LAS Vegas CONVENTION AND VISITORS AUTHORITY

Comprehensive Annual Financial Report

For The Year Ended June 30, 2013

Las Vegas, Clark County, Nevada

Comprehensive Annual Financial Report
For The Year Ended June 30, 2013

Prepared by the Finance Department
Under the supervision of
Rana D. Lacer, Senior Vice President of Finance
and
Shannon Swaner, Director of Finance & Accounting

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November 12, 2013

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, 2013.

The Finance Department prepared these financial statements and assumes responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the Finance Department established a comprehensive internal control framework that is designed to provide reasonable assurance that the LVCVA's assets are protected from loss, theft, or misuse. 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, 2013, 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, 2013, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). The independent auditor's report is presented as the first two pages of the financial section of this CAFR.

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 visitors 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 purpose of attracting visitors and operating its two 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, France, Germany, Ireland, Japan, Mexico, Netherlands, South Korea, Spain and the United Kingdom, Las Vegas' number one overseas market. International travelers as a percentage of overall visitation has grown over the last five years from 12% in 2007 to 17% in 2012. International visitors contributed 31% of total visitor spending in calendar year 2012.

While resorts advertise and market their individual properties, the LVCVA markets and brands the destination as a whole.

The LVCVA integrates its famous branding campaign –

"What Happens Here Stays Here" TM

– 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 (LVCC) and Cashman Center to bring business travel for meetings and conventions. While leisure travel makes up the majority of visitors, business travel is a vital component of our market and represents 12% of annual visitation to Southern Nevada in 2012. Convention attendance improved during FY 2013 resulting in a 3.4% increase over the prior year. Las Vegas has been the number one tradeshow destination in North America for 19 consecutive years. In calendar year 2012, Las Vegas hosted 53 of the largest 250 tradeshows, more than the next two destinations combined.

FACILITIES

Las Vegas Convention Center

The Las Vegas Convention Center opened with the World Congress of Flight in 1959. Today, it is one of the busiest and most 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 more than 47 conventions and tradeshows during FY 2013. Some of the largest conventions held here annually include: MAGIC International, International CES, Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB). The LVCC attracted an estimated 1.5 million total attendees for the fiscal year. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events and full-scale concerts. In 2012, the LVCC received the AIPC Gold Certification from the International Association of Convention Centers. The AIPC reviewed the organization's management practices, policies, procedures and customer service. In addition, they rated facility performance measures, financial accountability, economic impacts, security, emergency response, financial integrity; employee, supplier and community relations, communications and environmental responsibility.

Cashman Center

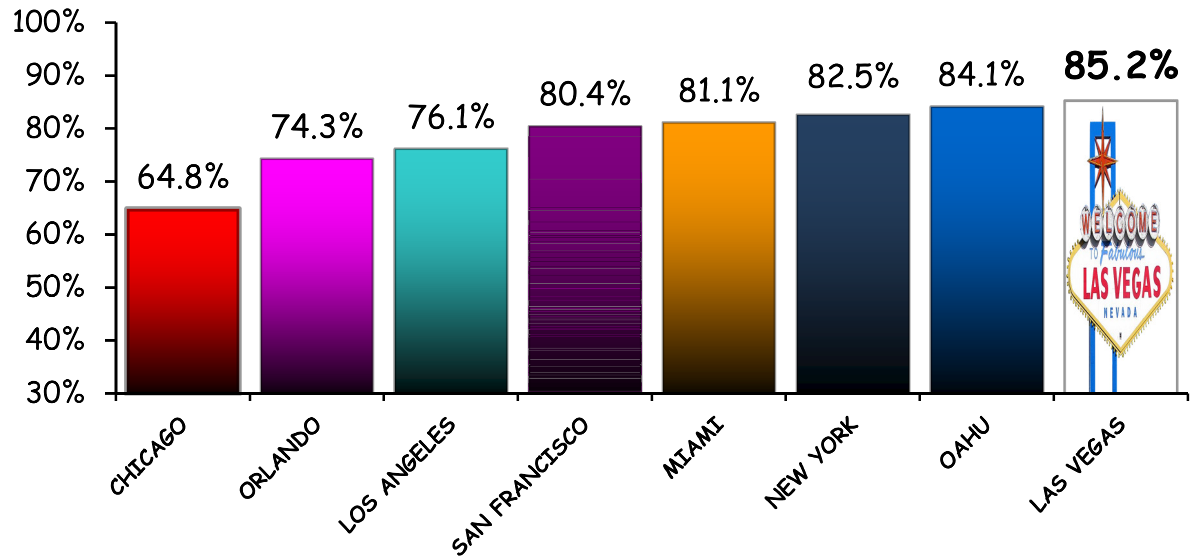
Cashman Center, which opened in 1983, is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes 98,100 square feet of exhibit space, 14 meeting rooms, a 1,922 seat state-of-the-art theatre, over 2,500 spaces for parking, and a 10,000 seat baseball stadium which is the home of the Las Vegas 51s, AAA affiliate of the New York Mets. The center is used frequently for local events, but also has hosted national events. 2013 commemorates Cashman Center's 30^{th} anniversary.

ECONOMIC CONDITION

FY 2013 was our third year of recovery and stabilization from a recession that affected not only Southern Nevada, but the entire nation and global economies. During the recession, the LVCVA developed a nine-point restoration plan designating funding for reserves, advertising, operating needs, and capital as revenue streams grow and prove sustainable. Over FY 2012 and FY 2013 positive indicators and moderate growth in revenues allowed the LVCVA to implement significant components of the restoration plan.

FY 2013 also had reinvestment in the destination from Las Vegas industry partners and other local businesses. Las Vegas continued to invest in its future and engage the visitor with new amenities and in facilities and properties by renovating rooms, expanding restaurant and nightlife options and a variety of other activities to captivate and persuade the visitation. With these new features, Las Vegas continued to be one of the most exciting destinations for leisure or business travel with the highest concentration of hotel rooms in a central area. Seventeen of the largest twenty hotels in North America are located in Las Vegas. Clark County room inventory was over 161,000, with approximately 150,000 rooms in the Las Vegas metropolitan area. Due to the type of renovations during the year, room inventory stayed relatively flat. The number of visitors to the area exceeded 39.7 million for FY 2013, a 0.7% increase over the prior year. Room occupancy in the Las Vegas area consistently exceeds other major resort destinations and historically outpaces the US average by over 20 percentage points each year. Room inventory is expected to remain flat over the next fiscal year while visitation is projected to continue to have modest growth.

Calendar Year to Date Occupancy Rate: June 30, 2013



Sources: Smith Travel and LVCVA Research Dept.

Revenues

Room tax is the LVCVA's primary revenue source. Key components of this revenue stream are room inventory, average daily taxable room rental rate (ADR) and occupancy rates. Economic stabilization, consumer confidence and targeted ad campaigns continued to revive visitation and ADR in FY 2013. General Fund tax and gaming fees revenue increased from $201.4 million in FY 2012 to $205 million in FY 2013. The LVCVA FY 2013 General Fund budget for room tax and gaming fees projected modest growth level of 5% after two years of double-digit increases. Revenues growth contracted more than originally anticipated but still exceeded the prior year by approximately 2%. Charges for services revenues exceeded conservative revenue expectations so that actual total General Fund revenues were only 1% below budget.

MAJOR INITIATIVES IN FY 2013

Marketing

The LVCVA continues to take a leadership role with a variety of marketing and sales initiatives. This year marked the launch of LasVegas.com, an e-commerce consumer website which provides visitors with an additional channel to book a trip to Las Vegas. Sales initiatives include the development of strategies that flow across all sales disciplines and focus on leads and bookings, including hosting industry events such as U.S. Travel Association's International Pow Wow and the U.S. Conference of Mayors. The LVCVA also formalized the Las Vegas Global Business District program that includes renovating and expanding the Las Vegas Convention Center and creating a district surrounding the convention center.

Other significant initiatives include:

- Developed advertising and marketing programs that promoted the new LasVegas.com website.
- Created opportunistic ad campaigns that aligned with current events (*i.e.* Re-energized the "Know the Code" campaign for Prince Harry's trip to Las Vegas). This particular campaign generated more than 150 million media impressions worldwide and equated to over $23 million in public relations value.
- Continued to bring in media-driven special events to the destination like the Power of Love Gala, Billboard Music Awards, National Finals Rodeo, NASCAR Champions Week, Latin GRAMMY Awards, Miss USA and Miss America.
- Aligned with Brand USA and received additional international exposure through select advertising programs. Launched co-op advertising opportunities in eight markets.
- Defined and developed Branded Weekend Special Event concepts for all Southern Nevada destinations. New branded weekends included Chinese New Year and UFC International Fight Week.

- Launched international research, planning programs, and consumer advertising in Brazil, Canada, Mexico and the United Kingdom.
- Created new Business to Business (B2B) and Business to Consumer (B2C) advertising campaigns touting Vegas Means Business.
- Launched a summer campaign to drive visitation during slower months. Featured hotel properties and various amenities that showcased activities in the destination.
- Branded the destination in McCarran International Airport's Terminal 3. Created an international welcome video for the Customs and Border Patrol (CBP) area, cityscape wall wraps in baggage claim, and a photo wall with historic images of Las Vegas.
- The Host Committee engaged the business community and rolled out the "red carpet" to welcome 22 major conventions and special events to the city, and continued to educate the public on the importance of tourism to our local economy.
- Doubled International Sales efforts to launch the emerging markets of Brazil and China.
- Airline lift showed domestic and international scheduled seats up 1.7% for second quarter of 2013 versus the second quarter of 2012. Increased airline lift was attributed to new carriers and flights.
- Initiated new marketing strategies and sales tactics to craft a niche medical tourism market segment.
- Initiated the research phase of the Las Vegas Convention Center District Improvement Master Plan which is now known as the Las Vegas Global Business District (LVGBD). Gathered information from key customers to help guide the future development of infrastructure and facility improvements of the LVCC.

Financial Management and Accountability

Development of the FY 2013 original budget was at a time when economic conditions were showing continued signs of improvement. In FY 2011, the organization developed a Strategic Business Plan, which identified three phases for the tourism market: **Stabilization**, **Revitalization**, and **The New Reality**. Data indicated that FY 2011 was a significant period of 'Stabilization' for Southern Nevada as declines leveled out and economic indicators began to improve. FY 2012 continued increases in revenues, signaling a period of 'Revitalization'. The final market phase, 'The New Reality' acknowledges that the travel industry changed during the three-year recession and "normal" would be based on a new benchmark. FY 2013 growth was moderate, showing the prior year as a general benchmark for expectations of the future. Based on this analysis, FY 2014 is expected to represent the second year of 'The New Reality'. The Finance Department diligently monitored these original forecast inputs and began work for the long-term financial planning discussed below.

Union negotiations occurred during FY 2013 and in July 2013 LVCVA successfully negotiated a 5-year contract with our only union the Service Employees International Union, Local 1107. This gives consistency to one of the most significant cost components in our operating budget for the next few years as we continue our long-term planning to ensure Las Vegas remains the number one convention destination.

Finance staff also reviewed internal policies and procedures to ensure adequate internal controls were in place and reflect all promulgated GAAP and Government Accounting Standard Board (GASB) guidance. This included implementing new GASB statements as well as a review of best practices.

LONG-TERM FINANCIAL PLANNING

Strategic planning has been a key focus of the LVCVA over the last decade. Finance updated long term General Fund operating forecast to ensure operating programs funded in the budgets aligned with the organizations strategic goals. Future marketing activities will continue to create Las Vegas as a global brand that emphasizes the value of Las Vegas as a destination to conduct serious business, as well as to have fun. The primary objectives of the advertising programs are to promote domestic and international visitation for leisure activities, and emphasize the importance of the meetings and convention industry.

In FY 2013 the LVCVA had the capacity to reinvest in our facilities and infrastructure. Continued growth in the revenue base allowed the LVCVA to allocate resources to sustain our operational excellence and ensure the facility’s future competitiveness. These included some aesthetic programs such as 86,000 square yards of carpeting and 298,000 square feet of exterior painting for the LVCC. Many of these deferred maintenance programs are coming to completion.

In order to position the LVCVA for continued long-term success senior executives developed the LVGBD, which embodies the overarching vision for the LVCC and surrounding neighborhood to transform into an international business center. There are three major conceptual components. The first is an international business center to expand and leverage the World Trade Center designation to help us increase our business opportunities around the world. Next is major expansion and renovations to the LVCC. This will add additional exhibit space, meeting rooms and general session space, upgrade technology, add new food and beverage outlets and create a true convention center district. Finally, the plans call for development of a transportation center on campus to improve connectivity through a centralized hub. This will help our visitors move around the resort corridor and improve overall customer experience. Project execution will occur in phases and may take over a decade to complete, with an estimated total expense of $2.5 billion dollars. The first phase will include programming and design, the development of overall budget, improvements to the current space at the LVCC and potential land acquisition.

The LVCVA's structure will also realign management teams and reposition some personnel and cost centers across divisions in FY 2014. The revised structure will provide the foundation for our Senior Executive team to focus on our long term global branding, business district strategies and tactical teams who will translate and execute these strategies in day-to-day operations. This evolution will expand the reach and impact of the Las Vegas brand as a truly global destination icon and establish a foundation for the success of the LVCVA's long-term objectives.

DEBT ADMINISTRATION

Debt Issuance Compliance Policy

The LVCVA realizes the importance of complying with federal and other regulatory requirements regarding the issuance and ongoing management of its debt. The LVCVA's debt issuance compliance 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. 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, 2013, were sufficient to pay principal and interest due on July 1, 2013. Outstanding bonded debt and debt service reserves at June 30, 2013, are shown as:

	Rating S&P	Rating Moody's	Outstanding Debt	Reserves Restricted for Repayment of Debt Principal	Net Outstanding Debt
04/05 Revenue Bonds	A+	A1	$ 104,435,000	$ 12,700,000	$ 91,735,000
05/07 Series Bonds*	AA+	Aa1	27,540,000	2,495,000	25,045,000
11/07 Revenue Bonds	A+	A1	45,640,000	1,020,000	44,620,000
07/08 Series Bonds*	AA+	Aa1	24,585,000	515,000	24,070,000
2010A Series Bonds*	AA+	Aa1	70,770,000	-	70,770,000
2010B Series Bonds*	AA+	Aa1	49,315,000	2,185,000	47,130,000
2010C Series Bonds*	AA+	Aa1	155,390,000	-	155,390,000
2010D Series Bonds*	AA+	Aa1	11,785,000	3,735,000	8,050,000
2010E Revenue Bonds	AA-	A1	81,925,000	-	81,925,000
08/12 Series Bonds*	AA+	Aa1	24,990,000	-	24,990,000
			$ 596,375,000	$ 22,650,000	$ 573,725,000

* Issued through Clark County.

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

The LVCVA issued $25 million in debt in early FY 2013, for the purpose of acquiring and improving several parcels of property adjacent to the LVCC for future expansion purposes.

In FY 2014, the LVCVA is in the process of obtaining approval for additional debt issuances for the LVGBD. Current expectations are for $150 million in new financing over the next 3 years. This balances the use of current debt capacity while avoiding diversion of resources from our primary operating activities. Implementation of phased flexible financing will enable the LVCVA to meet the pace of the economic environment to ensure adequate debt coverage ratios and reserves.

Additional information regarding long-term debt can be found in Note 8 on pages 34 through 38.

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 Revised Statutes (NRS). 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.

Budget variance reports are distributed to the Board on a regular 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 CAFR for the year ended June 30, 2012. 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 GAAP 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 29 consecutive years (fiscal years ended 1984-2012). We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of this report involved the dedicated work of staff in the Finance Department with the support and cooperation of every division. We welcome inquiries concerning this report and the finances of the Las Vegas Convention and Visitors Authority.

Respectfully submitted,

Rossi Ralenkotter
President/CEO

Rana D. Lacer, C.P.A.
Sr. Vice President of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

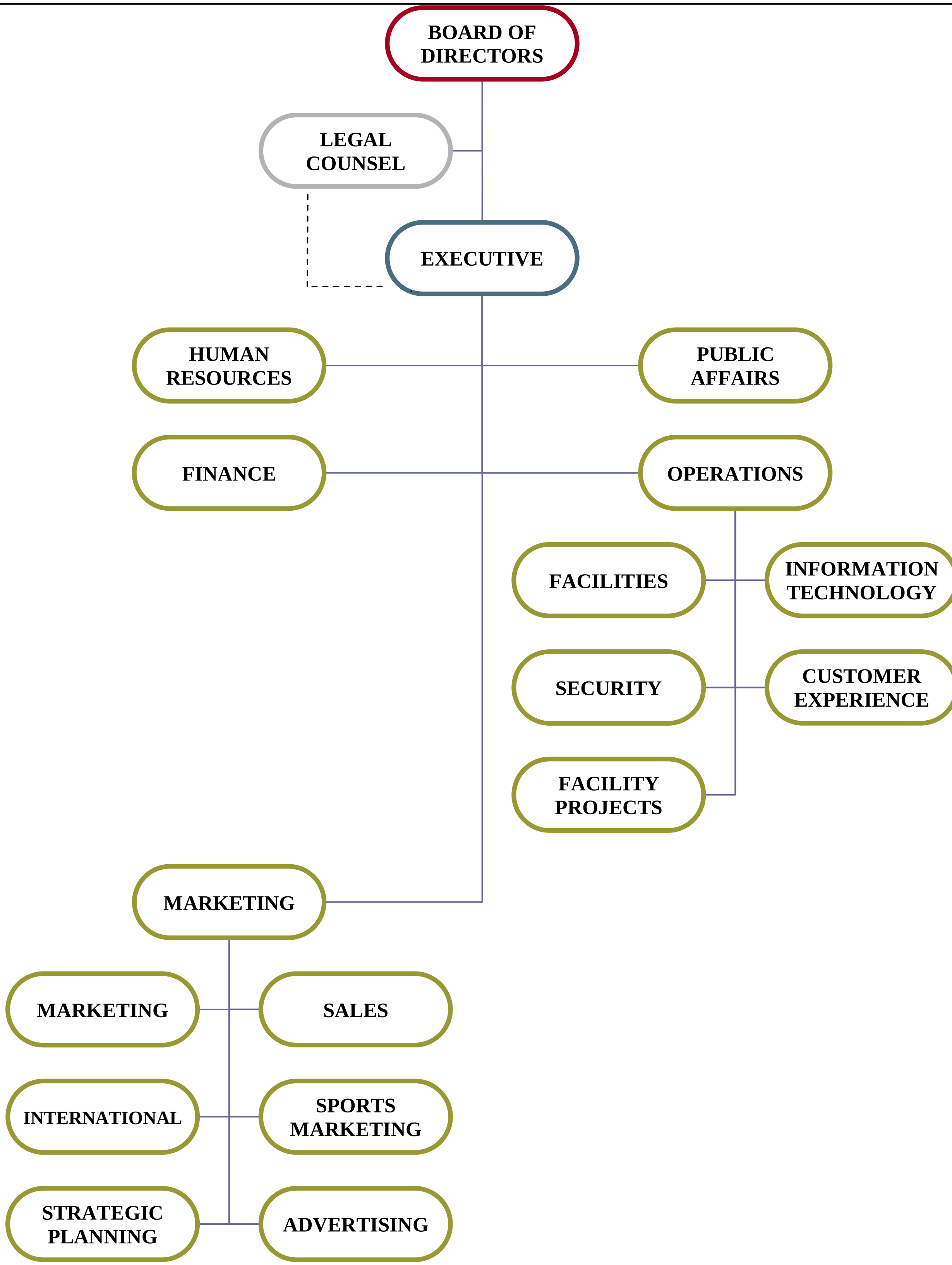
Las Vegas Convention & Visitors Authority, Nevada

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
ORGANIZATION CHART
As of June 30, 2013



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. At the end of June 2013, members of the Board included:

TOM COLLINS
Chairman
Commissioner
Representing Clark County
Term: Jan 2005 – Dec 2016

LAWRENCE WEEKLY
Vice Chairman
Commissioner
Representing Clark County
Term: Jan 2009 – Dec 2016

SCOTT M NEILSON
Treasurer
Representing resort hotel
Nominated by NRA
Term: Aug 2007 – Jun 2013

TOM JENKIN
Secretary
Representing resort hotel
Nominated by CC
Term: Dec 2003 – Jun 2013

CHARLES BOWLING
Representing resort hotel
Nominated by NRA
Term: Jun 2005 – Jun 2013

SHARI L. BUCK
Mayor
Representing City of North Las Vegas
Term: Jul 2011 – Jun 2013

PAUL J. CHAKMAK
Representing central business
Nominated by NRA
Term: Jul 2011 – Jun 2013

CAROLYN G. GOODMAN
Mayor
Representing City of Las Vegas
Term: Jul 2011 – Jun 2015

ANDY HAFEN
Mayor
Representing City of Henderson
Term: Jul 2011 – Jun 2013

KRISTIN MCMILLAN
Representing other commercial
Nominated by CC
Term: May 2011 – Jun 2013

GREGORY LEE
Representing tourism
Nominated by CC
Term: Jul 2012 – Jun 2014

GEORGE RAPSON
Councilman
Representing City of Mesquite
Term: Jul 2011 – Jun 2015

STEVEN D. ROSS
Councilman
Representing City of Las Vegas
Term: Jul 2011 – Jun 2013

CAM WALKER
Mayor Pro Tem
Representing Boulder City
Term: Jul 2009 – Jun 2013

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. At the end of June 2013, the LVCVA executive committee consisted 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 of Public Affairs
Mr. Michael Goldsmith	Vice President of International Sales
Ms. Rana Lacer	Vice President of Finance
Mr. Chris Meyer	Vice President of Sales
Mr. Mark Olson	Vice President of Human Resources
Mr. Luke Puschnig	Vice President, Legal Counsel

FINANCIAL SECTION

P B T K
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the LVCVA's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the LVCVA's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LVCVA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the LVCVA as of and for the year ended June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 3-13 and 48-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for

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placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the LVCVA's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2013, 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* in considering the LVCVA's internal control over financial reporting and compliance.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
October 8, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages i to x of this report.

FINANCIAL HIGHLIGHTS

- In FY 2013, total government-wide revenues grew approximately $1.6 million, which is the third consecutive year of growth. Room taxes and gaming fees comprised $2.8 million of this increase, which is a 1.4% increase over the prior year.
- The LVCVA's total outstanding bonds payable increased from $593.0 million in FY 2012 to $596.4 million in FY 2013 as a result of $25 million in debt issued for the purchase of land during FY 2013 which was partially offset by debt service principal payments.
- In FY 2013 the net position of the LVCVA became ($2.5) million as compared to $3.9 million at the end of FY 2012. The decrease is primarily attributable to the $10.6 million use of restricted funds for transportation infrastructure on behalf of the Nevada Department of Transportation (NDOT). This is recorded as capital grants to other governments.

OVERVIEW OF THE FINANCIAL STATEMENTS

Comprehensive Annual Financial Report

Introductory Section	General information on the government structure, services and environment
Financial Section	Independent Auditors' Report Management's Discussion and Analysis Government-wide Financial Statements Governmental Fund Financial Statements Proprietary Fund Financial Statements Notes to the Financial Statements Required Supplementary Information Individual Fund Financial Schedules
Statistical Section	Trend data and non-financial data
Additional Report of the Independent Auditors	Independent Auditors' Report

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

(1) Government-wide financial statements

(2) Governmental fund financial statements

(3) Proprietary fund financial statements

(4) Notes to the financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

These 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 position* 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 position 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.

PROPRIETARY FUND FINANCIAL STATEMENTS

Following the governmental fund financial statements is a section containing the proprietary fund financial statements. The LVCVA uses an internal service fund to accumulate monies in reserve for other post-employment benefit liabilities. Because this service benefits governmental rather than business type functions, it is included within the governmental activities in the government-wide financial statements. Proprietary funds use the accrual basis of accounting, which focuses on the determination of net position, operating income, changes in net position, and cash flows.

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 22 through 47 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 postemployment benefits other than pensions to its employees. The general fund budgetary comparison schedule is also included in this section. Required supplementary information can be found on pages 48-50 of this report.

CONDENSED COMPARATIVE DATA

ASSETS, LIABILITIES AND NET POSITION

The LVCVA's net position, on the government-wide basis, decreased $6.4 million from the previous year.

CHANGES IN NET POSITION		
	FY 2012	FY 2013
Net position – beginning	$ 60,194,034	$ 3,902,969
Revenues	258,458,586	260,070,634
Expenses	314,749,651	266,495,370
Decrease in net position	(56,291,065)	(6,424,736)
Net position – ending	$ 3,902,969	$ (2,521,767)

Net position was ($2.5) million at June 30, 2013. The decrease is primarily attributable to the $10.6 million use of restricted funds for transportation infrastructure on behalf of NDOT. This is recorded as capital grants to other governments. A large portion of net position reflects the LVCVA's investment in capital assets, less debt that was used to acquire those assets. Restricted net position is reported separately to show legal constraints from debt covenants or other restrictions that limit the LVCVA's ability to use those assets for day-to-day operations.

NET POSITION		
	June 30, 2012	June 30, 2013
Current and other assets	$ 212,193,725	$ 196,557,321
Capital assets	458,119,472	474,953,052
Total assets	670,313,197	671,510,373
Current and other liabilities	76,487,594	77,800,386
Long-term liabilities	589,922,634	596,231,754
Total liabilities	666,410,228	674,032,140
Net position		
Net investment in capital assets	156,089,778	163,258,154
Restricted	73,840,227	64,167,079
Unrestricted	(226,027,036)	(229,947,000)
Total net position	$ 3,902,969	$ (2,521,767)

Total net position is negative. This is primarily attributable to the LVCVA's statutory debt obligations to NDOT for transportation infrastructure projects (See Note 8). Unrestricted net position totaled ($229.9) million, of which ($287.4) million is related debt obligations for NDOT, $17.6 million represents the results of all years' operations and $39.8 million represents net position specifically identified for ongoing capital projects.

REVENUES

Revenues are classified as either *general* or *program*. The *general revenue* classification includes all room taxes 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 general revenue.

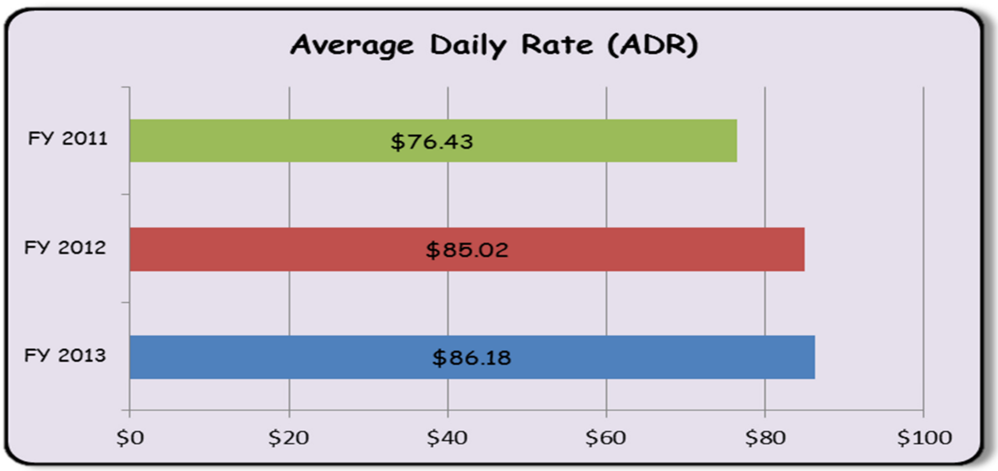
All revenues that do not qualify as general revenues should be reported as *program revenues*.

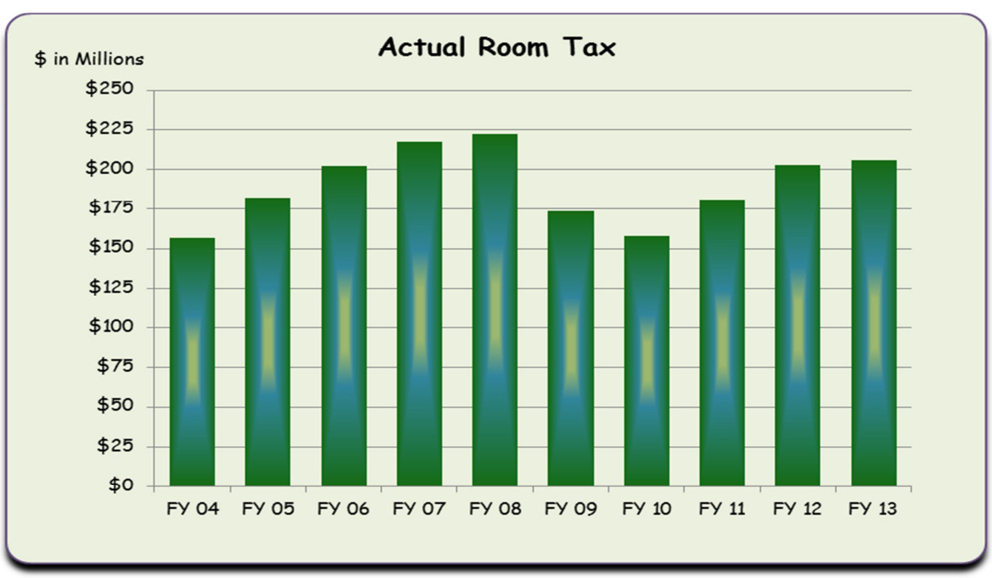
Program revenues are those directly generated by a function or activity of the government. For example, the cost of operating and maintaining the Las Vegas Convention Center (LVCC) and Cashman Center (CC) is reported in the Operations function. Revenues are generated as a direct result of the operation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

Total revenues for FY 2013 amounted to $260.1 million, a 0.6% increase over FY 2012.

	FY 2012	FY 2013
General revenues		
Room taxes and gaming fees	$ 202,571,146	$ 205,355,108
Interest and investment earnings	447,735	305,297
Miscellaneous	1,620,422	1,005,018
Total general revenue	204,639,303	206,665,423
Program revenues		
Operations	47,310,711	46,919,605
Marketing	1,387,596	1,587,392
General government	5,120,976	4,898,214
Total program revenues	53,819,283	53,405,211
Total revenues	$ 258,458,586	$ 260,070,634

FY 2013 represented the third year of improvement for room tax revenues. After two years of double digit increases, FY 2013 revenues stabilized and had moderate increase from the prior period. Room tax is based on the number of lodging rooms available, occupancy rate and the average daily taxable room rental rate (ADR). Room inventory in Clark County has been relatively flat during the fiscal year while average occupancy increased less than 1%, up to 84.5% from 83.7% in the previous year. The increase is attributable to the increase in visitor volume. In calendar year 2012, the greater Las Vegas area occupancy rate exceeded the national average by 23 percentage points. The most volatile factor in calculating room taxes is ADR. With hotel rooms being booked over the internet, price fluctuations are common with hotels having the ability to respond quickly to occupancy trends. During the recession, ADR declines were the single most significant cause of revenue losses. ADR has since shown consistent improvement throughout FY 2011 and FY 2012. FY 2013 held steady with growth of approximately 1% after prior year's significant gains. Government wide room taxes and gaming fees provided $205.4 million during FY 2013, an increase of 1.4% from the previous fiscal year's total of $202.6 million.





FACILITY OPERATIONS	FY 2012	FY 2013
Charges for services	$ 47,310,711	$ 46,163,605
Expense	57,770,778	58,827,508
Net expense	$ (10,460,067)	$ (12,663,903)

In FY 2013, facilities charges for services reflected a decrease of 2.4% from the prior year, due primarily to an annual rotation of shows in the building. Total expenses to operate the facilities were $58.8 million in FY 2013, including depreciation and amortization. The majority of the increase in expense from the prior year is related to the increase of non-capitalized assets from deferred maintenance programs that had previously been suspended during the recession. These programs were re-implemented in FY 2012. Current year expense includes exterior painting of the LVCC.

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 received $205.4 million in room taxes and gaming fees, the majority of which were generated in Clark County. Clark County amounted to $190.5 million (92.7%) with the City of Las Vegas totaling the second largest collector of room taxes and gaming fees, at $9.3 million (4.5%). The other incorporated cities of North Las Vegas, Henderson, Boulder City and Mesquite combined to provide the remaining 2.8%.

EXPENSES

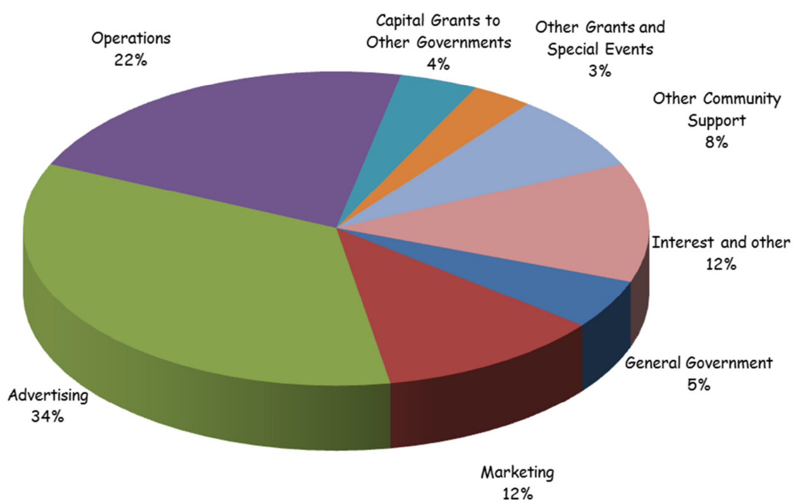
Total government-wide expenses by function were as follows:

	FY 2012	FY 2013
General government	$ 13,161,575	$ 14,031,697
Marketing	31,487,830	31,456,495
Advertising	83,636,233	90,587,216
Operations	57,770,778	58,827,508
Community support:		
Capital grants to other governments	67,095,403	10,605,257
Other grants and special events	7,713,777	8,233,771
Other community support	21,274,096	20,535,511
Interest and other	32,609,959	32,217,915
	$314,749,651	$266,495,370

In FY 2013, as the economy continued to stabilize, the LVCVA looked toward the future. Many functions of the LVCVA saw an increase in expenditures, especially in salaries and benefits as staffing continues to be a top priority. Advertising saw the most significant increases as it is our core mission.

Expenses in capital grants to other governments is the result of a legislative mandate requiring the LVCVA to contribute funds to the NDOT for critical transportation projects essential to providing access to the recreational and tourism facilities in the County. In FY 2013, these construction expenditures decreased dramatically as compared to FY 2012 as the original projects have been completed. The remaining funding available for capital grants to other governments is approximately $19.5 million. A new project, which is expected to utilize the remaining funds, was approved by the Board of Directors in August 2013.

Other community support decreased $0.7 million or 3.5% as compared to FY 2012, mainly due to the final contractual payment of a capital grant to the city of Henderson, Nevada. Community Support also includes a fee returned to the collecting government entities of room taxes and gaming fees. It equals 10% of the total room taxes and gaming fees collected in the County and therefore, fluctuates in alignment with the related room tax revenue changes.



This chart shows the relative "slices" each function takes from the pie.

OVERALL FINANCIAL POSITION

The LVCVA remains vigilant in staying fiscally stable through aggressive and continuous actions in response to economic conditions. As stabilization in room tax revenue streams have continued, the LVCVA has restored funding to areas of the organization that had been reduced during the recession. This includes increasing budgets for advertising funds and continuing restoration of funds for capital and reserves. We look toward growth in the long-term while remaining alert to economic factors that could affect future results. 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 decreased during FY 2013 from the prior year.

	General Fund	Capital Projects Fund
Fund balance - beginning	$ 33,450,412	$ 74,353,434
Fund balance - ending	21,281,490	59,404,276
Decrease in fund balance	($ 12,168,922)	($ 14,949,158)
Percent change	(36.4%)	(20.1%)

During FY 2013, the national and state economies continued to stabilize and show moderate improvement which had a positive impact on tourism and room tax revenues. Room tax collections stabilized over the previous year. Despite the improvement over the last three fiscal years, total room tax is comparable to FY 2006 levels.

A capital reserve account in the capital projects fund was accumulated in prior years to provide a pay-as-you-go source of funding for construction projects in addition to incurrence of debt. In FY 2012, the LVCVA's recovering revenue streams allowed $14 million to be transferred to the capital projects fund from the general fund and an additional $12.8 million was transferred in FY 2013 to provide additional funding for deferred maintenance programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY 2013 budget was originally developed forecasting conservative growth in room tax revenues over the original FY 2012 budget. During the year, actual room tax revenues grew, but not as much as anticipated. Better than anticipated facility use revenues made up most of the shortfall. This allowed for the planned expenditures to remain unchanged. In November 2012, budget augmentation, as a result of higher than anticipated beginning fund balance, allocated funds to capital and reserves, sustaining our commitment to preserving the LVCVA's financial integrity. During the year, inter-departmental transfers were also made, as necessary.

The tables below summarize the changes in both revenues and expenditures budget.

GENERAL FUND CHANGES IN BUDGETED REVENUES AND TRANSFERS	Original Budget	Revisions	Final Budget
Room taxes and gaming fees	$ 211,950,000	$ -	$ 211,950,000
Charges for service	42,921,500	-	42,921,500
Interest & other	483,000	-	483,000
Transfers in	46,200	-	46,200
Proceeds from sale of fixed assets	10,000	-	10,000

GENERAL FUND CHANGES IN BUDGETED EXPENDITURES AND TRANSFERS	Original Budget	Revisions	Final Budget
General government	$ 13,385,600	$ 574,000	$ 13,959,600
Marketing	33,439,100	(1,385,500)	32,053,600
Advertising	85,052,200	6,827,800	91,880,000
Operations	37,940,600	719,800	38,660,400
Community support:			
Special events grants	8,725,396	-	8,725,396
Other community support	23,767,200	(1,076,100)	22,691,100
Transfers out	63,450,916	5,000,000	68,450,916

Actual general fund revenues, transfers in and proceeds from the sale of fixed assets totaled $253.2 million, $2.2 million lower than the original budget. Total actual general fund expenditures and transfers out totaled $265.3 million, about $0.5 million more than the original budget, but lower than final budget by $11 million.

CAPITAL ASSETS

During FY 2012, many maintenance and renovation programs that had been reduced or suspended due to the recession were started again to sustain our operational excellence and reinvest in our facilities and infrastructure. This remained our philosophy through FY 2013. Capital assets additions totaled $33.6 million, which includes $22.4 million in land acquisitions. The LVCVA's investment in capital assets as of June 30, 2013 totaled $475.0 million (net of accumulated depreciation and amortization), which is an increase of 3.7% from FY 2012. Depreciation and amortization expense for the year was approximately $16.6 million.

More detailed information on capital assets can be found in Note 5 on page 32.

CAPITAL ASSETS (net of depreciation)	June 30, 2012	June 30, 2013
Land	$ 163,406,143	$ 185,851,844
Intangibles	118,726	109,711
Construction in progress	6,439,047	4,198,644
Buildings	258,205,599	257,212,484
Improvements	25,019,456	22,603,250
Furniture and equipment	4,930,501	4,977,119
	$ 458,119,472	$ 474,953,052

LONG-TERM DEBT

At June 30, 2013, the LVCVA had a total outstanding bonded debt of $596.4 million. Of this amount, $364.4 million was general obligation bonds additionally secured by specified revenue sources and $232.0 million was revenue bonds. Furthermore, of the total outstanding debt the LVCVA is reporting, $287.4 million was for the purpose of providing funds to NDOT for transportation projects within the resort corridor in the Southern Nevada area.

You can find more detailed information on long-term debt in Note 8 on pages 34 through 38.

	General Obligation Bonds	Revenue Bonds	Total
	(In Thousands)		
Principal balance - beginning	$ 347,955	$ 245,025	$ 592,980
Principal payments	(8,570)	(13,025)	(21,595)
New Issuances	24,990	-	24,990
Principal balance - ending	$ 364,375	$ 232,000	$ 596,375

INTERNAL SERVICE FUND

Beginning in FY 2013, the LVCVA has established an internal service fund to accumulate resources to be held in a reserve to offset the liability for postemployment benefits. Operating transfers from the General Fund to the OPEB Reserve Fund will be incorporated into the annual budget process based on the current revenue streams and the goal of fully funding the outstanding liability. The target for fully funding is 10 years from the establishment of the OPEB Reserve Fund. The FY 2013 operating transfer was $3 million.

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

Or, please visit our website at:

www.lvcva.com/who-we-are/funding-and-finance/

BASIC FINANCIAL STATEMENTS

Government-Wide

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LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Net Position

June 30, 2013

	Governmental Activities
Assets:	
Cash and investments	$ 141,600,730
Receivables:	
Room taxes and gaming fees	37,575,397
Accounts	5,527,230
Interest	54,343
Prepaid items	2,769,050
Inventory	470,979
Deferred charges, debt issuance costs	8,461,221
Other	98,371
Capital and intangible assets,	
Non-depreciable	190,150,488
Depreciable, net of accumulated depreciation and amortization	284,802,564
Total assets	671,510,373
Liabilities:	
Accounts payable	24,736,688
Accrued payroll and related items	3,021,376
Due to other governments	7,632,369
Customer deposits	98,112
Unearned revenue	649,256
Interest payable	16,150,587
Noncurrent liabilities:	
Due within one year:	
Capital lease obligation	2,709
Bonds payable	22,650,000
Compensated absences payable	2,859,289
Due in more than one year:	
Capital lease obligation	11,578
Bonds payable, net of unamortized bond premiums, discounts and deferred refunding charges	576,402,189
Compensated absences payable	1,991,202
Post-employment benefits other than pensions payable	17,826,785
Total liabilities	674,032,140
Net position:	
Net investment in capital assets	163,258,154
Restricted for:	
Capital grants to other governments	19,611,653
Debt service	44,555,426
Unrestricted:	
Related to non-capital debt (See Note 3)	(287,360,000)
Related to capital projects	39,792,623
Other	17,620,377
Total net position	$ (2,521,767)

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

		Program Revenues		Net (Expenses)
Function/Program	Expenses	Charges for Services	Capital Grants and Contributions	Revenues and Changes in Net Position
Governmental activities:				
General government	$ 14,031,697		$ 4,898,214	$ (9,133,483)
Marketing	31,456,495	$ 1,587,392		(29,869,103)
Advertising	90,587,216			(90,587,216)
Operations	58,827,508	46,163,605	756,000	(11,907,903)
Community support and grants:				
Capital grants to other governments	10,605,257			(10,605,257)
Special events grants	8,233,771			(8,233,771)
Other community support	20,535,511			(20,535,511)
Interest on long-term debt	32,217,915			(32,217,915)
Total governmental activities	$ 266,495,370	$ 47,750,997	$ 5,654,214	(213,090,159)

General revenues:	
Room taxes and gaming fees	205,355,108
Interest and investment earnings	305,297
Miscellaneous	1,005,018
Total general revenues	206,665,423
Change in net position	(6,424,736)
Net position - beginning	3,902,969
Net position - ending	$ (2,521,767)

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

BASIC FINANCIAL STATEMENTS

Governmental Funds

Balance Sheet

Governmental Funds

June 30, 2013

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:				
Cash and investments	$ 27,205,560	$ 59,851,383	$ 51,578,646	$ 138,635,589
Receivables:				
Room taxes and gaming fees	37,575,397			37,575,397
Accounts	4,859,564	667,666		5,527,230
Interest	7,561	30,431	7,625	45,617
Due from other funds	35,307	556,322		591,629
Inventory	470,979			470,979
Prepaid items	2,764,021	5,029		2,769,050
Other	98,371			98,371
Total assets	$ 73,016,760	$ 61,110,831	$ 51,586,271	$ 185,713,862
Liabilities:				
Accounts payable	$ 23,702,261	$ 1,034,427		$ 24,736,688
Accrued payroll and related items	3,021,376			3,021,376
Due to other governments	5,846,194			5,846,194
Due to other funds	556,322	4,462	$ 30,845	591,629
Unearned revenue	18,511,005	667,666		19,178,671
Customer deposits	98,112			98,112
Total liabilities	51,735,270	1,706,555	30,845	53,472,670
Fund balances:				
Nonspendable	3,333,371	5,029		3,338,400
Restricted	5,846,194	19,611,653	44,555,426	70,013,273
Committed	2,851,564	36,895,108	7,000,000	46,746,672
Assigned	6,905,000	2,892,486		9,797,486
Unassigned	2,345,361			2,345,361
Total fund balances	21,281,490	59,404,276	51,555,426	132,241,192
Total liabilities and fund balances	$ 73,016,760	$ 61,110,831	$ 51,586,271	

Amounts reported for governmental activities in the statement of net position 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)	474,953,052
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	17,861,749
Other community support	(1,786,175)
Other revenue - earned but unavailable	667,666
Deferred charges - debt issuance costs	8,461,221
The internal service fund is used by management to fund the future other post-employment benefit costs. The net position of the internal service fund is reported with governmental activities.	2,973,867
Certain liabilities are not due and payable in the current period; and therefore, are not reported in the funds:	
Accrued compensated absences	(4,850,491)
Post-employment benefits other than pensions	(17,826,785)
Long-term liabilities, including bonds, deferred refunding charges and accrued interest (See note 2)	(615,217,063)
Net position, governmental activities	$ (2,521,767)

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, 2013

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Room taxes and gaming fees	$ 205,028,018			$ 205,028,018
Charges for services	47,846,895			47,846,895
Interest and investment earnings	170,348	$ 119,469	$ 41,613	331,430
Federal grant subsidy			4,898,214	4,898,214
Miscellaneous	6,091	998,927		1,005,018
Total revenues	253,051,352	1,118,396	4,939,827	259,109,575
Expenditures:				
Current:				
General government	13,246,144			13,246,144
Marketing	30,301,848			30,301,848
Advertising	90,587,216			90,587,216
Operations	36,690,902			36,690,902
Community support and grants:				
Capital grants to other governments		10,605,257		10,605,257
Special events grants	8,233,771			8,233,771
Other community support	20,509,181			20,509,181
Capital outlay:				
Capitalized assets		32,886,283		32,886,283
Non-capitalized assets		3,315,546		3,315,546
Debt service:				
Principal		94,118	21,595,000	21,689,118
Interest		3,273	32,356,717	32,359,990
Debt issuance costs		724,062		724,062
Total expenditures	199,569,062	47,628,539	53,951,717	301,149,318
Excess (deficiency) of revenues over (under) expenditures	53,482,290	(46,510,143)	(49,011,890)	(42,039,743)
Other financing sources (uses):				
Transfers in	69,938	12,800,000	56,978,233	69,848,171
Transfers out	(65,778,233)	(7,000,000)	(69,938)	(72,848,171)
Proceeds from the sale of assets	57,083			57,083
Issuance of capital lease obligation		14,942		14,942
Issuance of debt		24,990,000		24,990,000
Premium on debt issuance		756,043		756,043
Total other financing sources (uses)	(65,651,212)	31,560,985	56,908,295	22,818,068
Net change in fund balances	(12,168,922)	(14,949,158)	7,896,405	(19,221,675)
Fund balances - beginning	33,450,412	74,353,434	43,659,021	151,462,867
Fund balances - ending	$ 21,281,490	$ 59,404,276	$ 51,555,426	$ 132,241,192

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

Net change in fund balances - total governmental funds		$ (19,221,675)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and do not report donated capital assets. However, in the statement of net position, 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	$ 32,886,284	
Depreciation and amortization expense, including loss on disposed assets	(16,808,704)	
Donated capital assets	756,000	16,833,580
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		231,191
The issuance of long-term debt (*i.e.* , bonds, capital leases 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 position and amortized over the term of the related debt.		
Issuance of debt	(24,990,000)	
Issuance of capital lease obligation	(14,942)	
Premium on debt issuance	(756,043)	
Amortization of debt premiums and discounts	1,333,085	
Amortization of debt issuance costs	(490,807)	
Amortization of refunding charges	(833,000)	
Accrued interest expense	132,797	
Repayment of debt principal	21,689,118	
Debt issuance costs	724,062	(3,205,730)
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	(408,185)	
Postemployment benefits other than pensions	(3,595,075)	
Grants and special events - payable to other governments	(32,709)	(4,035,969)
The internal service fund is used by management to fund the future other post-employment benefit costs. The change in net position of the internal service fund is reported with governmental activities.		2,973,867
Change in net position of governmental activities		$ (6,424,736)

BASIC FINANCIAL STATEMENTS

Proprietary Funds

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Net Position

Proprietary Funds

June 30, 2013

	Governmental Activities Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	$ 46,572
Investments	2,918,569
Interest receivable	8,726
Total assets	$ 2,973,867
Net position:	
Unrestricted	$ 2,973,867
Total net position	$ 2,973,867

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Governmental Activities Internal Service Fund
Nonoperating revenues (expenses):	
Interest and investment earnings	$ (26,133)
Loss before transfers	(26,133)
Transfers in	3,000,000
Change in net position	2,973,867
Net position - beginning	-
Net position - ending	$ 2,973,867

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

	Governmental Activities Internal Service Fund
Cash flows from noncapital financing activities:	
Transfers in	$ 3,000,000
Net cash provided by noncapital financing activities	3,000,000
Cash flows from investing activities	
Purchase of investments	(2,951,631)
Interest on investments	(1,797)
Net cash used for investing activities	(2,953,428)
Net increase in cash	46,572
Cash and cash equivalents, July 1	
Cash and cash equivalents, June 30	$ 46,572

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

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 Nevada Revised Statutes (NRS) 244A as the Clark County Fair and Recreation Board. This NRS 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 State of Nevada (the State or Nevada) 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 (the County). In addition, the LVCVA may solicit and promote conventions and tourism to enhance the general economy of the area.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements display information about the reporting government as a whole. In order to present an accurate financial picture, the effects of interfund activity have been eliminated. The purpose of the statement of activities is to allow financial statement users to determine operating results of the LVCVA in its entirety over a period of time. It demonstrates the degree to which the direct expenses are offset by program revenues.

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

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

The statement of net position is intended to present a snapshot of the financial position of the LVCVA as a whole as of yearend. It displays the difference between assets and deferred outflows and liabilities and deferred inflows as net position.

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 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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. Internal service funds may be used to account for all or a portion of a government's risk financing activities. The LVCVA's only proprietary fund is an Internal Service Fund. In FY 2013 the fund was established to account for resources held for future use to offset the liability for post-employment benefits through transfers from the General 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*, as are proprietary (internal service fund) financial statements. An economic resource measurement focus concentrates on net position. All transactions and events that affect the total economic resources (net position) 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 governmental 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.

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

The financial transactions of the LVCVA are recorded in individual funds. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets and deferred outflows, liabilities and deferred inflows, fund balance, revenues, expenditures and other funding sources (uses).

The GASB Statement No. 34 model sets forth minimum criteria (percentage of the assets and deferred outflows, liabilities and deferred inflows, 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 taxes 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 payment of principal and interest on the following long-term debt:

4/05 Revenue Bonds	5/07 General Obligation Refunding Bonds
12/07 Revenue Bonds	7/08 (NDOT) General Obligation Bonds
2010A (NDOT/BABs) General Obligation Bonds	2010B (NDOT) General Obligation/Refunding Bonds
2010C (NDOT/BABs) General Obligation Bonds	2010D (NDOT) General Obligation Bonds
2010E Refunding Revenue Bonds	2012 General Obligation Bonds

The LVCVA reports the following proprietary fund:

Internal Service Fund

- Used by the LVCVA to accumulate monies in reserve for other post-employment benefits liabilities.

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

DEPOSITS AND INVESTMENTS

Cash and cash equivalents are defined as demand deposit accounts, petty cash, money market demand accounts and certificates of deposits with original maturities of three months or less.

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 (REPOs) and the Nevada State Treasurer's investment pool (LGIP). 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.
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 yearend 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 when earned and 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 yearend.

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. In the fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

Inventory is primarily comprised of promotional items and is recorded at cost. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, capital leases and intangibles, are accounted for in the government-wide financial statements. All purchased capital assets are valued at historical cost net of impairment adjustments, if any. 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.

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.

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

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.

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 position. Depreciation and amortization for buildings and land improvements is computed on a straight-line basis over the following estimated useful lives using a half-year convention. Depreciation for all other assets is computed on a straight-line basis based on date of acquisition.

ASSET DESCRIPTION	USEFUL LIFE (YEARS)
Buildings	50
Major land improvements, leasehold improvements and building improvements. Leasehold improvements are limited to the shorter of useful life or lease term.	10
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

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.

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

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

at June 30, 2013, 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.

In a proactive measure to address the OPEB liability, the LVCVA created an internal service fund in FY 2013. Its purpose is to accumulate resources through yearly budget transfers from the general fund for our OPEB liability. The LVCVA has targeted a ten-year period to fund the current and expected liability. This is an intermediate funding step and does not constitute an OPEB contribution for actuarial reporting. Rather, such actions are regarded as earmarking of employer assets to reflect our current intent to apply those assets to finance the cost of benefits at some time in the future and therefore, does not offset or reduce the liability recorded for OPEB.

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 position. 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 position 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, as applicable. Bond proceeds are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

ACCOUNTING CHANGES

In June 2011, the GASB issued Statement No. 63*, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position",* effective for periods beginning after December 15, 2011. This statement provides financial reporting guidance for identifying and reporting deferred outflows and deferred inflows of resources. The LVCVA implemented this standard, but determined that it did not have deferred inflows or deferred outflows at June 30, 2013.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

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 positions – governmental activities as reported in the government-wide statement of net position.

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

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 $474,953,052 difference are as follows:

Depreciable and amortizable capital and intangible assets	$	502,894,499
Accumulated depreciation and amortization		(218,091,935)
Depreciable and amortizable capital and intangible assets, net		284,802,564
Non-depreciable and non-amortizable capital and intangible assets		190,150,488
Net adjustment to increase *fund balance – total governmental funds* to arrive at *net position – governmental activities*	$	474,953,052

Another element of that reconciliation explains that "long-term liabilities, including bonds, deferred refunding charges and accrued interest" are not due and payable in the current period; and therefore, are not reported in the funds. The details of this $615,217,063 difference are as follows:

Bonds payable, due in more than one year	$	573,725,000
Bonds payable, due within one year		22,650,000
Capital lease obligation, due within one year		2,709
Capital lease obligation, due in more than one year		11,578
Unamortized bond premiums, discounts and deferred refunding charges		2,677,189
Interest payable		16,150,587
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	615,217,063

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 and proprietary funds. Requests for current year transfers and following year appropriations are submitted by divisions and sections for review and approval. As required by the 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 are reviewed by the Finance Department for budget availability and conformance with policies and the NRS. Three types of budget transfers are permitted by the NRS:

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

- 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 projects fund). Transfers $250,000 and under are approved by the Vice President of Finance; else the President/CEO's approval is required.
- Intra-fund budget transfers are defined as transfers between different functions, but within 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, 2012. All amendments made to the original budget were as prescribed by law.

UNRESTRICTED NET POSITION

Total unrestricted net position at June 30, 2013, was ($229,947,000). The components of unrestricted net position were as follows:

- Outstanding non-capital debt obligation of ($287,360,000) to NDOT for critically needed transportation projects (see Notes 8 and 13).
- Cumulative results of all past years' operations of $17,620,377 and $39,792,623 specifically identified for ongoing capital projects.

NEW PRONOUNCEMENTS

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities, in March 2012*. The provisions of this statement are effective for periods beginning after December 15, 2012. The intent of the statement is to further clarify which balances, currently reported in the financial statements as asset and liabilities, should instead be reported as deferred inflows or outflows. The LVCVA has determined that some of these items apply to the LVCVA's financial statements, and they will be implemented in FY 2014.

Also, in March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. This statement attempts to remove the conflict in guidance which exists between No. 54 and No. 62, pertaining to the type of fund used to report risk financing. The statement will allow financial risk reporting to be reported in a general fund, an internal service fund, or in some cases a special revenue fund. The provisions of this statement are effective for periods beginning after December 15, 2012, which means FY 2014 for the LVCVA. The LVCVA does not currently have a conflict in reporting these items, since there are no special revenue funds within the LVCVA's financial statements. The LVCVA, at the present, does not have any reportable items under this pronouncement. The LVCVA will continue to monitor this, and report any provisions beginning in FY 2014.

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, in June 2012, effective for periods beginning after June 15, 2013. This statement is intended to improve financial reporting by state and local governmental pension plans. This statement was the result of a comprehensive review of the effectiveness of existing standards for accounting and financial reporting for pensions. The goal is to provide decision-useful information, supporting assessments

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

of accountability and inter-period equity, and creating addition transparency. This statement will require the State PERS Plan to revise their reporting of the shared pension plan, beginning with FY 2014. This will not have a direct effect on the LVCVA for FY 2014, however, it will impact the LVCVA through Statement No. 68 in FY 2015, as the LVCVA must implement those requirements.

GASB issued Statement No. 68 in June 2012, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* This statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans covered by the scope of this statement, as well as non-employer governments that have a legal obligation to contribute to those plans. The provisions of this statement are effective for periods beginning after June 15, 2014, which means FY 2015 for the LVCVA. The LVCVA is evaluating the provisions of this statement, and will implement them in FY 2015. This statement may prove to have a substantial impact upon the financial statements in FY 2015. The LVCVA will determine the impact of No. 68, after the State PERS FY 2014 statements are issued.

GASB issued Statement No. 69 in January 2013. The statement *Government Combinations and Disposals of Government Operations,* covers transactions such as mergers, acquisitions, and transfers of operations within or between governmental entities. This statement is effective for fiscal years beginning after December 15, 2013, meaning F Y 2015 for the LVCVA. It does not appear, at this time, that any of the provisions will have an immediate effect upon the financial statements of the LVCVA; however, the provisions of the statement will be reviewed and evaluated during FY 2014 for a full determination.

GASB issued Statement No. 70 in April 2013. The statement *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, has an effective date of reporting for periods beginning after June 15, 2013, which means the 2014 fiscal year for the LVCVA. The LVCVA is currently evaluating the provisions of the statement, and will implement any that apply to the LVCVA Financial Statements in FY 2014.

NOTE 4. CASH AND INVESTMENTS:

The LVCVA maintains a cash and investment pool that is available for use by all funds. At June 30, 2013, this pool is displayed in the statement of net position and governmental funds balance sheet as "cash and investments" and in the internal service fund statement of net position as "cash and cash equivalents" and "investments". The LVCVA accounts for its debt issuance proceeds portfolio separately in the capital projects funds. At yearend, the LVCVA's cash and investment balances consisted of the following:

Cash:		
Cash on hand	$	14,400
Deposits in bank and cash equivalents		73,518,774
Investments (U.S. Agencies and LGIP)		68,067,556
	$	141,600,730

At yearend, the LVCVA's carrying amount of deposits was $73,518,774, and the bank balance was $74,603,920.

NOTE 4. CASH AND INVESTMENTS: (continued):

According to the NRS, the LVCVA monies must be deposited in federally insured banks, credit unions, or savings and loan associations in 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 permits longer terms and include securities issued by municipalities within the State. 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.

The LGIP operates in accordance with all applicable NRS and the fair value of its' shares is the same as the reported value of the shares.

As of June 30, 2013, the LVCVA had the following investments:

	Original Cost	Fair Value	Less than 1 Year	1 - 5 Years	Accrued Interest	Total Value
U.S. Agencies	$ 44,746,973	$ 44,660,541	$ 12,997,664	$ 31,662,877	$ 51,778	$ 44,712,319
LGIP	23,407,015	23,407,015	23,407,015		2,565	23,409,580
Total	$ 68,153,988	$ 68,067,556	$ 36,404,679	$ 31,662,877	$ 54,343	$ 68,121,899

CONCENTRATION OF CREDIT RISK

The NRS and the LVCVA's investment policy limits investment instruments by credit risk. All of the LVCVA's investments in commercial paper must to be rated P-1 by Moody's Investor Service and A-1 by Standard and Poor's. The LVCVA's money market investments must be 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 REPOs fully collateralized by such securities. The LVCVA's investments in U.S. Agencies, which are implicitly guaranteed by the U.S. Government must be all rated AAA or its equivalent by a nationally recognized rating service. The LGIP does not have a credit rating.

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 30%, Deposits, Repurchase Agreements and Overnight Investments to 60%, LGIP to 40%, Certificates of Deposit to 5%, and Commercial Paper to 20% of the entire portfolio at the time of investment. As of June 30, 2013, 46% of the LVCVA's investments, including cash equivalents, were classified in U.S. Agencies, 30% in Demand Deposits, and 24% in the LGIP.

The LVCVA's investment in U.S. Agencies was comprised of securities issued by the Federal Home Loan Bank (16%), the Federal Home Loan Mortgage Corporation (25%), the Federal National Mortgage Association (19%), the Federal Agricultural Mortgage Corporation (4%), and the Federal Farm Credit Bank (36%).

INTEREST RISK:

The LVCVA manages its exposure to the declines in fair value by limiting the maturities of its investments to five years or less. Some of the U.S. Agency investments have call options or prepayment risk, which, if exercised, could shorten the maturity of these investments.

NOTE 4. CASH AND INVESTMENTS: (continued)

CUSTODIAL CREDIT RISK:

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the LVCVA will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At yearend, the LVCVA did not have any significant custodial credit risk.

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2013, was as follows:

Description	Balance at June 30, 2012	Increases	Decreases	Balance at June 30, 2013
Capital assets not being depreciated or amortized:				
Land	$ 163,406,143	$ 22,445,701		$ 185,851,844
Intangibles	100,000			100,000
Construction in progress	6,439,047	8,179,986	$ (10,420,389)	4,198,644
Total capital assets not being depreciated or amortized	169,945,190	30,625,687	(10,420,389)	190,150,488
Capital assets being depreciated or amortized:				
Buildings	432,968,759	11,057,818	(2,871,733)	441,154,844
Intangibles	306,581			306,581
Improvements other than buildings	41,862,158	1,120,118		42,982,276
Furniture and equipment	18,067,913	1,259,050	(876,165)	18,450,798
Total capital assets being depreciated or amortized	493,205,411	13,436,986	(3,747,898)	502,894,499
Accumulated depreciation or amortization:				
Buildings	(174,763,160)	(11,898,824)	2,719,624	(183,942,360)
Intangibles	(287,855)	(9,015)		(296,870)
Improvements other than buildings	(16,842,702)	(3,536,324)		(20,379,026)
Furniture and equipment	(13,137,412)	(1,180,013)	843,746	(13,473,679)
Total accumulated depreciation or amortization	(205,031,129)	(16,624,176)	3,563,370	(218,091,935)
Net capital assets being depreciated or amortized	288,174,282	(3,187,190)	(184,528)	284,802,564
Governmental activities capital assets, net	$ 458,119,472	$ 27,438,497	$ (10,604,917)	$ 474,953,052

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

General government	$ 58,658
Marketing	52,062
Operations	16,513,456
	$ 16,624,176

NOTE 6. INTERFUND TRANSACTIONS:

The following schedule details the amounts due from/to other funds at June 30, 2013:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	$ 30,845
Capital Improvement	General Fund	556,322
General Fund	Capital Improvement	4,462
		$ 591,629

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 debt fund is earned and 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, 2013, transfers between funds were as follows:

		Transfers Out		
	Transfers In	General Fund	Capital Fund	Debt Service Fund
General Fund	$ 69,938			$ 69,938
Capital Fund	12,800,000	$ 12,800,000		
Internal Service Fund	3,000,000	3,000,000		
Debt Service Fund	56,978,233	49,978,233	$ 7,000,000	
	$ 72,848,171	$ 65,778,233	$ 7,000,000	$ 69,938

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 $294,780 for the year ended June 30, 2013. Future minimum lease payments for these leases are as follows:

2014	$ 181,378
2015	61,635
2016	8,161
2017	1,983
2018	1,182
Total	$ 254,339

CAPITAL LEASES

On October 1, 2010, the LVCVA entered into a $280,505 capital lease for office equipment, which was capitalized as furniture and equipment. Amortization expense for FY 2013, was $93,502 and total accumulated amortization was $257,130 as of June 30, 2013, for a net value of $23,375.

NOTE 7. LEASES (continued):

Total lease payments were $96,536 for the year ended June 30, 2013. No other lease payments are due in future years related to this lease.

The LVCVA entered into a five year capital lease in April 2013 for $14,942 to purchase a copier which was capitalized as furniture and equipment. Amortization expense for FY 2013 was $747. The net value at June 30, 2013 was $14,195. Total lease payments for FY 2013 were $855.

Future minimum lease payments are as follows:

2015	$	3,420
2016		3,420
2017		3,420
2018		2,565
		16,245
Less portion of payment representing interest		(1,958)
Present value of minimum lease payments	$	14,287

NOTE 8. LONG-TERM DEBT:

GENERAL OBLIGATION / PLEDGED REVENUE BONDS

The LVCVA issues general obligation and revenue bonds to provide funds for the improvement, acquisition or construction of major capital assets for the facilities. The LVCVA also issued debt in relation to its NDOT obligation. The total amount of the debt outstanding related to this legislative obligation is $287,360,000 at June 30, 2013, and is designated as NDOT as the purpose in the following summaries of debt. See Note 13 for further discussion.

Seven 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 ad valorem taxes for debt service, but rather to use only net pledged revenues derived from operations. In fact, as of June 30, 2013, no ad valorem tax revenues have been allocated to the LVCVA for any purpose. No change in this practice is contemplated in the future.

NOTE 8. LONG-TERM DEBT (continued):

The following is a summary of general obligation / pledged revenue bonds payable at June 30, 2013:

$38,200,000 - 5/07 Refunding Bonds due in annual installments through FY 2022. Semi-annual interest from 4 - 5.5%	$ 27,540,000
$26,455,000 - 7/08 (NDOT) Bonds due in annual installments through FY 2028. Semi-annual interest from 4 - 5%	24,585,000
$70,770,000 - 2010A (NDOT/BABs) 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 2 - 5%	49,315,000
$155,390,000- 2010C (NDOT/BABs) Bonds due in annual installments through FY 2039. Semi-annual interest from 4 - 7%	155,390,000
$18,515,000 - 2010D (NDOT) Bonds due in annual installments through FY 2016. Semi-annual interest from 3 - 5%	11,785,000
$24,990,000 - 2012 General Obligation Bonds due in annual installments through FY 2033. Semi-annual interest from 2 - 4%	24,990,000
	$ 364,375,000

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

Year Ending June 30,	Principal	Interest
2014	$ 8,930,000	$ 20,433,406
2015	10,350,000	20,016,206
2016	10,795,000	19,569,481
2017	11,255,000	19,104,906
2018	11,660,000	18,624,438
2019-2023	65,925,000	84,697,955
2024-2028	77,040,000	65,695,128
2029-2033	71,165,000	44,373,252
2034-2038	79,155,000	19,922,485
2039	18,100,000	609,908
	$ 364,375,000	$ 313,047,165

NOTE 8. LONG-TERM DEBT (continued):

REVENUE BONDS

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

The following is a summary of revenue bonds payable at June 30, 2013:

$118,745,000 - 4/05 Revenue Bonds due in annual installments through FY 2020. Semi-annual interest from 3 - 5.25%	$ 104,435,000
$50,000,000- 11/07 Revenue Bonds due in annual installments through FY 2037. Semi-annual interest from 4 - 6%	45,640,000
$81,925,000- 2010E Revenue Bonds due in annual installments through FY 2041. Semi-annual interest from 4 - 5.5%	81,925,000
	$ 232,000,000

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

Year Ending June 30,	Principal	Interest
2014	$ 13,720,000	$ 11,310,068
2015	14,450,000	10,573,205
2016	16,870,000	9,764,168
2017	17,740,000	8,904,018
2018	18,630,000	8,022,674
2019-2023	50,760,000	29,426,496
2024-2028	21,290,000	23,387,925
2029-2033	27,255,000	17,340,331
2034-2038	35,325,000	9,261,765
2039-2041	15,960,000	1,348,875
	$ 232,000,000	$ 129,339,525

NOTE 8. LONG-TERM DEBT (continued):

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 for which LVCVA management believes it to be in compliance.

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

	Interest paid During the Year	Beginning Balance, July 1, 2012	Additions	Reductions	Ending Balance, June 30, 2013
BONDS					
General Obligation/Pledged Revenue Bonds					
5/07 Refunding Bonds	$ 1,386,938	$ 29,920,000		$ (2,380,000)	$ 27,540,000
7/08 General Obligation Bonds	1,164,585	25,080,000		(495,000)	24,585,000
2010A General Obligation Bonds	4,721,166	70,770,000			70,770,000
2010B General Obligation/Refunding Bonds	2,214,750	51,440,000		(2,125,000)	49,315,000
2010C General Obligation Bonds	9,910,195	155,390,000			155,390,000
2010D General Obligation Bonds	660,650	15,355,000		(3,570,000)	11,785,000
2012 General Obligation Bonds	288,809		$ 24,990,000		24,990,000
Revenue Bonds					
4/05 Revenue Bonds	5,638,406	116,480,000		(12,045,000)	104,435,000
11/07 Revenue Bonds	2,230,835	46,620,000		(980,000)	45,640,000
2010E Revenue Bonds	4,140,383	81,925,000			81,925,000
Unamortized premiums, discounts and deferred refunding charges		2,421,231	756,043	(500,085)	2,677,189
OTHER LIABILITIES					
Compensated absences		4,442,306	3,653,052	(3,244,867)	4,850,491
Capital lease obligation		93,463	14,942	(94,118)	14,287
Postemployment benefits other than pensions		14,231,710	5,369,470	(1,774,395)	17,826,785
	$ 32,356,717	$ 614,168,710	$ 34,783,507	$ (27,208,465)	$ 621,743,752

NOTE 8. LONG-TERM DEBT (continued):

The portion of each long-term liability that is due in FY 2014 is shown below:

	Principal	Interest
BONDS		
General Obligation/Pledged Revenue Bonds		
5/07 Refunding Bonds	$ 2,495,000	$ 1,273,988
7/08 General Obligations Bonds	515,000	1,144,385
2010A General Obligations Bonds		4,721,166
2010B General Obligations Bonds	2,185,000	2,160,725
2010C General Obligations Bonds		9,910,195
2010D General Obligations Bonds	3,735,000	495,875
2012 General Obligations Bonds		727,073
Revenue Bonds		
4/05 Revenue Bonds	12,700,000	4,988,850
12/07 Revenue Bonds	1,020,000	2,180,835
2010E Revenue Bonds		4,140,382
	22,650,000	31,743,474
OTHER LIABILITIES		
Compensated absences	2,859,289	
Capital lease obligation	2,719	710
	$ 25,512,008	$ 31,744,184

The general fund has been used in prior years to liquidate compensated absences, net pension obligations and other post-employment obligations.

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 until such time as the actuarially determined unfunded liability of PERS is reduced to zero.

The required contribution rate and amount paid for fiscal years 2011-2013 were as follows:

Fiscal year ended June 30,	Annual Required Contribution Rate	Annual Contribution Amounts
2011	21.5%	$ 5,905,538
2012	23.75%	6,757,897
2013	23.75%	7,174,667

PERS issues a stand-alone CAFR that includes financial statements and required supplementary information for the plan. This report may be obtained by contacting PERS 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 occur, rather than in the future years when 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 and HPN plans are not administered as a qualifying trust or equivalent arrangement, as defined by GASB Statement No. 45, and are 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.

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 has 58 PEBP retires, 97 non-PEBP retirees, 5 surviving spouses and 474 active employees in the plans. The LVCVA currently pays for postemployment healthcare benefits on a pay-as-you-go basis.

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

At the September 13, 2011, Board of Directors meeting, revisions to the LVCVA's Financial Management Policy were approved to establish a funding plan for OPEB obligations. In FY 2013, the LVCVA established an internal service fund to accumulate resources to be held in a reserve to offset the liability for postemployment benefits. Operating transfers from the General Fund to the OPEB Reserve Fund will be incorporated into the annual budget process based on the current revenue streams and the goal of fully funding the outstanding liability. The target for fully funding is 10 years from the establishment of the OPEB Reserve Fund.

The LVCVA is required to pay the PEBP an explicit subsidy, based on years of service, for retirees enrolled in this plan. In 2013, retirees were eligible for a maximum subsidy of $118 per month after 5 years of service with a Nevada state or local government entity. The maximum subsidy of $650 is earned after 20 years of combined service with an eligible entity. 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)	$ 4,445,468	$ 367,978	$ 4,813,446
Interest on net OPEB obligation	598,531	(42,507)	556,024
Adjustment to the ARC	(1,221,743)	86,767	(1,134,976)
Annual OPEB cost (expense)	3,822,256	412,238	4,234,494
Contributions made	(407,739)	(231,680)	(639,419)
Increase in net OPEB obligations	3,414,517	180,558	3,595,075
Net OPEB obligation - beginning of the year	14,317,598	(85,888)	14,231,710
Net OPEB obligation - end of the year	$ 17,732,115	$ 94,670	$ 17,826,785

The LVCVA's annual OPEB cost, the percentage of annual cost contributed and net OPEB obligation for fiscal years 2011-2013 were as follows:

	Fiscal year ended June 30,	Annual OPEB Cost	Percent of OPEB cost contributed	Net OPEB obligation
CCSF and HPN	2011	$ 4,373,784	6.6%	$ 10,171,841
	2012	4,483,308	7.5%	14,317,598
	2013	3,822,256	10.7%	17,732,115
PEBP	2011	401,791	63.2%	(269,607)
	2012	411,851	55.4%	(85,888)
	2013	412,238	56.2%	94,670

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

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plans as of the most recent actuarial valuation date, 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
CCSF and HPN						
7/1/2012		$ 40,159,887	$ 40,159,887	0%	$ 30,228,041	133%
PEBP						
7/1/2012		$ 6,363,081	$ 6,363,081	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, provides 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.

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.

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

Significant methods and assumptions were as follows:

	CCSF, HPN and PEBP
Actuarial valuation date	July 1, 2012
Actuarial cost method	Entry age normal, level dollar amount
Amortization method	30 years, open, level dollar amount
Remaining amortization period	30 years remaining as of July 1, 2012
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	PPO – 8.5% in 2013/2014, grading down 0.5% per year until reaching an ultimate rate of 5.0%. HMO - 8.5% in 2013/2014, 10% in 2014/2015, 8.0% in 2015/2016, grading down 0.5% per year until reaching 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. CLASSIFICATION OF NET POSITION AND FUND BALANCES:

FUND BALANCE CLASSIFICATIONS:

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, effective for periods beginning after June 15, 2010. Under GASB Statement No. 54, fund balances are required to be reported in new classifications based on the following LVCVA definitions:

<u>Nonspendable Fund Balance</u> – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. These classifications include inventories, prepaid items, assets held for sale and long-term receivables.

<u>Restricted Fund Balance</u> – Includes constraints placed on the use of these resources that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

<u>Committed Fund Balance</u> – Includes amounts that can only be used for a specific purpose because of a formal action (resolution or board approval both of which are considered to be equally binding) by the government's highest level of decision-making authority, which is the LVCVA's Board of Directors. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

NOTE 12. CLASSIFICATION OF NET POSITION AND FUND BALANCES (continued):

Assigned Fund Balance – Includes amounts that are constrained by the LVCVA's intent for specific purposes, but do not meet the criteria to be classified as restricted or committed. The LVCVA Board of Directors has provided such authority to express intent in policy FIN-25 to the President/CEO and the Vice President of Finance. Constraints imposed on the use of assigned amounts can be removed without formal Board action.

Unassigned Fund Balance – This is the residual classification of the General Fund. This is fund balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as a result of overspending for specific purposes for which amounts have been restricted, committed or assigned.

SPENDING PRIORITIZATION IN USING AVAILABLE RESOURCES:

When both restricted resources and other resources (*i.e.* committed, assigned, and unassigned) can be used for the same purposes, the LVCVA financial management policy considers restricted resources to be spent first.

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the LVCVA budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

GENERAL FUND BALANCE POLICY:

Based on Nevada Administrative Code 354.650-660, a minimum unreserved fund balance of 4.0% of budgeted general fund operating expenditures must be maintained. The LVCVA begins each new fiscal year operating from beginning fund balance for six weeks based on the timing of the first "new" years' room tax collections. Six weeks is approximately 12% of budgeted operating expenditures. Thus, in order to ensure that the LVCVA has sufficient cash on hand to meet all of its financial obligations in a timely manner and to ensure that essential services are not disrupted in times of fluctuating revenues, the LVCVA's fiscal practice is to target an ending fund balance between 4% and 16% to prepare for potential variances in economic conditions without detriment to operations.

The fund balances by component at June 30, 2013, were:

	General Fund	Capital Project Funds	Debt Service Funds
Non-Spendable			
Inventory	$ 470,979		
Prepaid items	2,764,021	$ 5,029	
Other	98,371		
Restricted			
Debt service programs			$ 44,555,426
Collection allocation	5,846,194		
Nevada Department of Transportation		19,611,653	
Committed			
Capital project programs		36,895,108	
Debt service programs			7,000,000
Operating budget	2,851,564		
Assigned			
Advertising	1,000,000		
Capital project programs	5,500,000	2,892,486	
General government	405,000		
Unassigned	2,345,361		
	$ 21,281,490	$ 59,404,276	$ 51,555,426

NOTE 13. COMMITMENTS AND CONTINGENCIES:

Over the last few years, the United States experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which had far-reaching effects on the economic activity in the country. In FY 2012 and FY 2013, the economy has begun to stabilize and has helped to stabilize the LVCVA's current operations as well. However, the long-term impact of these factors on the Nevada economy and the LVCVA's future operation cannot be predicted at this time.

The LVCVA often carries cash and cash equivalents on deposits with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of the economic conditions discussed in the foregoing paragraph. The extent of a future loss to be sustained as a result of uninsured deposits in the event of a future failure of a financial institution, if any, is not subject to estimation at this time.

CONTRACTS AND COMMITMENTS

ADVERTISING AGENCY

R&R Partners is the official advertising and marketing communications agency for the LVCVA. The company develops marketing plans for both long-term and short-term initiatives and works with the LVCVA in the areas of consumer marketing, business and convention marketing, international marketing and extended destination marketing. Compensation is 12.5% of gross billed amounts for commission on media and external production and services, plus an agency service fee of $480,000 per month in the current fiscal year. The current contract term is through June 2015, which can be terminated by either party with 90 days' notice.

NATIONAL FINALS RODEO

In January 2006, the LVCVA entered into an agreement with Professional Rodeo Cowboys Association (PRCA) 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.

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. At June 30, 2013, approximately $280 million had been disbursed to NDOT.

CONSTRUCTION CONTRACTS AND OTHER SIGNIFICANT COMMITMENTS

The LVCVA is a party to several contracts and commitments relating to construction projects and services related to the LVCVA's facilities and land. At June 30, 2013, such contracts, in the Capital Fund, totaled approximately $9,541,242 with an estimated outstanding balance of $5,554,240. Other significant encumbrances in the General Fund totaled approximately $2,131,876.

NOTE 13. COMMITMENTS AND CONTINGENCIES (continued):

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 $2.5 million dollars to host and participate in this event during FY 2014.

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%-2%	3 3/8%
Other hotel and motels	10%-13%	2%-5%	1 5/8%	1%	0%-2%	2 3/8% - 3 3/8%

As provided for by NRS 244A.645, up to 10% of the total room taxes and gaming fees received by the LVCVA may be paid back to the county and incorporated cities. The LVCVA has an agreement with these entities that determines the individual split of these amounts collected, which cannot exceed 10% of the total amounts remitted to the LVCVA. The total paid in FY 2013 was $20,509,181, reported as other community support.

NOTE 15. SUBSEQUENT EVENTS:

The LVCVA and Service Employees International Union began collective bargaining negotiations in the spring of 2013. A tentative five-year agreement was reached in June 2013 which was ratified by bargaining unit members. On July 9, 2013, the LVCVA Board of Directors approved the agreement.

On July 9, 2013, the LVCVA Board of Directors approved the 2013 Debt Management Commission Notice Resolution relating to the contemplated issuance, over the next three fiscal years, of $150,000,000 in new debt ($50,000,000 in FY 2014 and $100,000,000 in FY 2016) and $68,500,000 of refinanced debt in FY 2015. The Debt Management Commission approved the measure on August 15, 2013. The LVCVA Board of Directors approved the Resolution of Intent for the debt on September 15, 2013 and the public hearing occurred on October 8, 2013.

NOTE 15. SUBSEQUENT EVENTS (continued):

Beginning on July 1, 2013 (FY 2014), a strategic realignment of the organization structure of LVCVA took place. This new structure affected the expense allocations between functions as compared to previous periods. The new structure is still composed of four primary functions: Marketing, Global Business District (formerly titled Operations), Community Support and General Government.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

Postemployment Benefits Other Than Pensions

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.

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
CCSF and HPN						
7/1/2008	---	$ 25,033,272	$ 25,033,272	0%	$ 30,317,437	83%
7/1/2010	---	40,177,231	40,177,231	0%	28,609,549	140%
7/1/2012		40,159,887	40,159,887	0%	30,228,041	133%
PEBP						
7/1/2008	---	$ 221,086	$ 221,086	0%	N/A*	N/A*
7/1/2010	---	7,094,936	7,094,936	0%	N/A*	N/A*
7/1/2012		6,363,081	6,363,081	0%	N/A*	N/A*

* PEBP is a closed plan; and therefore, there are no current employess 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, 2013

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues:				
Room taxes and gaming fees	$ 211,950,000	$ 211,950,000	$ 205,028,018	$ (6,921,982)
Charges for services	42,921,500	42,921,500	47,846,895	4,925,395
Interest and investment earnings	477,100	477,100	170,348	(306,752)
Miscellaneous	5,900	5,900	6,091	191
Total revenues	255,354,500	255,354,500	253,051,352	(2,303,148)
Expenditures:				
General government	13,385,600	13,959,600	13,246,144	713,456
Marketing	33,439,100	32,053,600	30,301,848	1,751,752
Advertising	85,052,200	91,880,000	90,587,216	1,292,784
Operations	37,940,600	38,660,400	36,690,902	1,969,498
Community support and grants:				
Special events grants	8,725,396	8,725,396	8,233,771	491,625
Other community support	23,767,200	22,691,100	20,509,181	2,181,919
Total expenditures	202,310,096	207,970,096	199,569,062	8,401,034
Excess of revenues over expenditures	53,044,404	47,384,404	53,482,290	6,097,886
Other financing sources (uses):				
Transfers in	46,200	46,200	69,938	23,738
Transfers out	(63,450,916)	(68,450,916)	(65,778,233)	2,672,683
Proceeds from the sale of assets	10,000	10,000	57,083	47,083
Total other financing sources (uses):	(63,394,716)	(68,394,716)	(65,651,212)	2,743,504
Net change in fund balances	(10,350,312)	(21,010,312)	(12,168,922)	8,841,390
Fund balances - beginning	33,450,412	33,450,412	33,450,412	
Fund balances - ending	$ 23,100,100	$ 12,440,100	$ 21,281,490	$ 8,841,390

NOTE 1. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS:

For the year ended June 30, 2013, no significant events occurred that would have affected or changed the benefits provision, size or composition of those covered by the other post-employment benefit plans, or actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2008, July 1, 2010 and July 1, 2012.

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 40 through 43 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 page 28-30 of this report.

INDIVIDUAL FUND INFORMATION

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

Governmental Funds

Capital Projects Fund

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

Debt Service Fund

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

Proprietary Funds

Internal Service Fund

This fund is used to accumulate monies in reserve for other post-employment benefits liabilities.

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest and investment earnings	$ 44,200	$ 44,200	$ 119,469	$ 75,269
Miscellaneous	401,000	401,000	998,927	597,927
Total revenues	445,200	445,200	1,118,396	673,196
Expenditures:				
Capital outlay:				
Land	25,000,000	25,500,000	22,445,701	3,054,299
Land improvements	395,000	576,100	754,334	(178,234)
Building	6,612,000	3,115,800	4,764,084	(1,648,284)
Furniture and equipment	1,557,275	2,389,175	1,259,050	1,130,125
Construction in progress	2,500,000	42,740,623	3,663,114	39,077,509
Noncapitalized assets			3,315,546	(3,315,546)
Capital grants to other governments		30,181,206	10,605,257	19,575,949
Debt service				
Principal			94,118	(94,118)
Interest			3,273	(3,273)
Debt issuance costs	300,000	300,000	724,062	(424,062)
Total expenditures	36,364,275	104,802,904	47,628,539	57,174,365
Deficiency of revenues under expenditures	(35,919,075)	(104,357,704)	(46,510,143)	57,847,561
Other financing sources (uses):				
Transfers in	7,800,000	12,800,000	12,800,000	
Transfers out		(7,000,000)	(7,000,000)	
Issuance of capital lease obligation			14,942	14,942
Issuance of debt	25,000,000	25,000,000	24,990,000	(10,000)
Premium on debt issuance			756,043	756,043
Total other financing sources (uses):	32,800,000	30,800,000	31,560,985	760,985
Net change in fund balances	(3,119,075)	(73,557,704)	(14,949,158)	58,608,546
Fund balances - beginning	74,353,434	74,353,434	74,353,434	
Fund balances - ending	$ 71,234,359	$ 795,730	$ 59,404,276	$ 58,608,546

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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest and investment earnings	$ 46,200	$ 46,200	$ 41,613	$ (4,587)
Federal grant subsidy	2,560,488	2,560,488	4,898,214	2,337,726
	2,606,688	2,606,688	4,939,827	2,333,139
Expenditures:				
3/05 Bond				
Principal	12,045,000	12,045,000	12,045,000	
Interest	5,638,406	5,638,406	5,638,406	
Debt Reserve				
Interest		7,000,000		7,000,000
2007 Bond				
Principal	2,380,000	2,380,000	2,380,000	
Interest	1,386,938	1,386,938	1,386,938	
11/07 Bond				
Principal	980,000	980,000	980,000	
Interest	2,230,835	2,230,835	2,230,835	
7/08 NDOT Bond				
Principal	495,000	495,000	495,000	
Interest	1,164,585	1,164,585	1,164,585	
2010B NDOT/Refunding Bonds				
Principal	2,040,000	2,040,000	2,040,000	
Interest	1,034,550	1,034,550	1,034,550	
2010A NDOT/BABs Bond				
Interest	4,721,166	4,721,166	4,721,166	
2010B Refunding Bond				
Principal	85,000	85,000	85,000	
Interest	1,180,200	1,180,200	1,180,200	
2010C NDOT/BABs Bond				
Interest	9,910,195	9,910,195	9,910,195	
2010D NDOT Bond				
Principal	3,570,000	3,570,000	3,570,000	
Interest	660,650	660,650	660,650	
2010E Refunding Bond				
Interest	4,140,383	4,140,383	4,140,383	
2012A Land Bond				
Principal	100,000	100,000		100,000
Interest	887,300	887,300	288,809	598,491
Total expenditures	54,650,208	61,650,208	53,951,717	7,698,491
Deficiency of revenues under expenditures	(52,043,520)	(59,043,520)	(49,011,890)	10,031,630
Other financing sources (uses):				
Transfers in	52,650,916	59,650,916	56,978,233	(2,672,683)
Transfers out	(46,200)	(46,200)	(69,938)	(23,738)
Total other financing sources (uses):	52,604,716	59,604,716	56,908,295	(2,696,421)
Net change in fund balances	561,196	561,196	7,896,405	7,335,209
Fund balances - beginning	43,659,021	43,659,021	43,659,021	
Fund balances - ending	$ 44,220,217	$ 44,220,217	$ 51,555,426	$ 7,335,209

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Non-operating revenues (expenses):				
Interest and investment earnings			$ (26,133)	$ (26,133)
Loss before transfers			(26,133)	(26,133)
Transfers in	$ 3,000,000	$ 3,000,000	3,000,000	
Change in Net Position	3,000,000	3,000,000	2,973,867	(26,133)
Net Position - beginning				
Net Position - ending	$ 3,000,000	$ 3,000,000	$ 2,973,867	$ (26,133)

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(amounts expressed in thousands [3])
(unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Primary government										
Net investment in capital assets	$ 113,002	$ 97,216	$ 143,282	$ 136,713	$ 136,347	$ 183,400	$ 189,393	$ 161,799	$ 156,090	$ 163,258
Restricted:										
Capital grants to other governments						13,281	68,705	97,234	30,181	19,612
Debt service	17,298	16,771	17,502	16,684	20,423	48,584	51,058	34,276	43,659	44,555
Unrestricted:										
Related to non-capital debt						(26,455)	(125,655)	(299,100)	(293,465)	(287,360)
Related to capital projects	31,929	44,747	51,330	84,605	115,136	77,250	56,272	37,552	44,172	39,793
Other	41,913	52,075	33,075	48,615	58,729	18,938	16,544	28,433	23,266	17,620
Total primary government net position	$ 204,142	$ 210,809	$ 245,189	$ 286,617	$ 330,635	$ 314,998	$ 256,317	$ 60,194	$ 3,903	$ (2,522)

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
FUND BALANCES OF GOVERNMENTAL FUNDS (1) (2)
LAST TEN FISCAL YEARS
(amounts expressed in millions[3])
(unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	$ 1.6	$ 1.1	$ 2.8	$ 4.0	$ 1.1	$ 0.5	$ 0.9	-	-	-
Unreserved	40.8	46.0	26.8	33.2	44.7	17.9	18.6	-	-	-
Nonspendable	-	-	-	-	-	-	-	$ 1.8	$ 2.5	$ 3.3
Restricted	-	-	-	-	-	-	-	5.3	5.4	5.8
Committed	-	-	-	-	-	-	-	11.7	10.4	2.9
Assigned	-	-	-	-	-	-	-	13.7	11.1	6.9
Unassigned	-	-	-	-	-	-	-	3.2	4.1	2.4
Total general fund	42.4	47.1	29.6	37.2	45.8	18.4	19.5	35.7	33.5	21.3
All other governmental funds										
Reserved	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	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	131.6	73.9	64.2
Committed	-	-	-	-	-	-	-	37.2	24.9	43.9
Assigned	-	-	-	-	-	-	-	0.3	19.2	2.9
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	49.2	61.6	68.9	102.7	145.4	141.4	176.0	169.1	118.0	111.0
Total governmental funds	$ 91.6	$ 108.7	$ 98.5	$ 139.9	$ 191.2	$ 159.8	$ 195.5	$ 204.8	$ 151.5	$ 132.3

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

(2) In FY11, new classifications were implemented as required under GASB 54.

(3) Amounts expressed in thousands or millions may not foot due to rounding.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
CHANGES IN NET POSITION (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands(6))
(unaudited)

Program Revenues	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Charges for Services										
Marketing	$ 1,906	$ 2,065	$ 2,843	$ 2,671	$ 3,486	$ 1,618	$ 1,869	$ 1,929	$ 1,388	$ 1,587
Operations	35,749	43,004	45,575	48,400	55,781	45,408	43,832	46,177	47,311	46,164
Operating Grants and Contributions:										
Special events grants	-	-	-	-	-	866	-	-	-	-
Capital Grants and Contributions:										
General government	-	-	-	-	-	-	711	3,608	5,121	4,898
Operations										756
Total governmental activities program revenues	37,656	45,069	48,417	51,071	59,267	47,892	46,412	51,714	53,820	53,405
Expenses										
Governmental activities:										
General government(2)	4,461	4,063	7,527	7,798	9,773	14,279	11,040	11,226	13,162	14,032
Marketing	25,176	30,374	32,198	33,061	34,617	30,620	27,329	28,625	31,488	31,456
Advertising	65,003	78,213	82,923	84,713	88,074	89,548	87,199	79,504	83,636	90,587
Operations	41,924	45,890	50,554	54,072	58,248	50,099	50,810	53,087	57,771	58,828
Community support and grants:										
Capital grants to other governments	-	-	-	-	-	10,960	45,989	144,135	67,095	10,605
Special events grants	6,846	8,128	11,017	14,810	12,967	6,574	7,437	8,059	7,714	8,234
Other community support	17,643	21,168	22,871	25,360	25,590	21,317	16,929	19,297	21,274	20,536
Interest on long-term debt	14,440	11,688	12,826	12,552	14,317	17,230	17,138	27,346	32,610	32,218
Total governmental activities expenses	175,493	199,524	219,916	232,366	243,586	240,627	263,871	371,278	314,750	266,495
Net Expenses	(137,838)	(154,455)	(171,499)	(181,295)	(184,319)	(192,735)	(217,459)	(319,564)	(260,930)	(213,090)
General Revenues and Other Changes in Net Position										
Room taxes and gaming fees	156,435	181,805	202,050	216,893	221,744	173,580	157,810	180,466	202,571	205,355
Interest and investment earnings	997	2,048	3,800	5,777	6,599	3,522	875	1,045	448	305
Miscellaneous	-	-	-	-	-	-	-	1,412	1,620	1,005
Gain/loss on the sale of capital assets(3)	(9)	17	28	53	(7)	-	-	-	-	-
Total general revenues	157,423	183,870	205,878	222,723	228,336	177,102	158,685	182,922	204,639	206,665
Special item - Miscellaneous (5)	-	-	-	-	-	-	-	(59,481)	-	-
Total general revenues and special items	157,423	183,870	205,878	222,723	228,336	177,102	158,685	123,441	204,639	206,665
Change in net position	19,586	29,415	34,379	41,428	44,017	(15,633)	(58,774)	(196,123)	(56,291)	(6,425)
Net position - beginning (as previously reported)	184,555	204,140	210,808	245,187	286,614	330,631	314,998	256,317	60,194	3,903
Adjustments (4)	-	(22,748)	-	-	-	-	93	-	-	-
Net position - beginning (as adjusted)	184,555	181,392	210,808	245,187	286,614	330,631	315,091	256,317	60,194	3,903
Net position - ending	$204,140	$210,808	$245,187	$ 286,614	$ 330,631	$ 314,998	$ 256,317	$ 60,194	$ 3,903	$ (2,522)

(1) This schedule uses the accrual basis of accounting under GASB 34.
(2) In FY 2006, Public affairs section transferred from Marketing to General Government. Beginning in FY 2009, the Finance and Materials Management sections were transferred from Operations to General Government.
(3) Beginning in FY 2009, any gains or losses on the sale of capital assets have been recorded as an expense of the Operations function.
(4) Adjustments to beginning fund balance were the result of a change in accounting estimate in FY 2005 and GASB 51 implemention in FY 2010, respectively.
(5) Special item in FY 2012 related to an impairment of CWIP.
(6) Amounts expressed in thousands may not foot due to rounding.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (1)
LAST TEN FISCAL YEARS
(amounts expressed in thousands (3))
(unaudited)

Revenues	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Room taxes and gaming fees	$155,034	$ 178,201	$ 202,050	$215,205	$ 222,585	$178,828	$ 156,007	$ 177,345	$201,406	$ 205,028
Charges for service	37,354	45,056	48,360	50,916	57,689	46,504	44,536	48,159	49,169	47,847
Earnings on investments	997	2,048	3,801	5,777	6,599	3,522	875	1,045	448	331
Federal grant subsidy	-	-	-	-	-	-	711	3,608	5,121	4,898
Miscellaneous	302	12	59	155	1,004	794	1,046	1,396	1,620	1,005
Total revenues	193,687	225,318	254,270	272,053	287,877	229,648	203,175	231,552	257,764	259,109
Expenses										
General government(2)	4,438	4,061	7,430	7,799	9,192	12,861	10,701	10,374	12,452	13,246
Marketing	25,181	30,225	31,991	33,079	33,909	30,165	26,755	27,459	30,290	30,302
Advertising	65,003	78,213	82,923	84,713	88,074	89,548	87,199	79,504	83,636	90,587
Operations	32,854	34,824	36,890	41,270	43,940	37,350	34,186	34,009	37,132	36,691
Community support and grants:										
Capital grants to other governments	-	-	-	-	-	10,960	45,989	144,135	67,095	10,605
Special events grants	5,666	6,948	9,817	13,544	11,967	6,574	7,438	8,058	7,714	8,234
Other community support	18,723	21,805	24,435	24,873	26,920	22,559	16,749	18,985	21,158	20,509
Other	-	-	-	-	-	-	-	5,193	-	-
Capital outlay:										
Capitalized assets	2,714	5,574	46,794	29,801	112,556	46,378	9,410	9,619	7,480	32,886
Non-capitalized assets	281	572	918	992	906	616	698	848	1,505	3,316
Debt service:										
Principal	10,865	9,950	11,725	11,050	11,605	13,340	13,580	121,511	9,175	21,689
Interest	14,372	14,528	11,498	13,341	12,384	17,114	14,983	19,236	33,676	32,360
Bond issuance costs	-	1,816	2	722	1,053	-	1,018	-	-	724
Total expenditures	180,097	208,516	264,423	261,184	352,506	287,465	268,706	478,931	311,313	301,149
Excess (deficiency of revenues over (under) expenditures	13,590	16,802	(10,153)	10,869	(64,628)	(57,817)	(65,531)	(247,379)	(53,549)	(42,040)
Other financing sources (uses)										
Transfers in	32,684	46,852	79,275	62,393	67,761	60,217	43,928	84,168	61,133	69,848
Transfers out	(32,684)	(46,852)	(79,275)	(62,393)	(67,761)	(60,217)	(43,928)	(84,168)	(61,133)	(72,848)
Proceeds from the sale of capital assets	7	33	30	70	14	15	218	29	223	57
Issuance of capital lease obligation	-	-	-	-	-	-	-	281	-	15
Issuance of debt	-	118,745	-	69,200	115,000	26,455	124,290	255,830	-	24,990
Premium on debt issuance	-	10,359	-	2,050	911	-	2,052	1,685	-	756
Discount on debt issuance	-	-	-	-	-	-	-	(1,192)	-	-
Payment of refunded debt escrow agent	-	(128,953)	-	(40,797)	-	-	(25,322)	-	-	-
Total other financing sources (uses)	7	185	30	30,524	115,925	26,470	101,238	256,633	223	22,818
Net change in fund balances	13,597	16,987	(10,123)	41,393	51,296	(31,347)	35,707	9,254	(53,326)	(19,222)
Fund balance - beginning	78,026	91,624	108,610	98,487	139,879	191,176	159,829	195,535	204,789	151,463
Fund balance - ending	$ 91,624	$ 108,610	$ 98,487	$139,879	$ 191,176	$159,829	$ 195,535	$ 204,789	$ 151,463	$ 132,241
Debt service as a percentage of noncapital expenditures	14.2%	12.1%	10.7%	10.5%	10.0%	12.7%	11.1%	30.1%	14.2%	20.2%

(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, the Public Affairs section transferred from Marketing to General Government. Beginning in FY 2009, the Finance and Materials Management sections were transferred from Operations to General Government.

(3) Amounts expressed in thousands may not foot due to rounding.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
GENERAL GOVERNMENTAL EXPENDITURES (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, capital grants to other governments, non-capitalized assets and other. Additionally, expenditures from any special revenue fund and capital expansion funds are excluded.

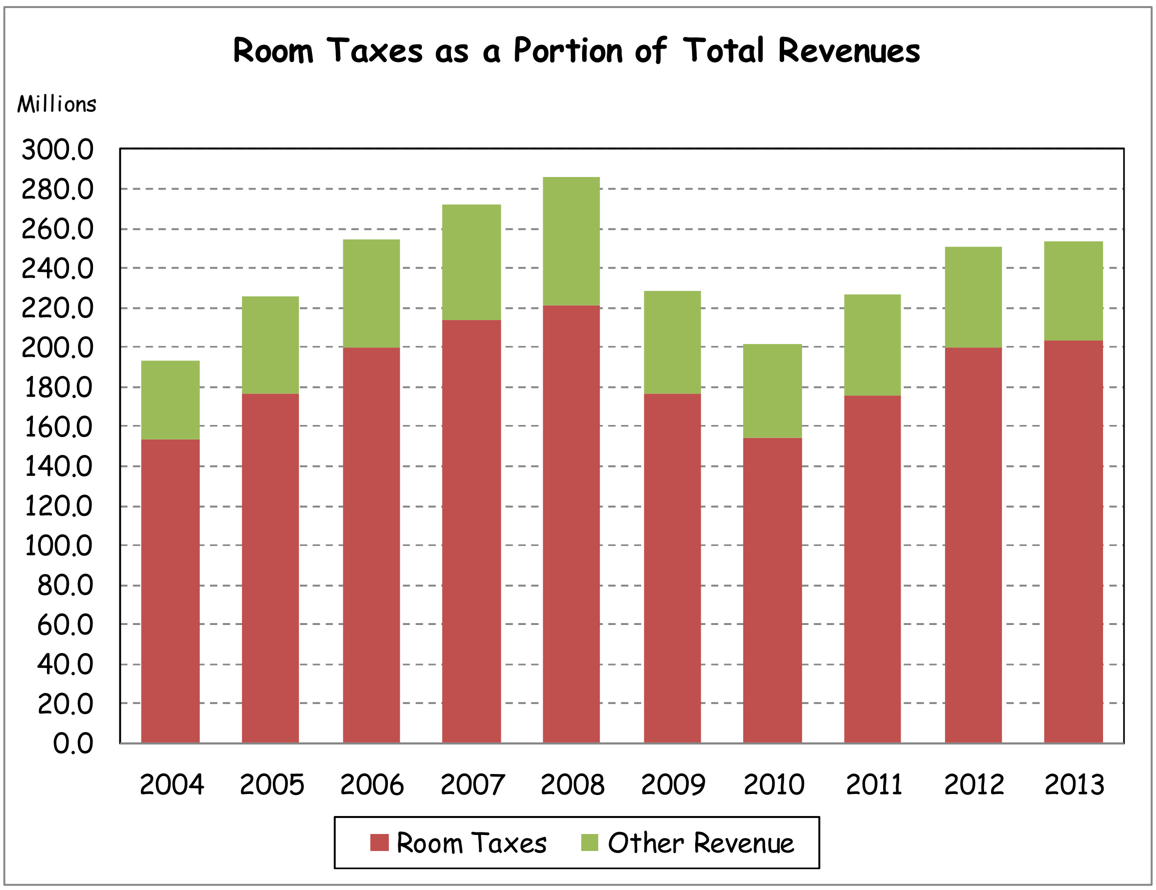
Fiscal Year	Total Expenditures	General Government (3)		Marketing (2)		Advertising	
2004	$ 180,096,563	$ 4,437,711	2%	$ 25,180,916	14%	$ 65,002,609	36%
2005	171,875,281	4,060,571	2%	30,226,424	18%	78,211,815	46%
2006	226,611,762	7,429,634	3%	31,990,835	14%	82,923,473	37%
2007	198,904,193	7,799,028	4%	33,079,358	17%	84,713,300	43%
2008	214,024,724	9,192,348	4%	33,908,754	16%	88,074,185	41%
2009	236,824,486	12,860,753	5%	30,165,052	13%	89,547,692	38%
2010	186,919,649	10,700,951	6%	26,754,911	14%	87,199,280	47%
2011	232,226,854	10,373,913	4%	27,458,590	12%	79,504,487	34%
2012	242,712,622	12,452,224	5%	30,289,998	13%	83,636,231	34%
2013	286,504,452	13,246,144	5%	30,301,848	10%	90,587,216	32%

Fiscal Year	Operations		Special Events Grants		Other Community Grants		Capital Outlay		Debt Service (4)	
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%	9,409,687	5%	28,766,480	15%
2011	34,008,771	15%	8,058,471	3%	18,785,979	8%	9,618,513	4%	44,418,130	19%
2012	37,131,878	15%	7,713,777	3%	21,157,585	9%	7,479,924	3%	42,851,005	18%
2013	36,690,902	13%	8,233,771	3%	20,509,181	7%	32,886,283	11%	54,049,107	19%

(1) This schedule uses the modified accrual basis of accounting.
(2) In FY 2006, the Public Affairs section was transferred from the Marketing function to the General Government function.
(3) In FY 2009, the Finance and Materials Management sections were transferred from Operations to the General Government function.
(4) Includes Debt Service from Capital Projects Fund and Debt Service Funds.

The schedule below includes revenues recorded in the general, debt service, and capital funds, with the exception of nonrecurring items. Nonrecurring revenues include miscellaneous revenues from the general fund, revenues from any special revenue fund, and federal grant subsidies.

Fiscal Year	Total Revenues	Room Tax		Charges for Services		Gaming Tax		Interest	
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	201,417,740	154,046,265	76%	44,535,733	22%	1,960,431	1%	875,310	<1%
2011	226,290,335	175,425,978	78%	47,900,661	21%	1,919,186	<1%	1,044,510	<1%
2012	251,177,767	199,592,498	79%	49,323,986	20%	1,813,548	<1%	447,735	<1%
2013	253,206,343	203,196,429	80%	47,846,895	19%	1,831,589	<1%	331,430	<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	Premiums, Discounts & Other [3]	Total Primary Government	Amount of Debt per Visitor [1]
2004	$ 117,735,000	$ 150,000,000	-	-	$ 2,199,102	$ 269,934,102	$ 7.22
2005	107,885,000	150,870,000	-	-	844,456	259,599,456	6.73
2006	97,610,000	149,420,000	-	-	349,248	247,379,248	6.36
2007	85,135,000	149,180,000	-	-	967,529	235,282,529	6.00
2008	73,775,000	198,935,000	-	$96,000,000	1,293,480	370,003,480	9.87
2009	87,810,000	198,015,000	-	96,000,000	1,243,182	383,068,182	10.54
2010	184,645,000	187,005,000	-	96,000,000	2,746,886	470,396,886	12.60
2011	355,935,000	246,130,000	-	-	2,841,980	604,906,980	15.54
2012	347,955,000	245,025,000	-	-	2,421,231	595,401,231	14.99
2013	364,375,000	232,000,000	-	-	2,677,189	599,052,189	n/a [2]

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

(2) Information was not available as of the report issuance date.

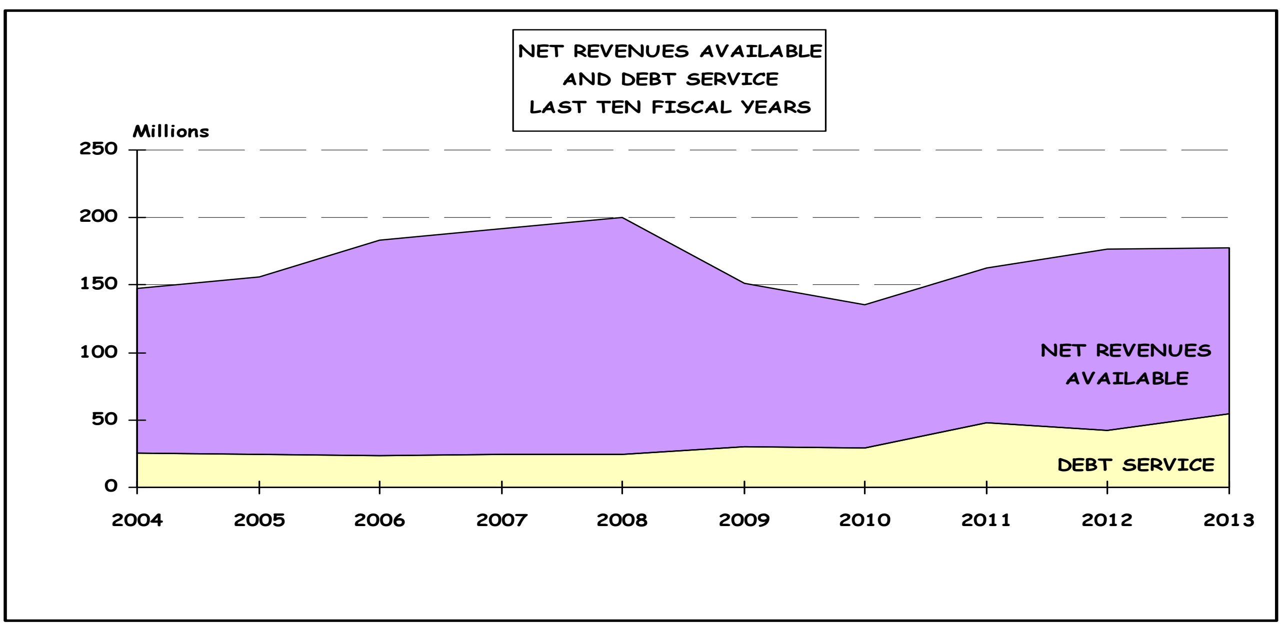
(3) This includes unamortized preiums, discounts and deferred refunding charges.

Seven of the LVCVA's ten 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 ad valorem taxes for debt service, using only net pledged revenues derived from operations. In fact, as of June 30, 2013, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. The remaining bond issues are LVCVA revenue bonds.

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

Gross revenues include interest income and miscellaneous fees and charges in the general fund. Revenues from the capital, debt, and internal service funds have been excluded since these are not a constant source of income. Maintenance expenditures are comprised of all expenditures except marketing, advertising, bond issuance costs, capital improvement and debt service. Principal and interest contains expenditures for debt service.

FISCAL YEAR	GROSS REVENUES	MAINTENANCE EXPENDITURES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL AND INTEREST	SERVICE COVERAGE
2004	$ 193,181,747	$ 45,407,501	$ 147,774,246	$ 25,237,306	5.86
2005	224,770,553	69,073,445	155,697,108	24,477,554	6.36
2006	253,172,523	70,240,449	182,932,074	23,223,269	7.88
2007	269,118,610	77,608,699	191,509,911	24,391,084	7.85
2008	281,918,943	81,762,822	200,156,121	23,989,128	8.34
2009	225,143,478	74,174,827	150,968,651	30,454,599	4.96
2010	200,737,367	65,614,509	135,122,858	28,562,969	4.73
2011	226,060,027	66,460,656	159,599,371	44,321,298	3.60
2012	250,820,583	73,815,377	177,005,206	42,754,341	4.14
2013	253,051,352	74,631,057	178,420,295	53,951,716	3.31



LAS VEGAS CONVENTION AND VISITORS AUTHORITY
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
JUNE 30, 2013
(unaudited)

FISCAL YEAR	APPROXIMATE ASSESSED VALUATION (1)	BONDED DEBT LIMIT (2)	TOTAL DEBT APPLICABLE TO DEBT LIMIT (3)	DEBT MARGIN
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	97,610,000	3,244,799,295
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
2011	64,126,946,544	3,206,347,327	355,935,000	2,850,412,327
2012	56,712,550,689	2,835,627,534	347,955,000	2,487,672,534
2013	53,267,069,961	2,663,353,498	364,375,000	2,298,978,498

(1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada (the County). 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, as applicable.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
CLARK COUNTY, NEVADA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2013
(unaudited)

	GROSS DEBT	MONIES AVAILABLE	NET OUTSTANDING DEBT	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVER-LAPPING DEBT
Direct Debt:					
Las Vegas Convention and Visitors Authority [(1) (2)]	$ 599,052,189	$ 22,650,000	$ 576,402,189	100%	$ 576,402,189
Overlapping Debt:					
Clark County [(3)]			4,913,412,472	100%	4,913,412,472
				Total	$ 5,489,814,661

(1) Ad valorem taxes are not used to repay these debts.

(2) The LVCVA's gross debt includes general obligation bonds, issued by the County on behalf of the LVCVA and revenue bonds, net of unamoritzed premiums, discounts and deferred refunding charges.

(3) Source: Clark County Comptroller's Office.

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 population is 36.2, with 24.7% of the population under the age of 18. The Clark County School District is the fifth largest in the nation with 357 schools. The median household income is $50,962.

Per the Census Bureau, Clark County is the nation's 13th most populous county in the United States. The population in FY 2012 increased less than 2% from FY 2011.

Entity	Incorporation Date	2012 Population	Square Miles (approx.)
Clark County	1909	877,647	7,220
Las Vegas	1911	589,156	133
N. Las Vegas	1946	222,009	100
Henderson	1953	266,846	105
Boulder City	1958	15,759	208
Mesquite	1984	16,778	32

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

AS OF JUNE 30,	POPULATION (A)	PER CAPITA INCOME (B)	LABOR FORCE (C)	UN-EMPLOYMENT RATE (C)
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	915,440	4.30%
2007	1,954,319	39,187	936,950	4.70%
2008	1,967,716	39,269	968,980	6.30%
2009	1,952,040	37,457	986,350	12.40%
2010	1,968,831	35,207	970,653	15.30%
2011	1,967,722	41,118	991,963	14.40%
2012	1,988,195	n/a	991,956	11.80%
2013	n/a	n/a	992,704	9.80%

AS OF DEC 31,	MEDIAN HOUSE-HOLD INCOME	MEDIAN AGE (D)	SCHOOL ENROLLMENT
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
2010	58,432	35.4	323,637
2011	54,255	34.5	322,555
2012	50,962	36.2	325,179

Sources:
(A) Population is only available on a calendar year basis.
(B) U.S. Bureau of Economic Analysis, AMSA04, per capita personal income - update not available 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) Starting with calendar year 2008 – median age calculation includes entire population; previously it was the adult population only.
All other statistics are as of December 31 and are from the Las Vegas Perspective.

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (IN THOUSANDS)
LAST TEN FISCAL YEARS

	Amounts expressed in thousands					
	REAL PROPERTY		PERSONAL PROPERTY		TOTAL	
FISCAL YEAR	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE
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
2011	60,420,431	172,629,803	3,706,515	10,590,044	64,126,946	183,219,847
2012	53,342,795	152,407,986	3,369,756	9,627,873	56,712,551	162,035,859
2013	48,963,146	139,894,703	4,303,924	12,296,926	53,267,070	152,191,629

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

	HOTEL/MOTEL CONSTRUCTION		COMMERCIAL/PUBLIC CONSTRUCTION		RESIDENTAL CONSTRUCTION		
CALENDAR YEAR	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	TOTAL NEW CONSTRUCTION
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	3	25,797	170	790,695	4,034	562,291	1,378,783
2010	5	1,701	129	184,969	4,719	583,602	770,272
2011	0	-	154	215,499	4,088	559,749	775,248
2012	3	98,830	134	409,084	6,225	882,426	1,390,340

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

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

Sources:
Assessed and estimated actual property values – Clark County Assessor's Office.
New construction – Las Vegas Perspective

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

In its role of promoting Las Vegas as a travel destination, the LVCVA contributes to the growth of the entire local economy. The Las Vegas economy is heavily dependent on the hotel and gaming industry, which employs 32% of the labor force. The health of the hotel and 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	CHANGE
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%
2010	4,473,134	12.0%	32,862,302	88.0%	37,335,436	2.7%
2011	4,865,272	12.5%	34,063,436	87.5%	38,928,708	4.3%
2012	4,944,014	12.4%	34,783,008	87.6%	39,727,022	2.1%

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

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 and room taxes collected in Clark County.

CALENDAR YEAR	NON-GAMING CONVENTION REVENUE (In Thousands)	CHANGE	GAMING REVENUES (In Thousands)	CHANGE	ROOM TAXES (Fiscal Year)	CHANGE
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%
2010	n/a *	n/a	8,908,698	0.8%	154,046,265	-12.8%
2011	n/a *	n/a	9,222,906	3.5%	175,425,978	13.9%
2012	n/a *	n/a	9,399,882	1.9%	199,592,498	13.8%

Source: Las Vegas Convention and Visitors Authority; Nevada State Gaming Control Board
*Beginning in 2008, the LVCVA no longer tracks non-gaming convention revenue.

USE OF FACILITIES
LAST TEN FISCAL YEARS
(unaudited)

CONVENTION CENTER BUILDING UTILIZATION

FY	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
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 (2)	68	-	11	4	7	90	35,951,249
2010	64	-	7	2	2	75	35,783,911
2011	64	-	7	3	2	76	38,483,619
2012	53	-	8	3	3	67	39,022,683
2013	47	-	9	7	1	64	36,854,055

Source: Las Vegas Convention and Visitors Authority

CASHMAN CENTER BUILDING UTILIZATION

FY	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
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 (2)	-	-	11	91	38	140	1,412,766
2010	1	-	6	94	38	139	1,497,930
2011	1	-	3	115	34	153	1,592,040
2012	1	-	4	142	36	183	1,699,204
2013	2	-	3	149	35	189	1,760,894

Source: Las Vegas Convention and Visitors Authority

(1) In 2004, the LVCVA changed the methodology for reporting meetings held at Cashman Center. Prior to the methodolgy change all meetings (including internally scheduled meetings) were counted. Pursuant to the methodolgy change, the LVCVA began counting only meetings held by external customers.
(2) In 2009, the categorizations of events at both facilities was revised. Rather than "Events" and "Meetings", the new categories are "Special Events", which are directly tied to visitors to the County and "Public Events", which include shows aimed at local residents, meetings and other local organization events. Historical data for 2009 was adjusted under the new method.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL GOVERNMENT										
Executive	15	15	17	17	17	17	18	15	15	14
Finance (1)	--	--	--	--	--	42	43	35	35	35
Human Resources	7	7	8	10	10	10	10	8	8	8
Public Affairs	--	--	12	14	18	18	19	19	19	20
	22	22	37	41	45	87	90	77	77	77
MARKETING										
Advertising	2	2	2	2	2	2	2	1	1	1
Research (2)	6	5	6	6	7	7	11	2	2	3
Digital Marketing (2)	--	--	--	--	--	--	--	9	9	9
Sports Marketing	2	2	2	2	4	2	2	3	3	2
Strategic Planning (3)	--	--	--	--	--	--	--	3	3	7
Sales	38	44	--	--	--	--	--	--	--	--
Convention Center Sales	--	--	12	12	12	13	12	10	10	13
Diversity Marketing	--	--	2	4	4	4	2	1	1	1
Convention Sales	--	--	30	30	28	28	31	26	26	24
Tourism	17	19	--	--	--	--	--	--	--	--
Leisure Sales	--	--	17	19	15	17	16	12	12	11
International Sales	--	--	2	2	8	8	6	7	7	8
Destination Services	11	10	10	10	10	10	7	4	4	3
Registration & Housing (3)	4	4	4	4	4	4	4	6	6	6
Call Center (3)	30	26	26	26	24	23	23	--	--	--
Visitor Information (3)	19	18	18	18	18	18	18	26	26	23
Convention Services	15	15	15	15	16	16	16	15	15	14
Public Affairs	11	12	--	--	--	--	--	--	--	--
	155	157	146	150	152	152	150	125	125	125

(1) In FY 2009, the Finance, Purchasing and Materials Management sections were combined into one department.
(2) In FY 2010, Destination Services and Internet Marketing/Research were re-organized, creating an additional departmen called Digital Marketing.
(3) In FY 2011, Call Center was consolidated into the Visitor Information. The Registration and Housing sections were combined and a new department - Strategic Planning - was added.

(continued)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
OPERATIONS										
Facilities	2	2	--	--	--	--	--	--	--	--
Client Services	115	113	112	116	126	126	126	112	112	112
Engineering	--	--	--	--	111	113	109	101	101	100
Engineering Systems	55	49	50	50	--	--	--	--	--	--
Engineering Maintenance	48	49	49	50	--	--	--	--	--	--
Security	46	47	49	50	39	39	39	34	34	36
Traffic	5	5	11	15	17	17	17	19	19	17
Physical Security	6	6	5	5	17	17	17	17	17	17
Finance [1]	19	20	19	21	22	--	--	--	--	--
Purchasing & Contracts [1]	8	9	9	10	11	--	--	--	--	--
Materials Management [1]	8	9	9	9	10	--	--	--	--	--
Information Technology	11	12	12	12	15	15	15	13	13	14
Transportation	3	--	--	--	--	--	--	--	--	--
Facility Projects	--	3	5	6	7	4	8	5	5	5
Customer Experience	--	--	--	2	2	2	1	2	2	2
	326	324	330	346	377	333	332	303	303	303
TOTAL LVCVA	503	503	513	537	574	572	572	505	505	505

[1] In FY 2009, the Finance, Purchasing and Materials Management sections were combined into one department and moved into the Executive Division.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL GOVERNMENT										
Human Resources										
# of active employees	459	496	515	539	531	500	484	477	482	485
# of new full-time employees processed	46	79	63	75	48	-	-	13	47	22
Public Affairs										
Media inquiries received	n/a	626	944	1,000	1,095	1,284	1,089	730	897	1,091
Press releases distributed	25	48	52	60	93	102	95	63	50	98
Video projects completed	n/a	n/a	n/a	92	108	76	215	274	292	215
Photo assignments completed	n/a	n/a	510	600	659	720	678	614	593	668
Finance										
Payroll checks/deposit advises issued	19,252	19,282	19,862	21,314	22,271	22,199	20,164	18,884	20,157	20,268
Accounts Payable disbursements	6,180	6,859	6,905	7,051	7,060	6,002	4,997	4,135	3,928	-
# of Invoices associated w/AP disbursements (1)	-	-	-	-	-	-	-	-	-	12,349
Purchasing and Contracts										
Contracts administered	515	441	580	706	436	259	471	645	755	439
Purchase orders issued	940	1,034	1,209	1,298	1,218	869	553	752	787	783
Materials										
Packages shipped	210,000	260,000	296,000	280,000	281,585	191,170	44,586	45,892	44,019	50,538
Copies produced	1.2M	1.3M	1.3M	1.5M	1.5M	1.0M	0.7M	0.6M	0.6M	0.6M
MARKETING										
Internet Marketing and Research										
Statistical Reports and Publications produced	15	16	30	26	31	34	33	32	28	31
Web site visits - combined LVCVA sites	7.4M	7.3M	8.8M	7.0M	7.1M	8.2M	8.7M	9.0M	10.5M	14.1M
Web site referrals - combined LVCVA sites	n/a	n/a	3.3M	4.6M	4.9M	4.6M	4.3M	3.9M	3.4M	2.5M
Sales										
Total leads distributed (originated and facilitated)	n/a	n/a	3,540	4,018	4,013	3,186	2,890	2,930	3,640	4,067
Converted leads	n/a	n/a	1,014	1,238	1,229	1,026	845	885	1,322	1,928
In-person out of market sales calls	n/a	n/a	1,163	1,974	1,983	4,846	4,144	3,112	3,108	2,874
Travel industry events attended	n/a	n/a	595	681	813	819	902	711	732	885
Registration Services										
Meetings and conventions supported	300	325	343	314	283	281	266	282	284	256
Call Center										
Total calls managed	n/a	n/a	281,666	224,778	201,384	156,401	133,736	112,461	92,594	85,922
Visitor Information										
Total visitor volume	n/a	n/a	278,500	283,306	246,818	225,307	277,539	213,152	206,513	198,336
OPERATIONS										
Client Services										
Show support (man-hours)	12,443	12,992	12,899	15,093	16,093	13,550	12,323	12,853	11,971	10,877
Set/strike meeting rooms/halls (man-hours)	19,382	20,217	21,442	23,402	23,432	21,875	19,957	17,045	19,031	18,617
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	14,234,743	13,940,090	13,877,643
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	1,269,810	1,171,845	1,166,964
Security										
Special events hours worked	n/a	n/a	2,006	2,347	637	363	274	22	385	334
Percentage of lost items returned to owner	61%	52%	50%	50%	48%	49%	47%	51%	50%	50%
Patients treated in First Aid	n/a	n/a	n/a	n/a	3,932	3,000	2,151	1,854	1,928	2,133
Information Technology										
Computer training hours	2,854	1,440	1,896	2,104	2,053	1,803	302	410	361	224
Call resolution time (average hours)	3.0	3.5	3.5	3.5	4.0	4.1	4.3	7.5	7.5	6.7

(1) In FY 2013, Accounts Payable changed from the total of disbursements to the total number of invoices associated with the disbursements.

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

Fiscal Year	General Government (2) (3)	Marketing (2)	Operations (2) (3)	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
2011	5,761	41,341	467,743,263	467,790,365
2012	94,230	19,800	458,005,442	458,119,472
2013	67,572	29,558	474,855,922	474,953,052

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

(2) Totals are net of accumulated depreciation and amorization.

(3) 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 NINE YEARS PRIOR
(unaudited)

Employers	Employees [2]	Percentage of County Employment
CLARK COUNTY SCHOOL DISTRICT	32,130	3.90%
CLARK COUNTY, NEVADA	8,240	1.00%
WYNN LAS VEGAS LLC	8,240	1.00%
BELLAGIO LLC	8,240	1.00%
MGM GRAND HOTEL/CASINO	8,240	1.00%
ARIA RESORT & CASINO LLC	7,410	0.90%
MANDALAY BAY RESORT AND CASINO	6,590	0.80%
CAESARS PALACE	6,590	0.80%
UNIVERSITY OF NEVADA - LAS VEGAS	4,940	0.60%
LAS VEGAS METROPOLITAN POLICE	4,940	0.60%
Total for Principal Employers	95,560	11.60%

Clark County Employment as of June 30, 2013	823,886

Employers	Employees [2]	Percentage of County Employment
CLARK COUNTY SCHOOL DISTRICT	28,160	3.50%
CLARK COUNTY, NEVADA	8,850	1.10%
MANDALAY BAY RESORT AND CASINO	6,440	0.80%
MIRAGE CASINO-HOTEL	5,630	0.70%
STATE OF NEVADA	5,630	0.70%
UNIVERSITY OF NEVADA - LAS VEGAS	5,630	0.70%
LAS VEGAS METROPOLITAN POLICE	4,830	0.60%
CAESARS PALACE	4,830	0.60%
RIO SUITE HOTEL	4,020	0.50%
LUXOR	4,020	0.50%
Total for Principal Employers	78,040	9.70%

Clark County Employment as of June 30, 2004	804,457

(1) The labor and employer statistics provided by Nevada Department of Employment.

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

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 Dec 31, 2012	% of total rooms
MGM Grand	4,996	3.1%
Luxor	4,400	2.7%
Mandalay Bay	4,328	2.7%
Venetian	4,027	2.5%
Aria	4,004	2.5%
Excalibur	3,991	2.5%
Bellagio	3,933	2.4%
Caesars Palace	3,772	2.3%
Circus Circus	3,733	2.3%
Flamingo Las Vegas	3,460	2.0%
	40,644	25.0%
Total Jean/Primm	2,944	1.8%
Other Hotels and motels	106,893	65.8%
Total Las Vegas metropolitan area	150,481	92.6%
Total Laughlin	10,333	6.3%
Total Mesquite	1,745	1.1%
Total inventory of rooms	162,559	100.0%

Note: Other Hotels and 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 an average of over 25% for the past ten calendar years.

Calendar Year	Total VisitorVolume	Rooms Inventory [(1)]	Occupany Rate	Average Rooms Occupied Daily	Average Daily Rate	National Occupancy Percentage
2003	35,540,126	130,482	85.0%	110,910	$ 82.48	59.2%
2004	37,388,781	131,503	88.6%	116,512	89.78	61.3%
2005	38,566,717	133,186	89.2%	118,802	103.12	63.1%
2006	38,914,889	132,605	89.7%	118,947	119.66	63.4%
2007	39,196,761	132,947	90.4%	120,184	132.09	63.2%
2008	37,481,552	140,529	86.0%	120,855	119.19	60.4%
2009	36,351,469	148,941	81.5%	115,196	93.19	55.1%
2010	37,335,436	151,880	80.4%	119,744	94.91	57.6%
2011	38,928,708	150,245	83.8%	125,905	105.11	60.1%
2012	39,727,022	150,481	84.4%	127,006	108.08	61.4%

Source: Las Vegas Convention and Visitors Authority, Marketing Division – Research Department
[(1)] Total Las Vegas metropolitan area and Jean/Primm properties.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2013
(unaudited)

	NAME OF INSURER	POLICY NUMBER	LIMIT	EXPIRATION DATE
Property/Terrorism	Factory Mutual Insurance Co.	U361	Various	8/1/2014
Crime	Great American Insurance Co.	GVT379271408	Various	8/1/2014
General Liability	Philadelphia Indemnity Ins. Co.	PHPK1049469	Various	8/1/2014
Workers Compensation (DC & IL)	Twin City Fire Ins Co (Hartford)	53WECRQ2921	$ 1,000,000	8/1/2014
Excess Workers Compensation	Safety National Casualty Corp.	AGC4049334	$ 1,000,000	8/1/2014
Automobile	Philadelphia Indemnity Ins Co.	PHPK1049469	$ 1,000,000 $ 5,000 $ 1,000,000	8/1/2014
Umbrella Liability	Philadelphia Indemnity Ins Co.	PHUB428579	$ 10,000,000	8/1/2014
Excess over $10 million	Navigators Insurance Company	LA13EXC7830531V	$ 15,000,000	8/1/2014
Excess over $25 million	Great American Ins Co of New York	EXC4647534	$25,000,000	8/1/2014
Excess over $50 million	Fireman's Fund Ins Co	SHX00057864332	$25,000,000	8/1/2014
Excess over $75 million	Federal Insurance Co. (Chubb)	79736487	$25,000,000	8/1/2014
Public Officials & Employees Liability	Ace American Insurance Co.	G21656586010	$ 10,000,000	8/1/2014
Public Officials & Employees Excess Liability	National Union Fire Ins Co of Pittsburgh, PA	012333521	$ 10,000,000	8/1/2014
Foreign Protection	Navigators Insurance Co	PH12FPK0A1T70NV	Various	3/23/2014
Travel Insurance	CIGNA	ABL 962204	Various	11/30/2013
Medical Benefits Abroad	CIGNA	04071A	Various	11/30/2013

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 8, 2013.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the LVCVA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the LVCVA's internal control.

A *deficiency* in internal control 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LVCVA's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the LVCVA's basic financial statements are free from 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 basic financial statement amounts, including whether the funds established by the LVCVA, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. 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 matters that we reported to management of the LVCVA in a separate letter dated October 8, 2013.

Purpose of this Report. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LVCVA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LVCVA internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
October 8, 2013