LAS VEGAS CONVENTION AND VISITORS AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

LAS Vegas CONVENTION AND VISITORS AUTHORITY

Las Vegas, Clark County, Nevada

Comprehensive Annual Financial Report
For The Year Ended June 30, 2016

Prepared by the Finance Department
Under the supervision of
Rana D. Lacer, Chief Financial Officer
and
Shannon Anderegg, Senior Director of Finance & Accounting

Las Vegas Convention & Visitors Authority
3150 Paradise Road
Las Vegas, Nevada 89109-9096
(702) 892-0711
www.lvcva.com

TABLE OF CONTENTS

TABLE OF CONTENTS
(CONTINUED)

INTRODUCTORY SECTION

September 26, 2016

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, 2016.

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 based on management's 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 as of and for the fiscal year ended June 30, 2016, 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 as of and for the fiscal year ended June 30, 2016, 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 of the LVCVA's operations for 2016. 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. It is 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 Metro 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, Italy, Japan, Mexico, the Netherlands, Scandinavia, South Korea, India and the United Kingdom, Las Vegas' number one overseas market. International travel, as a percentage of overall visitation, has grown over the last five calendar years from 14% in 2009 to 16% in 2015. International visitors contributed 29% of total visitor spending in calendar year 2015.

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" ™

– with sales, marketing and public relations activities, as well as special events, to attract visitors.

In addition to marketing the destination, the LVCVA operates the Las Vegas Convention Center (LVCC) and Cashman Center to generate 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 represented over 14% of annual visitation to Southern Nevada in fiscal year (FY) 2016. The number of conventions and meetings held in Las Vegas during FY 2016 increased 4%; while attendance at those events increased 21%.

Las Vegas was recognized by the Trade Show News Networks (TSNN) as the No. 1 tradeshow destination in the United States for 2015, the 22nd consecutive year of holding the market lead. Las Vegas hosted 54 of the largest 250 tradeshows held across the nation, including the Consumer Electronics Show (CES) - the largest tradeshow by net square footage. CES features the largest global hands-on showcase of emerging innvoation and all aspects of the technology spectrum. The January 2016 show, held at the LVCC, realized record-breaking attedance and drew more than 170,000 people to Las Vegas to view more than 2.47 million square feet of exhibits. More than 50,000 of the attendees were from outside of the U.S., reflecting the global appeal of conducting business in Las Vegas.

FACILITIES

Las Vegas Convention Center

The LVCC opened with the World Congress of Flight in 1959. Today, it is one of the busiest convention 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, 145 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 51 large conventions and tradeshows during FY 2016, including MAGIC International, International CES, Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB). The LVCC hosted an estimated 1.3 million total attendees during FY 2016. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events and full-scale concerts. With over 2,200 access points, the LVCC and Cashman Center offer one of the most robust Wi-Fi installations in the country. Guests and exhibitors can connect using the latest 5 GHz, 802.11ac Wi-Fi technology which is centrally coordinated to minimized interference and provide an optimum Wi-Fi guest experience. In January 2017, the LVCC will debut a multi-million-dollar neutral host cellular Distributed Antenna System (DAS) installation providing high capacity access to all four major cellular carriers; supporting 4G and new AWS voice and data services.

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 1,898 seat 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.

ECONOMIC CONDITION

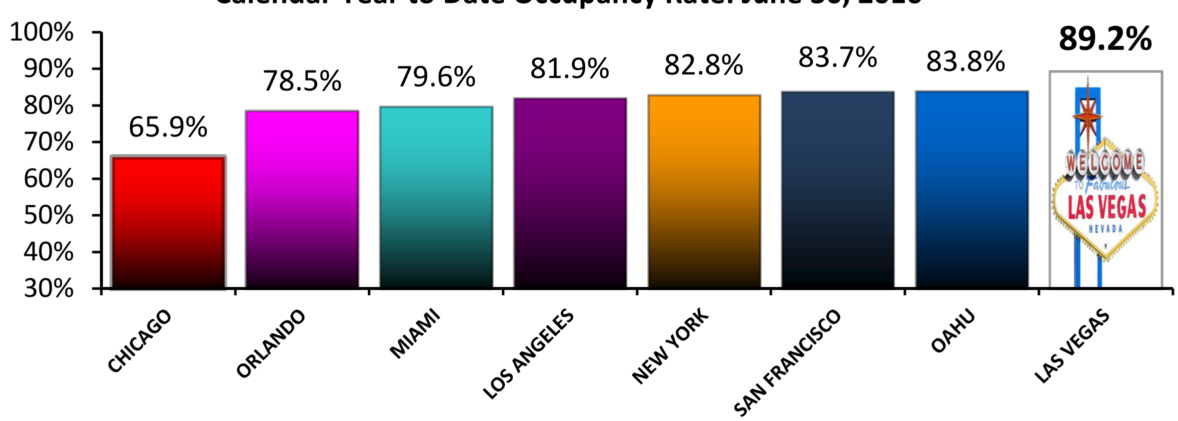
Tourism is the largest industry and economic driver in Southern Nevada. As a result, U.S. and international travel trends are closely monitored. On a national level, the travel and tourism sector continued to drive economic growth over the last year, with the travel industry creating more jobs at a faster rate than the rest of the economy from 2010 through 2015, as reported by the U.S. Travel Association. U.S. Travel Association is the national, non-profit organization representing all components of the travel industry. The Global Business Travel Association (GBTA) announced that worldwide business travel spending increased 5% in calendar 2015, reaching a record-breaking $1.2 trillion. It is forecasted to reach $1.3 trillion in 2016. Looking further ahead, GBTA predicts business travel spending will reach $1.6 trillion by 2020. The American Hotel & Lodging Association (AH&LA) announced that a recent report from the U.S. Department of Labor showed significant growth for the hospitality and leisure sector. Currently, one in every nine jobs in the U.S. is dependent on travel and tourism. Additionally, other macroeconomic indicators reflect continued trends of moderate growth, including the S&P 500, Consumer Confidence Index, Employment, the Consumer Price Index and Travel Price Index continue to trend upward.

At a local level, Las Vegas continues to be one of the most exciting destinations for leisure and business travel with the highest concentration of hotel rooms in a central area. Notably, visitation to Las Vegas increased 2.9% during FY 2016, consistent with national trends. In fact, the travel and booking website TripAdvisor declared that Americans chose Las Vegas as the most popular summer destination for 2016 based on searches and bookings.

Las Vegas is known for continually reinventing itself to deliver on the brand promise of being the premier destination in the world. That was proven in FY 2016 by the substantial private investments made in the destination to further drive visitation. Mandalay Bay completed its $70 million, 350,000 square foot convention center expansion. MGM Resorts International and AEG Worldwide opened the $375 million T-Mobile Arena in April 2016, a 20,000 seat sports and entertainment arena located just west of the famed Las Vegas Strip. Several additional new attractions opened in 2016, including The Park, an eight-acre park with a dining and entertainment district located near the T-Mobile Arena; Topgolf Las Vegas, an eight acre four level driving range adjacent to the MGM Grand Hotel and Casino; and SPEEDVEGAS, a motorsports complex featuring driving experiences with exotic supercars. Looking ahead, Wynn Resorts recently unveiled a plan to convert its golf course into a $1.6 billion lake resort with a boardwalk, water-skiing and paddle-boarding, accompanied by a new hotel tower by 2020. More bright spots on the horizon include the projected 2019 opening of the Resort World Las Vegas complex, a mega resort on the Las Vegas Strip focused on the blossoming Chinese tourism market. On August 4th, China's Hainan Airlines announced plans for the first-ever nonstop service between Beijing and Las Vegas, which will be a catalyst for Chinese tourists to visit all parts of the state and region. These multimillion dollar projects continue to show that Las Vegas does not stand still and continues to provide new experiences and reasons to visit.

Due to a destination focus on exciting new entertainment venues, hotel room inventory stayed relatively flat over the last year; however, Las Vegas remains the home of seventeen of the largest twenty hotels in the United States. Clark County room inventory was nearly 161,000, with just over 149,000 rooms located in the Las Vegas metropolitan area. Las Vegas broke a visitation record for calendar year 2015 and visitation to the metro area exceeded 42.6 million during FY 2016. Visitation trends continue to demonstrate additional increases at the time of this publication. Although room inventory remained virtually unchanged, the increased visitation boosted room occupancy by nearly 2% for the fiscal 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.

Calendar Year to Date Occupancy Rate: June 30, 2016



Sources: Smith Travel and LVCVA Research Center

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. The FY 2016 final budget for room tax anticipated growth of 2% over FY 2015 results. However, actual FY 2016 room tax results achieved its highest level in the LVCVA's history, outpacing budget projections and increasing nearly 9% over FY 2015. The results reflect the continued strength of the destination. Combined general fund room tax and gaming fees revenue increased from $241 million in FY 2015 to $262 million in FY 2016. Economic stabilization, consumer confidence and targeted ad campaigns continued to drive growth in visitation and ADR throughout FY 2016.

Total revenues in the general fund exceeded the original budget and outpaced the prior year by approximately 10%, with increases largely attributable to room tax growth. Revenues from facility use increased approximately 16%, as anticipated, due to the regular cyclical rotation of major tradeshows.

MAJOR INITIATIVES IN FY 2016

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

The LVCCD consists of three essential phases and one future conceptual phase. Phase One included the acquisition and site preparation of land sufficient to support future facility expansions to meet client demand for exhibit space, outdoor exhibit space and parking. The acquisition of the Riviera Hotel and Casino in 2015 was significant progress on the first phase of the LVCCD program. All buildings and structures on the site are currently being demolished and the site prepared for use. The site initially will be used for traffic circulation, additional parking, outdoor exhibit space and improved attendee access and is expected to be in use by January 2017. The LVCVA funded Phase One from debt and other existing resources.

Phase Two will add 600,000 square feet of new indoor exhibit space, plus additional square footage for meeting rooms, parking, new food and beverage outlets, and support and service spaces. The estimated budget for Phase Two is $860 million. Phase Three consists of renovation, modernization and additional space in the current facility. The estimated budget for Phase Three is $540 million and includes upgrades to exhibit halls, meeting rooms, restrooms and entrances with upgraded technology, lights and design. This phase will also provide new food and beverage outlets as well as an enclosed connector to the South Hall. Construction timelines for Phases Two and Three are scheduled to ensure the new expansion is completed and available to support currently leased tradeshows before existing halls are closed for renovation in Phase Three.

Phase Four of the LVCCD represents a mindful concept that continuous improvement and the ability to meet future client demands must be anticipated and planned for. Ultimately, specific future improvements and expansions will evolve through client feedback and evolutions in the industry. Consequently, the budget for Phase Four has not been determined and is not included in any current financial analysis.

A comprehensive financial assessment was initially prepared in 2012 to identify resources required to support the capital financing program for the LVCCD's Phases Two and Three. The analysis has been continually updated as actual financial results are confirmed and projections forward are remodeled based on prevailing economic conditions. The analyses consistently indicate additional revenue streams are necessary to fund the expansion and renovation capital financing program. In July 2015, Governor Sandoval established the Southern Nevada Tourism Infrastructure Committee (the "SNTIC"). The SNTIC was charged with evaluating multiple tourism projects in Southern Nevada and recommending which projects would be of greatest benefit to the community, along with recommendations for funding mechanisms. The LVCVA worked closely with the committee to review industry demand for the LVCCD, the projected economic benefit to the community, and the financial plan. On July 11, 2016, the SNTIC unanimously approved a recommendation to the Governor specific to a funding mechanism for the LVCCD. The draft legislative language approved by the SNTIC proposes an increase of 0.5% to the existing room tax rate, wholly restricted to support the LVCCD financing program, in addition to a proposed cap on collection allocation. The cap would limit the 10% return from the LVCVA to the collecting jurisdictions to no more than $25 million, with any amounts in excess of $25 million to be wholly restricted to support the LVCCD financing program. The committee's recommendation to the Governor ultimately requires legislative approval to be implemented. The legislature is scheduled to convene for its biennial session in February 2017; however, the Governor has the authority to call the Legislature into special session prior to that time. Financial impacts of Phases Two and Three of the LVCCD have not been incorporated into the current FY 2017 budget as additional funding has not yet been legislatively approved.

As noted, completion of the LVCCD's Phases Two and Three are contingent upon receipt of funding mechanisms sufficient to finance the related capital improvements. Should such funding mechanisms not be received, or be received in amounts less than the amounts necessary, Phases Two and Three will either not be constructed or will be modified so that the capital improvements can be financed with available resources while ensuring adequate debt coverage ratios and reserves are maintained. In order to begin Phase One of the LVCCD, the LVCVA issued its 2014A Subordinate Bonds and entered into a related credit agreement with JPMorgan in December 2014 to provide short-term financing. Proceeds of the 2014A Subordinate Bonds were used to purchase the former Riviera Hotel and Casino site which expanded the campus by over 26 acres. The 2014A Subordinate Bonds were refunded with a portion of the Subordinate Bonds on July 14, 2016 (and the outstanding principal amount of the 2016B Subordinate Bonds (i.e., $69,200,000) has been refunded with a portion of the net proceeds of 2016C Bonds). The unutilized balances of the 2016A Subordinate Bonds, as and if drawn, are currently expected to be used to fund the completion of the demolition and Phase One improvements, as well as early planning and design for future phases.

Marketing

The Marketing Division proactively sought new partnerships and opportunities that extended and elevated the Las Vegas brand message domestically and internationally. A combination of media programs, PR and sales initiatives kept the destination top of mind with the goal of driving new and repeat visitors. Research helped build greater insights around our customers to guide planning, while air development increased capacity into Las Vegas. Notably, virtual reality was introduced as a sales and educational tool, offering consumers and business audiences visually engaging destination content. "Vegas VR" was rolled out at various domestic consumer activations and at global events such as World Routes, Norwegian Airlines Launch, ITB Berlin, WTM Latin America, Milan VR Activation, WTM London, CES Asia, IMEX Frankfurt and Hana Expo. Other marketing initiatives included:

Consumer Marketing

- Launched a digital and social-first branding campaign to broaden the "What Happens Here, Stays Here" brand to the influential millennial audience.
- Generated over 20,000 U.S. media placements worth nearly $1.3 billion in publicity value.
- Increased the brand's global social audience by 48% (2.96 million people). Created content for 79 million views (+175%) and 12.6 million engagements (+26%).
- Created VIVA, a content hub on LasVegas.com, to aggregate deeper destination messaging. VIVA featured the resort community across multiple digital platforms, and garnered 231,000 unique visitors in six months.
- Successfully built a three month *Vegas Season* email program that highlighted 13 property partners. The sweepstakes generated 800,000+ entrants and grew the LasVegas.com database by 50,000+ subscribers.
- Hosted 28 influencers from UK, Brazil, Mexico, South Korea, Denmark, Sweden, China and Australia. Influencers created 485 pieces of destination content which garnered 170 million impression and 6.1 million engagements.
- Led the industry with a destination virtual reality app with 30 videos for consumer and sales efforts that generated conversation to the tune of $1.7 million in earned media value.

Leisure and International Sales

- Produced 346 events reaching over 28,000 travel professionals in 21 countries.
- Hosted more than 1,290 travel agents, tour operators, meeting planners and product managers during 76 Familiarization Tour (FAMs) to Las Vegas.
- Launched the first "China – We Welcome You Forum" to 120 resort and community partners.
- Hosted 42 international PR FAMs from 16 countries.
- Secured three Travel Industry conferences in Las Vegas: USTOA 2018, GTM West 2017 and 2018, and Travel Agent Forum 2016, 2017, and 2018.

Airline Development/Business Sales

- Grew international air service into Las Vegas by 21 weekly flights.
- Increased domestic capacity by 6%, equating to 140 additional weekly flights.
- Increased air service from 23 domestic and 9 international markets.
- Specialty Markets utilized the World Trade Center network to identify new sales channels to promote trade shows and increase international business delegates to Las Vegas resulting in a total of 11 Memorandums of Understanding with WTC partners globally.
- Grew international MICE (meetings, incentives, conferences, and exhibitions) business leads in Germany by 29% and in the United Kingdom by 81%.

Research

- Completed "Business 2 Business" research to capture insights from meeting planners and executive decision makers to steer future sales, digital and branding efforts, re-design of the LVCVA's websites and digital channels.

Convention Services/Customer Experience

- Made significant progress with technology business partner and cellular carriers on the planning, design and infrastructure preparation for a Distributed Antenna System (DAS) which will significantly improve cellular coverage throughout the LVCC campus.

Fiscal Accountability and New Accounting Standards

Finance staff continued to review the design and compliance effectiveness of the LVCVA's internal policies and procedures and external reporting requirements. This included industry best practices and several new external reporting standards. This fiscal year, the LVCVA implemented GASB Statements No. 76 (*the hierarchy of generally accepted accounting principles for state and local governments*), No. 72 (*fair value measurement and application*), No. 73 (*accounting and financial reporting for pensions and related assets that are not within the scope of GASB Statement 68, and amendments to certain provisions of GASB statements 67 and 68*), No. 79 (*certain external investment pools and pool participants*), and No. 80 (*blending requirements for certain component units – an amendment of GASB Statement No. 14*) with little or no effect on reporting. The newly implemented standards are discussed in more detail in Note 1 to the financial statements. GASB statements slated for future implementation are discussed in Note 3 to the financial statements.

LONG-TERM FINANCIAL PLANNING

Strategic planning has been a key focus of the LVCVA over the last decade. Finance staff updated long-term operating forecasts to ensure alignment with the LVCVA's strategic objectives, including the enhancement of the global Las Vegas brand as a destination for serious business as well as fun. The primary objectives of the advertising programs are to promote long term brand awareness that drives domestic and international visitation for leisure activities. Additionally, business focused programs emphasize the importance of the meetings and convention industry, which results in long term facility leases for tradeshows and meetings. The LVCCD embodies the long-term strategy of protecting existing business and competitive advantages and attracting future business for Las Vegas.

The LVCVA believes it is important to maintain a balance between planning for recurring resources to sustain core operations and strategic financial planning for a multi-year major capital program. The preparation of a long-term financial projection was an integral part of planning for the LVCCD. The aggregation of future intended outlays and anticipated revenues enabled an assessment of overall financial implications, including additional funding requirements, to be readily identified. With the assistance of financial experts, a comprehensive long range pro forma was developed which forecasts anticipated sources and uses of funds through FY 2030. The pro forma baseline included moderate growth assumptions for all current revenues and operating activities, as well as requirements to meet existing debt obligations. Projected facility use revenue growth was added, with offsets for projected operating costs from the expanded facility, including personnel, supplies, and services. Finally, the pro forma incorporated new debt financing requirements for all phases of the LVCCD. The final analysis was used to estimate the level of new funding required to support the program, without sacrificing our commitment to our core mission. This analysis proved instrumental in our work with the SNTIC to achieve unanimous approval of a funding recommendation to the governor.

DEBT ADMINISTRATION

Debt Issuance Compliance Policy

The LVCVA is committed to complying with all 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

Each month the LVCVA transfers money from the general fund to the debt service fund so it's available to pay the principal and interest payments for outstanding debt issues due on January 1 and July 1. The reserves in the debt service fund at June 30, 2016, were sufficient to pay principal and interest due on July 1, 2016. Outstanding senior bonded debt and debt service reserves at June 30, 2016, are shown as:

	Rating S&P	Rating Moody's	Outstanding Debt	Reserves Restricted for Repayment of Debt Principal	Net Outstanding Debt
05/07 Refunding Bonds*	AA	Aa1	$ 5,925,000	$ 2,890,000	$ 3,035,000
11/07 Revenue Bonds	A+	A1	42,455,000	1,150,000	41,305,000
07/08 General Obligation Bonds*	AA	Aa1	22,970,000	585,000	22,385,000
2010A General Obligation Bonds*	AA	Aa1	70,770,000	-	70,770,000
2010B General Obligation/Refunding Bonds*	AA	Aa1	42,565,000	2,400,000	40,165,000
2010C General Obligation Bonds*	AA	Aa1	155,390,000	4,325,000	151,065,000
2010E Revenue Bonds	AA	A1	80,260,000	1,730,000	78,530,000
2012 General Obligation Bonds*	AA	Aa1	22,940,000	1,055,000	21,885,000
2014 General Obligation Bonds*	AA	Aa1	50,000,000	-	50,000,000
2014A Subordinate Revenue Bond/Line of Credit	N/A	N/A	70,200,000	-	70,200,000
2015 General Obligation Bonds*	AA	Aa1	181,805,000	13,685,000	168,120,000
			$ 745,280,000	$ 27,820,000	$ 717,460,000

* Issued through Clark County.

Note: This does not include Line of Credit outstanding at 6/30/16 for $70,200,000.

The outstanding debt issues of the LVCVA include 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, as disclosed earlier in the document, refunded the $70.2 million line of credit (LOC) via a term loan and a new revolving LOC in July 2016. The LVCVA subsequently issued a revenue bond which defeased the new term loan, as well as refunded a previous revenue bond (Series 2007). The LVCVA is completing Phase One of the LVCCD with current resources, including the revolving 2016 LOC. Completion of Phases Two and Three are contingent upon approval of new funding sufficient to finance the related capital improvements; therefore, further detail as related to future debt issuances related to this project over the next three years is currently undetermined. Additional information regarding long-term debt can be found in Note 8 on pages 33 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, 2015. 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 32 consecutive years (fiscal years ended 1984-2015). 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 LVCVA also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated May 19, 2016, marking the 27th consecutive year of earning this recognition. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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 LVCVA.

Respectfully submitted,

Rossi Ralenkotter
President/CEO

Rana D. Lacer, CPA, CGMA
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

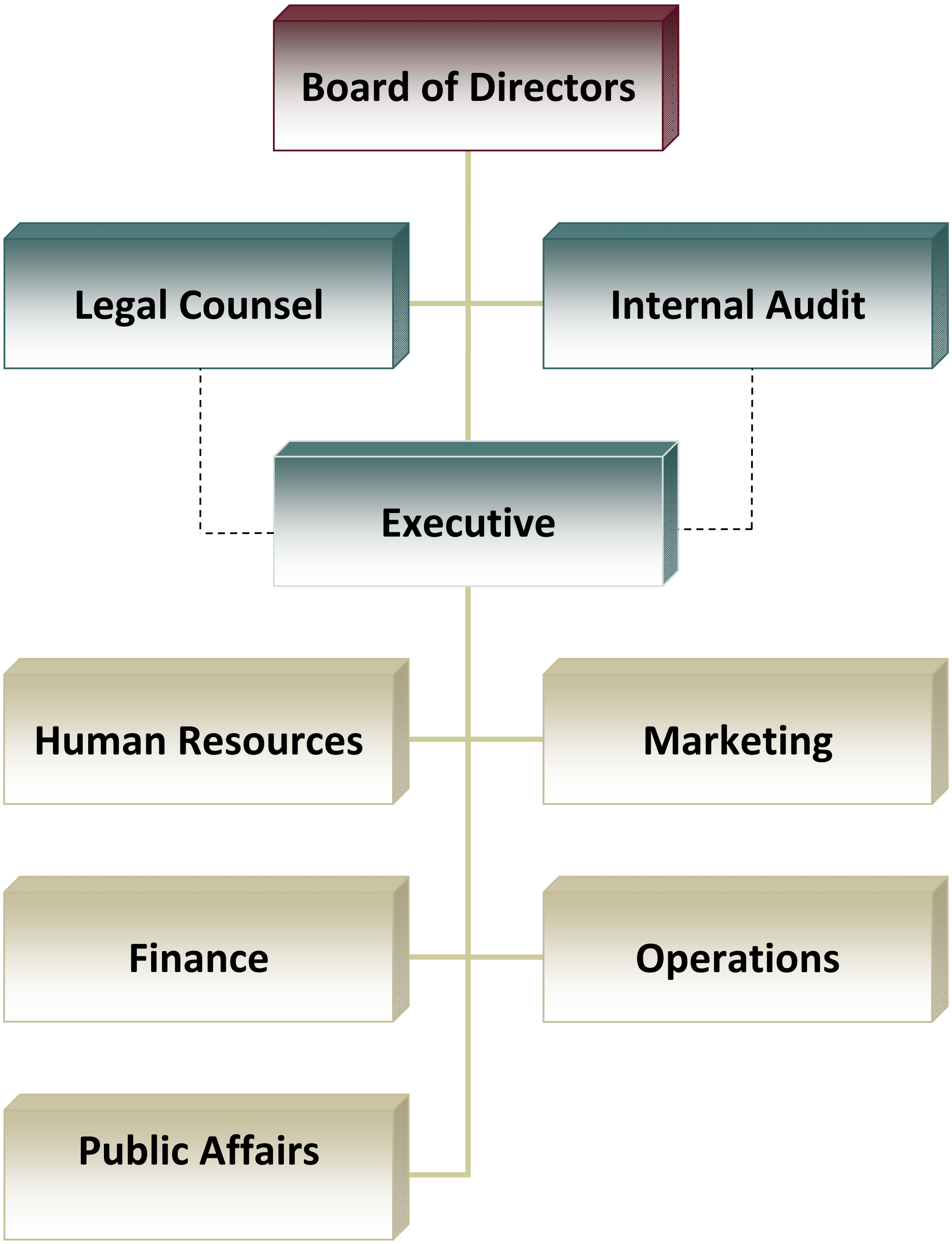
Las Vegas Convention and Visitors Authority, Nevada

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
ORGANIZATION CHART
As of June 30, 2016



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 Metro Chamber of Commerce (CC) and Nevada Resort Association (NRA) nominate three each of the remaining six members. As of June 30, 2016, members of the Board included:

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

CHUCK BOWLING
Vice Chair
Representing resort hotel
Nominated by NRA
Term: Jun 2005 – Jun 2017

BILL NOONAN
Secretary
Representing Central Business District
Nominated by NRA
Term: Oct 2014 – Jun 2018

TOM JENKIN
Treasurer
Representing resort hotel
Nominated by CC
Term: Dec 2003 – Jun 2017

RICKI BARLOW
Councilman
Representing City of Las Vegas
Term: Jul 2015 – Jun 2019

SUSAN BRAGER
Commissioner
Representing Clark County
Term: Sept 2015 – Dec 2018

GREGORY LEE
Representing tourism
Nominated by CC
Term: Jul 2012 – Jun 2018

JOHN LEE
Mayor
Representing North Las Vegas
Term: Aug 2013 – Jun 2017

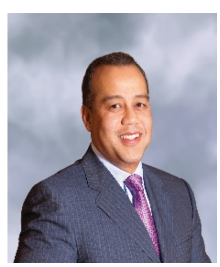
JOHN MARZ
Councilman
Representing City of Henderson
Term: Jul 2015 - Jun 2017

KRISTIN MCMILLAN
Representing other commercial
Nominated by CC
Term: May 2011 – Jun 2017

GEORGE RAPSON
Councilman
Representing City of Mesquite
Term: Aug 2011 – Jun 2017

STEVEN D. ROSS
Mayor Pro Tem
Representing City of Las Vegas
Term: Jul 2011 – Jul 2016

CAM WALKER
Mayor Pro Tem
Representing Boulder City
Term: Jul 2009 – Jun 2017



MAURICE WOODEN
Representing resort hotel
Nominated by NRA
Term: Jul 2015 – Jun 2017

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. As of June 30, 2016, the LVCVA executive committee consisted of:

Rossi Ralenkotter
President/CEO

Barbara Bolender
Chief Human Resources Officer

Rana Lacer
Chief Financial Officer

Terry Jicinsky
Senior Vice President
Operations

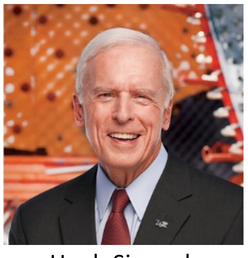
Cathy Tull
Senior Vice President
Marketing

Kevin Bagger
Executive Director
Research Center

Michael Goldsmith
Vice President
International Sales

Chris Meyer
Vice President
Global Business Sales

Luke Puschnig
Vice President
Legal Counsel



Hugh Sinnock
Vice President
Customer Experience

Ray Suppe
Executive Director
Customer Safety

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, 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, 2016, 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, each major fund, and the aggregate remaining fund information of the LVCVA as of June 30, 2016, and the respective changes in financial position 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, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 3-12 and 51-54 be

6100 Elton Avenue, Ste. 1000 • Las Vegas, Nevada 89107 • 702-384-1120 • fax 702-870-2474 • pbtk.com

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 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, other supplementary information, as listed in the table of contents, 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 September 26, 2016, 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
September 26, 2016

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, 2016. 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

- Total government-wide revenues grew approximately $32.3 million, which is the sixth consecutive year of growth. Room taxes and gaming fees increased $23.0 million which is a 9.5% increase over the prior year and is the highest in history. This is largely attributed to increased visitation to the destination helping push average daily room rate (ADR) growth. Facility charges for services also increased over the prior year due to strong cyclical show rotation schedules, as projected.
- The LVCVA began demolition of the buildings on the former Riviera site (acquired in 2015), to provide supplemental outdoor exhibit and parking space for client use. This land provides 26.4 acres of contiguous land to the current facility and is located on the Las Vegas Strip and will be utilized for future exhibit hall expansion as part of the Las Vegas Convention Center District (LVCCD) vision. In FY 2016 approximately $26.6 million was spent on demolition activities that are expected to be completed in FY 2017.
- $4.6 million was expended to complete improvements to the Bronze Lot for parking and outdoor exhibit space. The project totaled $4.8 million and covers 14.32 acres, 11.54 of which provide leasable space.
- Net position increased to $32.2 million, as compared to ($17.5) million at the end of FY 2015. The increase is primarily attributable to increases in capital additions, see discussion above, and the reduction in liabilities as a result of scheduled debt payments.

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 and deferred inflow and outflows, 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 LVCVA 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, postemployment benefits other than pensions (OPEB) and an allocated share of PERS' net pension liability. The format of the statement has an unfamiliar appearance and it focuses on the net cost of the LVCVA'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 its OPEB 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 21 through 50 of this report.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* found on pages 51-54, including a schedule of OPEB funding progress, the LVCVA's allocated share of the PERS net pension liability, contributions to the PERS pension plan, and general fund budgeted and actual revenues, expenditures, and change in fund balance.

CONDENSED COMPARATIVE DATA

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

The LVCVA's net position, on the government-wide basis, increased $49.7 million from the previous year. This is attributed to increased room tax revenues and moderate increases in expenses from the prior period.

CHANGES IN NET POSITION	FY 2015	FY 2016
Net position – beginning	$ (47,859,652)	$ (17,501,886)
Revenues	300,395,620	332,718,001
Expenses	270,037,854	282,988,148
Change in net position	30,357,766	49,729,853
Net position – ending	$ (17,501,886)	$ 32,227,967

Net position was ($17.5) million at June 30, 2015. Total net position as of June 30, 2016 is $32.2 million. The increase is primarily attributable to increases in capital assets by $17.9 million or 2.7% and long-term liabilities decreased ($20.6) or 2.4% mainly due to the reduction of long term debt as a result of paying principal payments of bonds as scheduled.

A large portion of net position reflects an investment in capital assets, less debt 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 resources. See Note 3 on page 28 for additional information on unrestricted net position.

NET POSITION	June 30, 2015	June 30, 2016
Current and other assets	$ 278,937,127	$ 274,934,630
Capital assets	661,194,403	679,077,721
Total assets	940,131,530	954,012,351
Deferred outflows of resources	12,671,406	14,936,751
Current and other liabilities	109,288,318	102,614,288
Long-term liabilities	846,457,678	825,859,862
Total liabilities	955,745,996	928,474,150
Deferred inflows of resources	14,558,826	8,246,985
Net position		
Net investment in capital assets	177,523,930	189,376,462
Restricted	68,091,853	69,025,936
Unrestricted	(263,117,669)	(226,174,431)
Total net position	$ (17,501,886)	$ 32,227,967

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 for program services. 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 are reported as *program revenues*.

Program revenues are those directly generated by a function or activity of the LVCVA. 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.

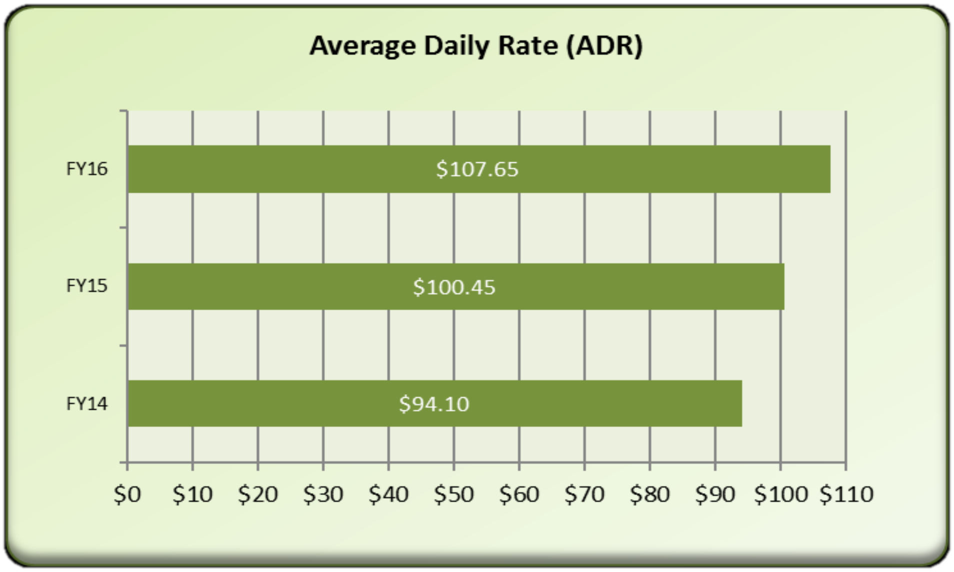
Total revenues for FY 2016 amounted to $332.7 million, a 10.8% increase over FY 2015.

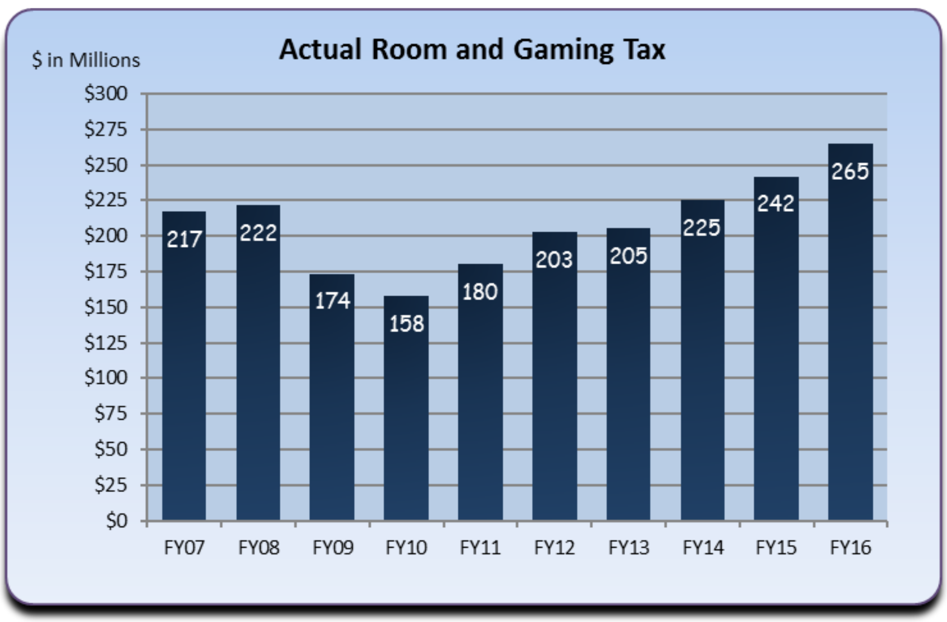
	FY 2015	FY 2016
General revenues		
Room taxes and gaming fees	$ 241,853,713	$ 264,844,257
Interest and investment earnings	630,303	1,201,484
Miscellaneous	676,657	855,070
Total general revenue	243,160,673	266,900,811
Program revenues		
Operations	51,140,971	59,536,936
Marketing	1,347,798	1,506,532
General government	4,746,178	4,773,722
Total program revenues	57,234,947	65,817,190
Total revenues	$ 300,395,620	$ 332,718,001

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 was relatively flat during the fiscal year. FY 2016 represented the sixth consecutive year of growth on a year-over-year basis for room tax revenues. After a substantial 7.3% increase in FY 2015, room tax revenues in FY 2016 continued to demonstrate positive growth of 9.5% over the prior period.

Average occupancy increased slightly, to 86.3% from 84.7% in FY 2015 as a result of increased visitation driving demand for the available room inventory. In calendar year 2015, the greater Las Vegas area occupancy rate exceeded the national average by 22 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. ADR has since shown consistent improvement since the end of the recession. In FY 2016 ADR was $107.65 a 7.2% increase over the $100.45 result in FY 2015. The growth in ADR is largely a result of increased occupancy rates that placed upward pressure on room rates. Government-wide room taxes and gaming fees provided $264.8 million during FY 2016, an increase of $23.1 million from the previous fiscal year's total of $241.9 million. The LVCVA expects a modest increase in ADR to continue as the global economy improves.





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 12% 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 governments
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 $264.8 million in room taxes and gaming fees, from the collecting entities. The majority was generated in Clark County and totaled $243.7 million (92.0%). The City of Las Vegas was the second largest collector of room taxes and gaming fees, at $13.9 million (5.2%). The other incorporated cities of North Las Vegas, Henderson, Boulder City, and Mesquite combined to provide the remaining 2.8%.

FACILITY OPERATIONS		
	FY 2015	FY 2016
Charges for services	$ 51,055,290	$ 59,536,936
Expense	60,243,766	61,963,405
Net expense	$ (9,188,476)	$ (2,426,469)

Facility charges for services reflected an increase of 16.6% over FY 2015, due primarily to the customary cyclical rotation of trade shows. As projected, four large shows rotated through the LVCC during FY 2016, which were not held the prior year. Expenses to operate the facilities, including depreciation and amortization, increased 2.9% primarily due to budgeted increases for employee payroll.

EXPENSES

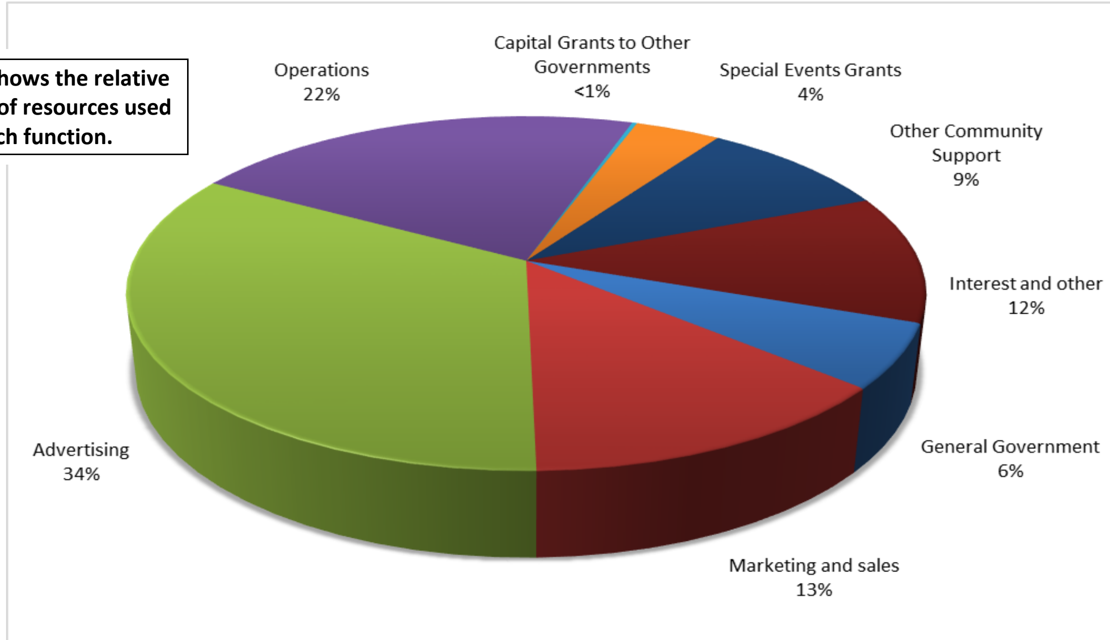
Total government-wide expenses by function were as follows:

	FY 2015	FY 2016
General government	$ 15,074,906	$ 16,546,045
Marketing:		
Advertising	93,148,972	95,012,365
Marketing and sales	35,909,452	37,518,015
Special events grants	8,765,599	11,665,284
Operations	60,243,766	61,963,405
Community support and grants:		
Capital grants to other governments	785,468	671,219
Other community support	24,185,372	26,484,425
Interest and other	31,924,319	33,127,390
	$ 270,037,854	$ 282,988,148

Expenses increased 4.8%. The largest increases relate to other community support and special events. Community Support, the administrative fee returned to the collecting government entities of room taxes and gaming fees, increased 9.5%. The fee 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. Special Events increased more than other categories, by $2.9 million or 33.1%, as compared to FY 2015 due to an increased sponsorship for the National Finals Rodeo.

Expenses in capital grants to other governments is the result of a legislative mandate requiring the LVCVA to contribute funds to the Nevada Department of Transportation (NDOT) for critical transportation projects essential to providing access to the recreational and tourism facilities in Clark County. Use each year is based on NDOT payments on approved projects and their subsequent requests for reimbursement from the LVCVA.

This chart shows the relative proportion of resources used by each function.



OVERALL FINANCIAL POSITION

The LVCVA demonstrated strong financial results for FY 2016, the sixth consecutive year of revenue growth over recessionary lows. During the period, the LVCVA's revenues exceeded budget by $23.4 million and expenditures were under budget by $5.8 million, which was a factor in the $49.7 million increase to net position. Additional fund balance was allocated to economic reserves as well as the LVCCD reserve for future phases. The LVCVA's debt coverage ratio remains more than double that of the 1.5 times coverage required by bond covenants and more than the 3.0 times coverage required by internal policy. Management remains vigilant to maintain fiscal sustainability through conservative budgeting and continuous monitoring of actual financial results and economic trends at the local, state and national level. This provides the LVCVA the ability to react swiftly to changing conditions that could impact revenues and/or operating activities. The LVCVA 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 balance in the general fund increased while the capital projects fund decreased during FY 2016 as follows:

	General Fund	Capital Projects Fund
Fund balance - beginning	$ 33,587,181	$ 102,557,696
Fund balance - ending	52,953,857	79,186,650
Increase/(Decrease)	$ 19,366,676	$ (23,371,046)
Percent change	57.7%	-22.8%

The final budget for FY 2016 targeted an ending general fund balance of $21.6 million, or 9.3% of operating expenditures. The actual ending general fund balance was $53.0 million. Actual revenues exceeded budget by $23.4 million which is primarily due to growth in ADR increases which resulted in higher room tax revenues. Expenditures were lower than budget by $8.0 million due to the LVCVA's practice of budgeting expenditures to capture all potential programmatic costs, yet monitoring the actual spend and identifying cost-saving opportunities throughout the fiscal year. These items make up the $31.4 million variance between budgeted and actual general fund balance.

The capital projects fund ending fund balance decreased by $23.4 million compared to the budgeted decrease of $46.7 million. The variance of $23.3 million is partially due to unexpended NDOT funds because of delays in timing of the NDOT construction projects. These amounts are expected to be used in the next fiscal year. In addition, due to timing of site demolition and improvements, demolition costs were less than anticipated. However, these costs are expected to be utilized in the next fiscal year. The majority of the LVCCD funds will be used once the design and engineering stage progresses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY 2016 budget was originally based on 4.6% growth in room tax revenues over the project FY 2015 results. During the year, actual room tax revenues increased by 9.5%, resulting in the highest room tax revenue collection in the LVCVA's history. As a result of higher than anticipated beginning fund balance and revenue results, the budget was augmented in November 2015 to allocate funds to operating needs and critical program initiatives; primarily for marketing and advertising directly tied to our core mission. Augmentation also increased transfers to the capital fund to enhance the LVCCD reserves.

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	$ 241,950,000	$ 4,900,000	$ 246,850,000
Charges for service	52,224,000	-	52,224,000
Interest and other	221,300	-	221,300
Transfers in	104,100	-	104,100
Proceeds from sale of capital assets	55,000	-	55,000

GENERAL FUND CHANGES IN BUDGETED EXPENDITURES AND TRANSFERS

	Original Budget	Revisions	Final Budget
General government	$ 17,755,500	$ (200,400)	$ 17,555,100
Marketing:			
Advertising	93,500,000	2,000,000	95,500,000
Marketing and sales	36,787,700	1,408,300	38,196,000
Special events grants	13,035,600	(25,000)	13,010,600
Operations	42,834,600	466,000	43,300,600
Community support:			
Other community support	24,695,000	490,000	25,185,000
Transfers out	66,974,925	11,750,000	78,724,925

Actual general fund revenues, transfers in and proceeds from the sale of capital assets totaled $322.8 million which is $23.4 million higher than the final budget. Total actual general fund expenditures and transfers out totaled $303.4 million, about $7.9 million more than the original budget, but lower than the final budget by $8.0 million. These results are largely due to conservative budgeting practices, which are founded in the strategy of budgeting revenues cautiously while budgeting expenditures aggressively.

CAPITAL ASSETS

Capital assets additions totaled $43.3 million, which includes $26.9 million in land demolition costs relayed to site preparation on land purchased in FY 2015. Investment in capital assets as of June 30, 2016 totaled $679.1 million (net of accumulated depreciation and amortization), which is an increase of 2.7% from FY 2015. This is primarily due to a modest increase in depreciable assets during the year. Depreciation and amortization expense for the year was approximately $17.4 million. More detailed information on capital assets can be found in Note 5 on page 31.

CAPITAL ASSETS

(net of depreciation and amortization)

	June 30, 2015	June 30, 2016
Land	$ 396,102,617	$ 423,033,987
Intangibles	100,000	100,000
Construction in progress	3,036,147	1,113,900
Buildings	238,148,956	229,579,340
Improvements	19,804,747	21,817,763
Furniture and equipment	4,001,936	3,432,731
	$ 661,194,403	$ 679,077,721

LONG-TERM DEBT

At June 30, 2016, bonded debt totaled $745.3 million. Of this amount, $552.4 million was general obligation bonds additionally secured by specified revenue sources and $192.9 million was revenue bonds. Furthermore, of the total outstanding, $267.5 million was for the purpose of providing funds to NDOT for transportation projects within the Southern Nevada resort corridor in compliance with a 2007 legislative mandate.

No bonds were issued during FY 2016. Additional revenue bonds were issued subsequent to June 30, 2016, resulting in the reclassification of a portion of short-term debt to long-term. More detailed information on debt can be found in Note 8 on pages 33 through 38.

	General Obligation Bonds	Revenue Bonds	Total
	(In Thousands)		
Principal balance - beginning	$ 563,160	$ 209,785	$ 772,945
Principal payments	(10,795)	(16,870)	(27,665)
New Issuances	-	-	-
Principal balance - ending	$ 552,365	$ 192,915	$ 745,280

INTERNAL SERVICE FUND

In FY 2013, an internal service fund was established to accumulate resources to be held in a reserve in order to offset the liability for postemployment benefits. Transfers from the general fund to the OPEB reserve fund are 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. Transfers of $3 million were made in FY 2013 and FY 2014, $3.5 million and $4.5 million was transferred in FY 2015 and FY 2016, respectively.

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 Chief Financial Officer
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

THIS PAGE LEFT INTENTIONALLY BLANK

Assets:		
Cash, cash equivalents and investments	$	207,145,364
Receivables:		
Room taxes and gaming fees		45,777,559
Accounts		9,851,656
Interest		113,292
Prepaid and other items		6,698,577
Inventory		416,981
Other		264,983
Purchase deposit		4,666,218
Capital and intangible assets:		
Non-depreciable		424,247,886
Depreciable, net of accumulated depreciation and amortization		254,829,835
Total assets		954,012,351
Deferred outflows of resources:		
Deferred charges on refunding		2,850,990
Deferred resources related to pension		12,085,761
Total deferred outflows of resources		14,936,751
Liabilities:		
Accounts payable		32,859,581
Accrued payroll and related items		3,964,994
Due to other governments		9,314,123
Deposits		400,930
Unearned revenue		291,661
Interest payable		17,582,169
Other		5,262,888
Noncurrent liabilities:		
Due within one year:		
Capital lease obligation		3,188
Bonds payable		27,820,000
Compensated absences payable		5,114,754
Due in more than one year:		
Capital lease obligation		2,510
Bonds payable		717,460,000
Unamortized bond premiums and discounts		14,362,280
Compensated absences payable		1,275,320
Post-employment benefits other than pensions payable		29,019,340
Net pension liability		63,740,412
Total liabilities		928,474,150
Deferred inflows of resources:		
Deferred resources related to pension		8,246,985
Net position:		
Net investment in capital assets		189,376,462
Restricted for:		
Capital grants to other governments		17,881,830
Debt service		51,144,106
Unrestricted:		
Related to non-capital debt (See Note 3)		(267,107,036)
Related to capital projects		61,304,819
Other		(20,372,214)
Total net position	$	32,227,967

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

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental activities:				
General government	$ 16,546,045	$ -	$ 4,773,722	$ (11,772,323)
Marketing:				
Advertising	95,012,365	-	-	(95,012,365)
Marketing and sales	37,518,015	1,506,532	-	(36,011,483)
Special events grants	11,665,284	-	-	(11,665,284)
Operations	61,963,405	59,536,936	-	(2,426,469)
Community support and grants:				
Capital grants to other governments	671,219	-	-	(671,219)
Other community support	26,484,425	-	-	(26,484,425)
Interest on long-term debt	33,127,390	-	-	(33,127,390)
Total governmental activities	$ 282,988,148	$ 61,043,468	$ 4,773,722	(217,170,958)
General revenues:				
Room taxes and gaming fees				264,844,257
Interest and investment earnings				1,201,484
Miscellaneous				855,070
Total general revenues				266,900,811
Change in net position				49,729,853
Net position - beginning				(17,501,886)
Net position - ending				$ 32,227,967

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

BASIC FINANCIAL STATEMENTS

Governmental Funds

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:				
Cash, cash equivalents and investments	$ 49,764,283	$ 87,909,571	$ 55,160,090	$ 192,833,944
Receivables:				
Room taxes and gaming fees	45,777,559	-	-	45,777,559
Accounts	8,506,742	1,344,914	-	9,851,656
Interest	461	67,085	10,312	77,858
Due from other funds	73,644	98	-	73,742
Inventory	416,981	-	-	416,981
Prepaid and other items	5,932,246	766,331	-	6,698,577
Other	264,983	-	-	264,983
Purchase deposit	-	4,666,218	-	4,666,218
Total assets	$ 110,736,899	$ 94,754,217	$ 55,170,402	$ 260,661,518
Liabilities:				
Accounts payable	$ 23,299,815	$ 9,559,766	$ -	$ 32,859,581
Accrued payroll and related items	3,964,994	-	-	3,964,994
Due to other governments	7,035,077	-	-	7,035,077
Due to other funds	98	-	73,644	73,742
Customer deposits	400,930	-	-	400,930
Unearned revenue	291,661	-	-	291,661
Other	-	4,662,888	-	4,662,888
Total liabilities	34,992,574	14,222,653	73,644	49,288,873
Deferred inflows of resources:				
Unavailable revenue	22,790,467	1,344,914	-	24,135,381
Fund balances:				
Nonspendable	6,614,210	766,331	-	7,380,541
Restricted	7,035,077	17,126,807	51,144,106	75,305,990
Committed	-	61,293,512	3,952,652	65,246,164
Assigned	25,000,000	-	-	25,000,000
Unassigned	14,304,570	-	-	14,304,570
Total fund balances	52,953,857	79,186,650	55,096,758	187,237,265
Total liabilities, deferred inflows of resources, and fund balances	$ 110,736,899	$ 94,754,217	$ 55,170,402	

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)	679,077,721
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	22,790,467
Other community support	(2,279,047)
Other revenue - earned but unavailable	1,344,914
Deferred inflows related to pension	12,085,761
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.	14,346,854
Certain liabilities are not due and payable in the current period; and therefore, are not reported in the funds:	
Accrued compensated absences	(6,390,074)
Post-employment benefits other than pensions	(29,019,340)
Net effect of difference in the treatment of long-term debt and related items (See Note 2)	(774,379,157)
Accrued pollution remediation	(600,000)
Net pension liability	(63,740,412)
Deferred outflows related to pension	(8,246,985)
Net position, governmental activities	$ 32,227,967

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2016

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Room taxes and gaming fees	$ 261,613,917	$ -	$ -	$ 261,613,917
Charges for services	60,835,567	-	-	60,835,567
Interest and investment earnings	195,706	546,660	197,822	940,188
Federal grant subsidy	-	-	4,773,722	4,773,722
Miscellaneous	4,368	850,702	-	855,070
Total revenues	322,649,558	1,397,362	4,971,544	329,018,464
Expenditures:				
Current:				
General government	16,146,746	-	-	16,146,746
Marketing:				
Advertising	95,012,365	-	-	95,012,365
Marketing and sales	36,537,160	-	-	36,537,160
Special events grants	11,665,284	-	-	11,665,284
Operations	41,415,858	-	-	41,415,858
Community support and grants:				
Capital grants to other governments	-	671,219	-	671,219
Other community support	26,161,392	-	-	26,161,392
Capital outlay:				
Capitalized assets	-	35,375,192	-	35,375,192
Non-capitalized assets	-	2,601,593	-	2,601,593
Debt service:				
Principal	-	114,440	27,665,000	27,779,440
Interest	-	5,964	34,310,622	34,316,586
Total expenditures	226,938,805	38,768,408	61,975,622	327,682,835
Excess (deficiency) of revenues over (under) expenditures	95,710,753	(37,371,046)	(57,004,078)	1,335,629
Other financing sources (uses):				
Transfers in	120,416	14,000,000	58,010,457	72,130,873
Transfers out	(76,510,457)	-	(120,416)	(76,630,873)
Proceeds from the sale of assets	45,964	-	-	45,964
Total other financing sources (uses)	(76,344,077)	14,000,000	57,890,041	(4,454,036)
Net change in fund balances	19,366,676	(23,371,046)	885,963	(3,118,407)
Fund balances - beginning	33,587,181	102,557,696	54,210,795	190,355,672
Fund balances - ending	$ 52,953,857	$ 79,186,650	$ 55,096,758	$ 187,237,265

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2016

Net change in fund balances - total governmental funds		$ (3,118,407)
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 (asset additions)	$ 35,375,192	
Depreciation and amortization expense, including disposed assets	(17,491,871)	17,883,321
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,438,238
The issuance of long-term debt (*i.e.* , bonds and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of 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.		
Amortization of debt premiums and discounts	3,267,418	
Amortization of refunding charges	(694,157)	
Accrued interest expense	(1,384,067)	
Repayment/retirement of debt principal	27,779,439	28,968,633
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	(30,056)	
Postemployment benefits other than pensions	(3,833,285)	
Net pension liability	(7,288,196)	
Deferred inflows related to pension	2,959,502	
Deferred outflows related to pension	6,311,841	
Due to other governments	(323,034)	(2,203,228)
The internal service fund is used by management to fund future other post-employment benefit costs. The change in net position of the internal service fund is reported with governmental activities.		4,761,296
Change in net position of governmental activities		$ 49,729,853

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

BASIC FINANCIAL STATEMENTS

Proprietary Fund

	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	$ 2,216,082
Investments	12,095,338
Interest receivable	35,434
Total assets	14,346,854
Net position:	
Unrestricted	$ 14,346,854

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Revenues, Expenses and Change in Net Position
Proprietary Fund
For the Year Ended June 30, 2016

	Governmental Activities
	Internal Service Fund
Nonoperating revenues (expenses):	
Interest and investment earnings	$ 261,296
Income before transfers	261,296
Transfers in	4,500,000
Change in net position	4,761,296
Net position - beginning	9,585,558
Net position - ending	$ 14,346,854

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	$ 4,500,000
Cash flows from investing activities	
Purchase of investments	(9,962,073)
Proceeds on called/matured investments	7,397,060
Interest on investments	131,722
Net cash used in investing activities	(2,433,291)
Net increase in cash and cash equivalents	2,066,709
Cash and cash equivalents, beginning	149,373
Cash and cash equivalents, ending	$ 2,216,082
Noncash investing and non-capital financing activities	
Interest on investments	$ 487
Unrealized gain	116,811

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's 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.

The Las Vegas Convention Center District (LVCCD) expansion and renovation project was developed and conceptually approved by the Board in fiscal year (FY) 2013. Project execution will occur in phases and may take nearly a decade to complete. Completion of the entire scope of the proposed project is dependent on identifying sufficient revenue streams to support the anticipated debt requirements, which would require stakeholder support and legislative approval. Please refer to pages v-vi in the Letter of Transmittal for additional information.

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 telecommunication services.

Room taxes and gaming fees and other items not included among program revenues are reported 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 year-end. 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.

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates operations 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 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. Established in FY 2013, the fund is used to account for resources held for future payment of 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 the 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, generally, within 30 days of year end. Liabilities are generally recorded when an obligation is incurred. 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.

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 (and subsequent amendments) sets forth minimum criteria (percentage of the assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of either the individual fund category or the combined fund categories) 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, intangibles, 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 to accumulate monies for the payment of principal and interest on the following debt:

4/05 Revenue Bonds	5/07 General Obligation Refunding
12/07 Revenue Bonds	7/08 (NDOT) General Obligation Bonds
2010 A (NDOT/BABs) General Obligation Bonds	2010B (NDOT) General Obligation/Refunding Bonds
2010 C (NDOT/BABs) General Obligation Bonds	2010D (NDOT) General Obligation Bonds
2010E Refunding Revenue Bonds	2012 General Obligation Bonds
2014 General Obligation Bonds	2014A Subordinate Revenue Bonds/Line of Credit
2015 General Obligation/Refunding Bonds	

The LVCVA reports the following proprietary fund:

Internal Service Fund

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

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 Local Government 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. However, the LVCVA reports investments at cost if they have a remaining maturity at the time of purchase of one year or less. The LVCVA includes in investment income the change in fair value along with any realized gains or losses.

RECEIVABLES AND PAYABLES

Transactions between funds that are outstanding at year end are reported as "due to/from other funds" within the fund financials statements. For government-wide and proprietary fund 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 year end. On governmental financial statements, room taxes and gaming fees received more than 30 days after year end are now classified as deferred inflows.

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 using the first-in/first-out (FIFO) method. The cost of such inventories is recorded in the fund financial statements as expenditures when consumed rather than when purchased.

CAPITAL ASSETS

Capital assets, which include property, equipment (including some under 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 enhance 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.

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 as follows:

- Most physical assets with a unit acquisition cost greater than $10,000.
- Bulk purchases with a total combined cost greater than $25,000.
- Capital leases with total acquisition costs greater than $50,000.
- Trademarks, patents, logos, easements and internally generated software with an acquisition cost equal or greater than $250,000.

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 is computed on a straight-line basis over the following estimated useful lives and for buildings and land improvements using a half-year convention:

ASSET DESCRIPTION	USEFUL LIFE (YEARS)
Buildings	40
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 professional class 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. For non-union employees hired on or after July 1, 2007, PTO will accrue and can be carried over from fiscal year to fiscal year to a maximum of 1,040 hours. Any amount of PTO over 1,040 hours as of the last pay period ending in June each year is paid to the employee on the first pay period of the new fiscal year at the employee’s hourly pay rate as of June

30. As of July 1, 2016 the policy was revised and all employees will have a maximum accrual of 1,040 hours. Annually, any hours in excess of 1,040 will be paid to each employee, at their current hourly rate, on the first payroll in November.

EMPLOYEE HEALTH BENEFITS

The LVCVA provides fully paid health insurance benefits to its full-time employees. The LVCVA participates in an interlocal agreement with Clark County and various other local entities in order to obtain the most cost effective monthly rates. The programs available to active employees are the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF), reported under GASB standards as an agent multiple-employer plan, and Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO) plan. The LVCVA is obligated to pay its monthly share of the CCSF charges incurred and a contractually determined premium for HPN.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM NEVADA (PERS) DEFINED BENEFIT PENSION PLAN

The LVCVA participates in PERS, a cost-sharing multiple-employer defined benefit plan (the System) and is required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* as amended. The underlying financial information used to prepare the pension allocation for the LVCVA is based on PERS financial statements, which are prepared in accordance with GAAP that apply to governmental accounting for pension plans. This includes measuring the LVCVA's net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Effective July 1, 2007, the LVCVA implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In accordance with the transition rules of that statement, the LVCVA elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net OPEB obligation at zero for the year ended June 30, 2008. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contributions (ARC) of the LVCVA, calculated using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The OPEB obligation at June 30, 2016, 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 and other adjustments required by the standard.

In a proactive measure to address the OPEB liability, the LVCVA created an internal service fund in fiscal year 2013 in order to accumulate resources through yearly budget transfers from the general fund for its OPEB liability. Transfers to the internal service fund do not constitute an OPEB contribution for actuarial reporting. Rather, the funds are an earmarking of employer assets to reflect the LVCVA's 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.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The unamortized deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt) qualifies for reporting in this category as well as items related to pensions.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Revenues that are unavailable to satisfy current obligations qualify for reporting in this category as well as items related to pensions.

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, discounts and deferred refunding charges are recorded and amortized over the life of the bonds. Bond issuances costs are expensed as incurred.

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

The LVCVA implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for FY 2016. The addressed accounting and financial reporting issues related to fair value measurements. This statement provides guidelines for applying fair value to certain investments and disclosures related to all fair value measurements. The statement establishes a hierarchy of inputs to valuation techniques used to measure fair value of Level 1, Level 2, or Level 3. It also required additional disclosures about the fair value measurements and valuation techniques. No restatement of prior periods was necessary.

The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, in June 2015. This statement addresses two areas regarding pension reporting. The first item relates to governments with defined pension plans which are not covered under GASB 67 and 68. This part does not apply to the LVCVA since the LVCVA falls under GASB Statement No. 68 reporting requirements. The second set of items pertain to clarifications and minor updates to GASB Statement No. 68. The LVCVA has implemented these items in fiscal year 2016, however none currently have any effect on the LVCVA's reporting.

Statement No. 76 was issued by GASB in June 2015 effective for fiscal years starting after June 15, 2015, which is FY 2016 for the LVCVA. This statement is *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement provides direction and clarification for authoritative guidance in financial reporting. GASB 76 establishes a two-tier hierarchy as guidance to state and local governments. The first, Category A, consists solely of GASB Statements. The second tier, Category B, includes GASB Technical Bulletins, GASB Implementation Guides, and literature of the AICPA cleared by GASB. Governments should first turn to guidance from Category A. Category B authority should be used in the absence of guidance from Category A. Statement 76 then provides additional direction in the absence of specific guidance from either Category. The LVCVA implemented the requirements of GASB No. 76 and no change to prior financial reporting was deemed necessary.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, was issued in December 2015. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The LVCVA has implemented the requirements of GASB 79 this fiscal year, however Statement No. 79 did not directly require reporting changes, as the LVCVA does not participate in any investment pools meeting the prescribed criteria for amortized cost reporting.

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.

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 $679,077,721 difference are as follows:

Depreciable and amortizable capital and intangible assets	$	517,803,631
Accumulated depreciation and amortization		(262,973,796)
Depreciable and amortizable capital and intangible assets, net		254,829,835
Non-depreciable and non-amortizable capital and intangible assets		424,247,886
Net adjustment to increase *fund balance – total governmental funds* to arrive at *net position – governmental activities*	$	679,077,721

Another element of that reconciliation is long-term liabilities, including bonds, deferred refunding charges, accrued interest that are not due and payable in the current period, as well as related items; and therefore, are not reported in the funds. The details of this $774,379,157 difference are as follows:

Bonds payable, due in more than one year	$	717,460,000
Bonds payable, due within one year		27,820,000
Capital lease obligation, due within one year		3,188
Capital lease obligation, due in more than one year		2,510
Unamortized bond premiums and discounts		14,362,280
Unamortized refunding charges		(2,850,990)
Interest payable		17,582,169
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	774,379,157

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.

NRS 354.626 generally prohibits 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:

- 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 Chief Financial Officer; 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 approval level is the same as functional transfers and the Board is advised of these transfers.

- Inter-fund or contingency budget transfers are defined as transfers between different funds and require 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, 2015. All amendments made to the original budget were as prescribed by law.

For FY 2016, expenditures for the Community Support function exceed its budgeted amount by $976,392. This is not considered a violation of NRS 354.626 as the excess consists of statutorily required payments to another government resulting from an increase in exempt revenue that was not anticipated during the preparation of the budget.

UNRESTRICTED NET POSITION

Total unrestricted net position at June 30, 2016, was ($226,174,431). The components of unrestricted net position were as follows:

- Outstanding non-capital debt obligation of ($267,107,036) related to the LVCVA's obligation to the Nevada Department of Transportation (NDOT) for critically needed transportation projects (see Note 8).
- $61,304,819 specifically identified for ongoing capital projects.
- Cumulative results of all past years' operations of ($20,372,214).

NEW PRONOUNCEMENTS

GASB issued Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in June 2015. These statements establish new accounting and financial reporting requirements for governments whose employees are provided with other post-employment benefits (OPEB). It also includes specific recognition and disclosure requirements for various OPEB plans. The LVCVA does not currently administer OPEB funds through a trust, however, the LVCVA does currently participate in OPEB plans. Statement No. 74 is effective for periods beginning after June 15, 2016, and Statement No. 75 for periods starting after June 15, 2017. The plan administrators will be implementing in FY 2017 and the LVCVA must implement in FY 2018. The LVCVA staff is evaluating the effects these pronouncements will have on the LVCVA's reporting for FY 2018.

GASB issued Statement No. 77 *Tax Abatement Disclosures* in August 2015. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This statement also requires governments that enter into tax abatement agreements to disclose other information about the agreements. This statement requires the LVCVA to complete a review and implement in FY 2017.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* was issued in December 2015. The purpose of this statement is to address a practice issue regarding the scope and applicability of Statement No. 68. The issue only relates to certain multiple-employer pension plans and their ability to obtain necessary information for reporting. The effective date is for reporting periods beginning after December 15, 2015, which is FY 2017 for the LVCVA.

GASB issued Statement No. 80 *Blending Requirements for Certain Component Units* in January 2016. This statement applies to governments that are the sole corporate member of a not-for profit corporation. The statement prescribes how governments should blend these component units into the financial statements. These provisions should be implemented for fiscal years beginning after June 15, 2016, which is FY 2017 for the LVCVA. This statement is not expected to have a reporting impact as the LVCVA does not currently operate, nor participate in, any not-for-profits.

The GASB Statement No. 81, *Irrevocable Split-Interest Agreements,* was issued in March 2016. The statement enhances the comparability of financial statement by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This statement is effective for periods beginning after December 15, 2016, which is FY 2018 for the LVCVA and will be implemented accordingly.

The GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, in March 2016. This statement updates Statements No. 67, 68, and 73 regarding pension reporting. The three changes to pension from this statement includes presentation of payroll related measures in the Required Supplementary Information section of the CAFR, clarifications to the assumptions in determining deviations, and classification of payments made by employees to satisfy employee contributions requirements. The LVCVA will implement these changes in FY 2017.

NOTE 4. CASH AND INVESTMENTS:

The LVCVA maintains a cash and investment pool that is available for use by all of its funds. At June 30, 2016, this pool is displayed in the statement of net position and governmental funds balance sheet as "cash, cash equivalents 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 year end, the LVCVA's cash, cash equivalents and investment balances consisted of the following:

Cash and cash equivalents:		
Cash on hand	$	19,200
Deposits in bank		119,489,779
Investments (U.S. Agencies and LGIP)		87,636,385
	$	207,145,364

At year end, the LVCVA's carrying amount of deposits was $119,489,779, and the bank balance was $119,627,634.

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 the LVCVA's allowable 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.

LGIP is an external investment pool administered by the State of Nevada's Treasurer, with oversight by the State's Board of Finance. The LVCVA deposits monies with the State Treasurer to be pooled with monies of other local governments for investment in the LGIP fund. 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. LGIP financial statements may be obtained from the State Treasurer's Office, 101 N. Carson Street Suite 4, Carson City, NV 89701.

As of June 30, 2016, the LVCVA had the following investments:

	Original Cost	Fair Value	Investments by Maturities: Less than 1 Year	Investments by Maturities: 1 - 5 Years	Accrued Interest	Total Value
U.S. Agencies	$ 43,038,210	$ 43,268,430	$ 7,977,580	$ 35,290,850	$ 93,454	$ 43,361,884
LGIP	44,346,224	44,367,955	44,367,955	-	19,838	44,387,793
Total	$ 87,384,434	$ 87,636,385	$ 52,345,535	$ 35,290,850	$ 113,292	$ 87,749,677

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 total investment (which includes overnight accounts included in cash equivalents). Limits for each category are as follows: 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, 2016, the LVCVA's investments were diversified at 29% in U.S. Agencies, 41% in Demand Deposits, and 30% in the LGIP.

The LVCVA's investment in U.S. Agencies was comprised of securities issued by the Federal Home Loan Bank (28%), the Federal Home Loan Mortgage Corporation (16%), the Federal National Mortgage Association (21%), the Federal Farm Credit Bank (21%), and the Federal Farm Credit Mortgage (14%).

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.

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 year end, the LVCVA did not have any significant custodial credit risk.

FAIR VALUE DETERMINATION AND RISK:

GASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The LVCVA reports two types of investments, Federal Agency securities and LGIP. The LVCVA tracks the Federal Agency investments on an investment by investment basis, and because of this and the similarity of the investments, reports them in aggregate based upon reoccurring third party values using a market approach with matrix pricing. Therefore, these investments, which totaled $43,268,430 at June 30, 2016, are classified as Level 2.

The LGIP is an investment pool with multiple types of investments being reported at fair value. The following chart breaks out the fair value by fund and risk levels at 27.24% for Level 1, and 72.67% for Level 2:

Fund	Level 1	Level 2	Total
General Fund	$ 291,444	$ 778,468	$ 1,069,912
Internal Service Fund	680	1,817	$ 2,497
Capital Fund	11,793,706	31,501,840	$ 43,295,546
	$ 12,085,830	$ 32,282,125	$ 44,367,955

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2016, was as follows:

Description	Balance at June 30, 2015	Increases	Decreases	Balance at June 30, 2016
Capital assets not being depreciated or amortized:				
Land	$ 396,102,617	$ 26,931,370	$ -	$ 423,033,987
Intangibles	100,000	-	-	100,000
Construction in progress	3,036,147	5,961,484	(7,883,731)	1,113,900
Total capital assets not being depreciated or amortized	399,238,764	32,892,854	(7,883,731)	424,247,886
Capital assets being depreciated or amortized:				
Buildings	442,775,450	3,597,337	(331,927)	446,040,861
Intangibles	138,402	-	-	138,402
Improvements other than buildings	47,347,747	6,190,507	(120,328)	53,417,925
Furniture and equipment	17,933,670	578,226	(305,453)	18,206,443
Total capital assets being depreciated or amortized	508,195,269	10,366,070	(757,708)	517,803,631
Accumulated depreciation or amortization:				
Buildings	(204,626,494)	(12,122,426)	287,399	(216,461,521)
Intangibles	(138,402)	-	-	(138,402)
Improvements other than buildings	(27,543,000)	(4,137,275)	80,113	(31,600,162)
Furniture and equipment	(13,931,734)	(1,093,550)	251,573	(14,773,711)
Total accumulated depreciation or amortization	(246,239,630)	(17,353,251)	619,086	(262,973,796)
Net capital assets being depreciated or amortized	261,955,639	(6,987,181)	(138,623)	254,829,835
Governmental activities capital assets, net	$ 661,194,403	$ 25,905,672	$ (8,022,354)	$ 679,077,721

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

General government	$ 22,231
Marketing	61,351
Operations	17,269,669
	$ 17,353,251

NOTE 6. INTERFUND TRANSACTIONS:

The following schedule details the amounts due from/to other funds at June 30, 2016:

Receivable Fund	Payable Fund	Amount	
General Fund	Debt Service Fund	$	73,644
Capital Improvement	General Fund		98
		$	73,742

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 service fund that 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, 2016, transfers between funds were as follows:

			Transfers Out			
	Transfers In		General Fund		Debt Service Fund	
General Fund	$	120,416	$	-	$	120,416
Internal Service Fund		4,500,000		4,500,000		-
Capital Project Fund		14,000,000		14,000,000		-
Debt Service Fund		58,010,457		58,010,457		-
	$	76,630,873	$	76,510,457	$	120,416

NOTE 7. LEASES:

OPERATING LEASES

The LVCVA has non-cancelable operating leases for office space, parking spaces, computers, copiers and other equipment. Total rental costs for such leases were $314,017 for the year ended June 30, 2016. Future minimum operating lease payments are as follows:

Year Ending June 30,		
2017	$	316,447
2018		320,658
2019		324,689
2020		318,141
2021		318,792
2022-2026		1,190,443
Total	$	2,789,170

CAPITAL LEASES

On September 1, 2013, the LVCVA entered into a $334,547 capital lease for computer equipment, which was capitalized as furniture and equipment. Amortization expense for FY 2016 was $111,516 and total accumulated amortization was $315,961. As of June 30, 2016, the net value of this capital lease is $18,586. Total lease payments for FY 2016 were $116,984.

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 2016 was $2,988 and the total accumulated amortization was $9,712. The net value at June 30, 2016 was $5,230. Total lease payments for FY 2016 were $3,420. Future minimum capital lease payments are as follows:

Year Ending June 30,		
2017		3,420
2018		2,565
		5,985
Less portion of payment representing interest		(287)
Present value of minimum lease payments	$	5,698

NOTE 8. LONG-TERM DEBT:

The LVCVA issues general obligation and revenue bonds to fund land and other improvement, acquisition, and construction of capital assets consisting primarily of meeting and exhibit and support facilities at the Las Vegas Convention Center. In addition, pursuant to legislative directive, the LVCVA provided $300,000,000 of funding to the Nevada Department of Transportation (NDOT) for transportation infrastructure projects through the issuance of general obligation bonds with $267,485,000 outstanding at June 30, 2016. The balance of bond proceeds and the related interest earnings to be remitted to NDOT as of June 30, 2016 is approximately $17.1 million.

Eight of the LVCVA's outstanding bonds are general obligation bonds of Clark County, Nevada, acting by and through the LVCVA.

Clark County, Nevada acts as the guarantor of these general obligation bonds, as defined in GASB Statement No. 70. The bonds 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. No requirements for repayment by the LVCVA to the County exist if ad valorem taxes had to be used. 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 FY 2016, room taxes and gaming fees of $262 million exceeded six times the amount necessary to pay the $37.8 million of principal and interest payments during the fiscal year. In fact, as of June 30, 2016, no ad valorem tax revenues have been allocated to the LVCVA for any purpose, including guarantee debt payments. No change in this practice is contemplated in the future.

The following is a summary of terms and balances for general obligation and pledged revenue bonds payable at June 30, 2016:

$38,200,000 - 5/07 Refunding Bonds due in annual installments through FY 2022. Semi-annual interest from 4 - 5.5%	$	5,925,000
$26,455,000 - 7/08 (NDOT) Bonds due in annual installments through FY 2039. Semi-annual interest from 4 - 5%		22,970,000
$70,770,000 - 2010A (NDOT/BABs) Bonds due in annual installments through FY 2039. 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%		42,565,000
$155,390,000- 2010C (NDOT/BABs) Bonds due in annual installments through FY 2039. Semi-annual interest from 4 - 7%		155,390,000
$24,990,000 - 2012 General Obligation Bonds due in annual installments through FY 2033. Semi-annual interest from 2 - 4%		22,940,000
$50,000,000 - 2014 General Obligation Bonds due in annual installments through FY 2044. Semi-annual interest from 2 - 5%		50,000,000
$181,805,000 - 2015 General Obligation Bonds due in annual installments through FY 2045. Semi-annual interest from 2 - 5%		181,805,000
	$	552,365,000

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.

2014 Line of Credit

In December 2014, the LVCVA issued its Series 2014A, Subordinate Revenue Bonds, which included a credit agreement with JPMorgan to provide a non-revolving credit line (LOC) of $275 million. The bonds and the credit agreement are collectively referred to as the "2014 LOC." These bonds were issued to provide short-term financing primarily for acquiring land related to the first phase of the LVCCD. The 2014 LOC is non-revolving and subordinated to the other revenue bonds. During FY 2015, $187 million was drawn for the purpose of acquiring real property and shortly thereafter $116.8 million was refunded. As of June 30, 2016, the outstanding principal on the 2014 LOC was $70.2 million, with the ability to draw an additional $88 million. It became effective on December 5, 2014 with a maturity date of December 2, 2016.

The interest rate on drawn funds is based upon the product of the one month London Interbank Offered Rate (LIBOR) times 70% times an applicable spread which is based on the LVCVA's credit rating times the greater of 1 or 1 less the maximum federal corporate tax rate times 1.53846. The applicable spread is currently 52.5 basis points (bps) and remains in effect as long as the LVCVA maintains a credit rating of A1 for Moody's, or A+ for S&P. This rate would increase to 67.5 bps for an A2 or A rating, respectively, and 92.5 bps for an A3 or A- rating, respectively. Similarly, lower ratings by Moody's and S&P would result in progressively higher increases. Interest is due and paid monthly. The interest rate on the remaining amount available to draw is also based on the credit rating of the LVCVA, currently 22.5 bps, progressively increasing, if the LVCVA's rating were to decrease and it is payable quarterly.

The rate on the LOC for August 2016 was 88 basis points, and this figure was used to calculate the estimated final few months of remaining interest on the drawn balance until the December 2016 due date. If the average interest rate and balances drawn and outstanding available funds stayed the same, the LVCVA would pay approximately $265,000 in FY 2017 interest for the $70,200,000 obligation. The interest on the undrawn balance of $88,000,000 would be $85,000 in FY 2017. These estimates have been included in the interest and principal schedules below. A 1% increase in the floating interest rate would increase costs on the current outstanding balance by approximately $300,000

The agreement contains a provision allowing the LVCVA to convert any unpaid balance of drawn funds to a term loan on December 2, 2016, with equal semi-annual payments of principal over a 3 year term if not repaid. The interest rate would be 1% plus the higher of Prime Rate plus 1.5%, Federal Effective Rate plus 2.0%, or the rate of 7.5%.

Activity subsequent to June 30, 2016

In July 2016, the LVCVA issued its Series 2016A, Subordinate Revenue Bonds, which included a credit agreement with JPMorgan to provide a revolving credit line of $300 million, with no more than $100 million outstanding at any one time. The bonds and the credit agreement are collectively referred to as the “2016 LOC” and were issued with an outstanding amount of $1,000,000.

Simultaneously, the LVCVA also issued its Series 2016B, Subordinate Revenue Bonds, which included a term-loan for $69,200,000. The bonds and the credit agreement are collectively referred to as the “2016 term loan.” The 2016A and 2016B bond issuances paid off and closed the 2014 LOC. The 2016 LOC is revolving and subordinated to the other revenue and general obligation bonds. The renegotiated agreement contains the same terms and provisions related to interest calculations as described above in the 2014 LOC. As per GASB 62, the $70,200,000 outstanding on the 2014 LOC are classified as long-term at June 30, 2016 as the 2016A and 2016B bonds replaced the 2014 LOC, which was a short-term obligation with a long-term obligation due, July 2018.

The interest rate used to calculate the estimated interest on the drawn 2016 LOC balance for future periods is 88 basis points as it represented the August 2016 rate change. If the average interest rate and balances drawn and outstanding stayed the same, the LVCVA’s interest cost would be approximately $8,000 in FY 2017 and $9,000 FY 2018, and $1,000 in 2019 for interest on the $1 million obligation. The fees on the undrawn balance of $99,000,000 would be approximately $163,000 in FY 2017, and $229,000, in FY 2018, and $65,000 in FY 2019. The 2016 term loan interest rate is also calculated the same as the drawn amounts on the 2016 LOC. If the average interest rate and balances drawn and outstanding stayed the same, the LVCVA’s estimated interest costs for the 2016 term loan for FY 2017 would be $492,000 for FY 17, approximately $609,000 for FY 18, $73,000 for FY 19. These estimates are incorporated into the following schedules of interest and principal. A 1% increase in the floating interest rate for the 2016 LOC and 2016 term loan FY 2017 would increase interest costs on the current outstanding balance by $515,000.

The 2016 term loan was itself paid off and closed with the issuance of the 2016C Revenue Refunding Bonds (2016C Bonds) in August 2016. This refunding was used for the defeasance of 11/07 Revenue Bonds for interest savings and to pay off the 2016 term loan with a long-term fixed rate obligation. The 2016C Bonds principal totaled $100,705,000 which is due in annual instalments through FY 2039 with semi-annual interest from 3-5%. Estimated present value of savings of the transaction was approximately $6,000,000. These bonds are not included in the schedules below as they are subsequent to the measurement date and did not relate to short-term obligations which were extended to long-term debt amounts. Due to these events, actual interest paid on the 2016 term loan in July and August of 2016 totaled $31,574.

The following is a summary of revenue bonds payable at June 30, 2016:

$50,000,000- 11/07 Revenue Bonds due in annual installments through FY 2037. Semi-annual interest from 4 - 6%	42,455,000
$81,925,000- 2010E Revenue Bonds due in annual installments through FY 2041. Semi-annual interest from 4 - 5.5%	80,260,000
$70,200,000- 2014A Subordinate Revenue Bond/Line of Credit non-revolving variable rate indexed at one month LIBOR plus 22.5 basis points	70,200,000
	$ 192,915,000

Schedule of interest and principal payments based on the 2016 LOC and 2016 term loan issuance and closing of the 2014 LOC.

	General Obligation / Pledged Revenue Bonds		Revenue Bonds		All Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 24,940,000	$ 28,266,193	$ 2,880,000	$ 6,803,658	$ 27,820,000	$ 35,069,851
2018	26,060,000	27,083,600	3,000,000	6,790,253	29,060,000	33,873,853
2019	27,210,000	25,836,957	73,320,000	5,957,481	100,530,000	31,794,438
2020	28,490,000	24,511,620	3,255,000	5,688,043	31,745,000	30,199,663
2021	16,540,000	23,518,021	3,395,000	5,551,718	19,935,000	29,069,739
2022-2026	95,900,000	104,238,500	19,390,000	25,330,202	115,290,000	129,568,702
2027-2031	96,755,000	77,743,607	24,650,000	19,957,702	121,405,000	97,701,309
2032-2036	108,315,000	49,097,116	31,810,000	12,785,066	140,125,000	61,882,182
2037-2041	92,440,000	16,913,477	31,215,000	3,924,312	123,655,000	20,837,789
2042-2045	35,715,000	2,762,330	-	-	35,715,000	2,762,330
	$ 552,365,000	$ 379,971,421	$ 192,915,000	$ 92,788,435	$ 745,280,000	$ 472,759,856

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 of the LVCVA’s long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels and revenue/expense ratios and the LVCVA’s line of credit contains default interest and acceleration provisions. The LVCVA management believes it to be in compliance with such covenants.

DEBT REFUNDING AND DEFEASANCE

At June 30, 2016, $13,740,000 of bonds defeased in prior years remained outstanding and a trust account had a balance of $14,534,812. The trust assets and the liabilities for the defeased bonds are not included in the LVCVA financial statements.

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

	Interest paid During the Year	Beginning Balance, July 1, 2015	Additions	Reductions	Ending Balance, June 30, 2016
BONDS					
General Obligation/Pledged Revenue Bonds					
5/07 Refunding Bonds	$ 379,575	$ 8,680,000		$ (2,755,000)	$ 5,925,000
7/08 General Obligation Bonds	1,101,285	23,530,000		(560,000)	22,970,000
2010A General Obligation Bonds	4,721,166	70,770,000		-	70,770,000
2010B General Obligation/Refunding Bonds	2,025,800	44,885,000		(2,320,000)	42,565,000
2010C General Obligation Bonds	9,910,195	155,390,000		-	155,390,000
2010D General Obligation Bonds	103,125	4,125,000		(4,125,000)	-
2012 General Obligation Bonds	696,423	23,975,000		(1,035,000)	22,940,000
2014 General Obligation Bonds	2,076,349	50,000,000		-	50,000,000
2015 General Obligation Bonds	6,021,845	181,805,000		-	181,805,000
Revenue Bonds					
4/05 Revenue Bonds	370,125	14,100,000		(14,100,000)	-
11/07 Revenue Bonds	2,074,710	43,560,000		(1,105,000)	42,455,000
2010E Revenue Bonds	4,107,082	81,925,000		(1,665,000)	80,260,000
2014A Subordinate Revenue Bond/Line of Credit	722,942	70,200,000		-	70,200,000
Unamortized premiums and discounts		17,629,698		(3,267,418)	14,362,280
Subtotal Bonds	34,310,622	790,574,698	-	(30,932,418)	759,642,280
OTHER LIABILITIES					
Compensated absences	-	6,360,018	4,346,174	(4,316,118)	6,390,074
Capital lease obligations	-	120,137	-	(114,439)	5,698
Postemployment benefits other than pensions	-	25,186,055	3,833,285	-	29,019,340
Net pension liability	-	56,452,216	24,661,440	(17,373,244)	63,740,412
Subtotal other liabilities	-	88,118,426	32,840,899	(21,803,801)	99,155,524
	$ 34,310,622	$ 878,693,124	$ 32,840,899	$ (52,736,219)	$ 858,797,804

The portion of each long-term liability that is due in FY 2017 is shown below:

	Principal	Interest
BONDS		
General Obligation/Pledged Revenue Bonds		
5/07 Refunding Bonds	$ 2,890,000	$ 231,225
7/08 General Obligations Bonds	585,000	1,078,385
2010A General Obligations Bonds	-	4,721,166
2010B General Obligations Bonds	2,400,000	1,943,000
2010C General Obligations Bonds	4,325,000	9,823,695
2012 General Obligations Bonds	1,055,000	675,523
2014 General Obligations Bonds	-	2,076,349
2015 General Obligations Bonds	13,685,000	7,716,850
Revenue Bonds		
12/07 Revenue Bonds	1,150,000	2,024,085
2010E Revenue Bonds	1,730,000	4,039,182
2014A Subordinate Revenue Bonds/Line of Credit*	-	740,391
	27,820,000	35,069,851
OTHER LIABILITIES		
Compensated absences	5,114,754	-
Capital lease obligation	3,188	231
	$ 32,937,942	$ 35,070,083

* In compliance with GASB No. 62, this short-term obligation is presented as long-term as amounts were replaced with long-term obligation in July 2016. Interest cost shown also reflects estimated amounts based on the 2016A and 2016B agreement.

The general fund is normally used 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 five years.

NOTE 10. EMPLOYEE RETIREMENT PLAN:

Plan Description

The LVCVA participates in a cost-sharing, multiple-employer, defined benefit public employees' retirement system (the System or PERS) which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability. The LVCVA exercises no control over PERS. NRS 286.110 states that "The respective participating public employers are not liable for any obligations of the system."

Benefits Provided

Benefits, as required by the NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. For members entering the System on or after July 1, 2015, there is a 2.25% multiplier.

The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or age 55 with 30 years of service or any age with 33 1/3 years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer. The LVCVA elected the EPC plan.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

For the fiscal year ended June 30, 2015, the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire. For the fiscal year ended June 30, 2016, the Statutory Employer/employee matching rate was 14.50% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28% for Regular and 40.50% for Police/Fire. Contributions to the pension plan from the LVCVA were $8,585,609 and $9,545,749 for the years ended June 30, 2015 and 2016 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Contributions for employer pay dates that fall within PERS fiscal year ending June 30, 2015, are used as the basis for determining each employer's proportionate share of the collective pension amounts. The LVCVA's allocated portion was calculated at 0.55623%. The LVCVA recorded a liability of $63,740,412 for its portion of the net pension liability at June 30, 2016.

Changes in the LVCVA's net pension liability were as follows:

Reconciliation of Net Pension Liability	
Beginning Net Pension Liability	$ 56,452,216
Pension Expense	7,529,739
Employer Contributions	(8,585,609)
Net Change in Deferred Inflows/Outflows Amortized	8,344,066
Ending Net Pensions Liability	$ 63,740,412

The LVCVA recognized pension expense of $7,529,739 for the year ended June 30, 2016. The LVCVA reported deferred outflows and inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,794,382
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	-	3,452,603
Changes in proportion and differences between actual contributions and proportionate share of contributions	2,540,012	-
LVCVA contributions subsequent to measurement date	9,545,749	-
	$ 12,085,761	$ 8,246,985

At June 30, 2015, the average expected remaining service life is calculated at 6.70 years.

The $9,545,749 of deferred outflows for contributions made by the LVCVA to PERS subsequent to the measurement date will be recognized as a reduction to net pension liability in the year ending June 30, 2017. Other amounts listed as deferred outflows and deferred inflows of resources related to pensions will be recognized as follows:

Year end June 30,	
2017	(1,773,299)
2018	(1,773,299)
2019	(1,773,299)
2020	333,176
2021	(548,334)
After	(171,917)

Included in accounts payable at June 30, 2016, the LVCVA had $1,035,633 payable to PERS, equal to the required contribution for the month of June 2016 which was subsequently paid in accordance with applicable due dates in July and August 2016.

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Discount rate	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer price index	3.50%

At June 30, 2015, assumed mortality rates and projected life expectancies for selected ages were as follows:

Regular Members				
	Mortality Rates		Expected Years of Life Remaining	
Age	Males	Females	Males	Females
40	0.10%	0.05%	41.1	44.4
50	0.17%	0.12%	31.6	34.7
60	0.55%	0.42%	22.4	25.4
70	1.82%	1.39%	14.3	17.0
80	5.65%	3.79%	7.7	10.1

Police/Fire Members				
	Mortality Rates		Remaining	
Age	Males	Females	Males	Females
40	0.10%	0.06%	40.2	42.5
50	0.19%	0.15%	30.7	32.8
60	0.63%	0.54%	21.5	23.6
70	2.02%	1.72%	13.5	15.5
80	6.41%	4.63%	7.1	9.0

These mortality rates and projected life expectancies are based on the following:

- For non-disabled male regular members – RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA
- For non-disabled female regular members – RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year
- For all non-disabled police/fire members – RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year
- For all disabled regular members and all disabled police/fire members – RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of the experience review completed in 2013.

Valuation of Plan Assets-Investment Policy

The policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following target allocation policy was adopted as of June 30, 2015:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%
	100%	

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 3.5%.

Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015 and 2014. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015 and 2014.

Pension Liability Discount Rate Sensitivity

The following presents the LVCVA's proportionate share of the net pension liability of the System as of June 30, 2015, calculated using the discount rate of 8.00%, as well as what the LVCVA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1- percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.0%)	1% Increase (9.00%)
Net Pension Liability-LVCVA portion	$97,127,624	$63,740,412	$35,976,614

Pension Plan Fiduciary Net Position

PERS issues a stand-alone CAFR that includes financial statements and required supplementary information for the plan. Additional information about the System's fiduciary net position is available at www.nvpers.org under Quick Links – Publications, or

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):

The cost of postemployment healthcare benefits, like the cost of pension benefits, are recorded in the period in which employee services are received, rather than in the future years when paid. The reported accumulated liability and related information is useful 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 that are available to active employees and retirees are the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF), reported under GASB standards as an agent 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 Clark County's 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 the local government 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 some years, the LVCVA has made additional contributions, as determined by the CCSF Executive Board, under terms of the agreement. 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. Based on the FY 2015 actuarial report, the LVCVA has 53 PEBP retires, 100 non-PEBP retirees, 5 surviving spouses and 491 active employees in the CCSF and HPN plans. The LVCVA currently pays for postemployment healthcare benefits on a pay-as-you-go basis.

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 its OPEB obligations. In FY 2013, the LVCVA established an internal service fund to accumulate resources to be held in reserve to pay its future liability for postemployment benefits. Transfers from the general fund to the OPEB reserve fund have been incorporated into the annual budget process based on the current revenue streams and the goal of fully funding the accumulated liability from prior years. The target for fully funding these prior years' accumulations is 10 years from the establishment of the OPEB reserve fund. From there forward, it will allow the LVCVA to contribute only an annual transfer at maintenance levels which would approximate the liability increase.

The LVCVA is required to pay the PEBP an explicit subsidy, based on years of service, for retirees enrolled in this plan. Retirees are eligible for a subsidy after 5 years of service with a Nevada state or local government entity. The maximum subsidy is earned after 20 years of combined service with an eligible entity. If the retiree worked for more than one eligible entity, the subsidy is split based on the length of time with each entity. In FY 2016, the LVCVA's cost per month per retiree ranged from $15 to $1,100.

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)	$ 4,630,737	$ 323,950	$ 4,954,687
Interest on net OPEB obligation	941,574	65,870	1,007,444
Adjustment to the ARC	(1,257,615)	(87,979)	(1,345,594)
Annual OPEB cost (expense)	4,314,696	301,841	4,616,537
Contributions made	(598,653)	(184,599)	(783,252)
Increase in net OPEB obligations	3,716,043	117,242	3,833,285
Net OPEB obligation - beginning of the year	24,873,561	312,494	25,186,055
Net OPEB obligation - end of the year	$ 28,589,604	$ 429,736	$ 29,019,340

The LVCVA's annual OPEB cost, the percentage of annual cost contributed and net OPEB obligation for fiscal years 2014-2016 were as follows:

	Fiscal year ended June 30,	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
CCSF and HPN	2014	$ 3,968,846	11.5%	$ 21,246,349
	2015	4,187,106	13.4%	24,873,561
	2016	4,314,696	13.9%	28,589,603
PEBP	2014	$ 328,525	64.0%	$ 212,812
	2015	292,915	66.0%	312,494
	2016	301,841	61.2%	429,735

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						
7/1/2014	$ -	$ 39,266,548	$ 39,266,548	0%	$ 33,467,565	117%
PEBP						
7/1/2014	$ -	$ 5,386,309	$ 5,386,309	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. Bi-annual actuarial reports and mid-period adjustments to such estimates reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

	CCSF, HPN and PEBP
Actuarial valuation date	July 1, 2014
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, 2014
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 and HMO – 7.0% in 2015/2016, grading down 0.25% 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:

Fund balances are required to be reported in classifications based on the following definitions:

Nonspendable Fund Balance – 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.

Restricted Fund Balance – 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).

Committed Fund Balance – 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.

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 CFO. 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's 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 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 general fund balance between 4% and 16% of expected expenditures for potential variances in economic conditions without detriment to operations.

The fund balances by component at June 30, 2016, were:

	General Fund	Capital Project Funds	Debt Service Funds
Non-Spendable			
Inventory	$ 416,981	$ -	$ -
Prepaid items	5,707,789	766,331	-
Other	489,440	-	-
Restricted			
Capital project programs	-	11,308	-
Debt service programs	-	-	51,144,106
Collection allocation	7,035,077	-	-
Nevada Department of Transportation	-	17,115,499	-
Committed			
Capital project programs	-	61,293,512	-
Debt service programs	-	-	3,952,652
Assigned			
Capital project programs	16,500,000	-	-
Debt service programs	3,000,000	-	-
Internal service fund	5,500,000	-	-
Unassigned	14,304,570	-	-
	$ 52,953,857	$ 79,186,650	$ 55,096,758

NOTE 13. COMMITMENTS AND CONTINGENCIES:

The LVCVA often carries cash and cash equivalents on deposits with financial institutions in excess of federally-insured limits, and the risk of losses that may 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 (R&R) is the official advertising and marketing communications agency for the LVCVA. R&R 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. Beginning in July 2015, compensation is 6.5% of gross billed (6.95% of the net) amounts for commission on media and external production. Other reimbursable expenses will be billed at net (production, travel, administration). In addition, in FY 2016 there was an agency service fee of $580,000 per month and content creation services fee of up to $708,333 per month for twelve months. Both service fees are subject to CPI increases. The current contract term is through June 2018 with an optional two-year extension, which can be terminated by either party with 90 days' notice. The LVCVA, through R&R, also sponsors various special events which bring people to Las Vegas. Some of these involve multi-year contracts. These sponsorship contract commitments at June 30, 2016 were $3.8 million for FY 2017 and $3.1 million for FY 2018 and $1.1 million for 2019.

INTERNATIONAL OFFICES

The LVCVA is party to contracts for international office representation which covers the following areas: Australia and New Zealand, Canada, China, Hong Kong, Taiwan, Europe, Germany, Switzerland, Austria, Japan, Mexico and Central America, South America, South Korea, and the United Kingdom. The 2-year contracts were approved at the May 10, 2016, Board of Directors meeting. The contract's value in both FY 2017 and FY 2018 is $2.3 million and can be terminated without cause with a 30 day notice.

NATIONAL FINALS RODEO

Through Las Vegas Events, the LVCVA has an agreement with Professional Rodeo Cowboys Association (PRCA), to provide annual payments of $2.2 million for the National Finals Rodeo, and $250,000 annually to be the exclusive national sponsor for the National Finals of Steer Roping if not held in Las Vegas. The contract term is 10 years, ending in FY 2024.

TERMINATION PAYMENTS IN CONTRACTOR AGREEMENTS

The LVCVA has an agreement with Cox Nevada Telcom (Cox) for telecommunications services for the Las Vegas Convention Center, Cashman Center and other various buildings belonging to the LVCVA. Cox was obligated to invest at least $9.5 million of telecommunication infrastructure improvements to the LVCVA's facilities, over the life of the agreement which ends on September 28, 2020. As of June 30, 2016, the total investment made by Cox was $10,193,101. The improvements are owned by the LVCVA at the end of the term. If early termination occurs the LVCVA is obligated to reimburse Cox for a portion of their investment ($6,659,372 if termination occurred June 30, 2016). This is considered a contingent liability which is not recorded in the LVCVA's financial statements.

The LVCVA has an agreement with Aramark Corporation (Aramark) for food services for the Las Vegas Convention Center and Cashman Center. Aramark was obligated to invest $13 million for food infrastructure improvements to the LVCVA's facilities which the LVCVA owns. The agreement terminates on December 31, 2016. If early termination occurs the LVCVA is obligated to reimburse Aramark for a portion of their investment (approximately $433,000 if termination occurred June 30, 2016). This is considered a contingent liability which is not recorded in the LVCVA's financial statements.

ESCROW ACCOUNT

In February 2015, the LVCVA purchased the Riviera Hotel and Casino site. The purchase agreement included a requirement that the LVCVA place $27.5 million in escrow to be drawn down by the seller to pay for costs associated with the business closure. The hotel and casino ceased operations in May 2015. Proceeds from the liquidation sale of furniture and fixtures were also placed into the escrow account per the purchase agreement. Any undrawn funds after 5 years revert back to the LVCVA. As of June 30, 2016, the remaining balance was $4.7 million. Subsequent to year end, final disbursements were processed. Accordingly, the entire amount of the escrowed funds remaining is considered part of the purchase price of the site and the undisbursed balance at June 30, 2016, is reflected as a liability.

PRESIDENTIAL/VICE PRESIDENTIAL DEBATE

On September 23, 2015, the Board of Directors approved up to $4 million in expenditures to host the Presidential/Vice Presidential Debate in Las Vegas during the fall of 2016. The LVCVA, in conjunction with the University of Nevada Las Vegas, submitted a bid to host one of the 2016 debates and was awarded the opportunity to host the final debate between the presidential candidates in October 2016. The estimated expenditures include a host fee of $2 million and event program and production costs of $2 million.

OTHER OBLIGATIONS

The LVCVA has no long-term obligation to fund other organizations, for example, Las Vegas Events. However, we acknowledge these other organizations do engage in long-term sponsorship commitments.

On May 10, 2016, the LVCVA entered into a Transfer Agreement with the City of Las Vegas to transfer ownership of Cashman Center to the City of Las Vegas in 2022, subject to certain additional due diligence to be conducted by the City. This timeline corresponds to the end of the LVCVA's contractual agreement to provide stadium management and operations for the triple A baseball team that uses Cashman Center as its home field. There are two additional benchmarks that would trigger the transfer earlier than 2022. Should the baseball team provide a two- season notice to the LVCVA that it was cancelling the LVCVA's stadium management and operations contract, Cashman Center would transfer to the City of Las Vegas once the remaining requirements of the contract were satisfied. Finally, should the City of Las Vegas find an alternative use for Cashman Center, the City of Las Vegas may request an immediate transfer, given the condition that it is required to fulfill the remaining term of the baseball contract. Since the effective date of the transition is yet to be determined, this currently has no impact on the financial statements as presented.

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, 2016, such contracts, in the capital projects fund, totaled approximately $51,600,000 with an estimated outstanding balance of approximately $21,300,000. Other outstanding commitment balances in the general fund totaled approximately $4,300,000. As of June 30, 2016, the LVCVA Board has approved staff to host future events in the destination budgeted at approximately $600,000 not previously disclosed.

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 other than disclosed below. 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 is ground water contamination in one of the parking areas of the LVCC. Management believes it is probably that the LVCVA will be named as a responsible party for remediation activities; and therefore, has recorded a $600,000 pollutions remediation liability on the government-wide financials using the expected cash flow technique for future remediation costs. This estimate is based on preliminary analysis which could change over time due to continued investigation, actual remediation actions performed, future regulator rulings, changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort.

There are also potential environmental issues associated with the purchase of the 26 acre Riviera Hotel and Casino site and improvements. As of August 2016, the last building was demolished and the environmental remediation is continuing as part the demolition plan. The process includes investigation and remediation planning, disposal and abatement of all hazardous material from the structures and site in accordance with all State and Federal regulations, statutes and laws. At this time the LVCVA does not expect the overall remediation costs to exceed estimates considered at the time of purchase. Therefore, remediation costs are being capitalized as the land is prepared for its intended use and no specific pollution remediation liability has been accrued.

NOTE 14. ROOM TAX REVENUE:

The LVCVA's primary revenue source is 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%	4%-5%	1 5/8%	1%	0%-2%	3 3/8%
Other hotel and motels	10%-12%	2%-4%	1 5/8%	1%	0%-2%	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, not to exceed 10% of the total amounts remitted to the LVCVA. The total recognized as other community support was $26,484,425 in FY 2016.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

Postemployment Benefits Other Than Pensions

SCHEDULE OF SHARE OF NET PENSION LIABILITY

Pensions

SCHEDULE OF SHARE OF NET PENSION LIABILITY

Pensions

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

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						
7/1/2010	---	$ 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%
7/1/2014	---	39,266,548	39,266,548	0%	33,467,565	117%
PEBP						
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*
7/1/2014	---	5,386,309	5,386,309	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 Proportionate Share of the PERS Net Pension Liability
For the Years Ended June 30, 2014 and 2015

	2014	2015
LVCVA proportion of net pension liability	0.54167%	0.55623%
LVCVA proportionate share of net pension liability	$ 56,452,216	$ 63,740,412
LVCVA's covered employee payroll [1]	$ 34,581,656	$ 36,496,833
LVCVA's proportionate share of the net pension liability as a percentage of LVCVA's covered employee payroll	163%	175%
Plan fiduciary net position as a percentage of total pension liability	76%	75%

[1] Covered employee payroll, as per GASB No. 68, includes payroll categories that are not consistant with statutory contribution requirements to the pension plan.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Schedule of Contributions to PERS Pension Plan
For the Years Ended June 30, 2014, 2015, and 2016

	2014	2015	2016
Contractually required contribution	$ 8,204,400	$ 8,585,609	$ 9,545,749
Contributions in relation to the contractually required contribution	$ 8,204,400	$ 8,585,609	$ 9,545,749
Contribution deficiency	-	-	-
LVCVA's covered employee payroll [1]	$ 34,581,656	$ 36,496,833	$ 38,500,841
Contributions as a percentage of covered employee payroll	24%	24%	25%

[1] Covered employee payroll, as per GASB No. 68, includes payroll categories that are not consistant with statutory contribution requirements to the pension plan.

Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

General Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Room taxes and gaming fees	$ 241,950,000	$ 246,850,000	$ 261,613,917	$ 14,763,917
Charges for services	52,224,000	52,224,000	60,835,567	8,611,567
Interest and investment earnings	217,500	217,500	195,706	(21,794)
Miscellaneous	3,800	3,800	4,368	568
Total revenues	294,395,300	299,295,300	322,649,558	23,354,258
Expenditures:				
Current:				
General government	17,755,500	17,555,100	16,146,746	1,408,354
Marketing:				
Advertising	93,500,000	95,500,000	95,012,365	487,635
Marketing and sales	36,787,700	38,196,000	36,537,160	1,658,840
Special events	13,035,600	13,010,600	11,665,284	1,345,316
Operations	42,834,600	43,300,600	41,415,858	1,884,742
Community support :				
Other community support	24,695,000	25,185,000	26,161,392	(976,392)
Total expenditures	228,608,400	232,747,300	226,938,805	5,808,495
Excess of revenues over expenditures	65,786,900	66,548,000	95,710,753	29,162,753
Other financing sources (uses):				
Transfers in	104,100	104,100	120,416	16,316
Transfers out	(66,974,925)	(78,724,925)	(76,510,457)	2,214,468
Proceeds from the sale of assets	55,000	55,000	45,964	(9,036)
Total other financing sources (uses):	(66,815,825)	(78,565,825)	(76,344,077)	2,221,748
Net change in fund balances	(1,028,925)	(12,017,825)	19,366,676	31,384,501
Fund balances - beginning	33,587,181	33,587,181	33,587,181	-
Fund balances - ending	$ 32,558,256	$ 21,569,356	$ 52,953,857	$ 31,384,501

NOTE 1. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS:

For the year ended June 30, 2016, 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, 2014, 2012 and 2010.

The actuarial accrued liability and unfunded actuarial accrued liability involve 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 financial statements on pages 43 through 46 of this report.

NOTE 2: PERS PENSION PLAN:

For the year ended June 30, 2016, no significant events occurred that would have affected or changed the benefits provision, size or composition of those covered by the pension plan, or actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2015.

Additional information related to postemployment benefits other than pensions can be found in Note 10 to the financial statements on pages 39 through 43 of this report.

NOTE 3. BUDGET INFORMATION:

The accompanying general fund schedule of revenues, expenditures and change in fund balance 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 financial statements on page 27 through 29 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 Fund

Internal Service Fund

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

Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest and investment earnings	$ 137,000	$ 137,000	$ 546,660	$ 409,660
Miscellaneous	-	-	850,702	850,702
Total revenues	137,000	137,000	1,397,362	1,260,362
Expenditures:				
Capital outlay:				
Land	-	413,074	26,931,369	(26,518,295)
Land improvements	255,000	821,700	5,046,914	(4,225,214)
Buildings	923,030	2,106,700	2,426,287	(319,587)
Furniture and equipment	1,751,970	2,583,903	578,226	2,005,677
Construction in progress	141,000,000	109,825,709	392,396	109,433,313
Noncapitalized assets	-	1,600,000	2,601,593	(1,001,593)
Capital grants to other governments	12,510,000	18,496,568	671,219	17,825,349
Debt service:				
Principal	-	-	114,440	(114,440)
Interest	-	-	5,964	(5,964)
Total expenditures	156,440,000	135,847,654	38,768,408	97,079,246
Deficiency of revenues under expenditures	(156,303,000)	(135,710,654)	(37,371,046)	98,339,608
Other financing sources (uses):				
Transfers in	2,750,000	14,000,000	14,000,000	-
Issuance of debt	75,000,000	75,000,000	-	(75,000,000)
Total other financing sources (uses)	77,750,000	89,000,000	14,000,000	(75,000,000)
Net change in fund balances	(78,553,000)	(46,710,654)	(23,371,046)	23,339,608
Fund balances - beginning	102,557,696	102,557,696	102,557,696	-
Fund balances - ending	$ 24,004,696	$ 55,847,042	$ 79,186,650	$ 23,339,608

Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2016

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget
Revenues:				
Interest and investment earnings	$ 104,100	$ 104,100	$ 197,822	$ 93,722
Federal grant subsidy	2,560,488	2,560,488	4,773,722	2,213,234
	2,664,588	2,664,588	4,971,544	2,306,956
Expenditures:				
4/05 Revenue Bond				
Principal	14,100,000	14,100,000	14,100,000	-
Interest	370,125	370,125	370,125	-
5/07 Refunding Bond				
Principal	2,755,000	2,755,000	2,755,000	-
Interest	379,575	379,575	379,575	-
11/07 Revenue Bond				
Principal	1,105,000	1,105,000	1,105,000	-
Interest	2,074,710	2,074,710	2,074,710	-
7/08 General Obligation Bond (NDOT)				
Principal	560,000	560,000	560,000	-
Interest	1,101,285	1,101,285	1,101,285	-
2010A General Obligation Bond (NDOT/BABs)				
Interest	4,721,166	4,721,166	4,721,166	-
2010B General Obligation (NDOT)/Refunding Bond				
Principal	2,320,000	2,320,000	2,320,000	-
Interest	2,025,800	2,025,800	2,025,800	-
2010C General Obligation Bond (NDOT/BABs)				
Interest	9,910,195	9,910,195	9,910,195	-
2010D General Obligation Bond (NDOT)				
Principal	4,125,000	4,125,000	4,125,000	-
Interest	103,125	103,125	103,125	-
2010E Revenue Refunding Bond				
Principal	1,665,000	1,665,000	1,665,000	
Interest	4,107,083	4,107,083	4,107,083	-
2012 General Obligation Bond				
Principal	1,035,000	1,035,000	1,035,000	-
Interest	696,423	696,423	696,423	-
2014 General Obligation Bond				
Interest	2,076,349	2,076,349	2,076,349	-
2014A Subordinate Revenue Bond (Line of Credit)				
Interest	1,971,684	4,605,510	722,941	3,882,569
2015 General Obligation Bond				
Interest	6,021,845	6,021,845	6,021,845	-
Total expenditures	63,224,365	65,858,191	61,975,622	3,882,569
Deficiency of revenues under expenditures	(60,559,777)	(63,193,603)	(57,004,078)	6,189,525
Other financing sources (uses):				
Transfers in	60,224,925	60,224,925	58,010,457	(2,214,468)
Transfers out	(104,100)	(104,100)	(120,416)	(16,316)
Total other financing sources (uses):	60,120,825	60,120,825	57,890,041	(2,230,784)
Net change in fund balances	(438,952)	(3,072,778)	885,963	3,958,741
Fund balances - beginning	54,210,795	54,210,795	54,210,795	-
Fund balances - ending	$ 53,771,843	$ 51,138,017	$ 55,096,758	$ 3,958,741

Schedule of Revenues, Expenses and Change in Net Position - Budget and Actual
Internal Service Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Non-operating revenues (expenses):				
Interest and investment earnings	$ 83,200	$ 83,200	$ 261,296	$ 178,096
Income before transfers	83,200	83,200	261,296	178,096
Transfers in	4,000,000	4,500,000	4,500,000	-
Change in net position	4,083,200	4,583,200	4,761,296	178,096
Net position - beginning	9,585,558	9,585,558	9,585,558	-
Net position - ending	$ 13,617,505	$ 14,168,758	$ 14,346,854	$ 178,096

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary government										
Net investment in capital assets	$ 136,713	$ 136,347	$ 183,400	$ 189,393	$ 161,799	$ 156,090	$ 163,258	$ 170,538	$ 177,524	$ 189,376
Restricted:										
Capital grants to other governments	-	-	13,281	68,705	97,234	30,181	19,612	19,244	18,487	17,882
Debt service	16,684	20,423	48,584	51,058	34,276	43,659	44,555	46,900	49,605	51,144
Unrestricted:										
Related to non-capital debt	-	-	(26,455)	(125,655)	(299,100)	(293,465)	(287,360)	(281,084)	(274,070)	(267,107)
Related to capital projects	84,605	115,136	77,250	56,272	37,552	44,172	39,793	68,054	84,071	61,305
Other [1] [2]	46,539	56,094	15,861	12,677	19,740	15,038	9,159	(71,511)	(73,119)	(20,372)
Total primary government net position [1]	$ 284,541	$ 328,000	$ 311,921	$ 252,450	$ 51,501	$ (4,325)	$ (10,983)	$ (47,859)	$ (17,502)	$ 32,228

[1] Retroactive restatement of balances for implementation of GASB No. 65 in FY 2014.
[2] Retroactive restatement of balance for implementation of GASB No. 68 in FY 2014.
[3] Amounts expressed in thousands or millions may not foot due to rounding.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	$ 4.0	$ 1.1	$ 0.5	$ 0.9	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	33.2	44.7	17.9	18.6	-	-	-	-	-	-
Nonspendable	-	-	-	-	1.8	2.5	3.3	5.0	4.8	6.6
Restricted	-	-	-	-	5.3	5.4	5.8	6.7	6.9	7.0
Committed	-	-	-	-	11.7	10.4	2.9	3.1	1.0	-
Assigned	-	-	-	-	13.7	11.1	6.9	18.0	15.9	25.0
Unassigned	-	-	-	-	3.2	4.1	2.4	1.9	5.0	14.3
Total general fund	37.2	45.8	18.4	19.5	35.7	33.5	21.3	34.7	33.6	53.0
All other governmental funds										
Reserved	101.3	133.8	141.3	176.0	-	-	-	-	-	-
Unreserved, reported in:								-	-	-
Special revenue fund	-	-	0.1	-	-	-	-	-	-	-
Capital fund	-	-	-	-	-	-	-	-	-	-
Debt service fund	1.4	11.6	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	0.3	0.1	0.8
Restricted	-	-	-	-	131.6	73.9	64.2	96.3	97.5	68.3
Committed	-	-	-	-	37.2	24.9	43.9	42.1	57.3	65.2
Assigned	-	-	-	-	0.3	19.2	2.9	1.8	1.9	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	102.7	145.4	141.4	176.0	169.1	118.0	111.0	140.5	156.8	134.3
Total governmental funds	$ 139.9	$ 191.2	$ 159.8	$ 195.5	$ 204.8	$ 151.5	$ 132.3	$ 175.2	$ 190.4	$ 187.2

[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[7])
(unaudited)

Program Revenues	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Charges for Services										
Marketing	$ 2,671	$ 3,486	$ 1,618	$ 1,869	$ 1,929	$ 1,388	$ 1,587	$ 2,203	$ 1,348	$ 1,507
Operations	48,400	55,781	45,408	43,832	46,177	47,311	46,164	58,618	51,055	59,537
Operating Grants and Contributions:										
Special events grants	-	-	866	-	-	-	-	-	-	-
Capital Grants and Contributions:										
General government	-	-	-	711	3,608	5,121	4,898	4,752	4,746	4,774
Operations							756	358	86	-
Total governmental activities program revenues	51,071	59,267	47,892	46,412	51,714	53,820	53,405	65,931	57,235	65,817
Expenses										
Governmental activities:										
General government[2]	7,798	9,773	14,279	11,040	11,226	13,162	14,032	15,016	15,075	16,546
Marketing:										
Advertising	84,713	88,074	89,548	87,199	79,504	83,636	90,587	92,471	93,149	95,012
Marketing and sales	33,061	34,617	30,620	27,329	28,625	31,488	31,456	29,015	35,909	37,518
Special events/grants [6]	14,810	12,967	6,574	7,437	8,059	7,714	8,234	8,571	8,766	11,665
Operations	54,072	58,248	50,099	50,810	53,087	57,771	58,828	65,679	60,244	61,963
Community support and grants:										
Capital grants to other governments	-	-	10,960	45,989	144,135	67,095	10,605	402	785	671
Other community support	25,360	25,590	21,317	16,929	19,297	21,274	20,536	22,538	24,185	26,484
Interest on long-term debt	12,552	14,317	17,230	17,138	27,346	32,610	32,218	31,439	30,719	33,127
Bond issuance costs	-	-	-	-	-	-	-	1,455	1,205	-
Total governmental activities expenses	232,366	243,586	240,627	263,871	371,278	314,750	266,495	266,586	270,038	282,988
Net Expenses	(181,295)	(184,319)	(192,735)	(217,459)	(319,564)	(260,930)	(213,090)	(200,655)	(212,803)	(217,171)
General Revenues and Other Changes in Net Position										
Room taxes and gaming fees	216,893	221,744	173,580	157,810	180,466	202,571	205,355	225,382	241,854	264,844
Interest and investment earnings	5,777	6,599	3,522	875	1,045	448	305	624	630	1,201
Miscellaneous	-	-	-	-	1,412	1,620	1,005	796	677	855
Gain/loss on the sale of capital assets [3]	53	(7)	-	-	-	-	-	-	-	-
Total general revenues	222,723	228,336	177,102	158,685	182,922	204,639	206,665	226,801	243,161	266,901
Special item - Miscellaneous [5]	-	-	-	-	(59,481)	-	-	-	-	-
Total general revenues and special items	222,723	228,336	177,102	158,685	123,441	204,639	206,665	226,801	243,161	266,901
Change in net position	41,428	44,017	(15,633)	(58,774)	(196,123)	(56,291)	(6,425)	26,146	30,358	49,730
Net position - beginning (as previously reported)	245,187	286,614	330,631	314,998	256,317	60,194	3,903	(2,522)	(47,859)	(17,502)
Adjustments [4]	-	-	-	93	-	-	-	(71,484)	-	-
Net position - beginning (as adjusted)	245,187	286,614	330,631	315,091	256,317	60,194	3,903	(74,006)	(47,859)	(17,502)
Net position - ending	$ 286,614	$ 330,631	$ 314,998	$ 256,317	$ 60,194	$ 3,903	$ (2,522)	$ (47,859)	$ (17,502)	$ 32,228

(1) This schedule uses the accrual basis of accounting under GASB 34.
(2) 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, Marketing or General Government function as appropriate.
(4) Adjustments to beginning fund balance were the result of a change in accounting estimate in FY 2010, GASB 65 and 68 implementation in FY 2014.
(5) Special item in FY 2011 related to an impairment of CWIP.
(6) Special events/grants was moved under Marketing beginning FY 2015 and prior years were adjusted for conformity.
(7) 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 [4])
(unaudited)

Revenues	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Room taxes and gaming fees	$ 215,205	$ 222,585	$ 178,828	$ 156,007	$ 177,345	$ 201,406	$ 205,028	$ 224,492	$ 241,046	$ 261,614
Charges for services	50,916	57,689	46,504	44,536	48,159	49,169	47,847	60,786	51,968	60,836
Interest and investment earnings	5,777	6,599	3,522	875	1,045	448	331	602	540	940
Federal grant subsidy	-	-	-	711	3,608	5,121	4,898	4,752	4,746	4,774
Miscellaneous	155	1,004	794	1,046	1,396	1,620	1,005	796	677	855
Total revenues	272,053	287,877	229,648	203,175	231,552	257,764	259,109	291,428	298,977	329,018
Expenses										
General government [2]	7,799	9,192	12,861	10,701	10,374	12,452	13,246	14,209	14,322	16,147
Marketing:										
Advertising	84,713	88,074	89,548	87,199	79,504	83,636	90,587	92,471	93,149	95,012
Marketing and sales	33,079	33,909	30,165	26,755	27,459	30,290	30,302	28,243	34,725	36,537
Special events/grants [3]	13,544	11,967	6,574	7,438	8,058	7,714	8,234	8,571	8,766	11,665
Operations	41,270	43,940	37,350	34,186	34,009	37,132	36,691	44,965	39,454	41,416
Community support and grants:										
Capital grants to other governments	-	-	10,960	45,989	144,135	67,095	10,605	402	785	671
Other community support	24,873	26,920	22,559	16,749	18,985	21,158	20,509	22,449	24,105	26,161
Other	-	-	-	-	5,193	-	-	-	-	-
Capital outlay:										
Capitalized assets	29,801	112,556	46,378	9,410	9,619	7,480	32,886	28,123	192,515	35,375
Non-capitalized assets	992	906	616	698	848	1,505	3,316	1,261	1,305	2,602
Debt service:										
Principal	11,050	11,605	13,340	13,580	121,511	9,175	21,689	22,770	24,909	27,779
Interest	13,341	12,384	17,114	14,983	19,236	33,676	32,360	31,744	32,766	34,317
Debt issuance costs	722	1,053	-	1,018	-	-	724	1,455	1,205	-
Total expenditures	261,184	352,506	287,465	268,706	478,931	311,313	301,149	296,663	468,006	327,682
Excess (deficiency of revenues over (under) expenditures	10,869	(64,628)	(57,817)	(65,531)	(247,379)	(53,549)	(42,040)	(5,235)	(169,029)	1,336
Other financing sources (uses)										
Transfers in	62,393	67,761	60,217	43,928	84,168	61,133	69,848	59,354	76,622	72,131
Transfers out	(62,393)	(67,761)	(60,217)	(43,928)	(84,168)	(61,133)	(72,848)	(62,354)	(80,122)	(76,631)
Proceeds from the sale of assets	70	14	15	218	29	223	57	80	636	46
Issuance of capital lease obligation	-	-	-	-	281	-	15	335	-	-
Issuance of debt	69,200	115,000	26,455	124,290	255,830	-	24,990	50,000	368,805	-
Premium on debt issuance	2,050	911	-	2,052	1,685	-	756	745	16,018	-
Discount on debt issuance	-	-	-	-	(1,192)	-	-	-	-	-
Payment to refunded debt escrow agent	(40,797)	-	-	(25,322)	-	-	-	-	(197,740)	-
Total other financing sources (uses)	30,524	115,925	26,470	101,238	256,633	223	22,818	48,160	184,219	(4,454)
Net change in fund balances	41,393	51,296	(31,347)	35,707	9,254	(53,326)	(19,222)	42,925	15,190	(3,118)
Fund balance - beginning	98,486	139,878	191,174	159,827	195,534	204,788	151,462	132,240	175,165	190,356
Fund balance - ending	$ 139,878	$ 191,174	$ 159,827	$ 195,534	$ 204,788	$ 151,462	$ 132,240	$ 175,165	$ 190,356	$ 187,237
Debt service as a percentage of noncapital expenditures	10.5%	10.0%	12.6%	11.0%	30.0%	14.1%	20.1%	20.3%	20.9%	21.2%

(1) This schedule uses the modified accrual basis of accounting.
(2) Beginning in FY 2009, the Finance and Materials management sections were transferred from Operations to General government.
(3) Special events/grants was moved under Marketing beginning FY 2015 and prior years were adjusted for conformity.
(4) 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, debt issuance costs and other. Additionally, expenditures from any special revenue funds are excluded.

Fiscal Year	Total Expenditures	General Government [2]		Marketing		Advertising	
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	241,712,622	12,452,224	5%	30,289,998	14%	83,636,231	35%
2013	286,504,452	13,246,144	5%	30,301,848	10%	90,587,216	32%
2014	293,544,284	14,208,721	5%	28,242,821	9%	92,470,992	31%
2015	464,710,847	14,322,106	3%	34,725,317	8%	93,148,972	20%
2016	324,410,023	16,146,746	5%	36,537,160	11%	95,012,365	29%

Fiscal Year	Operations [4]		Special Events Grants		Other Community Grants [4]		Capital Outlay		Debt Service [3]	
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%	20,157,585	8%	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%
2014	44,964,997	15%	8,570,890	3%	22,449,149	8%	28,122,603	10%	54,514,110	19%
2015	39,453,977	9%	8,765,599	2%	24,104,565	5%	192,515,195	41%	57,675,117	12%
2016	41,415,858	13%	11,665,284	4%	26,161,392	8%	35,375,192	11%	62,096,026	19%

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

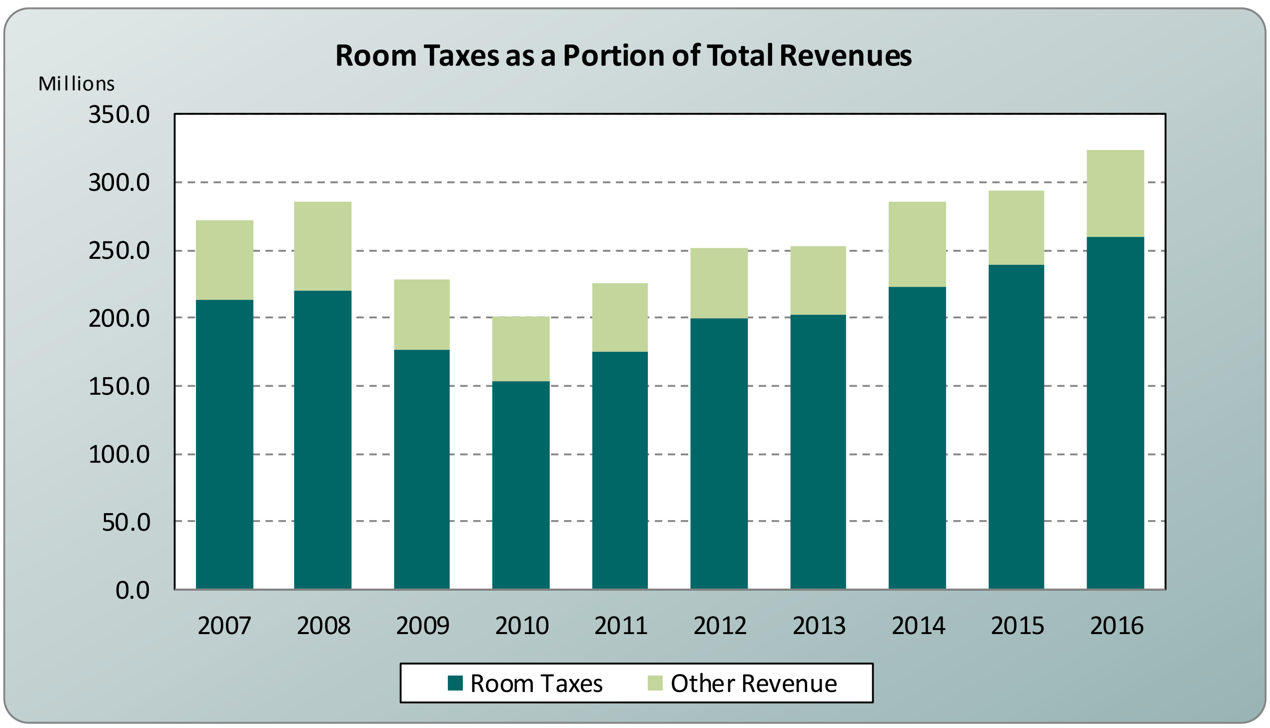
(2) In FY 2009, the Finance and Materials Management sections were transferred from Operations to the General Government function.

(3) Includes debt service from capital project fund and debt service fund.

(4) In FY 2007 - FY 2013 Other Miscellaneous expense was included in Other Community Grants, in FY 2014 it was included in Operations, and beginning in FY 2015 it is included in General Government.

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, revenues from any special revenue fund, and federal grant subsidies.

Fiscal Year	Total Revenues	Room Tax		Charges for Services		Gaming Tax		Interest	
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%
2014	285,879,682	222,781,385	78%	60,786,406	21%	1,710,108	<1%	601,783	<1%
2015	293,554,369	239,318,802	82%	51,968,374	18%	1,726,843	<1%	540,350	<1%
2016	323,389,672	259,967,636	80%	60,835,567	19%	1,646,281	<1%	940,188	<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	Commercial Paper	Unamortized Premiums & Discounts	Total Primary Government	Amount of Debt per Visitor (1)
2007	$ 85,135,000	$ 149,180,000	-	$ 11,394,788	$ 245,709,788	$ 6.27
2008	73,775,000	198,935,000	96,000,000	10,913,814	379,623,814	10.13
2009	87,810,000	198,015,000	96,000,000	10,056,589	391,881,589	10.78
2010	184,645,000	187,005,000	96,000,000	11,180,043	478,830,043	12.83
2011	355,935,000	246,130,000	-	10,442,482	612,507,482	15.73
2012	347,955,000	245,025,000	-	9,187,354	602,167,354	15.16
2013	364,375,000	232,000,000	-	8,610,312	604,985,312	15.25
2014	405,445,000	218,280,000	-	7,636,790	631,361,790	15.35
2015	563,160,000	209,785,000	-	17,629,698	790,574,698	18.68
2016	552,365,000	192,915,000	-	14,362,280	759,642,280	n/a (2)

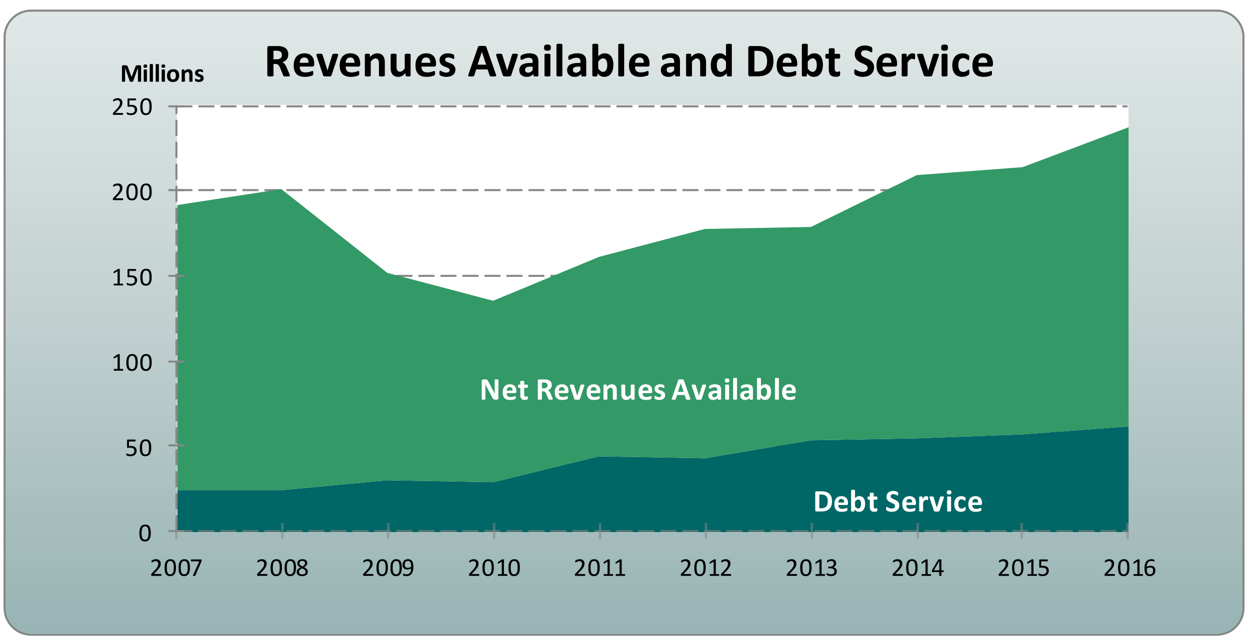
(1) These ratios are calculated using the total number of visitors to Las Vegas based on a calendar year located in the Visitors Analysis Schedule.
(2) Information was not available as of the report issuance date.

Eight of the LVCVA's eleven 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, 2016, 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 and debt funds. Revenues from the capital 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 [1]	SERVICE COVERAGE
2007	$ 269,783,512	$ 77,608,699	$ 192,174,813	$ 24,391,084	7.9
2008	282,743,913	81,762,822	200,981,091	23,989,130	8.4
2009	225,682,302	74,174,828	151,507,474	30,454,599	5.0
2010	200,886,994	65,614,509	135,272,485	28,562,969	4.7
2011	227,600,497	66,460,656	161,139,841	44,321,298	3.6
2012	250,917,732	73,815,377	177,102,355	42,754,341	4.1
2013	253,121,291	74,631,057	178,490,234	53,951,716	3.3
2014	285,749,837	77,050,163	208,699,674	55,149,034	3.8
2015	293,340,228	78,998,994	214,341,234	57,554,480	3.7
2016	322,769,973	85,126,980	237,642,993	61,252,680	3.9



(1) Includes principal and intesrest payments on senior lein bonds. Excludes interest payments due on the 2014A Subordinate Bonds of $371,332 and $722,942 in FY 2015 and 2016, respectively.

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(unaudited)

FISCAL YEAR	APPROXIMATE ASSESSED VALUATION (1)	BONDED DEBT LIMIT (2)	TOTAL DEBT APPLICABLE TO DEBT LIMIT (3)	DEBT MARGIN
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
2014	54,715,695,579	2,735,784,779	405,445,000	2,330,339,779
2015	62,901,949,671	3,145,097,484	563,160,000	2,581,937,484
2016	70,522,285,405	3,526,114,270	552,365,000	2,973,749,270

(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 allows 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.

	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)]	$ 759,642,280	$ 27,820,000	$ 731,822,280	100%	$ 731,822,280
Overlapping Debt:					
Clark County [(3)]			4,514,690,335	100%	4,514,690,335
				Total	$ 5,246,512,615

(1) Ad valorem taxes have never been 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 and unamortized premiums and discounts.

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

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.

Per the Census Bureau, Clark County is the nation's 13th most populous county in the United States. The population in FY 2015 increased 2.4% as compared to FY 2014.

City of Las Vegas, North Las Vegas, and Henderson total population is 1,144,158 which makes up 54%% of the total Clark County population of 2,118,353. Labor force stands at 1,059,667 a slight increase compared to previous year and unemployment rate is at 6.40% which has continued to decline since 2010.

Per capita income steadily increased to $42,185 at December 31, 2015, which is above the December 31, 2007 amount, before the recession.

Entity	Incorporation Date	2015 Population	Square Miles (approx.)
Clark County	1909	939,321	7,441
Las Vegas	1911	620,935	134
N. Las Vegas	1946	235,395	100
Henderson	1953	287,828	105
Boulder City	1958	15,813	208
Mesquite	1984	19,061	32

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

Further statistics that reflect the local economy are shown below.

AS OF JUNE 30	POPULATION (A)	LABOR FORCE (B)	UN-EMPLOYMENT RATE (B)
2007	1,954,319	950,468	4.50%
2008	1,967,716	983,657	6.30%
2009	1,952,040	969,122	11.80%
2010	1,968,831	986,342	13.80%
2011	1,967,722	995,209	13.40%
2012	1,988,195	1,001,608	11.40%
2013	2,031,723	1,009,941	9.90%
2014	2,069,450	1,023,712	8.20%
2015	2,118,353	1,049,522	7.10%
2016	n/a	1,059,667	6.40%

AS OF DEC 31	PER CAPITA INCOME (C)	MEDIAN AGE (D)	MEDIAN HOUSEHOLD INCOME	SCHOOL ENROLLMENT
2006	$ 39,915	47.5	$ 53,111	315,697
2007	40,939	50.1	53,704	323,037
2008	40,243	35.7	57,403	330,519
2009	36,931	35.3	58,148	323,607
2010	36,918	35.4	58,432	323,637
2011	37,745	34.5	54,255	322,555
2012	39,436	36.2	50,962	325,179
2013	39,223	36.4	50,454	329,034
2014	40,742	36.8	50,274	318,040
2015	42,185	37.2	52,865	319,713

Sources:
(A) Nevada Demographer - 2016 information is not available from NV Taxation Dept./ State Demographer at the time of printing.
(B) Nevada Workforce - 2016 figure is preliminary at the time of printing.
(C) U.S. Bureau of Economic Analysis SA1.
(D) Starting with calendar year 2008 – median age calculation includes entire population; previously it was the adult population only.
All other statistics as of December 31 are from LVCVA Research Center.

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

	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
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
2014	49,809,243	143,312,124	4,906,452	14,018,435	54,715,695	157,330,559
2015	57,491,891	164,262,546	5,410,058	15,457,310	62,901,949	179,719,856
2016	65,063,984	185,897,097	5,458,301	15,595,147	70,522,285	201,492,244

Source: Real & Personal Property - Clark County Assessor

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
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	790,696	4,034	562,292	1,378,785
2010	5	-	122	183,328	4,607	573,065	756,393
2011	0	-	154	214,984	3,958	559,903	774,887
2012	3	98,830	134	409,084	6,225	882,433	1,390,347
2013	0	-	225	457,887	7,334	1,031,418	1,489,305
2014	4	108,393	198	303,916	7,099	1,137,138	1,549,447
2015	2	12,970	251	562,003	8,323	1,343,719	1,918,692

Source: New Construction- LVCVA Research Center
Note: New construction information is only available on a calendar year basis.

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

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 tourism industry. In 2015, the total number of visitors to Las Vegas hit a record high of over 42.3 million an increase of 2.9% compared to 2014.

CALENDAR YEAR	CONVENTION DELEGATES	% OF TOTAL VISITORS	TOURISTS	% OF TOTAL VISITORS	TOTAL VISITORS	CHANGE
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%
2013	5,107,416	12.9%	34,560,805	87.1%	39,668,221	-0.1%
2014	5,169,054	12.6%	35,957,458	87.4%	41,126,512	3.7%
2015	5,891,151	13.9%	36,421,065	86.1%	42,312,216	2.9%

Source: LVCVA - Research Center

Strong visitor levels produce beneficial secondary effects in other industries, as well, since visitors purchase a significant amount of goods and services while they visit the area. Indicators of the economic impact include total gaming revenues in Clark County and room taxes collected on behalf of the LVCVA. In 2015, Clark County gaming revenues total $9.6 billion, a slight increase from 2014.

CALENDAR YEAR	NON-GAMING CONVENTION REVENUE [1] (In Thousands)	CHANGE	GAMING REVENUES (In Thousands)	CHANGE	LVCVA ROOM TAXES [2] (Fiscal Year)	CHANGE
2006	$ 8,182,818	7.6%	$ 10,630,387	9.4%	$ 200,086,827	13.5%
2007	8,388,240	2.5%	10,868,464	2.2%	213,256,076	6.6%
2008	n/a	n/a	9,796,749	-9.9%	220,733,128	3.5%
2009	n/a	n/a	8,838,261	-9.8%	176,726,992	-19.9%
2010	n/a	n/a	8,908,574	0.8%	154,046,265	-12.8%
2011	n/a	n/a	9,222,677	3.5%	175,425,978	13.9%
2012	n/a	n/a	9,399,845	1.9%	199,592,498	13.8%
2013	n/a	n/a	9,674,404	2.9%	203,196,429	1.8%
2014	n/a	n/a	9,553,864	-1.2%	222,781,385	9.6%
2015	n/a	n/a	9,616,463	0.7%	239,318,802	7.4%

Source: LVCVA - Research Center

(1) Beginning in 2008, the LVCVA no longer tracks non-gaming convention revenue.

(2) Prepared on modified accrual basis.

CONVENTION CENTER BUILDING UTILIZATION

FY*	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2007	78	23	-	-	3	104	$ 35,961,983
2008	66	12	-	-	5	83	42,587,445
2009	68	-	11	5	6	90	35,951,249
2010	64	-	7	2	2	75	35,783,911
2011	60	-	8	3	5	76	38,483,619
2012	53	-	7	3	3	66	39,022,683
2013	47	-	9	7	1	64	36,854,055
2014	47	-	12	1	3	63	47,067,894
2015	51	-	11	5	3	70	40,605,461
2016	51	-	9	10	1	71	46,954,668

CASHMAN CENTER BUILDING UTILIZATION

FY*	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2007	4	158	-	-	95	257	$ 2,157,445
2008	2	163	-	-	112	277	2,069,376
2009	-	-	11	91	38	140	1,412,766
2010	1	-	6	94	38	139	1,497,930
2011	1	-	3	124	36	164	1,592,040
2012	1	-	2	142	38	183	1,699,204
2013	2	-	3	149	35	189	1,760,894
2014	1	-	5	164	35	205	1,708,593
2015	1	-	3	152	47	203	1,815,341
2016	1	-	9	164	62	236	1,989,571

Source: LVCVA - Research Center

* 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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT									
Executive	17	17	17	18	15	15	14	16	16
Finance [(1)]	--	--	42	43	35	35	35	36	37
Human Resources	10	10	10	10	8	8	8	8	8
Public Affairs	14	18	18	19	19	19	20	20	20
	41	45	87	90	77	77	77	80	81
MARKETING									
Advertising [(4)]	2	2	2	2	1	1	1	--	--
Convention Center Sales [(5)]	12	12	13	12	10	10	13	--	--
Convention Sales [(5)]	30	28	28	31	26	26	24	--	--
Global Business Sales [(5)]	--	--	--	--	--	--	--	38	33
Convention Services [(6)]	15	16	16	16	15	15	14	--	15
Destination Services [(2)]	10	10	10	7	4	4	3	--	--
Digital Marketing [(2)]	--	--	--	--	9	9	9	7	7
Research [(2)]	6	7	7	11	2	2	--	--	--
Diversity Marketing	4	4	4	2	1	1	1	--	--
International Sales	2	8	8	6	7	7	8	11	9
Leisure Sales	19	15	17	16	12	12	11	10	10
Registration [(3) (6)]	4	4	4	4	6	6	6	--	4
Research Center (formerly Strategic Research & Analytics)	--	--	--	--	--	--	3	6	7
Sports Marketing	2	4	2	2	3	3	2	2	1
Industry Relations [(3)]	--	--	--	--	3	3	7	4	7
Visitor Information [(3) (6)]	18	18	18	18	26	26	23	--	17
Call Center [(3) (6)]	26	24	23	23	--	--	--	--	--
Brand Strategy [(4)]	--	--	--	--	--	--	--	5	11
Customer Experience [(7)]	--	--	--	--	--	--	--	--	4
	150	152	152	150	125	125	125	83	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 department 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, later renamed Industry Relations. In FY 2013 Registration & Housing was renamed Registration.

[(4)] In FY 2014, Brand Strategy was created within Marketing and the Advertising personnel function was moved into the department.

[(5)] In FY 2014, Convention Center Sales and Convention Sales were merged into Global Business Sales.

[(6)] In FY 2014, Convention Services, Registration and Visitor Information were moved to Operations, but moved back to Marketing in FY 2015.

[(7)] In FY 2015 Customer Experience was moved to the Marketing Division.

(continued)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OPERATIONS										
Client Services	116	126	126	126	112	112	112	112	112	112
Customer Experience [7]	2	2	2	1	2	2	2	4	--	--
Convention Services [6]	--	--	--	--	--	--	--	15	--	--
Registration [3] [6]	--	--	--	--	--	--	--	5	--	--
Visitor Information [3] [6]	--	--	--	--	--	--	--	19	--	--
Engineering	--	111	113	109	101	101	100	100	92	94
Engineering Systems	50	--	--	--	--	--	--	--	--	--
Engineering Maintenance	50	--	--	--	--	--	--	--	--	--
Engineering Projects	6	7	4	8	5	5	5	4	4	3
Information Technology	12	15	15	15	13	13	14	13	21	21
Fire Prevention	5	17	17	17	17	17	17	5	5	5
Customer Safety (was Security)	50	39	39	39	34	34	36	47	47	62
Traffic	15	17	17	17	19	19	17	23	28	19
Finance [1]	21	22	--	--	--	--	--	--	--	--
Purchasing & Contracts [1]	10	11	--	--	--	--	--	--	--	--
Materials Management [1]	9	10	--	--	--	--	--	--	--	--
	346	377	333	332	303	303	303	347	309	316
TOTAL LVCVA	537	574	572	572	505	505	505	510	515	529

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

[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, later renamed Industry Relations. In FY 2013 Registration & Housing was renamed Registration.

[6] In FY 2014, Convention Services, Registration and Visitor Information were moved to Operations, but moved back to Marketing in FY 2015.

[7] In FY 2015 Customer Experience was moved to the Marketing Division.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Human Resources										
# of active employees	539	531	500	484	477	482	485	500	505	510
# of new full-time employees processed	75	48	-	-	13	47	22	48	47	60
Public Affairs										
Media inquiries received	1,000	1,095	1,284	1,089	730	897	1,091	642	760	704
Press releases distributed	60	93	102	95	63	50	98	37	28	33
Online press kit article page views	n/a	32,069	22,526	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Video projects completed	92	108	76	215	274	292	215	245	261	301
Photo assignments completed	600	659	720	678	614	593	668	645	700	668
Public Relations - Leisure (2)										
Media inquiries received	-	-	-	-	-	-	-	750	663	572
Press releases distributed	-	-	-	-	-	-	-	53	59	55
Finance										
Payroll checks/deposit advises issued	21,314	22,271	22,199	20,164	18,884	20,157	20,268	21,671	21,222	21,197
Accounts Payable disbursements	7,051	7,060	6,002	4,997	4,135	3,928	-	-	-	-
# of Invoices associated w/AP disbursements (1)	-	-	-	-	-	-	12,349	13,235	12,075	13,023
Purchasing and Contracts										
Contracts administered	706	436	259	471	645	755	439	419	363	363
Purchase orders issued	1,298	1,218	869	553	752	787	783	790	783	916
Materials										
Packages shipped	280,000	281,585	191,170	44,586	45,892	44,019	50,538	43,449	37,572	35,208
Copies produced	1.5M	1.5M	1.0M	0.7M	0.6M	0.6M	0.6M	0.8M	.08M	.07M
Research Center										
Statistical Reports and Publications produced	26	31	34	33	32	28	31	33	31	33
Digital Marketing										
Web site visits - combined LVCVA sites	7.0M	7.1M	8.2M	8.7M	9.0M	10.5M	14.1M	17.5M	19.0M	16.3M
Web site referrals - combined LVCVA sites	4.6M	4.9M	4.6M	4.3M	3.9M	3.4M	2.5M	2.4M	2.0M	1.4M
Sales										
Total leads distributed	4,018	4,013	3,186	2,890	2,930	3,640	4,067	3,636	3,977	4,625
Converted leads	1,238	1,229	1,026	845	885	1,322	1,928	1,411	1,421	1,499
In-person out of market sales calls	1,974	1,983	4,846	4,144	3,112	3,108	2,874	2,906	2,649	2,477
Travel industry events attended	681	813	819	902	711	732	885	876	866	851
Registration Services										
Meetings and conventions supported	314	283	281	266	282	284	256	284	265	275
Call Center										
Total calls managed	224,778	201,384	156,401	133,736	112,461	92,594	85,922	82,251	79,552	76,985
Visitor Information										
Total visitor volume	283,306	246,818	225,307	277,539	213,152	206,513	198,336	185,965	164,182	143,002
Client Services										
Show support (man-hours)	15,093	16,093	13,550	12,323	12,853	11,971	10,877	15,777	14,376	14,220
Set/strike meeting rooms/halls (man-hours)	23,402	23,432	21,875	19,957	17,045	19,031	18,617	19,383	21,138	22,237
Facilities										
Leased net square foot serviced (LVCC)	16,357,462	18,922,197	14,334,348	12,856,175	14,234,743	13,940,090	13,877,643	17,390,712	14,440,519	16,933,777
Building attendees supported (LVCC)	1,755,154	1,806,604	1,457,106	1,408,063	1,470,325	1,411,022	1,486,545	1,621,450	1,491,098	1,605,677
Security										
Special events hours worked	2,347	637	363	274	22	385	334	447	261	1,588
Percentage of lost items returned to owner	50%	48%	49%	47%	51%	50%	48%	49%	49%	50%
Patients treated in First Aid	n/a	3,932	3,000	2,151	1,854	1,928	2,216	2,378	1,848	1,577
Information Technology (3)										
Computer training hours	2,104	2,053	1,803	302	410	361	224	132	109	n/a
Call resolution time (average hours)	3.5	4.0	4.1	4.3	7.5	7.5	6.7	6.8	7.1	n/a
Total help deks calls fielded	-	-	-	-	-	-	-	-	3,956	4,827
Network devices supported	-	-	-	-	-	-	-	-	85	95
Computers supported	-	-	-	-	-	-	-	-	450	469

(1) In FY 2013, Accounts Payable changed from the total of disbursements to the total number of invoices associated with the disbursements.
(2) In FY 2014 Public Relations - Leisure began tracking their activity measures separately from Public Affairs.
(3) In FY 2015, Information Technology used a different methodolgy for activity measures.

Fiscal Year	General Government	Marketing	Operations	Total
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
2014	76,624	569,329	485,560,723	486,206,676
2015	58,060	488,114	660,648,229	661,194,403
2016	27,523	449,187	678,601,011	679,077,721

(1) Totals are net of accumulated depreciation and amortization.

CLARK COUNTY'S TEN LARGEST EMPLOYERS [1]
CURRENT YEAR and NINE YEARS PRIOR
(unaudited)

Employers	Approximate Employees [1]	Percentage of County Employment *
CLARK COUNTY SCHOOL DISTRICT	35,000	3.57%
CLARK COUNTY, NEVADA	8,750	0.89%
MGM GRAND HOTEL/CASINO	8,250	0.84%
WYNN LAS VEGAS LLC	8,250	0.84%
BELLAGIO LLC	7,750	0.79%
MANDALAY BAY RESORT AND CASINO	7,250	0.74%
ARIA RESORT & CASINO LLC	7,250	0.74%
CAESARS PALACE	5,250	0.54%
UNIVERSITY OF NEVADA - LAS VEGAS	5,250	0.54%
LAS VEGAS METROPOLITAN POLICE	4,750	0.48%
Total for Principal Employers	97,750	9.98%

Clark County Employment as of December 31, 2015	979,507

Employers	Approximate Employees [1]	Percentage of County Employment *
CLARK COUNTY SCHOOL DISTRICT	35,000	3.81%
CLARK COUNTY, NEVADA	15,000	1.63%
BELLAGIO LLC	9,250	1.01%
MGM GRAND HOTEL/CASINO	8,750	0.95%
WYNN LAS VEGAS LLC	8,750	0.95%
MANDALAY BAY RESORT AND CASINO	6,750	0.74%
UNIVERSITY OF NEVADA - LAS VEGAS	6,250	0.68%
CAESARS PALACE	5,750	0.63%
LAS VEGAS METROPOLITAN POLICE	5,750	0.63%
MIRAGE CASINO HOTEL	5,250	0.57%
Total for Principal Employers	106,500	11.61%

Clark County Employment as of December 31, 2007	917,512

(1) Number of employees is rounded based on percentage of total county labor force.
Source: Nevada Department of Employment, Training & Rehabilitation
* Percentage figures may not add due to rounding.

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, 2015	% of total rooms
MGM Grand	5,044	3.1%
Luxor	4,400	2.7%
Venetian	4,027	2.5%
Aria	4,004	2.5%
Excalibur	3,991	2.5%
Bellagio	3,933	2.4%
Caesars Palace	3,799	2.4%
Circus Circus	3,767	2.3%
Flamingo Las Vegas	3,460	2.1%
Mandalay Bay	3,211	2.0%
Total Top 10 Hotels	39,636	24.6%
Total Jean/Primm	2,923	1.8%
Other Hotels and motels	106,654	66.3%
Total Las Vegas metropolitan area	149,213	92.7%
Total Laughlin	10,021	6.2%
Total Mesquite	1,712	1.1%
Total inventory of rooms	160,946	100.0%

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 26% for the past ten calendar years.

Calendar Year	Total Visitor Volume	Rooms Inventory (1)	Occupancy Percentage	Average Number of Rooms Occupied Daily	Average Daily Rate	National Occupancy Percentage
2006	38,914,889	132,605	89.7%	118,947	$ 119.66	63.3%
2007	39,196,761	132,947	90.4%	120,184	132.09	63.1%
2008	37,481,552	140,529	86.0%	120,855	119.19	60.3%
2009	36,351,469	148,941	81.5%	121,387	93.06	54.5%
2010	37,335,436	148,935	80.4%	119,744	94.91	57.5%
2011	38,928,708	150,161	83.8%	125,835	105.11	59.9%
2012	39,727,022	150,481	84.4%	127,006	108.08	51.3%
2013	39,668,221	150,593	84.3%	126,950	110.72	52.2%
2014	41,126,512	150,544	86.8%	130,672	116.73	64.4%
2015	42,312,216	149,213	87.7%	130,860	119.94	65.6%

(1) Total Las Vegas metropolitan area and Jean/Primm properties.

Source: LVCVA Research Center

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2016
(unaudited**)**

Type	NAME OF INSURER	POLICY NUMBER	LIMIT	EXPIRATION DATE
Property Insurance & Terrorism	FM Global	1003278	Various	8/1/2017
Commercial Crime	Great American Insurance Co.	GVT379271411	Various	8/1/2017
General Liability & Automobile	Philadelphia Indemnity Ins. Co.	PHPK1527724	Various	8/1/2017
Workers Compensation (DC & IL)	Twin City Fire Ins Co (Hartford)	53WECZQ0495	$ 1,000,000	8/1/2017
Excess Workers Compensation	Safety National Casualty Corp.	SP4055523	$ 1,000,000	8/1/2017
Umbrella Liability	National Union Fire Ins Co. of Pittsburgh, PA	023073358	$ 10,000,000	8/1/2017
Excess over $25 million	Navigators Ins.	LA16EXC8787661V	$ 25,000,000	8/1/2017
Excess over $50 million	Endurance American	EXC10007458801	$ 25,000,000	8/1/2017
Excess over $75 million	Federal Insurance Co. (Chubb)	79736487	$ 25,000,000	8/1/2017
Public Officials & Employees Liability	Ace American Insurance Co.	G21656586013	$ 10,000,000	8/1/2017
Excess Public Officials & Employees Liability	National Union Fire Ins Co of Pittsburgh, PA	016053735	$ 10,000,000	8/1/2017
International Protection Liability (Int'l Offices)	Navigators Insurance Co	PH16FPK0A1T7ONV	Various	8/1/2017
Global Medical Insurance	Ace American Insurance Co.	ADDN04986210	Various	8/1/2017
Travel Assistance	SOS International Assist	11BYCA093484	Various	10/21/2016

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, 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, 2016, 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 September 26, 2016.

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*.

6100 Elton Avenue, Ste. 1000 • Las Vegas, Nevada 89107 • 702-384-1120 • fax 702-870-2474 • pbtk.com

We noted certain matters that we reported to the LVCVA in a separate letter dated September 26, 2016.

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
September 26, 2016

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
3150 Paradise Road, Las Vegas, Nevada, 89109-9096 | 702-892-0711 | LVCVA.com