial paper to fund its Master Plan Enhancement Program. During FY 2007, the LVCVA issued \$31 million of the \$340 million authorized.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

| | In thousands | | | |
|-------------------------------|--------------------------------|------------------|---------------------|------------|
| | General Obligation Bonds | Revenue Bonds | Commercial Paper | Total |
| Principal balance - beginning | \$ 97,610 | \$ 149,420 | | \$ 247,030 |
| Principal payments | (50,675) | (240) | | (50,916) |
| New issuances | 38,200 | | \$ 31,000 | 69,200 |
| Principal balance - ending | \$ 85,135 | \$ 149,180 | \$ 31,000 | \$ 265,315 |

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

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LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Net Assets - Governmental Activities
June 30, 2007

| | |
|--|------------------------------|
| Assets: | |
| Cash and investments | \$ 143,001,151 |
| Receivables: | |
| Room taxes | 37,957,167 |
| Accounts | 5,117,473 |
| Interest | 1,011,698 |
| Prepaid items | 3,971,634 |
| Inventory | 261,747 |
| Deferred charges - issuance costs | 2,076,237 |
| Capital assets: | |
| Land and construction in progress | 139,832,006 |
| Other capital assets (net of accumulated depreciation) | 266,366,534 |
| Total assets | <u>599,595,647</u> |
| Liabilities: | |
| Accounts payable | 22,837,091 |
| Accrued payroll and related items | 2,057,801 |
| Due to other governments | 9,902,897 |
| Customer deposits | 446,585 |
| Unearned revenue | 413,899 |
| Interest payable | 5,278,911 |
| Due within one year: | |
| Bonds payable | 11,605,000 |
| Compensated absences payable | 3,130,782 |
| Due in more than one year: | |
| Bonds payable | 254,677,530 |
| Compensated absences payable | 2,627,870 |
| Total liabilities | <u>312,978,366</u> |
| Net assets: | |
| Invested in capital assets, net of related debt | 136,713,336 |
| Restricted for: | |
| Capital projects | 84,605,012 |
| Debt service | 16,684,339 |
| Unrestricted | 48,614,594 |
| Total net assets | <u><u>\$ 286,617,281</u></u> |

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Activities - Governmental Activities
For the year ended June 30, 2007

| Function/Program | Expenses | Program Revenues Charges for Service | Net (Expenses) Revenues and Changes in Net Assets Governmental Activities |
|--------------------------------------|-----------------------|--|---|
| Governmental activities: | | | |
| General government | \$ 7,797,901 | | \$ (7,797,901) |
| Marketing | 33,061,204 | \$ 2,671,179 | (30,390,025) |
| Advertising | 84,713,300 | | (84,713,300) |
| Operations | 54,072,067 | 48,400,265 | (5,671,802) |
| Grants and special events | 40,169,898 | | (40,169,898) |
| Interest on long-term debt | 12,551,696 | | (12,551,696) |
| Total governmental activities | \$ 232,366,066 | \$ 51,071,444 | (181,294,622) |
| General revenues: | | | |
| Room and gaming tax | | | 216,893,233 |
| Investment income | | | 5,776,566 |
| Gain on the sale of capital assets | | | 52,692 |
| Total general revenues | | | 222,722,491 |
| Change in net assets | | | 41,427,869 |
| Net assets - beginning | | | 245,189,412 |
| Net assets - ending | | | \$ 286,617,281 |

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, 2007

| | General Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---------------------------------------|-------------------------|--------------------------------------|----------------------------------|---|
| Assets: | | | | |
| Cash and investments | \$ 43,641,392 | \$ 80,656,906 | \$ 18,702,853 | \$ 143,001,151 |
| Receivables: | | | | |
| Room and gaming | 37,957,167 | | | 37,957,167 |
| Accounts | 5,117,473 | | | 5,117,473 |
| Interest | 280,617 | 682,149 | 48,933 | 1,011,699 |
| Due from other funds | 1,779,795 | 8,181,027 | | 9,960,822 |
| Inventory | 261,747 | | | 261,747 |
| Prepaid items | 3,971,634 | | | 3,971,634 |
| | <u>\$ 93,009,825</u> | <u>\$ 89,520,082</u> | <u>\$ 18,751,786</u> | <u>\$ 201,281,693</u> |
| Liabilities and fund balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 19,083,542 | \$ 3,642,998 | \$ 110,543 | \$ 22,837,083 |
| Accrued payroll and related items | 2,057,801 | | | 2,057,801 |
| Due to other governments | 8,149,171 | | | 8,149,171 |
| Due to other funds | 8,181,027 | 1,272,072 | 507,723 | 9,960,822 |
| Unearned revenue | 17,951,155 | | | 17,951,155 |
| Customer deposits | 446,585 | | | 446,585 |
| | <u>55,869,281</u> | <u>4,915,070</u> | <u>618,266</u> | <u>61,402,617</u> |
| Fund balances: | | | | |
| Reserved for: | | | | |
| Prepays | 3,971,634 | | | 3,971,634 |
| Construction commitments | | 84,605,012 | | 84,605,012 |
| Debt service | | | 16,684,339 | 16,684,339 |
| Unreserved | 33,168,910 | | 1,449,181 | 34,618,091 |
| | <u>37,140,544</u> | <u>84,605,012</u> | <u>18,133,520</u> | <u>139,879,076</u> |
| Total liabilities and fund balances | <u>\$ 93,009,825</u> | <u>\$ 89,520,082</u> | <u>\$ 18,751,786</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) | 406,198,540 |
| 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 | 17,537,256 |
| Deferred charges - issuance charges | 2,076,237 |
| Events and grants | (1,753,726) |
| Accrued compensated absences are not due and payable in the current period; and therefore, are not reported in the funds | (5,758,652) |
| 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) | (271,561,450) |
| | <u>\$ 286,617,281</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, 2007

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|--------------------------------------|----------------------------------|---|
| Revenues: | | | | |
| Room and gaming taxes | \$ 215,205,408 | | | \$ 215,205,408 |
| Charges for service | 50,916,321 | | | 50,916,321 |
| Investment income | 2,992,187 | \$ 2,119,476 | \$ 664,903 | 5,776,566 |
| Miscellaneous | 4,695 | 150,428 | | 155,123 |
| Total revenues | <u>269,118,611</u> | <u>2,269,904</u> | <u>664,903</u> | <u>272,053,418</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 7,799,028 | | | 7,799,028 |
| Marketing | 33,079,357 | | | 33,079,357 |
| Advertising | 84,713,300 | | | 84,713,300 |
| Operations | 41,269,630 | | | 41,269,630 |
| Grants and special events | 38,416,172 | | | 38,416,172 |
| Other | 746 | | | 746 |
| Capital outlay: | | | | |
| Capitalized assets | | 29,801,112 | | 29,801,112 |
| Non-capitalized assets | | 991,828 | | 991,828 |
| Debt service: | | | | |
| Principal | | | 11,050,000 | 11,050,000 |
| Interest | | | 13,341,084 | 13,341,084 |
| Bond issuance costs | | 397,941 | 323,813 | 721,754 |
| Total expenditures | <u>205,278,233</u> | <u>31,190,881</u> | <u>24,714,897</u> | <u>261,184,011</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>63,840,378</u> | <u>(28,920,977)</u> | <u>(24,049,994)</u> | <u>10,869,407</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 2,468,776 | 33,000,000 | 26,924,593 | 62,393,369 |
| Transfers out | (58,829,288) | (1,803,873) | (1,760,208) | (62,393,369) |
| Proceeds from the sale of assets | 70,374 | | | 70,374 |
| Proceeds of refunding bonds | | | 38,200,000 | 38,200,000 |
| Premium on refunding bonds | | | 2,051,229 | 2,051,229 |

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
For the Year Ended June 30, 2007

| | | |
|---|---------------------|--------------------------|
| Net change in fund balances-total governmental funds | \$ | 41,394,493 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p> | | |
| Capital outlays | \$ 29,801,112 | |
| Gain on disposal of capital assets | 52,692 | |
| Proceeds from sale of capital assets | (70,374) | |
| Depreciation expense | <u>(11,996,651)</u> | 17,786,779 |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| | | 1,687,825 |
| <p>The issuance of long-term debt (<i>i.e.</i>, bonds and 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.</p> | | |
| Issuance of commercial paper | (31,000,000) | |
| Issuance of refunding bonds | (38,200,000) | |
| Bond premium | (2,051,229) | |
| Payment to refunded bond escrow agent | 40,796,517 | |
| Repayment of bond principal | 11,050,000 | |
| Bond issuance costs | <u>241,909</u> | (19,162,803) |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures.</p> | | |
| Compensated absences | 206,067 | |
| Events and grants - collection allocation | (1,753,726) | |
| Amortization of bond premiums | 1,251,776 | |
| Amortization of deferred charges on issuance costs | (414,779) | |
| Amortization of deferred charges on refunded bonds | (750,345) | |
| Accrued interest | <u>1,182,582</u> | <u>(278,425)</u> |
| Change in net assets of governmental activities | \$ | <u><u>41,427,869</u></u> |

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

For the Year Ended June 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance to Final Budget - |
|---|-------------------------|----------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Room and gaming taxes | \$ 213,925,000 | \$ 213,925,000 | \$ 215,205,408 | \$ 1,280,408 |
| Charges for service | 49,747,400 | 49,747,400 | 50,916,321 | 1,168,921 |
| Investment income | 1,800,000 | 1,800,000 | 2,992,187 | 1,192,187 |
| Miscellaneous | 7,500 | 7,500 | 4,695 | (2,805) |
| Total revenues | <u>265,479,900</u> | <u>265,479,900</u> | <u>269,118,611</u> | <u>3,638,711</u> |
| Expenditures: | | | | |
| General government | 7,173,900 | 8,573,148 | 7,799,028 | 774,120 |
| Marketing | 34,627,300 | 34,532,474 | 33,079,357 | 1,453,117 |
| Advertising | 84,683,100 | 85,956,400 | 84,713,300 | 1,243,100 |
| Operations | 40,974,600 | 42,573,647 | 41,269,630 | 1,304,017 |
| Grants and special events | 40,244,274 | 40,134,274 | 38,416,172 | 1,718,102 |
| Other | 4,140,000 | 2,250,500 | 746 | 2,249,754 |
| Total expenditures | <u>211,843,174</u> | <u>214,020,443</u> | <u>205,278,233</u> | <u>8,742,210</u> |
| Excess of revenues over expenditures | <u>53,636,726</u> | <u>51,459,457</u> | <u>63,840,378</u> | <u>12,380,921</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 531,000 | 531,000 | 2,468,776 | 1,937,776 |
| Transfers out | (50,829,288) | (58,829,288) | (58,829,288) | |
| Proceeds from the sale of assets | 20,000 | 20,000 | 70,374 | 50,374 |
| Total other financing sources (uses): | <u>(50,278,288)</u> | <u>(58,278,288)</u> | <u>(56,290,138)</u> | <u>1,988,150</u> |
| Net change in fund balance | 3,358,438 | (6,818,831) | 7,550,240 | 14,369,071 |
| Fund balance - beginning | <u>12,250,906</u> | <u>29,590,304</u> | <u>29,590,304</u> | <u>-</u> |
| Fund balance - ending | <u>\$ 15,609,344</u> | <u>\$ 22,771,473</u> | <u>\$ 37,140,544</u> | <u>\$ 14,369,071</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
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

REPORTING ENTITY

The LVCVA was created in 1955 under the provisions of Nevada Revised Statute 244A as the Clark County Fair and Recreation Board. This statute governs the powers and duties of the Board of Directors (the Board), including the number, selection, and term of its members. The LVCVA is subject to all state laws governing local governments, including the Local Government Budget and Finance Act. The Board 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 purpose of the statement of activities is to allow financial statement users to determine operating results of the LVCVA in its entirety over a period of time. It demonstrates the degree to which the direct expenses are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. The LVCVA's program revenues include, but are not limited to, charges to customers for facility rentals, commissions from concession stand sales, parking revenue, and commissions from electrical, plumbing and 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
FOR THE YEAR ENDED JUNE 30, 2007**

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 certain other long-term expenditures 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 financial statements, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the government-wide presentation.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

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

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

Capital Projects Fund

- Accounts for capital expenditures for 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.
- Accounts for expenditures from the Master Plan Enhancement Program

Debt Service Fund

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

1996 Refunding Bonds
1998A Refunding Bonds
11/99 Revenue Bonds
5/03 Refunding Bonds
04/05 Revenue Bonds
05/07 Refunding Bonds
MPEP Commercial Paper

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
FOR THE YEAR ENDED JUNE 30, 2007**

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 Nevada State Treasurer's investment pool. The holding period of the LVCVA's investments does not exceed two years. The LVCVA's 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 cost if they have a remaining maturity at the time of purchase of one year or less. The LVCVA includes in investment income the change in fair 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" within the fund financials statements. For government-wide financial statements, receivables and related revenues are recognized as soon as they are earned, whereas for governmental fund financial statement purposes, receivables and related revenues are recognized 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 estimated fair value on the date of gift. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

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 thresholds 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) | 5-25 |
| 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, mowers, refuse equipment, mobile sound equipment, tools, turnstiles, vehicles, and other equipment | 5-15 |
| 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
FOR THE YEAR ENDED JUNE 30, 2007**

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
FOR THE YEAR ENDED JUNE 30, 2007**

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 \$406,193,540 difference are as follows:

| | | |
|--|----|---------------------------|
| Total depreciable capital assets | \$ | 403,953,665 |
| Total accumulated depreciation | | (137,587,131) |
| Total depreciable capital assets, net | | <u>266,366,534</u> |
| Total non-depreciable capital assets | | <u>139,832,006</u> |
| | | |
| Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i> | \$ | <u><u>406,198,540</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 \$271,561,450 difference are as follows:

| | | |
|--|----|---------------------------|
| Bonds payable, due in more than one year | \$ | 253,710,000 |
| Bonds payable, due in one year | | 11,605,000 |
| Unamortized bond premium | | 11,394,790 |
| Interest payable | | 5,278,911 |
| Deferred charges on refunding | | <u>(10,427,251)</u> |
| Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | \$ | <u><u>271,561,450</u></u> |

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

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 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.

Nevada State Statutes 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.

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, 2007, and to re-appropriate funds for previously approved incomplete capital projects. All amendments made to the original budget were as prescribed by law.

NOTE 4. CASH AND INVESTMENTS:

The LVCVA maintains a cash and investment pool that is available for use by all funds. At June 30, 2007, 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 | | (3,697,568) |
| Investments | | 146,683,419 |
| | \$ | <u>143,001,151</u> |

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 4. CASH AND INVESTMENTS (continued):

As of June 30, 2007 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 | \$ 75,580,449 | \$ 75,547,785 | \$ 45,892,250 | \$ 29,688,200 | \$ 839,990 | \$ 76,420,440 |
| Repurchase agreements | 8,138,786 | 8,138,786 | 8,138,786 | - | - | 8,138,786 |
| Money market mutual fund | 24,672,114 | 24,672,114 | 24,672,114 | - | 51,774 | 24,723,888 |
| Nevada State Investment Pool | 38,324,733 | 38,324,733 | 38,324,733 | - | 119,934 | 38,444,667 |
| Total | \$ 146,716,083 | \$ 146,683,419 | \$ 117,027,884 | \$ 29,688,200 | \$ 1,011,697 | \$ 147,727,781 |

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 State Statutes and the LVCVA's 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, Federal Home Loan Bank, and the Federal Farm Credit Bank. Nevada State Statutes allow 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, \$45 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

Nevada State Statutes and the LVCVA's own investment policy limit investment instruments by the credit risk. Any of the LVCVA's investments in commercial paper would have to be rated P-1 by Moody's Investor Service and A-1 by Standard and Poor's. The LVCVA's money market investments are only with those funds rated by a nationally recognized rating service as AAA or its equivalent and that invest only in securities issued by the Federal Government, U.S. Agencies, or 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, 2007, more than 5% of the LVCVA's investments are in securities issued by the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Farm Credit Bank. These investments are 35%, 7%, 8% and less than 1%, respectively, of the LVCVA's total investments. Repurchase agreements, money market mutual funds, and investments in the State of Nevada Investment Pool were 6%, 17% and 26%, respectively, of the LVCVA's total investments at June 30, 2007.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2007 was as follows:

| Description | Balance at June 30, 2006 | Increases | Decreases | Balance at June 30, 2007 |
|--|-----------------------------|----------------------|-----------------------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 109,476,537 | \$ 4,380,298 | | \$ 113,856,835 |
| Construction in progress | 8,528,549 | 20,710,412 | (3,263,790) | 25,975,171 |
| Total capital assets not being depreciated | <u>118,005,086</u> | <u>25,090,710</u> | <u>(3,263,790)</u> | <u>139,832,006</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 373,535,398 | 5,335,050 | | 378,870,448 |
| Improvements other than buildings | 8,457,536 | 731,946 | | 9,189,482 |
| Furniture and equipment | 14,554,641 | 1,909,423 | (570,329) | 15,893,735 |
| Total capital assets being depreciated | <u>396,547,575</u> | <u>7,976,419</u> | <u>(570,329)</u> | <u>403,953,665</u> |
| Accumulated depreciation: | | | | |
| Buildings | (108,356,886) | (10,735,749) | | (119,092,635) |
| Improvements other than buildings | (6,576,419) | (328,081) | | (6,904,500) |
| Furniture and equipment | (11,207,574) | (932,842) | 550,420 | (11,589,996) |
| Total accumulated depreciation | <u>(126,140,879)</u> | <u>(11,996,672)</u> | <u>550,420</u> | <u>(137,587,131)</u> |
| Total capital assets being depreciated, net | <u>270,406,696</u> | <u>(4,020,253)</u> | <u>(19,909)</u> | <u>266,366,534</u> |
| Governmental activities capital assets, net | <u>\$ 388,411,782</u> | <u>\$ 21,070,457</u> | <u>\$ (3,283,699)</u> | <u>\$ 406,198,540</u> |

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

| | |
|--------------------|----------------------|
| General Government | \$ 13,750 |
| Marketing | 29,789 |
| Operations | 11,953,133 |
| | <u>\$ 11,996,672</u> |

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 6. INTERFUND TRANSACTIONS:

The following schedule details the amounts due from/to other funds at June 30, 2007:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|----------------------|---------------------|
| General Fund | Capital Project Fund | \$ 1,272,072 |
| General Fund | Debt Service Fund | 507,723 |
| Capital Project Fund | General Fund | <u>8,181,027</u> |
| | | <u>\$ 9,960,822</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 funds has 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. Transfers between funds, principally to fund capital projects and make debt service payments, for the year ended June 30, 2007, were as follows:

| | Transfers In | <u>Transfers Out</u> | | |
|-----------------------|----------------------|-------------------------|-----------------------------|------------------------------|
| | | <u>General Fund</u> | <u>Capital Projects</u> | <u>Debt Service Fund</u> |
| General Fund | \$ 2,468,776 | | \$ 1,803,873 | \$ 664,903 |
| Capital Projects Fund | 33,000,000 | \$ 33,000,000 | | |
| Debt Service Fund | 26,924,593 | 25,829,288 | | 1,095,305 |
| | <u>\$ 62,393,369</u> | <u>\$ 58,829,288</u> | <u>\$ 1,803,873</u> | <u>\$ 1,760,208</u> |

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

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 \$405,119 for the year ended June 30, 2007. Future minimum lease payments for these leases are as follows:

| <u>Year Ending June 30,</u> | | |
|-----------------------------|----|-----------------------|
| 2008 | \$ | 213,614 |
| 2009 | | 167,373 |
| 2010 | | 80,906 |
| 2011 | | 69,811 |
| 2012 | | 70,713 |
| 2013-2016 | | <u>230,117</u> |
| Total | \$ | <u><u>832,534</u></u> |

NOTE 8. LONG-TERM DEBT

GENERAL OBLIGATION BONDS

Four 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.

During the year, the LVCVA issued \$38,200,000 general obligation refunding bonds to purchase U.S. State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$39,865,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advance refunding reduced total debt service payments over the next 15 years by over \$5.8 million.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 8. LONG-TERM DEBT (continued):

The following is a summary of general obligation bonds payable at June 30, 2007:

| | | |
|---|-----------|--------------------------|
| \$97,425,000 – 9/1/96 Refunding/Building Bonds due in annual installments through FY 2022. Semi-annual interest from 5.4- 6%. | \$ | 1,865,000 |
| \$36,200,000 – 1998A Refunding Bonds due in annual installments through FY 2027. Semi-annual interest from 4.7- 5.1%. | | 35,660,000 |
| \$35,075,000 – 5/03 Refunding Bonds due in annual installments through FY 2008. Semi-annual interest from 3-5%. | | 9,410,000 |
| \$38,200,000 – 5/07 Refunding Bonds due in annual installments through FY 2022. Semi-annual interest from 4-5%. | | 38,200,000 |
| Total | \$ | <u>85,135,000</u> |

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

| Year ending June 30, | Principal | Interest |
|-------------------------|-----------------------------|-----------------------------|
| 2008 | \$ 11,360,000 | \$ 3,122,350 |
| 2009 | 12,420,000 | 3,269,744 |
| 2010 | 2,130,000 | 2,925,294 |
| 2011 | 2,230,000 | 2,834,675 |
| 2012-2016 | 12,945,000 | 12,519,575 |
| 2017-2021 | 16,525,000 | 8,890,238 |
| 2022-2026 | 22,305,000 | 4,290,678 |
| 2027 | 5,220,000 | 133,763 |
| Total | \$ <u>85,135,000</u> | \$ <u>37,986,317</u> |

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, 2007:

| | | |
|---|-----------|---------------------------|
| \$150,000,000 – 11/99 Revenue Bonds due in annual installments through FY 2012. Semi-annual interest from 4.8 – 6.0%. | \$ | 31,925,000 |
| \$118,745,000 – 4/05 Revenue Bonds due in annual installments through FY 2020. Semi-annual interest from 3-5%. | | 117,255,000 |
| | \$ | <u>149,180,000</u> |

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 8. LONG-TERM DEBT (continued):

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

| Year ending June 30 | Principal | Interest |
|------------------------|-----------------------|----------------------|
| 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 | <u>\$ 149,180,000</u> | <u>\$ 61,419,382</u> |

COMMERCIAL PAPER

In February 2006, the Board approved a resolution authorizing the sale of commercial paper for the purpose of financing the cost of improvements related to the Master Plan Enhancement Program. As of June 30, 2007, the total amount of commercial paper approved for sale is \$822 million. This amount is to be divided into two separate issues, Series A and Series B. Series A is authorized for \$340 million in total commercial paper issued, with the balance to be issued from Series B.

The following is a summary of commercial paper payable at June 30, 2007:

\$31,000,000 – Commercial Paper Series A due in various periodic installments not more than 9 months from date of issue. Periodic interest is based on market rates. \$ 31,000,000

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

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

| | Interest Paid During the Year | Beginning Balance July 1, 2006 | Additions | Reductions | Ending Balance June 30, 2007 |
|--|--|--------------------------------------|----------------------|------------------------|------------------------------------|
| <u>BONDS</u> | | | | | |
| General Obligation/Pledged Revenue Bonds | | | | | |
| 9/1/96 Refunding/Building Bonds | \$ 3,434,415 | \$ 43,500,000 | | \$ (41,635,000) | \$ 1,865,000 |
| 1998A Refunding Bonds | 1,797,631 | 35,740,000 | | (80,000) | 35,660,000 |
| 5/03 Refunding Bonds | 694,500 | 18,370,000 | | (8,960,000) | 9,410,000 |
| 5/07 Refunding Bonds | | | \$ 38,200,000 | | 38,200,000 |
| Revenue Bonds: | | | | | |
| 11/99 Revenue Bonds | 1,813,600 | 32,025,000 | | (100,000) | 31,925,000 |
| 4/05 Revenue Bonds | 5,982,738 | 117,395,000 | | (140,000) | 117,255,000 |
| Commercial paper | | | 31,000,000 | | 31,000,000 |
| Premium on bonds | | 10,595,334 | 2,051,229 | (1,251,776) | 11,394,787 |
| Less: Deferred losses on refunding | | (10,246,086) | (931,517) | 750,345 | (10,427,258) |
| <u>OTHER LIABILITIES</u> | | | | | |
| Compensated absences | | 5,964,741 | 3,228,004 | (3,434,093) | 5,758,652 |
| Total | <u>\$ 13,722,884</u> | <u>\$ 253,343,989</u> | <u>\$ 73,547,716</u> | <u>\$ (54,850,524)</u> | <u>\$ 272,041,181</u> |

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 8. LONG-TERM DEBT (continued):

The portion of each long-term liability that is due in FY 2008 is shown below:

| | Payment Due in FY 2008 | |
|--|---------------------------|---------------|
| | Principal | Interest |
| BONDS | | |
| <hr/> | | |
| General Obligation/Pledged Revenue Bonds | | |
| 9/1/96 Refunding/Building Bonds | \$ 1,865,000 | \$ 50,355 |
| 1998A Refunding Bonds | 85,000 | 1,793,606 |
| 5/03 Refunding Bonds | 9,410,000 | 235,250 |
| 5/07 Refunding Bonds | | 1,043,139 |
| Revenue | | |
| 11/99 Revenue Bonds | 100,000 | 1,808,538 |
| 4/05 Revenue Bonds | 145,000 | 5,978,463 |
| Total Bonds | 11,605,000 | 10,909,350 |
| OTHER LIABILITIES | | |
| <hr/> | | |
| Compensated absences | 3,130,782 | |
| Total | \$ 14,735,782 | \$ 10,909,350 |

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

NOTE 9. PRIOR-YEAR DEFEASANCE OF DEBT:

Certain outstanding general obligation/pledged revenue bonds have been defeased in prior years by placing the proceeds of new general obligation bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. As of June 30, 2007, \$181,070,000 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.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

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 State Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the Governor. The LVCVA exercises no control over PERS 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

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 Nevada State Statutes 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 2005-2007 were as follows:

| Ended June 30, | Covered Payroll | Annual Required Contribution Rate | Contribution Paid By LVCVA |
|-------------------|--------------------|--------------------------------------|-------------------------------|
| 2005 | \$ 24,299,695 | 20.25% | \$ 4,919,475 |
| 2006 | 26,678,950 | 19.75% | 5,282,288 |
| 2007 | 28,786,012 | 19.75% | 5,684,347 |

Effective July 1, 2007, PERS raised the required contribution rate to 20.50%.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 11. EMPLOYEE RETIREMENT PLAN (continued):

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

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, 2007, are as follows:

| | General Fund | Capital Projects Fund | Debt Service Fund |
|------------------------------|-----------------|--------------------------|----------------------|
| RESERVED FOR: | | | |
| Prepaid items | \$ 3,971,634 | | |
| Construction commitments | | \$ 84,605,012 | |
| Debt service | | | \$ 16,684,339 |
| Total fund balances reserved | \$ 3,971,634 | \$ 84,605,012 | \$ 16,684,339 |

RESERVED FOR CONSTRUCTION COMMITMENTS

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

RESERVED FOR DEBT SERVICE

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

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 of Nevada 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.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 13. COMMITMENTS AND CONTINGENCIES:

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.

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.

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 the Henderson City Hall. The final payment will take place in fiscal year 2012.

NEVADA DEPARTMENT OF TRANSPORTATION FUNDING

In June 2007, the Nevada State Legislature passed Assembly Bill 595 which will provide close to \$1 billion in funding for critically needed transportation projects. To fund this bill, future tax revenues are to be diverted from several entities, including the LVCVA. The LVCVA's total commitment to the transportation funding bill is \$300 million. The LVCVA will issue general obligation bonds to pay for this commitment and will be responsible for the debt service associated with the new bond issue. Per the tenets of the bill, this debt service can be payable over 30 years and is not to exceed \$20 million per year. The debt service payments will most likely begin in fiscal year 2009.

MASTER PLAN ENHANCEMENT PROGRAM / SALE OF COMMERCIAL PAPER

As part of the LVCVA's Vision Plan, the Board approved the Master Plan Enhancement Program (MPEP) in February 2006. This program provides a comprehensive plan of enhancements to the Las Vegas Convention Center. The MPEP is to be initially funded with proceeds from the sale of \$680 million in commercial paper, with additional funding of \$57 million to come from the LVCVA's capital reserve funds. In August 2006, the LVCVA Board authorized the issuance of \$340 million in commercial paper (half of the \$680 million). Subsequent to this initial commercial paper issue, a resolution was passed in May 2007 by the Board to increase the maximum amount of the commercial paper from \$680 million to a total of \$822 million. It is anticipated that the authorization for the remaining commercial paper will occur in August 2008. Of the initial \$340 million authorized, the LVCVA has issued \$31 million to fund the program through June 30, 2007.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued):

CONTRACTS AND COMMITMENTS

The LVCVA is a party to contracts and other commitments to purchase services relating primarily to facilities development activities. At June 30, 2007, such unexpended commitments aggregated approximately \$7,843,654. Subsequent to year-end, the Board approved a construction contract for facilities development in the amount approximate amount of \$56 million.

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.

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

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:

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

NOTE 15. SUBSEQUENT EVENTS:

PROPERTY ACQUISITION

In September 2007, the LVCVA Board authorized an estimated expenditure of \$50 million to acquire property adjacent to the Las Vegas Convention Center for future expansion purposes. To fund the purchase, the Board approved the issuance of bonds backed by the room tax and facility usage revenue of the LVCVA. The acquisition is projected to close escrow in January 2008.

INDIVIDUAL FUND 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.

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LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance to Final Budget - |
|---|-------------------------|----------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Investment income | \$ 2,140,000 | \$ 2,140,000 | \$ 2,119,476 | \$ (20,524) |
| Miscellaneous | 1,000 | | 150,428 | 150,428 |
| Total revenues | <u>2,141,000</u> | <u>2,140,000</u> | <u>2,269,904</u> | <u>129,904</u> |
| Expenditures: | | | | |
| Capital outlay: | | | | |
| Land | - | 5,450,000 | 4,380,298 | 1,069,702 |
| Land improvements | 1,577,000 | 1,814,684 | 733,414 | 1,081,270 |
| Building | 5,109,200 | 1,746,860 | 2,069,033 | (322,173) |
| Furniture and equipment | 1,873,900 | 3,618,433 | 1,907,955 | 1,710,478 |
| Construction in progress | 61,000,000 | 112,000,583 | 20,710,412 | 91,290,171 |
| Bond issuance costs | 2,000,000 | 2,000,000 | 397,941 | 1,602,059 |
| Non-capitalized assets | - | - | 991,828 | (991,828) |
| Total expenditures | <u>71,560,100</u> | <u>126,630,560</u> | <u>31,190,881</u> | <u>95,439,679</u> |
| Deficiency of revenues under expenditures | <u>(69,419,100)</u> | <u>(124,490,560)</u> | <u>(28,920,977)</u> | <u>95,569,583</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 25,000,000 | 33,000,000 | 33,000,000 | |
| Transfers out | (100,000) | (100,000) | (1,803,873) | (1,703,873) |
| Proceeds of commercial paper | 80,000,000 | 80,000,000 | 31,000,000 | (49,000,000) |
| Total other financing sources (uses): | <u>104,900,000</u> | <u>112,900,000</u> | <u>62,196,127</u> | <u>(50,703,873)</u> |
| Net change in fund balances | 35,480,900 | (11,590,560) | 33,275,150 | 44,865,710 |
| Fund balances - beginning | <u>4,160,734</u> | <u>51,329,862</u> | <u>51,329,862</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 39,641,634</u> | <u>\$ 39,739,302</u> | <u>\$ 84,605,012</u> | <u>\$ 44,865,710</u> |

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Debt Service Fund

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

For the Year Ended June 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance to Final Budget -</u> |
|---|-------------------------|----------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Investment income | \$ 431,000 | \$ 431,000 | \$ 664,903 | \$ 233,903 |
| Expenditures: | | | | |
| 9/1/96 Bond | | | | |
| Principal | 1,770,000 | 1,770,000 | 1,770,000 | |
| Interest | 2,339,110 | 2,339,110 | 2,339,110 | |
| 1998A Bond | | | | |
| Principal | 80,000 | 80,000 | 80,000 | |
| Interest | 1,797,631 | 1,797,631 | 1,797,631 | |
| 11/99 Bond | | | | |
| Principal | 100,000 | 100,000 | 100,000 | |
| Interest | 1,813,600 | 1,813,600 | 1,813,600 | |
| 5/03 Bond | | | | |
| Principal | 8,960,000 | 8,960,000 | 8,960,000 | |
| Interest | 694,500 | 694,500 | 694,500 | |
| 3/05 Bond | | | | |
| Principal | 140,000 | 140,000 | 140,000 | |
| Interest | 5,982,738 | 5,982,738 | 5,982,738 | |
| 2007 Bond | | | | |
| Bond issuance costs | | | 241,909 | (241,909) |
| Commercial paper | | | | |
| Interest | 1,062,828 | 1,062,828 | 713,505 | 349,323 |
| Bond issuance costs | | | 81,904 | (81,904) |
| Total expenditures | <u>24,740,407</u> | <u>24,740,407</u> | <u>24,714,897</u> | <u>25,510</u> |
| Deficiency of revenues under expenditures | <u>(24,309,407)</u> | <u>(24,309,407)</u> | <u>(24,049,994)</u> | <u>259,413</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 25,829,288 | 25,829,288 | 26,924,593 | 1,095,305 |
| Transfers out | (431,000) | (431,000) | (1,760,208) | (1,329,208) |
| Proceeds of refunding bonds | | | 38,200,000 | 38,200,000 |
| Premium on refunding bonds | | | 2,051,229 | 2,051,229 |
| Payment to refunded bond escrow agent | | | (40,796,517) | (40,796,517) |
| Total other financing sources (uses): | <u>25,398,288</u> | <u>25,398,288</u> | <u>24,619,097</u> | <u>(779,191)</u> |
| Net change in fund balances | 1,088,881 | 1,088,881 | 569,103 | (519,778) |
| Fund balances - beginning | <u>21,316,691</u> | <u>17,564,417</u> | <u>17,564,417</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 22,405,572</u> | <u>\$ 18,653,298</u> | <u>\$ 18,133,520</u> | <u>\$ (519,778)</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 SIX FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> ⁽³⁾ |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|
| Primary government | | | | | | |
| Invested in capital assets, net of related debt | \$ 99,874 | \$ 105,501 | \$ 113,002 | \$ 97,216 | \$ 143,282 | \$ 136,713 |
| Restricted | 34,037 | 44,649 | 49,227 | 61,518 | 68,832 | 101,289 |
| Unrestricted | 46,990 | 34,407 | 41,913 | 52,075 | 33,075 | 48,615 |
| Total primary government net assets | <u>\$ 180,901</u> | <u>\$ 184,557</u> | <u>\$ 204,143</u> | <u>\$ 210,809</u> | <u>\$ 245,189</u> | <u>\$ 286,617</u> |

(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>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> ⁽²⁾ | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|------------------------------------|----------------|----------------|-----------------|-----------------|----------------------------|----------------|----------------|-----------------|----------------|-----------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 2.1 | \$ 3.6 | \$ 2.7 | \$ 1.5 | \$ 1.1 | \$ 1.1 | \$ 1.6 | \$ 1.1 | \$ 2.8 | \$ 4.0 |
| Unreserved | 33.7 | 45.4 | 54.4 | 58.7 | 47.7 | 32.3 | 40.8 | 46.0 | 26.8 | 33.2 |
| Total general fund | <u>35.8</u> | <u>49.1</u> | <u>57.1</u> | <u>60.2</u> | <u>48.9</u> | <u>33.4</u> | <u>42.4</u> | <u>47.0</u> | <u>29.6</u> | <u>37.1</u> |
| All other governmental funds | | | | | | | | | | |
| Reserved | 54.8 | 44.9 | 183.3 | 65.2 | 34.0 | 44.6 | 49.2 | 61.5 | 68.8 | 101.3 |
| Unreserved, reported in: | | | | | | | | | | |
| Capital Fund | 8.2 | 2.4 | 5.9 | - | - | - | - | - | - | - |
| Debt Service Fund | - | - | - | - | - | - | - | 0.1 | 0.1 | 1.4 |
| Special Revenue Fund | 0.0 | 0.0 | 0.0 | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>62.9</u> | <u>47.3</u> | <u>189.2</u> | <u>65.2</u> | <u>34.0</u> | <u>44.6</u> | <u>49.2</u> | <u>61.6</u> | <u>68.9</u> | <u>102.7</u> |
| Total governmental funds | <u>\$ 98.8</u> | <u>\$ 96.4</u> | <u>\$ 246.3</u> | <u>\$ 125.4</u> | <u>\$ 82.9</u> | <u>\$ 78.0</u> | <u>\$ 91.6</u> | <u>\$ 108.6</u> | <u>\$ 98.5</u> | <u>\$ 139.9</u> |

(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 SIX FISCAL YEARS
 (amounts expressed in thousands)
 (unaudited)

| Program Revenues | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007⁽⁴⁾</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------------------|
| General government | | | | | | |
| Marketing | \$ 2,178 | \$ 1,838 | \$ 1,906 | \$ 2,065 | \$ 2,843 | \$ 2,671 |
| Advertising | | | | | | |
| Operations | 30,298 | 32,788 | 35,749 | 43,004 | 45,576 | 48,400 |
| Administration ⁽²⁾ | 16 | 25 | - | - | - | - |
| Grants and special events | | | | | | |
| Interest on long-term debt | | | | | | |
| Total governmental activities program revenues | 32,493 | 34,651 | 37,656 | 45,069 | 48,418 | 51,071 |
| Expenses | | | | | | |
| General government ⁽²⁾ | 3,426 | 3,891 | 4,461 | 4,063 | 7,527 | 7,798 |
| Marketing | 25,407 | 23,410 | 25,176 | 30,374 | 32,198 | 33,061 |
| Advertising | 60,213 | 59,224 | 65,003 | 78,213 | 82,923 | 84,713 |
| Operations | 36,195 | 36,841 | 41,924 | 45,890 | 50,554 | 54,072 |
| Administration ⁽³⁾ | 4,981 | 5,655 | - | - | - | - |
| Grants and special events | 20,639 | 21,656 | 24,489 | 28,973 | 33,888 | 40,170 |
| Other | - | - | - | 323 | - | - |
| Interest on long-term debt | 16,030 | 14,788 | 14,440 | 11,688 | 12,826 | 12,551 |
| Total governmental activities expenses | 166,889 | 165,466 | 175,493 | 199,524 | 219,916 | 232,366 |
| Net Expenses | (134,396) | (130,815) | (137,838) | (154,456) | (171,498) | (181,295) |
| General Revenues and Other Changes in Net Assets | | | | | | |
| Room and gaming tax | 125,130 | 133,030 | 156,435 | 181,805 | 202,051 | 216,893 |
| Interest and investment earnings | 2,925 | 1,437 | 997 | 2,048 | 3,801 | 5,777 |
| Gain/loss on the sale of fixed assets | (19) | 4 | (10) | 17 | 28 | 53 |
| Total general revenues | 128,036 | 134,471 | 157,423 | 183,870 | 205,879 | 222,722 |
| <i>Special item</i> - Miscellaneous | 5,749 | - | - | - | - | - |
| Total general revenues and special items | 133,785 | 134,471 | 157,423 | 183,870 | 205,879 | 222,722 |
| Change in net assets | (611) | 3,656 | 19,585 | 29,414 | 34,381 | 41,427 |
| Net assets - beginning | 181,512 | 180,901 | 184,557 | 204,143 | 210,809 | 245,189 |
| Prior period adjustment | - | - | - | (22,748) | - | - |
| Net assets - beginning (as restated) | 181,512 | 180,901 | 184,557 | 181,395 | 210,809 | 245,189 |
| Net assets - ending | \$ 180,901 | \$ 184,557 | \$ 204,143 | \$ 210,809 | \$ 245,189 | \$ 286,617 |

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

(2) In FY 2005, Safety section was transferred from General Government to Operations. In FY 2006, Public Affairs section transferred from Marketing to General Government.

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

(4) 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
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS ⁽¹⁾
 LAST SIX FISCAL YEARS
 (amounts expressed in thousands)
 (unaudited)

| Revenues | 2002 | 2003 | 2004 | 2005 | 2006 | 2007⁽⁴⁾ |
|--|------------------|------------------|------------------|-------------------|------------------|---------------------------|
| Room and gaming taxes | \$ 126,173 | \$ 132,631 | \$ 155,034 | \$ 178,201 | \$ 202,050 | \$ 215,205 |
| Charges for service | 32,484 | 34,645 | 37,354 | 45,056 | 48,360 | 50,916 |
| Earnings on investments | 2,925 | 1,437 | 997 | 2,048 | 3,801 | 5,777 |
| Miscellaneous | 5,758 | 6 | 302 | 12 | 59 | 155 |
| Total revenues | <u>167,340</u> | <u>168,718</u> | <u>193,687</u> | <u>225,318</u> | <u>254,269</u> | <u>272,053</u> |
| Expenses | | | | | | |
| General government ⁽²⁾ | 3,347 | 3,728 | 4,438 | 4,061 | 7,430 | 7,799 |
| Marketing | 25,121 | 23,283 | 25,181 | 30,225 | 31,991 | 33,079 |
| Advertising | 60,213 | 59,224 | 65,003 | 78,213 | 82,923 | 84,713 |
| Operations | 26,782 | 27,626 | 32,854 | 34,824 | 36,890 | 41,270 |
| Administration ⁽³⁾ | 4,645 | 5,377 | - | - | - | - |
| Grants and special events | 20,807 | 21,512 | 24,389 | 28,753 | 34,248 | 38,416 |
| Other | 26 | 113 | - | - | 4 | 1 |
| Capital outlay: | | | | | | |
| Capitalized assets | 60,262 | 5,307 | 2,714 | 5,574 | 46,794 | 29,801 |
| Non-capitalized assets | 630 | 500 | 281 | 572 | 918 | 992 |
| Debt service: | | | | | | |
| Principal | 9,865 | 10,350 | 10,865 | 9,950 | 11,725 | 11,050 |
| Interest | 16,270 | 15,779 | 14,372 | 14,528 | 11,498 | 13,341 |
| Bond issuance costs | - | 194 | - | 1,816 | 2 | 722 |
| Total expenditures | <u>227,967</u> | <u>172,993</u> | <u>180,097</u> | <u>208,515</u> | <u>264,424</u> | <u>261,184</u> |
| Excess (deficiency of revenues over (under) expenditures) | <u>(60,627)</u> | <u>(4,274)</u> | <u>13,591</u> | <u>16,803</u> | <u>(10,155)</u> | <u>10,869</u> |
| Other financing sources (uses) | | | | | | |
| Transfers in | 32,058 | 43,821 | 32,684 | 46,852 | 79,275 | 62,393 |
| Transfers out | (32,058) | (43,821) | (32,684) | (46,852) | (79,275) | (62,393) |
| Bond proceeds | - | 35,075 | - | - | - | 31,000 |
| Refunding bonds issued | - | - | - | 118,745 | - | 38,200 |
| Bond premium | - | 2,749 | - | 10,359 | - | 2,051 |
| Payment of refunded bond escrow agent | - | (38,423) | - | (128,953) | - | (40,797) |
| Proceeds from the sale of capital assets | 32 | 5 | 7 | 33 | 30 | 70 |
| Total other financing sources (uses) | <u>32</u> | <u>(594)</u> | <u>7</u> | <u>185</u> | <u>30</u> | <u>30,525</u> |
| Net change in fund balances | <u>(60,594)</u> | <u>(4,868)</u> | <u>13,598</u> | <u>16,987</u> | <u>(10,125)</u> | <u>41,394</u> |
| Fund balance - beginning | <u>143,487</u> | <u>82,893</u> | <u>78,025</u> | <u>91,623</u> | <u>108,610</u> | <u>98,485</u> |
| Fund balance - ending | <u>\$ 82,893</u> | <u>\$ 78,025</u> | <u>\$ 91,623</u> | <u>\$ 108,610</u> | <u>\$ 98,485</u> | <u>\$ 139,879</u> |
| Debt service as a percentage of noncapital expenditures | | | | | | |
| | 15.6% | 15.6% | 14.2% | 12.1% | 10.7% | 10.5% |

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

(2) In FY 2005, Safety section was transferred from General Government to Operations. In FY 2006, Public Affairs section transferred from Marketing to General Government.

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

(4) 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
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⁾ | |
|----------------|-----------------------|-----------------------|----------------|--------------|-----|----------------------------|-----|-------------------------------|----|
| | | 1998 | \$ 165,847,933 | \$ 2,454,362 | 1% | \$ 47,299,093 | 29% | n/a | |
| 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 | |
| 2007 | 261,183,265 | 7,799,028 | 3% | 33,079,358 | 13% | 84,713,300 | 32% | n/a | |

| Fiscal Year | Operations | | Grants and Special Events | | Capital Outlay | | Debt Service | |
|----------------|------------|---------------|------------------------------|---------------|-------------------|--------------|--------------|---------------|
| | 1998 | \$ 19,300,757 | 12% | \$ 35,653,165 | 21% | \$ 4,287,800 | 3% | \$ 53,288,542 |
| 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% |
| 2007 | 41,269,630 | 16% | 38,416,172 | 15% | 30,792,939 | 12% | 25,112,837 | 10% |

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

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

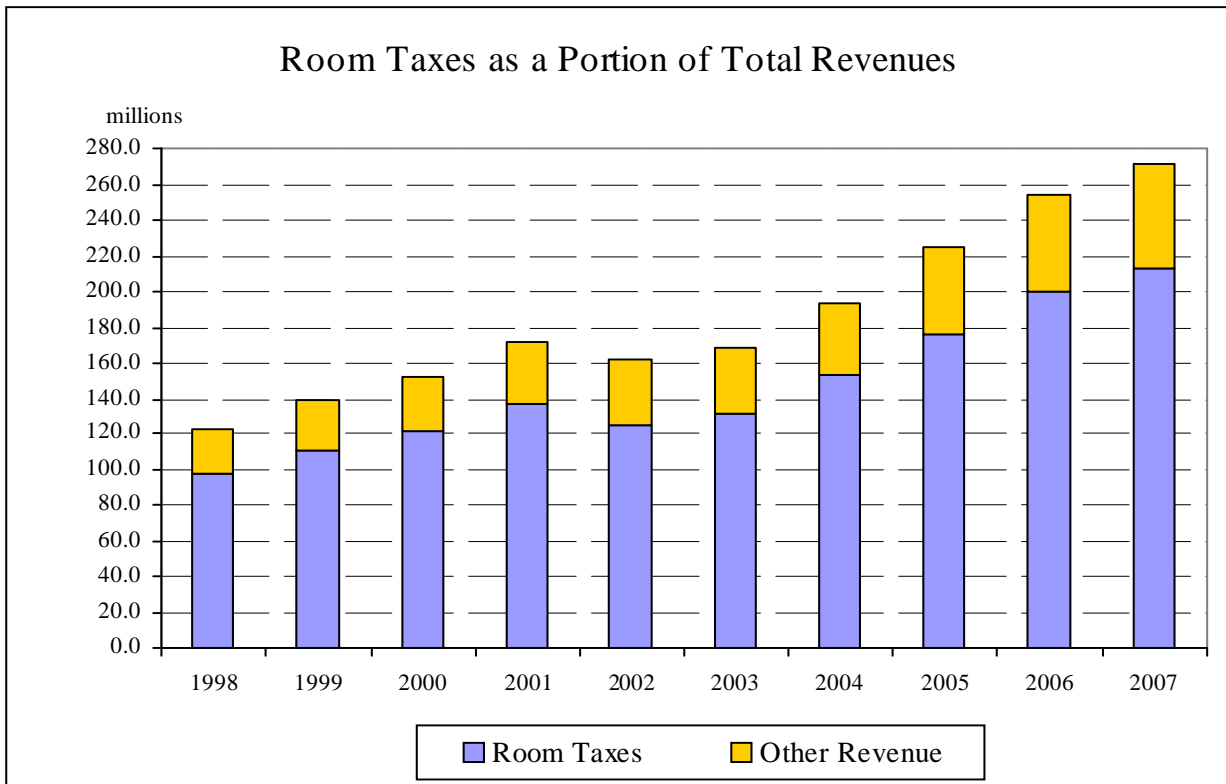
(3) Beginning in FY 2004, the Administration Division and Operations Division were merged.

**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 | |
|-------------|----------------|---------------|-----|----------------------|-----|--------------|-----|--------------|-----|
| | | | | | | | | | |
| 1998 | \$ 122,316,795 | \$ 97,505,210 | 80% | \$ 16,458,277 | 13% | \$ 1,783,015 | 1% | \$ 6,570,293 | 5% |
| 1999 | 138,534,562 | 110,650,133 | 80% | 22,226,496 | 16% | 1,722,086 | 1% | 3,935,847 | 3% |
| 2000 | 152,249,817 | 121,601,298 | 80% | 23,598,086 | 15% | 1,775,145 | 1% | 5,275,288 | 3% |
| 2001 | 171,426,391 | 135,841,371 | 79% | 27,698,278 | 16% | 2,085,169 | 1% | 5,801,573 | 3% |
| 2002 | 161,774,369 | 124,171,822 | 77% | 32,483,745 | 20% | 2,001,338 | 1% | 3,117,464 | 2% |
| 2003 | 168,712,193 | 130,749,469 | 77% | 34,644,610 | 21% | 1,881,540 | 1% | 1,436,574 | <1% |
| 2004 | 193,385,339 | 153,119,152 | 79% | 37,353,826 | 20% | 1,914,919 | 1% | 997,443 | <1% |
| 2005 | 225,305,805 | 176,339,258 | 78% | 45,056,357 | 20% | 1,861,748 | <1% | 2,048,441 | <1% |
| 2006 | 254,210,786 | 200,086,827 | 79% | 48,359,640 | 19% | 1,963,608 | <1% | 3,800,710 | 1% |
| 2007 | 271,663,033 | 213,256,076 | 79% | 50,916,320 | 19% | 1,949,332 | <1% | 5,541,305 | 2% |

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



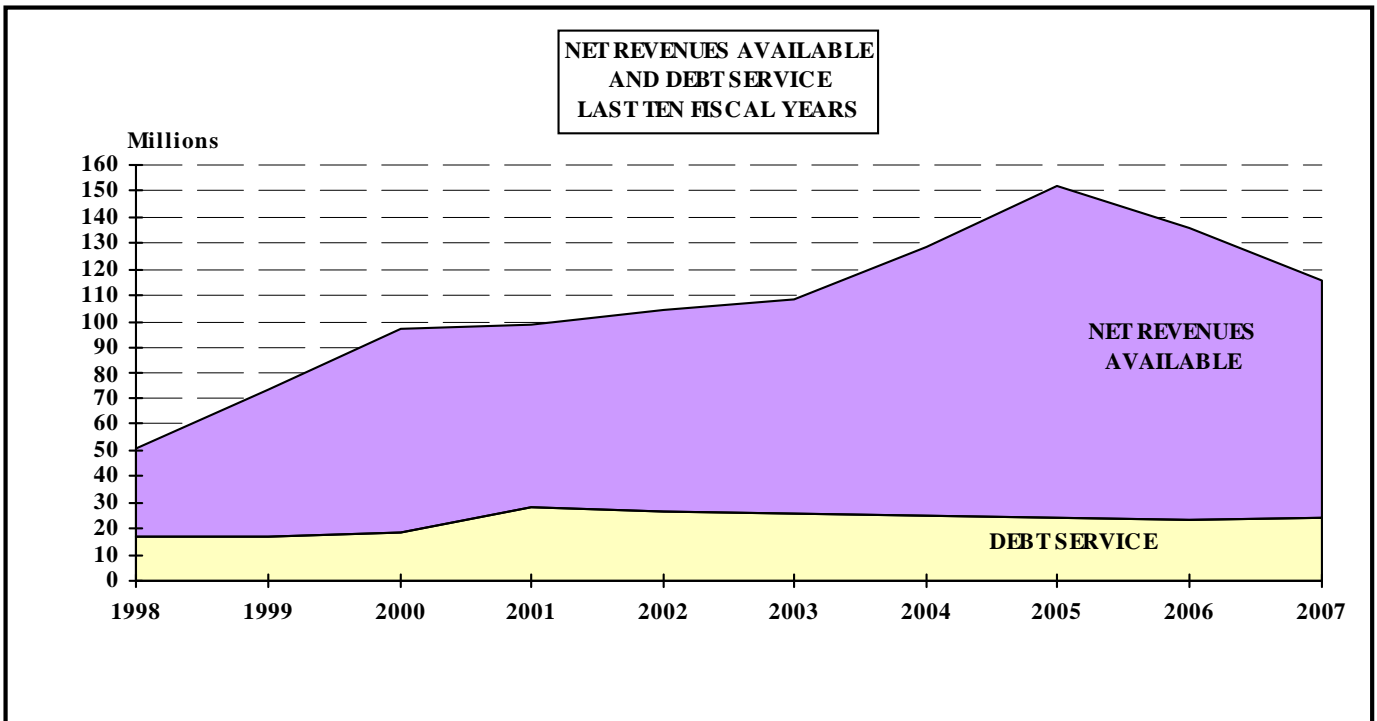
LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 BOND COVERAGE
 LAST TEN FISCAL YEARS
 (unaudited)

Four of the LVCVA's six 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 valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. The remaining bond issues are LVCVA revenue bonds.

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

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> |
|--------------------|-----------------------|---------------------------------|-----------------------------------|-------------------------------|-------------------------|
| 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 | 254,208,246 | 118,001,958 | 136,206,288 | 23,225,511 | 5.9 |
| 2007 | 272,053,418 | 156,140,927 | 115,912,491 | 24,391,084 | 4.8 |



LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2007
 (unaudited)

| | Las Vegas Convention & Visitor's Authority | Clark County |
|---|---|------------------------------|
| Approximate assessed valuation ⁽¹⁾ | \$ 93,359,179,034 | \$ 93,359,179,034 |
| Bonded debt limit ⁽²⁾ | 5% | 10% |
| Statutory debt limitation | 4,667,958,952 | 9,335,917,903 |
| Less: | | |
| Amount of debt applicable to debt limit | 85,135,000 ⁽³⁾ | 1,205,915,000 ⁽⁴⁾ |
| Debt margin | \$ 4,582,823,952 | \$ 8,130,002,903 |

- (1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada for FY 2007. 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
 CLARK COUNTY, NEVADA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2007
 (unaudited)

| | <u>GROSS DEBT</u> | <u>MONIES AVAILABLE</u> | <u>NET OUTSTANDING DEBT</u> | <u>ESTIMATED PERCENTAGE APPLICABLE</u> | <u>ESTIMATED SHARE OF OVER-LAPPING DEBT</u> |
|---|-----------------------|-------------------------|-----------------------------|--|---|
| <u>Direct Debt:</u> | | | | | |
| Las Vegas Convention and Visitors Authority (1) | \$ 234,315,000 | \$ 27,420,821 | \$ 206,894,179 | 100% | \$ 206,894,179 |
| <u>Overlapping Debt:</u> | | | | | |
| General County | 639,315,000 | 139,506,350 (2) | 499,808,650 | 100% | 499,808,650 |
| Total | <u>\$ 873,630,000</u> | <u>\$ 166,927,171</u> | <u>\$ 706,702,829</u> | | <u>\$ 706,702,829</u> |

- (1) Ad valorem taxes are not used to repay these debts.
 (2) These monies are held in the Clark County debt service funds.

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

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

The median age of the adult population is 47.5, with 24.5% of the population under the age of 18. The Clark County School District is the fifth largest in the nation with 326 schools. The median household income is \$53,111 and 60.3% 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 almost 60% of the population has lived here for over ten years, and over 260 newcomers arrive each day. The population in 2007 is expected to increase by 4.5% over 2006.



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

| Entity | Incorporation Date | 2006 Population | Square Miles (approx.) |
|-----------------|--------------------|-----------------|------------------------|
| Clark County | 1909 | 812,026 | 8,260 |
| Las Vegas | 1911 | 579,840 | 110 |
| North Las Vegas | 1946 | 198,516 | 80 |
| Henderson | 1953 | 251,321 | 96 |
| Boulder City | 1958 | 15,478 | 200 |
| Mesquite | 1984 | 17,656 | 15 |

Sources: Nevada State Demographer Website

| AS OF JUNE 30, | POPULATION (A) | LABOR FORCE (B) | UN-EMPLOYMENT RATE (B) |
|----------------|----------------|-----------------|------------------------|
| 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 | 1,912,654 | 905,790 | 4.30% |
| 2007 | 1,990,481 | 958,400 | 4.70% |

| AS OF DEC 31, | MEDIAN HOUSE-HOLD INCOME | MEDIAN AGE | SCHOOL ENROLLMENT (C) |
|---------------|--------------------------|------------|-----------------------|
| 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 |
| 2006 | 53,111 | 47.5 | 321,923 |

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)**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (IN THOUSANDS)
 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 |
| | 1998 | \$ 20,039,063 | \$ 57,254,467 | \$ 3,224,240 | \$ 9,212,113 | \$ 23,263,303 |
| 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 |
| 2007 | 87,405,016 | 249,728,618 | 5,954,163 | 17,011,894 | 93,359,179 | 266,740,512 |

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) | |
| | 1997 | 90 | \$ 667,102 | 1,129 | \$ 815,404 | 20,468 | |
| 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 | 44 | 771,441 | 734 | 775,440 | 22,925 | 3,080,649 | 4,627,530 |
| 2003 | 36 | 486,457 | 880 | 994,652 | 28,461 | 3,731,828 | 5,212,937 |
| 2004 | 74 | 924,101 | 1,007 | 1,031,196 | 32,685 | 4,043,096 | 5,998,393 |
| 2005 | 27 | 610,299 | 1,223 | 1,358,803 | 31,041 | 4,726,394 | 6,695,496 |
| 2006 | 39 | 616,411 | 1,120 | 2,569,673 | 21,898 | 4,278,204 | 7,464,288 |

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 28.8% 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 |
|---------------|----------------------|---------------------|------------|---------------------|----------------|----------|
| 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% |
| 2006 | 6,307,961 | 16.2% | 32,606,928 | 83.8% | 38,914,889 | 0.9% |

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 2006 contributed nearly \$39.4 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 |
|---------------|--|----------|--------------------------|----------|--------------------------|----------|
| 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% |
| 2006 | 8,182,818 | 7.6% | 10,643,206 | 9.6% | 200,086,827 | 13.5% |

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 |
|---------------------|-------------|--------|----------|---------------------|--------------------------------|
| 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 ⁽¹⁾ | 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 |
| 2007 | 78 | 15 | 3 | 96 | 36,223,483 |

Source: Las Vegas Convention and Visitors Authority

CASHMAN CENTER BUILDING UTILIZATION

| FY | CONVENTIONS | EVENTS | MEETINGS | TOTAL ACTIVITIES | FACILITIES USAGE REVENUE |
|---------------------|-------------|--------|----------|---------------------|--------------------------------|
| 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 ⁽¹⁾ | 4 | 136 | 77 | 217 | 1,971,544 |
| 2005 | 6 | 135 | 62 | 203 | 1,884,378 |
| 2006 | 4 | 137 | 99 | 240 | 1,966,014 |
| 2007 | 4 | 158 | 95 | 257 | 2,157,445 |

Source: Las Vegas Convention and Visitors Authority

- (1) In 2002 and 2004, the Authority changed the methodology for reporting meetings held at the Convention Center and Cashman Center, respectively. Prior to the respective methodology changes, all meetings (including internally scheduled meetings) were counted. Pursuant to the methodology change, the Authority began counting only meetings held by external customers.

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

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------------------|------|------|------|------|------|------|------|------|------|------|
| <u>GENERAL GOVERNMENT</u> | | | | | | | | | | |
| Executive | 18 | 20 | 21 | 22 | 22 | 17 | 15 | 15 | 17 | 16 |
| Human Resources | -- | -- | -- | -- | -- | 7 | 7 | 7 | 8 | 9 |
| Public Affairs | -- | -- | -- | -- | -- | -- | -- | -- | 12 | 14 |
| | 18 | 20 | 21 | 22 | 22 | 24 | 22 | 22 | 37 | 39 |
| <u>MARKETING</u> | | | | | | | | | | |
| Advertising | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Internet Marketing & Research | -- | -- | -- | 5 | 9 | 7 | 6 | 5 | 6 | 6 |
| Sports Series | 6 | 6 | 6 | 6 | 3 | 2 | 2 | 2 | 2 | 2 |
| Sales | 24 | 24 | 30 | 32 | 36 | 35 | 38 | 44 | -- | -- |
| Convention Center Sales | -- | -- | -- | -- | -- | -- | -- | -- | 12 | 12 |
| Diversity Marketing | -- | -- | -- | -- | -- | -- | -- | -- | 2 | 4 |
| Hotel & Meeting Sales | -- | -- | -- | -- | -- | -- | -- | -- | 30 | 30 |
| Tourism | 18 | 18 | 19 | 21 | 21 | 19 | 17 | 19 | -- | -- |
| Leisure Sales | -- | -- | -- | -- | -- | -- | -- | -- | 17 | 19 |
| International Sales | -- | -- | -- | -- | -- | -- | -- | -- | 2 | 2 |
| Destination Services | 8 | 8 | 9 | 9 | 6 | 7 | 11 | 10 | 10 | 11 |
| Registration Services | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Call Center | 17 | 18 | 29 | 29 | 31 | 31 | 30 | 26 | 26 | 26 |
| Visitor Information | 23 | 24 | 18 | 18 | 19 | 19 | 19 | 18 | 18 | 18 |
| Convention Services | -- | -- | -- | -- | -- | -- | 15 | 15 | 15 | 15 |
| Public Affairs | 15 | 14 | 16 | 12 | 13 | 11 | 11 | 12 | -- | -- |
| Transportation | -- | 2 | 2 | 2 | 3 | -- | -- | -- | -- | -- |
| | 116 | 119 | 134 | 139 | 147 | 137 | 155 | 157 | 146 | 151 |
| <u>OPERATIONS</u> | | | | | | | | | | |
| Facilities | 25 | 25 | 19 | 19 | 20 | 20 | 2 | 2 | -- | -- |
| Client Services | 91 | 96 | 96 | 98 | 127 | 119 | 115 | 113 | 112 | 115 |
| Engineering Systems | 32 | 32 | 32 | 37 | 63 | 61 | 55 | 49 | 50 | 51 |
| Engineering Maintenance | 22 | 25 | 25 | 25 | 47 | 41 | 48 | 49 | 49 | 50 |
| Communications | 11 | 12 | 12 | 12 | -- | -- | -- | -- | -- | -- |
| Grounds | 18 | 15 | 15 | 15 | -- | -- | -- | -- | -- | -- |
| Fleet | 5 | 5 | 6 | 6 | -- | -- | -- | -- | -- | -- |
| Security | 44 | 45 | 45 | 45 | 45 | 50 | 46 | 47 | 49 | 55 |
| Traffic Operations | 2 | 2 | 3 | 3 | 3 | 3 | 5 | 5 | 11 | 11 |
| Safety | 3 | 3 | 3 | 4 | 5 | 5 | 6 | 6 | 5 | 5 |
| Finance | 18 | 18 | 17 | 18 | 19 | 19 | 19 | 20 | 19 | 21 |
| Purchasing & Contracts | 7 | 7 | 6 | 6 | 7 | 8 | 8 | 9 | 9 | 10 |
| Central Services | 10 | 10 | 10 | 10 | 9 | 8 | 8 | 9 | 9 | 9 |
| Information Technology | 9 | 9 | 9 | 12 | 12 | 11 | 11 | 12 | 12 | 12 |
| Transportation | -- | -- | -- | -- | -- | 3 | 3 | -- | -- | -- |
| Project Development | -- | -- | -- | -- | -- | -- | -- | 3 | 5 | 6 |
| Customer Experience | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2 |
| | 297 | 304 | 298 | 310 | 357 | 348 | 326 | 324 | 330 | 347 |
| <u>TOTAL LVCVA</u> | 431 | 443 | 453 | 471 | 526 | 509 | 503 | 503 | 513 | 537 |

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
ACTIVITY MEASURES
LAST FOUR FISCAL YEARS ⁽¹⁾
(unaudited)

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|-------------|-------------|-------------|-------------|
| <u>GENERAL GOVERNMENT</u> | | | | |
| Human Resources | | | | |
| Recognition Program cards issued | n/a | 885 | 972 | 696 |
| Employees processed | n/a | n/a | 509 | 422 |
| Applicants processed | n/a | n/a | 1,496 | 1,924 |
| Public Affairs | | | | |
| Media inquiries received | n/a | 626 | 944 | 1,000 |
| Press releases distributed | 25 | 48 | 52 | 60 |
| Press kits distributed | n/a | 1,361 | 1,599 | 366 |
| <u>MARKETING</u> | | | | |
| Internet Marketing & Research | | | | |
| Statistical Reports & Publications produced | 15 | 16 | 30 | 26 |
| Web site visits - combined LVCVA sites | 7.4M | 7.3M | 8.8M | 7.0M |
| Sports Series | | | | |
| Event bookings | 91 | 83 | 82 | 102 |
| Grant requests executed | n/a | n/a | 11 | 11 |
| Sales | | | | |
| Travel industry events attended | n/a | n/a | 153 | 219 |
| Travel industry trade shows exhibited | n/a | n/a | 27 | 28 |
| Registration Services | | | | |
| Meetings and conventions supported | 300 | 325 | 343 | 318 |
| Call Center | | | | |
| Total calls managed | n/a | n/a | 281,666 | 224,778 |
| Visitor Information | | | | |
| Total visitor volume | n/a | n/a | 278,500 | 289,250 |
| <u>OPERATIONS</u> | | | | |
| Client Services | | | | |
| Show support (man-hours) | 14,658 | 16,226 | 12,899 | 16,803 |
| Set/strike meeting rooms/halls (man-hours) | 23,854 | 28,025 | 21,442 | 32,551 |
| Work orders complete | n/a | n/a | 277 | 769 |
| Facilities | | | | |
| Work orders processed | n/a | n/a | 20,641 | 18,904 |
| Cable drops and podium sets | n/a | 1,362 | 1,496 | 1,518 |
| Security | | | | |
| Floor plans reviewed | 955 | 1,053 | 2,000 | 1,539 |
| Fire/safety violation notices | 5,000 | 5,383 | 4,733 | 3,013 |
| Incident reports | 1,404 | 1,745 | n/a | 1,583 |
| Finance | | | | |
| Payroll checks/deposit advises issued | 19,252 | 19,282 | 19,862 | 21,314 |
| Accounts Payable disbursements | 6,180 | 6,859 | 6,905 | 7,051 |
| Purchasing & Contracts | | | | |
| Contracts administered | 515 | 441 | 580 | 706 |
| Diversity participation (% of dollars spent) | n/a | 18% | 27% | 17% |
| Central Services | | | | |
| Outgoing mail | 210,000 | 260,000 | 296,000 | 280,000 |
| Outbound packages | 10,500 | 12,500 | 12,625 | 10,387 |
| Copies produced | 1.2M | 1.3M | 1.3M | 1.5M |
| Information Technology | | | | |
| Computer training hours | 2,854 | 1,440 | 1,896 | 2,104 |
| Call resolution time (average hours) | 3.0 | 3.5 | 3.5 | 3.5 |

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

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

| Employers | Employees ⁽²⁾ | Percentage of County Employment |
|---|--------------------------|---------------------------------------|
| CLARK COUNTY SCHOOL DISTRICT | 30,960 | 3.23% |
| CLARK COUNTY | 10,640 | 1.11% |
| BELLAGIO LLC | 9,490 | 0.99% |
| WYNN LAS VEGAS LLC | 9,100 | 0.95% |
| MGM GRAND HOTEL/CASINO | 9,010 | 0.94% |
| MANDALAY BAY RESORT AND CASINO | 8,240 | 0.86% |
| VENETIAN CASINO RESORTS LLC | 6,040 | 0.63% |
| MIRAGE CASINO-HOTEL, THE | 6,040 | 0.63% |
| CAESARS PALACE | 5,940 | 0.62% |
| LAS VEGAS METROPOLITAN POLICE | 5,370 | 0.56% |
| UNIVERSITY OF NV-LV | 5,370 | 0.56% |
| Total for Principal Employers | 106,200 | 11.08% |
| Clark County Employment as of June 30, 2007 | 958,400 | |

| Employers | Employees ⁽²⁾ | Percentage of County Employment |
|---|--------------------------|---------------------------------------|
| CLARK COUNTY SCHOOL DISTRICT | 20,910 | 3.14% |
| MGM GRAND HOTEL, INC | 9,320 | 1.40% |
| CLARK COUNTY | 7,920 | 1.19% |
| MIRAGE CASINO-HOTEL, THE | 7,790 | 1.17% |
| CAESARS PALACE | 6,190 | 0.93% |
| RIO SUITE HOTEL & CASINO | 5,190 | 0.78% |
| TREASURE ISLAND AT THE MIRAGE | 5,190 | 0.78% |
| STATE OF NEVADA | 4,930 | 0.74% |
| LUXOR | 4,860 | 0.73% |
| EXCALIBUR HOTEL & CASINO | 4,330 | 0.65% |
| LAS VEGAS HILTON CORPORATION | 4,330 | 0.65% |
| Total for Principal Employers | 80,960 | 12.16% |
| Clark County Employment as of June 30, 1998 | 665,800 | |

(1) June 30th labor/employer statistics provided by Nevada Department of Employment

(2) Number of employees is rounded based on percentage of total county labor force

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 PRINCIPAL ROOM TAXPAYERS
 JUNE 30, 2007
 (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 | 3.5% |
| Luxor | 4,408 | 3.0% |
| Venetian | 4,027 | 2.8% |
| Excalibur | 3,991 | 2.7% |
| Bellagio | 3,933 | 2.7% |
| Circus Circus | 3,763 | 2.6% |
| Flamingo Hilton | 3,545 | 2.4% |
| Caesars Palace | 3,364 | 2.3% |
| Mandalay Bay | 3,215 | 2.2% |
| Mirage | 3,044 | 2.1% |
| | <u>38,324</u> | <u>26.3%</u> |
| Other Hotels/Motels | <u>90,723</u> | <u>62.2%</u> |
| Total Las Vegas metropolitan area | 129,047 | 88.5% |
| Total Laughlin | 10,696 | 7.3% |
| Total Mesquite | 2,683 | 1.8% |
| Total Jean/Primm | <u>3,454</u> | <u>2.4%</u> |
| Total Inventory of Rooms | <u><u>145,880</u></u> | <u><u>100.0%</u></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 the past six calendar years.

| <u>Calendar Year</u> | <u>Rooms Available*</u> | <u>Occupancy Percentage</u> | <u>National Occupancy Percentage</u> |
|----------------------|-----------------------------|---------------------------------|--|
| 1997 | 105,347 | 86.4 | 64.5 |
| 1998 | 109,365 | 85.8 | 63.8 |
| 1999 | 120,294 | 88.0 | 63.3 |
| 2000 | 124,945 | 89.1 | 63.5 |
| 2001 | 126,610 | 84.7 | 60.1 |
| 2002 | 126,787 | 84.0 | 59.1 |
| 2003 | 130,482 | 85.0 | 59.2 |
| 2004 | 131,503 | 88.6 | 61.3 |
| 2005 | 133,186 | 89.2 | 63.1 |
| 2006 | 132,605 | 89.7 | 63.4 |

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, 2007
(unaudited)

| | NAME OF INSURER | POLICY NUMBER | LIMIT | EXPIRATION DATE |
|--|--|------------------|--------------|--------------------|
| Comprehensive General Liability, Terrorism and Auto Base Policy | Fireman's Fund | MXC80429040 | \$ 2,000,000 | 8/1/2008 |
| Primary Umbrella | Nat'l Union Fire Ins. Co. | BE6799913 | 25,000,000 | 8/1/2008 |
| Excess over \$25 million | Amer. Guar. & Liab (Zurich) | AEC937571604 | 25,000,000 | 8/1/2008 |
| Excess over \$50 million | Great American Assurance | EXC9253240 | 25,000,000 | 8/1/2008 |
| Excess over \$75 million | Fed. Ins. (Chubb) | 7973-64-87 | 25,000,000 | 8/1/2008 |
| Public Officials & Employees Liab. | Illinois Union Ins. | G21656586 | 5,000,000 | 8/1/2008 |
| Property/Boiler | Allianz Global Risks US Insurance Co. | CLP3007515 | 400,000,000 | 8/1/2008 |
| Workers' Compensation - WA/IL | Hartford/Twin City Fire Ins. | 53WECRQ2921 | 1,000,000 | 8/1/2008 |
| Excess Workers' Compensation | Safety National Casualty Corp. | AGC-1U10-NV | 1,000,000 | 8/1/2008 |
| NV Workers' Compensation Bond | Safety National Casualty Corp. | SIB 2992 NV | 307,000 | 8/1/2008 |

Additional Report of the Independent Auditors'

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

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

We have audited the financial statements of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2007, and have issued our report thereon dated October 11, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 audits, we considered the LVCVA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LVCVA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the LVCVA's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the LVCVA's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States such that there is more than a remote likelihood that a misstatement of the LVCVA's financial statements that is more than inconsequential will not be prevented or detected by the LVCVA's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the LVCVA's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other matters. As part of obtaining reasonable assurance about whether the LVCVA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts including whether the funds established by LVCVA, as listed in Nevada Revised Statutes (NRS) 354.624 Sec. 4 (c)(1 through 5) and NRS 354.6105 complied with the express purposes required by NRS 354.6241 Sec. 1 (a)(b)(c)(d)(e)(f) and NRS 354.6105 Sec. 4 (a) and (b), respectively. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

We noted certain other matters that we reported to management of the LVCVA in a separate letter dated October 11, 2007.

This report is intended for the information of the Board of Directors, Audit Committee members, and LVCVA management. However, this report is a matter of public record, and its distribution is not limited.



October 11, 2007