

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
ADOPTED ANNUAL
BUDGET

Fiscal Year 2016 | 2017



Las Vegas, Clark County, Nevada



Adopted Annual Budget
Fiscal Year 2016/2017

Prepared by the Finance Department
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May 19, 2016

**To the Board of Directors
Las Vegas Convention and Visitors Authority (LVCVA)**

It is with great pleasure that I respectfully submit the fiscal year (FY) 2017 budget for your review and consideration. The annual budget represents the expected revenues and planned expenditures for the fiscal year beginning July 1, 2016 and ending June 30, 2017. The FY 2017 budget reflects Board and organizational priorities, and follows the fundamentals of our financial management policies. This budget is the product of many months of work on the part of all the members of this organization. It has been prepared in conformance with the requirements of state law, Board policies and governmental budgeting "best practices".

The mission of the Las Vegas Convention and Visitors Authority:

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

The LVCVA has the sole responsibility to market Las Vegas and Southern Nevada as a travel destination. Resorts advertise and market their individual properties, while the LVCVA markets the destination as a whole. Our mission is fulfilled primarily through national and international branding, marketing, and advertising campaigns, sales efforts, public relations, special events, and operation of the Las Vegas Convention Center (LVCC) and Cashman Center. The LVCVA also markets Laughlin, Mesquite, and the outlying areas of Southern Nevada.

PREFACE

The FY 2017 budget was prepared during our sixth consecutive period of year-over-year revenue growth following the recent recession. Revenues across all categories are projected to continue the growth trend over the coming budget cycle. Tourism, which is the backbone of the Las Vegas economy, was one of the first industries in Southern Nevada to demonstrate recovery post-recession, and many economic indicators now exceed pre-recession levels. Las Vegas is an international destination with approximately 16% of visitors from international markets in 2015. Due to the strength of the tourism industry and the destination as a whole, total room tax forecast in FY 2017 is expected to exceed the previous year record high. The increases are driven by growth in visitation, average daily room rate, and hotel/motel occupancy rate. Recent reinvestments in the destination from resort partners and other local businesses also provide support for continued moderate growth in the long-term.

LVCVA will continue to remain alert and assess economic factors and other key visitation statistics while leading by example and reinvesting in the future growth of the tourism market for Las Vegas and Southern Nevada. The organization has unveiled its long-range plan for the Las Vegas Convention Center District (LVCCD) project. The transformational project is designed to launch Las Vegas decades ahead of competing cities and further develop Las Vegas as an international business destination.

As the tourism industry navigates through economic ebbs and flows, the LVCVA will continue to assess its position with a commitment to remain flexible, responsive, and timely. The FY 2017 budget resource allocations align with the objectives of the LVCVA's core mission.

FY 2017 BUDGET ENVIRONMENT

The FY 2017 budget development comes at a time when we have seen consistent growth and stabilization in Southern Nevada. Room tax growth has been positive each year since the recession and reflects a 21% increase since the pre-recession peak in FY 2008. Current fiscal results for FY 2016 are on pace to exceed \$260 million, a 9% increase over the previous year. Projections also indicate visitor volume in Las Vegas will reach 42.5 million in calendar year 2016. This represents a slight increase from 2015 and would be the highest visitation in Las Vegas history. The forecast for FY 2017 indicates continued improvement as consumer confidence stimulates discretionary spending on business and leisure travel. Accordingly, the FY 2017 room tax revenue budget projects a moderate increase of nearly 3% over FY 2016 projected results.

The LVCVA continually monitors numerous key visitation statistics to ensure appropriate budgeting of our primary revenue source. For the 2015 calendar year, average daily auto traffic was up 6.3%, deplaned passengers at McCarran International Airport were up 5.8% and convention and meeting attendance was up 13.4% over 2014. All of these factors point toward new growth for the destination. The LVCVA also reviews tourism data at a more macro-level which indicates growth in leisure and business travel. The Department of Commerce forecasted that a record 75.3 million international visitors traveled to the United States in 2015, up 0.4% over 2014, and is expected to reach a new record of 77.3 million visitors in 2016. In November 2015, the US Travel Association published information indicating that total travel expenditures are projected to grow over 20% in the next five years, and the number of domestic business and leisure trips are expected to grow 8.7% as well. Although these are good signs for the local economy, the LVCVA is keenly aware of national and global economic conditions as well as legislative actions that could affect future revenue. Conservative budgeting techniques and continuous monitoring of the environment are used to reduce the potential impact of these risks. Long-term plans for LVCVA expansion and renovation, as described below, are phased to align with available revenues to ensure the financial integrity of the entity.

Significant private investor optimism is also taking place in Southern Nevada. Long-term private investor confidence in Las Vegas is evident with \$5 billion worth of projects announced or under construction over the next several years. In addition, the destination will welcome the openings of much anticipated projects this year, maintaining Las Vegas' reputation as a premier travel destination.

For instance, Mandalay Bay completed the final piece of its 350,000 square foot convention center expansion in January 2016. MGM Resorts International and AEG have completed the T-Mobile Arena, a 20,000 seat arena located west of the Las Vegas Strip between New York-New York and Monte Carlo resorts. The \$375 million arena opened in April 2016. In addition, Topgolf Vegas, an eight acre four level driving range adjacent to the MGM Grand Hotel and Casino, has recently opened as well. Other attractions projected to open in Spring/Summer 2016 are SPEEDVEGAS, a motorsports complex, and The Park, an eight-acre park with a dining and entertainment district located near the T-Mobile Arena.

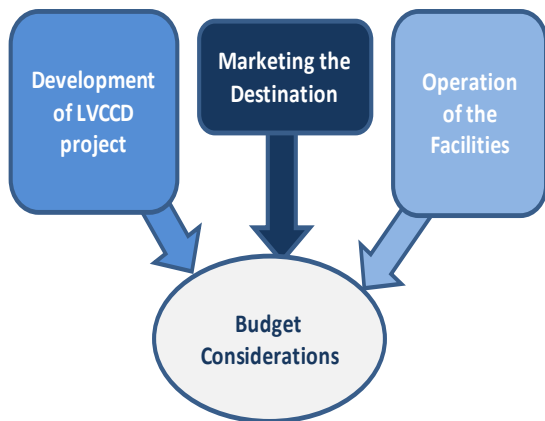
Looking ahead, more bright spots on the horizon include the development of the Resort World Las Vegas complex and the Alon Las Vegas, both located on the Las Vegas Strip, both expected to open in 2019. Just announced in April, Wynn Resorts is planning a lake resort on land that is currently its golf course. The planned project would also include a new room tower and is expected to open in 2020. Las Vegas is known for continually

reinventing itself to deliver on the brand promise of being the premier destination in the world. These multi-million dollar projects continue to show that Las Vegas does not stand still and continues to provide new experiences and reasons to visit.

The Las Vegas Convention Center plays a pivotal role in southern Nevada’s meeting and convention market. It hosted 49 events in 2015 with attendance of 1.3 million. LVCC attendees supported over 14,600 leisure and hospitality jobs and \$2.1 billion in economic impact.

The LVCVA remains fiscally sound because of a conservative fiscal management strategy. As is always its practice, the LVCVA builds flexibility into every facet of the planning process, allowing for continuous adjustments in reaction to changes in the market place. The LVCVA maintains the efficiencies learned during the recession to ensure the destination’s long-term success. Continued growth in the revenue base allows the LVCVA to allocate resources to capital and operating projects to sustain our operational excellence. In order to properly align with this long-term prospective, capital funding from the General Fund for FY 2017 budget is reduced compared to FY 2016 revised budget levels. This is strategic in nature as future capital funding will be targeted to complement and align with the LVCCD project.

A new five-year vision plan was adopted in January 2016. This vision plan encompasses a marketing, business, and organizational strategy for the future growth of tourism and its economic impact on Las Vegas and Southern Nevada. Part of this vision plan was the creation of 4 additional C-Suite executives to direct the future growth of the LVCVA.



Expansion and renovation are necessary to remain the No. 1 tradeshow destination in North America. The LVCCD project will position the organization for continued long-term success and expand the reach and impact of the Las Vegas brand. There are four major conceptual phases in the LVCCD. Phase One is the acquisition and site preparation of the former Riviera Casino property. The property was purchased in 2015 and is currently in the process of being cleared in anticipation of an expansion of the Las Vegas Convention Center. Prior to any potential new construction, the cleared lot will be used for outdoor exhibits and overflow parking. LVCVA is completing this phase of the project with existing resources.

LVCCD Phase Two includes the construction of a new 600,000 square foot exhibit hall on the cleared Riviera parcel, in addition to the corresponding meeting rooms, additional parking, new food and beverage outlets, and support and service spaces. The estimated budget for Phase Two is \$860MM. Phase Three consists of renovation and additions to the current facility. This includes upgrades to the exhibit halls, meeting room renovation and additions, restrooms and entrances with upgraded technology, lights and design. This phase will also provide upgraded restrooms and new food and beverage outlets as well as an enclosed connector between the current halls. Structuring the project in this manner provides space for our trade shows while existing facilities are closed for renovation in Phase Three. Phase Three’s estimated budget is \$540 million.

In order to execute Phases Two and Three of the LVCCD additional funding analysis was prepared in January of 2016. Based on financial results and economic conditions at the time, the analysis projected a funding shortfall that would require new revenue streams of up to \$80 million. As time passes, the plan is continuously modified

and updated to reflect changing circumstances and financial realities. The most recent update reflects a reduced initial annual shortfall of less than \$50 million. The analysis incorporates moderate growth projections on any new revenue streams achieved to support the capital financing program. The LVCCD construction program and financial plan is currently under review with the Southern Nevada Tourism Infrastructure Committee (the "SNTIC"). The SNTIC was created in 2015 by the governor's office to evaluate multiple tourism projects in Southern Nevada and recommend which projects would be of greatest benefit to the community along with potential funding mechanisms. A recommendation to the governor is expected in late summer of 2016. This recommendation may have an impact on future legislative sessions that would ultimately provide potential additional funding sources for the LVCCD to support Phases Two and Three.

Phase Four of the LVCCD is a longer-term conceptual plan of other potential future improvements and expansions. Conceptual components may include a campus media center, administrative offices for trade show partners and a plaza. Specifics are yet to be determined, as tradeshow trends and client expectations are anticipated to evolve over the next decade. Phase Four's schedule and funding will be based upon the completion of the previous phases, client demands, and funding availability. Consequently, a budget has not been established and is not included in the financing analysis referenced above.

Phased flexible financing is intended to be utilized throughout the LVCCD while ensuring adequate debt coverage ratios and reserves are maintained. In order to begin Phase One of the of the LVCCD, the LVCVA obtained a credit agreement with JPMorgan in December 2014 to provide short term financing for the ability to act quickly when presented with opportunities for land acquisition. This was used to purchase the former Riviera Casino property which expanded the campus by 26 acres. The LVCVA recently renegotiated this agreement and in FY 2017, the LVCVA has budgeted \$50 million from bond proceeds generated by the credit agreement with JP Morgan for completion of Phase One and potential early planning programs for Phase Two of the LVCCD project. The revised credit agreement provides a \$100 million revolving credit line, which can be advanced up to three times but never more than \$100 million at a time. Also included is the financing of the remaining balance on the current line of \$70.2 million. This will balance the use of current debt capacity while avoiding diversion of resources from our primary operating activities. Costs for Phase Two or Three of the LVCCD have not been incorporated into the current budget as additional funding has not yet been determined.

The FY 2017 budget reflects the LVCVA's commitment to our core mission of marketing Southern Nevada as a leisure and business destination worldwide and operating the LVCC and Cashman Center. The LVCVA continually conducts research to assist us in creating effective messaging for consumers. Advertising in the current year will continue to be aggressive using unique, innovative ways to make the Las Vegas message stand out and drive awareness and favorability for the destination. Business marketing initiatives will continue to emphasize that serious business gets done in Las Vegas while highlighting the tremendous value available compared to other major business destinations.

Significant advertising, marketing and public relations programs include:

- Launched a digital and social-first branding campaign to broaden the "What Happens Here, Stays Here" brand to the influential millennial audience.
- Conducted primary research for luxury and multi-cultural audiences (Hispanics, Asian Americans and African Americans) to guide development and implementation of multi-channel marketing programs.
- Repositioned Las Vegas' business marketing efforts through in-depth primary research to further drive long-term meetings and convention business.

- Successfully built a three month Vegas Season email program that highlighted 13 property partners, generating 800k+ sweepstakes entrants and grew the database by 50k+ subscribers.
- Created VIVA, a content hub on LasVegas.com, to aggregate deeper destination messaging that features the resort community across digital platforms.
- Introduced the WhereToVegas mobile app to educate visitors regarding real-time destination activities.
- Launched the Las Vegas brand to Australia consumers while building on established momentum and equity in key international markets including Canada, UK and Mexico.
- Activated Las Vegas with international partners including WestJet, Miss Universe and Budweiser to create unique stories extending the brand message to new audiences through broadcast and social mediums.
- Utilized social media influencers to develop a short-form content series showcasing destination product verticals, which delivered 79MM+ organic impressions, exceeding industry benchmarks established by Twitter.
- Elevated the Las Vegas brand in high-profile national events through broadcast and digital media placements.

“What Happens Here, Stays Here” is one of the more famous taglines in modern tourism marketing and one of the most quoted, talked about, and recognized ad campaigns in any industry. The LVCVA will continue to capitalize on the global equity of the Las Vegas brand in FY 2017.

FY 2017 BUDGET HIGHLIGHTS

The total FY 2017 General Fund budgeted revenues are \$329.7 million, an increase of 10.1% over the revised FY 2016 budget. FY 2017 General Fund expenditures and uses are \$326.5 million. This reflects an increase of 4.8% over the revised FY 2016 expenditure budget. Operating expenditures including reserves account for \$248.4 million, while transfers for other funds total \$78.1 million.

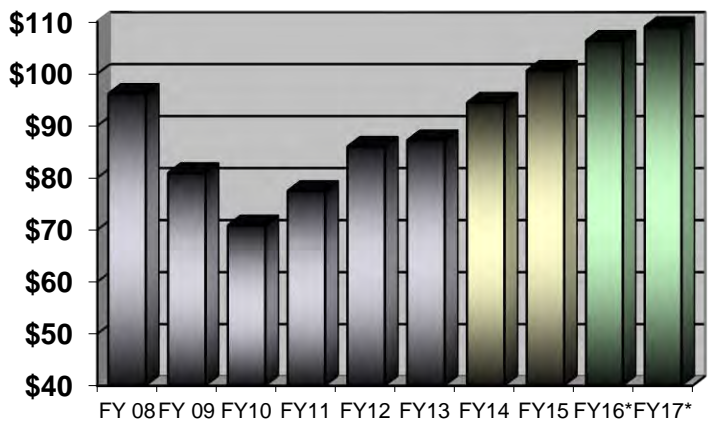
REVENUE

Room tax, the LVCVA’s primary source of revenue, is budgeted to increase in FY 2017 for the seventh consecutive year. This year’s room tax budget exceeds the pre-recession peak in FY 2008 by 21%. Due to higher than expected year-to-date results, the FY 2016 room tax budget was revised to \$245.1 million dollars; however, actual receipt fiscal-year-to-date indicates a final result closer to \$260 million. FY 2017 budget reflects \$267.2 million in room tax revenue, a record high for room tax collections.

Room tax is projected to provide 81% of total revenues and is based on the number of lodging rooms available, occupancy rate and the average daily taxable room rental rate (ADR). In 2015, Las Vegas ranked as the No. 1 city in the United States for hotel/motel room inventory. Room inventory in Clark County for 2016 is expected to remain stable with approximately 161,000 rooms of which 149,000 rooms are in the metropolitan Las Vegas area. Las Vegas is continually investing in its future by engaging the visitor with new amenities and experiences. This is coming to fruition through reinvestment in facilities and properties by renovating rooms, expanding dining and nightlife options and a variety of other activities to captivate and increase visitation. These investments do not provide significant increases in the number of rooms, and major grand openings for new resort properties will take multiple years to complete.

The county-wide average occupancy rate was 84.7% in FY 2015, and FY 2016 year-to-date has shown a slight increase. The increase in occupancy is attributable to an increase in visitor volume as the market only experienced a slight increase in room inventory. The greater Las Vegas area occupancy rate exceeded the national average by 22.1 percentage points in 2015. On any given night, Las Vegas has an average of 130,900 hotel rooms occupied, which is more than any other destination in the United States. The most volatile factor in calculating room taxes is the average daily room rate (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 shown consistent improvement over the last four fiscal years and is projected to increase an additional 6% in FY 2016.

County-wide Taxable ADR
Calendar Year 2015
Average Occupancy Rates



| | |
|------------------|--------------|
| Las Vegas | 87.7% |
| Oahu | 85.3% |
| New York | 84.7% |
| San Francisco | 84.4% |
| Los Angeles | 79.7% |
| Miami | 78.1% |

**Projected*

During FY 2017, approximately \$675 million is projected to be collected in Clark County from room tax assessments. The Nevada Supplementary School Fund and Clark County School District will receive \$260 million for schools and education, while local jurisdictions will receive \$153.6 million for roads, parks, and other general government needs. State of Nevada general fund will receive \$21 million, and a portion of it will be allocated to promote Nevada. The LVCVA expects a net room tax benefit of \$219.3 million after returning \$26.7 million to the other government entities in the form of collection allocation and transferring approximately \$21.2 million to debt service for the Nevada Department of Transportation bonds.

The Authority's second largest revenue source is facility use revenue for the LVCC. Facility revenues have recovered after recessionary decreases over the last four fiscal years as attendance, use of exhibit space, and renewed demand for ancillary services have increased.

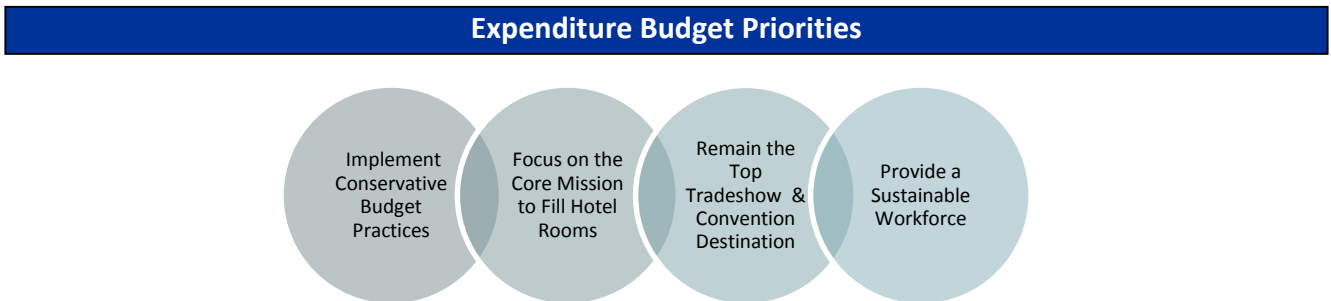
The facility use revenue forecast for FY 2017 includes effects of the seasonal rotation of several major tradeshows. The budget of \$53.1 million forecasts the second highest level of facility use revenues in history, an increase of almost 12% as compared to the FY 2016 budget. This is anticipated and consistent with historical impact of the seasonal rotation of tradeshows. Specifically, FY 2017 includes the triennial rotation of CONEXPO/CONAGG, the world's largest construction show, which accounts for a significant increase in facility use revenue, each time the show is held.

Other revenues include gaming fees, Cashman Center rental, interest earnings, operating transfers in and revenue agreements for marketing events. These combined revenue streams are projected to slightly increase in FY 2017, which is mainly due to anticipated use of Cashman Center.

| REVENUE SUMMARY <i>(In millions)</i> | FY 2016 Adopted Budget | FY 2016 Revised Budget | FY 2017 Budget | Change from FY 2016 Revised |
|--|---------------------------|---------------------------|-------------------|--------------------------------|
| Room Tax | \$ 240.2 | \$ 245.1 | \$ 267.2 | 9% |
| LVCC Revenue* | 47.5 | 47.5 | 53.1 | 12% |
| Other Revenue** | 6.9 | 6.9 | 9.4 | 38% |
| Total Revenues | \$ 294.6 | \$ 299.5 | \$ 329.7 | 10.0% |
| * Revenue related to the rental of the Las Vegas Convention Center. | | | | |
| ** Comprised of gaming fees, use of facilities at Cashman Center, other fees and charges, interest and transfers from other funds. | | | | |

EXPENDITURES

FY 2017 total General Fund expenditures and uses of funds are budgeted at \$326.5 million, with \$248.4 million dedicated to operating expenditures and reserve for contingency and \$78.1 million budgeted to transfer to other funds. The LVCVA creates the expenditure budget by focusing on our budget priorities.



Approximately 48% of the total General Fund budget is allocated to marketing and advertising the destination through the Marketing division, while 28% supports the General Government and Operations divisions as well as Community Support. The remaining 24% is transferred to other funds and contingency, including Capital, Debt Service, and an internal service fund for Other Post-Employment Benefits (OPEB).

General Government includes the activities of the board of directors, Executive, Legal, Human Resources, Public Affairs, and Finance departments. The *Operations Division* encompasses all of the maintenance and support functions to operate the LVCC and Cashman Center. The *Marketing Division* includes the activities of Domestic and International Leisure Sales, Global Business Sales, Industry Relations, Brand Strategy and Customer Experience. Twelve new full-time positions were approved as part of the FY 2017 budget process in order to maintain superior levels of customer service and drive more visitation to Las Vegas.

The *Advertising* budget, which is part of the Marketing Division, supports the promotion of Las Vegas and Southern Nevada through a variety of mediums. Advertising programs are instrumental to staying ahead of travel trends. Industry imperatives are targeted to stimulate visitation to the destination and to reinforce that Las Vegas is an appropriate setting to conduct business. Advertising is critical to our mission and therefore

remains a priority in FY 2017. The Advertising budget is \$96.5 million in FY 2017. It is estimated that the LVCVA accounts for 33% of all advertising and promotional expenditures for the Southern Nevada tourism industry. This advertising impacts 5.8% of all visitation and results in benefit-cost ratio of \$28 to \$1.

The FY 2017 Marketing budget also includes \$11.2 million in funding for Las Vegas Events (LVE), a non-profit corporation dedicated to securing and sponsoring events that encourage visitation to the area. This is an increase of \$1.2 million which is primarily attributed to additional funding for the Las Vegas National Finals Rodeo who bring business to the destination during the traditionally slower month of December.

| OPERATING EXPENDITURES <small>(In millions)</small> | FY 2016 Adopted Budget | FY 2016 Revised Budget | FY 2017 Budget | Change from FY 2016 Revised Budget |
|---|---------------------------|---------------------------|-------------------|---------------------------------------|
| General Government | \$ 17.8 | \$ 17.9 | \$ 20.2 | 13% |
| Marketing | 49.8 | 50.7 | 59.5 | 17% |
| Advertising | 93.5 | 95.5 | 96.5 | 1% |
| Operations | 42.8 | 43.4 | 44.9 | 3% |
| Community Support* | 24.2 | 24.7 | 26.9 | 9% |
| Total Operating Expenditures | \$228.1 | \$232.2 | \$247.9 | 7% |
| <small>FY 2016 Revised Budget reflects increases to the original adopted budget as a result of higher than projected fund balance and room tax revenues. *Community Support represents Collection Allocation (10% of Room Tax and Gaming Fees) returned to the local entities. Amounts above do not include contingency amounts and may not foot due to rounding.</small> | | | | |

TRANSFERS

Transfers from the General Fund are budgeted at \$78.1 million which is down 1% from the FY 2016 revised budget, primarily related to planned transfers to the Capital Fund.

Scheduled transfers include \$10.4 million from the General Fund to the Capital Fund for FY 2017 for funding capital requirements and reserves. Current year capital allocations are prioritized to ensure the facility’s safety and to enhance customer experience, but slightly lower than the past few years due to timing of needs and preparing for the LVCCD. The LVCVA maintains capital sub-funds that are used for diverse purposes. Any capital improvement or asset costing \$10,000 or more is budgeted in the Capital Fund, including furniture and equipment. The Capital Improvement Program (CIP) is a multi-year plan that includes capital acquisitions or projects (excluding the LVCCD) expected to cost \$30,000 or more in one fiscal year, in addition to multi-year equipment replacements and additions. These projects are included on page 79.

Transfers to Debt Service Funds total \$62.2 million. Debt service on current outstanding bond issues related to LVCVA capital programs total \$41 million. Debt service transfers on outstanding bond issues to fund Nevada Department of Transportation (NDOT) projects, as approved by the 2007 Nevada legislature, total \$21.2 million.

The LVCVA has budgeted \$5.5 million in fund transfers from the general fund to the internal service fund for other post-employment benefit (OPEB) costs in FY 2017. Eligible retirees self-pay 100% of post-employment health care premiums based on blended rates with active employees. This results in the LVCVA providing an implicit subsidy of the retiree’s health insurance costs. Liabilities for the actuarial calculated future costs have been accumulating on the balance sheet since FY 2008 when the accounting standards required the recognition of these future expenses. This transfer represents the half way point of a 10-year plan to fully fund the

accumulated liability from prior years. Funding is expected to assist in maintaining the LVCVA's high credit ratings and will allow the LVCVA, after the funding plan, to contribute only an annual transfer at maintenance levels.

FUND BALANCE

Ending General Fund balance on June 30, 2017 is budgeted at \$24.8 million. State law provides guidance for an ending fund balance minimum of 4% of budgeted expenditures. The LVCVA targets an ending fund balance of between 4% and 16% to prepare for future volatile economic conditions without detriment to operations. The FY 2017 ratio is approximately 9.9%, which meets statutory guidance and internal policy.

SUMMARY

Las Vegas is one of the most popular domestic and international travel destinations and was recognized for the 22nd consecutive year as the No. 1 destination for the Trade Show News Network's (TSNN) Top 250 Trade Shows in the United States. Las Vegas hosted over 21,300 events and 5.9 million convention delegates in 2015. This is a 13.4% increase in attendance over the prior year and a seven year high. This is an accomplishment and a testimony to the efforts of the LVCVA and our resort partners. The travel and tourism industry generates almost 8% of national GDP and supports nearly 14 million jobs. It is Southern Nevada's No. 1 economic driver, generating over \$51.8 billion for the local economy and supporting approximately 368,900 jobs. Serving on the Travel and Tourism Advisory Board for the Department of Commerce gives me the opportunity to reinforce this message on Capitol Hill and ensures Las Vegas has a seat at the table for public policy discussions that affect travel.

Las Vegas' appeal has remained strong even throughout difficult times and continued competition from other destinations around the world. The LVCVA's mission remains steadfast and we have redoubled our efforts to promote Southern Nevada as the world's most desirable destination for leisure and business travel. A total of 17 new and rotating conventions and trade shows consisting of more than 10,000 delegates are scheduled in 2016. Combined, the shows will draw an estimated 387,000 attendees generating nearly \$361 million in direct visitor spending. Eight of these shows will be held at the LVCC. As we invest in the future of Southern Nevada through our marketing efforts and operational activities, we ensure the long-term success of the destination. The LVCCD project not only ensures the facility's future competitiveness, but the destination's current number one ranking for many years to come.

The budget before you provides a comprehensive and responsible spending plan that addresses the top priorities of the LVCVA. It is a budget that values and rewards the contributions of our employees and provides sufficient resources to meet our mission.

In closing, I want to thank the entire LVCVA workforce for their continued commitment and dedication. I would also like to thank the board of directors for their support and input during the budget process. Lastly, I would like to thank the members of the Finance Department for their commitment to monitoring the budget and ensuring the financial integrity of the organization is protected. I also congratulate the Finance Department for receiving the Government Finance Officers Association's Distinguished Budget Presentation Award for the 27th consecutive year.

Sincerely,



Rossi Ralenkotter
President / CEO

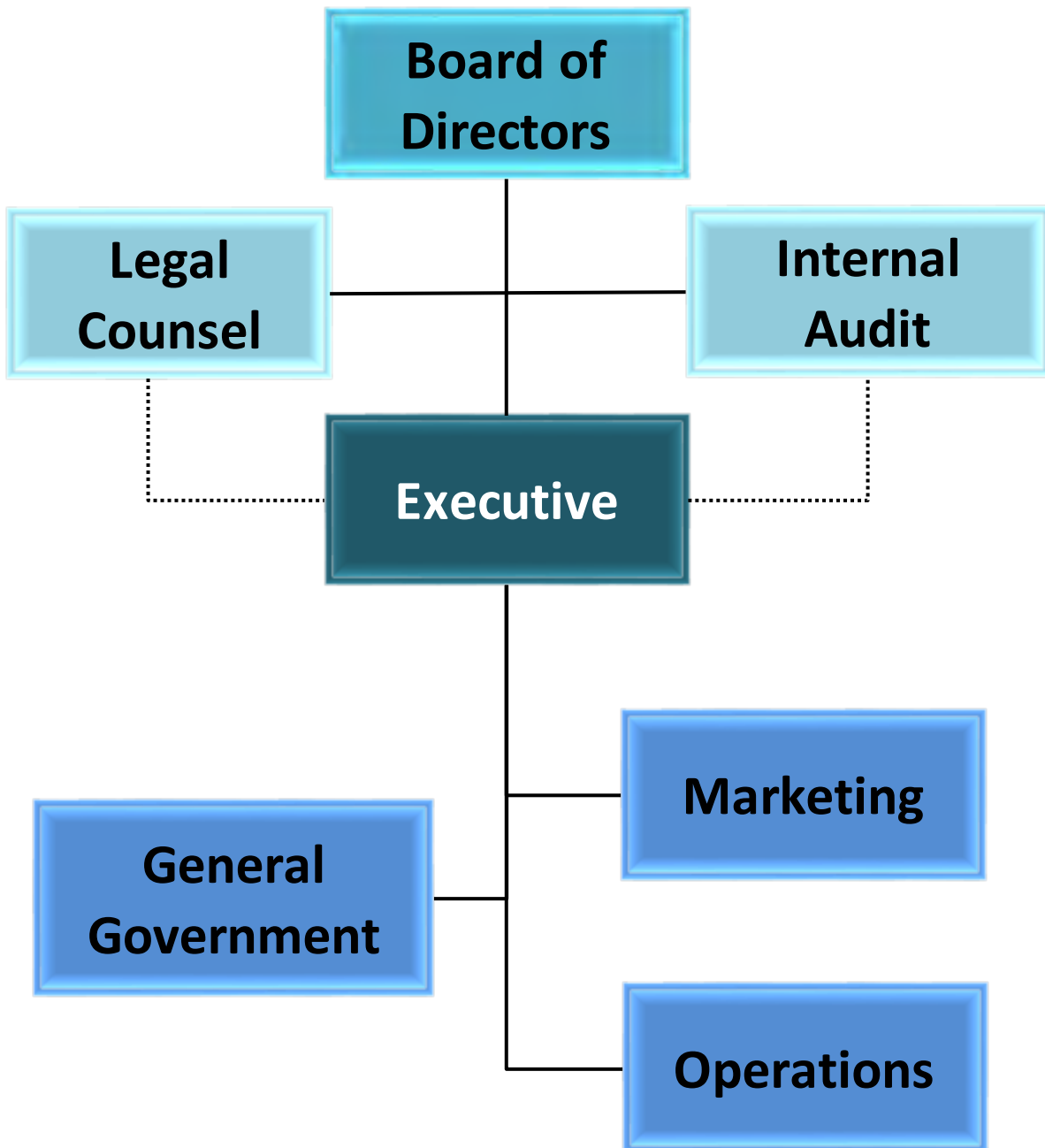
DISTINGUISHED BUDGET PRESENTATION AWARD

For the 27th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Las Vegas Convention and Visitors Authority for its annual budget for the fiscal year beginning July 1, 2015.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The Las Vegas Convention and Visitors Authority (LVCVA) is governed by a board of directors consisting of fourteen members. Eight members are elected officials from either Clark County or one of the incorporated cities therein. The Las Vegas Chamber of Commerce (CC) and the Nevada Resort Association (NRA) nominate three each of the remaining six members. The terms of appointment for the eight elected officials are coterminous with their terms of office. The six remaining members serve a 2-year term but can be reappointed to additional 2-year terms.



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



CHUCK BOWLING
Vice Chairman
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 2016



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 2016



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 – Jun 2017



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



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

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

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



Rossi Ralenkotter
President/CEO



Rana Lacer
Chief Financial
Officer



Barbara Bolender
Chief Human Resources
Officer



Cathy Tull
Senior Vice President
Marketing



Terry Jicinsky
Senior Vice President
Operations



Chris Meyer
Vice President
Global Business Sales



Michael Goldsmith
Vice President
International Sales



Luke Puschnig
Vice President
Legal Counsel



Caroline Coyle
Vice President
Brand Strategy



Hugh Sinnock
Vice President
Customer Experience

Vacant Positions: Chief Operating Officer, Chief Communications & PA Officer,
Senior Vice President Finance and Vice President

HISTORY OF LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Las Vegas has long been a favorite vacation destination for millions of tourists. In the early 1950s, however, community leaders realized the cyclical nature of tourism caused a significant decline in the number of visitors during the weekdays, throughout the summer months, and over the holiday season. In order to attract more visitors to the area during slow periods, a new market was needed - convention travelers. This idea became the seed that blossomed into the development of the Las Vegas Convention Center, established by the Nevada Legislature in 1955 as the Clark County Fair and Recreation Board. Its function was to operate the Las Vegas Convention Center and promote Southern Nevada as a convention-tourism destination.

Original construction of the Las Vegas Convention Center began in 1957. It consisted of a rotunda, 18 meeting rooms and 90,000 square feet of exhibit space. Official opening ceremonies took place in April 1959, when the World Congress of Flight became the first convention to meet at the Las Vegas Convention Center.

Resolutions passed by the board of directors on June 27, 1967 and March 19, 1974 led to the renaming of the Clark County Fair and Recreation Board to the current Las Vegas Convention and Visitors Authority.

The Las Vegas Convention Center completed multiple expansions over its 50-year history. It now contains more than 3.2 million square feet of total space. The Convention Center contains 16 exhibit halls, 144 meeting rooms, restaurants, a business center, warehouses, administrative offices and parking for over 5,000 cars.



The LVCVA also operates Cashman Center, which opened in 1983. It is a multi-purpose facility built with a 10,000-seat baseball stadium, a 1,898-seat theatre, over 98,000 square feet of exhibit space and 14 meeting rooms. In May 2016, the Board approved a Memorandum of Understanding (MOU) with the City of Las Vegas to transfer Cashman to the City on or before 2022.

In February 2015, the LVCVA Board approved an agenda item authorizing the purchase of the historic Riviera Hotel & Casino. This purchase provided us with just over 26 acres of additional property, as well as an entrance to the planned Las Vegas Convention Center District project off the Las Vegas Strip.



HISTORY OF LAS VEGAS CONVENTION AND VISITORS AUTHORITY

During the ensuing years, the function of the LVCVA has evolved into the following mission:

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

The LVCVA's primary source of revenue is provided by a tax imposed on hotels, motels, and other transient lodging establishments in Clark County. The rate levied varies from 12% to 13% for resort hotels and 10% to 12% for non-resort hotels depending on the establishment's jurisdiction (see page 145 for room tax rate breakdown by jurisdiction). The division of room tax, as of July 1, 2016, is presented below:

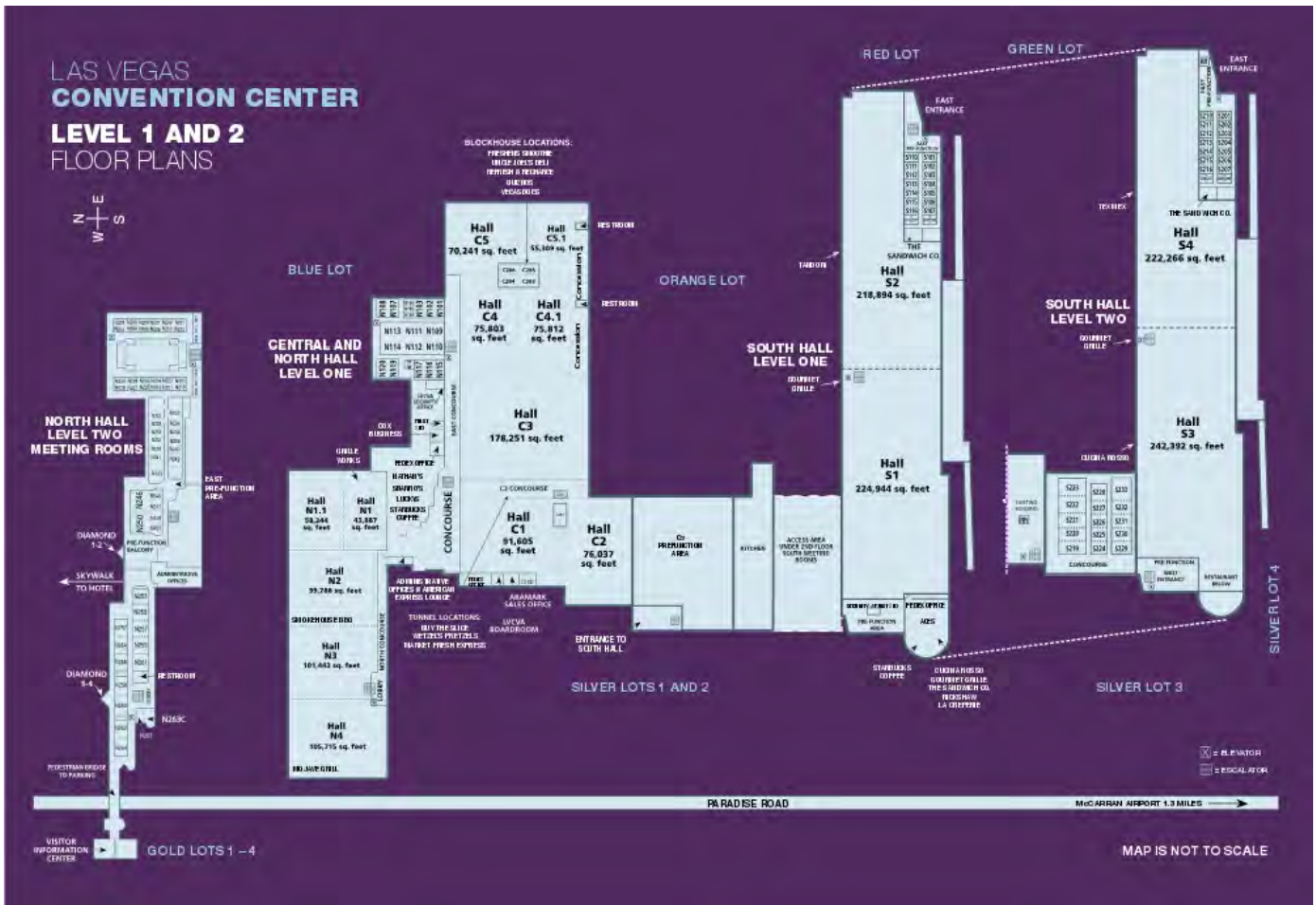
| Resort Hotels | | | | | Other Hotels / Motels | | | | |
|---------------|---------------|-----------------|-----------------------|------------------------------|-----------------------|---------------|-----------------|-----------------------|------------------------------|
| | Taxing Entity | State of Nevada | County Transportation | Clark County School District | | Taxing Entity | State of Nevada | County Transportation | Clark County School District |
| LVCVA | | | | | LVCVA | | | | |
| 4-5% | 0-2% | 3 3/8% | 1% | 1 5/8% | 2-4% | 0-2% | 3 3/8% | 1% | 1 5/8% |

The LVCVA is empowered by the Nevada state legislature to:

- ✧ Provide for the levy of ad valorem taxes by the Board of County Commissioners,
- ✧ Acquire real property through the exercise of the power of eminent domain by the Board of County Commissioners, and
- ✧ Issue general obligation bonds in the name of and on behalf of the County.

FACILITIES OF THE LAS VEGAS CONVENTION AND VISITORS AUTHORITY

LAS VEGAS CONVENTION CENTER



The Las Vegas Convention Center is one of the largest tradeshow facilities in the world - a 3.2 million square foot facility located within a short distance of more than 100,000 guest rooms. In addition to approximately two million square feet of exhibit space, 144 meeting rooms (more than 241,000 square feet) handle seating capacities ranging from 20 to 7,500. A grand lobby and registration area (more than 109,500 square feet) efficiently link original exhibit halls with added exhibit halls and meeting rooms, allowing simultaneous set-up, break-down and exhibiting of multiple events.

CASHMAN CENTER



Cashman Center is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes approximately 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, the AAA affiliate of the New York Mets. Each segment of the facility is capable of functioning independently or in any combination for conventions and trade shows, business/group meetings, theatrical presentations, and sporting events.

In May of 2016, the Board approved the amended and restated Memorandum of Understanding regarding the possible redevelopment and transfer of Cashman Center with the City of Las Vegas.

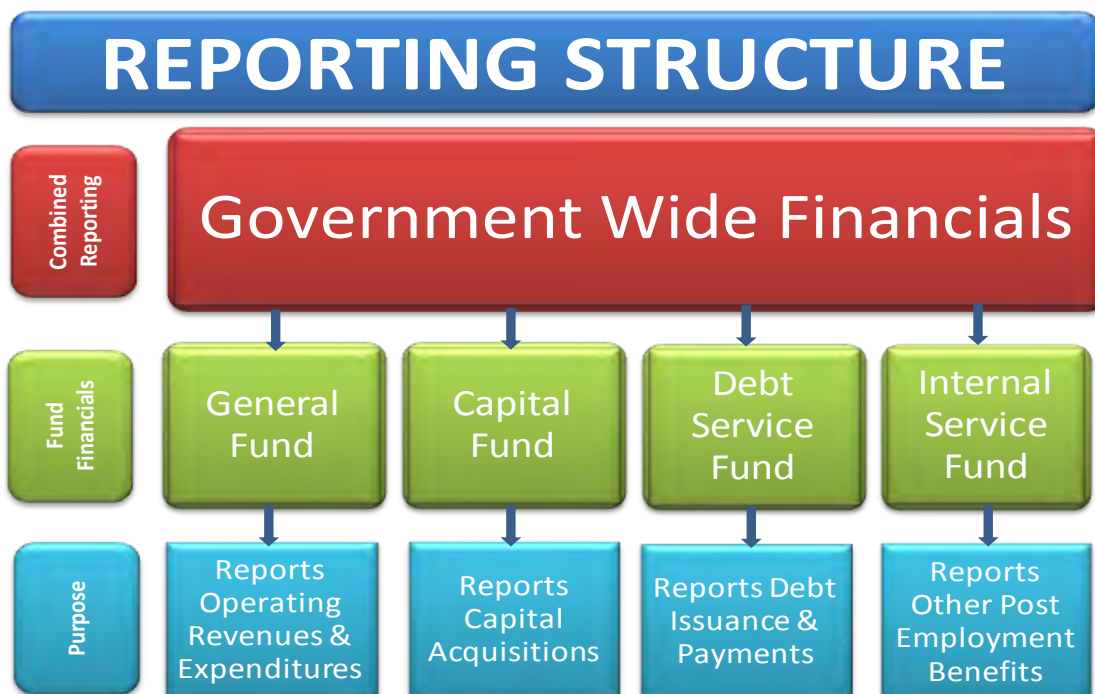
FINANCIAL STRUCTURE

Nevada Revised Statutes govern most of the LVCVA's activities, including financial structure, purchasing procedures, budgeting, debt, and investments. Accounting and budgeting for a governmental organization is somewhat different from profit-making businesses in that governmental organizations use funds. A fund is a separate accounting entity with its own assets, liabilities, revenues and expenditures. The LVCVA has four major fund groups, the General Fund, Capital Funds, Debt Service Funds and an Internal Service Fund.

The LVCVA budgets its governmental funds, which encompass the general fund, capital projects fund, and debt service fund based on the modified accrual basis of accounting. Under this method, revenues (income) are recognized, and any related receivable is recorded, when they become both measurable and available to finance expenditures. Room tax, the primary source of LVCVA revenue, is recognized at the time it is received and held for disbursement by the collecting governmental entity. Interest and facilities rental revenues are recognized when earned. Expenditures (expenses) are recognized when the liability is incurred, except for un-matured principal

and interest on long-term debt, and other long-term liabilities, which are recognized when due. The Internal Service Fund is a proprietary fund, which is accounted for on full accrual, meaning revenues and expenses are recorded as they are earned and incurred. Definitions for each fund group are provided in the glossary.

The LVCVA's governmental funds are presented in the comprehensive annual financial report (CAFR) on the basis of generally accepted accounting principles (GAAP) and conform to the manner that the LVCVA prepares its budget (i.e. modified accrual basis). Encumbrances are sometimes viewed as an extension of the formal budget integration even though those amounts were adopted in the previous year's budget. They consist of purchase orders, contracts and other commitments for expenditures of monies that are recorded in the accounting system in order to reserve the portion of the applicable appropriation. At fiscal year-end, outstanding encumbrances are reported as reservations of fund balance and are re-appropriated in the next fiscal year, since they are not considered expenditures or liabilities. The internal service fund is presented in the CAFR on full accrual basis.



STRUCTURE OF THE BUDGET DOCUMENT

The goal of this budget document is to provide not only comprehensive information about estimated revenues and expenditures but also the policies, goals, financial structure, operations, and an organizational framework that show how the LVCVA will work towards its mission for fiscal year 2017. The main objective is to communicate to the readers (i.e. the board of directors, management, other organizational units and the public) in a manner that is clear, concise and understandable.

The LVCVA budget is comprised of nine main sections: Budget Message, Budget Structure and Policy, General Fund, Capital Fund, Debt Service Fund, Internal Service Fund, Personnel Allocation, Statistical Data and Glossary.

BUDGET MESSAGE and BUDGET STRUCTURE and POLICY

These sections provide a general overview of the LVCVA. It includes the president's budget message, this reader's guide, and condensed summaries of the budget. The budget structure and policy section contains a brief historical view of the LVCVA, along with its financial structure, various policies, budget procedures and fund balance analysis.

General Fund

The operating budget (i.e. general fund), beginning on page 23 presents budgetary information for revenues, followed by the functions of general government, marketing, operations, and community support. The emphasis is on the nature of the tasks to be undertaken by the organization. This section identifies the purpose of each organizational unit, its responsibilities, and goals for the ensuing fiscal year, selected activity measures, and prior year achievements. Appropriations are summarized in major categories of salaries, employee benefits, and services and supplies. Also included is the number of full-time employees and capital outlay related to the division. For financial reporting and budgeting purposes, the LVCVA has classified its expenditures by functions, activities, and organizational units. The function classification arranges related activities, providing information on the overall purposes or objectives of expenditures. Activities are similar endeavors or groupings of organizational units performing a specific and distinguishable type of work.

| FUNCTIONS | ACTIVITIES | ORGANIZATIONAL UNITS |
|--------------------|--|--|
| General Government | Board of Directors Executive Human Resources Public Affairs Finance | Board of Directors Executive, Internal Audit, Legal, Board Office Human Resources Communications, Media Relations, News Bureau Finance & Accounting, Purchasing & Business Services |
| Marketing | International Global Business Sales Industry Relations Research Center Brand Strategy Customer Experience | International Sales, International Public Relations, Leisure Sales, Sports Marketing, Special Events Global Business Sales Industry Relations Research Center Advertising, Brand Strategy, Digital Marketing Customer Experience, Convention Services, Registration, Visitor Information Services |
| Operations | Operations | Client Services, Engineering, Facility Operations, Information Technology, Customer Safety |

The organizational chart shown on page 2 is closely related to each unit's financial classification. In general, divisions relate to functions, departments relate to activities, and sections relate to organizational units. The community support section is unrelated to the organizational structure. Functions are the basic unit of the operating budget. Within each function, activities and organizational units are discussed in a narrative format. Also included within this discussion is a more detailed organization chart.

Capital Funds

The capital funds budget, starting on page 76, includes a capital project and purchases listing and the five-year capital plan, which is reviewed and updated annually. This section explains the capital projects review and selection process, and includes a description of major projects and estimated impacts on the operating budget. There are three separate capital project funds being presented: Capital Improvement and Replacement Fund, the LVCCD Project Credit Facility Fund, and the Nevada Department of Transportation (NDOT) Project Fund. The NDOT funds are part of the state mandated NDOT Project.

Debt Service Funds

The debt service funds budget on page 114 provide not only a historical perspective concerning the LVCVA's past bond issues, but also a review of current and proposed bond obligations, the bond issuance process and debt limit and capacity.

Internal Service Fund

This fund was established in FY 2013 to accumulate reserves for Other Post-Employment Benefits (OPEB). Additional information can be found starting on page 122.

Personnel Allocation

Information on personnel requests, including justifications, authorized positions by organizational unit, and wage schedules is located in the personnel allocation section, beginning on page 123.

Statistical Data

Statistical data starts on page 131. It contains information on demographics for Clark County, visitor analyses, principal room taxpayers, and a room tax schedule, along with ten-year schedules of facility usage for the Convention Center and Cashman Center and general fund revenues and expenditures.

NEW POLICIES/SIGNIFICANT EVENTS

The board of directors acted upon the following items during fiscal year 2016.

| NEW POLICIES / SIGNIFICANT EVENTS | |
|--|--|
| Jul-15 | Ricki Barlow elected to Board, replacing Carolyn Goodman; John Marz elected to Board, replacing Andy Hafen; Maurice Wooden elected to Board, replacing George Markantonis; Chuck Bowling re-elected to Board |
| Sep-15 | Presidential/Vice presidential debate sponsorship approved for October 2016 |
| Nov-15 | Approved the addition of 4 new FTE positions |
| Jan-16 | Approved the LVCVA Five-Year Vision Plan to support the future growth of tourism, and added 10 new FTE positions |
| Mar-16 | LVCVA Board awarded demolition contract of the Riviera Hotel to W.A. Richardson |
| Apr-16 | LVCVA Board approved the LVCCD Bank Credit Agreement, and the 2016A & 2016B Subordinate Revenue Bond Resolutions |
| May-16 | Approved the amended & restated Memorandum of Understanding (MOU) regarding the possible redevelopment of Cashman Center with the City of Las Vegas, and transfer agreement |

FINANCIAL MANAGEMENT POLICIES

During each stage of the budget preparation process, consideration is given to the policies and goals established by the Board and Executive Management that directly relate to the budget and financial planning. The financial policies are divided into the following categories: Operating Management, Capital Management, Debt Management, Reserve/Fund Balance, and Financial Reporting.

OPERATING MANAGEMENT

- ✧ Although long-term projections are highly uncertain, multi-year analysis will periodically be prepared and evaluated by management. Long-term projections rely on numerous assumptions about economic and fiscal factors, and many different assumptions are possible; thus, long term forecasts are not considered a fixed plan for balancing revenues to expenditures in future years.
- ✧ Conservative but realistic revenue projections will be prepared to assess the limits of budget appropriations. If projections are too high, under-realized revenues could cause budget cuts mid-fiscal year.
- ✧ Operating expenditures will be funded with current revenues. For FY 2017, the operating revenue budget of \$329.7 million, includes other financing sources, and is used to fund operating expenditures of \$247.9 million.
- ✧ The LVCVA is required by law to submit a balanced budget each year to the State of Nevada for approval. This is defined as a budget in which total revenues including other financing sources plus beginning fund balance must equal total expenditures including other financing uses plus proposed ending fund balance.
- ✧ Investments of cash funds will be maintained in accordance with the Board-approved investment policy and state statute. The primary objectives of this policy are to minimize risk, ensure that cash is available when it is needed, and ensure a competitive rate of return while complying with the laws of the State of Nevada – in that order.
- ✧ Interest earnings on investments in the debt service funds will be transferred into the general fund, except for earnings on the proceeds from construction financing (i.e. bonds) which are part of the capital fund.
- ✧ The Board authorizes adjustments to the full-time position roster, currently at 529 positions in FY 2016, and then increases to 541 for FY 2017. All requests for new positions must contain a justification and evaluate total costs including benefits and capital outlay. Temporary employees are used only to augment regular staffing on a temporary or intermittent basis. Staffing is discussed in detail in the personnel allocation section, page 123.
- ✧ The current collective bargaining agreement with Service Employees International Union Local 1107, along with additional LVCVA personnel policies, direct such items as annual pay increases, personal time off (PTO) accruals, and pension plan contributions. All are taken into account in the preparation of the budget.

CAPITAL MANAGEMENT

- ✧ A five-year capital improvement plan is updated annually. It is presented to the board of directors with the annual budget and is adopted at the same time.
- ✧ The capital improvement plan must include a list of proposed capital improvements or purchases with cost estimates, methods of financing (i.e. room taxes, use of facilities revenue or debt issue), and any estimated income or cost associated with the constructed facilities. Only projects or purchases costing over \$30,000 in one fiscal year or included in a multi-year equipment replacement program appear in the plan. A five-year capital plan is included in this budget book.
- ✧ A balance of pay-as-you go capital improvements versus financing will be evaluated taking into account the various economic factors.
- ✧ Nevada Administrative Code 354.750 requires that local governments perform a physical inventory every two years, which was performed during FY 2016. Each item subject to the inventory must be assigned an identifying number and be labeled as belonging to the LVCVA. This same code sets the guidelines for the establishment of capitalization thresholds by resolution.

DEBT MANAGEMENT

- ✧ The LVCVA will actively seek to maintain, and if possible, improve our current bond ratings in order to minimize borrowing costs, resulting in lower interest rates.
- ✧ Debt issuance is governed by Nevada state law. The LVCVA's Board of Directors is empowered to issue general obligation bonds; however, state statute requires that these bonds be issued in the name of the County.
- ✧ Debt Coverage is the ratio of pledged revenues to related debt service for a given year. The LVCVA targets a minimum coverage ratio of 3.0.
- ✧ Although state statute allows the LVCVA to use property taxes for debt service, only net pledged revenues derived from room taxes and use of facilities revenue have ever been used. No ad valorem property tax revenues are allocated to the LVCVA for any purpose and no change in this practice is contemplated.
- ✧ The LVCVA is required to file an indebtedness report, which includes a capital improvement plan, with the Debt Management Commission prior to August 1, whether new debt is being contemplated or not. The specifics of the reports can be found on page 114.

RESERVE/FUND BALANCE

- ✧ Based on Nevada Administrative Code 354.650-660, a minimum unreserved fund balance of 4.0% of budgeted general fund operating expenditures must be maintained. The LVCVA's fiscal practice is to target an ending fund balance between 4.0% - 16.0% to prepare for potential variances in economic conditions without detriment to operations. Our proposed FY 2017 unreserved fund balance is projected to be approximately 10.0%.
- ✧ Reserves will be sufficient to pay principal and interest on the outstanding bond issues due on July 1st, in addition to any debt reserve amount as required by the bond covenants.
- ✧ A contingency reserve of \$500,000 will be funded for the discretionary use of the board of directors. However, use of these funds should be utilized only after the availability of all other budget sources has been examined.
- ✧ The LVCVA is required by an inter-local agreement with Clark County to provide funding for all allocated costs to support the Clark County Self-Funded insurance program, including annual supplemental billing, if required, to ensure appropriate fund balances are maintained. The LVCVA is a member of the CCSF executive board to monitor financial conditions and premium changes.

FINANCIAL REPORTING

- ✧ The LVCVA's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).
- ✧ An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included in the LVCVA's published Comprehensive Annual Financial Report (CAFR).
- ✧ Financial systems will be maintained to monitor revenues and expenditures on an on-going basis.

MARKETING POLICIES

Filling the available hotel and motel rooms becomes more challenging each year. Nationally, the spread of gaming across the nation has lessened Las Vegas' monopoly on the industry. We used to be the "only game in town"; now we have to be the "best game in town." In addition, Las Vegas has over 150,000 hotel rooms to be filled on a daily basis. Remarkable expansion of resort properties was seen in the last two decades, but significant expansion in the number of rooms has been limited over the past few years. Instead, Las Vegas has reinvested in renovations and new experiences to attract visitors and stay on top of the competition. Marketing policies developed include:

- ✧ Stay abreast of current market conditions and travel trends in order to tailor marketing strategy to achieve maximum impact.
- ✧ Use national advertising to stimulate interest in Las Vegas for tourism and as a convention destination.
- ✧ Target market segments, such as international and diversity, to attract visitors with varied demographic profiles.
- ✧ Conduct market research to measure the local economic impact of tourism, monitor tourist characteristics and test new messages for key target audiences.
- ✧ Identify and promote special events that will attract previously untapped market segments.

FACILITY POLICIES

The Las Vegas Convention Center is one of the largest meeting facilities in the nation, with more than 3.2 million square feet. In FY 2015, the Center hosted 70 conventions, public events, and meetings. Over 5.8 million delegates attended trade shows and conventions in Clark County during calendar year 2015. The goal to "have a show in the building, another one moving in and one moving out" is closer to being realized than ever. Reasonable rates and the finest facilities in the country are the secret of our success. Policies that guide us toward this goal include:

- ✧ Maintain a competitive edge in the facility rate structure. The last rate increase was enacted in FY 2010. Most recently, the board of directors approved a facility rental rate increase effective July 1, 2016, however the new rate increases will not impact FY 2017.
- ✧ Create an outstanding experience for every visitor via the appearance and the amenities found in the facilities and provide excellent customer service.
- ✧ Prevent deterioration of buildings and equipment through scheduled preventive maintenance programs.
- ✧ Pursue aggressive energy and water conservation programs; thereby reducing operating costs.

COMMUNITY POLICIES

Since the first general obligation bonds were issued in 1957, the LVCVA has maintained a history of supporting the community through grants. The Board has established several grant programs including the following:

- ✧ Return a collection fee (up to 10% of total room tax and gaming fees received by the LVCVA) to the collecting entities (i.e. Clark County and its incorporated cities). The amount of fees paid to the collecting entities that exceed the reasonable costs incurred in collecting the room taxes and gaming fees must be used for the operations and maintenance of recreation programs or facilities.
- ✧ A Community Event Sponsorship Program is funded in the FY 2017 budget. The LVCVA will allocate funds to sponsor community events for the purpose of driving tourism to and within Clark County as well as garnering exposure for southern Nevada tourism destinations.



BUDGET PROCESS

An annual budget is developed to meet the needs and the goals of the organization based on the Board's priorities and long-range plans and to comply with Nevada Revised Statutes. It should also serve as a management and control tool by measuring actual performance against budget standards, focus attention on future operations and plans, and improve communication of goals, objectives and plans.

Below are the summarized highlights in preparing the annual budget. The budgetary controls and budget calendar follow, indicating the deadlines to meet the legal mandates of the State of Nevada.

1. Revenue Estimates and Projection Updates - The process begins with the Finance Department evaluating the multi-year analysis and preparing preliminary revenue projections taking into consideration national, state and local economic indicators and analyses of the LVCVA's major revenue sources. Executive management meets to review the information, update strategic plans and determine preliminary budget guidelines.
2. Budget Training Sessions - Budget preparation manuals are distributed by Finance to all departmental budget preparers at budget training sessions. The manual contains instructions for accessing and using the computerized budget system (OLB), preparing narratives, goals and activity measures, requesting new personnel and justifying capital requests.
3. Zero Based Budgeting – The LVCVA uses a modified zero based budget process. Departments build their budgets from the ground up, justifying groups of related expenditures. Consideration is given to any additional budget guidance as given by executive management.
4. Goals, Objectives and Performance Measurements - Departments are required to develop goals, objectives and activity measures to show what services are going to be provided. The goals must complement the organization and divisions' mission statements and goals.
5. Tentative Budget Adoption - As required by Nevada Revised Statutes, the tentative budget document is filed with the Nevada Department of Taxation and the County Clerk, usually on or before April 15th.
6. Budget Book Development - Since the financial and narrative information is completed by this point, the Finance Department prepares the budget book which is comprised of the operating, capital, debt service, and internal service fund budgets.
7. Public Hearing and Final Budget Adoption – 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 hearing provides the public an opportunity to comment on the proposed budget to the board of directors.

BUDGETARY CONTROLS

Some of the significant controls pertaining to the budget are as follows:

- ✧ The budget process for the operating (general fund) and capital funds is decentralized; all departments participate in the process and input budget amounts and justifications into the computerized on-line budget system.
- ✧ Annual budgets for the upcoming fiscal year (July 1 through June 30) are adopted for all funds. These final budgets are integrated on July 1 with the LVCVA's accounting system.
- ✧ Each fund in the budget must be in balance; total revenues including other financing sources plus beginning fund balance must equal total expenditures including other financing uses plus proposed ending fund balance.
- ✧ The statutory level of budgetary control is at the function level; however, in reality, control is maintained at the line item level through the use of a purchase order and encumbrance system. An encumbrance is recorded in the accounting system when a purchase order is issued. At fiscal year-end, outstanding encumbrances are reported as reservations of fund balance and are re-appropriated in the next fiscal year via the budget augmentation process, since they are not considered expenditures or liabilities.
- ✧ The LVCVA is currently using a modified "zero-based" budget method. Each department must build their budget from the ground up justifying each group of related expenditures. Departments can request additional funding for new positions, equipment or operating expenses in order to expand existing programs; or to develop new programs or initiatives.

Budgetary performance is measured by line item budget variance reports. Departments have the ability to run the report themselves at any time. Budget variance reports are linked to the accounting system and when run, provide real time data. Budget and statistical reports are currently presented to the Board on a quarterly basis.

BUDGET TRANSFERS

There are three types of transfers of budget appropriations that are permitted by state law.

1. Transfers within the same function (i.e. General Government, Marketing, Operations, and Community Support) and same fund (i.e. general fund, capital fund) need only the approval of the Chief Financial Officer if the transfer is \$250,000 or less; else the President/CEO's approval is required.
2. Transfers between different functions but within the same fund, can be approved by the President/CEO and the Board is advised of the action at the next regular meeting, where it is recorded in the official minutes.
3. Transfers between different funds require prior approval of the Board.

The Department of Taxation is notified of these transfers by means of filing the tentative budget, which contains current year budget revisions.

BUDGET AUGMENTATION

Adjustments to the total budget are accomplished through an augmentation process. It requires adoption by a majority vote of the board of directors at a regular meeting to increase appropriations above levels originally approved and the filing of designated forms with the Nevada Department of Taxation. This formal resolution procedure adheres to the process prescribed by Nevada Revised Statutes.

READER'S GUIDE TO THE LVCVA BUDGET DOCUMENT

BUDGET CALENDAR

| July 2015 | | | | | | | August 2015 | | | | | | | September 2015 | | | | | | |
|--|----|----|----|----|----|----|--|----|----|----|----|----|----|---|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| | | | 1 | 2 | 3 | 4 | | | | | | | 1 | | | 1 | 2 | 3 | 4 | 5 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 26 | 27 | 28 | 29 | 30 | | | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 27 | 28 | 29 | | | | |
| | | | | | | | 30 | | | | | | | | | | | | | |
| October 2015 | | | | | | | November 2015 | | | | | | | December 2015 | | | | | | |
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| | | | | 1 | 2 | 3 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | | | | |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | • Prepare preliminary revenue estimates and debt service requirements. | | | | | | |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | • President/CEO approves budgetary guidelines to disseminate to budget teams. | | | | | | |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | • Proforma statements prepared. | | | | | | |
| 25 | 26 | 27 | 28 | 29 | 30 | | 29 | 30 | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| January 2016 | | | | | | | February 2016 | | | | | | | March 2016 | | | | | | |
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| • Hold budget training classes. | | | | | | | • Budget submissions finalized and reviewed by CFO. | | | | | | | • Final draft of proposed budget prepared. | | | | | | |
| • Open Online Budget system to preparers. | | | | | | | • Tentative budget documents prepared for executive review. | | | | | | | • Final draft submitted to executive management. | | | | | | |
| • Budget teams prepare tentative budgets. | | | | | | | | | | | | | | • All goals, activity measures, and prior year achievements due. | | | | | | |
| • Finance prepares salary and benefits budget. | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| April 2016 | | | | | | | May 2016 | | | | | | | June 2016 | | | | | | |
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| • Budget submitted to Department of Taxation for compliance review. (April 13) | | | | | | | • Budget to Print Shop for printing and binding. | | | | | | | • Final FY 2017 budget submitted to Department of Taxation. | | | | | | |
| | | | | | | | • Public notice of budget hearing posted. | | | | | | | | | | | | | |
| | | | | | | | • Hold public hearing and adopt final FY 2017 budget. (May 19) | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |

- March 11, 2016 All goals, activity measures, prior year achievements, and changes to text due in Finance.
- March 22, 2016 Last day to make changes to tentative budget.
- April 12, 2016 Tentative budget presented at regular Board meeting.
- April 13, 2016 Tentative FY 2017 budget submitted to Department of Taxation for compliance review.
- May 6, 2016 Public notice of budget hearing posted.
- May 19, 2016 Public hearing and adoption of the final FY 2017 budget.
- June 1, 2016 Final FY 2017 budget submitted to Department of Taxation.

SUMMARY OF ALL FUNDS

| FY 2017 BUDGET - ALL FUNDS | | | | | |
|---|----------------------|------------------------------|--------------------------|-----------------------------|----------------------|
| | GENERAL FUND | CAPITAL PROJECTS FUNDS | DEBT SERVICE FUNDS | INTERNAL SERVICE FUND | TOTAL ALL FUNDS |
| REVENUES: | | | | | |
| Room Taxes and Gaming Fees | \$ 268,950,000 | - | - | - | \$ 268,950,000 |
| Facility Charges and Services | 55,045,000 | - | - | - | 55,045,000 |
| Interest and Investment Earnings | 231,100 | 285,000 | 109,900 | 185,200 | 811,200 |
| Other Fees and Charges | 5,284,700 | - | - | - | 5,284,700 |
| Build America Bond's Subsidy | - | - | 2,530,213 | - | 2,530,213 |
| Total Revenues | 329,510,800 | 285,000 | 2,640,113 | 185,200 | 332,621,113 |
| EXPENDITURES: | | | | | |
| General Government | 20,173,800 | - | - | - | 20,173,800 |
| Marketing | 45,164,200 | - | - | - | 45,164,200 |
| Advertising | 96,500,000 | - | - | - | 96,500,000 |
| Special Events | 14,280,600 | - | - | - | 14,280,600 |
| Operations | 44,866,100 | - | - | - | 44,866,100 |
| Community Support | 26,895,000 | - | - | - | 26,895,000 |
| Capital Outlay | - | 115,350,000 | - | - | 115,350,000 |
| Debt Service: | | | | | |
| Principal | - | - | 27,820,000 | - | 27,820,000 |
| Interest | - | - | 36,159,460 | - | 36,159,460 |
| Debt Issuance Costs | - | - | 170,000 | - | 170,000 |
| Total Expenditures | 247,879,700 | 115,350,000 | 64,149,460 | - | 427,379,160 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 81,631,100 | (115,065,000) | (61,509,347) | 185,200 | (94,758,047) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | 109,900 | 10,350,000 | 62,223,300 | 5,500,000 | 78,183,200 |
| Transfers Out | (78,073,300) | - | (109,900) | - | (78,183,200) |
| Proceeds of Debt Issuance | - | 50,000,000 | 70,200,000 | - | 120,200,000 |
| Proceeds from Sale of Capital Assets | 58,000 | - | - | - | 58,000 |
| Refunding Bonds Issued | - | - | (70,200,000) | - | (70,200,000) |
| Total Other Financing Source (Uses) | (77,905,400) | 60,350,000 | 62,113,400 | 5,500,000 | 50,058,000 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | 3,725,700 | (54,715,000) | 604,053 | 5,685,200 | (44,700,047) |
| RESERVE FOR CONTINGENCY | 500,000 | - | - | - | 500,000 |
| FUND BALANCE, BEGINNING | 21,569,356 | 55,847,042 | 51,138,017 | 14,168,758 | 142,723,173 |
| FUND BALANCE, ENDING | \$ 24,795,056 | \$ 1,132,042 | \$ 51,742,070 | \$ 19,853,958 | \$ 97,523,126 |

SUMMARY OF ALL FUNDS

| COMPARISON TO PRIOR YEARS - TOTAL OF ALL FUNDS | | | | | |
|---|-----------------------|-----------------------|-----------------------|----------------------------|-----------------------------|
| | ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 |
| REVENUES: | | | | | |
| Room Taxes and Gaming Fees | \$ 205,028,018 | \$ 224,491,493 | \$ 241,045,645 | \$ 246,850,000 | \$ 268,950,000 |
| Facility Charges and Services | 47,846,895 | 60,786,406 | 51,968,374 | 52,224,000 | 60,327,000 |
| Interest and Investment Earnings | 305,297 | 623,521 | 630,303 | 541,800 | 811,200 |
| Other Fees and Charges | 1,005,018 | 796,149 | 676,657 | 3,800 | 2,700 |
| Build America Bond's Subsidy | 4,898,214 | 4,752,266 | 4,746,179 | 2,560,488 | 2,530,213 |
| Total Revenues | 259,083,441 | 291,449,835 | 299,067,158 | 302,180,088 | 332,621,113 |
| EXPENDITURES: | | | | | |
| General Government | 13,246,144 | 14,208,721 | 14,322,106 | 17,930,500 | 20,173,800 |
| Marketing | 30,301,848 | 28,242,821 | 34,725,318 | 37,650,800 | 45,164,200 |
| Advertising | 90,587,216 | 92,470,992 | 93,148,971 | 95,500,000 | 96,500,000 |
| Special Events | - | 8,570,890 | 8,765,599 | 13,035,600 | 14,280,600 |
| Operations | 36,690,902 | 44,936,160 | 39,453,977 | 43,445,400 | 44,866,100 |
| Community Support | 20,502,802 | 22,449,149 | 24,104,565 | 24,685,000 | 26,895,000 |
| Special Events | 8,233,771 | - | - | - | - |
| Other | 6,379 | 28,837 | - | - | - |
| Capital Outlay | 46,904,477 | 29,906,436 | 194,725,915 | 135,847,654 | 115,350,000 |
| Debt Service: | | | | | |
| Principal | 21,595,000 | 22,650,000 | 24,800,000 | 27,665,000 | 27,820,000 |
| Interest | 32,356,716 | 31,743,473 | 32,754,480 | 38,193,191 | 36,159,460 |
| Debt Issuance Costs | 724,062 | 1,455,215 | 1,204,908 | - | 170,000 |
| Total Expenditures | 301,149,317 | 296,662,694 | 468,005,841 | 433,953,145 | 427,379,160 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (42,065,876) | (5,212,859) | (168,938,682) | (131,773,057) | (94,758,047) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 72,848,171 | 61,597,963 | 80,121,578 | 78,829,025 | 78,183,200 |
| Transfers Out | (72,848,171) | (61,597,963) | (80,121,578) | (78,829,025) | (78,183,200) |
| Proceeds of Debt Issuance | 24,990,000 | 50,000,000 | 368,805,000 | 75,000,000 | 120,200,000 |
| Debt Premium | 756,043 | 744,526 | 16,018,110 | - | - |
| Issuance of Capital Leases | 14,942 | 334,547 | - | - | - |
| Refunded Bonds | - | - | (197,740,437) | - | (70,200,000) |
| Payment to refunded debt escrow agent | - | - | - | - | - |
| Proceeds from Sale of Capital Assets | 57,083 | 80,073 | 635,893 | 55,000 | 58,000 |
| Total Other Financing Source (Uses) | 25,818,069 | 51,159,146 | 187,718,566 | 75,055,000 | 50,058,000 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | (16,247,807) | 45,946,287 | 18,779,884 | (56,718,057) | (44,700,047) |
| RESERVE FOR CONTINGENCY | - | - | - | 500,000 | 500,000 |
| FUND BALANCE, BEGINNING | 151,462,867 | 135,215,059 | 181,161,346 | 199,941,230 | 142,723,173 |
| FUND BALANCE, ENDING | \$ 135,215,059 | \$ 181,161,346 | \$ 199,941,230 | \$ 142,723,173 | \$ 97,523,126 |

SUMMARY OF ALL FUNDS

FUND BALANCE ANALYSIS

Nevada Revised Statutes 354.533 defines Fund Balance as the excess of assets over liabilities in a governmental fund. Put another way, fund balance represents the net difference between total financial resources and total appropriated uses. Fund balances provide a financial cushion against anticipated changes. While changes may occur from year to year, maintaining proper fund balances over the long term is an important component of sound financial management and a significant factor in bond ratings.

Fund balances will vary by fund. Total FY 2017 ending fund balance for all funds is projected to be \$97.5 million. This is comprised of: \$24.8 million in the General Fund, \$1.1 million in the Capital Fund, \$51.7 million in the Debt Service Fund and \$19.9 million in the Internal Service Fund.

General Fund – Beginning fund balance for FY 2017 is projected to be \$21.6 million. Fund balance is the amount of unencumbered cash that ensures services could be provided for a short time if commitments exceeded revenues. Because all room tax received in July is accrued back to June 30, 2016, it is already part of ending fund balance. Most facility rental revenue received in July is earned in June and therefore it, too, is a part of ending fund balance. The first "new" money we receive is in the middle of August. Therefore, the LVCVA operates for four to six weeks off of beginning fund balance. This is used to cover expenditures (i.e. payroll, and supplies and services) for at least two to four weeks.

Capital Fund – Fund balance in the capital fund is used as a supplement to capital projects if necessary. Capital reserves, unless spent, roll each fiscal year through fund balance, which accounts for fluctuations. There are no requirements to maintain a specific excess of assets over liabilities in the capital fund. All new capital funding is expected to be spent in FY 2017.

Debt Service – The obligations of the debt service funds are met by transferring funds adequate to make the principal and interest payments on the various issues. The majority of remaining fund balance of \$51.7 million on June 30, 2017 is used to pay the principal and interest payments due on the first day of the next fiscal year (July 1). Debt Service fund balance is increasing due to the rising debt service requirements associated with the state mandate to fund a portion of NDOT projects in Clark County and the beginning stages of the LVCC expansion and renovation project. A portion of the remaining fund balance is restricted as security for the 2010E revenue bonds per the Bond Resolution. The Reserve Fund is required to be maintained as a continuing reserve and amounts on deposit in the Reserve Fund may only be used to meet deficiencies in the Bond Fund.

Internal Service Fund – The Internal Service Fund is the accumulation of funds specifically restricted for the Other Post-Employment Benefits liability. A ten-year target to fully fund the reserve has been established and will be evaluated each budget year.

GENERAL FUND SUMMARY

The general fund is the general operating fund of the LVCVA, accounting for most financial resources not specifically accounted for in another fund. General fund revenues include room taxes and gaming fees, use of facilities, other fees and charges, and interest earnings. The LVCVA has classified its expenditures by functions, activities, and organization units (see table on page 10). General fund expenditures are those that are made in the normal operations of the LVCVA.

| | ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 | % CHANGE |
|---|----------------------|----------------------|-----------------------|----------------------------|-----------------------------|-------------|
| REVENUES: | | | | | | |
| Room Taxes and Gaming Fees | \$ 205,028,018 | \$ 224,491,493 | \$ 241,045,645 | \$ 246,850,000 | \$ 268,950,000 | 9% |
| Facility Charges and Services | 45,043,436 | 56,927,724 | 49,001,769 | 49,258,000 | 55,045,000 | 12% |
| Other Fees and Charges | 2,803,458 | 3,858,682 | 2,966,605 | 2,966,000 | 5,282,000 | 78% |
| Interest and Investment Earnings | 176,440 | 357,484 | 193,356 | 221,300 | 233,800 | 6% |
| Total Revenues | 253,051,352 | 285,635,383 | 293,207,375 | 299,295,300 | 329,510,800 | 10% |
| EXPENDITURES: | | | | | | |
| General Government | 13,246,144 | 14,208,721 | 14,322,106 | 17,930,500 | 20,173,800 | 13% |
| Marketing | 30,301,848 | 28,242,821 | 34,725,317 | 37,650,800 | 45,164,200 | 20% |
| Advertising | 90,587,216 | 92,470,992 | 93,148,972 | 95,500,000 | 96,500,000 | 1% |
| Special Events | 8,233,771 | 8,570,890 | 8,765,599 | 13,035,600 | 14,280,600 | 10% |
| Operations | 36,690,902 | 44,936,160 | 39,453,977 | 43,445,400 | 44,866,100 | 3% |
| Collection Allocation | 20,502,802 | 22,449,149 | 24,104,565 | 24,685,000 | 26,895,000 | 9% |
| Other | 6,379 | 28,837 | - | - | - | 0% |
| Total Expenditures | 199,569,062 | 210,907,570 | 214,520,536 | 232,247,300 | 247,879,700 | 7% |
| Excess of Revenues over Expenditures | 53,482,290 | 74,727,813 | 78,686,839 | 67,048,000 | 81,631,100 | 22% |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers In: | | | | | | |
| Debt Service Funds | 69,938 | 114,454 | 132,853 | 104,100 | 109,900 | 6% |
| Transfers Out: | | | | | | |
| Internal Service Fund | (3,000,000) | (3,000,000) | (3,500,000) | (4,500,000) | (5,500,000) | 22% |
| Capital Projects Funds | (12,800,000) | (7,250,000) | (21,500,000) | (14,000,000) | (10,350,000) | -26% |
| Debt Service Funds | (49,978,232) | (51,233,509) | (54,988,725) | (60,224,925) | (62,223,300) | 3% |
| Proceeds from Sale of Capital Assets | 57,083 | 80,073 | 35,893 | 55,000 | 58,000 | 5% |
| Total Other Financing Sources (Uses) | (65,651,212) | (61,288,982) | (79,819,979) | (78,565,825) | (77,905,400) | -1% |
| Reserve for Contingency | - | - | - | 500,000 | 500,000 | 0% |
| FUND BALANCE, BEGINNING | 33,450,412 | 21,281,490 | 34,720,321 | 33,587,181 | 21,569,356 | -36% |
| FUND BALANCE, ENDING | \$ 21,281,490 | \$ 34,720,321 | \$ 33,587,181 | \$ 21,569,356 | \$ 24,795,056 | 15% |
| Total Capital Outlay | \$ 47,628,540 | \$ 31,361,561 | \$ 194,725,915 | \$ 135,847,654 | \$ 115,350,000 | -15% |
| Total Full-Time Personnel | 505 | 510 | 515 | 529 | 541 | 2% |

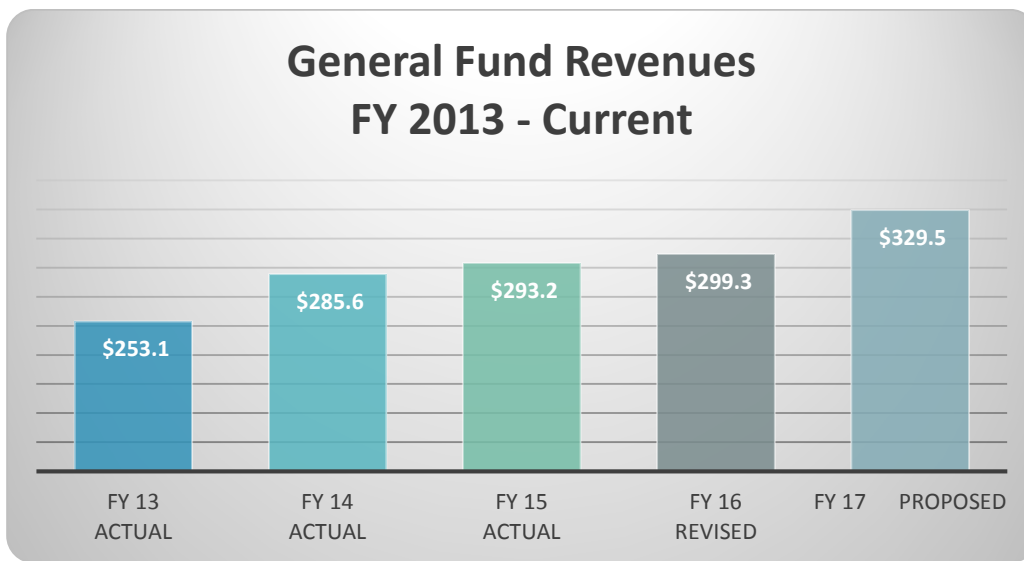
GENERAL FUND SUMMARY

REVENUES

Operating revenues, including other financing sources, for FY 2017 total \$329.5 million, an increase of 10% over FY 2016 revised budget. This is primarily due to a budgeted increase in room tax as well as an increase in use of facilities and other fees and charges. Use of facilities revenue for the Las Vegas Convention Center is up 12%, mainly due to the seasonal rotation of tradeshow. Room taxes, the major source of revenue, are expected to increase 9% over the FY 2016 budget. Gaming fees are expected to remain the same at \$1.8 million.

Use of facilities revenue represents approximately 17% of total revenues. Building usage, which is based on actual leases confirmed and signed, is projected to increase 12% as compared to FY 2016 budget primarily due to the cyclical nature of show activity in the building.

Other fees and charges are expected to increase 78%, mainly due to a non-recurring special event (October 2016 Presidential Debate), increase in event participation and use of registration personnel.



*Other includes: Use of Facilities Cashman, Gaming Fees, Interest/Other, Other Fees and Charges and Other Financing Sources

EXPENDITURES

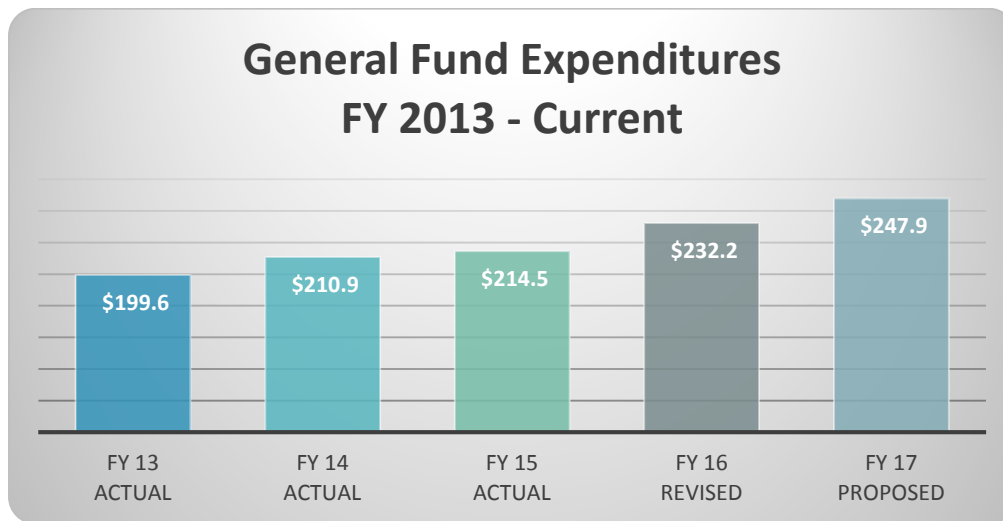
General fund expenditures are divided into three main categories: salaries and wages, employee benefits, and services and supplies. Salaries and wages represent 19% of total general fund expenditures, including advertising. Included in this amount, however, are temporary salaries and overtime of \$2,619,500. Employee benefits are 36.5% of the total salaries budget.

On a division level, salaries and wages make up approximately 50% of both the General Government budget and the Operations budget. In the Marketing Division, sales, advertising, and promotion represent 88% of the budget, while salaries and wages account for only 9%.

Total operating expenditures are \$247,879,700; a 7% increase compared to the revised FY 2016 budget.

GENERAL FUND SUMMARY

EXPENDITURES (continued)



OTHER FINANCING SOURCES (USES)

These are usually comprised of transfers in (i.e. interest earned in other funds) and transfers out (i.e. funding for other funds), along with sale of capital assets. A transfer is a legally authorized transfer from a fund receiving revenue to the fund through which the resources are to be expended. A total of \$78 million is being transferred to other funds.

FUND BALANCE

Projected ending fund balance on June 30, 2017 is \$24.8 million. State law provides guidance for an ending fund balance of no less than 4.0% of budgeted expenditures. The FY 2017 ratio is approximately 10%, which meets statutory guidance and internal policy.

CAPITAL OUTLAY

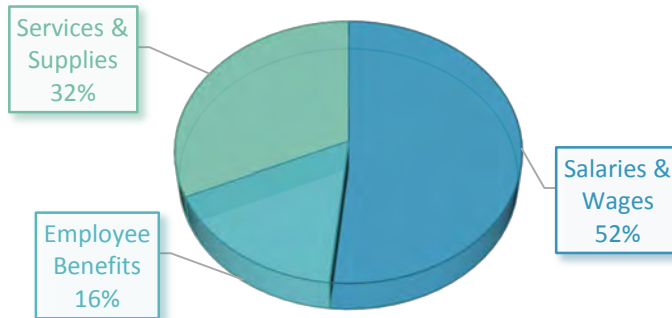
Capital outlay includes all projects accounted for in the capital improvement and replacement fund (see pages 76-113) for additional details. The total amount shown includes capital expenditures for furnishings, equipment, improvements or additions to land and buildings financed by general fund revenues and bond proceeds. In each division's budget analysis, the amount includes only furnishings and equipment. Two exceptions are: (1) all computer-related items are accounted for in the Information Technology Department's (Operations division) capital budget; and (2) all building, land and leasehold improvements are coordinated by the Facility Projects section of the Engineering department (Operations division). For FY 2017 \$10.4 million is being transferred to the Capital Fund. Funds will be used for routine capital repair and maintenance to ensure facility safety and enhance the customer experience.

TOTAL FULL-TIME PERSONNEL

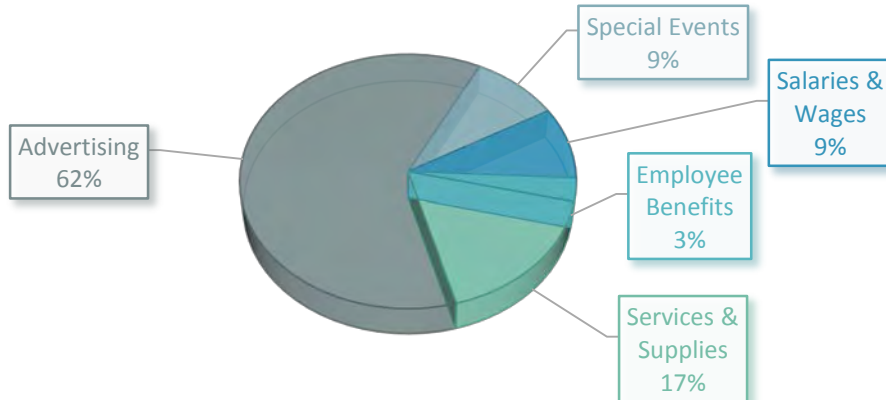
The total number of authorized positions currently stands at 529 for FY 2016. However, there will be an additional 12 positions added in the upcoming fiscal year, bringing the total to 541 authorized positions for FY 2017. For supplementary information concerning personnel allocation, see pages 123-130.

FY 2017 EXPENDITURES BY DIVISION

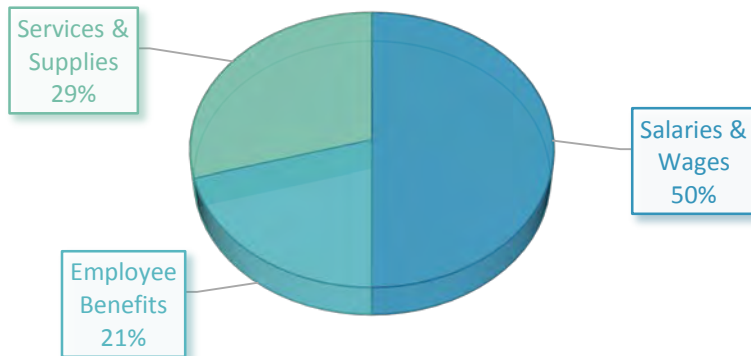
GENERAL GOVERNMENT



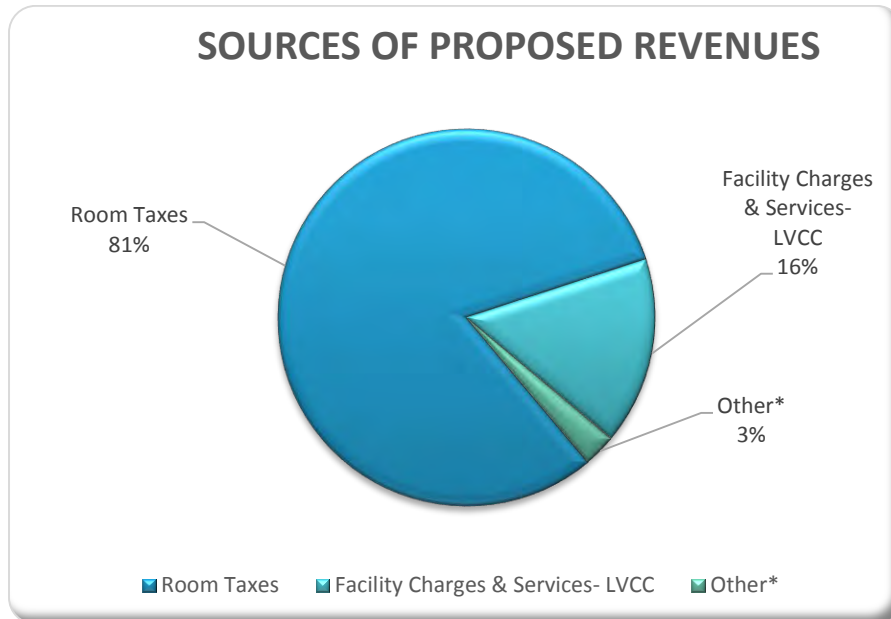
MARKETING



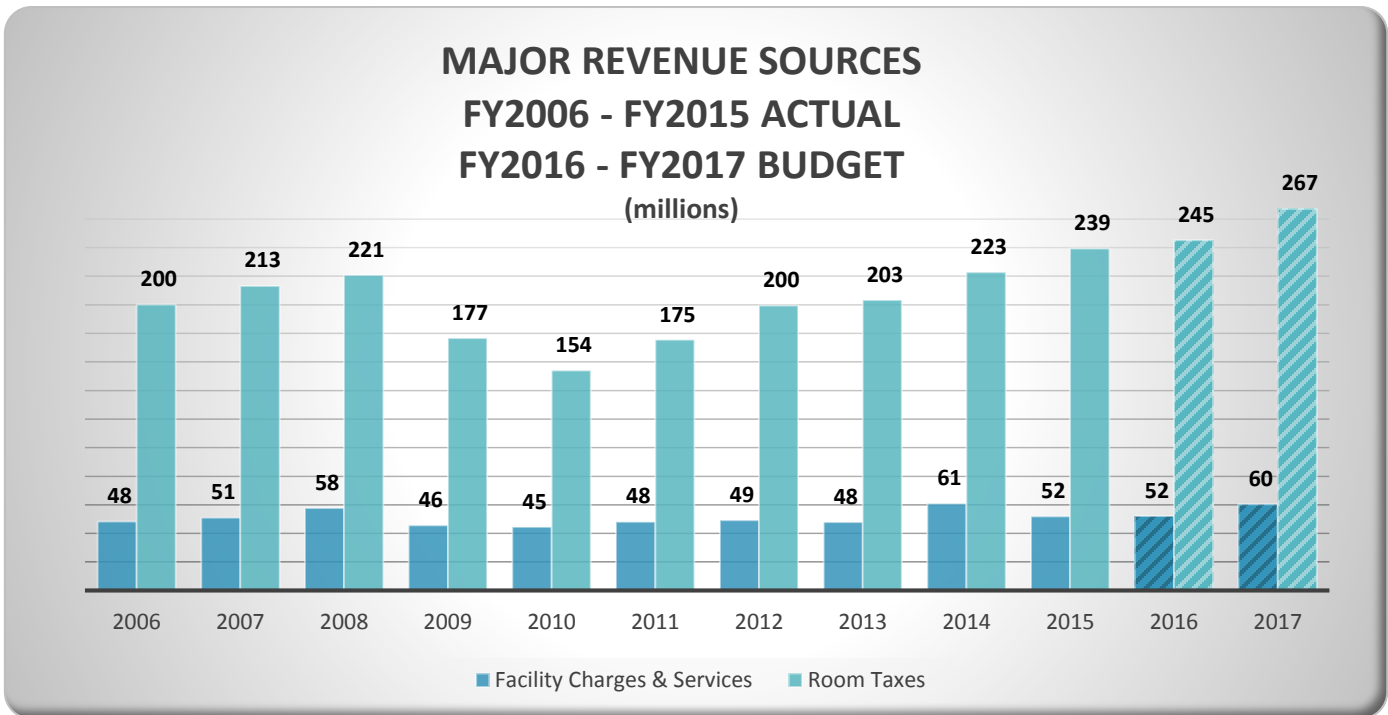
OPERATIONS



GENERAL FUND



*Other includes Other Fees and Charges, Gaming Fees, Interest, Use of Facilities Cashman Center, and Interest.



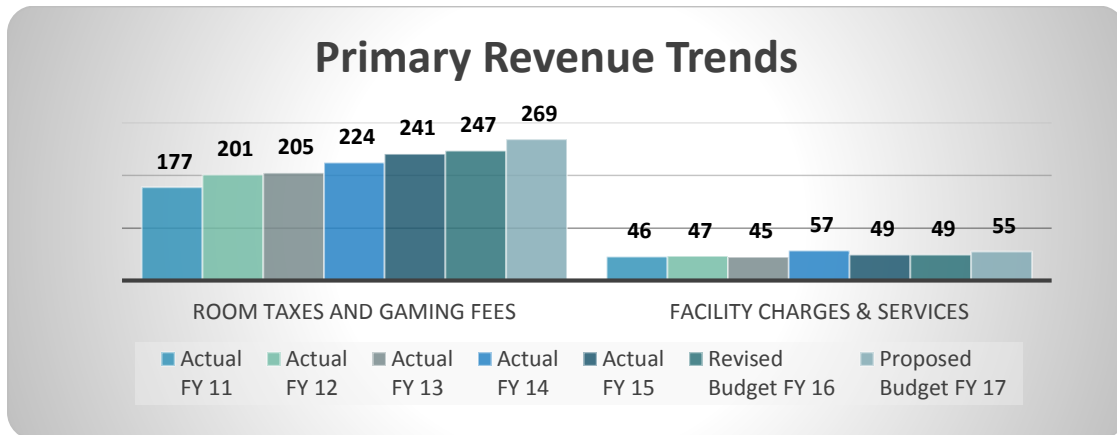
Charges for Services include Use of Facilities revenue for both facilities and Other Fees and Charges.

REVENUES

REVENUE SUMMARY

Total general fund revenues, including other financing sources for FY 2017 are \$329.7 million, which is a 10.1% increase as compared to the FY 2016 revised budget. Revenue components are Room Taxes and Gaming Fees, Facility Charges and Services, Other Fees and Charges, and Interest and Other.

| ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVENUES AND OTHER FINANCING SOURCES | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 | % CHANGE |
|-----------------|-----------------|-----------------|---|----------------------------|-----------------------------|-------------|
| 205,028,018 | 224,491,493 | 241,045,645 | Room and Gaming Fees | 246,850,000 | 268,950,000 | 9.0% |
| 45,043,435 | 56,927,724 | 49,001,769 | Facility Charges & Services | 49,258,000 | 55,045,000 | 11.7% |
| 2,803,458 | 3,858,682 | 2,966,604 | Other Fees and Charges | 2,966,000 | 5,282,000 | 78.1% |
| 176,440 | 357,484 | 193,356 | Interest and Other | 221,300 | 233,800 | 5.6% |
| 253,051,352 | 285,635,383 | 293,207,374 | Total Revenues | 299,295,300 | 329,510,800 | 10.1% |
| 127,021 | 194,527 | 168,745 | Other Financing Sources | 159,100 | 167,900 | 5.5% |
| 253,178,373 | 285,829,910 | 293,376,119 | Total Revenues & Other Financing Sources | 299,454,400 | 329,678,700 | 10.1% |



Room Tax Revenue

Room tax and gaming fees revenue is budgeted to increase 9.0% in FY 2017 as compared to FY 2016 revised budget. The primary factors affecting room taxes are the average daily rate (ADR) and occupancy rates. ADR is driven by visitation levels combined with the number of rooms available. The number of rooms available are expected to remain substantially flat during FY 2017. Visitation is trending to increase slightly in FY 2017. Taxable ADR had increased steadily since FY 2010 and is tracking growth of 11.3% year to date in FY 2016. Occupancy rate is averaging 85.7% year to date in FY 2016. The Occupancy Rate in the greater Las Vegas metropolitan area consistently exceeds that in other major resort destinations and significantly outpaces the national average each year.

Facility Charges and Services

Facility charges and services revenue projections are based on actual confirmed and signed leases as well as conservative expectations for additional facility usage. The rental income related to the Las Vegas Convention Center and Cashman Center is expected to increase 11.7% over FY 2016 revised budget due to the cyclical nature of shows in the building, which in FY 2017 includes CONEXPO-CON/AGG, a large construction trade show held every three years. An excerpt of rental rates per facility is included in the statistical data section, page 137.

Other Fees and Charges

Other Fees and Charges are expected to increase 78.1% in FY 2017 as it includes \$1.5 million related to the October 2016 Presidential debate being hosted in Las Vegas, and \$1.0 million related to Clark County Wedding fee income provided by the County to provide additional promotion of Las Vegas weddings.

For additional information on historical revenue trends, please see the statistical data section, pages 131-132.

ROOM TAXES

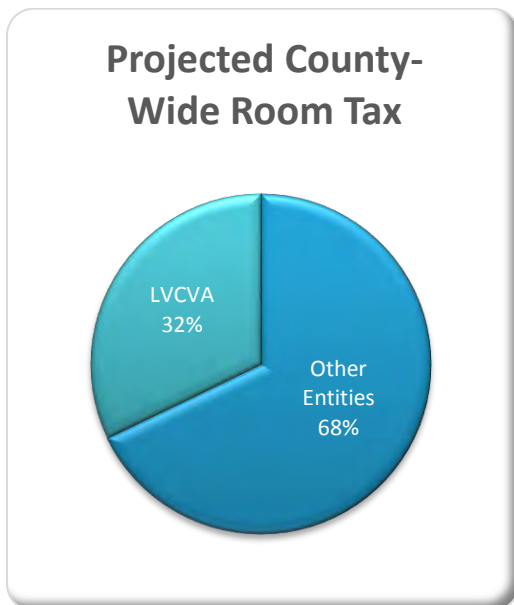
The LVCVA’s primary source of revenues, approximately 81% in FY 2017, is from a tax levied on hotels, motels, and other lodging establishments throughout Clark County and the incorporated cities therein. The incorporated cities are Las Vegas, North Las Vegas, Henderson, Boulder City, and Mesquite. The rate of tax levied varies from 12% to 13% for resort hotels and 10% to 12% for non-resort hotels depending on the establishment’s jurisdiction (see page 144 for room tax rate breakdown by jurisdiction). The rate of taxes can only be increased by action of the Nevada State Legislature, which last occurred during the 2009 legislative session. The room tax rate for counties whose population is over 300,000 was increased by 3% (not to exceed a total of 13%).

In general, the tax for resort hotel room rentals will be distributed as follows:

| | |
|---------|---|
| 4% - 5% | LVCVA - General Fund |
| 1 5/8% | Clark County School District - Capital Projects |
| 0% - 2% | City/County (collecting entities jurisdiction) - General Fund |
| 1% | Clark County - County transportation tax |
| 3/8% | State General Fund – a portion of the proceeds are allocated to tourism |
| 2% - 3% | State of Nevada - Education and other state programs |

The LVCVA’s portion of room tax is generally 1% less on non-resort room rentals. The total tax on rooms averages approximately 12%. It is projected that the total tax on rooms collected county-wide will be approximately \$675,031,600 in FY 2017.

The LVCVA retains only 32% of the total room tax collected in Clark County (\$267,200,000 less \$26,720,000 which is returned to the entities in the form of collection allocation and \$21,167,734 for NDOT funding). Currently, 10% of the total room taxes and gaming fees collected for the LVCVA are returned to the county and the cities. The division of this collection allocation is set forth in an agreement between the various entities and may be designated by the individual entities for any purpose. Collection allocation is discussed further on page 74.



The remaining 68% is split as follows:

- \$70,831,600 retained by collecting jurisdictions
- \$26,720,000 to collecting jurisdictions from LVCVA
- \$56,000,000 to Clark County for transportation projects
- \$91,000,000 to the Clark County School District for capital project construction
- \$21,167,734 for Nevada Department of Transportation debt service funding
- \$169,000,000 to the State of Nevada for education and other state programs
- \$21,000,000 to the State General Fund – a portion of the proceeds are allocated to tourism

REVENUES

ROOM TAXES (continued)

The table below presents a breakdown of the unrestricted room taxes received from the County and the incorporated cities. Projected room taxes are expected to increase 9.0% over the FY 2016 revised room tax budget.

| Fiscal Year | ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 |
|-----------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Clark County | 188,590,987 | 206,596,998 | 221,053,936 | 227,416,600 | 247,786,000 |
| Las Vegas | 9,310,685 | 10,482,979 | 11,924,254 | 11,386,400 | 12,545,400 |
| North Las Vegas | 774,918 | 848,826 | 972,025 | 939,100 | 1,042,000 |
| Henderson | 3,675,766 | 3,991,690 | 4,454,066 | 4,373,800 | 4,734,600 |
| Boulder City | 72,745 | 90,514 | 98,234 | 94,600 | 104,000 |
| Mesquite | 771,328 | 770,378 | 816,287 | 889,500 | 988,000 |
| | 203,196,428 | 222,781,385 | 239,318,802 | 245,100,000 | 267,200,000 |
| % Change | 1.8% | 9.6% | 7.4% | 2.4% | 9.0% |

| Calendar Year | ACTUAL 2012 | ACTUAL 2013 | ACTUAL 2014 | ACTUAL 2015 | PROJECTED 2016 |
|---------------|----------------|----------------|----------------|----------------|-------------------|
| Hotel Rooms | 162,559 | 162,662 | 162,548 | 160,946 | 161,180 |
| % Growth | 0.2% | 0.1% | (0.1%) | (1.0%) | 0.1% |

| Fiscal Year | ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 |
|---------------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Gaming Fees | 1,831,589 | 1,710,108 | 1,726,843 | 1,750,000 | 1,750,000 |
| Room Tax | 203,196,429 | 222,781,385 | 239,318,802 | 245,100,000 | 267,200,000 |
| Total Room & Gaming | 205,028,018 | 224,491,493 | 241,045,645 | 246,850,000 | 268,950,000 |

Most visitors to Las Vegas are unaware that the fabled “Las Vegas Strip” is not within the boundaries of the incorporated city of Las Vegas. That fact accounts for the disparity in room taxes with 93% of the budgeted room taxes from Clark County.

The average rate of growth in room tax revenue has been 2.9% over the past decade based on FY08-FY15 actual and FY16-17 budget. Factors considered in projecting room taxes are:

- ✧ Number of available hotel rooms (see statistical data section page 142)
 - There are approximately 160,946 hotels and motel rooms in the county from 298 properties. Not included in the 160,946 rooms, is approximately 10,000 timeshare-unit inventory. In FY 2017, the destination anticipates no new room additions to inventory.
- ✧ Blended occupancy rates (see statistical data section page 143)
 - It is a combined rate from the Las Vegas, Mesquite and Laughlin properties, which participate in our monthly survey.
- ✧ Blended average daily room rate which is based upon rates from revenue generating rooms at Las Vegas, Mesquite, and Laughlin hotel, motel and timeshare properties.
- ✧ National and international economic conditions and events.
- ✧ Monitor such domestic economic indicators as: consumer and business capital spending, unemployment and interest rates, the airline transportation market, crude oil prices.

REVENUES

GAMING FEES

Gaming fees are quarterly license fees imposed on operators of games based on the number of table games and slot machines in operation (see table below). These fees were originally established in 1957 and have remained unchanged. Boulder City does not allow gaming; therefore, no gaming fees.

| QUARTERLY FEE PER GAME OR SLOT MACHINE | Clark County, Cities of North Las Vegas, Henderson, and Mesquite | City of Las Vegas |
|--|--|-------------------|
| Casinos having 6 or more games | \$40.00 | \$12.00 |
| Casinos having 2 to 5 games | 25.00 | 7.50 |
| Casinos having fewer than 2 games | 10.00 | 3.00 |
| Slot machines, more than 12 within one establishment | 2.50 | 0.75 |
| Slot machines, fewer than 12 in one establishment | 1.00 | 0.25 |

Historically, gaming fees provide only 1% of the total revenue for the LVCVA. Gaming fees are difficult to predict because of the following factors:

- ✧ Constant layout reconfigurations by existing casinos. (Example: removal of gaming tables to place slot machines and vice-versa).
- ✧ Construction or closure of gaming establishments (includes not only hotel casino properties but also neighborhood bars, convenience stores, and other licensed gaming establishments).

Gaming fees are anticipated to remain flat at \$1.8M from FY 2016 to FY 2017.

GAMING FEES BY JURISDICTION

| | ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 |
|-----------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Clark County | 1,367,233 | 1,301,541 | 1,306,230 | 1,341,700 | 1,341,700 |
| Las Vegas | 111,892 | 106,265 | 96,032 | 101,000 | 101,000 |
| North Las Vegas | 122,887 | 114,164 | 107,248 | 111,500 | 111,500 |
| Henderson | 193,217 | 144,791 | 179,623 | 161,200 | 161,200 |
| Mesquite | 36,359 | 43,347 | 37,711 | 34,600 | 34,600 |
| | 1,831,589 | 1,710,108 | 1,726,843 | 1,750,000 | 1,750,000 |
| % Change | 1.0% | (6.6%) | 1.0% | 1.3% | 0.0% |

REVENUES

FACILITY CHARGES AND SERVICES

The LVCVA owns and operates two facilities, the Las Vegas Convention Center and Cashman Center. These facilities were originally not intended to be self-supporting, but rather to generate visitors to the Las Vegas area. These visitors, in turn, generate room tax revenues while contributing to the overall economy. Facility operations are anticipated to generate 16% of total revenues. Over the last 10 years, the average rate of growth has been 2.4% for the Convention Center. This is attributable to a heightened emphasis on selling the facilities, raising rental rates, and the cycle of show rotation and show growth. Over the past decade Cashman Center’s average rate of growth has been flat.

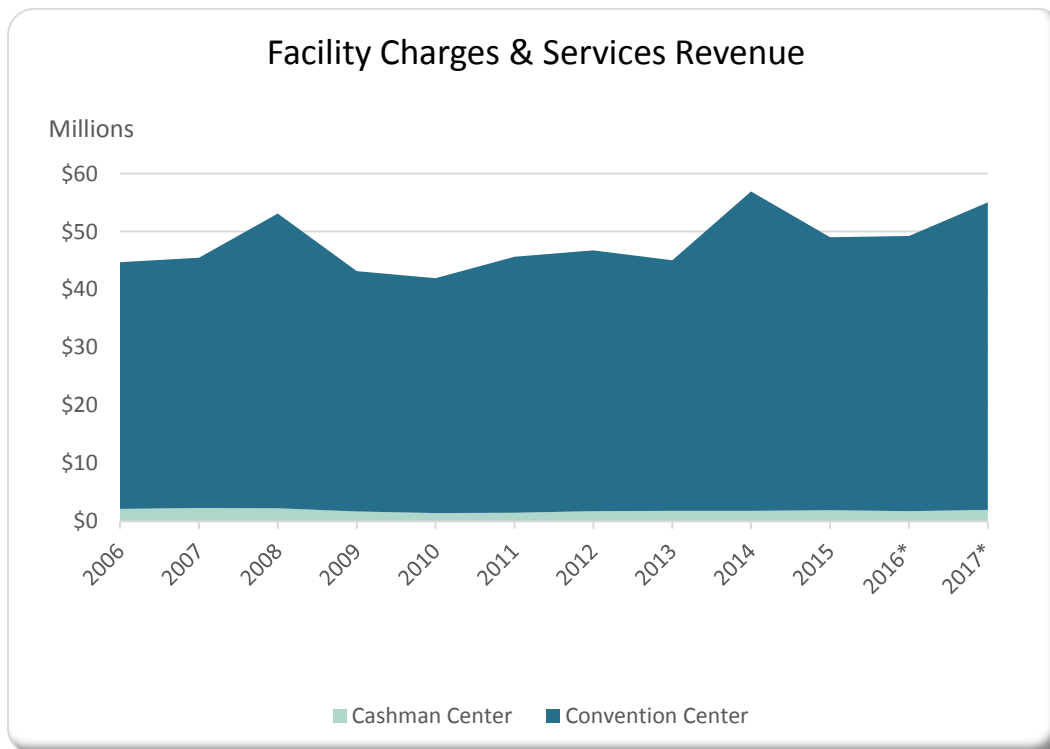
| | Convention Center | | Cashman Center | |
|-------|-----------------------------|------------|-----------------------------|------------|
| | Facility Charges & Services | % Increase | Facility Charges & Services | % Increase |
| 2006 | 42,583,037 | 5.7% | 2,115,638 | 2.9% |
| 2007 | 43,197,430 | 1.4% | 2,307,070 | 9.0% |
| 2008 | 50,848,050 | 17.7% | 2,246,808 | (2.6%) |
| 2009 | 41,474,677 | (18.4%) | 1,709,850 | (23.9%) |
| 2010 | 40,550,001 | (2.2%) | 1,389,381 | (18.7%) |
| 2011 | 44,157,694 | 8.9% | 1,484,160 | 6.8% |
| 2012 | 45,004,264 | 1.9% | 1,752,683 | 18.1% |
| 2013 | 43,228,221 | (3.9%) | 1,815,215 | 3.6% |
| 2014 | 55,137,401 | 27.5% | 1,790,323 | (1.4%) |
| 2015 | 47,094,146 | (14.6%) | 1,907,624 | 6.6% |
| 2016* | 47,522,000 | 0.9% | 1,736,000 | (9.0%) |
| 2017* | 53,079,500 | 11.7% | 1,965,500 | 13.2% |

* Projected

Facility charges and services revenues are generated through a variety of rental charges (i.e. halls, meeting rooms, equipment, and parking lots, along with concessions and contractor services’ commissions).

The revenue spikes in facility charges and services at Convention Center in FY 2008, FY 2011, FY 2014, and FY 2017 are due to hosting CONEXPO – CON/AGG, the world’s largest construction show, in those years.

At Cashman Center, facility charges and services revenue increases are due to a fluctuating number of events.



REVENUES

FACILITY CHARGES AND SERVICES (continued)

Facility charges and services revenues is projected to be \$53,079,500 for the Las Vegas Convention Center and \$1,965,500 for Cashman Center.

These projections are based on the following:

- ✧ Below are rental rates for the Las Vegas Convention Center (for excerpt, see page 137). As new clients are obtained and current clients renew agreements, these lease agreements will come under the new rates. There are still a few multi-year agreements outstanding, which are being honored at the older rates.

| HISTORY OF RENTAL RATES - LAS VEGAS CONVENTION CENTER | |
|---|--------------------------|
| 5 cents per net square foot | 1959-1988 |
| 15 cents per net square foot | 1988-1998 |
| 20 cents per net square foot | 1998-2001 |
| 25 cents per net square foot | January 2002 - June 2009 |
| 29 cents per net square foot | July 2009 - June 2016 |
| 33 cents per net square foot * | July 2016 - June 2018 |
| 35 cents per net square foot * | July 2018 - TBD |

* Board Approved on April 3, 2015

- ✧ In April 2015, the Board approved facility rental rate increases effective July 1, 2016 and July 1, 2018. The fiscal impact of the approved increase is estimated to be \$0.7 million in FY 2018 and is expected to continue to increase up to \$5.1 million in FY 2023.
- ✧ Analysis of actual bookings, signed lease agreements and prior experience, such as cyclical shows, that hold their meetings and tradeshow every number of pre-determined years, or for three to five years consecutively.

REVENUES

OTHER FEES AND CHARGES

Other Fees and Charges are comprised of a variety of revenue sources. The majority is derived from the independent services that are not directly related to the rental of facilities, but rather services that can be supplied separately, such as conventions using LVCVA registration personnel. Also included are revenues from rental and commission agreements, reimbursements from participating properties in tradeshow, and special event revenue sharing arrangements.

| | ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 |
|------------------------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Other Fees and Charges | 2,803,458 | 3,858,682 | 2,966,604 | 2,966,000 | 5,282,000 |
| % Change | 16.2% | 37.6% | (23.1%) | (0.0%) | 78.1% |

In FY 2017, Other Fees and Charges are expected to increase 78.1% as it includes \$1.5 million proceeds from the October 2016 Presidential debate being hosted in Las Vegas and \$1.0 million related to Clark County Wedding fee income provided by the County to provide additional promotion of Las Vegas weddings.

Historically, Other Fees and Charges account for approximately 1% of total revenues. Revenue is also anticipated to increase slightly this fiscal year due CONEXPO-CON/AGG, the world's largest construction show held every three years.

INTEREST AND OTHER

Interest and Other are comprised of interest earnings on investments and discounts earned, and represents less than 1% of total revenues. Interest earnings are generated not only from cash balances invested in government guaranteed securities but are also earned on the room taxes which are collected and distributed by Clark County. All cash balances are invested daily.

| | ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 |
|----------|-----------------|-----------------|-----------------|----------------------------|-----------------------------|
| Interest | 170,348 | 353,464 | 188,829 | 217,500 | 231,100 |
| % Change | (29.1%) | 107.5% | (46.6%) | 15.2% | 6.3% |
| Other | 6,091 | 4,020 | 4,527 | 3,800 | 2,700 |
| % Change | 13.0% | (34.0%) | 12.6% | (16.1%) | (28.9%) |

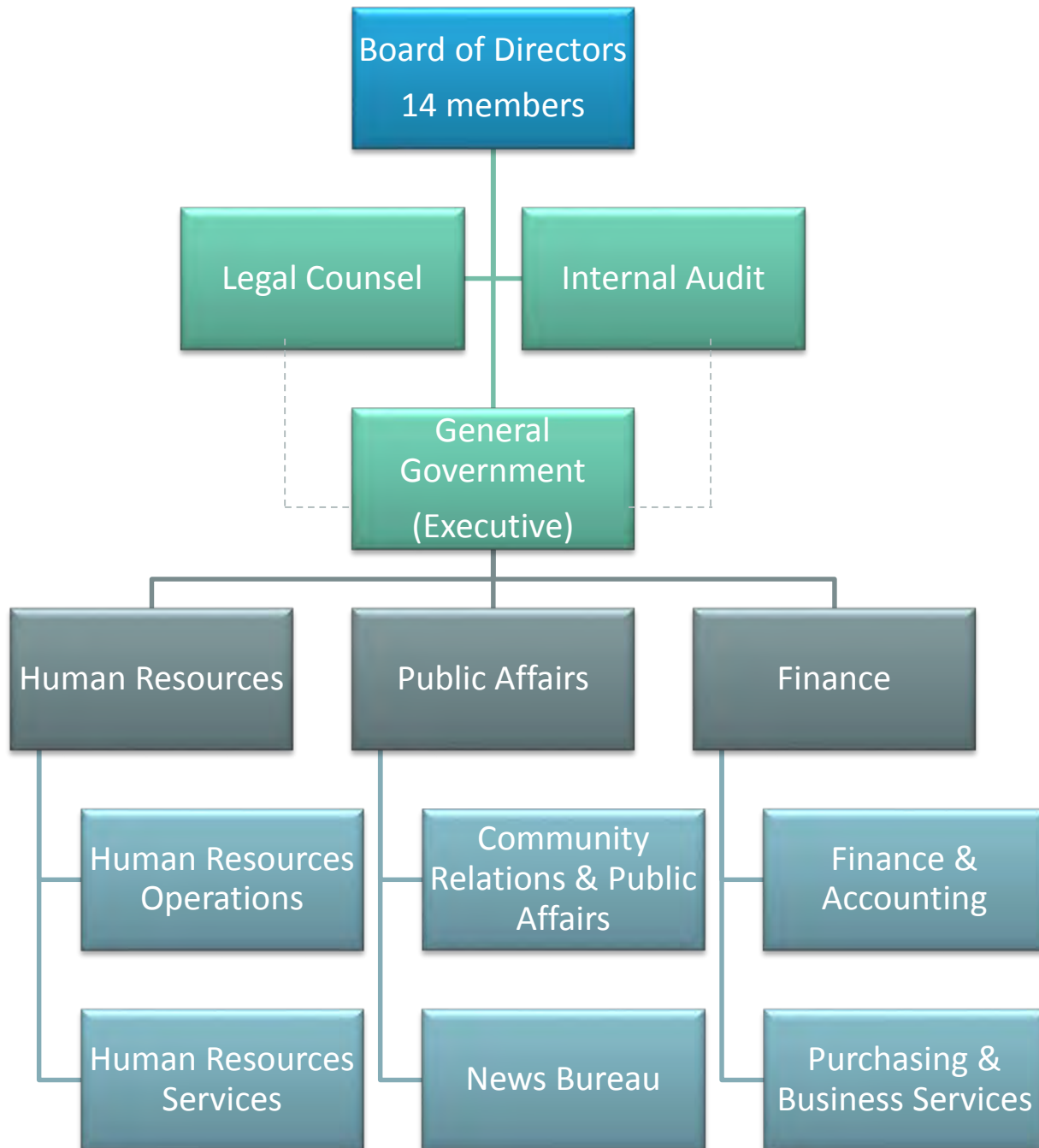
It is difficult to project interest earnings because of their dependency on the size of the portfolio, fluctuations in interest rates, and availability of policy-approved securities. For the FY 2017 budget, total interest and other are estimated to be \$231,100 and \$2,700 respectively.

OTHER FINANCING SOURCES

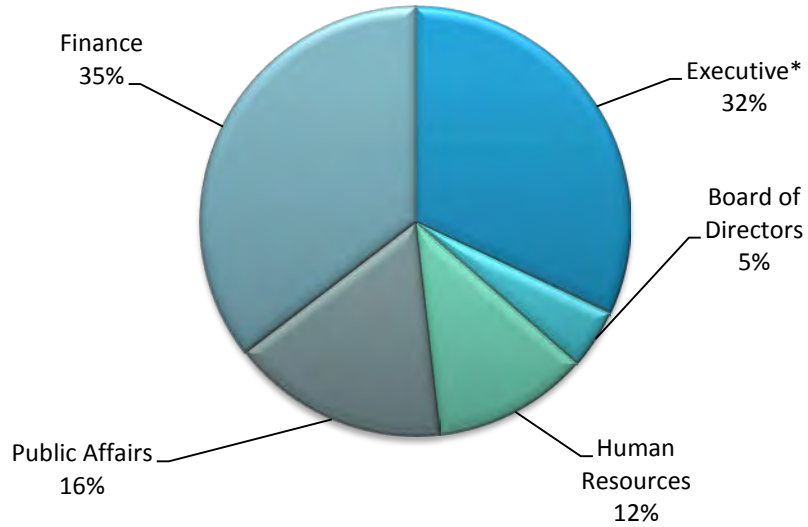
Typically, other financing sources accounts for transfers in from other funds (i.e. interest earnings from debt service funds) and sale of capital assets, but it can also include proceeds of sale of bonds. FY 2017 transfers from debt service relate to interest earnings of \$109,900. Proceeds from the sale of capital assets are anticipated to be \$58,000.

GENERAL GOVERNMENT

The general government function includes the board of directors along with the Executive, Human Resources, Public Affairs, and Finance departments. The Executive department is responsible for the general administration of the LVCVA and is not only comprised of the offices of the President, C-Suites, and Senior Vice Presidents, but also Internal Audit and Legal Counsel.

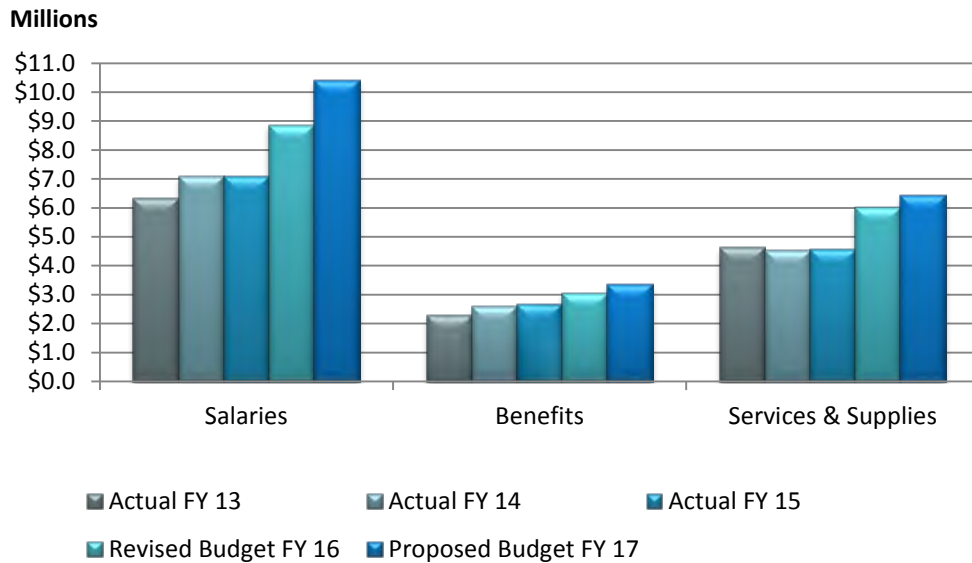


GENERAL GOVERNMENT FY 2017 EXPENDITURES



* Executive includes the offices of the President, C- suites, Senior Vice Presidents, Legal, and Internal Audit.

5 Year Expenditure Analysis



BUDGET ANALYSIS

The general government function includes the board of directors along with the Executive, Human Resources, Public Affairs, and Finance departments. The FY 2017 increases in the salaries and benefits categories are primarily due to new positions and the one-time expenditure in FY 2017 due to a change in policy to limit PTO accrual resulting in non-recurring payout to bring all employees within the limit. The increase in service and supplies are mainly due to higher costs associated with professional services.

Four new positions were approved in FY 2017 for the General Government division.

Any request for capital furniture and equipment are accounted for in the department that manages those items. Computer-related items (i.e. computers, printers, software, scanners) are accounted for in Information Technology’s capital budget (Operations division). All these requests are accounted for in the capital improvement and replacement fund (see page 79).

| ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 | % CHANGE |
|-----------------|-----------------|-----------------|-----------------------------|----------------------------|-----------------------------|-------------|
| 6,333,685 | 7,090,764 | 7,084,387 | Salaries & Wages | 8,858,200 | 10,423,700 | 17.7% |
| 2,286,720 | 2,588,029 | 2,678,312 | Employee Benefits | 3,048,800 | 3,327,900 | 9.2% |
| 4,625,739 | 4,529,929 | 4,559,407 | Services & Supplies | 6,023,500 | 6,422,200 | 6.6% |
| 13,246,144 | 14,208,722 | 14,322,106 | | 17,930,500 | 20,173,800 | 12.5% |
| - | - | - | Capital Outlay | 280,000 | 265,000 | (5.4%) |
| 77 | 80 | 81 | Full-time Personnel | 83 | 86 | 3.6% |

GENERAL GOVERNMENT - EXECUTIVE

BOARD OF DIRECTORS

The board of directors is comprised of 14 members representing Clark County, the incorporated cities within, and various segments of industry. The board's primary function is to formulate policies to guide the LVCVA in fulfilling its mission to attract visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel. For additional information regarding the board of directors, such as members and terms of office, see page 3.

EXECUTIVE

The Executive Department is responsible for the general administration of the LVCVA and is not only comprised of the offices of the President/CEO, COO and certain Senior Vice Presidents, but also Internal Audit and Legal Counsel. Executive management

meets daily with employees, hotel CEOs, community leaders, and convention association presidents to discuss any potential problems, as well as changes in the trends of the travel and convention industries.

Internal Audit provides separate and objective assurance services designated to add value and improve the LVCVA's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Legal Counsel meets with other divisions to ensure compliance with local government, state and federal laws, assists in preparation of proposed legislation, and conducts lobbying activities, acts as general counsel to the LVCVA Board of Directors, and drafts and approves legal documents (i.e. contracts, bid proposals).

Goals

- ❖ Partner with the resort industry to increase visitor volume and room nights while maintaining an effective average daily rate. (Executive Management)
- ❖ Coordinate all elements of marketing and operations to brand the destination for increased exposure and visitor volume. (Executive Management)
- ❖ Provide direction and oversight of the LVCCD including a fiscally responsible budget and finance strategy. (Executive Management)
- ❖ Ensure risk management policies and procedures identify risk factors and provide strategies and resources to transfer or mitigate these risks. (Legal Counsel)

GENERAL GOVERNMENT - PUBLIC AFFAIRS

PUBLIC AFFAIRS

The Public Affairs department consists of communications/public relations, government affairs, the Las Vegas News Bureau and the Las Vegas Host Committee. Public Affairs is responsible for a broad spectrum of communication activities, with a variety of stakeholders, to promote the destination and the activities of the LVCVA. Public Affairs oversees management issues, advocacy, community outreach, and generates positive news coverage of Las Vegas and the value of tourism. The Public Affairs department continually implements communication plans and strategies to promote leisure and business travel to the destination. The department also develops communication programs designed to keep resort partners and employees informed of travel industry issues and LVCVA initiatives.

Goals

- ❖ Continue implementation of Presidential Debate community outreach and public relations plan to maximize press coverage and generate community awareness of and support for the Las Vegas debate. Utilize debate messaging and outreach to expand the reach of the Vegas Means Business message and educate people on how important events and conventions are for the local economy.
- ❖ Increase community awareness of the Tourism Matters message through various community outreach programs, including development of a certified Host Committee Ambassador program, an internal customer service development program, expanded partnerships with the Clark County School District through special events such as Reading Week and Tourism Week and increased outreach to local and state elected officials.
- ❖ Develop and implement a plan to highlight and promote the Corporate Social Responsibility (CSR) efforts of the LVCVA and our resort partners through an all-inclusive resort industry CSR Committee.
- ❖ Continue and expand the preservation efforts of the resources and archives of the Las Vegas News Bureau through continued digitization, rehousing and processing of the extensive archival collection. Promote the vast history of Las Vegas and the tourism industry through continuing community outreach efforts including major public exhibits and flash exhibits.
- ❖ Expand Las Vegas' MICE profile both domestically and internationally, through various programs, including a guerilla marketing effort at the 2016 MPI World Education Congress, increase public relations efforts at select international trade shows and trade show trade missions, and updates and additions to the Vegas Means Business communications and website.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| Media Placements | 7,036 | 7,500 | 8,000 |
| PR Dollar Value of Media Placements - <i>in millions</i> | \$204 | \$225 | \$250 |
| News Bureau Placements (photo/video) | 6,149 / 1,021 | 6,000 / 900 | 6,500 / 1,000 |
| PR Dollar Value of New Bureau Placements - <i>in millions</i> | \$458 | \$304 | \$350 |
| Community Outreach (Speakers Bureau, Exhibits, Host Committee) | 744 | 800 | 825 |

PUBLIC AFFAIRS (continued)

Prior Year Achievements

- ❖ Developed and implemented a comprehensive communications campaign increasing awareness of the value of tourism with key stakeholders. Cultivated a relationship with Clark County School District to provide messaging and potential curriculum regarding the value of tourism, including classroom presentations, News Bureau flash exhibits for more than 600 students at two elementary schools, and an expanded relationship with Academy of Hospitality and Tourism through mentoring and other partnering opportunities. Developed new outreach programs to enhance communication to local stakeholder groups, including elected officials, through a new newsletter from the President/CEO, local business leaders through the Las Vegas Host Committee, and to community leaders through expanded Speakers Bureau program.
- ❖ Expanded efforts to establish LVCVA as an authoritative voice in the travel and tourism industry through expanded coordination efforts with local, state, and national organizations. Utilized LVCVA's role as the first CVB member of the American Gaming Association to provide presence for the tourism industry at Global Gaming Expo; developed a series of LVCC tours for elected officials and local leaders to show the value of the convention industry; expanded efforts to advocate tourism issues in Congress through work with lobbyists, US Travel, and Brand USA; and began efforts to establish program to develop a series of articles and op-eds from LVCVA leaders for submission to publications nationwide.
- ❖ Successfully launched communications and public relations efforts surrounding the 2016 Presidential Debate. In partnership with the University of Nevada Las Vegas (UNLV), established a public relations sub-committee, developed and implemented a community outreach and public relations plan to promote the event and drive media coverage. Developed and implemented a successful media event to launch a local awareness campaign, including rolling out the logo, website, hashtag and slogan for the coming year. Garnered upwards of \$20 million worth of coverage for Las Vegas debate prior to end of fiscal year.
- ❖ Successfully developed and implemented strategic communication plans targeting increased exposure and community outreach for the Las Vegas News Bureau, the Las Vegas Host Committee, and the medical and wellness travel industry. Expanded Host Committee outreach to resort employee bases through partnership with Las Vegas Metropolitan Police Department for their monthly first Tuesday program at resort dining halls.
- ❖ Expanded Las Vegas News Bureau outreach through local exhibitions and continued efforts to digitize and catalog entire News Bureau archive, in excess of 3 million images. Developed a new concept of a flash exhibit to provide News Bureau outreach in a smaller and more mobile format for more efficient community outreach, including local elementary schools and community groups. Partnered with UNLV and the Clark County Museum for two exhibits, expanding the format to include an in-depth narrative from a UNLV professor and a panel discussion surrounding the exhibit.

GENERAL GOVERNMENT - HUMAN RESOURCES

HUMAN RESOURCES

Human Resources will pursue an integrated talent management approach that is tied to LVCVA strategies and objectives. Responsibilities include recruitment, talent management and development, affirmative action, employee/labor relations, collective bargaining negotiations, classification and compensation, benefits administration, and the management of employment terms and conditions along with employee's health, wellness and culture.

Goals

- ❖ Fine-tune and enhance the Organizational Development Program for all team members of the Authority.
- ❖ Develop a long-lasting wellness initiative inclusive of smoking cessation and healthy lifestyles.
- ❖ Automate existing paper processes for recruitment and employee processing.
- ❖ Fine-tune records management with a dedicated team member.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-----------------|---------------|---------------|
| Employees Processed (promotions, transfers, hiring & separations) | 193 | 140 | 214 |
| Applicants Processed | 546 | 1,748 | 795 |
| Recognition Program Cards Redeemed | 546 | 163 | 224 |

Prior Year Achievements

- ❖ Established a leadership development program, in concert with Player Development (succession planning) goals and objectives.
- ❖ Completed all necessary federal requirements related to the Affordable Care Act.
- ❖ Expanded Business Partner contacts with internal customers by 40%, ensuring a more proactive posture.
- ❖ Developed the Benefits Manager position based on internal customer feedback. This position proactively works with departments on workers' compensation and Family Medical Leave Act evaluations.
- ❖ Revamped the Performance Evaluation program, established the Employee of Distinction evaluation, and Professional classification (formerly known as Non-bargaining).

FINANCE

The Finance department is comprised of Financial Resources, Accounting, Payroll, Travel, Financial Systems, Records Management, Purchasing, and Materials Management activities.

The mission of the Finance Department is to allocate the LVCVA's financial resources in accordance with applicable policies and laws, to safeguard the LVCVA's assets, and to provide accurate and timely financial information and assistance, to conduct all of our responsibilities with integrity, and to operate a customer service oriented department that contributes to the fulfillment of the LVCVA's strategic mission. The Finance Department maintains a general accounting system for the LVCVA to ensure accountability in compliance with legal provisions and in accordance with generally accepted accounting principles.

Finance and Accounting

Financial Resources

This section is responsible for cash management, debt management, capital assets and investment of the LVCVA's funds within the guidelines of Nevada Revised Statutes and the LVCVA's investment policy. Financial Resources also oversees the preparation, production and maintenance of the annual budget and the comprehensive annual financial report (CAFR), processes accounts receivable and monitors room tax revenue, as well as facility and contractual revenue.

Accounting

This section is responsible for the maintaining the general ledger, processing accounts payable and payroll, producing monthly expenditure/budget reports, and handling project accounting. Payroll processes the LVCVA's bi-weekly payroll for over 500 full-time employees and over 440 intermittent and temporary employees. Additional duties include payment of voluntary and involuntary deductions, various bonus programs, federal/state taxes, and retirement contributions.

Purchasing and Business Services

Financial Systems

This section is responsible for financial systems administration and records management and retention. Financial Systems is the administration to support all computerized financial systems by coordinating upgrades, testing updates on current software and new possible software, holding training initiatives, controlling system access, and enhancing system processes. Records Management ensures compliance with local, state, and federal laws. They also check against regulations governing public records, managing conversion of paper to electronic records for various departments, and operating the record storage center.

Purchasing

This section is responsible for the procurement of all goods, services, and small construction projects in compliance with local and state regulations, and internal policies. Purchasing manages contract development, negotiation, sourcing, and administration of contracts. Additional responsibilities include management of the procurement card program, requisition to purchase process, monitoring of deliverables, assistance with dispute resolution, and maintenance of vendor and contractor insurance documentation.

Travel Services

This section provides world class business and leisure travel services for all employees, board members, and stakeholders to promote the brand of Las Vegas, while assuring compliance to the LVCVA Travel Policy. Travel Services assists with travel authorizations and travel arrangements including air, hotel, rail, and car rental.

Materials Management

This section provides organizational support and service through on site mailroom, reprographics, warehouse, and distribution center operations. Reprographic support includes all large volume copy jobs, binding, lamination, folding, drilling, stapling, and typesetting. The warehouse and distribution center receives, stores, ships, and manages brochures, promotional items, support materials, and shipments worldwide. Additional duties include asset management support, surplus property management auction, and disposal.

FINANCE (continued)

Goals

- ❖ Report all financial information in accordance with professional accounting standards and federal, state, and local laws.
- ❖ Provide timely and informative financial information to departments, executive leadership and the board of directors that facilitate the proper administration of the organization, are valuable as business decision tools, and are easily understood by our customers.
- ❖ Maintain high levels of professional accounting and reporting standards worthy of the Government Finance Officers Association (GFOA) "Certificate of Achievement for Excellence in Financial Reporting," the "Distinguished Budget Presentation Award" and the "Certificate of Excellence in Popular Financial Reporting" programs.
- ❖ Maintain superior levels of professional procurement ethics and benchmarked standards worthy of the National Purchasing Institute (NPI) "Achievement of Excellence in Procurement Award."
- ❖ Provide financial oversight for the LVCCD project, including planning, budgeting, accounting, financial reporting, internal control, auditing, funding, and development of sustainable financing plans.
- ❖ Evaluate additional financial system initiatives for the potential of enhancing customer service levels through effectiveness, timeliness, or efficiency of service.
- ❖ Increase the effectiveness of services and support by increased technological applications to support our internal customers and their mission.
- ❖ Assess and respond to the changing needs of our customers to provide enhanced services that support their mission.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-------------------------|-----------------------|-----------------------|
| Earn GFOA Budget Award (total years) | 26 | 27 | 28 |
| Earn GFOA CAFR Award (total years) | 32 | 33 | 34 |
| Earn GFOA Award for PAFR (total years) | 9 | 10 | 11 |
| Earn Achievement of Excellence in Public Procurement Award (total years) | 20 | 21 | 22 |
| Full Time/Part Time Employees Participating in Direct Deposit | 96% / 75% | 96% / 80% | 95% / 80% |
| Percent of A/P Invoices Disbursed Electronically | 93% | 95% | 95% |
| LVCVA's Uninsured Revenue Bond Rating (Moody's) and (S&P) | A1 / AA | A1 / AA | A1 / AA |
| Maintain a Rate of Return on Investments at No More Than 50 Basis Points Below the 6-month T-bill | +14bp | +5bp | +5bp |
| Number of Calendar Days to Complete Audit and Produce CAFR (not to exceed 65) | 20 | 40 | 40 |
| Number of Months That G/L Closed Within 8 Business Days | 8 | 8 | 8 |
| Staff Turnover Rate (not to exceed 10%) | 3% | 3% | 3% |
| Maintain at Minimum a 3.0 Debt Service Coverage Ratio | 3.5 | 3.3 | 3.2 |
| Number of Records Imaged by Page - all applications | 210,000 | 150,000 | 125,000 |
| Number of Systems Support Help Calls | 800 | 800 | 800 |
| Number of System Updates and Upgrades | 25 | 25 | 25 |
| RFP/BID Demand: Average per FTE Assigned | 10.0 | 13.0 | 13.0 |
| Managing Spend: Term Contracts as a % of Purchase Orders | 42% | 42% | 42% |
| Quantity of Outgoing Packages Packed and Shipped | 45,000 | 45,000 | 38,000 |
| Quantity of Copy Center Work Orders Completed | 800 | 850 | 750 |
| Warehouse Dollars Dispensed | 1,000,000 | 1,000,000 | 1,200,000 |
| Copies Produced | 800,000 | 800,000 | 800,000 |

FINANCE (continued)

Prior Year Achievements

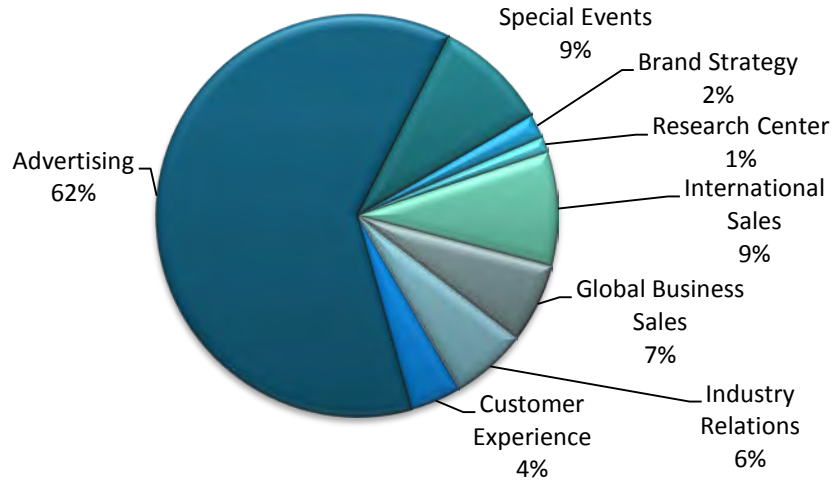
- ❖ Received the Certificate of Achievement for Excellence in Financial Reporting award from the Government Finance Officers Association for the 32nd consecutive year.
- ❖ Received the Distinguished Budget Presentation award from the Government Finance Officers Association for the 27th consecutive year.
- ❖ Received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the 9th time.
- ❖ Received the Achievement of Excellence in Public Procurement Award from the National Purchasing Institute for the 21st consecutive year.
- ❖ Received the Outstanding Agency Accreditation in Achievement Award through NIGP, the Institute for Public Procurement, for the first time.
- ❖ Began the procurement process for an Enterprise Resource Planning (ERP) system to streamline software, internal processes, and conserve human resources.
- ❖ Obtained an unqualified opinion on the annual audit.
- ❖ Maintained 99.99% inventory accuracy.
- ❖ Produced a Financial Planning Document in relation to the LVCCD project for presentation to the Southern Nevada Tourism Infrastructure Committee. This document presented historical data on the impact of the tourism and LVCVA to southern Nevada as well as pro-forma information on the upcoming LVCCD project.
- ❖ Renegotiated the line of credit in the amount of \$100 million to provide timely access to funds for flexibility in the first phases of the LVCCD project. The agreement extends another two years and interest rate terms remained the same as the original agreement.
- ❖ Began rollout of an electronic expense reporting software for use throughout the organization. The transition provides increased efficiency for travelers and greater reporting capabilities.
- ❖ Continued to implement enhancements and software to the automated travel system to streamline processes with the ability to report on details.
- ❖ Hosted Committed to Our Business Community, a premier event focusing on local supplier outreach for the fourth year. The event was free to the public and focused on educating local businesses on procurement opportunities with Southern Nevada businesses and governments. Attendance more than doubled since the initial event. The first-ever centralized business registration database and on-line bidding software Nevada Government eMarketplace (NGEM) was introduced.
- ❖ Continued using the Bank of America credit card rebate program for the fourth year resulting in a rebate of \$104,500.
- ❖ Scanned approximately 18,129 pages of current and historical board agendas/minutes for the Board Office.
- ❖ Conducted an inventory of Riviera assets and conducted an online auction.
- ❖ Created a merchandise sale program where employees can purchase items with LVCVA logos and promotional products.

MARKETING

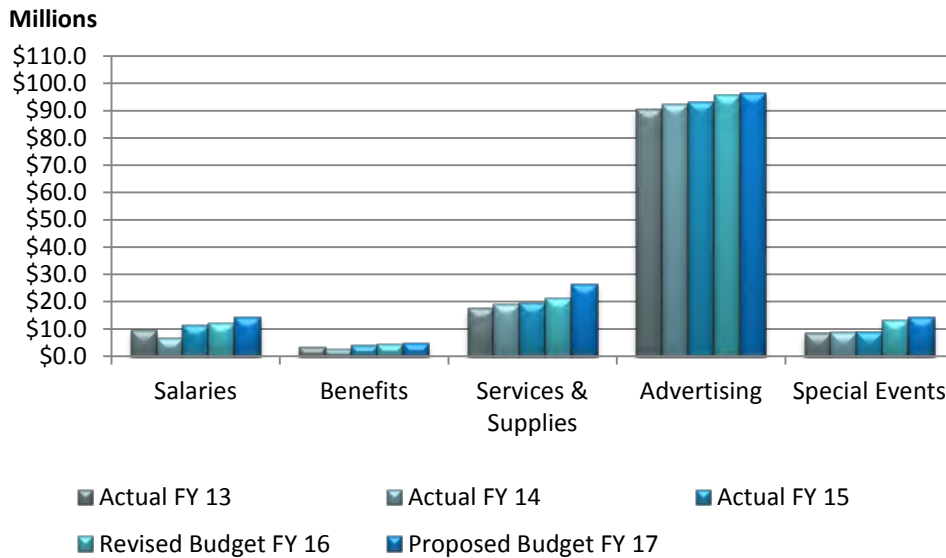
The Marketing division is responsible for increasing leisure travel visitors and convention and meetings attendance. The main functions of this division are Brand Strategy, International Marketing, Global Business Sales, Industry Relations, Research Center, and Customer Experience. This division also houses Special Events, however it is not shown on the organization chart below as there are no assigned personnel.



MARKETING FY 2017 EXPENDITURES



5 Year Expenditure Analysis



*Special Events for FY 2013 are shown for historical purposes, but during that year this section was not budgeted under the Marketing division.

BUDGET ANALYSIS

Services and supplies expenditures are being budgeted with a 25% increase as compared to the FY 2016 revised budget, mainly to cover costs associated with the 2016 Presidential Debate. Salaries and benefits also increased 16.5%, which is mainly due to vacant positions that will be filled, new positions, and projected increase in health care costs. The increase of 9.6% in Special Events, represents the contractual obligation for the NFR under a new 10 year agreement approved in August 2014. Advertising is slightly up as compared to revised FY 2016 budget, due to wedding promotion.

| ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 | % CHANGE |
|-----------------|-----------------|-----------------|-----------------------------|----------------------------|-----------------------------|-------------|
| 9,556,749 | 6,719,046 | 11,216,642 | Salaries & Wages | 12,154,600 | 14,158,100 | 16.5% |
| 3,361,046 | 2,530,192 | 3,928,217 | Employee Benefits | 4,380,400 | 4,615,000 | 5.4% |
| 17,384,054 | 18,993,583 | 19,580,458 | Services & Supplies | 21,115,800 | 26,391,100 | 25.0% |
| 90,587,216 | 92,470,992 | 93,148,972 | Advertising | 95,500,000 | 96,500,000 | 1.0% |
| 8,233,771 | 8,570,890 | 8,765,599 | Special Events | 13,035,600 | 14,280,600 | 9.6% |
| 129,122,836 | 129,284,703 | 136,639,888 | | 146,186,400 | 155,944,800 | 6.7% |
| - | - | - | Capital Outlay | 1,000,000 | - | (100.0%) |
| 125 | 83 | 125 | Full-time Personnel | 130 | 133 | 2.3% |

*Special Events for FY 2013 are shown for historical purposes, but during that year this section was not budgeted under the Marketing division.

Five new positions were approved in FY 2017 for the Marketing division.

No capital item requests (i.e. furniture, equipment, and computer-related items over \$10,000) have been made. Normally, these request would be accounted for in the capital improvement and replacement fund (see page 79).

The Marketing Division encompasses multiple departments responsible for increasing leisure travel visitors and convention and meetings attendance. These departments are as follows:

- Brand Strategy
- International Marketing
- Global Business Sales
- Industry Relations
- Customer Experience
- Research Center

The Marketing Division has developed the following goals:

- ❖ Market the destination by utilizing advertising, sales and special events, supported by research, internet programs and marketing/convention services, toward the goal of attracting visitors by promoting Las Vegas as the world's most desirable destination for leisure and business travel.
- ❖ Continue to serve Las Vegas' traditional market segments while increasing emphasis on target markets, such as Canada and Mexico, and emerging markets, such as China, Russia, India and Brazil, trade show and convention, domestic Hispanic, African American and Asian segments, contemporary lifestyle and the gay and lesbian markets.

MARKETING – INTERNATIONAL MARKETING

INTERNATIONAL SALES

The LVCVA International Sales Department focuses its efforts on expanding visitation from major international markets while motivating, educating and supporting travel distribution partners and key influencers through offices located in five continents.

Canada, Mexico and the United Kingdom continue to represent the majority of international visitors and direct air service to Las Vegas. As a result, significant marketing resources are deployed in these markets, supplementing and supporting leisure and business sales initiatives and programming.

Targeted markets such as Australia, Brazil, China, France, Germany, India, Ireland, Italy, Japan, Korea, the Netherlands, and Scandinavia represent growth opportunities for Las Vegas. Direct air service from Asia, Europe, and Latin America enables international visitors to reach Las Vegas with convenient nonstop or one-stop service from almost anywhere in the world. Sales initiatives designed to educate and inform travel professionals and distribution channels are key components of our targeted efforts, while integrating with public relations, digital marketing and cooperative advertising programs increases Las Vegas brand exposure and drives visitors from these important source markets.

Goals

- ❖ Enhance MICE programming initiatives and expand global business meetings, events and tradeshows from targeted international markets.
- ❖ Increase the scope and scale of international travel trade familiarization visits in order to further develop knowledge of Las Vegas by influential travel facilitators and influencers.
- ❖ Expand integrated sales, public relations, and digital marketing initiatives in targeted markets.
- ❖ Enhance relationships with resort stakeholders, media, airlines, and operators to increase participation and maximize the value of international sales and marketing initiatives.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| Sales Familiarization Tours / FAM Participants | 79 / 1,327 | 80 / 1,400 | 85 / 1,500 |
| Events Produced / Attendees | 257 / 15,601 | 275 / 17,500 | 300 / 20,000 |
| Travel Industry Trade Shows Exhibited | 82 | 85 | 85 |
| Sales Calls | 2,068 | 2,200 | 2,300 |
| Media Impressions - <i>in billions</i> | 16 | 17 | 18 |
| Earned Media Value (\$) - <i>in millions</i> | 320 | 340 | 360 |

Prior Year Achievements

- ❖ International sales and marketing programs and initiatives developed by international representative offices and LVCVA staff provided the Las Vegas resort community with an unprecedented number of opportunities and platforms to promote their products and services.
- ❖ Successfully executed integrated sales, public relations and digital marketing programs in Mexico, France, United Kingdom, Germany, Italy, Denmark, Sweden, Brazil, Japan, and South Korea.
- ❖ Hosted three key international travel industry conferences in Las Vegas, attracting more than 4,000 travel professionals from Australia, Canada, United Kingdom, Germany, Switzerland, Austria, Hong Kong, New Zealand, Japan, and Korea, among others.
- ❖ Developed and executed a targeted international familiarization program, bringing more than 1,300 international travel professionals, facilitators, and influencers to Las Vegas.

MARKETING – INTERNATIONAL MARKETING

LEISURE SALES

The Leisure team’s main objective is to develop creative and targeted programs designed to motivate domestic and international purchase of travel packages to Las Vegas through wholesalers, consortiums, airlines, tour operators, online, and retail travel agencies. Additionally, the leisure sales staff continues to develop educational programs targeted to sellers of domestic and international travel for the purpose of keeping them informed on the destination’s ever-changing amenities and keeping Las Vegas top of mind for sales opportunities.

Goals

- ❖ Plan and deploy sales missions in eight top origination markets, incorporating a branded community service component in each city.
- ❖ Introduce a destination booking incentive program where travel agents will have the opportunity to compete for one of 100 spots in the Vegas Experience Mega Fam.
- ❖ Develop a Social, Military, Educational, Religious and Fraternal (SMERF) group program to showcase Las Vegas non-gaming hotels to tour operators in conjunction with relevant industry associations and organizations.
- ❖ Effectively utilize opportunities available in conjunction with Las Vegas special events for top producing wholesale partners.
- ❖ Develop and implement an incentive program targeting top wholesale Business Development Managers (BDM’s).
- ❖ Develop a sales strategy for the Rocky Mountain region, focusing on key market segments such as military, reunions, tour and travel professionals, and golf planners. Tactics will include customer development events, sales calls, and targeted trade shows.
- ❖ Implement a new sales program targeting southern Nevada clients by providing new platforms for Extended Destination resort stakeholders to network with new clients.
- ❖ Create and implement a new incentive / rewards program to increase the number of RFPs for VisitLaughlin.com and VisitMesquite.com, leveraging existing client databases, incentivizing past clients, and identifying new opportunities.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-----------------|---------------|---------------|
| <u>Leisure Sales</u> | | | |
| Leads | 215 | 225 | 230 |
| FAMs | 19 | 19 | 20 |
| Recorded Bookings | 445 | 450 | 460 |
| Sales Calls | 117 | 120 | 125 |
| Travel Agent Booking Incentives | 59 | 45 | 39 |
| <u>Leisure Sales (Extended Destinations)</u> | | | |
| Leads | 82 | 62 | 65 |
| Out-of-Market Sales Calls | 48 | 78 | 85 |
| Industry Meetings, Events and Consumer Trade Shows Attended | 56 | 40 | 42 |
| Industry-specific Familiarization tours | 24 | 32 | 36 |
| LVCVA Produced Client Development Events | 20 | 18 | 22 |

LEISURE SALES (continued)

Prior Year Achievements

- ❖ Developed and integrated digital/social media components for B2B/B2C distribution through creation of LVCVA Book Case on Mail Pound.com targeting 55,000 US based travel agents. Results included 28,600 book case visits, 13,500 social media posts/emails, and more than 19,000 total consumer views.
- ❖ Secured four television, radio, and internet interviews with top agencies in Illinois and Ohio, exposing Las Vegas products to more than 500,000 households in targeted markets.
- ❖ Developed initiatives to support the Tourism Cares National Parks Program while promoting Las Vegas as a gateway to the national parks of the southwest.
- ❖ Introduced the Book Your Way to Vegas sales incentive program to US and Canadian travel agents in partnership with Delta Air Lines.
- ❖ Provided multiple sales platforms for the Las Vegas resort community during Leisure Sales Missions in New York City, suburban New Jersey, Denver, Phoenix, Houston, Dallas, Baltimore, and Washington DC.
- ❖ Developed and implemented ten signature VIP familiarization tours with a combined total of 205 clients. Events included Laughlin Event Center concerts, and special events. Customers included reunion planners, military representatives, travel professionals, and golf group planners.
- ❖ Participated in the Reunion Friendly Network conference, secured a complimentary six-month listing on the organization's website and a full-page ad in RFN Magazine. Exposure to these valuable travel facilitators resulted in a number of leads generated for Extended Destinations properties.
- ❖ Developed programming and coordinated multiple pre- or post-familiarization tours in conjunction with conventions held in Las Vegas, exposing Clark County customers to additional options for their future programs.
- ❖ Hosted 23 travel writers from across the United States in conjunction with the Society of American Travel Writers Board of Directors meeting, increasing media exposure for Laughlin and southern Clark County.

MARKETING – INTERNATIONAL MARKETING

SPORTS MARKETING

Las Vegas has become one of the most recognizable brands in the U.S. and arguably the most desirable destination in the world. Las Vegas has played host to events crossing all segments of the sports and entertainment landscape, including NASCAR and NHRA racing, the National Finals Rodeo, and the NBA All-Star Game. The city is now positioned to attract some of the world's most exciting events. In addition, major artists representing stage, screen and music continue to make Las Vegas a must stop on their annual tours.

The outlying areas of Mesquite, Primm, and Laughlin also continue to host events such as Laughlin Pirates of the Colorado River Regatta, Primm 300 Off-Road Race, and the Mesquite Long Drive competition. These events continue to draw first time visitors to these locations.

Working with Las Vegas Events (LVE), the LVCVA's positioning of Las Vegas as the event and entertainment capital of the world, continues to enhance the brand and drive occupancies during traditionally slower periods of the year.

Goals

- ❖ Identify new events and opportunities to drive room nights to Las Vegas from sports related programming.
- ❖ Increase domestic and international visibility for Las Vegas in the sports tourism marketplace.
- ❖ Integrate digital, social media, and public relations programming with event producer efforts to enhance awareness of targeted events and Las Vegas.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|-----------------------------|-----------------|---------------|---------------|
| Leads & Bookings | 69 | 40 | 75 |
| Customer Development Events | 20 | 18 | 20 |
| Events with Media Coverage | 40 | 32 | 50 |

Prior Year Achievements

- ❖ Booked the 2022 NCAA/National Association of Collegiate Director of Athletics Convention.
- ❖ Integrated the Rocky Mountain Elk Annual Trade Show with NFR Cowboy Christmas.
- ❖ Hosted existing and potential customers during multiple special events in the destination.

MARKETING – SPECIAL EVENTS

SPECIAL EVENTS

Throughout the years, the LVCVA has sponsored and promoted special events through grants and sponsorships. The LVCVA has been instrumental in bringing many inaugural events and securing repeat performances to Las Vegas and Clark County. For FY 2017 a budget of \$11.2 million will be provided to Las Vegas Events (LVE).

| ACTUAL FY 14 | ACTUAL FY 15 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 | % CHANGE |
|-----------------|-----------------|-----------------------------|----------------------------|-----------------------------|-------------|
| 1,087,992 | 1,135,437 | Salaries & Benefits - LVE | 1,227,500 | 1,300,400 | 5.9% |
| 6,081,544 | 6,216,904 | Special Events - LVE | 8,778,100 | 9,935,200 | 13.2% |
| 1,401,353 | 1,413,259 | Special Events - LVCVA | 3,030,000 | 3,045,000 | 0.5% |
| 8,570,889 | 8,765,600 | | 13,035,600 | 14,280,600 | 9.6% |

Room taxes and use of facilities revenues provide funding for various special event programs. Guidelines have been developed to determine event funding with items such as media exposure, visitor volume, and incremental room nights generated being more heavily reviewed. Also, special events that promote the brand of Las Vegas as well as targeting key visitor demographics are critical when determining event levels of funding.

In 1983, the LVCVA began partnering with Las Vegas Events Inc. (LVE) to promote and encourage special events that will in turn stimulate tourism and provide media exposure for Nevada. Events sponsored range from rodeo (i.e. National Finals Rodeo) to golf (i.e. Mesquite Long Drive Championship) and from auto races (i.e. NASCAR, Primm 300 Off Road Race, NHRA Drag Races) to music events (i.e. Electric Daisy Carnival and the Laughlin Town Concert) as well as award shows (i.e. Academy of Country Music Awards) and other sporting events (i.e. USA Sevens Rugby Tournament).



GLOBAL BUSINESS SALES

The Global Business Sales department plays an integral role in securing new and maintaining existing business visitors for the destination. The team is strategic and targeted in disciplines of convention sales, trade show sales, and specialty markets.

The Global Business Sales team is directly aligned to provide the users of the Cashman Center and the Las Vegas Convention Center a superior customer experience and also promote Las Vegas to trade show organizers, meeting planners, and association executives. This is done by creating an environment of trust, care and communication during all aspects of the trade show/event sales and services cycle. Sales teams produce leads and service accounts for the Las Vegas hotel/resort community as well as solicit meetings and events in the following markets: corporate, association, third party/association management, and SMERF. They book business for both Cashman Center and the Las Vegas Convention Center and provide leads to local venues through a strategic account management approach delivered to resort partners in real time using the latest digital communications platform.

Specialty markets include health and wellness/spa tourism, cultural tourism, LGBT/diversity sales, wedding and romance travel, and World Trade Center Las Vegas sales. The LVCVA recognizes these specialty niche markets as emerging areas of tourism growth and opportunity. Health and wellness travel is focused on promoting Las Vegas as a medical meetings and health and wellness/spa travel destination. Cultural tourism is an expanding market due to interest in “learning” vacations and represents an opportunity to increase Las Vegas visitor arrivals by highlighting the area’s history, arts community, and outdoor adventure. LGBT/diversity sales focuses on the continued effort of promoting Las Vegas as an LGBT-friendly destination for LGBT associations and conferences as well as LGBT leisure customers. Wedding and romance travel sales efforts are designed to build upon Las Vegas’ brand identity and reputation as the “Wedding Capital” of the world by targeting destination weddings. And finally, World Trade Center sales efforts include promotion of Las Vegas’ international trade shows as platforms for global commerce. These teams continue to position the Las Vegas brand to remain “top of mind” with industry professionals and competitive within the international and domestic meetings and trade show industries. The distinct yet equally important disciplines support the LVCVA’s mission to promote Las Vegas as the leading destination for business and leisure travel.

Sales executives’ markets are segmented by geographic regions throughout the United States between the Las Vegas, Washington, DC, and Chicago regional offices. Certain accounts and industry events have been assigned an industry relations contact at the LVCVA to oversee efforts (HelmsBriscoe, ConferenceDirect, Experient, SITE International, FICP -Financial and Insurance Conference Planners, and pharmaceutical events). Emphasis is dedicated to top producing third party/association management companies that represent end user organizations.

The key focus during FY 2017 will be the expansion of business sales activities into international markets, finding new business, client retention, and communication of the new LVCCD as the planning continues during 2016. Growing building occupancy for the Las Vegas Convention Center and Cashman Center will continue to be a focus as well as looking for new business for local convention facility stakeholders.

Business is secured through targeted sales programs and initiatives directly to the customer base and hotel partners. The sales team’s goals cover a wide variety of efforts to ensure the highest and most productive results, providing unmatched customer service to end user clients and hotel partners.

GLOBAL BUSINESS SALES (continued)

Goals

- ❖ Continue to utilize digital marketing tools to complement sales efforts. Develop a tool to communicate quickly and effectively to building clients in order to disseminate up to the minute information on the LVCCD. Review how the use of social media resources can augment these efforts. In addition, further aid and develop www.lvcva.com/convention-center-district/ as another way to communicate to clients any progress made on the project.
- ❖ Implement new and creative client development events “in-market”, which provides a unique opportunity for the LVCVA and stakeholders to develop and maintain client relationships, while providing clients the opportunity to “live the brand” in their own backyard.
- ❖ Implement new international business sales activities for Brazil, Canada, China, Germany, Mexico, and United Kingdom. Look to expand in to new MICE markets Japan, Australia, and Southern Europe.
- ❖ Create and build a new sales channel for reaching new international health and wellness business through partnership with US Commercial Service and the World Trade Center Association.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|------------------------------------|-----------------|---------------|---------------|
| LVCVA Networking Events Produced | 105 | 115 | 120 |
| Industry Events Attended | 405 | 485 | 485 |
| Leads | 3,035 | 3,300 | 3,300 |
| Bookings | 2,970 | 3,030 | 3,100 |
| Industry Trade Shows Participation | 35 | 35 | 40 |

Prior Year Achievements

- ❖ Operationalized and updated the “Las Vegas Regional Strategic Plan for Health and Wellness Travel” in cooperation with industry stakeholders and community partners in the local medical, academic, and economic development fields. This assisted in several infrastructure improvements in the health care industry including the expansion of graduate medical education, two new medical schools, and the development of three new medical districts in the region which will better position Las Vegas as a health and wellness travel destination in the future.
- ❖ Conducted Las Vegas’ destination-specific LGBT research providing more insight on what drives the LGBT traveler to choose Las Vegas and what sales points are key to growing this market segment.
- ❖ Hosted initial Destination Wedding Conference and in-market FAM, in addition to securing this event for future years with expanded potential to reach destination wedding sellers.
- ❖ Successfully secured the World Trade Center’s Association General Assembly 2017 in Las Vegas.
- ❖ Created digital engagement on social media and presence on other online media outlets, such as the #VegasCAN campaign for our MICE events in Canada, a Pinterest account for HelmsBriscoe, and hashtag for PCMA Bowl-a-Thon.
- ❖ Increased board and committee activities with organizations such as the Heartland Chapter of the Professional Convention Management Association Greater Midwest Chapter, the Association Forum of Chicagoland, Meeting Professionals International, Society for Incentive Travel Excellence, Destination Marketing Association International, and Corporate Event Marketing Association.
- ❖ Enhanced partnership activities with HelmsBriscoe, in addition to creating new partnership relationships with Experience Maritz, and the World Trade Centers in Sao Paulo, Ft. Lauderdale and Seoul.

MARKETING – INDUSTRY RELATIONS

INDUSTRY RELATIONS

Industry Relations works closely with the leadership at the LVCVA and key stake holder organizations to develop relationships and lines of communication with relevant audiences to create and implement initiatives that effectively achieve the LVCVA's goals.

Industry Relations supports projects and programs to achieve the overall goals of the Authority. Industry Relations coordinates resort stakeholders and community business partners in addressing issues that affect the destination from a travel tourism perspective including air development, multi-modal transportation challenges and industry events that are hosted by the LVCVA.

With the development of an internal meetings and events team, Industry Relations has begun to facilitate a fundamental cultural change by partnering with the Marketing and Executive teams to manage the execution and logistics of industry events both in and out of Las Vegas where the LVCVA is the primary sponsor. These include: Worldwide Meetings and Incentive Travel Exhibition, Meeting Professionals International, American Society of Association Executives, Society of Independent Show Organizers and tradeshow booth participation as well as special events hosted around Branded Weekends.

Goals

- ❖ Expand efforts of the LVCVA President/CEO to increase awareness at the local, state, and federal levels on the benefits of tourism and its economic impact through participation in industry organizations.
- ❖ Present the destination as a serious place to do business with the successful execution of the 2016 Final Presidential Debate (October 19, 2016) with record breaking media attendance and over \$50 million in earned media value.
- ❖ Increase direct air service both domestically and internationally working in conjunction with McCarran International Airport.
- ❖ Showcase the destination to leaders in the aviation industry by hosting the Routes Americas Development Forum.
- ❖ Plan and execute 135 events for sales departments by partnering with individual executives from Leisure, Meetings, Tradeshow, International and Special Events.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| Annual Las Vegas Visitor Volume - <i>in millions</i> | 42.2 | 42.4 | 42.6 |
| Annual In-bound Nonstop Seats Domestic - <i>in millions</i> | 23.2 | 24.9 | 25.0 |
| Annual In-bound Nonstop Seats International - <i>in millions</i> | 1.8 | 2.1 | 2.1 |

INDUSTRY RELATIONS (continued)

Prior Year Achievements

- ❖ Assisted in increasing total Las Vegas seat capacity by 5.5%. Domestic capacity went up 5.9% while international increased 1.7%. The estimated annualized non-gaming economic impact for air service for FY16 is projected to reach \$678 million.
- ❖ Launched new or significantly increased air service in forty-nine markets representing 1,685,893 new inbound seats for the year.
- ❖ Continued building international air traffic yielding strong results. New nonstop capacity in the long-haul international markets increased 31% in Asia and 18.9% in Europe.
- ❖ Completed year three in leadership of LVCVA Transportation Steering Committee, a volunteer advisory group of resort tourism industry, transportation, local business, and civic leaders focused on enhancing Las Vegas' overall competitiveness as a destination by engaging the broader Las Vegas community in support of initiatives and plans to allow our travelers and resort employees to move smoothly around the destination.
- ❖ Completed a successful first year for the restructured Industry Relations department with the creation of a new four person events team that has effectively developed workable action plans by partnering with the sales and marketing teams in the implementation and execution of tradeshow, hosted industry events, and client development programs. This group produced over 49 activations with 129 events in FY2016.

MARKETING - BRAND STRATEGY

BRAND STRATEGY

Brand Strategy is comprised of Advertising, Brand Public Relations, Digital Engagement, and Digital Marketing.

Brand Strategy plays a vital role in guiding the marketing decisions of the LVCVA as it works with both the advertising agency and internal marketing departments to create and implement strategic, holistic, integrated, and effective marketing programs. The department works to support and enhance the overall synergy and impact of the domestic and international marketing efforts to increase leisure and business travel to the destination, while providing proactive, forward-thinking strategies to advance the marketing prowess of the organization.

Brand PR and Digital Engagement work to maximize communications opportunities that encompass all product verticals along with sales, advertising, and research efforts to provides an influential and comprehensive marketing approach.

Digital Marketing oversees the growth, maintenance, development, and implementation of all LVCVA marketing databases and digital marketing systems including websites for desktop, tablets, smart phones, partner extranets, content management systems, customer relationship systems, marketing email distribution systems, apps and social media management tools.

In addition, Brand Strategy is responsible for generating positive news coverage of Las Vegas and our extended destinations of Laughlin, Mesquite, Boulder City, and Jean/Primm both domestically and internationally.

Goals

- ❖ Leverage research and measurement insights to extend the “What Happens Here, Stays Here” brand through new and innovative digital communication platforms to build a greater fan base and consumer loyalty.
- ❖ Capitalize on growing brand awareness and affinity in key international markets with continued social and PR activations in addition to enhancing digital support for airline development.
- ❖ Use experiential marketing activations to build greater brand affinity while utilizing content and storytelling strategies for business marketing initiatives.
- ❖ Develop travel and tourism industry-first engagement programs that serve the range of generations and needs to influence the travel decision-making process while positioning Las Vegas at the forefront of multicultural destination marketing.
- ❖ Grow Extended Destinations profile and visitation through event marketing.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| <u>LasVegas.com (Mobile)</u> | | | |
| Visits - <i>in millions</i> | 4.9 | 5.4 | 6.0 |
| Unique Visits - <i>in millions</i> | 3.9 | 4.3 | 4.8 |
| Page Views - <i>in millions</i> | 15.6 | 18 | 19.9 |
| <u>VegasMeansBusiness.com & LVCVA.com</u> | | | |
| Visits - <i>in millions</i> | 2.1 | 2.3 | 2.4 |
| Unique Visits - <i>in millions</i> | 1.7 | 1.9 | 2.0 |
| Page Views - <i>in millions</i> | 4.3 | 5.0 | 5.7 |

BRAND STRATEGY (continued)

Prior Year Achievements

- ❖ Launched a digital and social-first content-based branding campaign to broaden the “What Happens Here, Stays Here” brand to the influential millennial audience.
- ❖ Conducted primary research for luxury and multi-cultural audiences (Hispanics, Asian Americans, and African Americans) to guide development and implementation of multi-channel marketing programs.
- ❖ Repositioned Las Vegas’ business marketing efforts through in-depth primary research to further drive long-term meetings and convention business.
- ❖ Created VIVA, a content hub on LasVegas.com, to aggregate deeper destination messaging showcasing the resort community across digital platforms and introduced the WhereToVegas mobile app to educate visitors regarding real-time destination activities.
- ❖ Launched the Las Vegas brand to Australia consumers while building on established momentum and equity in key international markets including Canada, UK, and Mexico.
- ❖ Utilized social media influencers to develop a short-form content series showcasing destination product verticals, which delivered over 79 million organic impressions, exceeding industry benchmarks established by Twitter.

RESEARCH CENTER

Reflecting the core function research has played in the LVCVA’s history, the Research Center oversees a broad range of functions that span the organization’s marketing programs and facility operations. The department’s wide range of research and analytics programs track the dynamics of Las Vegas and southern Nevada tourism, nationwide competitive gaming and tourism trends, international tourism data, and special event impacts. To guide operational decisions at the LVCVA’s convention facilities, the department also plays an active role compiling and analyzing data and customer feedback from tradeshow producers and convention attendees. The department generates numerous reports, including but not limited to, monthly executive summaries of tourism and convention indicators, annual visitor profile studies that track visitor demographics and behaviors, semi-annual marketing bulletins, summaries of top air feeder markets and a variety of reports that address local, national and global travel trends. With the ever-evolving digital channels utilized by consumers to plan and experience travel, the department’s analytical expertise also contributes to strategies focused on digital engagement, websites and social media efforts.

Goals

- ❖ Expand online library of research reports and resources published on LVCVA.com.
- ❖ Develop interactive dashboards of key web and research data for internal department heads to allow for real-time access and review of data points.
- ❖ Expand and share library of white papers on industry trends.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-----------------|---------------|---------------|
| Statistical Reports and Publications Produced | 32 | 30 | 32 |
| Publications Distributed | 20,141 | 21,000 | 22,000 |

Prior Year Achievements

- ❖ Discovered and steered development of new international visitation estimate model with Oxford Economics.
- ❖ Initiated a new Research Center webinar series to highlight LVCVA research insights for destination stakeholders.
- ❖ Completed numerous ad hoc analyses of business opportunities, economic impacts, and competing destinations to guide LVCCD efforts.
- ❖ Conducted a multicultural research initiative, in order to develop critical insights into diversity segments regarding the way they perceive, visit, and utilize Las Vegas.
- ❖ Conducted a study to assess current perceptions of Las Vegas among meeting planners and executive decision makers.
- ❖ Completed a full graphic re-design of annual visitor profiles for Las Vegas, Laughlin, and Mesquite to enhance and simplify readability of data.
- ❖ Devised new Booking Channel “breakout” report from annual Las Vegas Visitor Profile to highlight differing characteristics and behaviors of visitors based on their booking method.

MARKETING – CUSTOMER EXPERIENCE

CUSTOMER EXPERIENCE

The Customer Experience section includes Customer Experience, Convention Services, and Destination Services departments. Customer Experience spearheads the LVCVA’s efforts to address the specific needs of our building guests, convention attendee, and exhibitor customer base.

Customer Experience is responsible for developing programs that deliver the LVCVA’s brand promise at both the Las Vegas Convention Center and Cashman Center. The brand promise is delivered to our attendees, exhibitors, and show managers when they arrive on site for their event. Examples of brand promise delivery are safe and clean facilities, quality food and beverage at reasonable prices, availability of appropriate business services, up-to-date technology products and services, ease of transportation to and from the facility, and professional employees and stakeholders in the facility.

Key functions include being a liaison among various departments of the LVCVA and establishing campus wide programs and initiatives that will improve customer service and the customer experience. In particular, direct responsibilities include delivery and accountability of our facility partners’ (Aramark, Cox Business, FedEx, and AMEX Open) key performance and quality services. Additionally, the department reviews services delivered by our facility stakeholders such as general service contractors, exhibitor approved contractors, taxi and transportation companies, ensuring an exceptional quality of service and the appropriate amount and types of amenities provided by the facility are key areas of focus for Customer Experience.

Goals

- ❖ Complete the Request for Proposal process for a Food & Beverage contractor, negotiate a new contract, and make a recommendation to the board of directors.
- ❖ Improve results of Customer Experience Survey for internal business partners, while maintaining an Overall Experience rating of at least 4.5.
- ❖ Support LVCVA efforts to build community awareness and promote the destination by providing presentations and tours to numerous international groups, government and tourism officials, and student groups.
- ❖ Evaluate the current digital signage contract and make recommendations to business models, pricing, and potential providers.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| Customer Experience Survey Results (overall satisfaction ratings from 1-5) | 4.5 | 4.5 | 4.6 |
| Community / Industry / Partner Outreach Presentations | 30 | 20 | 28 |
| Building Partner Goals to Support LVCVA Customer Experience | 15 | 20 | 20 |

Prior Year Achievements

- ❖ Expanded the Cox product and service line to include Location Based Services (LBS), offering Wi-Fi Exhibitor reports.
- ❖ Promoted the destination by providing presentations and tours to 20 groups made up of international delegates, government and tourism officials, and students.

MARKETING – CUSTOMER EXPERIENCE

CONVENTION SERVICES

The Convention Services team at the Las Vegas Convention Center and the Cashman Center continues to provide the industry's bench mark for service standards. Superior customer care leads to years of repeat business. Committed convention service managers quickly adapt to all challenges that the world's leading convention center presents while priding themselves on the fact that clients are extremely satisfied at the end of their event.

Goals

- ❖ Work with Sales to implement new increase in building rates. Collaborate with Auditing, Legal, Advertising, and Sales to verify accuracy and procedures for the new pricing structure.
- ❖ Sector parking lots at the convention center to be sold in smaller portions to allow for flexibility and accountability of parking lot usage. Responsible for initiation of the billing, leasing, and invoicing of this new pricing model.
- ❖ Coordinate and assist Cox Business, Solutions Inc., and the many carriers for the completion of the DAS system. Schedule the overlap of subcontractors and general contractors during the show move-ins, maximizing available time and dates for installation.
- ❖ Launch several Beta tests for the LBS with Cox Business and Solomo.
- ❖ Participate in the Food & Beverage RFP process and assist in the execution of new agreement.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| New leases generated (LVCC/Cashman) | 81 / 160 | 115 / 184 | 120 / 193 |
| Revised Leased processed (LVCC/Cashman) | 172 / 83 | 215 / 82 | 225 / 86 |
| New and Revisited Internal Bookings Processed (LVCC/Cashman) | 393 / 200 | 491 / 215 | 515 / 225 |
| VIP Bookings Processed (LVCC/Cashman) | 13 / 0 | 13 / 1 | 13 / 0 |
| Conventions/Events/Tradeshows Serviced (LVCC/Cashman) | 70 / 203 | 70 / 225 | 73 / 236 |

Prior Year Achievements

- ❖ Implemented new policies for indoor and outdoor drone use, vapor products, hot air balloons, and wall clings. Shared these policies with building peers nationally through industry organizations, such as International Association of Venue Managers.
- ❖ Presented to over 20 local community groups and spread mission on the value and importance of the hospitality, tourism, and trade show industry within southern Nevada.
- ❖ Worked with both the city and the county on updating facility MOU's. Finalized an additional blanket permitting MOU from the county for larger trade shows.
- ❖ Rolled out the new Masterbook, which is the program used to reserve facility leases and rentals. The upgrade will improve management of space blocks and internal bookings.
- ❖ Upgraded invoicing program for more efficient invoicing of trailer storage and building damage for general contractors.

MARKETING – CUSTOMER EXPERIENCE

DESTINATION SERVICES

Destination Services focuses on the logistics of bringing customers to Las Vegas and Clark County to ensure the visitors' experience is pleasant and memorable. Employees in Visitor Information Services (VIS), Registration Services, and outlying Visitor Information Centers (VIC) deliver the Las Vegas brand by providing convention staffing assistance and offering destination information on Clark County and Southern Nevada. Additionally, Destination Services communicates the mission of the LVCVA to primary stakeholders and allied partners.

Goals

- ❖ Update Visitor Centers' staff uniform. A more modern look that is consistent with the Centers' new design is appropriate.
- ❖ Continue phase two of the VIC remodeling project by completing décor in Visitor Centers by adding pictures, graphics, and imagery to the facilities.
- ❖ Update procedures manual for Registration Services on-call staff.
- ❖ Update uniforms for Registration Services on-call staff to achieve a more appealing look and more comfortable feel for staff.

Activity Measures

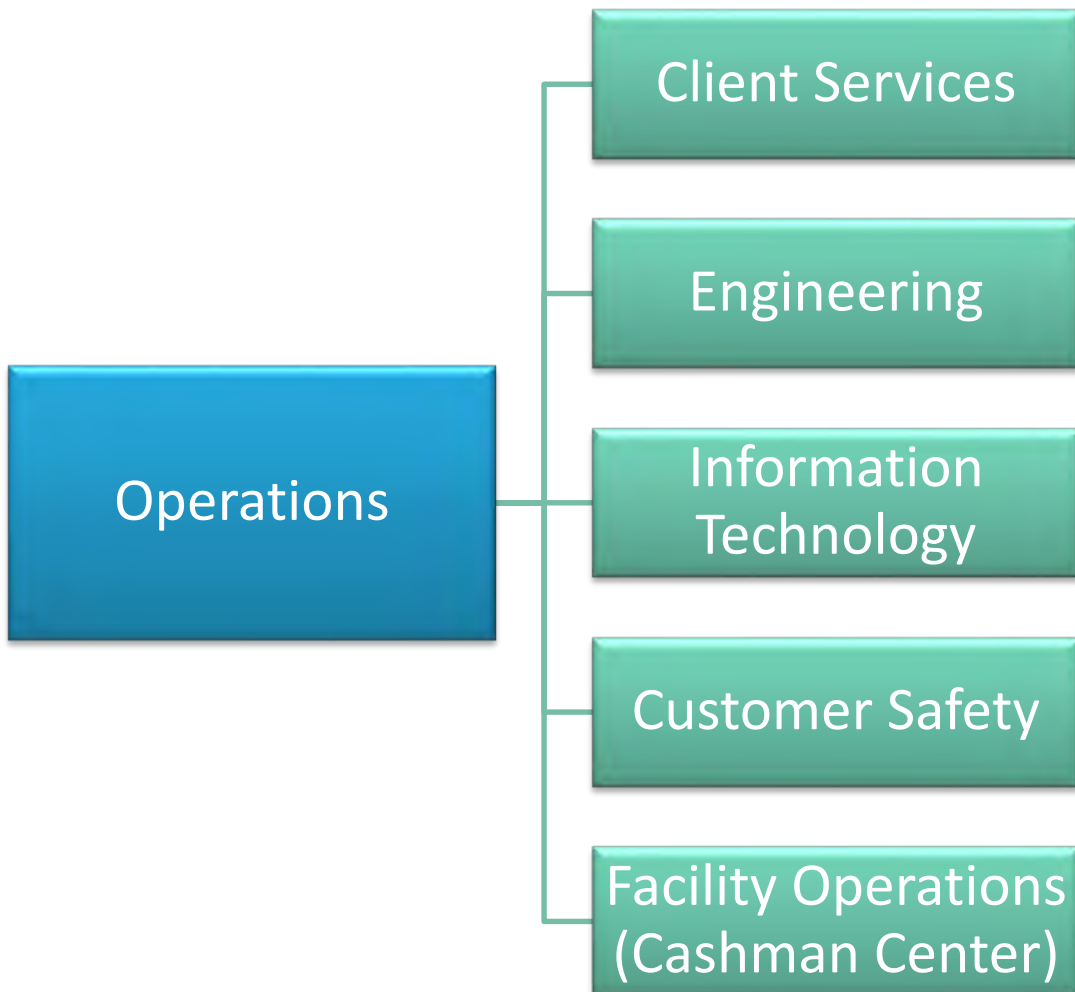
| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-----------------|---------------|---------------|
| Total Visitor Volume (all centers) | 200,208 | 213,955 | 216,095 |
| Visitor Center Brochures Distributions (all centers) | 1,567,617 | 1,591,626 | 1,607,542 |
| Number of Conventions Serviced by Registration Services | 217 | 225 | 230 |
| Revenue Billed by Registration Services | \$963,039 | \$985,588 | \$902,068 |
| Clients Utilizing Registration Services | 48 | 50 | 52 |

Prior Year Achievements

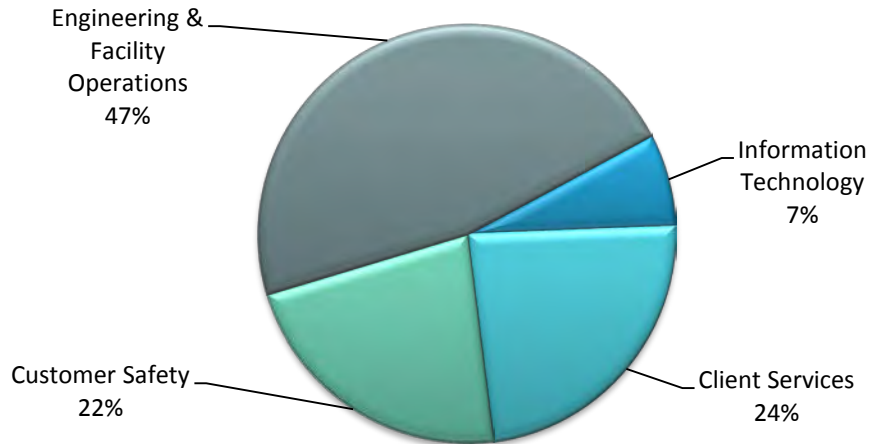
- ❖ Installed two photo kiosks (LV and Boulder City).
- ❖ Completed staff cross training of VIS staff functions, improving flexibility for staffing and expanded knowledge.
- ❖ Commenced phase two of the VIC remodeling to include artificial plants.
- ❖ Updated the Registration uniform shirt, resulting in significant cost savings.

OPERATIONS

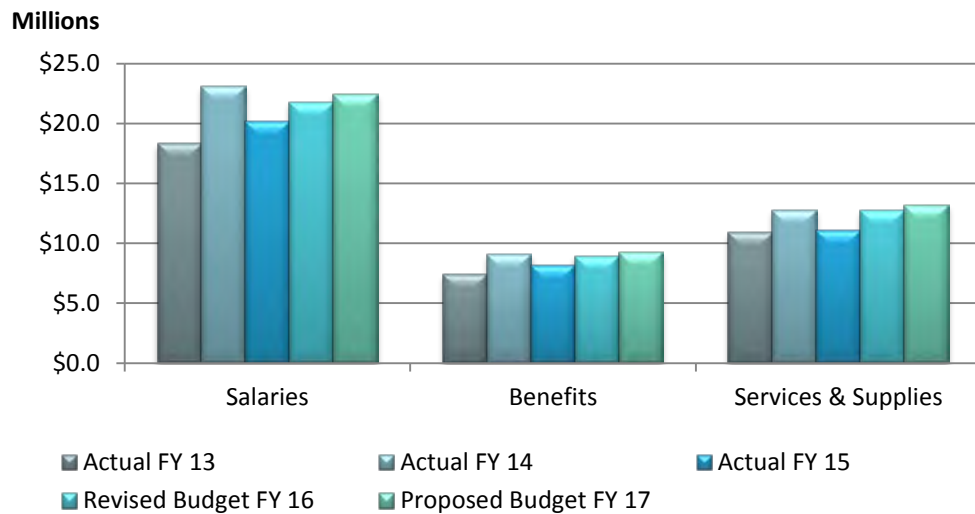
The Operations division will support housing our convention and meetings visitors. The Operations section has the overall responsibility for the operation, maintenance, and safety of the Las Vegas Convention Center and Cashman Center.



OPERATIONS FY 2017 EXPENDITURES



5 Year Expenditure Analysis



OPERATIONS

BUDGET ANALYSIS

The Operations budget reflects a 3.1% increase in FY 2017 as compared to the FY 2016 revised budget, mainly due to programmed increases in personnel costs. Of the services and supplies budget, approximately \$7.7 million is devoted to utilities, and \$2.0 million is for repair and maintenance.

Seven new positions were approved for FY 2017 for the Operations division to maintain and enhance the safety and maintenance of the facility.

| ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | EXPENDITURES BY CATEGORY | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 | % CHANGE |
|-----------------|-----------------|-----------------|-----------------------------|----------------------------|-----------------------------|-------------|
| 18,350,875 | 23,080,276 | 20,165,057 | Salaries & Wages | 21,770,500 | 22,446,800 | 3.1% |
| 7,419,246 | 9,076,876 | 8,189,282 | Employee Benefits | 8,955,900 | 9,213,600 | 2.9% |
| 10,920,781 | 12,779,008 | 11,099,637 | Services & Supplies | 12,719,000 | 13,205,700 | 3.8% |
| 36,690,902 | 44,936,160 | 39,453,976 | | 43,445,400 | 44,866,100 | 3.3% |
| 1,749,314 | 930,032 | 506,918 | Capital Outlay | 1,264,603 | 3,153,500 | 149.4% |
| 303 | 347 | 309 | Full-time Personnel | 316 | 322 | 1.9% |

Capital items (i.e. furniture and equipment over \$10,000) totaling \$3,385,000 are incorporated this fiscal year, with \$2.5 million allocated for the implementation of a new ERP system to be used authority-wide. Those requests are accounted for in the capital improvement and replacement fund (see page 79). All computer-related budget requests (i.e. computers, printers, software, scanners, and network servers) are accounted for in Information Technology's capital budget.

The Operations division has the overall responsibility for the operation, maintenance, and safety of the Las Vegas Convention Center and Cashman Center.

To fulfill the LVCVA mission, the following goals have been created:

- ❖ Continue with preparations, planning, and due diligence phases for the LVCCD.
- ❖ Complete the demolition of all buildings on the Riviera site, and complete site improvement for outdoor exhibit and parking lot usage.
- ❖ Introduce initiatives to foster employee development, partner education, and stakeholder outreach to ensure a consistent understanding and delivery of the LVCVA brand promise.
- ❖ Fully develop the LVCVA's commitment to sustainability, including the continuation of green operating procedures, increased energy measurement and efficiencies, and staff education in sustainable practices.
- ❖ Develop and execute facility improvement, upgrades, and renovation programs to maintain the competitive features and offerings of the Las Vegas Convention Center and Cashman Center.
- ❖ Develop incremental programming to improve supervisor and management training, employee development, and staff accountability.

OPERATIONS – CLIENT SERVICES

CLIENT SERVICES

Client Services is responsible for a myriad of daily show and building-related requirements as well as the overall cleanliness of both the Las Vegas Convention Center and Cashman Center. These responsibilities include room set-up, production and sporting event set-up, equipment logistics, response to show manager requirements, restroom cleanliness, and tracking over \$6 million dollars of equipment and supplies.

In order to accomplish these activities, Client Services works closely with other internal departments, building partners, and contractors to ensure our customers’ desired outcome is achieved. This teamwork and constant communication allows the department to schedule, plan, and allocate the necessary resources in a timely and efficient manner.

Goals

- ❖ Establish a departmental “Train the Trainer” program that focuses on a one-stop shop for comprehensive equipment training and refresher courses to include various tracking components and assure routine safety and OSHA requirements are met.
- ❖ Identify new processes and/or software that will help track multiple departmental duties in an effort to better quantify workloads and capture trends over time, as well as provide additional metrics to be used during the budgeting process or any other function requiring historical information.
- ❖ Further research and introduce staff development plans for each classification with focus on promotional opportunities and succession planning in order to be better prepared for vacancies throughout the year.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| Recycle Rate (per calendar year) | 44% | 55% | 60% |
| Scheduled Room Changes | 558 | 743 | 678 |
| Work Orders Complete | 1,269 | 1,465 | 1,550 |
| Restroom Support (% of labor-hours used) | 36% | 37% | 35% |
| Building Maintenance (% of labor hours used) | 22% | 23% | 25% |

Prior Year Achievements

- ❖ Introduced a new classification, Services Support Technician, to focus on inner department support such as equipment repair, tracking of supplies, and quality control.
- ❖ Multiple changes were made to reporting structures within the department, including the addition of a manager position, in order to improve efficiency and accountability as it relates to all phases of facility activity.
- ❖ Established a path for part-time staff to more effectively compete for full-time opportunities, by providing focused training, two scheduled evaluations and an informational packet.
- ❖ In collaboration with building partner cleaning contractors, implemented a new process to be standardized amongst each contractor in order to improve facility conditions when transitioning from show to show.

OPERATIONS – ENGINEERING

ENGINEERING

LAS VEGAS CONVENTION CENTER

The Las Vegas Convention Center, located adjacent to the Las Vegas Strip, currently encompasses approximately 3.2 million square feet with exhibit space of more than 2 million square feet and meeting space of more than 241,000 square feet. It includes 144 meeting rooms with seating capacities from 20 to 2,500. Parking for 5,200 cars is available on-site. See the diagram on page 7.

The Engineering section encompasses the activities of heating, ventilation and air conditioning (HVAC), plumbing, electrical, carpentry, painting, welding/fleet/folding walls, computerized maintenance management system (1CALL), grounds, graphics, and the Engineering Projects department.

The section's primary objective and responsibility is to maintain and operate all building systems and building components to a level that minimizes customer disruption and supports customers' needs. Engineering continuously pursues new technology that improves building efficiencies without compromising the comfort or quality that today's customer expects of the Las Vegas Convention Center.

Engineering staff handles preventative maintenance in all areas, from maintaining over 5,000 doors, including freight doors, to fleet vehicles and resolving HVAC and lighting issues, not only at the Las Vegas Convention Center, but also at the five outlying visitor information centers.

Goals

- ❖ Aesthetics maintenance team to complete 35% of the facility, including painting, door repairs & replacement.
- ❖ Develop comprehensive lighting guidelines for external operations around the facility. This would also include joint efforts with Clark County.
- ❖ Implement a revised roof maintenance program that will increase the life cycle of the existing roof by 10 years.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| Maintained and/or Repaired Doors (5,620) | 4,245 | 4,275 | 5,000 |
| Maintained and/or Repaired Fleet Vehicles, Carts, and Multi-use Lift Equipment (204) | 204 | 204 | 204 |
| Maintained and/or Repaired Bulbs and Lamps (278,000) | 236,800 | 239,000 | 239,000 |
| Maintained Plumbing Fixtures (1,589) | 1,019 | 1,192 | 1,192 |
| Maintained Ceiling Components (892,000 sq. ft.) | 813,600 | 828,100 | 850,000 |
| Maintained Restroom Partition Doors and Door Hooks (1,088) | 1,002 | 1,025 | 1,000 |
| Maintained and/or Repaired Electrical Power Panels and Disconnects (1,500) | 600 | 625 | 625 |
| Maintained Restrooms (126) and Janitor Closets (32) | 106 | 99 | 126 |
| Maintained and/or Repaired Stand-alone A/C Units (182) | 140 | 148 | 182 |
| Maintained Freight Doors (86) and Central Plant Doors (4) | 78 / 4 | 82 / 4 | 86 / 4 |
| Maintained Elevators (24) and Escalators (20) | 24 / 20 | 24 / 20 | 24 / 20 |
| Maintained and/or Repaired Parking Areas (76 acres) | 76 | 76 | 76 |
| Maintained Air Handlers (142) | 124 | 130 | 142 |

ENGINEERING (continued)

Prior Year Achievements

- ❖ Introduced a project evaluation matrix that scores projects on the following criteria: timeliness, budget, communication process, and desired results. By utilizing these four components with a value system, staff is able to compare/contrast each project after completion. This matrix proved invaluable, and the projects department used this as a learning tool for continuous improvement.
- ❖ Completed landscape lighting project on the corner of Joe. W Brown and Desert Inn. This lighting project was completed on time and provided an upgraded look to the landscape area. The addition of this exterior lighting gives customers and business partners a sense of arrival to the Las Vegas Convention Center and provides additional lighting for safety and security.
- ❖ Finalized the change order process – by reconfiguring contracts to ensure that there is not a shortage of information that needs to be communicated to everyone involved with a project. The primary function is to provide thorough details as project complexity increases. The new policy will be used company-wide for all projects including the demolition of the Riviera and future Las Vegas Convention Center renovations. This allows for changes to be managed in real-time—in the midst of dynamic, constantly shifting projects.
- ❖ Improved problematic drainage at N4/North Road. After the completion of the compactor ramp on the north road, staff discovered the drain leading to the sewer from the N4 concession stand to the main sewer line was clogged due to corrosion and a broken pipe below the surface. Staff contacted Pro-Pipe to reline the damaged drainpipe and used the burst-through technique of the existing pipe for replacement of that line. This was an intense and complicated repair that was handled in a manner which did not impact a show or customer experience.
- ❖ Developed a 5-year cart replacement program. Cooperated with other departments, and reviewed existing inventory to ensure the correct number of carts in each area for maximized efficiency. Assessed cart inventory to determine if the number/type of carts was sufficient or excessive. Looked into adding street legal vehicles to enhance the ability of Customer Safety, Client Services, and Engineering to assist with issues at the Cambridge warehouse, Public Affairs building, the Visitor Information Center in the Gold Lot, as well as future expansion sites.

OPERATIONS – ENGINEERING

ENGINEERING PROJECTS

The Engineering Projects department, part of the Engineering section, is responsible for overseeing all construction projects from conceptual design through the permitting, construction, commissioning and final acceptance process. The department coordinates the work of architects, engineers and construction firms for projects ranging from minor renovations and demolitions to capital projects for building and land improvements. Personnel work closely with LVCVA departments to identify strategic capital improvement projects that will enhance the customer experience and support sustainability initiatives.

Goals

- ❖ Update section and department policies and continue with the creation of a Tenant Improvement Manual to be utilized by all entities making any alterations to the properties.
- ❖ Improve safety with the continuation of the multiyear fire alarm project, emergency notification system, in various areas of the property.
- ❖ Continue the property lighting upgrade and standardization program with the implementation of the Exterior Building Lighting Project.
- ❖ Completely renovate the east lobby first floor annex restrooms including the infrastructure.
- ❖ Facilitate the construction of a right turn lane for westbound Desert Inn traffic turning right onto Joe W. Brown Drive to assist with safety and traffic flow in and around the LVCC.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-----------------|---------------|---------------|
| Construction (CIP) Pay Applications and Invoices Reviewed and Submitted | 201 | 200 | 200 |
| Completed Board Approved CIP and Additional Approved CIP Projects | 30 | 25 | 27 |

Prior Year Achievements

- ❖ Enhanced the customer experience by completing the Grand Concourse restroom renovations including new fixtures, tile, and installation of murals.
- ❖ Improved the flow of pedestrian and vehicular traffic by completing the multi-year implementation of new directional external signage in various lots around the LVCC. (Orange Lot, White Lot, Bronze Lot, Platinum Lot)
- ❖ Upgraded and renovated the Silver State Show Management office, hallway, and stairwell to improve the environment for show management.
- ❖ Completed renovations to the Grand Lobby Info Desk and lobby area including new flooring, wall panels, lighting, cabinets, ceiling, and countertops to improve aesthetics and the customer experience.
- ❖ Coordinated the demolition and construction of the Bronze Lot to increase space for show exhibits, parking and trailer storage.

OPERATIONS – INFORMATION TECHNOLOGY

INFORMATION TECHNOLOGY

The Information Technology Department (ITD) functions as the LVCVA’s technology and telecommunications support element. ITD has committed to advancing the LVCVA’s goals and objectives in a fiscally responsible manner through innovation, leadership and guidance while improving service quality and applying necessary technical skills. Our mission will be accomplished through the focused and dedicated efforts of the Administrative, Support Services, Systems Maintenance, Software Development, and Telecommunication teams.

Responsibilities include: maintaining all LVCVA computing hardware, software, networks, telecommunication, and specialized media presentation systems; developing new support tools, automation systems, databases, and applications; supporting Help Desk and telephone operations; and identifying cost-effective technology applications.

Goals

- ❖ Support the LVCCD expansion efforts with initial transition activities involving the Riviera property demolition.
- ❖ Work with Authority leadership and stakeholders on initial technology to implement the ERP software platform.
- ❖ Update desktop PC/laptop with new technology under tri-annual refresh plan. Progress the advancement of tablet and Windows alternative platforms.
- ❖ Continue to improve security with user authentication systems, allowing for single sign-on access to multiple computing resources, eliminating the need for management of multiple user accounts and passwords.
- ❖ Leverage cloud-based technologies to support an increasing mobile workforce while allowing for reduction in legacy on premise computing resources.

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|--|-----------------|---------------|---------------|
| In-House Training Cost Savings (dollars) | \$24,000 | \$45,000 | \$50,000 |
| Server Availability (%) | 99.98% | 99.98% | 99.98% |
| Total Help Desk Calls Fielded | 3,956 | 4,600 | 5,000 |
| Network Devices Supported (Switches & Servers) | 85 | 95 | 95 |
| Computers Supported (PC's & Laptops) | 450 | 475 | 485 |

Prior Year Achievements

- ❖ Seamlessly integrated the Communications Department from Engineering to Information Technology, improving digital communications technology while supporting show operations.
- ❖ Planned and implemented the upgrade to Microsoft Office 365 cloud-based software for all users.
- ❖ Purchased equipment and implemented the new Parking Point-of-Sale Solution for the Traffic section.
- ❖ Replaced defective core network processors; ensuring reliability of our main backbone data network.
- ❖ Upgraded old stadium and South Hall amplifiers, and mixers to exhibit hall and public area zones.

CUSTOMER SAFETY

With over 240 full and part-time staff, the Customer Safety (formerly known as Security) department consists of three sections: Security Operations, Traffic, and Fire Prevention. Customer Safety also consists of three sub-sections – Control Center, Life Systems, and Safety. It is the only department with a 24/7 presence at both the LVCC and Cashman Center. Customer Safety is responsible for service calls within the LVCC and Cashman Center as well as all around the exterior of both campuses, monitoring and maintaining all technologies utilized by the department to ensure the facility and all occupants are safe. Those technologies include surveillance, fire systems and access control, texting and weather alert notifications. Additionally, this section manages the nursing/first aid program, executive protection, as well as the canine units.

The Safety sub-section is responsible for leading employee safety efforts including program management, OSHA compliance, injury prevention, and safety training. The canine units are responsible for checking objects, suspicious packages, and areas for explosive contraband. The presence of a canine team in our environment is a proven deterrent to criminal activity.

Traffic consists of perimeter security and traffic control. Perimeter Security monitors freight areas and assists in ensuring all vehicular traffic coming on property is authorized. Traffic control includes paid parking which generates revenue for the organization.

Fire Prevention is responsible for ensuring and maintaining a safe and risk-free environment for employees, visitors, and guests through the enforcement of regulatory statutes, codes, industry standards and basic risk management theories and practices.

Over the years, Customer Safety has established a diverse position in the community, collaborating with organizations equally committed to protecting the public's welfare and core infrastructures. Some of those organizations include the International Tourism Safety Association, Las Vegas Security Chiefs Association, Las Vegas Metropolitan Police Department's (LVMPD) Southern Nevada Counter-Terrorism (Fusion) Center, and LVMPD's Tourist Safety Advisory Committee.

Goals

- ❖ Increase communication and visibility by becoming more active in community organizations and events.
- ❖ Improve morale through innovative initiatives enhancing leadership, creativity, and visibility throughout the organization.
- ❖ Continue to foster organizational safety efforts through involvement by leadership and employees using training, information sharing, goals/metrics and mentoring. Continue efforts towards standards compliance by developing necessary safety programs and procedures.
- ❖ Introduce new department initiatives focusing on elevating the customers' experience.
- ❖ Combine efforts with LVMPD's new Tourist Safety Division to improve safety and security along the resort corridor through a series of initiatives.

OPERATIONS – CUSTOMER SAFETY

CUSTOMER SAFETY (continued)

Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-----------------|---------------|---------------|
| Lost/Found – Percentage of Items Returned to Owner | 48% | 50% | 51% |
| Photo ID Badges Created for Building Workers | 5,228 | 5,904 | 6,500 |
| First Aid Room Contacts (patients treated) | 1,848 | 1,830 | 2,125 |
| Paid Parking Revenue | \$3,082,096 | \$3,100,000 | \$2,900,000 |
| Total Guest Assist Text Conversations | 422 | 640 | 866 |
| Total Guest Assist Text Alerts Released by Control Center | 893 | 1,150 | 1,400 |
| Number of Individuals Receiving Guest Assist Text Alerts | 31,041 | 45,023 | 55,000 |

Prior Year Achievements

- ❖ Supported the efforts of various public safety entities at local state and federal levels, by permitting numerous response teams to use LVCVA property, formerly known as the Riviera Hotel & Casino, as a venue to conduct joint (scenario-based) training exercises, enhancing preparedness, communication and response while strengthening partnerships within the community.
- ❖ Introduced an on-line Active Shooter certification training course to LVCVA employees. This program was also extended to external business/building partners and security professionals within the casino/resort community.
- ❖ On-boarded a student intern from UNLV to manage the public relations business of the International Tourism Safety Association (ITSA). Primary responsibilities included marketing and developing postings to share across various social media platforms. This year, ITSA's annual tourism safety conference will host attendees representing over 20 countries from around the world including Australia, Cuba, Mexico, Nepal, Portugal, and Switzerland.
- ❖ Established meetings throughout the year with LVCVA's business partners (i.e. general contractors and trade union representatives) to foster relationships and improve service provided to building customers. These meetings were also used as a vehicle to introduce specific initiatives and programs (i.e. Hand-Carry Operations, Photo ID badging, Exhibitor Appointed Contractor requirements, Building Updates, Active Shooter Program, and Central Safety Committee Meetings) to the group.
- ❖ Assessed emergency operation plans to maximize protection of employees and building customers following the November 2015 terrorist attacks in Paris. Several enhancements were recommended and introduced for the first major convention of 2016 – International Consumer Electronics Show.

OPERATIONS – FACILITY OPERATIONS (CASHMAN CENTER)

FACILITY OPERATIONS

Cashman Center is located on 51 acres near downtown Las Vegas. This facility provides an outdoor sports stadium that seats 10,000 fans and is home to a Triple A baseball franchise, the Las Vegas 51s. The theater accommodates 1,898 patrons, with seating on the main floor and balcony areas. The campus contains fourteen meeting rooms with approximately 13,000 square feet of space and two exhibit halls with 98,100 square feet of space for small conventions, seminars, receptions and other events. See the schematic on page 8.

Goals

- ❖ Identify and implement improvements for baseball player and fan experiences.
- ❖ Work with food and beverage partner to improve overall quality, value, and customer service.
- ❖ Utilizing the 5 year CIP, develop a process where all projects are reviewed and opportunities/features of improving customer experience are incorporated.
- ❖ Develop and promote an environment of “facility first” among all departments, partners, and tenants.
- ❖ Develop stronger utility analysis to provide quantifiable data accurately forecasting consumption, cost, and conservation opportunities.

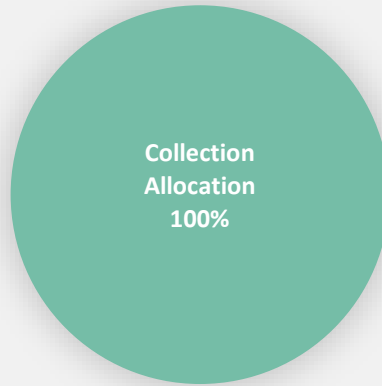
Activity Measures

| | Actual FY 15 | Est. FY 16 | Est. FY 17 |
|---|-----------------|---------------|---------------|
| Work Orders Completed (%) | 98% | 95% | 95% |
| Scheduled Preventative Maintenance Completed (%) | 100% | 95% | 95% |
| Ball Field Maintenance (labor hours) | 6,855 | 7,200 | 7,200 |
| Show Managers Survey: Overall Experience (scale 1 -5) | 4.7 | 4.5 | 4.5 |

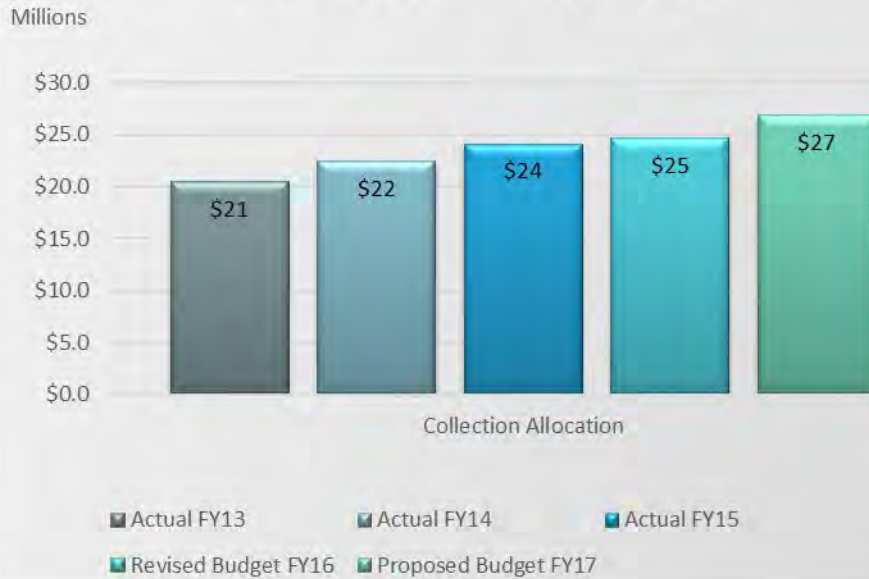
Prior Year Achievements

- ❖ Increased annual community field maintenance clinic attendance by 12%.
- ❖ Renovated flooring in the Party Zone, dug-outs, theater, and club level corridor.
- ❖ Completed three significant landscape conversion projects implementing a new plant palette.
- ❖ Conservation efforts resulted in utility costs remaining flat while facility use increased.

FY 2017 Expenditures



5 Year Expenditure Analysis



COMMUNITY SUPPORT

BUDGET ANALYSIS

Personnel and capital are not a budget category for this section.

Collection allocation increases and decreases proportionally with room taxes, as it is based on 10% of the amount of room taxes and gaming fees collected.

Other financing uses is comprised of transfers out which represents appropriations for capital outlay, other post-employment benefits, and debt service as discussed in the following capital, debt service, and internal service fund sections.

Reserve for contingency contains funding for unforeseen expenses that must be approved by the Board.

| ACTUAL FY 13 | ACTUAL FY 14 | ACTUAL FY 15 | EXPENDITURES BY CATEGORY AND OTHER FINANCING SOURCES | REVISED BUDGET FY 16 | PROPOSED BUDGET FY 17 | % CHANGE |
|-----------------|-----------------|-----------------|--|----------------------------|-----------------------------|-------------|
| 20,502,802 | 22,449,149 | 24,104,565 | Collection Allocation | 24,685,000 | 26,895,000 | 9.0% |
| 6,379 | 28,837 | - | Other | - | - | 0% |
| 20,509,181 | 22,477,986 | 24,104,565 | | 24,685,000 | 26,895,000 | 9.0% |
| 65,778,232 | 61,483,509 | 79,988,725 | Other Financing Uses | 78,724,925 | 78,073,299 | (0.8%) |
| - | - | - | Reserve for Contingency | 500,000 | 500,000 | 0.0% |
| 86,287,413 | 83,961,495 | 104,093,290 | | 103,909,925 | 105,468,299 | 1.5% |

Presently, 10% of the total room taxes and gaming fees collected are returned to the county and the cities. The division of this collection allocation is set forth in an agreement between the various entities and may be designated by the individual entities for any purpose. The distribution to the county and its incorporated cities is mainly based upon the governor-certified population figures as prepared by the state demographer. The agreement adopted in FY 2007 maintained the reimbursement allocation up to the level as paid in FY 2007 ("Baseline"). Distribution above the baseline is remitted to the entity that collected the increase. If revenue falls below the FY 2007 level, the agreement reverts back to the one adopted in 1995 which is based solely on population with a set percentage for the cities of Mesquite and Boulder City. As collection allocation budget in FY 2017 is above the FY 2007 level, entity distribution is based on the 2007 agreement.

CAPITAL PROJECTS FUND

The capital projects funds are used to account for the acquisition of capital assets and the construction of new facilities or improvements. For FY 2017, the LVCVA has three internal active capital project funds. The Capital Improvement and Replacement Fund, the LVCCD Project Facility Credit Fund, and the Nevada Department of Transportation Fund. The LVCVA reports all capital funds as a single fund in its CAFR.

CAPITAL IMPROVEMENT AND REPLACEMENT FUND

The Capital Improvement and Replacement Fund is used to account for capital expenditures for furniture, equipment, construction work-in-progress, land, buildings, and improvements to land, buildings and leaseholds.

In FY 2002, capital assets became depreciable per GASB Statement No. 34's "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This means that the LVCVA allocates the cost of tangible property over a period of time, rather than expensing the entire cost in one year. Generally, at the end of an asset's useful life, the net value of the asset (original cost less accumulated depreciation) will equal the salvage value of the asset.

The requirement for maintaining controls over capital assets is found in the Nevada Revised Statutes and Nevada Administrative Code. The latter spells out the following inventory guidelines:

- (1) The governing body of every local government shall take an inventory at least once every two years of all its equipment and other personal property that constitute fixed assets.
- (2) Each item of property subject to the inventory must be assigned an identifying number and be labeled as belonging to the local government.

CAPITALIZATION THRESHOLD

Nevada Administrative Code 354.750 sets guidelines for the establishment of capitalization thresholds by resolution.

A capital asset is property such as equipment having a useful life greater than one year. There are two major types: real property, such as land, land improvements (excavation, filling, utilities, removal, retaining walls, fencing, etc.) buildings, building improvements, and personal property including vehicles, machinery, equipment, and furniture and fixtures. Capital assets may also include patents, goodwill, trademarks, and leaseholds.

Capital Fund Threshold

Assets with a unit cost less than \$10,000 shall be treated as operating supplies and funded from the initiating department's operating budget. Assets with a unit acquisition cost greater than \$10,000 will be funded from the LVCVA's Capital Fund.

Capitalization Threshold

State statutes allow the governing body to adopt a resolution establishing the thresholds for required capitalization. Capitalization assumes the following: the item is generally tangible in nature (computer software is the major exception); the item has a useful life greater than one year; and the item is not a repair part or supply item. The LVCVA has established the following thresholds for determining the cost at which items should be classified as a capital asset.

- Assets with a unit acquisition cost greater than \$10,000.
- Bulk capital asset purchases are defined as a single purchase or an acquisition of a quantity of similar items with unit costs of less than the threshold. Bulk capital asset purchases will be capitalized if those items are part of the rolling stock of recurring purchases. Typical bulk capital assets are setup tables and chairs, podiums, barricades, and amplifiers. While individually costing less than the threshold, these items will be combined and capitalized as a group of assets.

CAPITAL PROJECTS FUND

BUDGET PROCESS

Planning for capital acquisitions is a continuous process throughout the year. Individual employees originate proposals for acquiring new and replacement equipment and furniture. If the supervisor agrees with the proposal, it is added to the section's capital requests.

During the budget process, each organizational unit submits its requests to acquire equipment and furniture. These requests must be justified as replacements for existing items that have failed or become obsolete or as new acquisitions that will enhance and improve the efficiency and/or effectiveness of the LVCVA's operations. All requests are reviewed and discussed during the executive budget review process. The acquisitions that are approved through this process are consolidated into the final budget. Some are moved to subsequent years for future consideration.

Factors that can influence an increase or decrease in the land and building improvement accounts are:

- ✧ As the Las Vegas Convention Center is expanded, the older parts of the facility are updated and modernized.
- ✧ Due to the number of shows and events using the exhibit halls and meeting rooms, projects must wait for an open time frame before proceeding.
- ✧ National and international events, such as economic downturns, can determine if capital improvement projects will be deferred until future years.

The LVCVA uses the construction work-in-progress account to fund various on-site improvements that have been on the drawing board, in some cases for years.

Capital land and building improvement project requests have a similar, although more involved, budget process. The capital improvement program is described on page 84.

These expenditures are funded from current operations or bond proceeds.

IMPACT ON GENERAL FUND

Capital projects can have an impact on the LVCVA's operating budget in several ways. Costs impacted by acquiring or replacing equipment and constructing additional exhibit space include required personnel levels, maintenance expenses, and utility charges. Some of the capital projects are multi-year programs, and the fiscal impact can be spread across many fiscal years.

Building and land improvements are listed on pages 80-82. Included is a description of the project and any quantifiable impacts on the general fund.

The majority of the furniture/fixtures and equipment purchases are for replacement due to damage, obsolescence or theft. When repairing damaged equipment is no longer cost-effective, it is replaced. However, depending on the type of equipment, many departments utilize damaged equipment for parts, thereby reducing repair costs.

BUDGET ANALYSIS

FY 2017 capital projects and purchases are funded with a transfer to the Capital Funds from the operating budget. The FY 2017 transfer of \$10.4 million is 26% less than FY 2016 revised budget, as during FY 2016 additional funds were augmented into capital. During FY 2017, our capital fund will be used for a variety of small improvement projects, including land improvement, building improvements, and routine replacement of furniture and equipment.

The capital improvement program (CIP) is the LVCVA's pay-as-you-go capital plan for funding major expansion and land acquisition. There are no funds budgeted as part of CIP in FY 2017.

Non-CIP building and land Improvements total \$4,431,500 and furniture, equipment, and computer appropriations total \$3,418,500.

CAPITAL PROJECTS FUND

LVCCD PROJECT CREDIT FACILITY

This fund was established to account for the expenditures incurred and debt proceeds received from the JP Morgan LOC to develop the LVCCD project, including land purchases, site improvements, and capital improvements.

In February 2013, the Las Vegas Convention and Visitors Authority Board of Directors approved the LVCCD conceptual vision. This plan is currently structured into three phases. Phase One includes acquisition of property near the LVCC providing an opportunity to address long term needs for additional space. Parcels in the area are able to be used for a variety of purposes including, but not limited to, exhibit space, parking, freight marshaling, and facility expansion.

In November 2014, the Las Vegas Convention and Visitors Authority Board of Directors approved the LOC for \$275 million. And in February 2015, the Board authorized the LVCVA to purchase the Riviera Hotel & Casino with bond proceeds from the LOC. The purchase provides the Authority with an additional 26 acres of property, as well as an entrance to the LVCCD project off the Las Vegas Strip.

In April 2016, the Board approved the replacement of the 2014 LOC structure with a term and revolver component, effective July 1, 2016.

FY 2017 is budgeted with \$50 million in bond funds to account for potential expenditures related to land acquisitions and/or other costs for the LVCCD, such as demolition, preparation and design costs.

NEVADA DEPARTMENT OF TRANSPORTATION FUND

As authorized by Nevada Revised Statute 244A.637, the LVCVA issued bonds to provide funding to the Nevada Department of Transportation (NDOT) for road projects along Interstate 15. A legislative mandate required the LVCVA to contribute the lesser of \$20,000,000 a year for a period of 30 years for debt service or a total of \$300,000,000 in principal to the NDOT for projects in Clark County. All bonds have been issued related to this obligation. This fund accounts for the expenditures of funds to the Nevada Department of Transportation. The principal and interest on outstanding debt is accounted for in the debt service section. All remaining funds have been appropriated in the FY 2016 budget for the Tropicana Pedestrian Bridge project and therefore, no planned expenditures are budgeted for in FY 2017.

CAPITAL PROJECTS FUND

The summary below represents capital projects and purchases by organizational unit. A more detailed listing follows it.

EXPENDITURE SUMMARY

IMPROVEMENTS

Building Improvements

| | |
|-----------------------------|--------------|
| Las Vegas Convention Center | \$ 3,286,500 |
| Cashman Center | 100,000 |

Reserves, Bond Proceeds, & Construction Work in Progress

| | |
|--------------------------------------|------------|
| LVCCD Project Reserve | 22,000,000 |
| LVCCD Project Bank Facility Proceeds | 50,000,000 |
| Economic Reserve | 25,500,000 |
| Land Reserve | 10,000,000 |

Land Improvements

| | |
|-----------------------------|-----------|
| Las Vegas Convention Center | 1,045,000 |
|-----------------------------|-----------|

Subtotal

111,931,500

FURNITURE /FIXTURES & EQUIPMENT

General Government

| | |
|----------------------|---------|
| Finance & Accounting | 265,000 |
|----------------------|---------|

Operations

| | |
|------------------------|-----------|
| Traffic | 30,000 |
| Client Services – LVCC | 210,000 |
| Communications – LVCC | 50,000 |
| Information Technology | 2,863,500 |

Subtotal

3,418,500

\$ 115,350,000

Project numbers listed on the following three pages encompass a range of projects from FY 2012 to FY 2017. A project may have expenses in a prior year and also have funding in the new budget year. Additionally, a project which has been canceled in a prior year may receive funding in the new budget year. Using the original project number, we are better able to report the projects' timeline and to track the entire cost.

CAPITAL PROJECTS FUND

CONVENTION CENTER

BUILDING IMPROVEMENTS

Building improvements include such projects as additions, expansions or renovations to current buildings, and upgrades or replacements of equipment attached to the buildings. Projects numbers flow from year to year which allows us better tracking of the entire cost of a project.

| | <u>BUDGET</u> <u>FY 2017</u> |
|--|---------------------------------|
| 00000.17.001 Building Enhancements | \$ 95,500 |
| 00000.17.002 C4 Hall Door Replacement | 100,000 |
| 00000.17.003 Central Kitchen (C2) Hot Water Heater Upgrade | 130,000 |
| 00000.17.004 DCC Chiller Tie-Ins | 50,500 |
| 00000.12.003 Emergency Notification System | 1,500,000 |
| 00000.16.024 Engineering Department Breakroom | 100,000 |
| 00000.17.005 Exterior Building Lighting | 100,000 |
| 00000.17.006 Fire Hose Removal & Replacement of Fire Pump | 75,000 |
| 00000.14.006 Fire Riser Bollards in C & N Halls | 15,000 |
| 00000.17.008 Fire Sprinkler - Porte Cochere | 143,000 |
| 00000.17.009 Human Resources Roof Re-Coating | 12,500 |
| 00000.17.010 ITD Server Room Remodel | 45,000 |
| 00000.16.023 Restroom Renovation - Grand Concourse East | 700,000 |
| 00000.17.011 Security Bike Room Remodel | 15,000 |
| 00000.17.012 Security Control Center Upgrade | 25,000 |
| 00000.17.013 Security Systems Upgrade | 90,000 |
| 00000.17.014 Traffic Office Restrooms | 90,000 |
| | <u>\$3,286,500</u> |

LAND IMPROVEMENTS

Land improvements are defined as land attachments of a permanent nature, other than buildings and include such items as roads, bridges, tunnels, walks, parking lots, etc.

| | <u>BUDGET</u> <u>FY 2017</u> |
|---|---------------------------------|
| 00000.16.013 Desert Inn Road Right-Turn Lane | \$ 550,000 |
| 00000.16.036 Landscape Upgrades | 300,000 |
| 00000.17.015 3333 Cambridge Site Improvements | 100,000 |
| 00000.17.016 Emergency Phones - Parking Lots | 70,000 |
| 00000.17.017 South Hall Ramp Fencing | 25,000 |
| | <u>\$1,045,000</u> |

CAPITAL PROJECTS FUND

MAJOR PROJECTS FOR FY 2017

EMERGENCY NOTIFICATION SYSTEM – Fire panels will be replaced throughout the whole facility and new strobe lights and speakers will be installed in the 2nd and 3rd floor administration areas. In previous years this project was funded to move fire alarm strobe lights in the Central Halls. This life-safety project will bring the LVCC into compliance with current building and safety codes.

RESTROOM RENOVATION – The restrooms located near the northeast meeting rooms are some of the oldest in the building. Maintenance costs have escalated in recent years due to the erosion of the floors and pipes. A complete renovation of these eight restrooms will yield greater efficiency as well as enhancing the customer experience.

IMPACT ON OPERATING BUDGET

The various building improvements are anticipated to reduce repair and maintenance costs and increase energy efficiency. However, none of these projects are expected to increase general fund expenditures, such as personnel.

- ✧ Restroom Renovation – Deteriorating infrastructure has caused an increase in maintenance for the northeast restrooms. The annual repair costs over the past five years have averaged \$15,000 per year.

With this long-term vision in mind, capital funding in FY 2017 remains limited to reinvestment in the facilities that is deemed to be essential in ensuring current operational excellence. Significant capital improvements programs for the two facilities, including the future year expenditures highlighted on pages 84-88 will be incorporated into the LVCCD project.

CASHMAN CENTER

BUILDING IMPROVEMENTS

Building improvements include such projects as additions, expansions or renovations to current buildings, and upgrades or replacements of equipment attached to the buildings.

| | | BUDGET |
|--------------|--|-------------------|
| | | FY 2017 |
| 00000.17.018 | Cashman Enhancements for Unforeseen Projects | <u>\$ 100,000</u> |
| | | <u>\$ 100,000</u> |

CAPITAL PROJECTS FUND

Departmental Furniture & Equipment

| | <u>FURNITURE</u> | <u>EQUIPMENT</u> |
|--|--------------------|-------------------------|
| <u>GENERAL GOVERNMENT</u> | | |
| <u>FINANCE & ACCOUNTING</u> | | |
| 10705.17.001 FF&E Reserve | | \$ 265,000 |
| | | <u>265,000</u> |
| <u>OPERATIONS</u> | | |
| <u>INFORMATION TECHNOLOGY</u> | | |
| 51000.17.001 Enterprise Resource Planning (ERP) Software | | 2,500,000 |
| 51000.17.002 GRASP Travel Reporting Software | | 29,500 |
| 51000.17.003 Network Storage Array | | 76,000 |
| 51000.17.004 PC/Laptop Leasing | | 186,000 |
| 51000.17.005 VMWare NSX for vSphere | | 72,000 |
| | | <u>2,863,500</u> |
| <u>CLIENT SERVICES - LVCC</u> | | |
| 55020.17.001 Mity-Lite 6' Round Tables (400) | | 120,000 |
| 55020.17.002 Seating for Lobby Charging Stations | 90,000 | - |
| | <u>90,000</u> | <u>120,000</u> |
| <u>COMMUNICATIONS - LVCC</u> | | |
| 55043.17.001 New Motorola Two-Way Radios | | 50,000 |
| | | <u>50,000</u> |
| <u>CUSTOMER SAFETY</u> | | |
| 55059.17.001 Bronze Lot Surveillance Camera | | 30,000 |
| | | <u>30,000</u> |
| <u>TOTALS</u> | <u>\$ 90,000</u> | <u>\$ 3,328,500</u> |
| | Grand Total | <u>3,418,500</u> |

CAPITAL PROJECTS FUND

The historical schedule below includes all capital project funds, and is shown as a single fund for external financial reporting purposes.

| | ACTUAL FY 2014 | ACTUAL FY 2015 | REVISED BUDGET FY 2016 | PROPOSED BUDGET FY 2017 | % INCREASE FY17/16 |
|--|-------------------|--------------------|------------------------------|-------------------------------|--------------------------|
| REVENUES: | | | | | |
| Interest and Investment Earnings | \$ 134,462 | \$ 213,192 | \$ 137,000 | \$ 285,000 | 108% |
| Miscellaneous | 792,129 | 672,130 | - | - | 0% |
| Total Revenues | <u>926,591</u> | <u>885,322</u> | <u>137,000</u> | <u>285,000</u> | 108% |
| EXPENDITURES: | | | | | |
| Aramark Capital Expenditures | 442,033 | 785,448 | - | - | 0% |
| Non-Capital Assets | 132,479 | 271,161 | 1,600,000 | - | -100% |
| Leasehold Improvements | 527,804 | 138,832 | 184,000 | - | -100% |
| Land & Improvements | 21,267,799 | 188,888,059 | 843,374 | 1,045,000 | 24% |
| Buildings | 1,602,438 | 1,715,789 | 1,518,200 | 3,386,500 | 123% |
| Capital Improvement Program | 1,820,101 | 404,320 | 500,700 | - | -100% |
| Capital Transition Projects | 760,332 | 50,725 | - | - | 0% |
| Construction in Progress | 1,968,234 * | 1,844,025 * | 128,656,777 * | 107,500,000 | -16% |
| Furniture & Equipment | | | | | 0% |
| General Government | - | 36,975 | 280,000 | 265,000 | -5% |
| Marketing | - | 12,384 | 1,000,000 | - | -100% |
| Operations | 930,032 | 457,559 | 1,134,603 | 2,967,500 | 162% |
| Issuance of Capital Leases | 334,547 | - | - | - | 0% |
| Capital Lease Principal | 119,927 | 108,769 | 130,000 | 186,000 | 43% |
| Capital Lease Interest | 710 | 11,868 | - | - | 0% |
| Debt Issuance Costs | <u>1,455,215</u> | <u>-</u> | <u>-</u> | <u>-</u> | 0% |
| Total Expenditures | <u>31,361,651</u> | <u>194,725,915</u> | <u>135,847,654</u> | <u>115,350,000</u> | -15% |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (30,435,060) | (193,840,593) | (135,710,654) | (115,065,000) | -15% |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | 7,250,000 | 21,500,000 | 14,000,000 | 10,350,000 | -26% |
| Transfers Out | - | - | - | - | 0% |
| Proceeds from Sale of Capital Assets | - | 600,000 | - | - | 0% |
| Proceeds of Debt Issuance | 50,000,000 | 187,000,000 | 75,000,000 | 50,000,000 | -33% |
| Premium on Debt Issuance | 744,526 | - | - | - | 0% |
| Capital Leases | 334,547 | - | - | - | 0% |
| Total Other Financing Sources (Uses) | <u>58,329,072</u> | <u>209,100,000</u> | <u>89,000,000</u> | <u>60,350,000</u> | -32% |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | | | | | |
| | 27,894,013 | 15,259,407 | (46,710,654) | (54,715,000) | 17% |
| FUND BALANCE, BEGINNING | | | | | |
| | <u>59,404,276</u> | <u>87,298,289</u> | <u>102,557,696</u> | <u>55,847,042</u> | -46% |
| FUND BALANCE, ENDING | | | | | |
| | \$ 87,298,289 | \$ 102,557,696 | \$ 55,847,042 | \$ 1,132,042 | -98% |

*Includes projects from the Nevada Department of Transportation Funds.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

A capital improvement plan (CIP) is a financial planning and management tool that lists proposed capital projects and capital acquisitions for a rolling five-year period. This multi-year document identifies and prioritizes the need for the improvements and acquisitions and coordinates their funding and optimal time frames for completion. It is also a process that provides order and continuity to the repair, replacement, construction or expansion of the LVCVA's facilities.

The LVCVA prepared a five-year capital improvement plan for fiscal years 2017 – 2021. It includes not only all planned capital acquisitions or projects expected to cost \$30,000 or more in one fiscal year, but also multi-year equipment replacements and additions regardless of estimated individual cost. Current year projects and equipment estimated to be less than \$30,000 are included in the capital furniture and equipment listing on page 79. The first year projects (FY 2017) operating impacts have already been discussed on pages 80-82. If there are any impacts on the operating budgets for FY 2018 – 2021, they will be noted below the project name.

Following the five-year capital improvement listing is a brief narrative about the projects, in fiscal year order, with expected budgets over \$250,000. Each project narrative identifies and prioritizes the need for the improvements and acquisitions and coordinates their funding and optimal time frames for completion. Also presented are general fund impacts of said projects (personnel, services, and supplies). The listing is sorted by fiscal year, location, and category.

Nevada Revised Statute 350.013 requires that capital improvement plans be submitted to the Nevada State Department of Taxation and the County Clerk with the entity's Debt Management Policy and Indebtedness Report on August 1.

BUDGET PROCESS

In conjunction with the review and update of departmental objectives and preparation of the departmental annual budget, each department is required to identify and submit individual capital project requests to their respective executive.

Departments are urged to carefully assess their equipment necessities and planned improvement programs to determine the full five-year needs in an effort to encourage long-range planning instead of short-term, stop-gap, or "emergency" repairs or rehabilitation work.

For each project/acquisition, the submitter must provide a description, justification, documentation, and amount of funding that is expected to be needed. In addition, any effects that the project will have on future annual operating budgets must be identified and quantified if possible. Based on the individual project details, summaries of capital funding needs over the next five years can be prepared and sources of funding identified.

The Finance Department then compiles a preliminary listing of capital projects and acquisitions for the executive review process. It is during this review process that project recommendations are accepted, deferred to later years, or changed either in time frame or funding.

Year one of the plan (budget year) is submitted to the board of directors for their acceptance and approval in the budget. Any projects or purchases that may have an impact on the operating budget will be footnoted and quantified if possible. The CIP does not include reserves.

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2017-2021

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|-------------|-------|--------------|------------|------------|
| CONVENTION CENTER | | | | | |
| Building Improvements | | | | | |
| Emergency Notification System | \$1,500,000 | | \$ 2,130,465 | | |
| Restroom Renovation - Grand Concourse East | 700,000 | | | | |
| Fire Sprinkler - Porte Cochere | 143,000 | | | | |
| Central Kitchen (C2) Hot Water Heater Upgrade | 130,000 | | | | |
| C4 Hall Door Replacement | 100,000 | | | | |
| Engineering Department Breakroom | 100,000 | | | | |
| Exterior Building Lighting | 100,000 | | | | |
| Security Systems Upgrade | 90,000 | | | | |
| Traffic Office Restrooms | 90,000 | | | | |
| Building Enhancements | 84,500 | | | | |
| DCC Chiller Tie-Ins | 50,500 | | | | |
| Fire Hose Removal - Exhibit Halls | 50,000 | | | | |
| ITD Server Room Remodel | 45,000 | | | | |
| Fire Pump Replacement | 25,000 | | | | |
| Security Control Center Upgrade | 25,000 | | | | |
| Fire Riser Bollards in C & N Halls | 15,000 | | | | |
| Security Bike Room Remodel | 15,000 | | | | |
| Human Resources Roof Re-Coating | 12,500 | | | | |
| Airwall Replacement - NH Annex 2nd Floor | | | 565,000 | | |
| Orange Lot FD Aprons Replacement | | | 500,000 | | |
| LV Sign Neon LED Lamp Replacement | | | 385,000 | | |
| South Hall Ceiling Tile Replacement | | | 280,000 | | |
| C-2 Duct Replacement | | | 275,000 | | |
| South Hall Roof Drain Relining | | | 250,000 | | |
| Aramark Stands Exhaust Hood Installation | | | 200,000 | | |
| C Hall Southside Glass Store Front Replacement | | | 195,000 | | |
| C1-C2 Hall Hot Water Line Re-piping | | | 100,000 | | |
| Electrical Outlets Installation S-1 Lobby | | | 80,000 | | |
| Dry System Valves #6,7,8 Relocation | | | 75,000 | | |
| Central Plant Hot Water Boilers Burner Upgrade | | | 72,000 | | |
| Central Plant - Condenser Pump & VFD | | | 70,000 | | |
| Storage Deck - Paint Shop | | | 69,000 | | |
| North Meeting Rooms Door Replacement | | | 57,600 | | |
| Wayfinding Signage Install (South Halls) | | | \$ 75,000 | | |
| HVAC Commissioning - Central, North, South Halls | | | | \$ 340,000 | \$ 170,000 |
| Grand and Central Concourse Lighting Upgrade | | | | | 395,000 |
| N2, N3, & N4, Low Bay Lighting Upgrades | | | | | 285,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2017-2021

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|---|------------------|------------------|------------------|------------------|------------------|
| CONVENTION CENTER | | | | | |
| Building Improvements (continued) | | | | | |
| West Lobby Lighting Upgrade | | | | | \$ 245,000 |
| East Lobby Lighting Upgrade | | | | | 225,000 |
| C-1 Egress Relocation of Underground Power | | | | | 58,000 |
| Subtotal | 3,275,500 | 5,379,065 | 375,000 | 340,000 | 1,378,000 |
| Land Improvements | | | | | |
| Desert Inn Road Right-Turn Lane | \$ 550,000 | | | | |
| Landscape Upgrades | 300,000 | | | | |
| 3333 Cambridge Site Improvements | 100,000 | | | | |
| Emergency Phones - Parking Lots | 70,000 | | | | |
| South Hall Ramp Fencing | 25,000 | | | | |
| Orange Lots 1&2 Surface Repairs | | \$ 700,000 | | | |
| Seal Coat Gold Parking Lot | | 160,000 | | | |
| Seal Coat Driveways from North Rd to FD8 | | 125,000 | | | |
| Orange Lot Gate and Entry Renovations | | 100,000 | | | |
| Seal Coat Blue Lot N & S Parking Lots | | 100,000 | | | |
| Green Lot Utility Box Improvements | | 97,000 | | | |
| Blue Lots Reconfiguration | | 90,000 | | | |
| Seal Coat Green Parking Lot | | 85,000 | | | |
| Board Room Landscape Area | | 80,000 | | | |
| Seal Coat Bronze Lot | | 80,000 | | | |
| Seal Coat Platinum Lot | | 80,000 | | | |
| Seal Coat South Drive | | 60,000 | | | |
| Seal Coat Silver Drive | | 50,000 | | | |
| Seal Coat Red Lot & Red Drive | | 40,000 | | | |
| Seal Coat North Road | | 35,000 | | | |
| Sidewalk Replacement - Front Entrance to C2 | | | \$ 400,000 | | |
| Wall Protection Install at Loading Dock 7 and 8 | | | | \$ 60,000 | |
| Curbing Replacement C Halls South Side | | | | | 300,000 |
| Subtotal | 1,045,000 | 1,882,000 | 400,000 | 60,000 | 300,000 |
| Capital Improvement Program | | | | | |
| Paint Exterior Grey Metal Panels | | 1,600,000 | 1,600,000 | | |
| Silver Lots 1 & 2 Modifications | | 45,000 | 527,500 | 527,500 | |
| South Hall Electrical Upgrade Distribution | | 30,000 | 1,040,000 | 1,160,000 | |
| Exhibit Hall Concrete Replacement (C-2 & C-3) | | | 50,000 | 1,000,000 | 1,000,000 |
| Restrooms Renovation North Halls | | | | 4,000,000 | |
| South Hall Restrooms (New) | | | | | 5,000,000 |
| Subtotal | - | 1,675,000 | 3,217,500 | 6,687,500 | 6,000,000 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

LAS VEGAS CONVENTION & VISITORS AUTHORITY CAPITAL IMPROVEMENT PLAN PROJECT EXPENDITURE LISTING FISCAL YEARS 2017-2021

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|--|------------------|------------------|------------------|------------------|------------------|
| CONVENTION CENTER | | | | | |
| Furniture & Equipment | | | | | |
| Software | \$2,529,500 | | | | |
| FF&E Reserve | 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 | \$ 250,000 |
| Capital Computer Lease | 186,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Computer Equipment | 148,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Tables | 120,000 | 198,000 | | 137,400 | |
| Lobby Seating | 90,000 | 80,000 | | | |
| Radios | 50,000 | | | | |
| Surveillance Cameras | 30,000 | | | | |
| Other (less than \$30K) | 26,000 | 38,250 | 48,000 | 16,000 | 18,000 |
| Sweeper Truck | | 110,000 | | | |
| Shuttle Bus | | 100,000 | | | |
| Skywatch | | 85,000 | | 85,000 | |
| Stage Panels and Legs | | 50,000 | | 200,000 | |
| Trash Receptacles | | 45,000 | | | |
| Patrol Vehicle | | 40,000 | | 40,000 | |
| Chairs | | | 239,000 | 359,000 | |
| Utility Truck | | | 65,000 | | |
| Forklift | | | 47,500 | | |
| Scrubber | | | 40,000 | | 75,000 |
| Ride-on Sweeper | | | 40,000 | | |
| Subtotal | 3,429,500 | 1,446,250 | 1,179,500 | 1,537,400 | 793,000 |
| CASHMAN CENTER | | | | | |
| Land Improvements | | | | | |
| Lot C Repair/Reseal | | 350,000 | | | |
| Lot B Repair/Reseal | | 100,000 | | | |
| Water Valve Replacement | | 55,000 | | | |
| Ballfield Protective Netting and Padding | | | 55,000 | | |
| Bulk Storage Bins | | | | 55,000 | |
| Ball Field Renovation | | | | | 1,600,000 |
| Subtotal | - | 505,000 | 55,000 | 55,000 | 1,600,000 |
| Building Improvements | | | | | |
| Cashman Enhancements | 100,000 | | | | |
| Theatre Lights Replacement | | 200,000 | | | |
| Stadium Club Level Renovations | | 175,000 | | | |
| Indoor Batting Cage | | 150,000 | | | |
| Wi-Fi System | | 130,000 | | | |
| Dugout Upgrades - Players | | 100,000 | | | |
| Perimeter Doors Replacement | | 100,000 | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

**LAS VEGAS CONVENTION & VISITORS AUTHORITY
CAPITAL IMPROVEMENT PLAN
PROJECT EXPENDITURE LISTING
FISCAL YEARS 2017-2021**

| | FY 17 | FY 18 | FY 19 | FY 20 | FY 21 |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|
| CASHMAN CENTER | | | | | |
| Building Improvements (continued) | | | | | |
| Fire Riser Improvements | | \$ 45,000 | | | |
| Hydraulic Stage Lift | | 15,000 | \$ 200,000 | | |
| Stadium Concrete Replacement - Concourse | | | 250,000 | | |
| Theatre Seating Replacement | | | 95,000 | | |
| Restrooms Remodel-Exhibit Halls & Meeting Rooms | | | 50,000 | \$ 350,000 | |
| Lighting Controls Upgrade | | | 45,000 | 125,000 | |
| Boilers - Re-Tube | | | 35,000 | | |
| Subtotal | 100,000 | 915,000 | 675,000 | 475,000 | - |
| Furniture & Equipment | | | | | |
| Mower/Groomer | | 68,000 | 30,000 | 30,000 | |
| Chairs | | 68,000 | | 34,000 | 35,000 |
| Other (less than \$30K) | | 53,550 | 20,000 | 15,000 | 40,000 |
| Scrubber | | 30,000 | 30,000 | | |
| Tables | | 14,950 | 84,750 | | 132,500 |
| Forklift | | | 47,500 | | |
| Truck | | | 30,000 | | |
| Gas Carts | | | | 50,000 | |
| Portable Power Transformer | | | | 35,000 | 35,000 |
| Sweeper | | | | | 30,000 |
| Electric Carts | | | | | 25,000 |
| Subtotal | - | 234,500 | 242,250 | 164,000 | 297,500 |
| TOTAL – FIVE YEAR CAPITAL PLAN | \$7,850,000 | \$11,961,815 | \$ 5,844,250 | \$ 9,318,900 | \$10,368,500 |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Emergency Notification System

Project Number 0000012003.09

Project Description

Fire alarm strobe lights have already been moved in the Central Halls. In FY17, fire panels will be replaced throughout the whole facility and new strobe lights and speakers will be installed.



Project Justification

The fire alarm strobe lights, used as a visual notification system to building occupants in an emergency situation, can easily become blocked from view during shows in the North and South Halls. The blocked strobes create building and life safety code violations with government agencies and create a risk management situation for the facility. Relocating the fire alarm strobes to higher elevations will remove the life safety risk, increase client safety and satisfaction, and bring the LVCC into compliance with current building and life safety codes.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|--------------|--------------|------|------|------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ 1,500,000 | \$ 2,130,465 | | | | \$ 3,630,465 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Restroom Renovation

Project Number 0000016023.09



Project Description

Design and construct upgrades to the Northeast restrooms. The project was slated to start in FY14, but has since been delayed due to show schedules until FY17.

Project Justification

The restrooms located by LVCC's northeast meeting rooms were constructed as two different projects. In 1973, four first-floor restrooms and their adjacent meeting rooms were constructed as part of the Las Vegas Convention Center Meeting Room Addition. In 1979, another four second-floor restrooms and their adjacent meeting rooms were constructed as East Meeting Rooms, Second Floor Addition. These eight restrooms, along with their adjacent meeting rooms, are among the oldest on campus. The age and extensive use of the eight restrooms no longer allow the level of operation and maintenance that the LVCVA requires for its tradeshow attendees and visitors. This project aims to remodel the four first floor restrooms; applying the same finishes used in recent restroom remodels.

Fiscal Impact

The project will yield fiscal savings in maintenance and ongoing repair of restrooms. If not completed, the northeast first-floor restrooms will remain out of code compliance, and will be neither fully functional nor pleasing in appearance to show organizers and their attendees. Due to aging fixtures, wall and floor deterioration, and plumbing problems (odor) there has been a twenty percent increase in maintenance costs for these restrooms over the past year.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------------|------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ 700,000 | | | | | \$ 700,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Desert Inn Road Right-Turn Lane**

Project Number **0000016013.08**



Project Description

Construction of a turn lane for west bound Desert Inn traffic to make a right turn onto north bound Joe W. Brown Drive per Clark County requirements.

Project Justification

This project was initiated when the parking lot and landscaping were completed at 820 Desert Inn Road, the corner of Desert Inn Road and Joe W. Brown Drive (White Lot). Clark County approved the project with the stipulation that the Authority would thereafter construct the right-hand turn lane.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------------|------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ 550,000 | | | | | \$ 550,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Landscape Upgrades**

Project Number **0000016036.08**



Project Description

Implement a revised landscape plan to create an updated, consistent, high quality exterior appearance. The initial focus will be on front of the building; arrival/entrance areas. The project started in FY16 with design documents.

Project Justification

Many of the landscaped areas on the LVCC campus are dated. The initial areas of focus will be Convention Center Drive, Paradise Road, and Silver Drive. By adding or replacing ground cover, plants, shrubs, trees and succulents the project aims to create a standardized campus appearance and identity. The goal is to create a sense of arrival for our guests, clients, stakeholders, and employees.

Fiscal Impact

There is currently a limited amount of grass on the property, thus savings from water usage will be minimal. Choices for foliage will be in line with water conservation efforts.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------------|------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ 300,000 | | | | | \$ 300,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Airwall Replacement - North Halls

Project Number FY18 Project

Project Description

North Hall Airwall 2nd Floor Annex Replacement



Project Justification

The airwalls in the 2nd floor meeting rooms of the North Hall Annex were installed in 1979 and after 39 years of constant use, have outlived their usefulness. The walls are difficult to operate and require constant maintenance which is costly and inefficient. 1st floor of the North Hall Annex Airwalls were replaced in FY15.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing airwall repairs are approximately \$3,000 annually.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 565,000 | | | | \$ 565,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Orange Lot Freight Door Aprons**

Project Number **FY18 Project**



Project Description

Replace all freight doors' concrete aprons from Orange Lot 1 into Central Halls; approximately 7,200 square feet.

Project Justification

The concrete aprons in front of the freight doors 2-6, and the concrete staging areas next to the freight doors, are in need of repair and replacement. The concrete areas have suffered from heavy use, weather, pooling water and construction projects over the last several decades.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 500,000 | | | | \$ 500,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Las Vegas Sign LED Replacement

Project Number FY18 Project

Project Description

Replace the Las Vegas neon sign in front of the building with new LED signage.



Project Justification

The Las Vegas script sign requires maintenance several times per year due to malfunction and the unreliability of aged technology. With LED technology, the LV neon sign can be duplicated to match style, color, and intensity while adding features such as dimming, animated colors, and programmable scene settings based on event schedules.

Fiscal Impact

Replacing neon lights with LED is estimated to reduce energy consumption by up to 50%, without compromising visual effects.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 385,000 | | | | \$ 385,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title South Hall Ceiling Tile Replacement

Project Number FY18 Project



Project Description

Replacement of the platinum colored ceiling tile to match the ceiling tile presently used throughout the rest of the LVCC.

Project Justification

Purchasing the same ceiling tile for all ceilings will establish a standardized product reducing special orders, eliminate confusion, and become visually consistent.

Fiscal Impact

Moderate savings may be achieved through a more efficient procurement.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 280,000 | | | | \$ 280,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title C-2 Duct Replacement

Project Number FY18 Project

Project Description

Replace existing board duct with sheet metal duct work.



Project Justification

Existing rigid foam board duct work is damaged and falling apart. It is inefficient due to air loss and is becoming a safety hazard when pieces are dislodged. Board duct needs to be demolished and replaced with unlined sheet metal duct work.

Fiscal Impact

Energy savings will increase with new sheet metal duct work preventing air from escaping through damaged areas.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 275,000 | | | | \$ 275,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title South Hall Roof Drain Relining

Project Number FY18 Project



Project Description

Reline 27 South Hall roof drains.

Project Justification

Air conditioning condensation lines in the South Hall are deteriorating. Lines are scaling, rusting and chipping; constantly blocking the flow of waste water to the main drain. Deteriorated drains are causing water backup damage in client booths.

Fiscal Impact

Reduction of risk and potential costs from water damage.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 250,000 | | | | \$ 250,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Orange Lot Resurfacing

Project Number FY18 Project



Project Description

Resurfacing or repaving of Orange Lots 1&2.

Project Justification

In the last twenty years the asphalt in both Orange Lots 1 and 2 has endured exhibit space usage, weather, UV light damage, and pooling water which have deteriorated the asphalt surface. Additionally, multiple construction projects have removed and resurfaced areas on the Orange Lot asphalt several times making the lot visually displeasing. Continued usage will begin to increase the safety risk to staff, visitors, and vehicles.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 700,000 | | | | \$ 700,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Paint Exterior Grey Panels

Project Number FY18 Project



Project Description

Paint all exterior solid grey metal panels at the LVCC (those panels that were not painted in the prior 5 years), located mainly in the rear of the LVCC property.

Project Justification

Panels are discolored and in need of painting, they can not be cleaned and have not been painted in many years.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|--------------|--------------|------|------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 1,600,000 | \$ 1,600,000 | | | \$ 3,200,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Silver Lot Modifications

Project Number FY18 Project



Project Description

Install perimeter lighting and complete resurfacing of Silver Lots 1&2.

Project Justification

In order for a customer to use Silver Lots 1&2 for exhibit space, the lighting poles need to be removed and replaced with each occurrence. The fixtures are over thirty years old and thus, not energy efficient. Silver Lots 1&2 are the oldest lots on the LVCC campus and have not had major repair in twenty years. Asphalt must be removed and repaved. Design will include swale removal, grading, and topographical survey for positive drainage. The project is estimated to add 63,000 square feet of parking; equating to 236 additional parking spaces.

Fiscal Impact

Additional parking spaces in the Silver Lot have the potential to yield upwards of \$50,000 annually. Approximately \$5,000 will be saved in personnel costs by eliminating the need to remove/replace the lighting fixtures. Energy savings for the new fixtures will be approximately \$24,000 annually (10% of current expenditures).

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|--------|------|---------|---------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ | 45,000 | \$ | 527,500 | 527,500 | \$ 1,100,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title South Halls Electrical Distribution

Project Number FY18 Project

Project Description

Install floor plugs on second floor and reconfigure electrical rooms (more power) of the South Halls.



Project Justification

This project involves upgrades to the electrical distribution system (grid) of the South Hall. Exhibitors will utilize electrical receptacles embedded in the floor for service on the second level and overhead ceiling boxes and cable trays for service on the first level. Also, small electrical mezzanines will be added to the South Halls' electrical rooms to support the additional equipment required for potential expansion of the Desert Inn meeting rooms.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|--------|--------------|--------------|------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | \$ | 30,000 | \$ 1,040,000 | \$ 1,160,000 | | \$ 2,230,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Cashman Center

Project Title Parking Lot Repair/Reseal

Project Number FY18 Project

Project Description

Repair/reseal Parking Lots B and C in FY18.



Project Justification

A Geotech survey from 2008 indicated that several thousand feet of asphalt in Lot C requires removal and replacement. Since that time further deterioration has occurred in this, and other parking lots at Cashman Center. Parking Lots B & C require maintenance and resealing to prevent sprawl and alligatoring which causes sub-surface damage.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing concrete repairs are approximately \$8,000 annually.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------------|------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | \$ 450,000 | | | | \$ 450,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **Sidewalk Replacement**

Project Number **0000014001.08**

Project Description

Replace the concrete sidewalk and corresponding landscape at the entrance to C-2 and the Grand Plaza. The project was started in FY14 and will be continued in FY19.



Project Justification

The concrete sidewalk at the C-2 front entrance was originally installed in 1993 and, over the years, has developed widespread cracking. Engineering staff has repaired the concrete extensively and has recently reported that the concrete is lifting in several locations, causing safety concerns for guests and employees. The project requires the installation of an additional 700 square feet of concrete to replace grass in front of Freight Door 1, and an increase in the size of the existing oak tree planters on the Grand Plaza.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing concrete repairs are approximately \$5,000 annually. There is a potential loss of oak tree(s) on the Grand Plaza if planter beds are not increased in size. Damage to the grass area by Freight Door 1 will continue if not converted to concrete for use by shows and food and beverage vendors.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 400,000 | | | \$ 400,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Exhibit Hall Concrete Replacement

Project Number FY19 Project



Project Description

Replace concrete in the Central Halls.

Project Justification

Concrete is cracking and deteriorating. Some cracks are too wide to be repaired so concrete needs to be replaced due to safety concerns.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing concrete repairs are approximately \$5,000 annually.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|-----------|--------------|--------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 50,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 2,050,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Cashman Center

Project Title Stadium Concrete Replacement

Project Number FY19 Project



Project Description

Seal concrete on Club and Concourse levels, steps, seating areas and ramps leading to the patio area in front of Cashman Center's administrative offices.

Project Justification

As the concrete expands and contracts, it causes cracks and sprawling of the flat surfaces of concrete as well as on the steps. Water seepage from rain and cleaning will cause major damage as more water runs through.

Fiscal Impact

Reduced maintenance and staffing costs associated with current ongoing concrete repairs are approximately \$3,000 annually.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------------|------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 250,000 | | | \$ 250,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Cashman Center

Project Title Restroom Renovation

Project Number FY19 Project



Project Description

Upgrade restrooms in meeting rooms and exhibit halls. Design is budgeted for FY19 ahead of construction in FY20.

Project Justification

Restrooms are original to the facility and have become outdated. Replacement tiles are not available and repairs are made from salvaged material. Renovated and redesigned restrooms allow for an increased number of fixtures while providing an updated feel for an improved customer experience.

Fiscal Impact

A 15% savings in water consumption is anticipated with the installation of more efficient faucets, urinals, and toilets.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|-----------|------------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | \$ 50,000 | \$ 350,000 | | \$ 400,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location **Convention Center**

Project Title **HVAC Commissioning**

Project Number **FY20 Project**

Project Description

Commissioning of HVAC Systems in all Central, North, and South Exhibit halls by outside contractor.



Project Justification

Commissioning is a process that restores the HVAC system to its original design specifications. Once completed, equipment life expectancy can be determined. When the LVCC HVAC system was installed there was only a partial commissioning of the building. Commissioning is important to ensure that the system performs per the intent and design of the engineer and provide a comfortable environment for the occupants and clients. Additionally, all of the building improvement modifications to the HVAC system can be logged during this process. Recommissioning will also give the LVCVA the ability to obtain Leadership in Energy and Environment Design (LEED) certification while extending the useful life of the equipment.

Fiscal Impact

Commissioning benefits the Authority by improving energy efficiency and reducing repair and maintenance (man hours). In many instances, obtaining a LEED certification will lower energy rates.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------|------------|------------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | \$ 340,000 | \$ 170,000 | \$ 510,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Restroom Renovation

Project Number FY20 Project



Project Description

Design and construct upgrades to all Exhibit Hall restrooms. Funds were budgeted in FY15 to begin the process. Show schedules will dictate the timeline for each set of restrooms.

Project Justification

Just as with the NE Meeting Room restrooms described in a separate project, many of the restrooms throughout the facility require, at a minimum, an aesthetic upgrade. However, given the date of the facility, many of the restrooms also require structural upgrades, including new fixtures and plumbing.

Fiscal Impact

The project will yield fiscal savings in maintenance and ongoing repair of restrooms. There is a potential for lower negotiated construction costs using a previously negotiated contract, (Construction Manager at Risk). If not completed, first-floor restrooms will remain out of code compliance, and will be neither fully functional nor pleasing in appearance to show organizers and their attendees. Due to aging fixtures, wall and floor deterioration, and plumbing problems (odor) there has been a twenty percent increase in maintenance costs for these restrooms over the past year.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------|--------------|--------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | \$ 4,000,000 | \$ 5,000,000 | \$ 9,000,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Grand Concourse Lighting Upgrade

Project Number FY21 Project

Project Description

Replace metal halide HID lighting with new energy efficient LED luminaires in the Grand and Central Concourse.



Project Justification

Lighting is currently limited in the Grand and Central Concourse. Removal of the reflective metal ceiling material adds an aesthetic improvement and increases usability in the areas. There have been major technological advances in lighting since these panels were installed. Parts are often challenging to find. Lighting changes will reduce energy costs and improve efficiency and functionality.

Fiscal Impact

This project is expected to reduce maintenance and staffing costs associated with lighting repairs by approximately \$11,000 annually.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------|------------|------------|-------|
| Land Improvements | | | | | | |
| Building Improvements | | | | \$ 395,000 | \$ 395,000 | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Low Bay Lighting Upgrades

Project Number FY21 Project

Project Description

Replace metal halide HID lighting with new energy efficient LED luminaires.



Project Justification

Lighting is currently limited in these low-bay exhibit areas. Parts are often challenging to find for these fixtures. Improving the aesthetics of the area will increase useability and efficiency.

Fiscal Impact

This project is expected to reduce maintenance and staffing costs associated with lighting repairs by approximately \$12,000 annually.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------|------------|------------|-------|
| Land Improvements | | | | | | |
| Building Improvements | | | | \$ 285,000 | \$ 285,000 | |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Convention Center

Project Title Orange Lot Curbing Replacement

Project Number FY21 Project



Project Description

Replace concrete curbing outside of the C Halls, in the Orange Lot. The project will encompass areas near Freight Doors 4,5,6 from Data Command Center to the C 5 restrooms.

Project Justification

The Orange Lot is heavily used for contractor move-in/out. Curbs in this area have been broken by forklifts and freight trucks and present safety hazards to staff and equipment.

Fiscal Impact

There will be no impact on the operating budget in personnel or supplies/services.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------|------------|------|------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | \$ 300,000 | | \$ 300,000 |
| Capital Improvement Program | | | | | | |

FIVE YEAR CAPITAL IMPROVEMENT PLAN

Project Location Cashman Center

Project Title Ball Field Renovation

Project Number FY21 Project

Project Description

Renovate the ball field; demo to subgrade (including drainage system) and rebuild.



Project Justification

Professional sports fields, specifically baseball fields, are recommended to be renovated every 7-10 years. The field at Cashman Center has had a few small areas renovated; however, only the top 8"-10" were replaced. Drainage, subgrade, irrigation and root zone are original and require significant resources to maintain turf health and safe playing conditions.

Fiscal Impact

Estimated annual savings is approximately \$10,000 resulting from improved irrigation, drainage and root zones. The most significant impact is the improvement of conditions for player safety. This may be reevaluated depending on the possible redevelopment of Cashman Center with the City of Las Vegas, due to the amended and restated MOU agreement approved by the Board in May 2016.

| Expenditures | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|-----------------------------|------|------|------|------|--------------|--------------|
| Land Improvements | | | | | | |
| Building Improvements | | | | | \$ 1,600,000 | \$ 1,600,000 |
| Capital Improvement Program | | | | | | |

DEBT SERVICE FUNDS SUMMARY

Most of the LVCVA's outstanding debt obligations are general obligation (G.O.) bonds of Clark County, acting by and through the LVCVA. General obligation bonds are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of property taxes for debt service, using only net pledged revenues derived from operations. In fact, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. Three of LVCVA's obligations are revenue bonds, which are secured by room taxes and the facilities revenue generated by the LVCVA.

As required by Nevada Revised Statute 244A.637 the LVCVA issued bonds to provide funding for the Nevada Department of Transportation (NDOT). A legislative mandate in 2007 required the LVCVA to contribute the lesser of \$20 million a year for a period of 30 years for debt service or a total of \$300 million in principal to NDOT for projects in Clark County. The initial issuance of \$26,455,000 was completed in August 2008. In January 2010, an additional \$99,640,000 was issued and the remaining balance of \$173,905,000 was issued in December 2010. The FY 2010 and FY 2011 issuances for NDOT funding included over \$226 million in Build America Bonds (BAB's), which are anticipated to save more than \$95 million, factoring in federal sequestration reductions, in interest expenses over the term of the bonds as a result of a federal subsidy.

In December 2014, the LVCVA entered into a credit agreement with JP Morgan Chase. This provided a \$275 million non-revolving variable rate line of credit (LOC). In FY 2015, \$187 million was drawn down to acquire the Riviera Hotel & Casino, and \$116.8 million was refunded with the 2015A G.O. bonds, leaving \$70.2 million outstanding, and giving the LVCVA the ability to draw an additional \$88 million. However, since this current program is scheduled to expire in December 2016, the Board approved the modification and extension of the credit facility for the best interest of the LVCVA in April 2016. The new 2016A Revolving Credit Agreement and 2016B Term Loan Credit Agreement credit facilities will replace the 2014A facility, and will have a two-year term, expiring July 2018. Advances from the 2016A facility, if any, will be used for LVCCD planning, development, and capital project costs for the LVCC. Total borrowing on the facility may not exceed an aggregate principal amount of \$300 million; however, only \$100 million may be outstanding at any given time. Expenditure of funds from the revolving credit facility will follow LVCVA delegation of authority processes, including the presentation for Board approval of proposed expenditures of \$100,000 or more. The 2016B term loan agreement is solely for the purpose of replacing the 2014A facility to refinance the \$69.2 million balance of advances drawn.

| Obligation Name and Type | Original Issue | Semi-Annual Interest | Final Maturity | Outstanding Principal at 6/30/16 |
|--|----------------|----------------------|----------------|----------------------------------|
| 05/07 Refunding Bonds (G.O.) | 38,200,000 | 4.0-5.5% | FY 2018 | \$ 5,925,000 |
| 11/07 Land (Revenue) | 50,000,000 | 4.0-6.0% | FY 2038 | 42,455,000 |
| 07/08 NDOT (G.O.) | 26,455,000 | 4.0-5.0% | FY 2039 | 22,970,000 |
| 2010A NDOT BABS (G.O.) | 70,770,000 | 6.55-6.75% | FY 2039 | 70,770,000 |
| 2010B NDOT (G.O.) ¹ | 28,870,000 | 2.0-5.0% | FY 2027 | 18,355,000 |
| 2010B Refunding (G.O.) ¹ | 24,650,000 | 2.0-5.0% | FY 2027 | 24,210,000 |
| 2010C NDOT BABS (G.O.) | 155,390,000 | 4.0-7.0% | FY 2039 | 155,390,000 |
| 2010E Refunding CP Bonds (Revenue) | 81,925,000 | 4.0-5.5% | FY 2041 | 80,260,000 |
| 2012A Land (G.O.) | 24,990,000 | 2.0-4.0% | FY 2033 | 22,940,000 |
| 2014 LVCC Expansion & Renovation Phase I (G.O.) | 50,000,000 | 2.0-5.0% | FY 2044 | 50,000,000 |
| 2015A Refunding Series (G.O.) ² | 72,370,000 | 2.0-5.0% | FY 2022 | 72,370,000 |
| 2015A Refunding Series LOC (G.O.) ² | 109,435,000 | 2.0-5.0% | FY 2045 | 109,435,000 |
| 2015 Line of Credit | 187,000,000 | variable | FY 2017 | 70,200,000 |
| Total Outstanding Principal as of 6/30/16 | | | | \$ 745,280,000 |

⁽¹⁾ Total Issue for 2010 B was \$53,520,000

⁽²⁾ Total Issue for 2015 was \$181,805,000

DEBT SERVICE FUNDS SUMMARY

Monthly transfers from the general fund are made to fund interest payments due on January 1 and principal and interest payments due on July 1. These funds are invested in the interim, and interest earned on the investments is transferred back to the general fund. The budgeted ending fund balances of the debt service funds are sufficient to pay principal and interest due on the first day (July 1) of the next fiscal year. The budgeted ending fund balance in the debt service funds at June 30, 2017 is \$51.7 million. Of that balance, \$45.9 million will be used to pay principal and interest payments due on July 1, 2017. The remaining balance of \$5.8 million is restricted as security for the 2010E revenue refunding bonds per the Bond Resolution. The Reserve Fund is required to be maintained as a continuing reserve and amounts on deposit in the Reserve Fund may only be used to meet deficiencies in the Bond Fund.

BOND ISSUE PROCESS

As a governmental entity, the LVCVA must follow Nevada Revised Statute 350.013. This statute requires filing several reports with the Debt Management Commission prior to August 1 of each year regardless if new debt is being contemplated or not. These reports include a complete statement of current general obligation debt and a report of current debt and retirement schedules, a complete statement of general obligation debt contemplated, the entity's debt management policy, and a five-year capital improvement plan.

The debt management policy must contain the following discussions:

- A discussion of ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
- A discussion of capacity to incur authorized and proposed future general obligation debt without exceeding the applicable debt limit;
- A discussion of general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state;
- A discussion of general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality;
- Policy regarding the manner in which the municipality expects to sell the debt;
- A discussion of sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt;
- A discussion of its operational costs and revenue sources, for the ensuing five fiscal years, associated with each project included in its plan for capital improvement.

LVCVA Debt Compliance Policy

The LVCVA Debt Issuance Compliance Policy was adopted in FY 2010 and is applicable to all debt issuance activities of the LVCVA. The policy establishes the requirements and procedures for ensuring compliance with federal laws relating to the issuance and post-issuance monitoring of tax-exempt bonds and taxable Direct Pay Bonds.

Post-issuance compliance responsibilities include:

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

DEBT SERVICE FUNDS SUMMARY

TOTAL DEBT SERVICE FUNDS

| | ACTUAL FY 2014 | ACTUAL FY 2015 | PROPOSED BUDGET FY 2016 | PROPOSED BUDGET FY 2017 |
|--|-------------------|-------------------|-------------------------------|-------------------------------|
| REVENUES: | | | | |
| Interest & Investment Earnings | \$ 113,857 | \$ 138,329 | \$ 104,100 | \$ 109,900 |
| Federal Grant Subsidy | 4,752,266 | 4,746,179 | 2,560,488 | 2,530,213 |
| Total Revenues | 4,866,123 | 4,884,508 | 2,664,588 | 2,640,113 |
| EXPENDITURES: | | | | |
| Principal | 22,650,000 | 24,800,000 | 27,665,000 | 27,820,000 |
| Interest | 31,743,473 | 32,754,483 | 38,193,191 | 36,159,460 |
| Debt Issuance Costs | - | 1,204,907 | - | 170,000 |
| Total Expenditures | 54,393,473 | 58,759,390 | 65,858,191 | 64,149,460 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (49,527,350) | (53,874,882) | (63,193,603) | (61,509,347) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | 51,233,509 | 56,995,784 | 60,224,925 | 62,223,300 |
| Proceeds of Debt Issuance | - | 181,805,000 | - | 70,200,000 |
| Premium on Debt Issuance | - | 16,018,109 | - | - |
| Refunding Bonds Issued | - | (197,740,437) | - | (70,200,000) |
| Transfers Out | (114,454) | (2,139,911) | (104,100) | (109,900) |
| Total Other Financing Source (Uses) | 51,119,055 | 54,938,545 | 60,120,825 | 62,113,401 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | 1,591,705 | 1,063,663 | (3,072,778) | 604,053 |
| FUND BALANCE, BEGINNING | 51,555,426 | 53,147,131 | 54,210,795 | 51,138,017 |
| FUND BALANCE, ENDING | \$ 53,147,131 | \$ 54,210,795 | \$ 51,138,017 | \$ 51,742,070 |

DEBT SERVICE FUNDS SUMMARY

Since the LVCVA's establishment in 1959, room taxes have provided sufficient funding for debt service with no effect on operations. The economic forecast does not indicate any reversal of this trend. Annual bonded fixed rate debt service requirements for the next 30 years:

| FYE | Principal (in \$) | Interest (in \$) | Total (in \$) |
|-----------|-------------------|------------------|------------------|
| 6/30/2017 | 27,820,000 | 34,329,460 | 62,149,460 |
| 6/30/2018 | 29,060,000 | 33,027,773 | 62,087,773 |
| 6/30/2019 | 30,330,000 | 31,655,681 | 61,985,681 |
| 6/30/2020 | 31,745,000 | 30,199,662 | 61,944,662 |
| 6/30/2021 | 19,935,000 | 29,069,738 | 49,004,738 |
| 6/30/2022 | 20,730,000 | 28,182,978 | 48,912,978 |
| 6/30/2023 | 22,115,000 | 27,135,105 | 49,250,105 |
| 6/30/2024 | 23,105,000 | 25,994,549 | 49,099,549 |
| 6/30/2025 | 24,130,000 | 24,771,433 | 48,901,433 |
| 6/30/2026 | 25,210,000 | 23,484,637 | 48,694,637 |
| 6/30/2027 | 26,375,000 | 22,121,104 | 48,496,104 |
| 6/30/2028 | 22,190,000 | 20,812,514 | 43,002,514 |
| 6/30/2029 | 23,205,000 | 19,560,451 | 42,765,451 |
| 6/30/2030 | 24,270,000 | 18,280,230 | 42,550,230 |
| 6/30/2031 | 25,365,000 | 16,927,011 | 42,292,011 |
| 6/30/2032 | 26,545,000 | 15,472,495 | 42,017,495 |
| 6/30/2033 | 27,770,000 | 13,978,671 | 41,748,671 |
| 6/30/2034 | 27,275,000 | 12,439,534 | 39,714,534 |
| 6/30/2035 | 28,585,000 | 10,836,594 | 39,421,594 |
| 6/30/2036 | 29,950,000 | 9,154,889 | 39,104,889 |
| 6/30/2037 | 31,370,000 | 7,389,586 | 38,759,586 |
| 6/30/2038 | 32,875,000 | 5,537,592 | 38,412,592 |
| 6/30/2039 | 31,215,000 | 3,676,131 | 34,891,131 |
| 6/30/2040 | 13,760,000 | 2,444,199 | 16,204,199 |
| 6/30/2041 | 14,435,000 | 1,790,283 | 16,225,283 |
| 6/30/2042 | 9,210,000 | 1,266,068 | 10,476,068 |
| 6/30/2043 | 9,620,000 | 880,619 | 10,500,619 |
| 6/30/2044 | 10,045,000 | 478,844 | 10,523,844 |
| 6/30/2045 | 6,840,000 | 136,800 | 6,976,800 |
| 6/30/2046 | - | - | - |
| | \$ 675,080,000 | \$ 471,034,629 | \$ 1,146,114,629 |

The LVCVA has also budgeted approximately \$3 million for the estimated interest costs to be incurred in FY 2017 related to the 2016A and 2016B credit facilities.

Currently, the LVCVA's bonds issued through Clark County are rated "AA" by Standard and Poor's and "Aa1" by Moody's. LVCVA's underlying bond rating is "A+" issued by Standard and Poor's and "A1" issued by Moody's.

DEBT LIMITS AND CAPACITY

DEBT MARGIN
CLARK COUNTY, NEVADA
AS OF JUNE 30, 2015

| | Las Vegas Convention & Visitors Authority | Clark County |
|---|---|-------------------|
| Approximate Assessed Valuation (1) | \$ 62,901,949,671 | \$ 62,901,949,671 |
| Bonded Debt Limit (2) | 5% | 10% |
| Statutory Debt Limitation | 3,145,097,484 | 6,290,194,967 |
| Less: | | |
| Amount of Debt Applicable to Debt Limit | 563,160,000 (3) | 1,600,911,851 (4) |
| Total General Obligation Indebtedness Available | \$ 2,581,937,484 | \$ 4,689,283,116 |

(1) This is the net total assessed value for the secured and estimated unsecured property for Clark County, Nevada for FY 2015. It includes the assessed valuation of the redevelopment agencies. These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bonded indebtedness. This valuation is used to determine the LVCVA's debt margin since our debt is issued in the name of the County as described below.

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

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

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

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

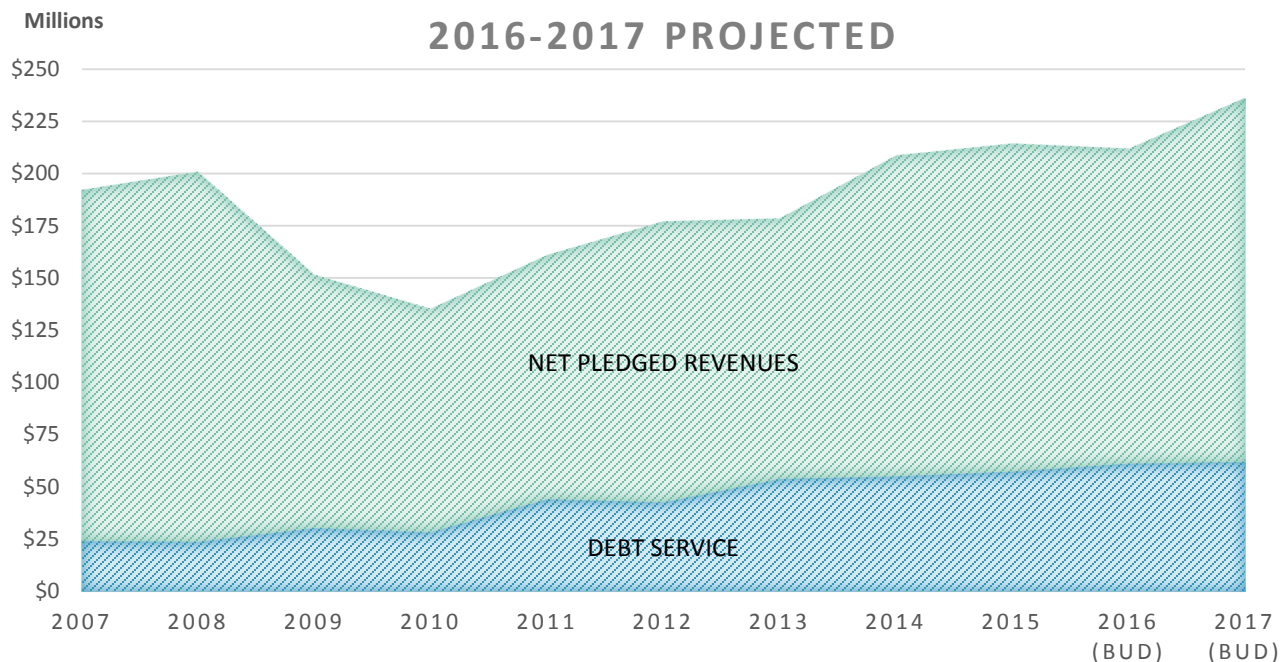
DEBT SERVICE – BOND COVERAGE

The LVCVA's bonds constitute direct and general obligations of Clark County (except for the 2005 Refunding Series bonds, the 2010E Revenue Refunding Series bonds and the line of credit). They are additionally secured by a pledge of revenues consisting of gross revenues derived from the operation and use of facilities, plus room and gaming taxes (gross pledged revenues), less operating and maintenance expenses of the facilities and collection allocation.

Gross pledged revenues also include interest income and miscellaneous fees and charges in the general fund and transfers in from the debt fund. Operating and maintenance expenditures include general government, operations, and collection allocation. Also included are those marketing expenditures related only to the sales effort of the Las Vegas Convention Center and Cashman Center. The calculation below is based on general obligation bond documents.

| FISCAL YEAR | GROSS REVENUES | MAINTENANCE EXPENDITURES | AVAILABLE FOR DEBT SERVICE | PRINCIPAL AND INTEREST | DEBT SERVICE COVERAGE |
|-------------|----------------|--------------------------|----------------------------|------------------------|-----------------------|
| 2007 | 269,783,512 | 77,608,698 | 192,174,814 | 24,391,084 | 7.9x |
| 2008 | 282,743,913 | 81,762,821 | 200,981,092 | 23,989,130 | 8.4x |
| 2009 | 225,682,302 | 74,174,827 | 151,507,475 | 30,454,599 | 5.0x |
| 2010 | 200,886,994 | 65,614,509 | 135,272,485 | 28,562,969 | 4.7x |
| 2011 | 227,600,497 | 66,460,656 | 161,139,841 | 44,321,298 | 3.6x |
| 2012 | 250,917,732 | 73,815,376 | 177,102,356 | 42,754,341 | 4.1x |
| 2013 | 253,121,291 | 74,631,057 | 178,490,234 | 53,951,716 | 3.3x |
| 2014 | 285,749,837 | 77,050,163 | 208,699,674 | 54,393,473 | 3.8x |
| 2015 | 293,340,228 | 78,998,993 | 214,341,235 | 57,554,480 | 3.7x |
| 2016 (bud) | 299,399,400 | 87,423,600 | 211,975,800 | 61,252,681 | 3.5x |
| 2017 (bud) | 329,620,700 | 93,369,800 | 236,250,900 | 62,149,461 | 3.8x |

DEBT SERVICE AND NET PLEDGED REVENUES 2007-2015 ACTUAL 2016-2017 PROJECTED



DEBT SERVICE – HISTORICAL PERSPECTIVE

The schedule below presents a historical record of all debt issued by the LVCVA since it was established.

| DATE ISSUED | ORIGINAL ISSUE AMOUNT | INTEREST RATE | PURPOSE | STATUS | DATE RETIRED/DEFEASED |
|-------------|-----------------------|---------------|---|---|-----------------------|
| 2015A | 72,370,000 | 2.0-5.0% | \$72,370,000 to refund 3/05 and partial 5/07; \$109,435,000 for principal reduction on Line of Credit | Outstanding - Final Payment date FY 2045 | Outstanding |
| 2014 | 50,000,000 | 2.0-5.0% | LVCC expansion and renovation project Phase I | Outstanding - Final Payment date FY 2044 | Outstanding |
| 2012A | 24,990,000 | 2.0-4.0% | Purchase land | Outstanding - Final Payment date FY 2032 | Outstanding |
| 2010E | 81,925,000 | 4.0-5.5% | Refund Commercial Paper | Outstanding - Final Payment date FY 2041 | Outstanding |
| 2010D | 18,515,000 | 3.0-5.0% | Nevada Department of Transportation | Outstanding - Final Payment date FY 2016 | 7/1/2015 |
| 2010C | 155,390,000 | 4.0-7.0% | Nevada Department of Transportation | Outstanding - Final Payment date FY 2039 | Outstanding |
| 2010B | 53,520,000 | 2.0-5.0% | \$28,870,000 - NDOT; \$24,650,000 refund 1998A bonds | Outstanding - Final Payment date FY 2022 and FY 2027 | Outstanding |
| 2010A | 70,770,000 | 6.55-6.75% | Nevada Department of Transportation | Outstanding - Final Payment date FY 2039 | Outstanding |
| FY 2008 | 80,000,000 | variable | Issue commercial paper for the Las Vegas Convention Center's Master Plan Enhancement Program | Partially issued. Board authorized issuance of \$822,000,000, (\$680 million in Feb. 2006 and \$142 million in May 2007). Program closed. Revenue bonds in January 2011 to fully redeem all outstanding commercial paper. | 1/31/2011 |
| 08/08 | 26,455,000 | 4.0-5.0% | Nevada Department of Transportation | Outstanding – Final payment date FY 2038. Total NDOT bonds authorized \$300,000,000 | Outstanding |
| FY 2007 | 16,000,000 | variable | Issue commercial paper for the Las Vegas Convention Center's Master Plan Enhancement Program | Partially issued. Board authorized issuance of \$822,000,000, (\$680 million in Feb. 2006 and \$142 million in May 2007). Program closed. Revenue bonds in January 2011 to fully redeem all outstanding commercial paper. | 1/31/2011 |

DEBT SERVICE – HISTORICAL PERSPECTIVE

HISTORICAL RECORD (continued)

| DATE ISSUED | ORIGINAL ISSUE AMOUNT | INTEREST RATE | PURPOSE | STATUS | DATE RETIRED/DEFEASED |
|-------------|-----------------------|---------------|--|--|-----------------------|
| 11/07 | 50,000,000 | 4.0-6.0% | Purchase land | Outstanding – Final payment date FY 2038 | Outstanding |
| 05/07 | 38,200,000 | 4.0-5.5% | Refunded 8/96 Bonds | Advance refund in April 2015. Final payment date FY 2018 | 4/2/2015 |
| 03/05 | 118,745,000 | 3.0-5.25% | Refund a portion of the 11/99 bonds | Refunded in April 2015. Final payment date FY 2016 | 7/1/2015 |
| 05/03 | 35,075,000 | 1.2-2.1% | Refund 8/93 Bonds | Retired | 7/1/2008 |
| 11/99 | 150,000,000 | 4.8-6% | Expansion of Convention Center | Partially refunded by 3/05 – Called in FY 2011 | 6/30/2011 |
| 4/1/98B | 5,020,000 | 4.50% | Grant to the University of Nevada Las Vegas for the purpose of improvements to the Thomas and Mack Center and Sam Boyd Stadium | Retired | 7/1/2003 |
| 4/1/98A | 36,200,000 | 4.7-5.1% | Refund a portion of 8/1/93 and 9/1/96 bonds | Refunded by 01/10 B | 1/31/2010 |
| 9/1/1996 | 97,425,000 | 5.4-6% | Expansion of Convention Center & Cashman Center, refund 6/1/86 bonds | Partially refunded by 98A and 5/07 | 7/1/2008 |
| 8/1/1993 | 80,530,000 | 4.8-5.2% | Purchase land; refund a portion of 6/1/88 bonds | Partially refunded by 98A and 5/03 | 7/1/2003 |
| 6/1/1988 | 35,000,000 | 7-10% | Expansion of Convention Center | Partially refunded by 8/1/93 bonds | 7/1/1998 |
| 6/1/1986 | 38,240,000 | 5.9-8% | Refund portion of 12/1/82 bonds | Refunded by 9/1/96 bonds | 9/1/1996 |
| 12/1/1982 | 52,825,000 | 7-10.9% | Refund 7/73, 8/76, 7/80 and 10/80 bonds | Retired | 7/1/1993 |
| 10/1/1980 | 20,000,000 | 9% | Purchase land; expansion of East Hall and cafeteria; construction of pedestrian bridge; \$2.5 million for recreation grants | Refunded by 12/1/82 bonds | 12/1/1982 |
| 7/1/1980 | 22,000,000 | 7-8.5% | Cashman Center construction | Refunded by 12/1/82 bonds | 12/1/1982 |
| 8/31/1976 | 12,225,000 | 6.2-6.3% | Refund 5/1/75 bonds | Refunded by 12/1/82 bonds | 12/1/1982 |
| 5/1/1975 | 12,000,000 | 7-8% | East Hall and kitchen expansion; warehouse and meeting rooms annex construction | Refunded by 8/31/76 bonds | 8/31/1976 |
| 7/1/1973 | 6,960,000 | 4.5-5.3% | Refund 1/15/71 bonds | Refunded by 12/1/82 bonds | 1/1/1985 |
| 1/15/1971 | 7,500,000 | 4.5-5% | East Hall expansion - \$6,500,000; stadium construction - \$1 million | Refunded by 7/1/73 bonds | 1/15/1982 |
| 7/15/1963 | 4,790,000 | 3.50% | Refund 1/15/57 and 12/15/58 bonds | Retired | 7/15/1973 |
| 12/15/1958 | 1,000,000 | 4-4.25% | \$500,000 for construction; \$500,000 for recreation grants | Refunded by 7/15/63 bonds | 1/15/1968 |
| 1/15/1957 | 4,500,000 | 5% | Original construction of Convention Center | Refunded by 7/15/63 bonds | 1/15/1977 |

INTERNAL SERVICE FUND

Employees of state and local governments may earn benefits over their years of service that will not be received until after their employment with the government ends through retirement or other reason for separation. Post-employment benefits generally take the form of pensions and healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. LVCVA retirees may participate in the employee health insurance programs, which results in an implicit rate impact that affects the plan premiums. These rate impacts are considered Other Post-Employment Benefits (OPEB).

The Governmental Accounting Standards Board (GASB) established standards for how governmental employers should account for and report on OPEB through GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB believes that OPEB is part of the compensation that employees earn each year, even though these benefits are not received until after employment has ended. Therefore, the cost of these future benefits should be reported as a part of the cost of providing public services today.

The LVCVA has complied with GASB 45 reporting standards since FY 2008 and reports our accumulating liability for future OPEB costs. However, we have continued a “pay-as-you-go” program of funding only current year premium costs, which is consistent with most other state and local governments. This practice does not provide for the compounding growth of the unfunded liability, which is reported in our annual financial statements.

Accumulating funds specifically restricted for the OPEB liability is a fiscally responsible practice and credit rating agencies factor this action into their assessment of credit ratings. In September 2011, the Board approved a policy statement addressing OPEB and establishing a formal plan of action to fund the growing liability. The statement directed the creation of an internal service fund to account for cash held in reserve to offset the liability for post-employment benefits. It also established a target to fully fund the prior accumulated liability through a reserve within a ten-year timeframe, which began in FY 2013. This year’s budget continues the funding process based on that timeline.

| | ACTUAL FY 2014 | ACTUAL FY 2015 | REVISED BUDGET FY 2016 | PROPOSED BUDGET FY 2017 | % CHANGE FY17/16 |
|--|---------------------|---------------------|------------------------------|-------------------------------|------------------------|
| REVENUES: | | | | | |
| Interest | \$ 35,456 | \$ 76,413 | \$ 83,200 | \$ 185,200 | 123% |
| Unrealized Gain/Loss | (13,718) | 13,540 | - | - | 0% |
| Total Revenues | <u>21,738</u> | <u>89,953</u> | <u>83,200</u> | <u>185,200</u> | <u>123%</u> |
| EXPENDITURES: | | | | | |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>0%</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 21,738 | 89,953 | 83,200 | 185,200 | 123% |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers In | 3,000,000 | 3,500,000 | 4,500,000 | 5,500,000 | 22% |
| Total Other Financing Source (Uses) | <u>3,000,000</u> | <u>3,500,000</u> | <u>4,500,000</u> | <u>5,500,000</u> | <u>22%</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES | 3,021,738 | 3,589,953 | 4,583,200 | 5,685,200 | 24% |
| FUND BALANCE, BEGINNING | <u>2,973,867</u> | <u>5,995,605</u> | <u>9,585,558</u> | <u>14,168,758</u> | <u>48%</u> |
| FUND BALANCE, ENDING | <u>\$ 5,995,605</u> | <u>\$ 9,585,558</u> | <u>\$ 14,168,758</u> | <u>\$ 19,853,958</u> | <u>40%</u> |

PERSONNEL ALLOCATION

SUMMARY OF PERSONNEL REQUESTS

Budget Process

In the early stages of the budget process, personnel requests along with detailed justifications and other supporting documentation are submitted. Budget meetings and further analysis result in a reduction of requests. Every effort is made to limit the number of new employees while ensuring efficient operation of the LVCVA.

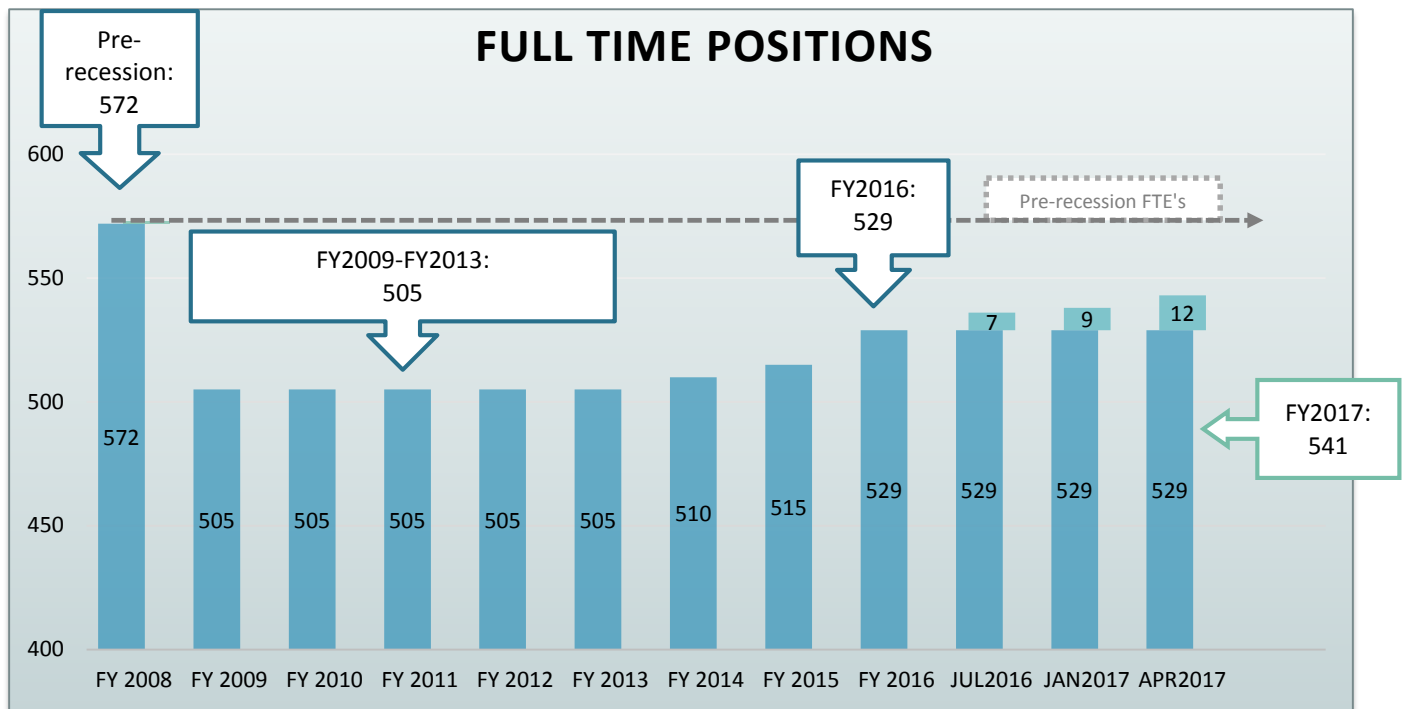
The LVCVA's commitment to and investment in the organization's employees is a fundamental objective of the updated strategic business plan. In FY 2011, 67 vacant positions were eliminated from the overall number of authorized positions. The Authority held flat at the 505 position level for 3 years, then was approved for 5 additional Perimeter Security Officer positions in both FY 2014 and FY 2015.

In FY 2016, the LVCVA Board approved 14 new positions, in which 6 of those positions were allocated to the Customer Safety Department to ensure the safety of our facilities for our meeting and tradeshow attendees. The other positions were needed to meet the increased demand of day to day operations, and to support the leadership structure for LVCVA's Five-Year Vision Plan.

Additionally, the LVCVA Board approved 12 new full-time positions for FY 2017. Of those positions, 4 are devoted to the Customer Safety Department to demonstrate our continued efforts to enhance security presence both in the facility as well as around the campus. The other personnel are needed to maintain operational efficiency, and will be used to provide support for LVCVA's international efforts as we continue to expand and position ourselves as a global tourism leader.

Although the LVCVA has 541 authorized positions, it is still 5.4% below our pre-recession FTE level of 572.

The FY 2017 budget provides funding to fill remaining vacant positions which are deemed necessary.



PERSONNEL ALLOCATION

SUMMARY OF AUTHORIZED POSITIONS by Organizational Unit/Section

| | FYE 6/30/2013 | FYE 6/30/2014 | FYE 6/30/2015 | FYE 6/30/2016 | FYE 6/30/2017 |
|---|------------------|------------------|------------------|------------------|------------------|
| <u>GENERAL GOVERNMENT</u> | 77 | 80 | 81 | 83 | 86 |
| Executive | 14 | 16 | 16 | 16 | 17 |
| Finance | 35 | 36 | 37 | 39 | 40 |
| Human Resources | 8 | 8 | 8 | 10 | 11 |
| Public Affairs | 20 | 20 | 20 | 18 | 18 |
| <u>MARKETING</u> | 125 | 83 | 125 | 130 | 133 |
| Advertising ⁵ | 1 | -- | -- | -- | -- |
| Convention Center Sales ¹ | 13 | -- | -- | -- | -- |
| Convention Sales ¹ | 24 | -- | -- | -- | -- |
| Global Business Sales ^{1,4} | -- | 38 | 33 | 35 | 35 |
| Convention Services ^{2,6} | 14 | -- | 15 | 15 | 15 |
| Destination Services ³ | 3 | -- | -- | -- | -- |
| Digital Marketing | 9 | 7 | 7 | 7 | 8 |
| Diversity Marketing ⁴ | 1 | -- | -- | -- | -- |
| International Sales | 8 | 11 | 9 | 9 | 11 |
| Leisure Sales | 11 | 10 | 10 | 11 | 11 |
| Registration ^{2,6} | 6 | -- | 4 | 4 | 4 |
| Research Center (was Strategic Research & Analytics) ³ | 3 | 6 | 7 | 7 | 7 |
| Sports Marketing | 2 | 2 | 1 | 1 | 1 |
| Industry Relations (was Strategic Planning) | 7 | 4 | 7 | 8 | 8 |
| Visitor Information ^{2,6} | 23 | -- | 17 | 17 | 17 |
| Brand Strategy ⁵ | -- | 5 | 11 | 12 | 12 |
| Customer Experience ⁶ | -- | -- | 4 | 4 | 4 |
| <u>OPERATIONS</u> | 303 | 347 | 309 | 316 | 322 |
| Client Services | 112 | 112 | 112 | 112 | 112 |
| Customer Experience ^{3,6} | 2 | 4 | -- | -- | -- |
| Convention Services ^{2,6} | -- | 15 | -- | -- | -- |
| Registration ^{2,6} | -- | 5 | -- | -- | -- |
| Visitor Information ^{2,6} | -- | 19 | -- | -- | -- |
| Engineering | 100 | 100 | 92 | 94 | 96 |
| Engineering Projects | 5 | 4 | 4 | 3 | 3 |
| Information Technology | 14 | 13 | 21 | 21 | 21 |
| Fire Prevention (was Safety) | 17 | 5 | 5 | 5 | 5 |
| Customer Safety (was Security) | 36 | 47 | 47 | 62 | 64 |
| Traffic | 17 | 23 | 28 | 19 | 21 |
| <u>TOTAL LVCVA</u> | 505 | 510 | 515 | 529 | 541 |

In FY 2014, an Authority-wide strategic realignment took place and multiple departments were affected:

- 1 Convention Center Sales and Convention Sales were merged into Global Business Sales, still within Marketing.
- 2 Convention Services, Registration & Housing, and Visitor Information were moved to the Operations division.
- 3 Destination Services was split between the Research Center (Marketing) and Customer Experience (Operations).
- 4 Diversity Marketing was moved into Global Business Sales, still within Marketing.
- 5 Brand Strategy was created within Marketing and the Advertising personnel function was moved into the department.

In FY 2015, a realignment took place and these were the departments were affected:

- 6 Customer Experience, Convention Services, Registration, and Visitor Information were moved to the Marketing division.

PERSONNEL ALLOCATION

The following is the staffing pattern by organizational unit/section for FY 2017. All new positions, transfers, reclassifications, and title changes are included.

Upon approval by the Board of Directors at the public budget hearing, this staffing pattern will be authorized as of July 1, 2016. Total authorized positions: 541.

| EXECUTIVE (General Government) | | FINANCE (General Government) | |
|---|---|---|---|
| President/CEO | 1 | Chief Financial Officer | 1 |
| Chief Operating Officer | 1 | Senior Vice President of Finance | 1 |
| Senior Vice President of Marketing | 1 | Senior Director of Finance & Accounting | 1 |
| Senior Vice President of Operations | 1 | Director of Purchasing & Business Services | 1 |
| Legal Counsel | 1 | Senior Manager of Accounting Operations | 1 |
| Vice President | 1 | Senior Manager of Financial Resources | 1 |
| Director of Internal Audit | 1 | Senior Manager of Financial Systems | 1 |
| Internal Audit Manager | 1 | Senior Manager of Purchasing | 1 |
| Executive Assistant to the President | 1 | Accounting Manager | 1 |
| Internal Auditor | 2 | Materials Management Manager | 1 |
| Executive Assistant to the COO | 1 | Financial Systems Administrator | 1 |
| Executive Assistant | 2 | Financial Analyst | 4 |
| Executive Assistant to the Board | 1 | Executive Assistant to the CFO | 1 |
| Legal Assistant | 1 | Transportation Coordinator | 1 |
| Assistant to the Board | 1 | Contracts Administrator | 1 |
| | | Executive Assistant | 1 |
| | | Analyst | 1 |
| | | Financial Systems Technician | 1 |
| | | Lead Accountant | 1 |
| | | Lead Payroll Technician | 1 |
| | | Lead Records Management Technician | 1 |
| | | Contracts Coordinator | 2 |
| | | Payroll Technician | 1 |
| | | Records Management Specialist | 1 |
| | | Purchasing Specialist | 1 |
| | | Lead Accounting Technician | 1 |
| | | Accounting Technician | 3 |
| | | Purchasing Assistant | 2 |
| | | Business Services Specialist | 1 |
| | | Distribution Center Specialist | 2 |
| | | Mail Clerk | 2 |
| PUBLIC AFFAIRS (General Government) | | HUMAN RESOURCES (General Government) | |
| Chief Communications & Public Affairs Officer | 1 | Chief Human Resources & Organizational | |
| Senior Director of Communications | 1 | Development Officer | 1 |
| Senior Director of Community Relations & Public Affairs | 1 | Senior Business Partner | 2 |
| Director of News Bureau | 1 | Benefits Manager | 1 |
| Senior Manager of Communications | 1 | HR Information Systems Administrator | 1 |
| Communications Manager | 2 | Human Resources Administrator | 1 |
| Community Relations Manager | 1 | Executive Assistant to the CHRODO | 1 |
| Media Services Manager | 1 | Business Partner | 2 |
| Photography Manager | 1 | Human Resources Records Technician | 1 |
| News Bureau Assistant | 1 | Human Resources Secretary/Receptionist | 1 |
| Archivist | 1 | | |
| Communications Assistant | 1 | | |
| Community Relations & Public Affairs Assistant | 1 | | |
| Communications Coordinator | 1 | | |
| Photographer | 2 | | |
| Video Specialist | 1 | | |

PERSONNEL ALLOCATION

| | | | |
|---|-----------|---|-----------|
| DIGITAL MARKETING (Marketing) | 8 | GLOBAL BUSINESS SALES (Marketing) | 35 |
| Director of Marketing Systems | 1 | Vice President of Global Business Sales | 1 |
| Database Marketing Manager | 1 | Senior Director of Business Sales | 2 |
| Database Marketing Administrator | 1 | Director of Regional Sales - Chicago | 1 |
| Digital Communications Specialist | 1 | Director of Regional Sales - Wash DC | 1 |
| Digital Marketing Coordinator | 1 | Sales Executive | 9 |
| Multi-media Presentation Specialist | 1 | Sales Executive - Chicago | 2 |
| Database Marketing Coordinator | 2 | Sales Executive - Wash DC | 4 |
| | | Specialty Markets Manager | 2 |
| | | Administrative Assistant | 1 |
| | | Administrative Secretary | 2 |
| | | Administrative Secretary - Chicago | 1 |
| | | Administrative Secretary - Wash DC | 1 |
| | | Secretary - Wash DC | 2 |
| | | Secretary | 6 |
| BRAND STRATEGY (Marketing) | 12 | LEISURE SALES (Marketing) | 11 |
| Vice President of Br& Strategy | 1 | Senior Director of Leisure Sales | 1 |
| Senior Director of Digital Engagement | 1 | Senior Manager of Extended Destinations | 1 |
| Director of Advertising | 1 | Sales Executive | 4 |
| Director of Br& Public Relations | 1 | Administrative Secretary | 1 |
| Br& Public Relations Manager | 1 | Account Representative | 1 |
| Digital Content Manager | 1 | Secretary | 3 |
| Digital Engagement Manager | 1 | | |
| International Public Relations Manager | 1 | INTERNATIONAL SALES (Marketing) | 11 |
| Administrative Assistant | 1 | Vice President of International Marketing | 1 |
| Advertising Coordinator | 1 | Senior Director of International Sales | 1 |
| Administrative Secretary | 2 | China Market Manager | 1 |
| | | International MICE Sales Executive | 1 |
| | | Sales Executive | 4 |
| | | Administrative Coordinator | 1 |
| | | Administrative Secretary | 1 |
| | | Secretary | 1 |
| RESEARCH CENTER (Marketing) | 7 | SPORTS MARKETING (Marketing) | 1 |
| Executive Director of the Research Center | 1 | Director of Sports Marketing | 1 |
| Director of the Research Center | 1 | | |
| Digital Marketing Analyst | 1 | INDUSTRY RELATIONS (Marketing) | 8 |
| Senior Research Analyst | 1 | Senior Advisor of Industry Relations | 1 |
| Research Analyst | 2 | Senior Director of Business Partnerships | 1 |
| Administrative Secretary | 1 | Director of Industry Relations | 1 |
| | | Industry Relations Manager | 2 |
| | | Administrative Secretary | 2 |
| | | Business Partnerships Coordinator | 1 |
| CUSTOMER EXPERIENCE (Marketing) | 4 | VISITOR INFORMATION (Marketing) | 17 |
| Vice President of Customer Experience | 1 | Visitor Information Senior Supervisor | 1 |
| Senior Manager of Customer Experience | 1 | Visitor Information Center Supervisor | 3 |
| Destination Services Manager | 1 | Visitor Information Services Supervisor | 1 |
| Administrative Assistant | 1 | Administrative Specialist | 1 |
| | | Visitor Information Clerk | 3 |
| | | Visitor Information Specialist | 8 |
| CONVENTION SERVICES (Marketing) | 15 | | |
| Senior Director of Convention Services | 1 | | |
| Director of Convention Services | 1 | | |
| Senior Manager of Convention Services | 1 | | |
| Convention Services Manager | 7 | | |
| Associate Convention Services Manager | 1 | | |
| Leasing Administrator | 1 | | |
| Administrative Secretary | 1 | | |
| Leasing Coordinator | 1 | | |
| Leasing Specialist | 1 | | |
| REGISTRATION (Marketing) | 4 | | |
| Registration Services Senior Supervisor | 1 | | |
| Registration Services Supervisor | 1 | | |
| Administrative Specialist | 2 | | |

PERSONNEL ALLOCATION

| | | | |
|--|-----------|-------------------------------------|------------|
| ENGINEERING PROJECTS (Operations) | 3 | CLIENT SERVICES (Operations) | 112 |
| Senior Manager of Facility Projects | 1 | Director of Client Services | 1 |
| Project Manager | 2 | Services Manager | 3 |
| | | Administrative Secretary | 1 |
| | | Services Supervisor | 9 |
| | | Services Support Technician | 3 |
| | | Service Worker | 46 |
| | | Custodian | 49 |
| INFORMATION TECHNOLOGY (Operations) | 21 | | |
| Director of Information Technology | 1 | | |
| Network Supervisor | 1 | | |
| Support Services Supervisor | 1 | | |
| Systems Development Supervisor | 1 | | |
| Telecommunications Supervisor | 1 | | |
| Senior Web Developer | 1 | | |
| Programmer Analyst | 1 | | |
| Systems Administration Specialist | 1 | | |
| Information Technology Coordinator | 1 | | |
| Portable Systems Technician | 1 | | |
| Senior Help Desk Specialist | 2 | | |
| Systems Technician | 1 | | |
| Communications Supervisor | 2 | | |
| Communications Technician | 6 | | |
| | | ENGINEERING (Operations) | 96 |
| | | Director of Engineering | 1 |
| | | Director of Facility Operations | 1 |
| | | Senior Manager of Engineering | 3 |
| | | Grounds Manager | 1 |
| | | CMMS Administrator | 1 |
| | | Project Analyst | 1 |
| | | Administrative Secretary | 2 |
| | | CMMS Coordinator | 1 |
| | | Building Engineer Supervisor | 2 |
| | | Electrician Supervisor | 1 |
| | | Engineering Maintenance Supervisor | 2 |
| | | Engineering Supervisor | 1 |
| | | Exterior Engineering Supervisor | 1 |
| | | Facility Support Supervisor | 1 |
| | | Graphics Supervisor | 1 |
| | | HVAC Supervisor | 1 |
| | | Mechanic/Welder Supervisor | 1 |
| | | Plumber Supervisor | 1 |
| | | Engineering Assistant Supervisor | 1 |
| | | Grounds Supervisor | 2 |
| | | Building Engineer | 22 |
| | | Damage Assessment Technician | 1 |
| | | Electrician | 8 |
| | | Exterior Engineer | 5 |
| | | Facility Support Technician | 2 |
| | | Graphics Technician | 2 |
| | | HVAC Technician | 9 |
| | | Mechanic/Welder | 5 |
| | | Plumber | 6 |
| | | Groundskeeper | 10 |
| TRAFFIC (Operations) | 21 | | |
| Traffic Manager | 1 | | |
| Administrative Traffic Supervisor | 1 | | |
| Traffic Field Supervisor | 2 | | |
| Perimeter Security Supervisor | 3 | | |
| Perimeter Security Officer | 14 | | |
| CUSTOMER SAFETY (Operations) | 64 | | |
| Executive Director of Customer Safety | 1 | | |
| Safety Manager | 1 | | |
| Security Manager | 1 | | |
| Canine Supervisor | 1 | | |
| Control Center Supervisor | 1 | | |
| Administrative Assistant | 1 | | |
| Canine Officer | 1 | | |
| Surveillance Investigator | 2 | | |
| Security Sergeant | 7 | | |
| Security Officer | 39 | | |
| Secretary | 1 | | |
| Security Dispatcher | 8 | | |
| FIRE PREVENTION (Operations) | 5 | | |
| Fire Prevention Manager | 1 | | |
| Fire Prevention Coordinator | 2 | | |
| Life Systems Coordinator | 1 | | |
| Fire Prevention Technician | 1 | | |

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS

The FY 2017 salary schedule, which begins on July 1, 2016 is below.

| GRADE | CLASS TITLE | CLASSIFICATION | SALARY SCHEDULE (\$) | |
|-------|--|----------------|----------------------|-------------|
| 9 | Custodian | B | 30,274.40 | - 44,921.24 |
| 9 | Perimeter Security Officer | B | | |
| 12 | Mail Clerk | B | 34,112.00 | - 50,464.44 |
| 13 | Administrative Specialist | B | 35,455.16 | - 52,404.56 |
| 13 | Visitor Information Clerk | B | | |
| 13 | Visitor Information Specialist | B | | |
| 14 | Service Worker | B | 36,862.28 | - 54,579.20 |
| 15 | Security Dispatcher | B | 38,397.32 | - 56,860.44 |
| 16 | Business Service Specialist | B | 39,975.00 | - 59,035.08 |
| 16 | Database Marketing Coordinator | B | | |
| 16 | Distribution Center Specialist | B | | |
| 16 | Human Resources Secretary/Receptionist | B | | |
| 16 | Secretary | B | | |
| 16 | Services Support Technician | B | | |
| 17 | Groundskeeper | B | 41,467.40 | - 61,295.00 |
| 17 | Security Officer | B | | |
| 18 | Photographer | B | 43,087.72 | - 63,810.76 |
| 18 | Purchasing Assistant | B | | |
| 18 | Video Specialist | B | | |
| 20 | Accounting Technician | B | 46,626.84 | - 69,119.44 |
| 20 | Building Engineer | B | | |
| 20 | Communications Technician | B | | |
| 20 | Damage Assessment Technician | B | | |
| 20 | Electrician | B | | |
| 20 | Exterior Engineer | B | | |
| 20 | Facility Support Technician | B | | |
| 20 | Graphics Technician | B | | |
| 20 | HVAC Technician | B | | |
| 20 | Mechanic | B | | |
| 20 | Mechanic/Welder | B | | |
| 20 | Multi-media Presentation Specialist | B | | |
| 20 | Perimeter Security Supervisor | B | | |
| 20 | Plumber | B | | |
| 22 | Engineering Assistant Supervisor | B | 50,464.44 | - 74,683.96 |
| 22 | Fire Prevention Technician | B | | |
| 22 | Grounds Supervisor | B | | |
| 22 | Lead Accounting Technician | B | | |
| 22 | Security Sergeant | B | | |
| 22 | Services Supervisor | B | | |

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS (continued)

| GRADE | CLASS TITLE | CLASSIFICATION | SALARY SCHEDULE (\$) |
|-------|--|----------------|-----------------------|
| 25 | Building Engineer Supervisor | B | 56,860.44 - 84,064.76 |
| 25 | Communications Supervisor | B | |
| 25 | Electrician Supervisor | B | |
| 25 | Engineering Maintenance Supervisor | B | |
| 25 | Engineering Supervisor | B | |
| 25 | Exterior Engineering Supervisor | B | |
| 25 | Facility Support Supervisor | B | |
| 25 | Fire Prevention Coordinator | B | |
| 25 | Graphics Supervisor | B | |
| 25 | HVAC Supervisor | B | |
| 25 | Life Systems Coordinator | B | |
| 25 | Mechanic/Welder Supervisor | B | |
| 25 | Plumber Supervisor | B | |
| 16 | Purchasing Specialist | P | 39,000.00 - 57,595.20 |
| 16 | Secretary | P | |
| 16 | Secretary—Chicago, WDC & Ext. Destinations | P | |
| 18 | Account Representative | P | 42,036.80 - 62,254.40 |
| 18 | Assistant to the Board | P | |
| 18 | Communications Coordinator | P | |
| 18 | Leasing Specialist | P | |
| 18 | Records Management Specialist | P | |
| 18 | Surveillance Investigator | P | |
| 20 | Administrative Secretary | P | 45,489.60 - 67,433.60 |
| 20 | Advertising Coordinator | P | |
| 20 | Archivist | P | |
| 20 | Business Partnerships Coordinator | P | |
| 20 | CMMS Coordinator | P | |
| 20 | Communications Assistant | P | |
| 20 | Community Relations & Public Affairs Assistant | P | |
| 20 | Contracts Coordinator | P | |
| 20 | Leasing Coordinator | P | |
| 20 | Payroll Technician | P | |
| 22 | Administrative Assistant | P | 49,233.60 - 72,862.40 |
| 22 | Analyst | P | |
| 22 | Business Partner | P | |
| 22 | Canine Officer | P | |
| 22 | Financial Systems Technician | P | |
| 22 | Human Resources Records Technician | P | |
| 22 | Information Technology Coordinator | P | |
| 22 | Lead Accountant | P | |
| 22 | Lead Payroll Technician | P | |
| 22 | Lead Records Management Technician | P | |
| 22 | News Bureau Assistant | P | |
| 22 | Portable Systems Technician | P | |
| 22 | Registration Services Supervisor | P | |
| 22 | Senior Help Desk Specialist | P | |
| 22 | Systems Technician | P | |
| 22 | Traffic Field Supervisor | P | |
| 22 | Visitor Information Center Supervisor | P | |
| 22 | Visitor Information Services Supervisor | P | |

PERSONNEL ALLOCATION

POSITION CLASSIFICATIONS (continued)

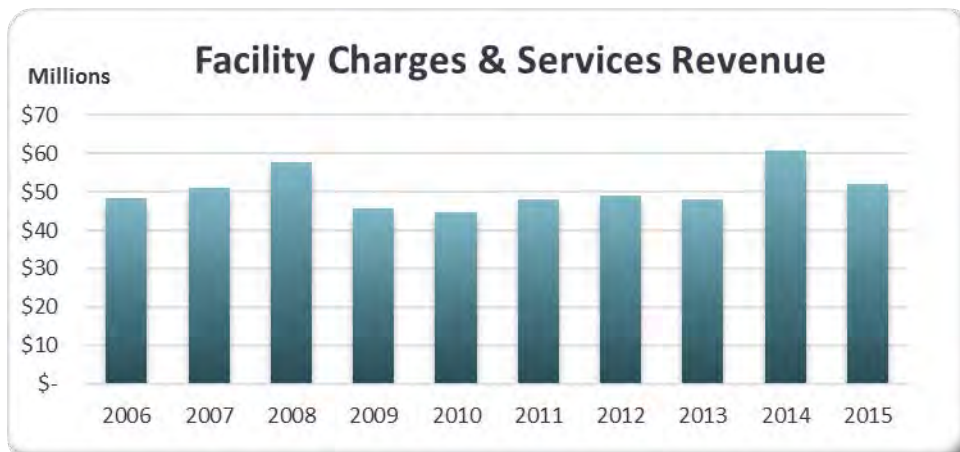
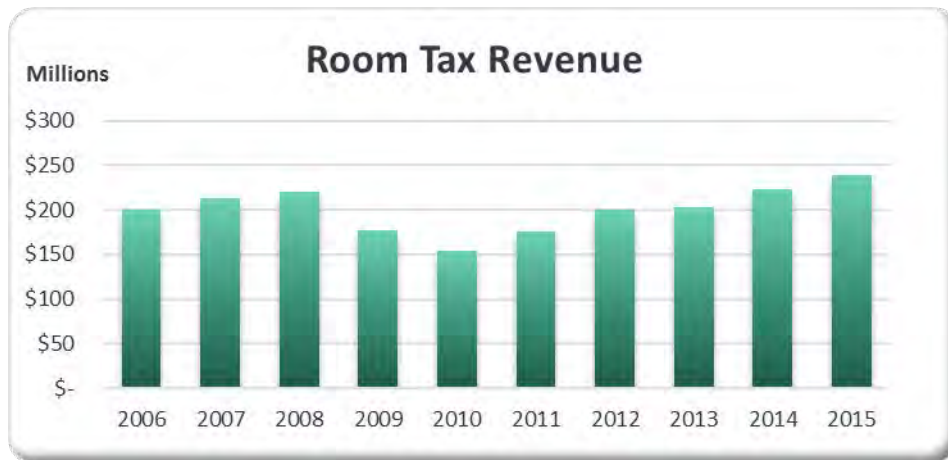
| GRADE | CLASS TITLE | CLASSIFICATION | SALARY SCHEDULE (\$) |
|-------|---|----------------|-------------------------|
| 23 | Administrative Coordinator | P | 51,126.40 - 75,774.80 |
| 23 | Contracts Administrator | P | |
| 23 | Database Marketing Administrator | P | |
| 23 | Digital Communications Specialist | P | |
| 23 | Digital Marketing Coordinator | P | |
| 23 | Executive Assistant | P | |
| 23 | Executive Assistant to the Board | P | |
| 23 | Leasing Administrator | P | |
| 23 | Legal Assistant | P | |
| 24 | Executive Assistant to the COO | P | 53,248.00 - 78,873.60 |
| 24 | Executive Assistant to the CHRODO | P | |
| 24 | Executive Assistant to the CFO | P | |
| 24 | Transportation Coordinator | P | |
| 25 | Administrative Traffic Supervisor | P | 55,473.60 - 82,014.40 |
| 25 | Canine Supervisor | P | |
| 25 | Control Center Supervisor | P | |
| 25 | Project Analyst | P | |
| 25 | Registration Services Senior Supervisor | P | |
| 25 | Research Analyst | P | |
| 25 | Visitor Information Supervisor | P | |
| 26 | Digital Marketing Analyst | P | 57,595.20 - 85,342.40 |
| 26 | Financial Analyst | P | |
| 26 | Internal Auditor | P | |
| 26 | Senior Research Analyst | P | |
| 29 | CMMS Administrator | P | 64,771.20 - 95,992.00 |
| 29 | Financial Systems Administrator | P | |
| 29 | HR Information Systems Administrator | P | |
| 29 | Human Resources Administrator | P | |
| 29 | Programmer Analyst | P | |
| 29 | Systems Administration Specialist | P | |
| 30 | Executive Assistant to the President | P | 67,433.60 - 99,840.00 |
| 31 | Senior Web Developer | P | 70,075.20 - 103,833.60 |
| 32 | Network Supervisor | P | 72,862.40 - 107,910.40 |
| 32 | Support Services Supervisor | P | |
| 32 | Systems Development Supervisor | P | |
| 32 | Telecommunications Supervisor | P | |
| M5 | Manager | M | 55,619.20 - 86,091.20 |
| M4 | Manager | M | 63,980.80 - 99,028.80 |
| M3 | Senior Manager | M | 73,569.60 - 113,880.00 |
| M2 | Director | M | 82,846.40 - 128,148.80 |
| M1 | Senior Director | M | 91,520.00 - 141,336.00 |
| E4 | Vice President/Executive Director | E | 104,457.60 - 187,740.80 |
| E3 | Senior Vice President | E | 132,891.20 - 239,283.20 |
| E2 | Executive Vice President/C-Suite | E | 142,812.80 - 255,174.40 |
| E1 | President/CEO | E | 204,089.60 - 382,782.40 |

STATISTICAL DATA

GENERAL FUND REVENUES BY SOURCE LAST TEN FISCAL YEARS

The schedule below includes only revenues earned in the general fund. It does not include other financing sources such as transfers into the general fund or sale of capital assets. The percentage shown in the column boxes indicate the percent of increase or decrease for that column compared to the preceding year.

| Fiscal Year | Total Revenues | Room Taxes | Facility Charges & Services | Gaming Fees | Interest & Other |
|-------------|----------------|----------------|-----------------------------|--------------|------------------|
| 2006 | \$ 253,172,521 | \$ 200,086,827 | \$ 48,359,639 | \$ 1,963,608 | \$ 2,762,447 |
| 2007 | 269,118,610 | 213,256,076 | 50,916,320 | 1,949,332 | 2,996,882 |
| 2008 | 281,918,942 | 220,733,128 | 57,689,079 | 1,851,848 | 1,644,887 |
| 2009 | 225,143,479 | 176,726,992 | 45,640,631 | 2,101,166 | 674,689 |
| 2010 | 200,737,367 | 154,046,265 | 44,535,733 | 1,960,431 | 194,938 |
| 2011 | 226,060,028 | 175,425,978 | 48,158,659 | 1,919,186 | 556,204 |
| 2012 | 250,820,583 | 199,592,498 | 49,168,968 | 1,813,548 | 245,569 |
| 2013 | 253,051,353 | 203,196,429 | 47,846,895 | 1,831,589 | 176,440 |
| 2014 | 285,635,383 | 222,781,385 | 60,786,406 | 1,710,108 | 357,484 |
| 2015 | 293,207,376 | 239,318,802 | 51,968,374 | 1,726,843 | 193,357 |

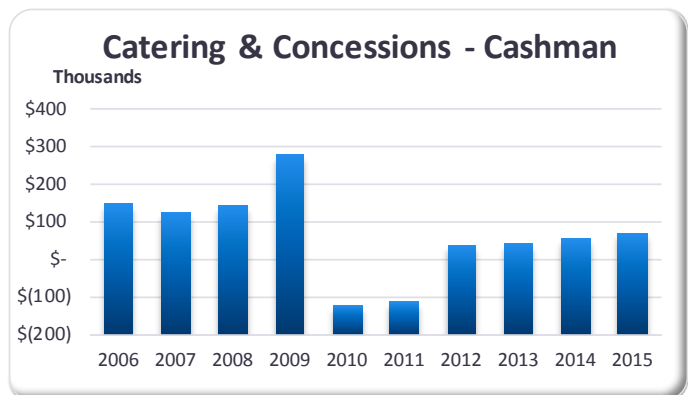
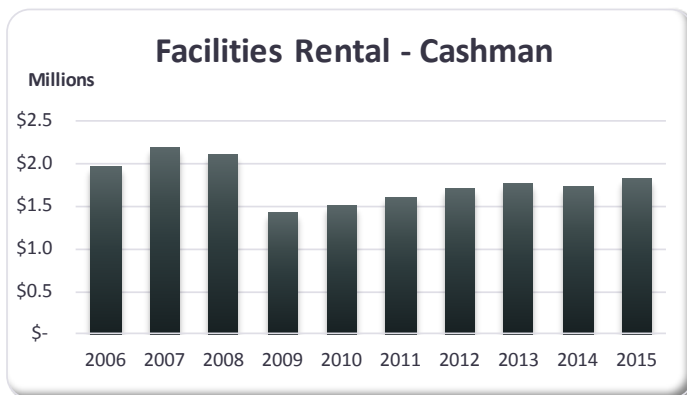
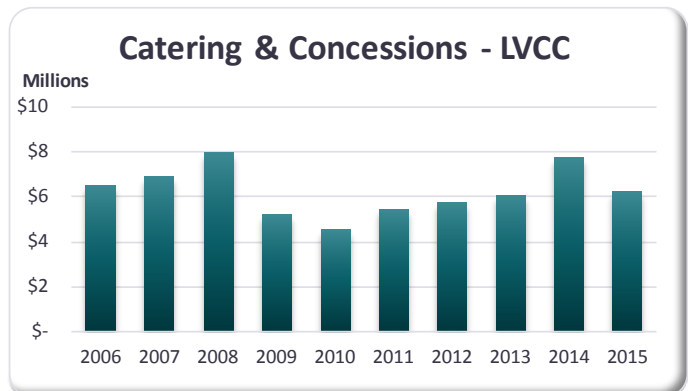
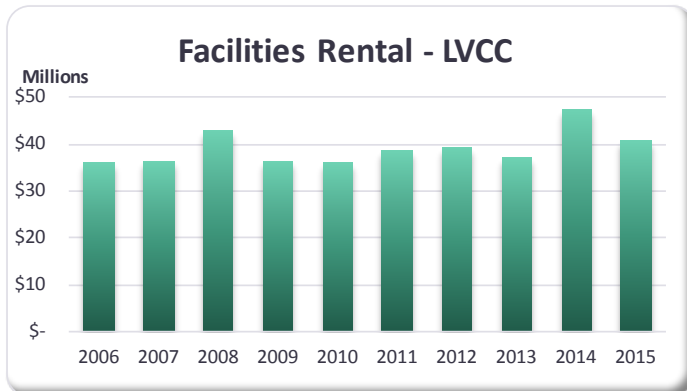


STATISTICAL DATA

GENERAL FUND REVENUES BY SOURCE LAST TEN FISCAL YEARS (continued)

The components of "Facility Charges and Services" are shown below: the percentages shown in the column boxes indicate the percent increase or decrease for that column compared to the preceding year.

| Fiscal Year | Total Revenues | CONVENTION CENTER | | | CASHMAN CENTER | | | Other Fees & Charges | | |
|-------------|----------------|-------------------|------|------------------------|-------------------|------------------------|------|----------------------|-------|--------------|
| | | Facilities Rental | | Catering & Concessions | Facilities Rental | Catering & Concessions | | | | |
| 2006 | \$ 48,359,639 | \$ 36,089,748 | 8% | \$ 6,493,289 | -6% | \$ 1,968,685 | 4% | \$ 146,953 | -8% | \$ 3,660,964 |
| 2007 | 50,916,320 | 36,280,156 | <1% | 6,917,274 | 7% | 2,182,678 | 11% | 124,392 | -15% | 5,411,820 |
| 2008 | 57,689,079 | 42,873,520 | 18% | 7,974,530 | 15% | 2,102,463 | -4% | 144,345 | 16% | 4,594,221 |
| 2009 | 45,640,631 | 36,227,413 | -16% | 5,247,263 | -34% | 1,428,416 | -32% | 281,434 | 95% | 2,456,105 |
| 2010 | 44,535,733 | 36,002,880 | -1% | 4,547,121 | -13% | 1,511,102 | 6% | (121,721) | -143% | 2,596,351 |
| 2011 | 48,158,659 | 38,688,753 | 7% | 5,468,941 | 20% | 1,597,635 | 6% | (113,475) | 7% | 2,516,805 |
| 2012 | 49,168,968 | 39,256,965 | 1% | 5,747,299 | 5% | 1,716,416 | 7% | 36,267 | 132% | 2,412,021 |
| 2013 | 47,846,895 | 37,165,086 | -5% | 6,063,135 | 5% | 1,772,441 | 3% | 42,774 | 18% | 2,803,459 |
| 2014 | 60,786,406 | 47,388,553 | 28% | 7,748,847 | 28% | 1,734,836 | -2% | 55,487 | 30% | 3,858,683 |
| 2015 | 51,968,374 | 40,837,099 | -14% | 6,257,047 | -19% | 1,836,856 | 6% | 70,768 | 28% | 2,966,604 |



STATISTICAL DATA

GENERAL FUND EXPENDITURES BY SOURCE LAST TEN FISCAL YEARS

The schedule below includes only expenditures in the general fund. It does not include other uses such as transfers for internal service, debt service, or capital project funds. The percentages shown in the column boxes indicate the percent of increase or decrease for that column compared to the preceding year.

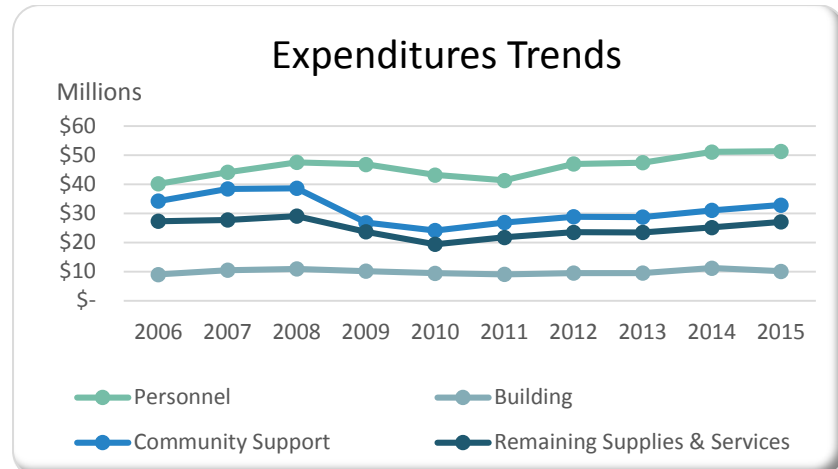
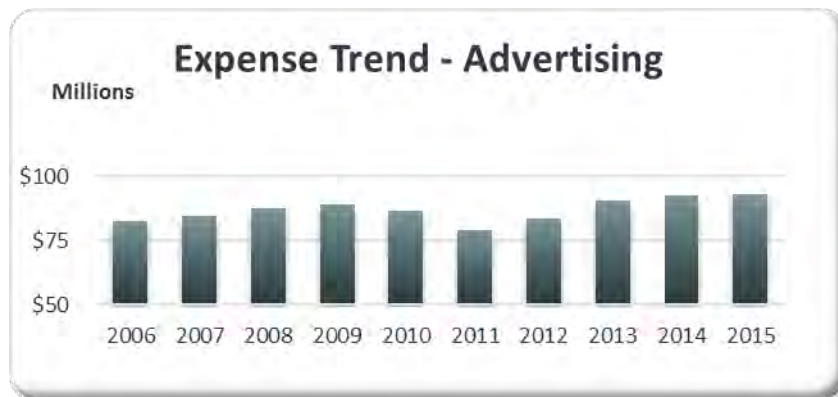
| Fiscal Year | Total Expenditures | Personnel | Advertising | Building | Community Support | Remaining Supplies & Services |
|-------------|--------------------|---------------|---------------|--------------|-------------------|-------------------------------|
| 2006 | \$ 193,486,005 | \$ 40,185,913 | \$ 82,732,989 | \$ 9,014,010 | \$ 34,248,193 | \$ 27,304,900 |
| 2007 | 205,278,234 | 44,145,739 | 84,506,694 | 10,474,091 | 38,416,171 | 27,735,539 |
| 2008 | 214,001,753 | 47,513,648 | 87,857,388 | 10,934,926 | 38,640,536 | 29,055,255 |
| 2009 | 196,747,731 | 46,804,234 | 89,342,627 | 10,151,104 | 26,802,232 | 23,647,534 |
| 2010 | 183,028,495 | 43,202,760 | 86,924,843 | 9,413,393 | 24,088,340 | 19,399,159 |
| 2011 | 178,389,411 | 41,324,899 | 79,423,380 | 9,041,566 | 26,842,989 | 21,756,577 |
| 2012 | 192,381,692 | 47,003,176 | 83,539,239 | 9,471,115 | 28,854,382 | 23,513,780 |
| 2013 | 199,569,062 | 47,428,784 | 90,466,753 | 9,467,068 | 28,736,573 | 23,469,884 |
| 2014 | 210,907,570 | 51,085,181 | 92,470,992 | 11,181,464 | 31,020,039 | 25,149,894 |
| 2015 | 214,520,535 | 53,261,897 | 93,148,972 | 10,108,151 | 32,870,164 | 25,131,351 |

(A) The column labeled "Personnel" includes salaries and employee benefits.

(B) Advertising includes only the services and supplies.

(C) The "Building" column includes repairs and maintenance (excludes computers and portable equipment), utilities, and insurance costs for the Convention and Cashman Center. Many repair and maintenance items can only be performed when the buildings are empty which results in fluctuating costs from year to year.

(D) The "Community Support" column includes collection allocation, grants, and special events.

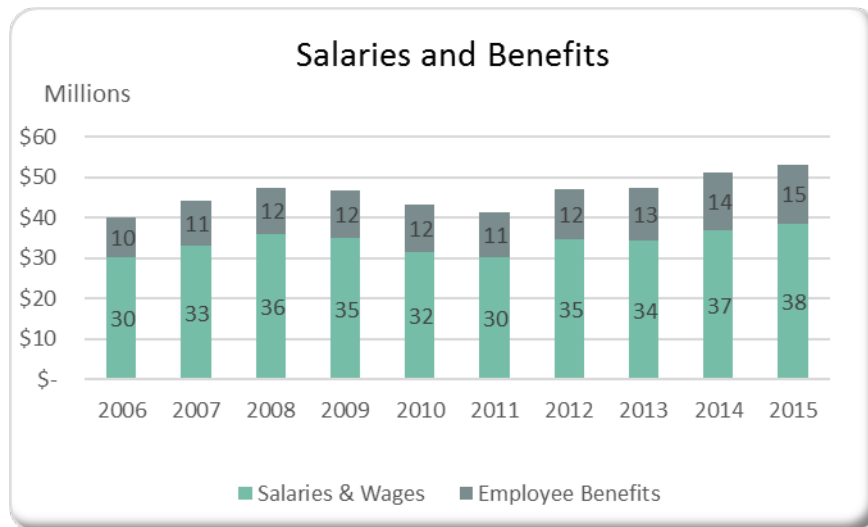


STATISTICAL DATA

GENERAL FUND EXPENDITURES BY SOURCE LAST TEN FISCAL YEARS (continued)

The components of personnel expenditures are shown below. The percentages shown in the column boxes indicate the percent of increase for that column compared to the preceding year.

| Fiscal Year | Personnel Expenditures | Salaries & Wages | | Employee Benefits | | Benefits as a Percent of Salaries |
|-------------|------------------------|------------------|-----|-------------------|-----|-----------------------------------|
| 2006 | \$ 40,185,913 | \$ 30,285,223 | 5% | \$ 9,900,690 | 7% | 33% |
| 2007 | 44,145,739 | 33,251,674 | 10% | 10,894,065 | 10% | 33% |
| 2008 | 47,513,648 | 35,931,995 | 8% | 11,581,653 | 6% | 32% |
| 2009 | 46,804,234 | 34,897,735 | -3% | 11,906,499 | 3% | 34% |
| 2010 | 43,202,760 | 31,685,192 | -9% | 11,517,568 | -3% | 36% |
| 2011 | 41,324,899 | 30,243,257 | -5% | 11,081,642 | -4% | 37% |
| 2012 | 47,003,176 | 34,722,818 | 15% | 12,280,358 | 11% | 35% |
| 2013 | 47,428,784 | 34,333,989 | -1% | 13,094,795 | 7% | 38% |
| 2014 | 51,085,181 | 36,890,086 | 7% | 14,195,095 | 8% | 38% |
| 2015 | 53,261,897 | 38,466,086 | 4% | 14,795,811 | 4% | 38% |



STATISTICAL DATA

FACILITY CHARGES AND SERVICES LAST TEN FISCAL YEARS

The number of convention delegates visiting Las Vegas is related to a rise in total conventions held in the Las Vegas area. While many of those conventions and events are held at resort hotels, the LVCVA has also benefited from activities held at the Las Vegas Convention Center and Cashman Center. Facilities charges and services revenue does not include catering/concessions revenues or reimbursed services.

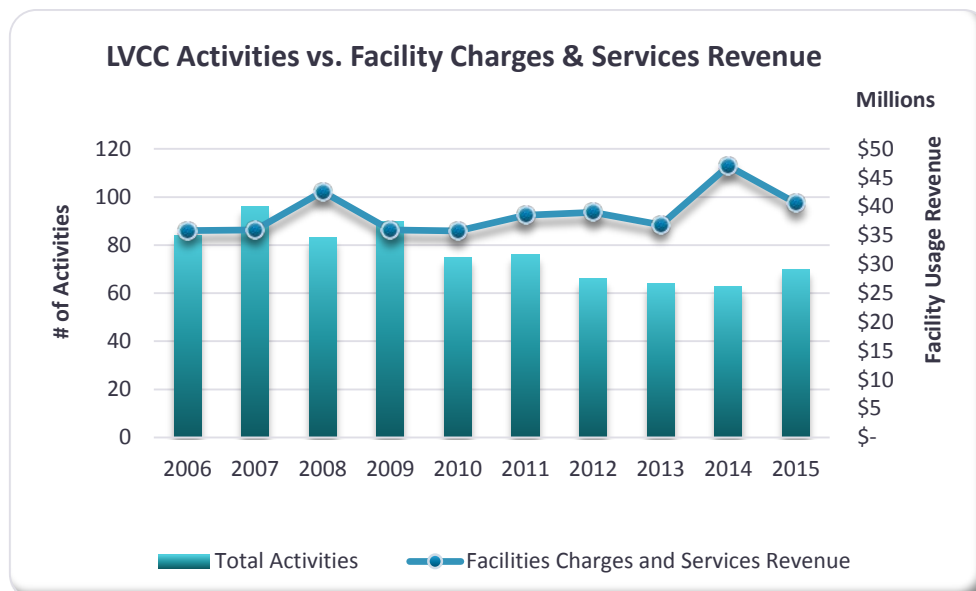
LAS VEGAS CONVENTION CENTER - BUILDING UTILIZATION

| FISCAL YEAR | CONVENTIONS | EVENTS | MEETINGS | TOTAL ACTIVITIES | FACILITIES CHARGES AND SERVICES REVENUE |
|-------------|-------------|--------|----------|------------------|---|
| 2005 | 74 | 12 | 10 | 96 | \$ 33,244,601 |
| 2006 | 84 | 12 | 10 | 106 | 35,825,314 |
| 2007 | 78 | 15 | 3 | 96 | 35,961,983 |
| 2008 | 66 | 12 | 5 | 83 | 42,587,445 |

In FY 2011, the methodology used in determining the event category was updated in order to be more specific regarding events other than conventions and tradeshows. Historical data going back two years was adjusted under the new method.

| FISCAL YEAR | CONVENTIONS / TRADESHOWS | SPECIAL EVENTS | PUBLIC INVITED EVENTS | LOCAL MEETINGS | TOTAL ACTIVITIES | FACILITIES CHARGES AND SERVICES REVENUE |
|-------------|--------------------------|----------------|-----------------------|----------------|------------------|---|
| 2009 | 68 | 11 | 4 | 7 | 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 |

Source: Las Vegas Convention and Visitors Authority – Research Center and Finance departments



STATISTICAL DATA

FACILITY CHARGES AND SERVICES LAST TEN FISCAL YEARS (continued)

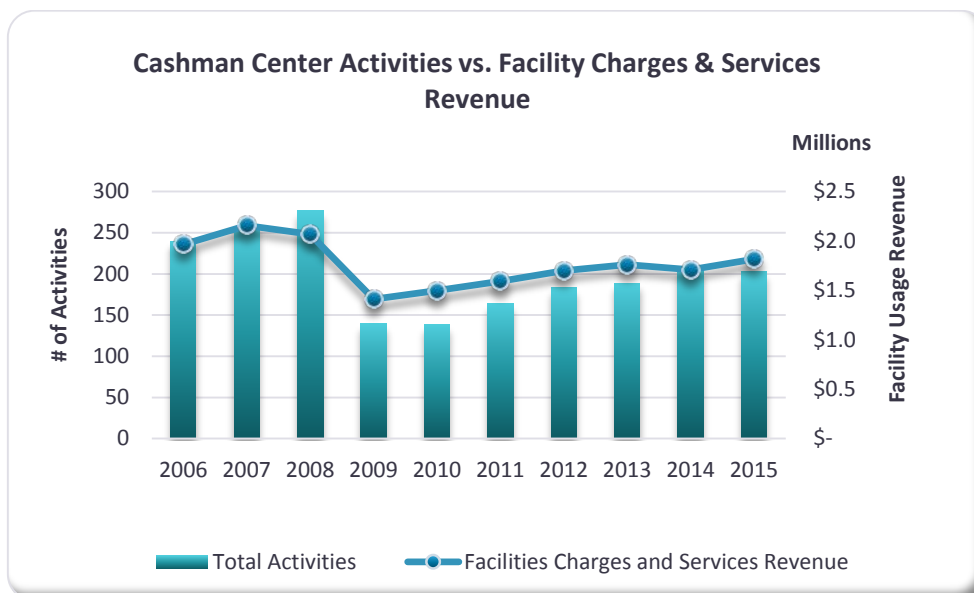
CASHMAN CENTER - BUILDING UTILIZATION

| FISCAL YEAR | CONVENTIONS | EVENTS | MEETINGS | TOTAL ACTIVITIES | FACILITIES CHARGES AND SERVICES REVENUE |
|-------------|-------------|--------|----------|------------------|---|
| 2005 | 6 | 135 | 62 | 203 | \$ 1,884,378 |
| 2006 | 4 | 137 | 99 | 240 | 1,966,013 |
| 2007 | 4 | 158 | 95 | 257 | 2,157,445 |
| 2008 | 2 | 163 | 112 | 277 | 2,069,376 |

In FY 2011, the methodology used in determining the event category was updated in order to be more specific regarding events other than conventions and tradeshows. Historical data going back two years was adjusted under the new method.

| FISCAL YEAR | CONVENTIONS / TRADESHOWS | SPECIAL EVENTS | PUBLIC INVITED EVENTS | LOCAL MEETINGS | TOTAL ACTIVITIES | FACILITIES CHARGES AND SERVICES REVENUE |
|-------------|--------------------------|----------------|-----------------------|----------------|------------------|---|
| 2009 | 0 | 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 |

Source: Las Vegas Convention and Visitors Authority – Research Center and Finance departments



EXCERPT OF RENTAL RATES PER FACILITY

Below is a current basic rate guide for both the Las Vegas Convention Center and Cashman Center.

LAS VEGAS CONVENTION CENTER

CONVENTION/TRADE SHOW AND PUBLIC EVENTS

When used for commercial exhibits, the cost per individual exhibit hall is either the minimum daily rate or \$0.33 per net square foot (effective July 1, 2016), whichever is greater. Exhibit halls used for catered food functions or general sessions only, are at no charge. The total number of move-in/move-out days equal to one (1) times the number of show days, are also at no charge. Additional move-in/move-out days are at 50% of the charged rate per day.

When exhibit halls are used for commercial exhibits and meeting rooms are used for association's use, meeting rooms will be provided in the amount of 10 complimentary meeting rooms per 100,000 square feet of exhibit space used in the North and Central Halls. Meeting rooms in the South Halls are assigned. Additional rooms will be charged the minimum daily room rate (ranges from \$150 to \$1,650). This includes a one-time set-up per day – i.e. lights, heat, air, custodial services, and sound services. Change-overs and revised room set-ups will be charged the daily room rate. Meeting rooms used as exhibits are charged double the daily rate. If meeting rooms are sublet, they will be charged the minimum daily rate or 15% of their sublease rate, whichever is greater. Rental of meeting rooms only, are charged at the daily rate. In April 2015, the Board approved incremental rate increases over the next three fiscal years. Please see pages 32-33 for more details.

Parking fees are \$10.00 per space per day with in and out privileges.

CASHMAN CENTER

CONVENTION/TRADE SHOW

Exhibit hall rates are based on \$0.29 per net square foot or the minimum daily rate. The total days of move-in/move-out at no charge equal the number of actual show days. Extra move-in/move-out days are at 50% of the charged rate.

Meeting rooms are \$320 per day and leased at three levels:

- (1) Used by a lessee for their association meetings only, will be charged at the minimum daily rate.
- (2) Sublet by the lessee for meetings only will be charged the minimum daily rate or 15% of their sublease rate, whichever is greater.
- (3) Used for exhibit space will be charged at twice the minimum daily rate.

PUBLIC EVENT

Exhibit hall rates are set at \$4,000 per day for each hall. The total number of move-in/move-out days equal to one (1) times the number of show days are at no charge. Extra move-in/move-out days are charged at 50% of the charged rate.

Meeting room rental rates are \$320 per day (\$800 per day if using the Club Level Restaurant).

The theater rental rate for performances is \$3,000 per day. Business meeting use rate for the theater is \$1,250 per day. Dress rehearsals performed prior to actual show days are charged 50% of the minimum daily rate.

Parking fees are \$5.00 per car per day with in and out privileges.

As referenced against closed-to-the-public conventions and trade shows, public invited events come in a wide variety of compositions and are subject to different rate classifications: full rental, half rental and cost reimbursable.

STATISTICAL DATA

DEMOGRAPHIC STATISTICS - CLARK COUNTY, NEVADA LAST TEN FISCAL YEARS

Even though Clark County combines the glamorous gaming and entertainment mecca of Las Vegas alongside rural living, it is not much different from other counties 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 grew 2.3% compared to FY 2014.

City of Las Vegas, North Las Vegas, and Henderson has a total population of 1,144,158, which makes up 54% of the total Clark County population of 2,118,353. Labor force at 2015 stands at 1,049,712 a slight increase compared to 2014. Unemployment rate at 2015 is 7.0%, which has continued to decline since 2010.

| 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: population estimates - Nevada State Demographer, square miles from the Clark County.

Further statistics that reflect the local economy are shown below.

| AS OF JUNE 30, | POPULATION (A) | LABOR FORCE (B) | UNEMPLOYMENT RATE (B) |
|----------------|----------------|-----------------|-----------------------|
| 2006 | 1,874,837 | 918,102 | 4.2% |
| 2007 | 1,954,319 | 950,468 | 4.5% |
| 2008 | 1,967,716 | 983,657 | 6.3% |
| 2009 | 1,952,040 | 969,122 | 11.8% |
| 2010 | 1,968,831 | 986,342 | 13.8% |
| 2011 | 1,967,722 | 995,312 | 13.5% |
| 2012 | 1,988,195 | 1,001,349 | 11.4% |
| 2013 | 2,031,723 | 1,009,219 | 9.9% |
| 2014 | 2,069,450 | 1,019,373 | 8.0% |
| 2015 | 2,118,353 | 1,046,691 | 7.0% |

Sources:

(A) December 31 population estimates from the Nevada State Demographer.

(B) Labor force statistics and unemployment rates from the Nevada Dept. of Employment, Training & Rehabilitation – Information Development & Processing Division – Research & Analysis Bureau.

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

All other statistics are as of December 31 and are from the [Las Vegas Perspective](#).



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

| AS OF DEC 31, | MEDIAN HOUSEHOLD INCOME * | MEDIAN AGE * (C) | SCHOOL ENROLLMENT * |
|---------------|---------------------------|------------------|---------------------|
| 2006 | 53,111 | 47.5 | 315,697 |
| 2007 | 53,704 | 50.1 | 323,037 |
| 2008 | 57,403 | 35.7 | 330,519 |
| 2009 | 58,148 | 35.3 | 323,607 |
| 2010 | 58,432 | 35.4 | 323,637 |
| 2011 | 54,255 | 34.5 | 322,555 |
| 2012 | 50,962 | 36.2 | 325,179 |
| 2013 | 50,454 | 36.4 | 329,034 |
| 2014 | 50,274 | 36.8 | 318,040 |
| 2015 | n/a | n/a | n/a |

* Note: CY2015 Median Household Income, Median Age and School Enrollment are not available at the time of printing.

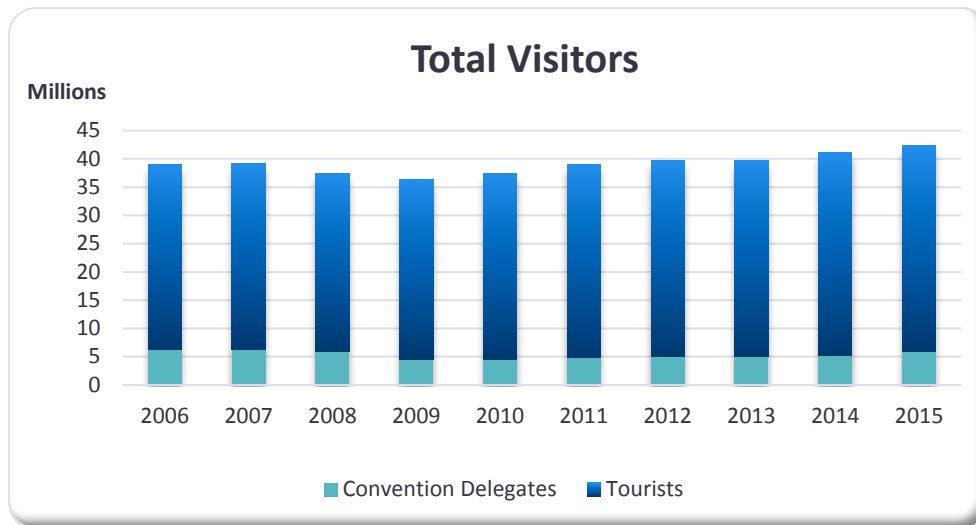
STATISTICAL DATA

VISITOR ANALYSIS LAST TEN CALENDAR YEARS

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 | INCREASE / (DECREASE) |
|---------------|----------------------|---------------------|------------|---------------------|----------------|-----------------------|
| 2005 | 6,166,194 | 16.00% | 32,400,523 | 84.00% | 38,566,717 | 3.20% |
| 2006 | 6,307,961 | 16.20% | 32,606,928 | 83.80% | 38,914,889 | 0.90% |
| 2007 | 6,209,253 | 15.80% | 32,987,508 | 84.20% | 39,196,761 | 0.70% |
| 2008 | 5,899,725 | 15.74% | 31,581,827 | 84.26% | 37,481,552 | -4.38% |
| 2009 | 4,492,275 | 12.36% | 31,859,194 | 87.64% | 36,351,469 | -3.02% |
| 2010 | 4,473,134 | 11.98% | 32,862,302 | 88.02% | 37,335,436 | 2.71% |
| 2011 | 4,865,272 | 12.50% | 34,063,436 | 87.50% | 38,928,708 | 4.27% |
| 2012 | 4,944,014 | 12.44% | 34,783,008 | 87.56% | 39,727,022 | 2.05% |
| 2013 | 5,107,416 | 12.88% | 34,560,805 | 87.12% | 39,668,221 | -0.15% |
| 2014 | 5,169,054 | 12.57% | 35,957,458 | 87.43% | 41,126,512 | 3.68% |
| 2015 | 5,891,151 | 13.92% | 36,421,065 | 86.08% | 42,312,216 | 2.88% |

Source: Las Vegas Convention and Visitors Authority - Research Center department



STATISTICAL DATA

VISITOR ANALYSIS LAST TEN CALENDAR YEARS (continued)

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 gaming revenues total \$9.6 billion, a slight increase from 2014.

| CALENDAR YEAR | TOTAL VISITORS | INCREASE / (DECREASE) | GAMING REVENUES (000) | INCREASE / (DECREASE) | ROOM TAXES (Fiscal Year) | INCREASE / (DECREASE) |
|---------------|----------------|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|
| 2005 | 38,566,717 | 3.20% | 9,716,860 | 11.50% | 176,339,258 | 15.20% |
| 2006 | 38,914,889 | 0.90% | 10,643,824 | 9.60% | 200,086,827 | 13.50% |
| 2007 | 39,196,761 | 0.70% | 10,868,554 | 2.10% | 213,256,076 | 6.60% |
| 2008 | 37,481,552 | -4.38% | 9,796,723 | -9.86% | 220,733,128 | 3.51% |
| 2009 | 36,351,469 | -3.02% | 8,838,235 | -9.78% | 176,726,992 | -19.94% |
| 2010 | 37,335,436 | 2.71% | 8,908,630 | 0.80% | 154,046,265 | -12.83% |
| 2011 | 38,928,708 | 4.27% | 9,222,680 | 3.53% | 175,425,978 | 13.88% |
| 2012 | 39,727,022 | 2.05% | 9,399,882 | 1.92% | 199,592,498 | 13.78% |
| 2013 | 39,668,221 | -0.15% | 9,676,458 | 2.94% | 203,196,429 | 1.81% |
| 2014 | 41,126,512 | 3.68% | 9,554,002 | -1.27% | 222,781,385 | 9.64% |
| 2015 | 42,312,216 | 2.88% | 9,616,463 | 0.65% | 239,318,802 | 7.42% |

Source: Las Vegas Convention and Visitors Authority - Research Center and Nevada State Gaming Control Board



STATISTICAL DATA

VISITOR DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

The Las Vegas Convention and Visitors Authority conducts and compiles various research information on visitors to gain a better understanding of the composition of the Clark County visitor, and to tailor advertising campaigns. In 2015, the median age is 47.7 with 34% of visitors between the ages of 21 to 39, 38% between 40 and 59, and 28% over 60. The majority of visitors are married and employed. Further statistics regarding visitors to Las Vegas are shown below:

| AS OF DECEMBER 31, | GENDER | | MEDIAN AGE | MARITAL STATUS | | | JOB CATEGORIES | | |
|-----------------------|--------|--------|---------------|----------------|--------|--------|----------------|---------|---------|
| | Male | Female | | Married | Single | Other* | Employed | Retired | Other** |
| 2005 | 51% | 49% | 47.7 | 74% | 16% | 10% | 67% | 24% | 9% |
| 2006 | 52% | 48% | 48 | 79% | 14% | 7% | 70% | 24% | 6% |
| 2007 | 50% | 50% | 49 | 79% | 14% | 7% | 67% | 26% | 7% |
| 2008 | 51% | 49% | 50.6 | 80% | 13% | 7% | 66% | 28% | 6% |
| 2009 | 50% | 50% | 50 | 78% | 15% | 7% | 65% | 28% | 7% |
| 2010 | 50% | 50% | 49.2 | 79% | 14% | 7% | 66% | 27% | 7% |
| 2011 | 51% | 49% | 49 | 77% | 15% | 8% | 66% | 25% | 9% |
| 2012 | 51% | 49% | 44.8 | 75% | 18% | 7% | 69% | 19% | 12% |
| 2013 | 50% | 50% | 45.8 | 79% | 15% | 6% | 67% | 20% | 13% |
| 2014 | 49% | 51% | 45.2 | 80% | 14% | 6% | 64% | 20% | 16% |
| 2015 | 51% | 49% | 47.7 | 79% | 14% | 8% | 67% | 24% | 9% |

Source: [Las Vegas Visitor Profile Study](#)

*Marital Status - Other includes separated, divorced, or widowed. Numbers may not foot due to rounding.

** Job Categories - Other includes student, homemaker, or unemployed.

| AS OF DECEMBER 31, | UNITED STATES OF AMERICA | | | | |
|-----------------------|--------------------------|-------------------|--------------------|----------------------|-------------------|
| | Foreign | Eastern States | Southern States | Midwestern States | Western States |
| 2006 | 13% | 8% | 13% | 14% | 52% |
| 2007 | 12% | 9% | 13% | 14% | 52% |
| 2008 | 15% | 8% | 13% | 12% | 52% |
| 2009 | 14% | 7% | 11% | 12% | 55% |
| 2010 | 18% | 6% | 11% | 12% | 54% |
| 2011 | 16% | 6% | 12% | 11% | 55% |
| 2012 | 17% | 7% | 11% | 11% | 54% |
| 2013 | 20% | 6% | 12% | 10% | 52% |
| 2014 | 19% | 7% | 12% | 9% | 53% |
| 2015 | 16% | 7% | 13% | 11% | 53% |

Source: [Las Vegas Visitor Profile Study](#)

Eastern states: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Southern States: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Midwestern States: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

Western States: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada (excluding Clark County), New Mexico, Oregon, Utah, Washington, and Wyoming.

STATISTICAL DATA

PRINCIPAL ROOM TAX PAYERS DECEMBER 31, 2015

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, accordingly, are in the group that generates the greatest volume of room taxes for the LVCVA.

| | Approximate Rooms at December 31, 2015 |
|-----------------------------------|--|
| MGM Grand | 5,044 |
| Luxor | 4,400 |
| Venetian | 4,027 |
| Aria | 4,004 |
| Excalibur | 3,991 |
| Bellagio | 3,933 |
| Caesar's | 3,799 |
| Circus Circus | 3,767 |
| Flamingo Las Vegas | 3,460 |
| Mandalay Bay | <u>3,211</u> |
| Total Top 10 Hotels | 39,636 |
| Total Jean/Primm | 2,923 |
| Other hotels/motels | <u>106,654</u> |
| Total Las Vegas metropolitan area | 149,213 |
| Total Laughlin | 10,021 |
| Total Mesquite | <u>1,712</u> |
| Total Inventory of Rooms | <u>160,946</u> |

Source: Las Vegas Convention and Visitors Authority - Research Center department

Note: Other hotels/motels do not include timeshare properties.

STATISTICAL DATA

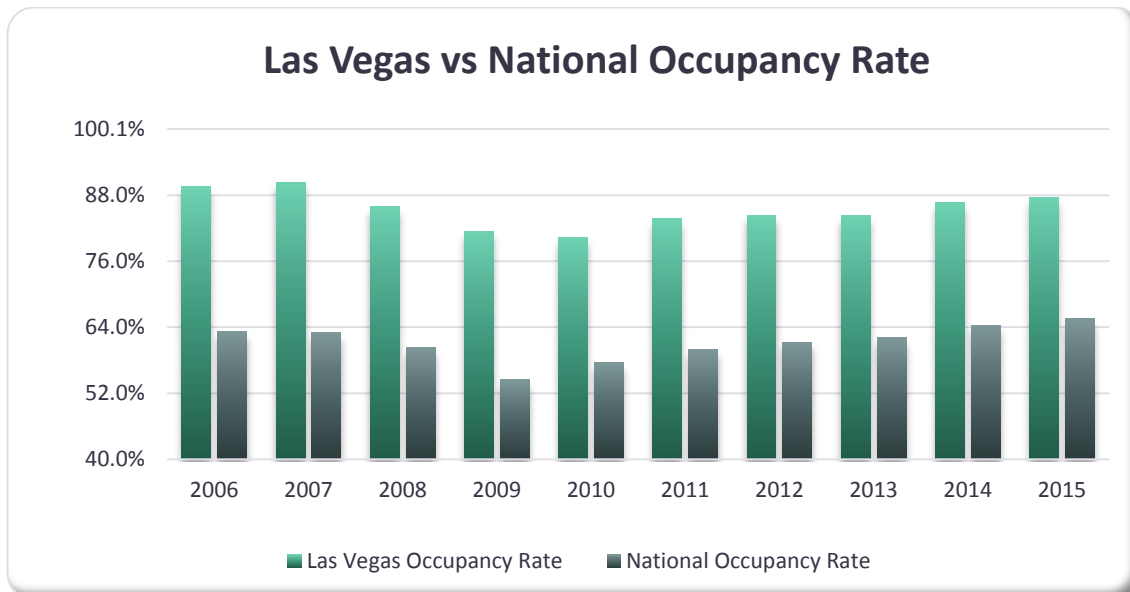
OCCUPANCY RATE LAST TEN CALENDAR YEARS

In spite of the increasing availability of rooms over the last decade, the occupancy rate for Las Vegas continues to grow, exceeding the national average by 22.1 points for calendar year 2015.

| Calendar Year | Total Visitor Volume | Rooms Inventory* | Occupancy Percentage | Average 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 | 116.26 | 64.4% |
| 2015 | 42,312,216 | 149,213 | 87.7% | 130,860 | 119.94 | 65.6% |

Source: Las Vegas Convention and Visitors Authority- Research Center department

*Total Las Vegas metropolitan area includes properties in the Jean/Primm area.



STATISTICAL DATA

ROOM TAX RATE DISTRIBUTION BY JURISDICTION AS OF JUNE 30, 2016

Distributed to:
 State of Nevada²
 Clark County School District
 Collecting Jurisdiction
 County Transportation³
 LVCVA
 Total Room Tax Rate

| CLARK COUNTY | | |
|------------------|---|--|
| Resort Hotels | Others Within 35 miles ¹ | Others Outside 35 miles ¹ |
| 3 3/8 | 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 | 1 5/8 |
| 1 | 2 | 2 |
| 1 | 1 | 1 |
| 5 | 4 | 2 |
| 12 | 12 | 10 |

| LAS VEGAS | | |
|---------------|------------------|--------|
| Down- town | Resort Hotels | Others |
| 3 3/8 | 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 | 1 5/8 |
| 1 | 1 | 2 |
| 1 | 1 | 1 |
| 5 | 5 | 4 |
| 12 | 12 | 12 |

Distributed to:
 State of Nevada²
 Clark County School District
 Collecting Jurisdiction
 County Transportation³
 LVCVA
 Total Room Tax Rate

| NORTH LAS VEGAS | | HENDERSON | | BOULDER CITY | | MESQUITE |
|------------------|--------|------------------|--------|------------------|--------|----------|
| Resort Hotels | Others | Resort Hotels | Others | Resort Hotels | Others | All |
| 3 3/8 | 3 3/8 | 3 3/8 | 3 3/8 | 3 3/8 | 3 3/8 | 3 3/8 |
| 1 5/8 | 1 5/8 | 1 5/8 | 1 5/8 | 1 5/8 | 1 5/8 | 1 5/8 |
| 1 | 2 | 2 | 2 | 0 | 0 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | 4 | 5 | 4 | 6 | 4 | 4 |
| 12 | 12 | 13 | 12 | 12 | 10 | 12 |

Source: Annual City/County Transient Lodging Tax Report as filed with the State of Nevada – Department of Taxation.

¹ Reference is to distance from the Las Vegas Convention Center.

² A portion of proceeds are allocated to NV Commission on Tourism. This applies only to counties whose population exceeds 300,000. (I.e. Clark and Washoe Counties only). The monies generated by this additional room tax are to fund education and other state programs.

³ Enacted by the Clark County Commission in 1991.

RESORT HOTEL DEFINITIONS BY JURISDICTION

Clark County – An establishment having a casino containing not less than three games.

Las Vegas – A hotel having seventy-five or more rooms.

North Las Vegas – A hotel having one hundred or more rooms and a casino containing not less than three games.

Henderson – An establishment renting rooms and having a casino on the same premises containing not less than three games.

Boulder City – An establishment having one hundred or more rooms.

Mesquite – No distinction between resort hotels and other transient lodging establishments.

GLOSSARY

The annual budget contains terminology unique to governmental finance and budgeting. To assist the reader of the budget document in understanding these terms, the following glossary has been compiled.

Account Group

A self-balancing set of accounts that have no expendable financial resources. Account groups are used to maintain records of general long-term debts and general capital assets.

Accounting System

The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an organization.

Accrual Basis Accounting

A system of accounting in which revenues and expenses are recorded as they are earned and incurred, not necessarily when cash is received or paid.

Activity

A financial and budgeting classification of similar endeavors or groupings of organizational units performing a specific and distinguishable type of work. In the LVCVA's organizational chart, activities generally relate to departments.

Appropriation

An authorization made by the Board of Directors that permits the LVCVA to incur obligations and to make expenditures of resources.

Augmentation

An action increasing total appropriations. Augmentations are governed by state statute and require formal resolution by the Board of Directors.

BABS

An abbreviation for Build America Bonds.

Balanced Budget

A budget in which proposed funds or revenues available are equal to or exceed planned fund expenditures and uses.

Bond

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance.

Budget

A financial plan for a specified period of time (fiscal year).

Budget Document

The instrument prepared by the Finance Department and supporting staff that presents a comprehensive budget.

Budget Message

The opening section of the budget document that provides a general summary of the most important aspects of the budget and discusses significant changes from the current and previous fiscal years.

Budgetary Control

The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available resources.

GLOSSARY

Build America Bonds

A financial tool for state and local governments to access conventional corporate debt markets and issue taxable bonds with a direct federal subsidy on the interest. The program lowers net borrowing costs and allows governments to reach more sources of borrowing than with more traditional tax-exempt bonds.

CAFR

An abbreviation for Comprehensive Annual Financial Report.

Capital Asset

A financial resource meeting all of the following criteria: (1) generally tangible in nature (software is the exception); (2) useful life greater than one year; (3) not a repair part or supply item; and (4) original cost greater than the capitalization threshold.

Capital Budget

A plan of proposed capital outlays and the means of financing them.

Capital Expenditure (aka Capital Outlay)

A purchase or improvement of a capital asset (i.e. land, buildings, furniture) with a cost of \$10,000 or more and a useful life of at least one year.

Capital Improvement Plan

A financial planning and management tool that lists proposed capital projects and capital acquisitions for a rolling five-year period.

Capital Projects Fund

A fund used to account for financial resources to be used for the acquisition or construction of capital assets.

Capitalization Threshold

The level of cost at which an asset becomes subject to control and reporting as a capital asset.

Cash Basis Accounting

A system of accounting in which transactions are recorded, and revenues and expenses are recognized, only when cash is received or paid.

CC

An abbreviation for Cashman Center.

CIP

An abbreviation for capital improvement plan.

CMMS

An abbreviation for Computerized Maintenance Management Software.

CMS

An abbreviation for Contact Management system.

Commercial Paper

A short-term negotiable paper arising from business transactions.

Contact Management System

A software program that enables users to store and find contact information such as names, addresses, and telephone numbers.

CRM

Abbreviation for Customer Relationship Management system.

GLOSSARY

Customer Relationship Management

A strategy for managing an organizations interactions or contacts with customers, clients, and sales prospects.

Debt Service Fund

A fund established to account for the accumulation of resources for and the payment of principal and interest on debt.

Debt Service Requirements

The amount of resources that must be provided so that all principal and interest payments can be made in full on schedule.

Defeased

Retirement of debt of a state or local governmental unit in an indirect manner.

Department

A grouping in the organizational structure of related sections or units.

Depreciation

The process of allocating the cost of tangible property over a period of time, rather than expensing the entire cost in one year. Generally, at the end of an asset's useful life, the net value of the asset (original cost less accumulated depreciation) will equal the salvage value of the asset.

Division

A major grouping in the organizational structure of related activities within a functional area.

EAC

An abbreviation for Exhibitor Appointed Contractor.

EFT

An abbreviation for electronic funds transfer; an automated means of payment.

Employee Benefits

A budget category that is comprised of retirement, insurance, unemployment, Medicare and educational assistance expenses.

Encumbrance

The legal commitment of appropriated funds to purchase an item or service. To encumber means to set aside or commit funds for a future expenditure.

Expenditure

The amount of cash paid or to be paid for a service rendered, goods received or an asset purchased.

FAM

An abbreviation for familiarization trip.

Fiduciary Fund Type

A fund used to account for assets held by a government in a trust capacity or as an agent for others.

Fiscal Year (FY)

A consecutive twelve-month period signifying the beginning and ending period for recording financial transactions. The LVCVA has designated July 1 to June 30 as its fiscal year.

FTE

An abbreviation for full-time employee.

FYE

An abbreviation for fiscal year ending.

GLOSSARY

Function

Financial and budgeting classification of a group of related activities aimed at accomplishing a broad goal or a major service. In the LVCVA's organizational chart, functions generally relate to divisions.

Fund

A separate self-balancing accounting entity. Resources are allocated to and accounted for in a particular fund based on the purposes of expenditures and the means of controlling them.

Fund Balance

The excess of assets and deferred outflows over its liabilities, and deferred inflows in a fund.

GAAP (Generally Accepted Accounting Principles)

A body of accounting and financial reporting standards set by the Governmental Accounting Standards Board (GASB) for state and local governments, and by the Financial Accounting Standards Board (FASB) for private sector organizations.

Gaming Fee

A quarterly license fee imposed on operators of games based on the number of table games and slot machines in operation.

General Fund

The general fund accounts for all of the financial resources not specifically accounted for in another fund.

General Obligation Bonds

G.O. bonds have the full faith and credit of the LVCVA pledged to the repayment of the bonds. They are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of property taxes for debt service, using only net pledged revenues derived from operations. In fact, no ad valorem property tax revenues are allocated to the LVCVA for any purpose.

GFOA

An abbreviation for Government Finance Officers Association.

Goal

A statement of broad direction, purpose, or intent.

Governmental Fund Type

A fund used to account for general governmental activities. Includes the general fund, capital projects funds, and debt service funds.

Grant

A contribution or gift to be used or expended for a specified purpose or activity.

Green Items

Products and services with reduced effects on human health and the environment.

Intranet

A network operating like the Internet but having access restricted to a limited group of authorized users (such as employees of a company).

Internal Service Fund

A fund used to account for goods or services given to one department by another on a cost reimbursement basis. The LVCVA uses the fund to accumulate reserves for future other post-employment benefit costs.

Inventory

The process of verifying physical fixed assets with records of capital assets.

GLOSSARY

LGBT

Abbreviation for Lesbian, Gay, Bisexual and Transgender.

LVCC

Abbreviation for Las Vegas Convention Center.

Las Vegas Territory

Refers to the area that encompasses the City of Las Vegas and surrounding towns and cities located within Clark County.

Line-Item Budget

A budget that lists each expenditure category (salary, telephone, travel, etc.) separately, along with a dollar amount budgeted for each specific account.

Line of Credit

An arrangement between a financial institution, usually a bank and a customer that establishes a maximum loan balance that the bank will permit the borrower to maintain. The borrower can draw down on the line of credit at any time, as long as the borrower does not exceed the maximum set in the agreement.

Long-Term Debt

Debt with a maturity of more than one year after a fiscal year end.

MICE

Abbreviation for Meeting Incentive Conference Exhibition.

Modified Accrual Accounting

A basis of accounting. Revenues are recognized, and any related receivable is recorded, when they become both measurable and available. Expenditures are recognized when the liability is incurred, except for unmatured principal and interest on long-term debt, which is recognized when due.

NAC

An abbreviation for Nevada Administrative Code.

NASCAR

An abbreviation for National Association for Stock Car Auto Racing.

NDOT

An abbreviation for Nevada Department of Transportation.

NRS

An abbreviation for Nevada Revised Statutes.

Objective

A statement of specific direction, purpose, or intent based on the goals established for a particular function.

OPEB

An abbreviation for Other Post-Employment Benefits.

Operating Budget

The portion of the budget that pertains to daily operations. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

Organizational Unit

Financial and budgeting classification for a responsibility unit within a government. Organizational units, which relate to sections in the structure of the LVCVA are the basic unit of the operating budget.

GLOSSARY

Original Cost

The invoice amount paid to the supplier of an item plus any other costs incurred to make the item capable of being used. Original cost includes shipping and installation.

Other Post-Employment Benefits

Post-employment benefits generally take the form of healthcare benefits provided to eligible retirees, including in some cases their beneficiaries. Las Vegas Convention and Visitors Authority (LVCVA) retirees may participate in the employee health insurance programs, which results in an implicit rate impact that affects the plan premiums.

PERS

An abbreviation for Public Employees Retirement System.

P/R

An abbreviation for public relations.

Purchase Order

A document authorizing the delivery of specific merchandise or the rendering of specific services.

Resources

Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenue Bonds

Bonds that pledge a specific dedicated LVCVA revenue source for their repayment.

Revenues

Resource increases from the sale of services or goods derived primarily from normal operations.

Room Tax

A tax levied on hotels, motels, and other lodging establishments throughout Clark County and the incorporated cities.

Salaries and Wages

A budget category comprised of all full-time and temporary employee salaries including overtime and retirement payouts.

Salvage Value

The estimated amount for which the asset could be sold at the end of its useful life.

Services and Supplies

A budget category that includes those goods and services that are consumed and purchased on a regular basis (i.e. office supplies, utilities, repair and maintenance).

SMERF

An abbreviation for Social, Military, Education, Religious and Fraternal markets.

Social Media

Software tools that allow users to generate content, engage in conversations, and exchange content.

Tangible

An item capable of being touched.

Transfer

Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Upgauge

Replacing lower seating capacity aircraft equipment with higher seating capacity aircraft equipment.

GLOSSARY

Useful Life

The number of months or years that an asset is estimated to be used for the purpose for which it was purchased.

Weighted Net Gain

Used for estimating room tax revenue, the number of new rooms of the destination based on opening dates throughout the fiscal year.

Zero-based Budgeting

The budget is created using zero-based budgeting techniques where staff are required to estimate all revenues and expenditures as though each revenue and/or expenditure was being initiated for the first time.



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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