



Las Vegas Convention & Visitors Authority
Comprehensive Annual Financial Report
For The Year Ended June 30, 2010
Las Vegas, Clark County, Nevada



Comprehensive Annual Financial Report
For The Year Ended June 30, 2010

Prepared by the Finance Department
Under the supervision of
Brenda Siddall, Vice President of Finance
and
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TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
<hr/>	
Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	x
Organization Chart	xi
Principal Officials	xii
FINANCIAL SECTION	
<hr/>	
Independent Auditors' Report on Financial Statement and Supplementary Information	1
Management's Discussion and Analysis	2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Governmental Funds Financial Statements:	
Balance Sheet - Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to the Financial Statements	17
Required Supplementary Information:	
Schedule of Funding Progress - Other Postemployment Employee Benefits	41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	42
Notes to the Required Supplementary Information	43
Individual Fund Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Special Revenue Fund	44
Capital Projects Fund	45
Debt Service Fund	46

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS
(CONTINUED)

STATISTICAL SECTION - Unaudited	PAGE
Net Assets by Component	47
Fund Balances of Governmental Funds	47
Changes in Net Assets	48
Changes in Fund Balances of Governmental Funds	49
General Governmental Expenditures By Function	50
General Governmental Revenues By Source	51
Ratio of Outstanding Debt by Type	52
Bond Coverage	53
Computation of Legal Debt Margin	54
Computation of Direct and Overlapping Debt	55
Demographic Statistics	56
Assessed Property Value, Construction and Deposits	57
Visitor Analysis	58
Use of Facilities	59
Summary of Authorized Positions	60
Activity Measures	62
Capital Assets by Function	63
Clark County's Ten Largest Employers	64
Principal Room Taxpayers	65
Schedule of Insurance in Force	66

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 <i>Government Auditing Standards</i>	67
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INTRODUCTORY SECTION



November 9, 2010

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

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for the Las Vegas Convention and Visitors Authority (LVCVA) for the year ended June 30, 2010. 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 this 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 solely 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. All internal control evaluations occur within this framework. We believe the LVCVA's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

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, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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, 2010, 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.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. It provides an analytical overview to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and other information contained in this report and should be read in conjunction with it.

REPORTING ENTITY

This CAFR includes all funds of the LVCVA. The LVCVA is unique, as it does not operate as a typical membership-based convention and visitor's bureau. We are a governmental agency established by state law, funded primarily by room tax revenues and the governing body is composed of an autonomous Board of Directors (the Board). This fourteen-member board is comprised of eight public officials representing Clark County and its incorporated cities, and six private sector representatives who are nominated by the Las Vegas Chamber of Commerce and Nevada Resort Association to represent the hotel industry and general business interests.

The LVCVA's mission statement is:

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

The LVCVA is charged with the dual mission of attracting visitors and operating its convention facilities efficiently. Our primary responsibility is to market and brand Las Vegas and Southern Nevada as a travel destination. Extended destinations include Laughlin, Mesquite, Boulder City and Primm. Internationally, the LVCVA has representative offices in Australia, Brazil, Canada, China, Germany, India, Ireland, Japan, Mexico, Russia, South Korea, and the United Kingdom, the number one overseas market. International travelers represent approximately 14% of overall visitation.

While resorts advertise and market their individual properties, the LVCVA markets the destination as a whole. Our mission is fulfilled primarily through national and international advertising campaigns, sales efforts, public relations, special events and operation of the Las Vegas Convention Center and Cashman Center.

The LVCVA integrates its famous branding campaign -

"What Happens Here Stays Here"™

- with sales, marketing and public relations activities, as well as special events, to attract visitors. In addition to marketing the destination, we operate the Las Vegas Convention Center and Cashman Center to drive tradeshow, convention, and meeting visitation. While Leisure travelers make up the majority of visitors, convention and corporate meeting travelers are a vital component of our market and represented nearly 12% of annual visitation to

Las Vegas during fiscal year (FY) 2010. Las Vegas has been the number one tradeshow destination in North America for the last 16 consecutive years. In calendar year 2009, Las Vegas hosted 45 of the largest 200 tradeshows, more than the next two destinations combined.

FACILITIES

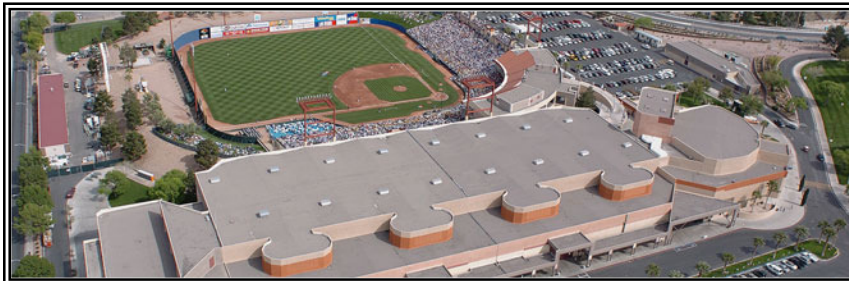
Las Vegas Convention Center

The Las Vegas Convention Center (LVCC) opened with the World Congress of Flight in 1959. Today, it is one of the most modern and functional facilities in the world - a 3.2 million square foot facility located within a short distance of more than 100,000 guest rooms. The center is well known among industry professionals for its versatility. In addition to approximately 2 million square feet of exhibit space,



144 meeting rooms handle seating capacities ranging from 20 to 2,500. A grand lobby and registration area efficiently link exhibit halls and meeting rooms, and allow simultaneous set-up, break-down and exhibiting of multiple events. The LVCC hosted over 64 conventions and tradeshows during FY 2010. Some of the largest tradeshows and conventions held here annually include: MAGIC International, International CES, Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB). This magnificent facility can host nearly any event imaginable, from the largest trade shows, U.S. Presidential appearances, to international sporting events and full-scale concerts.

Cashman Center



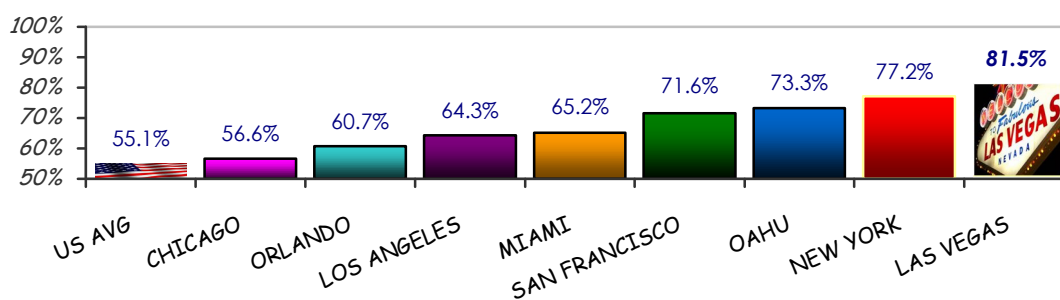
Cashman Center, which opened in 1983, is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes 98,100 square feet of exhibit space, 12 meeting rooms, a 1,922 seat state-of-the-art theatre, over 2,500 spaces for parking, and a 10,000 seat baseball stadium which is the home of the Las Vegas 51s, AAA affiliate of the Toronto Blue Jays. The center is used frequently for locals events, but also has hosted national events like a 2008 Democratic presidential debate and the 2008-09 United States Bowling Congress Open Championships.

ECONOMIC CONDITION

After nearly two years of extraordinary financial stress both nationally and globally, the United States economy started to show early signs of stability during the first six months of calendar year (CY) 2010. Consumer confidence and consumer spending enjoyed several months of marginal improvements, rather than persistent declines. Still, many economic indicators continue to lag, including unemployment, housing prices, and sluggishness in the construction industry. The Las Vegas area is heavily dependent on the tourism and convention industries and the prolonged nature of the economic crisis has dramatically affected leisure and business travel. As with the national indicators, local economic indicators continue to reflect mixed results. Some indicators show positive trends while others continue to be depressed. Of particular good news for Las Vegas, occupancy rates have increased in recent months and average daily rates have stabilized as well. Visitation is up approximately 1.9% for the first six months of calendar year 2010, although consumer spending remains consistent with 2009. A new luxury property, the Cosmopolitan is scheduled to open in December 2010, further demonstrating the long-term confidence in Las Vegas.

Room inventory in Clark County is nearly 161,000, with over 148,000 in the metropolitan Las Vegas area. Although the number of visitors to the area exceeded 36.3 million for the calendar year ended December 31, 2009, a 2.9% decrease from 2008, room occupancy in the Las Vegas area consistently exceeded other major resort destinations. Occupancy rates also significantly outpace the US average each year.

Occupancy Rate - CY 2009



Source: Smith Travel and LVCVA Research Department

The most significant impact of the economic crisis for the LVCVA over the last two fiscal years was the decline in room tax, our primary revenue source. Room tax and gaming fees revenue decreased from \$221.7 million in FY 2008 to \$173.8 million in FY 2009 to \$157.8 million in FY 2010. Revenues from facility use were fairly flat compared with FY 2009, as trade shows and conventions continued to reduce space requirements and ancillary services. Sustained low interest rates, intended by the Federal Reserve Board to spur an economic recovery, resulted in lower returns on our investments. Total revenues for the general fund, including all other sources, were approximately \$25 million below original budget estimates and \$19.5 million below FY 2009.

In late FY 2008, the LVCVA had already become concerned about the sluggishness of the economy and began preparing for a downturn by implementing cost containment measures that would continue throughout FY 2009 and FY 2010. The measures were implemented based on a deliberate approach that would ensure the LVCVA's ability to successfully meet its mission of marketing the destination, while maintaining the appearance and integrity of its facilities. The measures were placed into action as needed and major components included: suspension of an extensive major renovation program for the LVCC, deferring capital projects, a hiring freeze, a salary freeze for management, furloughs and other reductions in operating budgets.

MAJOR INITIATIVES IN FY 2010

Marketing

The LVCVA has taken a leadership role in addressing national economic challenges by reaching out to various stakeholder groups to highlight the economic stimulus the leisure travel and meetings and conventions industry provides to both the United States and Las Vegas. Several marketing-oriented initiatives were implemented to address the economic downturn, including a massive sales call effort, convention attendance promotion programs for existing clients, booking incentive programs for potential clients and industry outreach to travel and hotel partners. Other significant initiatives included:

- Advertising campaigns such as: *Take a Break, What Happens Here, Stays Here, Camp Vegas* and other marketing initiatives to stimulate spontaneous travel to the destination.
- Hosted the annual Vegas Uncork'd culinary and wine event. In partnership with Bon Appétit magazine and major hotel properties, this annual event draws visitors from around the world to showcase the Las Vegas destination for the renowned chefs, gourmet dining and fine wine.
- Hosted NASCAR Awards Banquet for the first time. The event featured the top drivers of the year and included various consumer elements to draw race fans from around the country and generate world-wide exposure for Las Vegas. The event returns a second consecutive year in December 2010 and compliments the annual race held every spring.
- The development of a marketing campaign and website www.vegasmmeansbusiness.com to promote the value of face-to-face meetings and business travel for the hotel and business community.
- After a 10-year courtship of British Airways, the airline began non-stop, daily service to Las Vegas from London Heathrow in October of 2009. The Heathrow flight also gives Las Vegas opportunities to generate visitation from European feeder markets. The United-Kingdom is the number one overseas market for Las Vegas. Combined with Virgin Atlantic's non-stop service from Gatwick, Las Vegas has two daily, non-stop flights from London. Virgin Atlantic also is scheduled to start non-stop service twice a week from Manchester in the spring of 2011.

Travel Promotion Act

In March 2010, President Obama signed the Travel Promotion Act (TPA). The TPA may be the most significant piece of legislation in the history of the travel and tourism industry, allowing the United States to be more competitive - at no cost to taxpayers - with other countries to attract international visitors. According to research from the U.S. Travel Association (USTA), passage of this legislation will attract 1.6 million new international travelers per year and provide a \$4 billion annual boost to our nation's economy. For Las Vegas, the legislation provides the opportunity to increase international visitation from 14-to-20%, generating 1.8 million new visitors and creating up to 12,000 new jobs over the next 5 years. The LVCVA worked closely with the Nevada Congressional Delegation, resort stakeholders and the USTA to get the legislation passed.

Financial Management and Accountability

The Finance Department spent the majority of FY 2010 dealing with the impact of the recession. A substantial amount of time was devoted to monitoring the impact on LVCVA revenue streams, updating forecasts, and evaluating cost containment measures to reduce expenditures in alignment with revenue shortfalls. Although the original budget had been developed with conservative revenue expectations, shortfalls were deeper and more prolonged than anticipated. As a result, budget reductions were implemented to ensure the preservation of fund balance reserves in compliance with policy and regulatory requirements. Fortunately, stabilization of room tax revenues during the final quarter of the fiscal year enabled final room tax revenue to slightly exceed the revised forecasts.

Bond Issuance

After months of due diligence meetings and financial reporting updates, Finance staff completed the LVCVA's bond issuance of \$99.6 million to fund the second installment of its Nevada Department of Transportation (NDOT) commitment. The issuance was in compliance with legislation, which provides close to \$1 billion in funding for critically needed transportation projects. The LVCVA's required funding for these projects located in the resort corridor totals \$300 million. With the completion of the first 2 installments in FY 2009 and FY 2010, the LVCVA has provided cumulative funding of \$126.9 million toward its total commitment. The third and final bond issuance is anticipated in FY 2011.

LONG-TERM FINANCIAL PLANNING

Strategic planning has been a key focus of the LVCVA over the last decade. In FY 2010, a new comprehensive Three-Year Vision Plan was developed, which established critical goals covering three major areas: (1) *aggressive advertising and sales campaigns* responding to the current economic conditions, (2) *analysis of all current systems* to be operationally sound, and (3) *fiscal responsibility* in all areas to help lead the destination to recovery.

The LVCVA will continue its commitment to its mission as well as the vision plan. Notwithstanding the cost saving measures to address the impacts of the recession, the FY 2011 budget provides funding for short-term as well as long-term initiatives that support the three major elements identified in the vision plan. The goal of these programs is (1) advertising campaigns designed to generate domestic and international visitation for leisure activities, and (2) concentration on the meetings and convention industry. These activities will continue to emphasize the value of Las Vegas as a destination to conduct serious business, as well as have fun.

Another critical long-term planning program is the Capital Improvement Plan (CIP). The CIP is a financial planning and management tool that lists proposed capital projects and capital acquisitions. This multi-year document identifies and prioritizes the need for the capital improvements and acquisitions and coordinates the funding and optimal time frames for completion. During FY 2010 and continuing in the budget for FY 2011, CIP expenditures have been limited to those necessary to comply with the safety and security of the facility, and improvements required to maintain the quality of the facility to preserve client satisfaction.

DEBT ADMINISTRATION

Debt Issuance Compliance Policy

The LVCVA realizes the importance of complying with federal and regulatory requirements regarding the issuance and ongoing management of its debt. In FY 2010, the Board of Directors adopted a debt issuance compliance policy, which is applicable to all debt issuance activities of the LVCVA. This policy establishes the requirements and procedures for ensuring compliance with federal laws relating to issuance and post issuance monitoring of tax-exempt bonds and taxable direct pay bonds. Post-issuance compliance responsibilities include:

- Ensuring that debt proceeds are spent on specific purposes,
- Maintaining detailed records of all expenditures and investments related to debt funds,
- Ensuring the project financed is used in a manner consistent with the legal requirements,
- Providing necessary disclosure information regarding financial and operating status annually.

The policy is intended to define compliance practices including compliance actions, records management, disclosures requirements, and process continuity within the Finance Department and the executive management of the LVCVA.

Debt Overview

It is the LVCVA's policy to fund principal and interest payments for outstanding debt issues due on January 1 and July 1 in monthly installments. The reserves in the debt service funds at June 30, 2010, were sufficient to pay principal and interest due on July 1, 2010.

Outstanding bonded debt and debt service reserves at June 30, 2010, are shown below:

	Rating Rating S&P	Rating Moody's	Outstanding Debt	Reserves for July 1, 2010 Debt Service	Net Bonded Debt
11/99 Series Bonds	A+	Aa2	\$ 21,735,000	\$ 10,555,000	\$ 11,180,000
04/05 Series Bonds	A+	Aa2	116,805,000	160,000	116,645,000
05/07 Series Bonds*	AA+	Aaa	34,340,000	2,155,000	32,185,000
11/07 Series Bonds	AA+	Aa2	48,465,000	905,000	47,560,000
07/08 NDOT Bonds*	AA+	Aaa	26,015,000	460,000	25,555,000
2010A Series Bonds*	AA+	Aaa	70,770,000		70,770,000
2010B Series Bonds*	AA+	Aaa	53,520,000		53,520,000
Commercial Paper**			96,000,000		96,000,000
			<u>\$ 467,650,000</u>	<u>\$ 14,235,000</u>	<u>\$ 453,415,000</u>

* Issued through Clark County.

** LVCVA approved up to \$822,000,000 in commercial paper in 2007. \$96,000,000 has been issued to date; however, no additional draws are anticipated and fixed rate financing is contemplated in 2011.

The debt issues of the LVCVA are general obligation bonds, revenue bonds and commercial paper. 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.

In order to satisfy LVCVA's commitment for NDOT projects, as mentioned under the Bond Issuance section above, it is anticipated that approximately \$173.9 million in FY 2011 will be issued in general obligation bonds for highway construction projects. Additionally, the LVCVA will evaluate the benefit of issuing revenue bonds to refund the outstanding commercial paper debt. Additional information regarding long-term debt can be found in Note 8 on pages 28 through 32.

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 by April 15 with the Nevada Department of Taxation and the Clark County Clerk as required by Nevada State law. 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.

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 may be re-appropriated in the next fiscal year since they are not considered expenditures or liabilities.

Budget variance reports are distributed to the Board on a monthly basis.

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

AWARDS AND ACKNOWLEDGEMENTS

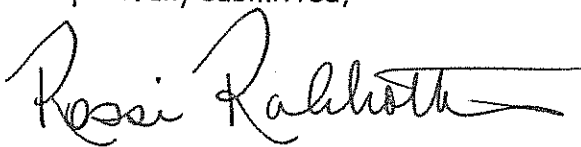
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the LVCVA for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2009. The Certificate of Achievement is a prestigious 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 26 consecutive years (fiscal years ended 1984-2009). 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.

Respectfully submitted,



Rossi Ralenkotter
President/CEO



Brenda Siddall
Vice President of Finance

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, 2009

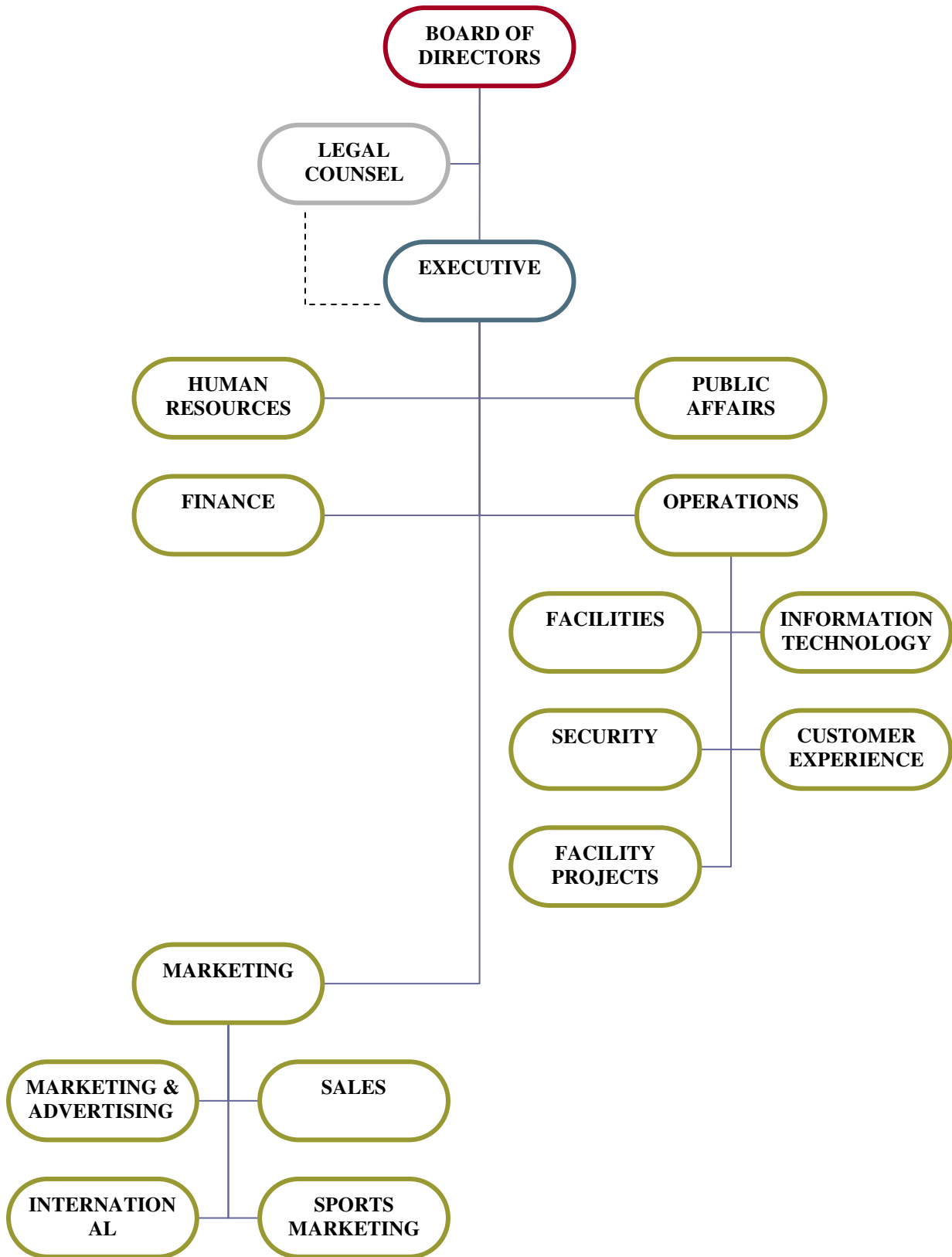
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY
ORGANIZATION CHART**



LAS VEGAS CONVENTION AND VISITORS AUTHORITY PRINCIPAL OFFICIALS

The Las Vegas Convention and Visitors Authority is governed by a Board of Directors consisting of fourteen members. Eight members are elected officials of either Clark County or one of its incorporated cities. The Las Vegas Chamber of Commerce (CC) and Nevada Resort Association (NRA) nominate three each of the remaining six members. During FY 2010, members of the Board included:



Mr. Keith Smith
Vice-Chair
Representing resort hotel industry
NRA



Mayor Oscar B. Goodman
Chair
City of Las Vegas



Commissioner Tom Collins
Secretary/Treasurer
Clark County



Mr. Chuck Bowling
Representing central business
District (NRA)



Mayor Susan Holecheck
City of Mesquite



Mr. Tom Jenkin
Representing resort hotel
business (CC)

LAS VEGAS CONVENTION AND VISITORS AUTHORITY PRINCIPAL OFFICIALS



Ms. Kara Kelley
Representing other commercial
interests (CC)



Councilman Steven Kirk
City of Henderson



Mr. Scott Nielson
Representing resort
hotel industry (NRA)



Mr. Andrew Pascal
Representing tourism (CC)



Mayor Pro Tem
Gary Reese
City of Las Vegas



Councilman
William Robinson
City of North Las Vegas



Councilman
Cam Walker
City of Boulder City



Commissioner
Lawrence Weekly
Clark County

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY EXECUTIVE STAFF

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



Mr. Terry Jicinsky
Sr. Vice President,
Operations



Mr. Rossi T. Ralenkotter
President\CEO



Ms. Cathy Tull
Sr. Vice President,
Marketing

Mr. Vince Alberta

Vice President, Public Affairs

Mr. Chris Meyer

Vice President, Convention Center Sales

Mr. Mark Olson

Vice President, Human Resources

Mr. Luke Puschnig

Vice President, Legal Counsel

Mr. Brad Rodgers

Vice President, Information Technology

Ms. Brenda Siddall

Vice President, Finance

FINANCIAL SECTION

**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, 2010, 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LVCVA's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes 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, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2010, 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 12, 2010, 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, schedule of funding progress and budgetary comparison information on pages 2 through 11 and 41 through 43 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 an opinion on the financial statements that collectively comprise the LVCVA's basic financial statements. The introductory section, individual fund 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 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.

Piercy Bowler Taylor & Kern

October 12, 2010

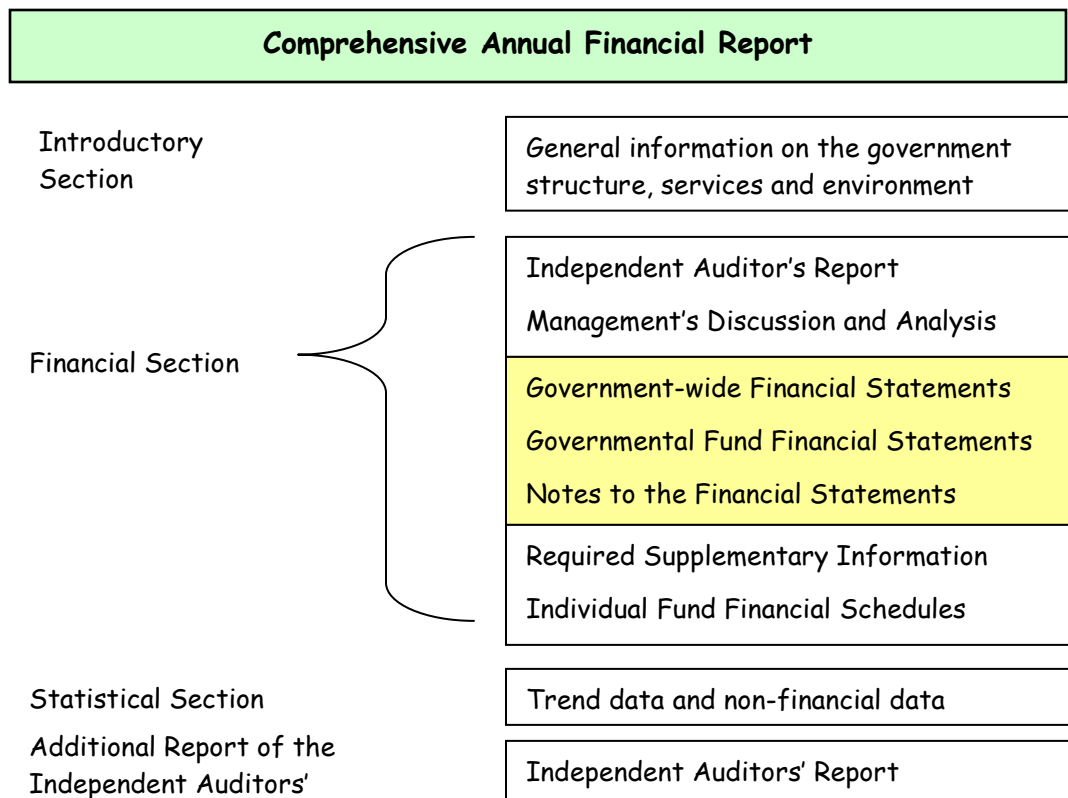
Management's Discussion and Analysis

As management of the Las Vegas Convention and Visitors Authority (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 (FY) ended June 30, 2010. 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 ix of this report.

FINANCIAL HIGHLIGHTS

- Government-wide net assets decreased by \$58.8 million in FY 2010.
- In FY 2010, total revenues decreased approximately \$20 million. Room tax and gaming fees comprised of \$15.8 million of this decline.
- Outstanding debt at the end of the fiscal year totaled \$467.7 million, an increase of approximately \$100 million, which represents the net difference between new issuances, refundings and payments.

OVERVIEW OF THE FINANCIAL STATEMENTS



Although the Comprehensive Annual Financial Report (CAFR) is comprised of various sections, the LVCVA's basic financial statements are presented in three components:

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The first two financial statements are designed to provide readers with a broad overview of the LVCVA's finances in a manner similar to private-sector business.

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 this statement. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the LVCVA is improving or deteriorating.

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 and amortization of capital assets is recognized as an expense, as are compensated absences and postemployment benefits other than pensions. 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 question "How much did it cost and how is it being paid for?"

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-40 of this report.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the LVCVA's progress in funding its obligation to provide pension benefits to its employees. The general fund budgetary comparison schedule is also included in this section. Required supplementary information can be found on pages 41-46 of this report.

CONDENSED COMPARATIVE DATA

ASSETS, LIABILITIES AND NET ASSETS

The LVCVA's net assets, on the government-wide basis, decreased \$58.8 million from the previous year. This decrease is primarily attributable to the softening economy.

CHANGES IN NET ASSETS		
	FY 2009	FY 2010
Net assets - beginning	\$ 330,634,468	\$ 315,091,532
Revenues	224,991,373	205,097,515
Expenses	240,627,821	263,872,188
Decrease in net assets	(15,636,448)	(58,774,673)
Net assets - ending (as previously reported)	314,998,020	
GASB 51 adjustment	93,512	
Net assets - ending (as restated)	\$ 315,091,532	\$ 256,316,859

Beginning net assets for FY 2010 have been restated to reflect the implementation of Governmental Accounting Standards Board (GASB) statement No. 51, "Accounting and Financial Reporting for Intangible Assets". This pronouncement establishes the accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks and computer software. Net assets were \$256 million at June 30, 2010. A large portion of net assets reflects the LVCVA's investment in capital assets, less debt that was used to acquire those assets. 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, 2009	June 30, 2010
Current and other assets	\$ 211,592,586	\$ 241,858,272
Capital assets	540,013,083	534,134,412
Total assets	751,605,669	775,992,687
Current and other liabilities	61,086,158	55,200,863
Long-term liabilities	375,521,491	464,474,962
Total liabilities	436,607,649	519,675,825
Net assets		
Invested in capital assets, net of related debt (as restated)	183,493,413	189,392,526
Restricted	139,115,314	176,035,398
Unrestricted	(7,517,195)	(109,111,065)
Total net assets (as restated)	\$ 315,091,532	\$ 256,316,859

Las Vegas Convention and Visitors Authority
 Management's Discuss and Analysis
 For Fiscal Year Ended June 30, 2010

Unrestricted net assets are negative due to the LVCVA's statutory debt obligations to NDOT for transportation infrastructure projects (See note 3). Unrestricted net assets totaled (\$109.1) million, of which (\$125.6) million is related debt obligations for NDOT and \$16.5 represents the results of all years' operations.

REVENUES

Total revenues for FY 2010 amounted to \$205 million, a 9% decrease from FY 2009.

	FY 2009	FY 2010
General revenues		
Room and gaming taxes	\$ 173,577,482	\$ 157,809,463
Interest and investment earnings	3,522,204	875,310
Total general revenue	177,099,686	158,684,773
Program revenues		
Use of facilities	45,407,659	43,832,101
Marketing	1,617,964	1,869,188
Grants and special events	866,064	711,453
Total program revenue	47,891,687	46,412,742
Total revenues	\$ 224,991,373	\$ 205,097,515

All 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.

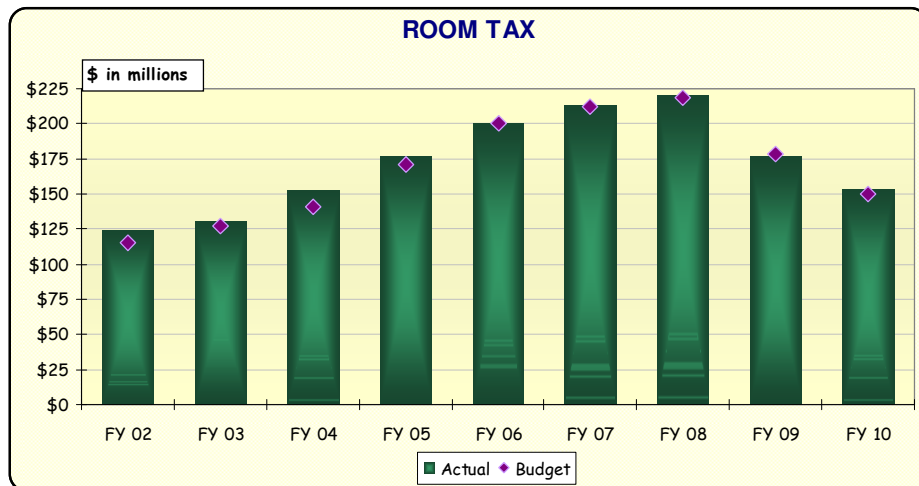
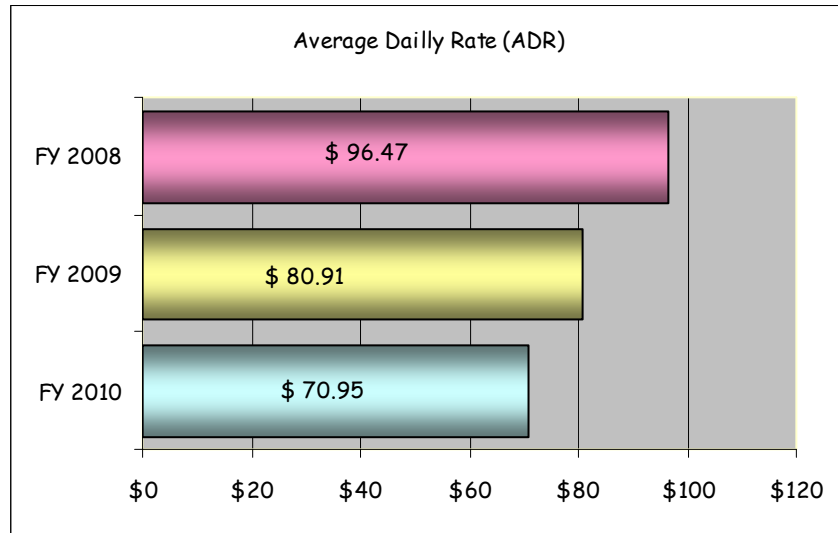
Operations of the facilities cost \$51 million in FY 2010, including depreciation and amortization. At the same time, building rental charges and user fees generated revenues totaling \$43.8 million.

FACILITY OPERATIONS		
	FY 2009	FY 2010
Revenues	\$ 45,407,659	\$ 43,832,101
Expense	50,099,318	50,808,917
Net expense	\$ (4,691,659)	\$ (6,976,816)

Rental revenue for the Las Vegas Convention Center has been impacted by the ongoing economic crisis. Facilities revenue has been impacted as a result of shows reducing square footage requirements, meeting rooms, catering and concessions due to the declining attendance.

The *general revenue* classification includes all room tax and gaming fees 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 are classified as a general revenue.

With hotel rooms being booked over the internet, price fluctuations are common due to hotels having the ability to respond quickly to occupancy trends. The ongoing economic crisis and the resulting impact on leisure and business travel have combined to place downward pressure on average daily room rates (ADR) over the last 2 ½ years. ADR fell 12.3% in FY 2010 and occupancy rates decreased from 83.6% to 78.8%. Room tax and gaming fees provided \$158 million during FY 2010, a decrease of 9% from the previous fiscal year's total of \$174 million.



Las Vegas Convention and Visitors Authority
 Management's Discuss and Analysis
 For Fiscal Year Ended June 30, 2010

Clark County (the County) and the incorporated cities within the County levy room tax on all transient lodging establishments. The rate of tax levied varies from 12% to 13% for resort hotels and from 10% to 13% on other lodging facilities. In general, the tax is distributed as follows:

2% - 6%	LVCVA
1 5/8%	Clark County School District
0% - 2%	Collecting government - general fund
1%	Clark County - transportation
3/8%	State of Nevada - promotion of tourism
2% - 3%	State of Nevada - education and other state programs

The LVCVA collected \$156 million in room tax and gaming fees collected, the majority of which were generated in Clark County. Clark County amounted to \$143 million (92%) with the City of Las Vegas totaling the second largest collector of room taxes and gaming fees, at \$8 million (5%). 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 approximately \$875,000 during FY 2010, a decrease of 75% from FY 2009. This decrease in investment income was primarily due to diminishing funds available for investing during FY 2010 combined with low interest rates .

EXPENSES

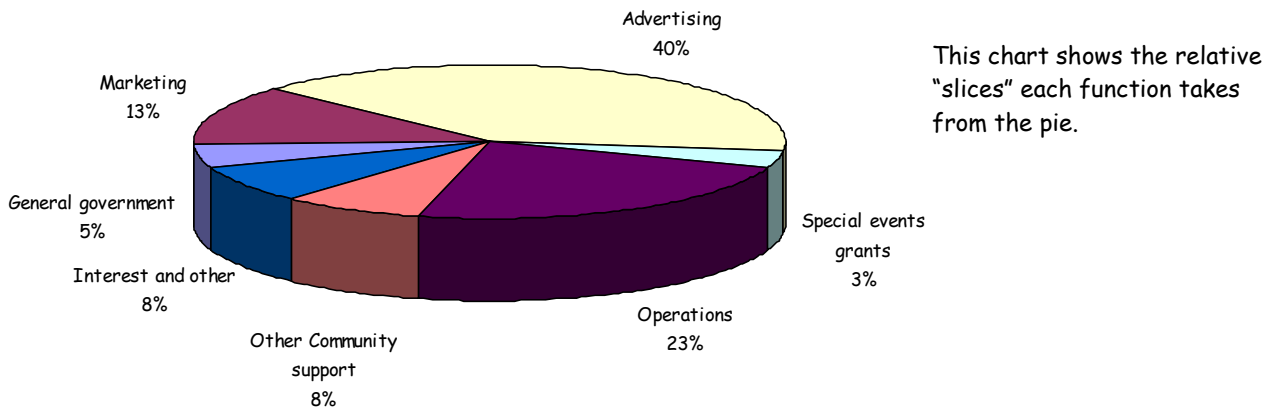
Total government-wide expenses by function were as follows:

	FY 2009	FY 2010
General government	\$ 14,278,981	\$ 11,040,224
Marketing	30,619,677	27,329,276
Advertising	89,547,692	87,199,280
Operations	50,099,318	50,808,917
Community support:		
Capital grants to other governments	10,960,519	45,989,239
Other grants and special events	8,188,309	7,437,670
Other community support	19,702,748	16,929,853
Interest and other	17,230,577	17,137,729
	\$ 240,627,821	\$263,872,188

In FY 2010, cost containment measures, budget cuts and a hiring freeze have all resulted in the reduction in expenditures to the general government, marketing and advertising functions.

Expenditures in capital grants to other governments were the result of a legislative mandate requiring the LVCVA to contribute funds to the Nevada Department of Transportation (NDOT) for critical transportation projects essential to providing access to the recreational and tourism facilities in the County.

Other community support decreased \$2.8 million or 14% as compared to FY 2009. This amount includes a fee returned to the collecting government entities of room taxes and gaming fees. It equals 10% of the total room tax and gaming fees collected in the County.



OVERALL FINANCIAL POSITION

The overall financial position of the LVCVA declined during FY 2010; however, the organization remains fiscally stable due to aggressive and continuous actions in response to faltering economic conditions. As revenue streams declined to FY 2004 levels, prudent and appropriate measures to address budget deficits were implemented. Management continues to monitor the LVCVA's financial position and is dedicated to the preservation of adequate fund balances to meet operating cash flow requirements and to satisfy debt service obligations.

FUND ANALYSIS

The fund balances in the general fund and the capital projects fund both increased during FY 2010 from the prior year.

	General Fund	Capital Projects Fund
Fund balance - beginning	\$ 18,447,554	\$ 92,744,802
Fund balance - ending	19,500,027	124,977,537
Increase in fund balance	\$ 1,052,473	\$ 32,232,735
Percent increase	6%	35%

Las Vegas Convention and Visitors Authority
 Management's Discuss and Analysis
 For Fiscal Year Ended June 30, 2010

During FY 2010, the national and state economies continued to weaken and directly impacted tourism and room tax revenues. Room tax collections were below the prior year in each of the twelve months of the fiscal year. The shortfalls were effectively managed through drawing down appropriate levels of fund balance reserves combined with extensive reductions in operating expenditures.

A capital reserve account in the capital projects fund has been accumulated over several years to provide a pay-as-you-go source of funding for the master plan enhancement program in addition to incurrence of debt. In March 2009, the MPEP was suspended allowing the reserves to be diverted to offset revenue shortfalls in the general fund and \$13 million of capital reserves was transferred from the capital projects fund to the general fund. Proceeds from the issuance of bonds for NDOT transportation projects amounting to \$99.6 million were received, which offset expenditures of \$46.8 million, an increase of \$32.2 million from FY 2009.

GENERAL FUND BUDGETARY HIGHLIGHTS

The majority of general fund revenues are derived directly from one revenue source - room tax. The FY 2010 budget was developed and incorporated the impact of the local and national economic declines. Significant cost containment measures and reductions in budgeted appropriations were implemented in response to revenue shortfalls, as needed.

During the year, inter-departmental transfers were made, as necessary. The tables below summarize the changes in both revenues and expenditures.

GENERAL FUND CHANGES IN BUDGETED REVENUES AND TRANSFERS			
	Original Budget	Revisions	Final Budget
Room tax and gaming fees	\$ 178,950,000	\$ (27,000,000)	\$ 151,950,000
Charges for service	48,983,800	(5,100,000)	43,883,800
Transfers in	1,160,125	13,052,171	14,212,296

GENERAL FUND CHANGES IN BUDGETED EXPENDITURES AND TRANSFERS			
	Original Budget	Revisions	Final Budget
General government	\$ 11,737,400	\$ (296,800)	\$ 11,440,600
Marketing	30,991,300	(2,667,230)	28,324,070
Advertising	86,525,300	1,181,100	87,706,400
Operations	39,475,400	(1,569,600)	37,905,800
Community support:			
Special events grants	7,707,389	-	7,707,389
Other community support	19,650,000	(2,997,200)	16,652,800
Transfers out	35,787,965	(5,490,134)	30,297,831

Actual general fund revenues and transfers in totaled \$214 million, \$25 million lower than the original budget. Total actual general fund expenditures and transfers out totaled \$213 million, about \$7.5 million less than the final revised budget. Most of those variances were the results of budget cuts and cost containment measures implemented throughout FY 2010.

CAPITAL ASSETS

When the MPEP was approved by the Board, one of its hallmarks was that it was made up of discrete elements that allowed flexibility. A phasing strategy was developed allowing the LVCVA to exercise that flexibility, while completing the scope of the MPEP over an extended time and within our debt capacity.

With the softening economy, declining room tax revenue, and the commitment to be fiscally responsible in program funding, the LVCVA re-evaluated the MPEP. In FY 2010, work on active Phase I projects was completed; however, remaining Phase I, II, and III projects were suspended until the economy recovers. The LVCVA's investment in capital assets as of June 30, 2010 totals \$534 million (net of accumulated depreciation and amortization), which is a decrease of 1% from FY 2009. Depreciation and amortization expense for the year was approximately \$14.6 million.

More detailed information on capital assets can be found in Note 5 on page 27.

CAPITAL ASSETS		
(net of depreciation)		
	June 30, 2009	June 30, 2010
Land	\$ 163,741,185	\$ 163,406,143
Intangibles		163,792
Construction in progress	108,786,627	59,481,242
Buildings	259,082,533	277,687,300
Improvements	4,408,063	30,435,450
Furniture and equipment	3,994,675	2,960,486
	\$ 540,013,083	\$ 534,134,412

LONG-TERM DEBT

In February 2010, the LVCVA issued \$124 million of bonds. Of this issuance, approximately \$25 million refunded the 1998A bond series with a net present value savings of \$933,733. The remaining \$99.6 million provided funds to NDOT and was a combination of traditional government obligation bonds and Build America Bonds (BABs). The interest rates on these bonds ranges between 2 and 6.75%.

You can find more detailed information on long-term debt in Note 8 on pages 29 through 32.

	General Obligation Bonds	Revenue Bonds	Commercial Paper	Total
(In thousands)				
Principal balance - beginning	\$ 87,810	\$ 198,015	\$ 96,000	\$ 381,825
Principal payments	(2,570)	(11,010)		(13,580)
Refundings	(24,885)			(24,885)
New issuances	124,290			124,290
Principal balance - ending	\$ 184,645	\$ 187,005	\$ 96,000	\$ 467,650

ADDITIONAL FINANCIAL INFORMATION

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 about the report or need additional financial information, please contact:

LVCVA Vice President of Finance
 3150 Paradise Road
 Las Vegas, NV 89109
 (702) 892-2990

Or, please visit our website at:

www.lvcva.com/finance

BASIC FINANCIAL STATEMENTS

Government-Wide

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LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Net Assets - Governmental Activities

June 30, 2010

Assets:	
Cash and investments	\$ 201,723,940
Receivables:	
Room and gaming taxes	28,653,743
Accounts	6,220,233
Interest	72,076
Prepaid items	742,443
Inventory	165,593
Deferred charges - issuance costs	3,866,824
Postemployment benefits other than pensions	413,420
Capital and intangible assets, (net of accumulated depreciation and amortization)	534,134,412
Total assets	<u>775,992,684</u>
Liabilities:	
Accounts payable	19,246,847
Accrued payroll and related items	2,071,229
Due to other governments	5,797,054
Customer deposits	447,110
Unearned revenue	1,269,343
Interest payable	9,253,715
Noncurrent liabilities:	
Due within one year:	
Bonds payable	14,235,000
Compensated absences payable	2,880,565
Due in more than one year:	
Bonds and commercial paper payable	453,415,000
Unamortized bond premiums and deferred refunding charges	2,746,886
Compensated absences payable	2,172,038
Postemployment benefits other than pensions payable	6,141,038
Total liabilities	<u>519,675,825</u>
Net assets:	
Invested in capital assets, net of related debt	189,392,526
Restricted for:	
Capital projects	56,272,290
Capital grants to other governments	68,705,247
Debt service	51,057,861
Unrestricted:	
Related to non-capital debt (See Note 3)	(125,655,000)
Other	16,543,935
Total net assets	<u>\$ 256,316,859</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Activities - Governmental Activities
For the Year Ended June 30, 2010

Function/Program	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Capital Grants and Contributions	
<i>Governmental activities:</i>				
General government	\$ 11,040,224		\$ 711,453	\$ (10,328,771)
Marketing	27,329,276	\$ 1,869,188		(25,460,088)
Advertising	87,199,280			(87,199,280)
Operations	50,808,917	43,832,101		(6,976,816)
<i>Community support and grants:</i>				
Capital grants to other governments	45,989,239			(45,989,239)
Special events grants	7,437,670			(7,437,670)
Other community support	16,929,853			(16,929,853)
Interest on long-term debt	17,137,729			(17,137,729)
Total governmental activities	<u>\$ 263,872,188</u>	<u>\$ 45,701,289</u>	<u>\$ 711,453</u>	<u>(217,459,446)</u>

<i>General revenues:</i>	
Room taxes and gaming fees	157,809,463
Interest and investment earnings	875,310
Total general revenues	<u>158,684,773</u>
Change in net assets	<u>(58,774,673)</u>
Net assets - beginning (as previously reported)	314,998,020
GASB 51 adjustment (See note 3)	93,512
Net assets - beginning (as restated)	<u>315,091,532</u>
Net assets - ending	<u>\$ 256,316,859</u>

BASIC FINANCIAL STATEMENTS

Governmental Funds

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Balance Sheet

Governmental Funds

June 30, 2010

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:				
Cash and investments	\$ 21,250,926	\$129,283,885	\$ 51,189,129	\$ 201,723,940
Receivables:				
Room taxes and gaming fees	15,405,066			15,405,066
Accounts	4,932,987	1,287,246		6,220,233
Interest	45	52,086	19,945	72,076
Due from other funds	4,223,721	833,333		5,057,054
Inventory	165,593			165,593
Prepaid items	742,443			742,443
Total assets	\$ 46,720,781	\$ 131,456,550	\$ 51,209,074	\$ 229,386,405
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 18,127,588	\$ 1,114,472	\$ 4,787	\$ 19,246,847
Accrued payroll and related items	2,071,229			2,071,229
Due to other governments	4,472,151			4,472,151
Due to other funds	833,333	4,077,295	146,426	5,057,054
Deferred revenue	1,269,343	1,287,246		2,556,589
Customer deposits	447,110			447,110
Total liabilities	27,220,754	6,479,013	151,213	33,850,980
Fund balances:				
Reserved for:				
Inventory and prepaid items	908,036			908,036
Capital projects		56,272,290		56,272,290
Capital grants to other governments		68,705,247		68,705,247
Debt service			51,057,861	51,057,861
Unreserved	18,591,991			18,591,991
Total fund balances	19,500,027	124,977,537	51,057,861	195,535,425
Total liabilities and fund balances	\$ 46,720,781	\$ 131,456,550	\$ 51,209,074	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital and intangible assets used in the governmental activities are not current financial resources; and therefore, are not reported in the funds. (See note 2)				534,134,412
Certain assets are not available to pay for current period expenditures; and therefore, are not recorded or are deferred in the funds:				
Room taxes and gaming fees - earned but unavailable				13,248,677
Other community support				(1,324,903)
Other revenue - earned but unavailable				1,287,246
Deferred charges - debt issuance costs				3,866,824
Certain liabilities are not due and payable in the current period; and therefore, are not reported in the funds:				
Accrued compensated absences				(5,052,603)
Postemployment benefits other than pensions payable				(5,727,618)
Long-term liabilities, including bonds and commercial paper payable, deferred refunding charges and accrued interest (See note 2)				(479,650,601)
				\$ 256,316,859

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, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Room taxes and gaming fees	\$ 156,006,696				\$ 156,006,696
Charges for services	44,535,733				44,535,733
Interest and investment earnings	188,525		\$ 494,647	\$ 192,138	875,310
Federal grant subsidy				711,453	711,453
Miscellaneous	6,413		1,039,540		1,045,953
Total revenues	200,737,367		1,534,187	903,591	203,175,145
Expenditures:					
Current:					
General government	10,700,951				10,700,951
Marketing	26,754,911				26,754,911
Advertising	87,199,280				87,199,280
Operations	34,186,143				34,186,143
Community support and grants:					
Capital grants to other governments			45,989,239		45,989,239
Special events grants	7,437,670				7,437,670
Other community support	16,749,540				16,749,540
Other			814,753	203,511	1,018,264
Capital outlay:					
Capitalized assets			9,409,687		9,409,687
Non-capitalized assets			697,574		697,574
Debt service:					
Principal				13,580,000	13,580,000
Interest				14,982,969	14,982,969
Total expenditures	183,028,495		56,911,253	28,766,480	268,706,228
Excess (deficiency) of revenues over (under) expenditures	17,708,872		(55,377,066)	(27,862,889)	(65,531,083)
Other financing sources (uses):					
Transfers in	13,630,303			30,297,832	43,928,135
Transfers out	(30,297,832)	\$ (52,171)	(13,428,506)	(149,626)	(43,928,135)
Proceeds from the sale of assets	11,130		207,000		218,130
Issuance of debt			99,640,000	24,650,000	124,290,000
Premium on debt issuance			1,191,307	860,619	2,051,926
Payment to refunded bond escrow agent				(25,322,397)	(25,322,397)
Total other financing sources (uses)	(16,656,399)	(52,171)	87,609,801	30,336,428	101,237,659
Net change in fund balances	1,052,473	(52,171)	32,232,735	2,473,539	35,706,576
Fund balances - beginning	18,447,554	52,171	92,744,802	48,584,322	159,828,849
Fund balances - ending	\$ 19,500,027	\$ -	\$ 124,977,537	\$ 51,057,861	\$ 195,535,425

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Net change in fund balances - total governmental funds **\$ 35,706,576**

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

Governmental funds report capital outlays as expenditures. However, in the statement of net assets, 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 and amortization expense.

Capital outlays	\$ 9,409,687	
Depreciation and amortization expense, net of proceeds received for and losses on disposed assets	(15,381,868)	(5,972,181)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,922,370

The issuance of long-term debt (*i.e.*, bonds and commercial paper) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred in the statement of net assets and amortized over the term of the related debt.

Issuance of debt	(124,290,000)	
Payment to refund bond escrow agent	25,322,397	
Premium on debt issuance	(2,051,926)	
Amortization of bond premiums	928,472	
Amortization of deferred charges - debt issuance costs	(212,021)	
Amortization of deferred refunding charges	(817,647)	
Accrued interest expense	(2,037,564)	
Repayment of bond principal	13,580,000	
Bond issuance costs	1,002,261	(88,576,028)

Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in the governmental funds.

Compensated absences	457,439	
Postemployment benefits other than pensions	(2,132,536)	
Grants and special events - payable to other governments	(180,313)	(1,855,410)

Change in net assets of governmental activities **\$ (58,774,673)**

BASIC FINANCIAL STATEMENTS

Notes to the Financial Statements

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 NRS 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 LVCVA President serves as chief executive officer. The LVCVA does not include any component units in its financial statements and is not included as a component unit in any other entity's 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 Clark County (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 fees and other items not included among program revenues are reported instead as general revenues.

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 used to account for essentially the same functions reported in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

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

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 LVCVA, in the past, has used special revenue funds, to account for monies received from specific revenue sources and restricted to expenditures for specific programs. The capital projects fund is used to account for the acquisition of capital assets, the construction of new facilities and improvement of the facilities. Servicing of 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 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 liabilities are recorded at the time the obligations 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. Liabilities are generally recorded when an obligation is incurred, as under accrual accounting. However, debt service expenditures and certain other long-term obligation 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, reconciliations are necessary to explain the adjustments needed to transform the fund based financial statements into the government-wide presentation.

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.

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

The GASB Statement No. 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. This statement also gives governments the discretion to include as major funds those having particular importance.

The LVCVA reports the following major governmental funds:

General Fund

- Used as the LVCVA's primary operating fund, it 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 tax and gaming fees, 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 furniture, equipment, and improvements or additions to land, and buildings financed by general government resources.
- Accounts for capital grants to other governments, which are for the express purpose of capital construction activities by the other government.

Debt Service Fund

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

1998A General Obligation Refunding Bonds	11/99 Revenue Bonds
5/07 General Obligation Refunding Bonds	4/05 Revenue Bonds
7/08 (NDOT) General Obligation Bonds	12/07 Revenue Bonds
2010A (NDOT/BABs) General Obligation Bonds	MPEP Commercial Paper
2010B (NDOT) General Obligation Refunding Bonds	

ASSETS, LIABILITIES AND EQUITY

DEPOSITS AND INVESTMENTS

The LVCVA's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. Agencies, 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 five years. The LVCVA's policy also governs the limitations as to the percentage of each type of investment held, its term to maturity, and allocation of investments in two to five year maturities.

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

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 value 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 and gaming fees 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 AND INVENTORY

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.

Inventory is primarily comprised of promotional items, which are recorded at the lower of cost or market value. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.

CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are accounted for in the government-wide financial statements. All purchased 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 enhances the functionality of an asset are capitalized.

GASB has issued Statement No. 51, "*Accounting and Financial Reporting for Intangibles Assets*" which establishes accounting and financial reporting requirements for intangible assets to include easements, water rights, timber rights, patents, trademarks and internally generated computer software. In FY 2010, the LVCVA implemented this statement and all intangible assets meeting the LVCVA threshold are reported.

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

As a policy, at June 30, 2010, the LVCVA classifies an item as a capital asset that has an estimated useful life of at least one year and meets the cost thresholds of the following:

- Assets with a unit acquisition cost greater than \$10,000.
- Bulk purchases with a total combined cost greater than \$25,000.

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

During FY 2010, the LVCVA's capital assets thresholds were changed to better reflect current activity. Thresholds at June 30, 2009 were as follows:

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 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 and amortization on exhaustible assets and intangibles is recorded in the statement of activities, while accumulated depreciation and amortization is reflected in the statement of net assets. Depreciation and amortization is computed on a straight-line basis over the following estimated useful lives using a half-year convention.

ASSET DESCRIPTION	YEARS
Buildings	40
Major land improvements, leasehold improvements and building improvements. Leasehold improvements are limited to the shorter of useful life or lease term.	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 - 10

Intangibles assets with indefinite lives are not amortized, but rather are evaluated annually for continued compliance with applicable requirements.

Gains or losses from sales or retirements of capital assets are included in the statement of activities.

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 to 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 their 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 the remaining PTO balance paid on 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 their unused PTO balance at a rate of 60% and are entitled to 100% for more than two years of service.

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

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

Effective July 1, 2007, the LVCVA implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In accordance with the transition rules of that statement, the LVCVA elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net OPEB obligation at zero for the year ended June 30, 2008. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contributions (ARC) of the LVCVA, calculated using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The OPEB obligation at June 30, 2010, is determined by adding the annual OPEB cost to the OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

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.

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

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 and intangible assets used in the governmental activities are not current financial resources; and therefore, are not reported in the funds." The details of this \$534,134,412 difference are as follows:

Depreciable/amortizable capital and intangible assets	\$	487,073,661
Accumulated depreciation and amortization		(175,926,634)
Depreciable/amortizable capital and intangible assets, net		<u>311,147,027</u>
Non-depreciable/non-amortizable capital and intangible assets		<u>222,987,385</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$	<u><u>534,134,412</u></u>

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

Another element of that reconciliation explains that "long-term liabilities, including bonds and commercial paper 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 \$479,650,601 difference are as follows:

Bonds and commercial paper payable, due in more than one year	\$ 453,415,000
Bonds payable, due within one year	14,235,000
Unamortized bond premiums, discounts and deferred refunding charges	2,746,886
Interest payable	9,253,715
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ 479,650,601

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 transfers and following year appropriations are submitted by divisions and sections for review and approval. As required by the Nevada State Statutes (NRS), the tentative budget documents are filed with the Nevada Department of Taxation and the County Clerk by April 15. After April 15 and before 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 of the public hearing. The approved budget is fully integrated on July 1 with LVCVA's accounting system. All appropriations lapse at the end of the fiscal year.

The NRS prohibit expenditures in excess of appropriations at the function level, which is the legal level of budgetary control. Budget transfers will be reviewed by Finance for budget availability and conformance with policies and the NRS. Three types of budget transfers are permitted by the NRS:

- Functional budget transfers are defined as transfers within the same function (*i.e.* general government, marketing, operations, and community support) and same fund (*i.e.* general fund, capital fund). The LVCVA President approves these transfers.
- Intra-fund budget transfers are defined as transfers between different functions but with the same fund. The LVCVA President approves and the Board is advised of these transfers.
- Inter-fund or contingency budget transfers are defined as transfers between different funds and require prior approval of the Board.

Augmentations (increasing total appropriations) are accomplished by formal Board action. During the year, funds were re-appropriated to honor encumbrances that lapsed at June 30, 2009. All amendments made to the original budget were as prescribed by law.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued):

RECLASSIFICATIONS AND RESTATEMENT

Certain reclassifications of amounts previously reported have been made to conform to the current period presentation, including a reclassification of net assets to appropriately classify the prior year effects of non-capital related debt totaling \$26,455,000 as a component of unrestricted net assets.

In addition, beginning net assets were adjusted to reflect the effects of the current year adoption of GASB Statement No. 51 in the amount of \$93,512.

UNRESTRICTED NET ASSETS

Total unrestricted net assets at June 30, 2010 and 2009 were (\$109,111,065) and (\$7,517,195), respectively. The components of unrestricted net assets were as follows:

- Non-capital debt resulting from the LVCVA's debt obligation to provide capital grants to the Nevada Department of Transportation (NDOT) for critically needed transportation projects (see Notes 8 and 13) of \$125,655,000 and \$26,455,000 at June 30, 2010 and 2009, respectively.
- Cumulative results of all past years' operations of \$16,543,935 and \$18,937,805 at June 30, 2010 and 2009, respectively.

NEW PRONOUNCEMENTS

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for periods beginning after June 15, 2010. This statement is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The LVCVA will evaluate and implement this statement in FY 2011.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employers Plans*, effective for the LVCVA for the periods beginning after June 15, 2011. This statement relates to the use and reporting of alternative measurement methods for actuarial valuations first used to report funded status information in OPEB plan financial statements. The LVCVA will evaluate and implement this statement in FY 2012.

Also in December 2009, GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, effective for periods beginning after June 15, 2009. This standard establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. This statement is not applicable to the LVCVA's financial position or operations.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, effective for periods beginning after June 15, 2010. The objective of this statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified. The LVCVA will evaluate and implement this statement in FY 2011.

NOTE 4. CASH AND INVESTMENTS:

The LVCVA maintains a cash and investment pool that is available for use by all funds. At June 30, 2010, 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 and investment balances consisted of the following:

NOTE 4. CASH AND INVESTMENTS (continued):

Petty cash	\$	15,400
Cash on deposit (including money market mutual funds)		89,075,417
Investments		112,633,123
	\$	201,723,940

At year end, the LVCVA's carrying amount of deposits was \$89,075,417, and the bank balance was \$89,387,913. According to the NRS, the LVCVA monies must be deposited within federally insured banks, credit unions, or savings and loans associations with the state. The LVCVA is authorized to use demand accounts, time accounts, and certificates of deposits. The NRS do not specifically require collateral for all demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable LVCVA investments described below, except that the NRS permit longer term and include securities issued by municipalities within Nevada. The LVCVA's deposits are fully covered by the federal depository insurance or collateralized at 102% by securities held by the LVCVA's agent in the LVCVA's name.

As of June 30, 2010, the LVCVA had the following investments:

	Original Cost	Fair Value	Investments by Maturities		Accrued Interest	Total Value
			Less than 1 Year	1 - 5 Years		
U.S. Agencies	\$ 90,938,246	\$ 91,006,856	\$ 75,002,556	\$ 16,004,300	\$ 68,092	\$ 91,074,948
Money market mutual fund	89,338,959	89,338,959	89,338,959		12	89,338,971
Nevada State Investment Pool	21,641,667	21,641,667	21,641,667		3,972	21,645,639
Total	\$ 201,918,872	\$ 201,987,482	\$ 185,983,182	\$ 16,004,300	\$ 72,076	\$ 202,059,558

INTEREST RATE RISK

The LVCVA has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate risk. The NRS 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 five 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. The NRS allow the LVCVA to invest in the State of Nevada Investment Pool. U.S. Agencies as reported above consisting of securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and the Federal Farm Credit Bank. Since investments in these agencies are, in several cases, backed by assets such as mortgages, they are subject to prepayment risk. Also, approximately \$30 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.

NOTE 4. CASH AND INVESTMENTS (continued):

CREDIT RISK

The NRS and the LVCVA's investment policy limit investment instruments by credit risk. All of the LVCVA's investments in commercial paper 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 invested in 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 LVCVA's investments in U.S. Agencies, which are implicitly guaranteed by the U.S. Government are all rated AAA or its equivalent by a nationally recognized rating service. 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%, money market mutual funds to 50% and State of Nevada Investment Pool to 40%, of the entire portfolio on the day of purchase. As of June 30, 2010 more than 45% of the LVCVA's investments were classified in U.S. Agencies, 44% in money market mutual funds and 11% in the State of Nevada Investment Pool.

The LVCVA's investment in U.S. Agencies was comprised of securities issued by the Federal Home Loan Bank (29%), the Federal Home Loan Mortgage Corporation (34%), the Federal National Mortgage Association (29%) and the Federal Farm Credit Bank (8%).

Las Vegas Convention and Visitors Authority
Notes to the Financial Statements
For the fiscal Year Ended June 30, 2010

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2010 was as follows:

Description	Balance at June 30, 2009	Increases	Decreases	Balance at June 30, 2010
<i>Capital assets not being depreciated and amortized:</i>				
Land	\$ 163,741,185		\$ (335,042)	\$ 163,406,143
Intangibles*		\$ 100,000		100,000
Construction in progress	108,786,627	8,396,906	(57,702,291)	59,481,242
Total capital assets not being depreciated and amortized:	<u>272,527,812</u>	<u>8,496,906</u>	<u>(58,037,333)</u>	<u>222,987,385</u>
<i>Capital assets being depreciated and amortized:</i>				
Buildings	399,697,284	30,142,993		429,840,277
Intangibles*	306,581			306,581
Improvements other than buildings	12,381,765	28,026,258	(17,111)	40,390,912
Furniture and equipment	16,868,495	34,299	(366,903)	16,535,891
Total capital assets being depreciated and amortized:	<u>429,254,125</u>	<u>58,203,550</u>	<u>(384,014)</u>	<u>487,073,661</u>
<i>Accumulated depreciation and amortization:</i>				
Buildings	(140,614,751)	(11,538,226)	-	(152,152,977)
Intangibles	(213,069)	(29,720)		(242,789)
Improvements other than buildings	(7,973,702)	(1,998,872)	17,111	(9,955,463)
Furniture and equipment	(12,873,820)	(1,067,099)	365,514	(13,575,405)
Total accumulated depreciation and amortization:	<u>(161,675,342)</u>	<u>(14,633,917)</u>	<u>382,625</u>	<u>(175,926,634)</u>
Total capital assets being depreciated and amortized:	<u>267,578,783</u>	<u>43,569,633</u>	<u>(1,389)</u>	<u>311,147,027</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 540,106,595</u>	<u>\$ 52,066,539</u>	<u>\$ (58,038,722)</u>	<u>\$ 534,134,412</u>

* As restated, see Reclassifications in Note 3.

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

General Government	\$ 12,675
Marketing	102,738
Operations	14,518,504
	<u>\$ 14,633,917</u>

NOTE 6. INTERFUND TRANSACTIONS:

The following schedule details the amounts due from/to other funds at June 30, 2010:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Project Fund	\$ 4,077,295
General Fund	Debt Service Fund	146,426
Capital Project Fund	General Fund	<u>833,333</u>
		<u>\$ 5,057,054</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 is earned and is 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. For the year ended June 30, 2010, transfers between funds were as follows:

	Transfers In	<u>Transfers Out</u>			
		<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>
General Fund	\$ 13,630,303		\$ 52,171	\$ 13,428,506	\$ 149,626
Debt Service Fund	30,297,832	\$ 30,297,832			
	<u>\$ 43,928,135</u>	<u>\$ 30,297,832</u>	<u>\$ 52,171</u>	<u>\$ 13,428,506</u>	<u>\$ 149,626</u>

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 \$223,292 for the year ended June 30, 2010. Future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2011	\$ 79,467
2012	17,942
2013	10,192
2014	<u>5,190</u>
Total	<u>\$ 112,791</u>

NOTE 8. LONG-TERM DEBT

GENERAL OBLIGATION BONDS

The LVCVA issues general obligation and revenue bonds and commercial paper to provide funds for the improvement, acquisition or construction of major capital assets.

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 primarily 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, as of June 30, 2010, no ad valorem property tax revenues have been allocated to the LVCVA for any purpose. No change in this practice is contemplated in the future.

In January 2010, the LVCVA issued \$124,290,000 in general obligation bonds. As part of this issue, \$99,640,000 is to pay for a commitment to the Nevada Department of Transportation (NDOT), which is described in Note 13 and \$24,650,000 was to refund the 1998A general obligation bonds, resulting in a net present value savings of \$933,733.

The following is a summary of general obligation bonds payable at June 30, 2010:

\$38,200,000 - 5/07 Refunding Bonds due in annual installments through FY 2022. Semi-annual interest from 4.0 - 5.0%	\$	34,340,000
\$26,455,000 - 7/08 (NDOT) Bonds due in annual installments through FY 2028. Semi-annual interest from 4-5%		26,015,000
\$70,770,000 - 2010A (NDOT) Bonds due in annual installments through FY 2020. Semi-annual interest from 6.55 - 6.75%		70,770,000
\$53,520,000- 2010B (NDOT/Refunding) Bonds due in annual installments through FY 2027. Semi-annual interest from 4.25-6.0%		53,520,000
	<u>\$</u>	<u>184,645,000</u>

NOTE 8. LONG-TERM DEBT (continued):

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

Year ending June 30,	Principal	Interest
2011	\$ 2,615,000	\$ 9,294,994
2012	4,820,000	9,647,595
2013	5,000,000	9,487,438
2014	5,195,000	9,300,263
2015	5,410,000	9,084,713
2016-2020	30,775,000	41,621,110
2021-2025	39,660,000	33,504,350
2026-2030	33,455,000	22,646,804
2031-2035	29,155,000	13,938,575
2036-2039	28,560,000	3,748,865
Total	<u>\$ 184,645,000</u>	<u>\$ 162,274,707</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 and gaming taxes, in addition to revenues from the operation of the facility.

The following is a summary of revenue bonds payable at June 30, 2010:

\$150,000,000 - 11/99 Revenue Bonds due in annual installments through FY 2012. Semi-annual interest from 4.8 - 6.0%	\$ 21,735,000
\$118,745,000 - 4/05 Revenue Bonds due in annual installments through FY 2020. Semi-annual interest from 3 - 5%	116,805,000
\$50,000,000- 11/07 Revenue Bonds due in annual installments through FY 2037. Semi-annual interest from 4.25 - 6.0%	48,465,000
	<u>\$ 187,005,000</u>

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
2011	\$ 11,620,000	\$ 9,263,523
2012	12,285,000	8,576,616
2013	13,025,000	7,869,241
2014	13,720,000	7,169,685
2015	14,450,000	6,432,823
2016-2020	84,340,000	20,079,338
2021-2025	7,445,000	8,425,443
2026-2030	9,360,000	6,404,750
2031-2035	11,990,000	3,751,250
2036-2039	8,770,000	672,250
Total	<u>\$ 187,005,000</u>	<u>\$ 78,644,919</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, 2010, 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, 2010:

\$96,000,000 - Commercial Paper Series A. Periodic interest is based on market rates (.25 - .35% in FY 2010)	\$ 96,000,000
--	---------------

Commercial paper is ordinarily due in various periodic installments of not more than 9 months from date of issue; however, because the commercial paper is subject to an irrevocable letter of credit, which as of June 30, 2010, has an expiration date of August 2011, the obligation is classified as long-term debt in the statement of net assets.

ARBITRAGE REBATE AND DEBT COVENANT REQUIREMENTS

The federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the LVCVA. Under this Act, an amount may be required to be rebated to the United States Treasury (called "arbitrage") for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent such date, the LVCVA's management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

In addition, certain LVCVA long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels and revenue/expense ratios in which LVCVA management believes to be in compliance.

Las Vegas Convention and Visitors Authority
Notes to the Financial Statements
For Fiscal Year Ended June 30, 2010

NOTE 8. LONG-TERM DEBT (continued):

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

	Interest paid During the Year	Beginning Balance, July 1, 2009	Additions	Reductions	Ending Balance, July 1, 2010
BONDS AND COMMERCIAL PAPER					
General Obligation/Pledged Revenue Bonds					
1998A Refunding Bonds	\$ 1,258,731	\$ 24,955,000		\$ (24,955,000)	
5/07 Refunding Bonds	1,666,563	36,400,000		(2,060,000)	\$ 34,340,000
7/08 General Obligation Bonds	1,220,685	26,455,000		(440,000)	26,015,000
2010A General Obligation Bonds			\$ 70,770,000		70,770,000
2010B General Obligation/Refunding Bonds			53,520,000		53,520,000
Revenue Bonds					
11/99 Revenue Bonds	1,526,050	31,725,000		(9,990,000)	21,735,000
4/05 Revenue Bonds	5,968,894	116,960,000		(155,000)	116,805,000
11/07 Revenue Bonds	2,391,985	49,330,000		(865,000)	48,465,000
Commercial paper	950,061	96,000,000			96,000,000
Unamortized bond premiums and deferred refunding charges		1,243,182	1,614,529	(110,825)	2,746,886
OTHER LIABILITIES					
Compensated absences		5,510,042	3,291,154	(3,748,593)	5,052,603
Postemployment benefits other than pensions		3,595,082	3,064,725	(932,189)	5,727,618
	\$ 14,982,969	\$ 392,173,306	\$ 132,260,408	\$ (43,256,607)	\$ 481,177,107

The portion of each long-term liability that is due in FY 2011 is shown below:

	Principal	Interest
BONDS		
General Obligation/Pledged Revenue Bonds		
5/07 Refunding Bonds	\$ 2,155,000	\$ 1,579,569
7/08 General Obligations Bonds	460,000	1,202,685
2010A General Obligations Bonds		4,393,307
7/08 General Obligations Bonds		2,119,433
Revenue Bonds		
11/99 Revenue Bonds	10,555,000	961,063
4/05 Revenue Bonds	160,000	5,963,575
11/07 Revenue Bonds	905,000	2,338,885
Total Bonds	14,235,000	18,558,517
OTHER LIABILITIES		
Compensated absences	2,880,565	
Total	\$ 17,115,565	\$ 18,558,517

The general fund has been used in prior years to liquidate compensated absences.

NOTE 9. RISK MANAGEMENT:

The LVCVA is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The LVCVA has third-party coverage for all lines of insurance, including 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. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 10. 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 NRS 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 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.

Contribution rates are established by the NRS 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 LVCVA currently makes all required contributions.

NOTE 10. EMPLOYEE RETIREMENT PLAN (continued):

The required contributions for fiscal years 2008-2010 were as follows:

Year Ended June 30,	Covered Payroll	Annual Required Contriubtion Rate	Annual Required Contribution Paid By LVCVA
2008	\$ 30,633,222	20.43%	\$ 6,257,069
2009	30,317,437	20.40%	6,184,851
2010	28,733,846	21.41%	6,150,928

PERS issues a stand-alone CAFR 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 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

From the accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the costs occurs, rather than in the future years when it will be paid. The requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, were adopted for the year ended June 30, 2008. The LVCVA recognizes the cost of postemployment healthcare in the year when the employee services are received by reporting the accumulated liability from the prior years, and providing useful information in assessing potential demands on the LVCVA's future cash flows.

PLAN DESCRIPTION

In accordance with NRS, retirees of the LVCVA may continue insurance through existing plans, if enrolled as an active employee at the time of retirement. The two programs available to active employees and retirees are the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF), a cost-sharing multiple-employer defined benefit plan, and Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO) plan.

The CCSF plan is not administered as a qualifying trust or equivalent arrangement, as defined by GASB Statement No. 45, and is included in the Clark County CAFR as an internal service fund (the Self-Funded Group Insurance Fund). The CCSF report may be obtained by writing Clark County, Nevada, PO Box 551210, 500 S. Grand Central Parkway, Las Vegas, Nevada 89155-1210.

NOTE 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued):

The LVCVA provides continuation of medical insurance coverage to retirees under the State of Nevada Public Employees Benefits Program (PEBP) a cost-sharing multiple-employer defined benefit plan. For participants who enrolled in the PEBP prior to September 1, 2008, the LVCVA is responsible for payment of a monthly subsidy, based on the years of service with a local government in the Nevada PERS system for the life of the retiree. The PEBP issues a publicly available financial report that includes financial statements and required supplementary information. The PEBP report may be obtained by writing or calling the Public Employee Benefit Plan, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701, (800) 326-5496.

FUNDING POLICY

For the CCSF and HPN plans, contribution requirements of plan members and the LVCVA are established and may be amended through negotiations between the LVCVA and Clark County. In prior years, the LVCVA has made additional contributions to CCSF under terms of the agreement, which are held by Clark County. Retirees in the CCSF and HPN programs receive no direct subsidy from the LVCVA. Retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claim cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the LVCVA. The LVCVA currently pays for postemployment healthcare benefits on a pay-as-you-go basis. Although no trust fund has been established by the LVCVA, the possibility of participating in another local governments' trust fund exists.

The LVCVA is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who enroll in this plan. The subsidy is set by the Nevada State Legislature.

Annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the LVCVA's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the LVCVA's net OPEB obligation.

	CCSF and			
	HPN	PEBP	Total	
Annual required contribution (ARC)	\$ 2,907,626	\$ 13,297	\$ 2,920,923	
Interest on net OPEB obligation	143,148	654	143,802	
Adjustment to the ARC	(206,958)	(946)	(207,904)	
Annual OPEB cost (expense)	<u>2,843,816</u>	<u>13,005</u>	<u>2,856,821</u>	
Contributions made	(481,907)	(242,378)	(724,285)	
Increase in net OPEB obligations	<u>2,361,909</u>	<u>(229,373)</u>	<u>2,132,536</u>	
Net OPEB obligation - beginning of the year	3,779,129	(184,047)	3,595,082	
Net OPEB obligation - end of the year	<u>\$ 6,141,038</u>	<u>\$ (413,420)</u>	<u>\$ 5,727,618</u>	

NOTE 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued):

The LVCVA's annual OPEB cost, the percentage of annual cost contributed and net OPEB obligation for the FY 2010 and FY 2009 were as follows:

	Fiscal year ended June 30,	Annual OPEB Cost	Percent of OPEB cost contributed	Net OPEB obligation
CCSF and HPN	2009	\$ 2,355,844	17.6%	\$ 3,779,129
	2010	2,843,816	16.9%	6,141,038
PEBP	2009	(172,800)	(162.9%)*	(184,047)
	2010	13,005	1863.7%	(413,420)

* OPEB cost (expense) in FY 2009 was (\$172,800) and contributions were \$281,641.

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plan as of June 30, 2010 was as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a percentage of Covered Payroll
<u>CCSF and HPN</u>						
7/1/2008		\$ 25,033,272	\$ 25,033,272	0%	\$ 30,317,437	83%
<u>PEBP</u>						
7/1/2008		\$ 221,086	\$ 221,086	0%	N/A*	N/A*

*PEBP is a closed plan; and therefore, there are no current employees covered by the PEBP.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, will provide multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 11. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued):

ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the LVCVA and the plan members. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

	CCSF, HPN and PEBP
Actuarial valuation date	July 1, 2008
Actuarial cost method	Entry age normal, level dollar amount
Amortization method	30 years, open, level dollar
Remaining amortization period	30 years remaining as of July 1, 2008
Asset valuation	N/A, no assets in trust
 Actuarial assumptions:	
Investment rate of return	4%
Projected salary increases	N/A
Cost of living adjustments	N/A
Healthcare inflation rates	8% in 2009/2010, grading down 0.5% per year until it reaches an ultimate rate of 5.0%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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 future appropriation or expenditure. The LVCVA's reserved fund balances at June 30, 2010, are as follows:

	General Fund	Capital Projects Fund	Debt Service Fund
RESERVED FOR:			
Inventory and prepaid items	\$ 908,036		
Capital projects		\$ 56,272,290	
Capital grants to other governments		68,705,247	
Debt service			\$ 51,057,861
Total fund balances reserved	\$ 908,036	\$ 124,977,537	\$ 51,057,861

The reserves in the capital projects fund are restricted for facility construction, land acquisition and improvements.

The reserves in the debt service fund are legally restricted for the principal and interest payments of debt maturing in future years.

NOTE 13. COMMITMENTS AND CONTINGENCIES:

The United States is experiencing a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, weakness in the commercial and investment banking systems, and is engaged in a war, all of which are likely to have far-reaching effects on the economic activity in the country for an indeterminate period. The near- and long-term impact of these factors on the Nevada economy and the LVCVA's operations cannot be predicted at this time but may be substantial.

CONTRACTS AND COMMITMENTS

VISITORS' CENTERS

The LVCVA has entered into cooperative agreements with the State of Nevada to staff, operate, and maintain two visitor information centers owned by the State of Nevada in Boulder City and Mesquite, Nevada. The centers provide information on recreational opportunities in Clark County. The agreements will expire in October 2013.

NATIONAL FINALS RODEO

In January 2006, 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 be made in fiscal year 2014.

PROFESSIONAL BULLRIDERS TOUR (PBR)

In November 2009, the LVCVA entered into an agreement with the PBR to provide a \$5.2 million sponsorship fee over a 3-year period (FY 2010 - FY 2012).

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 of the Plaza at the Henderson City Hall. The final payment will be made in FY 2012.

NEVADA DEPARTMENT OF TRANSPORTATION (NDOT) 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. 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 initial issuance of \$26,455,000 was completed in August 2008. In January 2010, an additional \$99,640,000 was issued and the remaining balance of this commitment (\$173,905,000) is anticipated to be issued in FY 2011. At June 30, 2010, approximately \$57 million of the proceeds had been disbursed to NDOT.

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued):

MASTER PLAN ENHANCEMENT PROGRAM (MPEP) - SALE OF COMMERCIAL PAPER

As part of the LVCVA's Vision Plan, the Board approved the MPEP in FY 2007. The MPEP was designated as a comprehensive plan of renovations and enhancements to the Las Vegas Convention Center. The MPEP was to be funded with proceeds from the sale of \$822 million in debt securities, with additional funding of \$68 million to come from the LVCVA's capital reserve funds. The LVCVA used commercial paper program to provide short-term capital needs for the MPEP. As of June 30, 2010, the LVCVA has issued \$96 million in commercial paper to fund the MPEP. No additional issues are contemplated as the MPEP was suspended indefinitely in March 2009. The outstanding commercial paper is scheduled to be refunded with fixed debt in FY 2011.

CONSTRUCTION CONTRACTS AND COMMITMENTS

The LVCVA is a party to several contracts and commitments relating to construction projects and services. At June 30, 2010, such contracts totaled approximately \$57,369,225 with an estimated outstanding balance of \$4,860,690.

WORLD TRAVEL AND TOURISM CONFERENCE (WTTC)

Las Vegas has been selected to host the WTTC's annual Global Travel & Tourism Summit in May 2011 with the LVCVA taking an active role as a partner at the event, as well as a financial role. The summit promotes the importance of travel and tourism, calling attention to the tourism sector's broader economic impact. The LVCVA will provide approximately \$1.5 million dollars to host this event.

WORLDWIDE ROUTES DEVELOPMENT FORUM ("ROUTES")

Las Vegas, *via* the LVCVA's sponsorship, will be hosting the 19th Worldwide Routes Development Forum (Routes) in October 2013. Routes is considered the premier international forum for the world's airline development industry. Routes acts as a facilitator where commercial and charter airlines, airports, and tourism authorities from every continent can meet in a single location. The LVCVA will provide approximately \$1.2 million dollars to host this event.

LEGAL MATTERS

The LVCVA is the defendant in various legal actions. It is the opinion of the LVCVA's management 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.

There may be possible expenses (unknown at this time) related to alleged ground water contamination in a parking area at the Las Vegas Convention Center. No order or request has been made regarding the scope of clean up of such contamination nor is one expected to be made in the near future.

NOTE 14. ROOM TAX REVENUE:

Revenue for the LVCVA is primarily provided by a 10%-13% 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	12%-13%	5%-6%	1 5/8%	1%	0%-1%	3 3/8%
Other hotel and motels	10%-13%	2%-5%	1 5/8%	1%	0%-2%	2 3/8% - 3 3/8%

NOTE 15. SUBSEQUENT EVENTS:

UNION NEGOTIATION:

In July 2009, the LVCVA Board of Directors approved a five-year collective bargaining agreement with the Service Employees International Union (SEIU) with the stipulation that the cost of living adjustments (COLA) for FY 2011 and FY 2012 be negotiated. In June 2010, negotiations for those COLAs reached an impasse and arbitration is pending. The extent of a future expense to be sustained as a result of these negotiations, if any, is not subject to estimation at this time.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

Other Postemployment Employee Benefits

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

Governmental Funds

General Fund

This fund is the primary operating fund which accounts for the accumulation of financial resources of the LVCVA; except for those required to be accounted for in a separate fund.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 Schedule of Funding Progress
 Other Postemployment Employee Benefits

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>CCSF and HPN</u>						
7/1/2006	---	\$ 17,453,525	\$ 17,453,525	0%	\$ 22,804,727	77%
7/1/2008	---	25,033,272	25,033,272	0%	30,317,437	83%
<u>PEBP</u>						
7/1/2006	---	\$ 4,495,818	\$ 4,495,818	0%	\$ 5,874,223	77%
7/1/2008	---	221,086	221,086	0%	N/A*	N/A*

* PEBP is a closed plan; and therefore, there are no current employees covered by the PEBP.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Room taxes and gaming fees	\$ 178,950,000	\$ 151,950,000	\$ 156,006,696	\$ 4,056,696
Charges for service	48,983,800	43,883,800	44,535,733	651,933
Interest and investment earnings	985,000	985,000	188,525	(796,475)
Miscellaneous	7,000	7,000	6,413	(587)
Total revenues	228,925,800	196,825,800	200,737,367	3,911,567
Expenditures:				
General government	11,737,400	11,440,600	10,700,951	739,649
Marketing	30,991,300	28,324,070	26,754,911	1,569,159
Advertising	86,525,300	87,706,400	87,199,280	507,120
Operations	39,475,400	37,905,800	34,186,143	3,719,657
Community Support:				
Special events grants	7,707,389	7,707,389	7,437,670	269,719
Other community support and grants	19,650,000	16,652,800	16,749,540	(96,740)
Total expenditures	196,086,789	189,737,059	183,028,495	6,708,564
Excess of revenues over expenditures	32,839,011	7,088,741	17,708,872	10,620,131
Other financing sources (uses):				
Transfers in	1,160,125	14,212,296	13,630,303	(581,993)
Transfers out	(35,787,965)	(30,297,831)	(30,297,832)	(1)
Proceeds from the sale of assets	7,000	7,000	11,130	4,130
Total other financing sources (uses):	(34,620,840)	(16,078,535)	(16,656,399)	(577,864)
Net change in fund balances	(1,781,829)	(8,989,794)	1,052,473	10,042,267
Fund balances - beginning	18,447,554	18,447,554	18,447,554	
Fund balances - ending	\$ 16,665,725	\$ 9,457,760	\$ 19,500,027	\$ 10,042,267

NOTE 1. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS:

The July 1, 2006 actuarial valuation was the first valuation of the postemployment benefit plans. As additional actuarial valuations are obtained, this schedule will ultimately present information from the most three recent valuations.

For the year ended June 30, 2010, no significant events occurred that would have affected or changed the benefits provision, size or composition of those covered by the other postemployment benefit plans, or actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2006 and July 1, 2008.

The actuarial accrued liability and unfunded actuarial accrued liability involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These estimates are subject to continual revisions.

Additional information related to postemployment benefits other than pensions can be found in Note 11 to the LVCVA's basic financial statements on pages 34 through 37 of this report.

NOTE 2. BASIS OF PRESENTATION:

The accompanying required supplementary general fund schedule of revenues, expenditures and changes in fund balances presents the original adopted budget, the final amended budget and actual general fund data. The original budget was adopted on a basis consistent with the LVCVA's financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

Additional budgetary information can be found in Note 3 to the LVCVA's financial statements on pages 23 and 24 of this report.

INDIVIDUAL FUND INFORMATION

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

Governmental Funds

Special Revenue Fund

This fund was used, in past years', to account for the accumulation of resources and expenditures for certain special events

Capital Projects Fund

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

Debt Service Fund

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Revenue Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for Services	\$ 1,400,000			
Total revenues	<u>1,400,000</u>			
Expenditures:				
Special events grants	2,098,500			
Total expenditures	<u>2,098,500</u>			
Deficiency of revenues over expenditures	<u>(698,500)</u>			
Other financing sources (uses):				
Transfers in	800,000			
Transfers out		\$ (52,171)	\$ (52,171)	
Total other financing sources (uses):	<u>800,000</u>	<u>(52,171)</u>	<u>(52,171)</u>	
Net change in fund balances	101,500	(52,171)	(52,171)	
Fund balances - beginning	52,171	52,171	52,171	
Fund balances - ending	<u>\$ 153,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

Capital Projects Fund

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest and investment earnings	\$ 2,025,000	\$ 1,775,000	\$ 494,647	\$ (1,280,353)
Miscellaneous	1,000	401,000	1,039,540	638,540
Total revenues	<u>2,026,000</u>	<u>2,176,000</u>	<u>1,534,187</u>	<u>(641,813)</u>
Expenditures:				
Capital outlay:				
Land improvements	385,000	505,000	415,251	89,749
Building	1,786,000	1,543,300	563,231	980,069
Furniture and equipment	333,800	456,500	34,300	422,200
Construction in progress	7,630,000	45,507,959	8,396,905	37,111,054
Noncapitalized assets			697,574	(697,574)
Capital grants to other governments	264,000,000	116,106,612	45,989,239	70,117,373
Other		831,307	814,753	16,554
Total expenditures	<u>274,134,800</u>	<u>164,950,678</u>	<u>56,911,253</u>	<u>108,039,425</u>
Deficiency of revenues under expenditure:	<u>(272,108,800)</u>	<u>(162,774,678)</u>	<u>(55,377,066)</u>	<u>107,397,612</u>
Other financing sources (uses):				
Transfers in				
Transfers out	(750,000)	(13,750,000)	(13,428,506)	321,494
Proceeds from the sale of assets			207,000	207,000
Premium on debt issuance		1,191,307	1,191,307	
Issuance of debt	274,000,000	99,640,000	99,640,000	
Total other financing sources (uses):	<u>273,250,000</u>	<u>87,081,307</u>	<u>87,609,801</u>	<u>528,494</u>
Net change in fund balances	1,141,200	(75,693,371)	32,232,735	107,926,106
Fund balances - beginning	92,744,802	92,744,802	92,744,802	
Fund balances - ending	<u>\$ 93,886,002</u>	<u>\$ 17,051,431</u>	<u>\$124,977,537</u>	<u>\$ 107,926,106</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest and investment earnings	\$ 410,125	\$ 410,125	\$ 192,138	\$ (217,987)
Federal grant subsidy			711,453	711,453
	<u>410,125</u>	<u>410,125</u>	<u>903,591</u>	<u>493,466</u>
Expenditures:				
1998A Bond				
Principal	70,000	70,000	70,000	
Interest	1,258,731	1,258,731	1,258,731	
11/99 Bond				
Principal	9,990,000	9,990,000	9,990,000	
Interest	1,526,050	1,526,050	1,526,050	
3/05 Bond				
Principal	155,000	155,000	155,000	
Interest	5,968,894	5,968,894	5,968,894	
2007 Bond				
Principal	2,060,000	2,060,000	2,060,000	
Interest	1,666,563	1,666,563	1,666,563	
11/07 Bond				
Principal	865,000	865,000	865,000	
Interest	2,391,985	2,391,985	2,391,985	
7/08 (NDOT) Bond				
Principal	440,000	440,000	440,000	
Interest	1,220,685	1,220,685	1,220,685	
2010B Refunding Bond				
Bond Issuance Costs		188,222	187,511	711
MPEP commercial paper				
Interest	5,760,000	5,760,000	950,061	4,809,939
Issuance Costs			16,000	(16,000)
Total expenditures	<u>33,372,908</u>	<u>33,561,130</u>	<u>28,766,480</u>	<u>4,794,650</u>
Deficiency of revenues under expenditures	<u>(32,962,783)</u>	<u>(33,151,005)</u>	<u>(27,862,889)</u>	<u>(4,301,184)</u>
Other financing sources (uses):				
Transfers in	34,987,965	30,446,330	30,446,330	
Issuance of debt		24,650,000	24,650,000	
Premium on debt issuance		860,619	860,619	
Transfers out	(410,125)	(558,624)	(298,124)	260,500
Payment to refunded bond escrow agent		(25,322,397)	(25,322,397)	
Total other financing sources (uses):	<u>34,577,840</u>	<u>30,075,928</u>	<u>30,336,428</u>	<u>260,500</u>
Net change in fund balances	1,615,057	(3,075,077)	2,473,539	(4,040,684)
Fund balances - beginning	48,584,322	48,584,322	48,584,322	
Fund balances - ending	<u>\$ 50,199,379</u>	<u>\$ 45,509,245</u>	<u>\$ 51,057,861</u>	<u>\$ (4,040,684)</u>

STATISTICAL SECTION

Statistical Section (unaudited)

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 (GASB) are not included because property taxes are not a source of revenue.

Financial Trends

These schedules contain trend information to help the reader understand how the LVCVA's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the LVCVA's most significant local revenue source, room tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the LVCVA's current levels of outstanding debt and the LVCVA's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the LVCVA's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the LVCVA's financial report relates to services the LVCVA provides and the activities it measures.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NET ASSETS BY COMPONENT ^{(1) (2)}
LAST NINE 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>	<u>2008</u>	<u>2009</u>	<u>2010⁽³⁾</u>
Primary government									
Invested in capital assets, net of related debt	\$ 99,874	\$ 105,501	\$ 113,002	\$ 97,216	\$ 143,282	\$ 136,713	\$ 136,347	\$ 183,400	\$ 189,393
Restricted:									
Capital projects	15,672	26,767	31,929	44,747	51,330	84,605	115,136	77,250	56,272
Capital grants to other governments								13,281	68,705
Debt service	18,365	17,882	17,298	16,771	17,502	16,684	20,423	48,584	51,058
Unrestricted:									
Related to non-capital debt								(26,455)	(125,655)
Other	46,990	34,407	41,913	52,075	33,075	48,615	58,729	18,938	16,544
Total primary government net assets	\$ 180,901	\$ 184,557	\$ 204,142	\$ 210,809	\$ 245,189	\$ 286,617	\$ 330,636	\$ 314,998	\$ 256,317

(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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 1.5	\$ 1.1	\$ 1.1	\$ 1.6	\$ 1.1	\$ 2.8	\$ 4.0	\$ 1.1	\$ 0.5	\$ 0.9
Unreserved	58.7	47.7	32.3	40.8	46.0	26.8	33.2	44.7	17.9	18.6
Total general fund	60.2	48.8	33.4	42.4	47.1	29.6	37.2	45.8	18.4	19.5
All other governmental funds										
Reserved	65.2	34.0	44.6	49.2	61.5	68.8	101.3	133.8	141.3	176.0
Unreserved, reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	0.1	-
Capital Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	0.1	0.1	1.4	11.6	-	-
Total all other governmental funds	65.2	34.0	44.6	49.2	61.6	68.9	102.7	145.4	141.4	176.0
Total governmental funds	\$ 125.4	\$ 82.8	\$ 78.0	\$ 91.6	\$ 108.7	\$ 98.5	\$ 139.9	\$ 191.2	\$ 159.8	\$ 195.5

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
CHANGES IN NET ASSETS ^{(1) (6)}
LAST NINE FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

Program Revenues	2002	2003	2004	2005	2006	2007	2008	2009	2010⁽⁶⁾
General government	-	-	-	-	-	-	-	-	-
Marketing	\$ 2,178	\$ 1,838	\$ 1,906	\$ 2,065	\$ 2,843	\$ 2,671	\$ 3,486	\$ 1,618	\$ 1,869
Advertising	-	-	-	-	-	-	-	-	-
Operations	30,298	32,788	35,749	43,004	45,575	48,400	55,781	45,408	43,832
Administration ⁽³⁾	16	25	-	-	-	-	-	-	-
Special events grants	-	-	-	-	-	-	-	866	-
Interest on long-term debt	-	-	-	-	-	-	-	-	711
Total governmental activities program revenues	32,492	34,651	37,655	45,069	48,418	51,071	59,267	47,892	46,412
Expenses									
General government ⁽²⁾	3,426	3,891	4,461	4,063	7,527	7,798	9,773	14,279	\$ 11,040
Marketing	25,406	23,410	25,176	30,374	32,198	33,061	34,617	30,620	27,329
Advertising	60,212	59,224	65,003	78,213	82,923	84,713	88,074	89,548	87,199
Operations	36,194	36,841	41,924	45,890	50,554	54,072	58,248	50,099	50,810
Administration ⁽³⁾	4,981	5,655	-	-	-	-	-	-	-
Capital grants to other governments	-	-	-	-	-	-	-	10,960	45,989
Special events grants	6,054	6,155	6,846	8,128	11,017	14,810	12,967	6,574	7,437
Other community support	14,585	15,502	17,643	21,168	22,871	25,360	25,590	21,317	16,929
Interest on long-term debt	16,030	14,788	14,440	11,688	12,826	12,552	14,317	17,230	17,138
Total governmental activities expenses	166,888	165,466	175,493	199,524	219,916	232,366	243,586	240,627	263,871
Net Expenses	(134,397)	(130,816)	(137,839)	(154,455)	(171,498)	(181,295)	(184,319)	(192,735)	(217,459)
General Revenues and Other Changes in Net Assets									
Room and gaming tax	125,130	133,030	156,435	181,805	202,050	216,893	221,744	173,580	157,810
Interest and investment earnings	2,925	1,436	997	2,048	3,800	5,777	6,599	3,522	875
Gain/loss on the sale of capital assets ⁽⁴⁾	(19)	4	(9)	17	28	53	(7)	-	-
Total general revenues	128,036	134,470	157,423	183,870	205,878	222,723	228,336	177,102	158,685
Special item - Miscellaneous	5,749	-	-	-	-	-	-	-	-
Total general revenues and special items	133,785	134,470	157,423	183,870	205,878	222,723	228,336	177,102	158,685
Change in net assets	(612)	3,654	19,585	29,415	34,380	41,428	44,017	(15,633)	(58,774)
Net assets - beginning (as previously reported)	181,512	180,901	184,555	204,139	210,807	245,187	286,614	330,631	314,998
Adjustments ⁽⁵⁾	-	-	-	(22,748)	-	-	-	-	93
Net assets - beginning (as restated)	181,512	180,901	184,555	181,391	210,807	245,187	286,614	330,631	315,091
Net assets - ending	\$ 180,901	\$ 184,555	\$ 204,139	\$ 210,807	\$ 245,187	\$ 286,614	\$ 330,631	\$ 314,998	\$ 256,317

(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. Beginning in FY 2009, the Finance and Materials Management section was included with General government.

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

(4) Beginning in FY 2009, any gains or losses on the sale of capital assets have been recorded as an expense of the Operations function.

(5) Adjustments to beginning fund balance were the result of a change in accounting estimate in FY 2005 and GASB 51 implementation in FY 2010, respectively.

(6) 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) (4)}
LAST NINE FISCAL YEARS
(amounts expressed in thousands)
(unaudited)

Revenues	2002	2003	2004	2005	2006	2007	2008	2009	2010
Room and gaming taxes	\$ 126,173	\$ 132,631	\$ 155,034	\$ 178,201	\$ 202,050	\$ 215,205	\$ 222,585	\$ 178,828	\$ 156,007
Charges for service	32,484	34,645	37,354	45,056	48,360	50,916	57,689	46,504	44,536
Earnings on investments	2,925	1,437	997	2,048	3,801	5,777	6,599	3,522	875
Federal grant subsidy	-	-	-	-	-	-	-	-	711
Miscellaneous	5,758	6	302	12	59	155	1,004	794	1,046
Total revenues	167,340	168,719	193,687	225,318	254,270	272,053	287,877	229,648	203,175
Expenses									
General government ⁽²⁾	3,347	3,728	4,438	4,061	7,430	7,799	9,192	12,861	10,701
Marketing	25,121	23,283	25,181	30,225	31,991	33,079	33,909	30,165	26,755
Advertising	60,212	59,224	65,003	78,213	82,923	84,713	88,074	89,548	87,199
Operations	26,781	27,626	32,854	34,824	36,890	41,270	43,940	37,350	34,186
Administration ⁽³⁾	4,645	5,377	-	-	-	-	-	-	-
Community support and grants:									
Capital grants to other governments	-	-	-	-	-	-	-	10,960	45,989
Special events grants	6,585	4,975	5,666	6,948	9,817	13,544	11,967	6,574	7,438
Other community support	14,249	16,650	18,723	21,805	24,435	24,873	26,920	22,559	16,749
Capital outlay:									
Capitalized assets	60,261	5,307	2,714	5,574	46,794	29,801	112,556	46,378	9,410
Non-capitalized assets	630	500	281	572	918	992	906	616	698
Debt service:									
Principal	9,865	10,350	10,865	9,950	11,725	11,050	11,605	13,340	13,580
Interest	16,270	15,779	14,372	14,528	11,498	13,341	12,384	17,114	14,983
Bond issuance costs	-	194	-	1,816	2	722	1,053	-	1,018
Total expenditures	227,966	172,993	180,097	208,516	264,423	261,184	352,506	287,465	268,706
Excess (deficiency of revenues over (under) expenditures	(60,626)	(4,274)	13,590	16,802	(10,153)	10,869	(64,628)	(57,817)	(65,531)
Other financing sources (uses)									
Transfers in	32,058	43,821	32,684	46,852	79,275	62,393	67,761	60,217	43,928
Transfers out	(32,058)	(43,821)	(32,684)	(46,852)	(79,275)	(62,393)	(67,761)	(60,217)	(43,928)
Proceeds from the sale of capital assets	32	5	7	33	30	70	14	15	218
Issuance of debt	-	35,075	-	118,745	-	69,200	115,000	26,455	124,290
Premium on debt issuance	-	2,749	-	10,359	-	2,050	911	-	2,052
Payment of refunded bond escrow agent	-	(38,423)	-	(128,953)	-	(40,797)	-	-	(25,322)
Total other financing sources (uses)	32	(594)	7	185	30	30,524	115,925	26,470	101,238
Net change in fund balances	(60,593)	(4,868)	13,597	16,987	(10,123)	41,393	51,296	(31,347)	35,707
Fund balance - beginning	143,487	82,894	78,026	91,624	108,610	98,487	139,879	191,176	159,829
Fund balance - ending	\$ 82,894	\$ 78,026	\$ 91,624	\$ 108,610	\$ 98,487	\$ 139,879	\$ 191,176	\$ 159,829	\$ 195,535
Debt service as a percentage of noncapital expenditures									
	15.6%	15.6%	14.2%	12.1%	10.7%	10.5%	10.0%	12.7%	11.1%

(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. Beginning in FY 2009, the Finance and Materials Management section was included with General Government from Operations.

(3) Beginning in FY 2004, the Administration Function and Operations Function 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 including; annual depreciation and amortization, OPEB, non-capitalized assets, disposal of assets and related gain or loss, compensated absences, and other. Additionally, expenditures from any special revenue fund and capital expansion funds are excluded.

Fiscal Year	Total Expenditures	General Government		Marketing		Advertising ⁽²⁾		Administration ⁽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	171,875,281	4,060,571	2%	30,226,424	18%	78,211,815	46%	n/a	
2006	226,611,762	7,429,634	3%	31,990,835	14%	82,923,473	37%	n/a	
2007	198,904,193	7,799,028	4%	33,079,358	17%	84,713,300	43%	n/a	
2008	214,024,724	9,192,348	4%	33,908,754	16%	88,074,185	41%	n/a	
2009	236,824,486	12,860,753	5%	30,165,052	13%	89,547,692	38%	n/a	
2010	187,617,223	10,700,951	6%	26,754,911	14%	87,199,280	46%	n/a	

Fiscal Year	Operations		Special Events Grants		Other Community Grants		Capital Outlay		Debt Service	
2001	\$ 23,776,552	14%	n/a		\$ 27,376,226	17%	\$ 2,703,897	2%	\$ 28,365,893	17%
2002	26,781,519	15%	\$ 6,584,577	4%	14,222,683	8%	7,326,996	4%	26,134,645	15%
2003	27,625,785	13%	4,974,665	2%	16,537,197	8%	5,806,115	3%	64,746,172	30%
2004	32,854,219	18%	5,665,849	3%	18,722,791	10%	2,995,162	2%	25,237,306	14%
2005	34,824,210	20%	6,948,346	4%	21,804,746	13%	6,145,825	4%	24,477,554	14%
2006	36,890,102	16%	9,816,706	4%	24,431,488	11%	46,794,116	21%	23,225,511	10%
2007	41,269,630	21%	13,543,716	7%	24,872,455	13%	10,505,252	5%	24,391,084	12%
2008	43,940,271	21%	11,967,338	6%	26,673,197	12%	20,209,772	9%	23,999,130	11%
2009	37,350,037	16%	6,574,416	3%	20,227,815	9%	46,994,159	20%	30,454,599	13%
2010	34,186,143	18%	7,437,670	4%	16,650,670	9%	10,107,261	5%	28,766,480	15%

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

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

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

(4) Beginning in FY 2006, the Public Affairs section transferred from the Marketing function to the General government function.

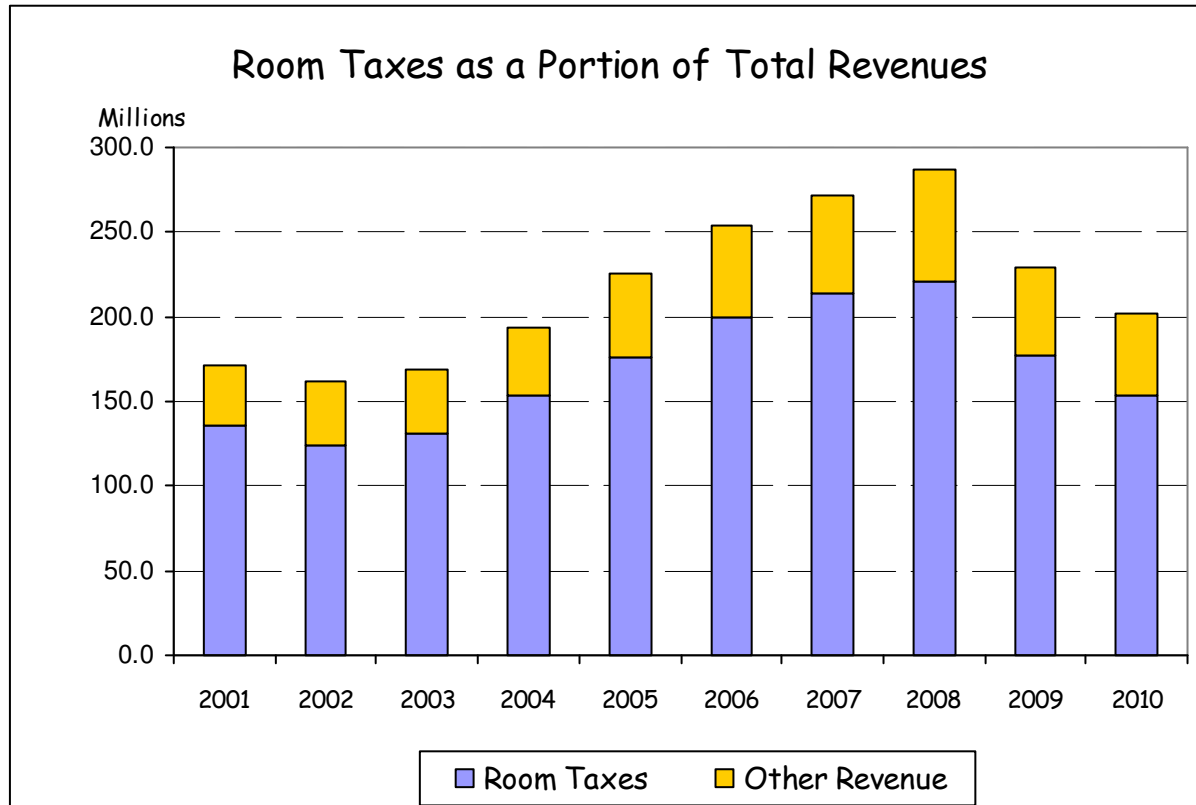
(5) Beginning in FY 2009, the Finance and Materials Management section was included with the General government function.

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 any special revenue fund, and any revenues from the capital expansion funds.

Fiscal Year	Total Revenues	Room Tax		Charges for Services		Gaming Tax		Interest	
		\$	%	\$	%	\$	%	\$	%
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%
2008	286,098,907	220,733,128	77%	57,689,079	20%	1,851,848	<1%	5,824,852	2%
2009	228,854,315	176,726,992	77%	46,503,953	20%	2,101,166	<1%	3,522,204	2%
2010	200,730,955	154,046,265	77%	44,535,733	22%	1,960,431	<1%	188,525	<1%

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



LAS VEGAS CONVENTION AND VISITORS AUTHORITY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Medium-Term Bonds	Commercial Paper	Total Primary Government	Amount of Debt per Visitors ⁽¹⁾
2001	\$ 147,755,000	\$ 150,000,000	\$ 3,140,000		\$ 297,755,000	\$ 8.50
2002	138,890,000	150,000,000	2,140,000		291,030,000	8.30
2003	127,505,000	150,000,000	1,095,000		278,600,000	7.84
2004	117,735,000	150,000,000			267,735,000	7.16
2005	107,885,000	150,870,000			258,755,000	6.71
2006	97,610,000	149,420,000			247,030,000	6.35
2007	85,135,000	149,180,000			234,315,000	5.98
2008	73,775,000	198,935,000		\$ 96,000,000	368,710,000	9.84
2009	87,810,000	198,015,000		96,000,000	381,825,000	10.50
2010	184,645,000	187,005,000		96,000,000	467,650,000	n/a

(1) These ratios are calculated using the total number of visitors based on a calendar year located in the Visitors Analysis schedule.

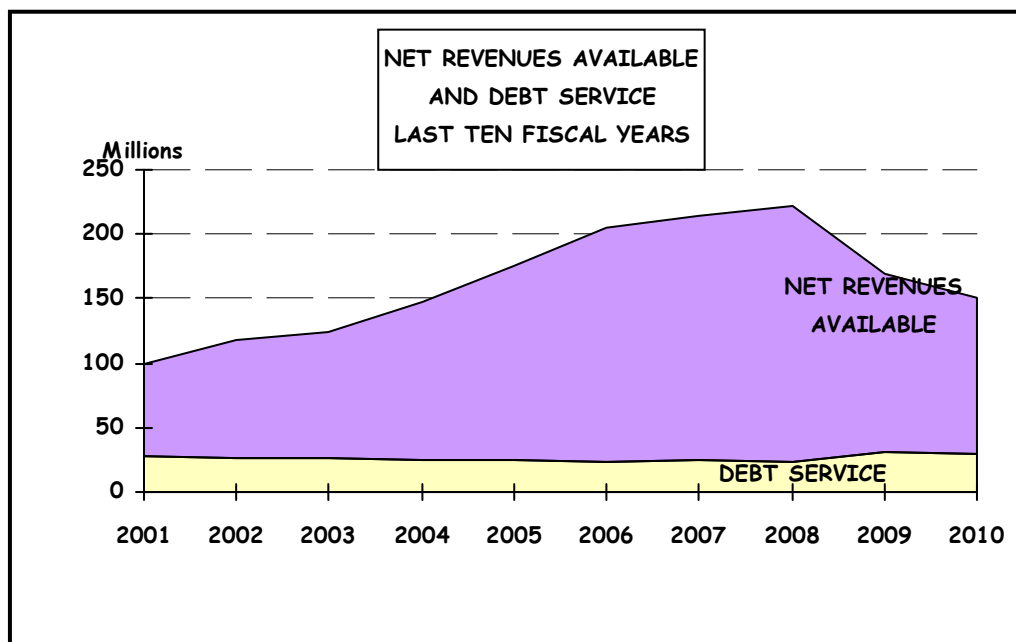
LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 BOND COVERAGE
 LAST TEN FISCAL YEARS
 (unaudited)

Four of the LVCVA's seven 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, as of June 30, 2010, no ad valerom 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, bond issuance costs, construction in progress, and debt service are excluded from operating and maintenance expenditures.

FISCAL YEAR	GROSS REVENUES	MAINTENANCE EXPENDITURES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL AND INTEREST	SERVICE COVERAGE
2001	\$ 176,833,594	\$ 78,132,110	\$ 98,701,484	\$ 28,365,893	3.5
2002	160,456,123	42,296,252	118,159,871	26,134,645	4.5
2003	168,352,691	44,524,955	123,827,736	26,129,200	4.7
2004	193,181,747	45,407,501	147,774,246	25,237,306	5.9
2005	224,770,553	49,889,874	174,880,679	24,477,555	7.1
2006	253,172,523	68,828,393	184,344,130	23,223,269	7.9
2007	269,118,611	76,043,204	193,075,407	24,391,084	7.9
2008	281,918,943	81,762,823	200,156,120	23,989,128	8.3
2009	225,143,478	74,174,227	150,969,251	30,454,599	5.0
2010	200,737,367	65,605,849	135,131,518	28,766,480	4.7



LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2010
 (unaudited)

FISCAL YEAR	APPROXIMATE ASSESSED VALUATION ⁽¹⁾	BONDED DEBT LIMIT ⁽²⁾	TOTAL DEBT APPLICABLE TO DEBT LIMIT ⁽³⁾	DEBT MARGIN
2001	\$ 33,307,912,504	\$ 1,665,395,625	\$ 150,895,000	\$ 28,365,893
2002	36,490,324,975	1,824,516,249	141,030,000	1,683,486,249
2003	40,613,952,632	2,030,697,632	128,600,000	1,902,097,632
2004	41,137,397,088	2,056,869,854	117,735,000	1,939,134,854
2005	44,626,661,108	2,231,333,055	107,885,000	2,123,448,055
2006	66,848,185,904	3,342,409,295	97,640,000	3,244,769,295
2007	93,359,179,034	4,667,958,952	85,135,000	4,582,823,952
2008	108,649,925,840	5,432,496,292	73,775,000	5,358,721,292
2009	112,805,485,594	5,640,274,280	87,810,000	5,552,464,280
2010	91,733,233,181	4,586,661,659	184,645,000	4,402,016,659

- (1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada. 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. NRS 244A.653 states that the County may not become indebted in excess of 5% 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% of the County's total reported assessed valuation.
- (3) The LVCVA's Outstanding General Obligation indebtedness includes general obligation bonds, and medium-term obligations.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 CLARK COUNTY, NEVADA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2010
 (unaudited)

	<u>GROSS DEBT</u>	<u>MONIES AVAILABLE</u>	<u>NET OUTSTANDING DEBT</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
<u>Direct Debt:</u>					
Las Vegas Convention and Visitors Authority ⁽¹⁾	\$ 371,650,000	\$ 14,235,000	\$ 357,415,000	100%	\$ 357,415,000
<u>Overlapping Debt:</u>					
General County	660,670,000	160,879,178 ⁽²⁾	499,790,822	100%	499,790,822
Total	<u>\$ 1,032,320,000</u>	<u>\$ 175,114,178</u>	<u>\$ 857,205,822</u>		<u>\$ 857,205,822</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 35.3, with 25.5% of the population under the age of 18. The Clark County School District is the fifth largest in the nation with 352 schools. The median household income is \$58,148.

Per the Census Bureau, Clark County is the nation's 15th most populous county in the United States. The population in FY 2009 grew by less than 1% over FY 2008.



Source: <http://gisgate.co.clark.nv.us/gismo/gismo>

Entity	Incorporation Date	2009 Population	Square Miles (approx.)
Clark County	1909	864,569	8,260
Las Vegas	1911	607,876	110
North Las Vegas	1946	221,003	80
Henderson	1953	275,134	96
Boulder City	1958	16,511	200
Mesquite	1984	21,253	15

AS OF JUNE 30,	POPULATION (A)	PER CAPITA INCOME (B)	LABOR FORCE (C)	UN-EMPLOYMENT RATE (C)
2001	1,485,855	29,641	757,910	5.30%
2002	1,549,657	29,805	781,800	6.10%
2003	1,620,748	30,861	805,300	5.80%
2004	1,715,337	33,049	834,230	4.80%
2005	1,796,380	34,980	875,710	4.30%
2006	1,874,837	37,024	922,420	4.30%
2007	1,954,319	39,187	958,400	4.70%
2008	1,967,716	39,269	986,800	6.30%
2009	2,006,346	37,457	1,011,215	12.30%
2010	2,148,122	N/A	974,415	14.60%

AS OF DEC 31,	MEDIAN HOUSE-HOLD INCOME	MEDIAN AGE	SCHOOL ENROLLMENT (D)
2000	41,657	48.5	231,125
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	295,165
2005	47,320	47.9	304,444
2006	53,111	47.5	315,697
2007	53,704	50.1	323,037
2008	57,403	*35.7	330,519
2009	58,148	35.3	323,607

Sources:

- (A) June 30, 2010 population estimate from the Nevada State Demographer.
- (B) U.S. Bureau of Economic Analysis, AMSA04, per capita personal income. 2010 figure unavailable at time of printing.
- (C) June 30 labor force statistics and unemployment rate provided by Nevada Department of Employment, Training & Rehabilitation - Information Development & Processing Division - Research & Analysis Bureau.
- (D) Total public, private and parochial school enrollments for FY 1999 - 2003 are from the Nevada Department of Education, Administrative & Fiscal Services. FY 2004 - 2009 comes from the Las Vegas Perspective.

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

*Starting with calendar year 2008 - median age calculation includes entire population; previously it was the adult population only.

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
	2001	\$ 29,164,283	\$ 83,326,523	\$ 4,143,630	\$ 11,838,942	\$ 33,307,913
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
2008	102,349,025	292,425,787	6,300,900	18,002,573	108,649,925	310,428,360
2009	106,988,179	305,680,511	5,817,307	16,620,877	112,805,486	322,301,388
2010	86,961,002	248,460,005	4,772,231	13,634,947	91,733,233	262,094,952

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
	NUMBER OF PERMITS	VALUE	OF PERMITS	VALUE	OF PERMITS	VALUE	
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
2007	69	2,286,411	1,074	2,486,733	13,831	3,902,161	8,675,305
2008	41	2,090,020	558	1,738,803	6,241	1,333,286	5,162,109
2009	5	25,839	170	790,695	4,034	562,291	1,378,825

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.

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
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%
2007	6,209,253	15.8%	32,987,508	84.2%	39,196,761	0.7%
2008	5,899,725	15.7%	31,581,827	84.3%	37,481,552	-4.4%
2009	4,492,275	12.4%	31,859,194	87.6%	36,351,469	-3.0%

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. 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 (In Thousands)	INCREASE	GAMING REVENUES (In Thousands)	INCREASE	ROOM TAXES (Fiscal Year) (In Thousands)	INCREASE
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%
2007	8,388,240	2.5%	10,868,029	2.1%	213,256,076	6.6%
2008	n/a **	n/a	9,796,970	-9.9%	220,733,128	3.5%
2009	n/a **	n/a	8,833,902	-9.8%	176,726,992	-19.9%

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.

**Beginning in 2008, the LVCVA no longer tracks non-gaming convention revenue.

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
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	35,961,983
2008	66	12	5	83	42,587,445
2009	75	9	5	89	35,951,249
2010	64	7	4	75	35,783,911

Source: Las Vegas Convention and Visitors Authority

CASHMAN CENTER BUILDING UTILIZATION

FY	CONVENTIONS	EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
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
2008	2	163	112	277	2,069,376
2009	0	112	41	153	1,412,766
2010	1	5	133	139	1,497,930

Source: Las Vegas Convention and Visitors Authority

(1) In 2002 and 2004, the LVCVA 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 LVCVA began counting only meetings held by external customers.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i><u>GENERAL GOVERNMENT</u></i>										
Executive	22	22	17	15	15	17	17	17	17	18
Human Resources	--	--	7	7	7	8	10	10	10	10
Public Affairs	--	--	--	--	--	12	14	18	18	19
Finance*	--	--	--	--	--	--	--	--	42	43
	22	22	24	22	22	37	41	45	87	90
<i><u>MARKETING</u></i>										
Advertising	1	2	2	2	2	2	2	2	2	2
Research	5	9	7	6	5	6	6	7	7	11
Sports Marketing	6	3	2	2	2	2	2	4	2	2
Sales	32	36	35	38	44	--	--	--	--	--
Convention Center Sales	--	--	--	--	--	12	12	12	13	12
Diversity Marketing	--	--	--	--	--	2	4	4	4	2
Convention Sales	--	--	--	--	--	30	30	28	28	31
Tourism	21	21	19	17	19	--	--	--	--	--
Leisure Sales	--	--	--	--	--	17	19	15	17	16
International Sales	--	--	--	--	--	2	2	8	8	6
Destination Services	9	6	7	11	10	10	10	10	10	7
Registration Services	4	4	4	4	4	4	4	4	4	4
Call Center	29	31	31	30	26	26	26	24	23	23
Visitor Information	18	19	19	19	18	18	18	18	18	18
Convention Services	--	--	--	15	15	15	15	16	16	16
Public Affairs	12	13	11	11	12	--	--	--	--	--
Transportation	2	3	--	--	--	--	--	--	--	--
	139	147	137	155	157	146	150	152	152	150

* Beginning in FY 2010, the Finance, Purchasing and Materials Management functions are combined into one department

(continued)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i><u>OPERATIONS</u></i>										
Facilities	19	20	20	2	2	--	--	--	--	--
Client Services	98	127	119	115	113	112	116	126	126	126
Engineering	--	--	--	--	--	--	--	111	113	109
Engineering Systems	37	63	61	55	49	50	50	--	--	--
Engineering Maintenance	25	47	41	48	49	49	50	--	--	--
Communications	12	--	--	--	--	--	--	--	--	--
Grounds	15	--	--	--	--	--	--	--	--	--
Fleet	6	--	--	--	--	--	--	--	--	--
Security	45	45	50	46	47	49	50	39	39	39
Traffic	3	3	3	5	5	11	15	17	17	17
Physical Security	4	5	5	6	6	5	5	17	17	17
Finance	18	19	19	19	20	19	21	22	--	--
Purchasing & Contracts	6	7	8	8	9	9	10	11	--	--
Materials Management	10	9	8	8	9	9	9	10	--	--
Information Technology	12	12	11	11	12	12	12	15	15	15
Transportation	--	--	3	3	--	--	--	--	--	--
Facility Projects	--	--	--	--	3	5	6	7	4	8
Customer Experience	--	--	--	--	--	--	2	2	2	1
	310	357	348	326	324	330	346	377	333	332
<i><u>TOTAL LVCVA</u></i>	471	526	509	503	503	513	537	574	572	572

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

	2004	2005	2006	2007	2008	2009	2010
<u>GENERAL GOVERNMENT</u>							
Human Resources							
# of active employees ⁽²⁾	459	496	515	539	531	500	484
# of new full-time employees processed ⁽²⁾	46	79	63	75	48	-	-
Public Affairs							
Media inquiries received	n/a	626	944	1,000	1,095	1,284	1,042
Press releases distributed	25	48	52	60	93	102	95
Video projects completed	n/a	n/a	n/a	92	108	76	215
Photo assignments completed	n/a	n/a	510	600	659	720	678
Finance							
Payroll checks/deposit advises issued	19,252	19,282	19,862	21,314	22,271	22,199	20,164
Accounts Payable disbursements	6,180	6,859	6,905	7,051	7,060	6,002	4,997
Purchasing & Contracts							
Contracts administered	515	441	580	706	436	259	471
Purchase orders issued	940	1,034	1,209	1,298	1,218	869	553
Materials							
Outgoing mail	210,000	260,000	296,000	280,000	281,585	191,170	44,586
Copies produced	1.2M	1.3M	1.3M	1.5M	1.5M	1.0M	0.7M
<u>MARKETING</u>							
Internet Marketing and Research							
Statistical Reports and Publications produced	15	16	30	26	31	34	33
Web site visits - combined LVCVA sites	7.4M	7.3M	8.8M	7.0M	7.1M	8.2M	8.7M
Web site referrals - combined LVCVA sites	n/a	n/a	3.3M	4.6M	4.9M	4.6M	4.3M
Sales							
Total leads distributed (originated & facilitated)	n/a	n/a	3,540	4,018	4,013	3,186	2,890
Converted leads	n/a	n/a	1,014	1,238	1,229	1,026	845
In-person out of market sales calls	n/a	n/a	1,163	1,974	1,983	4,846	4,144
Travel industry events attended	n/a	n/a	595	681	813	819	902
Registration Services							
Meetings and conventions supported	300	325	343	314	283	281	266
Call Center							
Total calls managed	n/a	n/a	281,666	224,778	201,384	156,401	133,736
Visitor Information							
Total visitor volume	n/a	n/a	278,500	283,306	246,818	225,307	277,539
<u>OPERATIONS</u>							
Client Services							
Show support (man-hours)	12,443	12,992	12,899	15,093	16,093	13,550	12,323
Set/strike meeting rooms/halls (man-hours)	19,382	20,217	21,442	23,402	23,432	21,875	19,957
Facilities							
Leased net square foot serviced (LVCC)	14,749,005	16,651,949	17,785,909	16,357,462	19,197,948	14,334,348	12,856,175
Building attendees supported (LVCC)	1,334,434	1,592,285	1,679,219	1,619,615	1,811,749	1,376,943	1,408,063
Security							
Special events hours worked	n/a	n/a	2,006	2,347	637	363	274
Percentage of lost items returned to owner	61%	52%	50%	50%	48%	49%	47%
Patients treated in First Aid	n/a	n/a	n/a	n/a	3,932	3,000	2,151
Information Technology							
Computer training hours	2,854	1,440	1,896	2,104	2,053	1,803	302
Call resolution time (average hours)	3.0	3.5	3.5	3.5	4.0	4.1	4.3

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

(2) Based on a calendar year.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
 CAPITALS ASSETS BY FUNCTION
 LAST FIVE FISCAL YEARS ⁽¹⁾
 (unaudited)

Fiscal Year	General Government ⁽²⁾	Marketing	Operations ⁽²⁾	Total
2006	\$ 25,527	\$ 61,693	\$ 388,324,539	\$ 388,411,759
2007	35,497	205,351	405,975,373	406,216,221
2008	26,006	294,258	506,030,244	506,350,508
2009	191,960	212,482	539,608,792	540,013,234
2010	355,203	259,280	533,519,929	534,134,412

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

(2) Finance and Materials Mangement transferred from Operations to General Government in FY 2009.

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	34,960	4.20%
CLARK COUNTY	8,740	1.05%
WYNN LAS VEGAS LLC	8,240	0.99%
BELLAGIO LLC	7,740	0.93%
MGM GRAND HOTEL/CASINO	7,740	0.93%
ARIA RESORT & CASINO LLC	7,240	0.87%
MANDALAY BAY RESORT AND CASINO	6,240	0.75%
LAS VEGAS METROPOLITAN POLICE	5,740	0.69%
UNIVERSITY OF NV-LV	5,740	0.69%
CAESARS PALACE	5,240	0.63%
Total for Principal Employers	97,620	11.73%

Clark County Employment as of June 30, 2010	832,457
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Employers	Employees ⁽²⁾	Percentage of County Employment
CLARK COUNTY SCHOOL DISTRICT	25,760	3.59%
BELLAGIO HOTEL & CASINO	8,750	1.22%
MGM GRAND HOTEL/CASINO	8,250	1.15%
CLARK COUNTY	7,750	1.08%
BALLY'S & PARIS CASINO HOTELS	7,750	1.08%
THE ORLEANS HOTEL & CASINO	6,740	0.94%
MIRAGE CASINO-HOTEL, THE	6,240	0.87%
UNIVERSITY OF NV-LV	6,240	0.87%
MANDALAY BAY RESORT AND CASINO	5,240	0.73%
CAESARS PALACE	5,240	0.73%
Total for Principal Employers	87,960	12.26%

Clark County Employment as of June 30, 2001	717,488
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(1) The 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, 2010
 (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	3.1%
Luxor	4,408	2.7%
Venetian	4,027	2.5%
Aria Resort	4,004	2.5%
Excalibur	3,981	2.5%
Bellagio	3,933	2.4%
Circus Circus	3,767	2.3%
Flamingo Hilton	3,565	2.2%
Caesars Palace	3,460	2.1%
Mandalay Bay	3,211	2.0%
	39,390	24.5%
Other Hotels/Motels	105,678	65.7%
Total Las Vegas metropolitan area	145,068	90.1%
Total Laughlin	10,652	6.6%
Total Mesquite	1,790	1.1%
Total Jean/Primm	3,456	2.1%
Total Inventory of Rooms	160,966	100.0%

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

In spite of the increasing availability of rooms, the occupancy rate for the Las Vegas metropolitan area exceeds the national average by over 20% for the past ten calendar years.

Calendar Year	Rooms Available*	Occupancy Percentage	National Occupancy Percentage
2000	124,270	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
2007	132,947	90.4	63.2
2008	140,529	86.0	60.4
2009	141,346 **	81.5	55.1

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

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

** 2009 room inventory is based on a weighted average tied to the opening of new additions. The majority of new rooms were added late in December, for the a December 31, 2009 total of 148,941 rooms.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2010
(unaudited)

	NAME OF INSURER	POLICY NUMBER	LIMIT	EXPIRATION DATE
Commercial Umbrella	Nat'l Union Fire Ins. Co.	BE17727192	\$25,000,000	8/1/2011
Excess over \$25 million	Fireman's Fund Insurance Co.	SHX00014541635	\$25,000,000	8/1/2011
Excess over \$50 million	Great American Insurance Co. of New York	EXC2098182	\$25,000,000	8/1/2011
Excess over \$75 million	Federal Insurance Co. (Chubb)	7973-64-87	\$25,000,000	8/1/2011
Public Officials & Employees Liability	Ace American Insurance Co.	G21656586007	\$10,000,000	8/1/2011
Property/Boiler	Allianz Global Risks US Insurance Co.	CLP3010698	\$400,000,000	8/1/2011
Workers' Compensation - DC/IL	Hartford	53WECRQ2921	\$1,000,000	8/1/2011
Excess Workers' Compensation	Safety National Casualty Corp.	AGC-4042544	\$1,000,000	8/1/2011
General Liability Automobile	Philadelphia Indemnity Ins Co.	PHPK598730	\$1,000,000 \$2,000,000 \$1,000,000	8/1/2011
Crime	Great American Insurance Co.	GVT3792714	Various	8/1/2011
Travel Insurance	CIGNA	ABL 962204	Various	11/30/2010

**Additional Report of
the Independent Auditors'**

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

**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, 2010, and have issued our report thereon dated October 12, 2010. 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 audit, 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 basic 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 *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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of LVCVA's basic financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, 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 basic 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 the 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the LVCVA in a separate letter dated October 12, 2010.

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


October 12, 2010

20th
ANNIVERSARY
2010