



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2017





**Comprehensive Annual Financial Report (Restated)
For the Year Ended June 30, 2017**

Prepared by the Finance Department

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FOR THE YEAR ENDED JUNE 30, 2017

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INTRODUCTORY
SECTION



October 5, 2017

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

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for the Las Vegas Convention and Visitors Authority (LVCVA) for the year ended June 30, 2017.

The Finance Department prepared these financial statements and assumes responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the Finance Department established a comprehensive internal control framework that is designed to provide reasonable assurance that the LVCVA's assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of maintaining internal controls should not exceed the benefits derived based on management's estimates and judgments. All internal control evaluations occur within this framework. We believe the LVCVA's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Piercy Bowler Taylor & Kern, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of Nevada, has audited the LVCVA's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the LVCVA as of and for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the LVCVA's basic financial statements as of and for the fiscal year ended June 30, 2017, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). The independent auditor's report is presented as the first two pages of the financial section of this CAFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report. It provides an analytical overview of the LVCVA's operations for 2017. This letter of transmittal is intended to complement the MD&A and other information contained in this report and should be read in conjunction with it.

REPORTING ENTITY

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

The LVCVA's mission statement is:

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

The LVCVA is charged with the dual purpose of attracting visitors and operating its convention facilities efficiently. Our primary responsibility is to market and brand Las Vegas and Southern Nevada as a travel destination. Extended destinations include Laughlin, Mesquite, Boulder City, and Primm. Internationally, the LVCVA has representative offices in Australia, Brazil, Canada, China, France, Germany, Ireland, Italy, Japan, Mexico, the Netherlands, Scandinavia, South Korea, India and the United Kingdom, Las Vegas' number one overseas market. Over the last five years, international visitation to Las Vegas has grown by 1.4 million, up to 8.1 million visitors, and those visitors contributed 31% of total visitor spending in calendar year 2016.

While resorts advertise and market their individual properties, the LVCVA markets and brands the destination as a whole. The LVCVA integrates its famous branding campaign –

“What Happens Here Stays Here”™

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

In addition to marketing the destination, the LVCVA operates the Las Vegas Convention Center (LVCC) to generate business travel for meetings and conventions. While leisure travel makes up the majority of visitors, business travel is a vital component of our market and represented over 14% of annual visitation to Southern Nevada in fiscal year FY 2017. The number of conventions and meetings held in Las Vegas each year varies based on the cyclical nature of shows along with the mix of show size and type. City wide delegate attendance during FY 2017 had a modest increase as compared to the prior year. Steady attendance shows the strength of the destination as a place to do business.

Las Vegas was recognized by the Trade Show News Networks (TSNN) as the No. 1 tradeshow destination in the United States for 2016, the 23rd consecutive year of holding the market lead. Las Vegas hosted 57 of the largest 250 tradeshows held across the nation, including the Consumer Electronics Show (CES) - the largest annual tradeshow by net square footage. CES features the largest global hands-on showcase of emerging innovation and all aspects of the technology spectrum. The CES show in January 2017, held at the LVCC, realized record-breaking attendance and drew more than 180,000 people to Las Vegas to view more than 2.47 million square feet of exhibits. More than 60,000 of the attendees were from outside of the U.S., reflecting the global appeal of conducting business in Las Vegas.



FACILITIES

Las Vegas Convention Center

The LVCC opened with the World Congress of Flight in 1959. Today, it is one of the busiest convention facilities in the world - a 3.2 million square foot facility located within a short distance of more than 100,000 guest rooms. The center is well known among industry professionals for its versatility. In addition to approximately 2 million square feet of exhibit space, 145 meeting rooms handle seating capacities ranging from 20 to 2,500. A grand lobby and registration area efficiently link exhibit halls and meeting rooms, and allow simultaneous set-up, break-down and exhibiting of multiple events.



The LVCC hosted 50 large conventions and tradeshow during FY 2017, including CONEXPO-CON/AGG, MAGIC International, Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB). The LVCC hosted an estimated 1.8 million total attendees during FY 2017. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events and full-scale concerts. With over 2,000 access points, the LVCC offers one of the most robust Wi-Fi installations in the country. Guests and exhibitors can connect using the latest 5 GHz, 802.11ac Wi-Fi technology which is centrally coordinated to minimized interference and provide an optimum Wi-Fi guest experience. In January 2017, the LVCC debuted a multi-million-dollar neutral host cellular Distributed Antenna System (DAS) installation providing high capacity access to all four major cellular carriers; supporting 4G and new AWS voice and data services.

Cashman Center



Cashman Center, which opened in 1983, is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes 98,100 square feet of exhibit space, 14 meeting rooms, a 1,898 seat theatre, over 2,500 spaces for parking, and a 10,000 seat baseball stadium which is the home of the

Las Vegas 51s, AAA affiliate of the New York Mets. The center is used frequently for local events, but also has hosted national events.

On June 1, 2017, the Cashman Center property was transferred to the City of Las Vegas in an effort to redevelop the site. The transfer agreement is joined to a management agreement, whereby the City of Las Vegas engages the LVCVA to continue operating the meeting and exhibit hall facilities through December 2017. At the end of the calendar year, the LVCVA will close the meeting, convention and theater space, maintaining it in "mothballed" status. Under the management agreement, the LVCVA will continue to operate Cashman Field (the stadium) until the expiration of the baseball team lease (December 2022) or until the team terminates the lease with sufficient notice, whichever comes first. At that time, the management agreement for the Cashman campus will cease and the City of Las Vegas will assume all responsibilities for the property. See Note 3 for additional disclosures.

ECONOMIC CONDITION

Tourism is the largest industry and economic driver in Southern Nevada. As a result, U.S. and international travel trends are closely monitored. On a national level, over 75.6 million international visitors traveled to the U.S. in 2016, spending over \$244 billion across the country as reported by the U.S. Department of Commerce. The travel and tourism sector continued to drive economic growth with travel industry employment growing every month in 2017, adding an average of 9,500 jobs per month according to the Bureau of Labor Statistics. The Global Business Travel Association (GBTA) announced that business travel spending exceeded \$420 billion in 2016 and supported over 7.4 million jobs. According to the GBTA, global business travel approached \$1.3 trillion in 2016, and is expected to increase by 5.2% in 2017 and another 6.1% in 2018. Additionally, other macroeconomic indicators reflect continued trends of moderate growth, including the S&P 500, Consumer Confidence Index, Employment, the Consumer Price Index and Travel Price Index continue to trend upward.

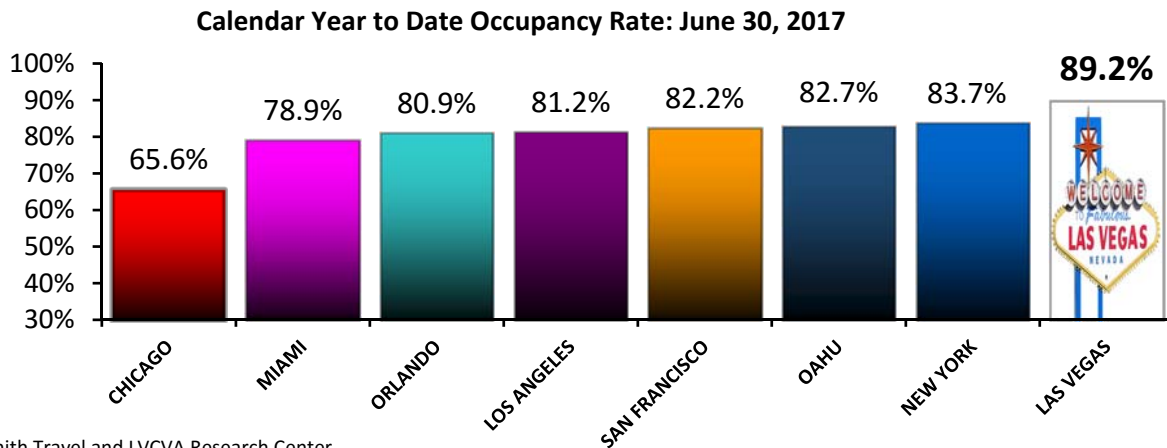
At a local level, Las Vegas continues to be one of the most exciting destinations for leisure and business travel with the highest concentration of hotel rooms in a central area. Visitation to Las Vegas remained steady during FY 2017, consistent with national trends. In fact, the travel and booking website Orbitz named Las Vegas as the most popular U.S. summer destination for 2017 based on bookings.

Las Vegas is known for continually reinventing itself to deliver on the brand promise of being the premier destination in the world. That was proven in FY 2017 by the substantial private investments made in the destination to further drive visitation. Long-term private investor confidence in Las Vegas is evident with \$12 billion worth of projects announced or under construction over the next several years, including the Las Vegas Convention Center District Phases Two and Three. In addition, the destination welcomed the openings of multiple projects this year, maintaining Las Vegas' reputation as a premier travel destination. For instance, the Lucky Dragon, an Asian-themed boutique hotel opened in December 2016. In February 2017, the W Las Vegas opened within the SLS hotel. A hotel within a hotel, the W Las Vegas will boast a private entrance for guests, and will offer its signature brand amenities, including a rooftop pool and a 24-hour FIT gym.

Looking ahead, Wynn Resorts recently unveiled a plan to convert its golf course into a \$1.6 billion lake resort with a boardwalk, water-skiing and paddle-boarding, accompanied by a new hotel tower by 2020. More bright spots on the horizon include the projected 2020 opening of the \$4 billion Resort World Las Vegas complex, a mega resort on the Las Vegas Strip focused on the blossoming Chinese tourism market. In October 2016, during a special legislative session, an increase to the room tax rate was approved and dedicated to Clark County for the purpose of constructing a \$1.9 billion National Football League stadium. Finally, as discussed in the Major Initiatives in 2017 section, the LVCVA plans to spend \$1.4 billion to expand and renovate the existing Las Vegas Convention Center. These multimillion dollar projects continue to show that Las Vegas does not stand still and continues to provide new experiences and reasons to visit.

Due to a destination focus on exciting new entertainment venues, hotel room inventory stayed relatively flat over the last year; however, Las Vegas remains the home of seventeen of the largest twenty hotels in the United States. Clark County room inventory was nearly 161,000, with just over 148,000 rooms located in the Las Vegas metropolitan area. Las Vegas broke a visitation record for calendar year 2016 and visitation to the metro area during FY 2017 was 42.8 million. Visitation trends continue to demonstrate additional increases at the time of this publication.

Although room inventory remained virtually unchanged, the increased visitation boosted room occupancy slightly for the fiscal year. Room occupancy in the Las Vegas area consistently exceeds other major resort destinations and historically outpaces the US average by over 20 percentage points each year.



Revenues

Room tax is the LVCVA’s primary revenue source. Key components of this revenue stream are room inventory, average daily taxable room rental rate (ADR) and occupancy rates. The FY 2017 final budget for general fund room tax anticipated growth of 4% over FY 2016 results. However, actual FY 2017 room tax results achieved its highest level in the LVCVA’s history, outpacing budget projections and increasing 8% over FY 2016. The results reflect the continued strength of the destination. Combined general fund room tax and gaming fees revenue increased from \$262 million in FY 2016 to \$283 million in FY 2017. Economic stabilization, consumer confidence and targeted ad campaigns continued to drive growth in visitation and ADR throughout FY 2017.

Total revenues in the general fund exceeded the original budget and outpaced the prior year by approximately 9%, with increases largely attributable to room tax growth. Revenues from facility use increased approximately 12%, as anticipated, due to the regular cyclical rotation of major tradeshow.

MAJOR INITIATIVES IN FY 2017

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

The LVCCD consists of three essential phases and one future conceptual phase. Phase One, completed in January 2017, was the acquisition and site preparation of the Riviera Hotel and Casino property. The property was purchased in 2015 and was cleared in anticipation of an expansion of the Las Vegas Convention Center. Prior to new construction, the cleared lot was paved and is currently utilized for outdoor exhibits and overflow parking. The LVCVA funded Phase One of the project with existing resources including debt capacity.

Phase Two includes the construction of 600,000 square feet of new exhibit space, in addition to meeting rooms, additional parking, new food and beverage outlets, and support and service spaces. The estimated budget for Phase Two is \$860 million. Phase Three consists of renovation and additions to the current facility. The estimated budget for Phase Three is \$540 million and includes upgrades to exhibit halls, meeting rooms, restrooms and entrances with upgraded technology, lights and design. This phase will also provide upgraded restrooms, new food and beverage outlets and possibly an enclosed connector between the current halls. Construction timelines for Phases Two and Three are scheduled to ensure the new expansion is completed and available to support currently leased tradeshow before existing halls are closed for renovation in Phase Three. Structuring the project in this manner provides space for our trade shows while existing facilities are closed for renovation in Phase Three.

In October 2016, during a special legislative session, the Nevada State Legislature approved Senate Bill 1 (SB1), which included a 0.5% increase to the Southern Nevada room tax rate for the LVCVA, to be used solely for construction and/or paying principal and interest on debt related to the LVCCD project. The new portion of room tax went into effect on January 15, 2017. FY 2017 revenue for the LVCCD room tax was \$11.2 million. Additionally, the legislation capped the amount of collection allocation fee the LVCVA may return to the jurisdictions who collect room tax on behalf of the LVCVA. The amount returned to cities and county is prohibited from exceeding \$25 million annually, and the amount of the fee calculated in excess of the cap is restricted to be used solely for the LVCCD project. As a result, the FY 2017 transfer from the general fund to the LVCCD capital fund was nearly \$3.3 million.

The LVCVA created a LVCCD capital fund to account for Phases Two and Three of the LVCCD program. This fund is restricted to report all revenues and expenditures related to the expansion and renovation project(s) associated with the LVCCD, including those received as part of the new legislation. This capital fund is shown separately on the financial statements and has an additional compliance audit, the report for which can be found on page 80.

Phase Four of the LVCCD includes concepts of potential future improvements and expansions. Conceptual components include a campus media center, administrative offices for trade show partners and a plaza. Specifics are yet to be determined due to potential timing of this phase. Phase Four's schedule and funding will be based upon the completion of the previous phases. Funding for Phase Four is not included in the financing analysis referenced above.

Marketing

The Marketing Division continues its efforts on expanding the reach of the Las Vegas brand message domestically and internationally. A first ever destination research study focused on need based states of customers with the goal of applying the findings to media buys, sponsorships and activations was conducted. In addition, messaging will be derived from the study's learnings. On the business front, Las Vegas hosted the final 2016 Presidential Debate in partnership with the University of Nevada, Las Vegas (UNLV) and garnered \$114 million in publicity value. Interactive technology tradeshow booth displays were completed, putting the destination at the forefront of technology and allowing our resort partners to showcase their properties in an interactive way. New brand campaigns were developed for Laughlin, Mesquite and Boulder City. Additionally, a new website was created for Boulder City. A \$17.5 million Distributed Antenna System (DAS) installation was completed, providing a better wi-fi experience for customers at the Las Vegas Convention Center. A new food and beverage provider was selected for the LVCC and Cashman Center. Other marketing initiatives included:

Consumer Marketing

- Focused on producing engaging video content which generated over 350 million total views across Facebook, YouTube & Twitter.
- Hosted the final 2016 Presidential Debate in partnership with UNLV, attracting more than 71 million television viewers and generating nearly \$114 million in publicity value for UNLV and Las Vegas.
- Continued to expand and mature our international digital presence with 1,735 pieces of content created (160% increase YOY), 706,400 fans (98% increase YOY), 2.6 million engagements (470.3% increase YOY) and 255.2 million impressions (249% increase YOY).
- Enhanced the destination's brand presence at both international and domestic exhibitions through the use of state-of-the-art touchscreen technology. Created more than 4,000 pieces of custom content including 360-degree video, time lapse photography, and still images for guests to experience the destination through an interactive map.
- Supported 21 new airline routes through paid media, including the first nonstop flight from China.

Leisure and International Sales

- Exhibited at 152 trade shows with a combined attendance of 1.7 million.
- Conducted 2,382 sales calls to travel professionals around the world.
- Produced 416 events with an attendance of 22,756 travel professionals.
- Hosted 74 familiarization tours from 22 countries which attracted 1,144 travel buyers.

Global Business Sales

- Produced 83 client engagement events that 3,957 clients attended along with Las Vegas resort industry partners.
- Participated in 316 industry events and produced 22 trade shows with over 20,000 meeting, trade show, event, incentive planners and organizers who bring group business to Las Vegas.

Airline Development

- Increased air service lift by 3.3% in combined international and domestic seats into the destination and a sustained air service capacity of 86% load factor or higher.
- Increased air service from 13 domestic and 13 international markets resulting in an estimated non-gaming economic impact of more than \$567 million to the destination.
- Domestic air capacity resulted in a 3.5% increase while international air capacity saw an increase of 1.2%.

Research

- Implemented an online survey of Clark County wedding license applicants to acquire visitor information in support of expanded wedding marketing efforts.
- Expanded online library of research reports and resources published on LVCVA.com.

Fiscal Accountability and New Accounting Standards

Finance staff continued to review the design and compliance effectiveness of the LVCVA's internal policies and procedures and external reporting requirements. This included industry best practices and several new external reporting standards. This fiscal year, the LVCVA implemented GASB Statements No. 74 (Financial Reporting for Postemployment Benefit Plans other than Pension Plans), No. 77 (Tax Abatement Disclosures), No. 78 (Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans), No. 80 (Blending Requirements for Certain Component Units), No. 82 (Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73), which changed the timing on the recognition of employer contributions and restated net position. The newly implemented standards are discussed in more detail in Note 1 to the financial statements. GASB statements slated for future implementation are discussed in Note 3 to the financial statements.

LONG-TERM FINANCIAL PLANNING

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

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

DEBT ADMINISTRATION

Debt Issuance Compliance Policy

The LVCVA is committed to complying with all federal and other regulatory requirements regarding the issuance and ongoing management of its debt. The LVCVA's debt issuance compliance policy establishes the requirements and procedures for ensuring compliance with federal laws relating to issuance and post issuance monitoring of tax-exempt bonds and taxable direct pay bonds. The policy is intended to define compliance practices including compliance actions, records management, disclosures requirements, and process continuity within the Finance Department and the executive management of the LVCVA.

Debt Overview

Each month the LVCVA transfers money from the general fund to the debt service fund so it's available to pay the principal and interest payments for outstanding debt issues due on January 1 and July 1. The reserves in the debt service fund at June 30, 2017, were sufficient to pay principal and interest due on July 1, 2017.

Outstanding senior bonded debt and debt service reserves at June 30, 2017, are shown as:

	Rating S&P	Rating Moody's	Outstanding Debt	Reserves Restricted for Repayment of Debt Principal	Net Outstanding Debt
05/07 G.O./Revenue Refunding Bonds*	AA+	Aa1	\$ 3,035,000	\$ 3,035,000	\$ -
07/08 G.O./Revenue Bonds*	AA+	Aa1	1,235,000	605,000	630,000
2010A G.O./Revenue Bonds*	AA+	Aa1	70,770,000	-	70,770,000
2010B G.O./Revenue Refunding Bonds*	AA+	Aa1	40,165,000	2,495,000	37,670,000
2010C G.O./Revenue Bonds*	AA+	Aa1	151,065,000	4,445,000	146,620,000
2010 E Revenue Bonds	AA	A1	78,530,000	1,805,000	76,725,000
2012 G.O./Revenue Bonds*	AA+	Aa1	21,885,000	1,080,000	20,805,000
2014 G.O./Revenue Bonds*	AA+	Aa1	50,000,000	-	50,000,000
2015 G.O./Revenue Refunding Bonds*	AA+	Aa1	168,120,000	14,400,000	153,720,000
2016A Subordinate Revenue Bond/Line of Credit	n/a	n/a	1,000,000	-	1,000,000
2016C Revenue Refunding Bonds	A+	A1	100,705,000	-	100,705,000
2017 G.O./Revenue Refunding Bonds*	AA+	Aa1	21,175,000	-	21,175,000
			<u>\$ 707,685,000</u>	<u>\$ 27,865,000</u>	<u>\$ 679,820,000</u>

*Issued through Clark County

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

At the beginning of the fiscal year, the LVCVA, refunded a \$70.2 million line of credit (LOC) via a term loan and a new revolving line of credit in July 2016. The LVCVA subsequently issued a revenue bond which defeased the term loan, as well as refunded the Series 2007 Revenue Bonds. In May 2017, the LVCVA refunded all outstanding Series 2008 General Obligation Bonds. The LVCVA is beginning Phase Two of the LVCCD, and anticipates the use of SB1 resources, transfers from the general fund, the revolving 2016 LOC and additional debt to complete the project. In May 2017, the Oversight Panel for Convention Facilities in Clark County approved the issuance of up to \$900 million of bonds to complete Phase Two. In June 2017, the LVCVA board approved the same financing plan. While specific detail as related to future debt issuances related to Phases Two and Three over the next three years is currently still being finalized, it is anticipated that the LVCVA will borrow approximately \$1.1 billion for the LVCCD, including the \$900 million for Phase Two. Additional information regarding long-term debt can be found in Note 8 on pages 34 through 39.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROLS

The annual budget serves as the financial plan of the LVCVA. The process starts every December and advances through various review processes. The tentative budget is filed by April 15 with the Nevada Department of Taxation and the Clark County Clerk as required by Nevada Revised Statutes (NRS). Between April 15 and the third Thursday in May, the public has the opportunity to review the tentative budget document and submit any comments for inclusion on the agenda. A public hearing provides the public an opportunity to submit additional comments on the proposed budget to the Board.

The final budget is fully integrated on July 1 with the LVCVA's accounting system. The statutory level of budgetary control is at the function level; in reality, control is maintained at the line item level through the use of a purchase order and encumbrance system. An encumbrance is recorded in the accounting system when a purchase order is issued.

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the LVCVA for its CAFR for the year ended June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to the program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The LVCVA has received the Certificate of Achievement for the last 33 consecutive years (fiscal years ended 1984-2016). We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The LVCVA also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated May 19, 2016, marking the 28th consecutive year of earning this recognition. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Rossi Ralenkotter
President/CEO



Rana D. Lacer, CPA, CGMA
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

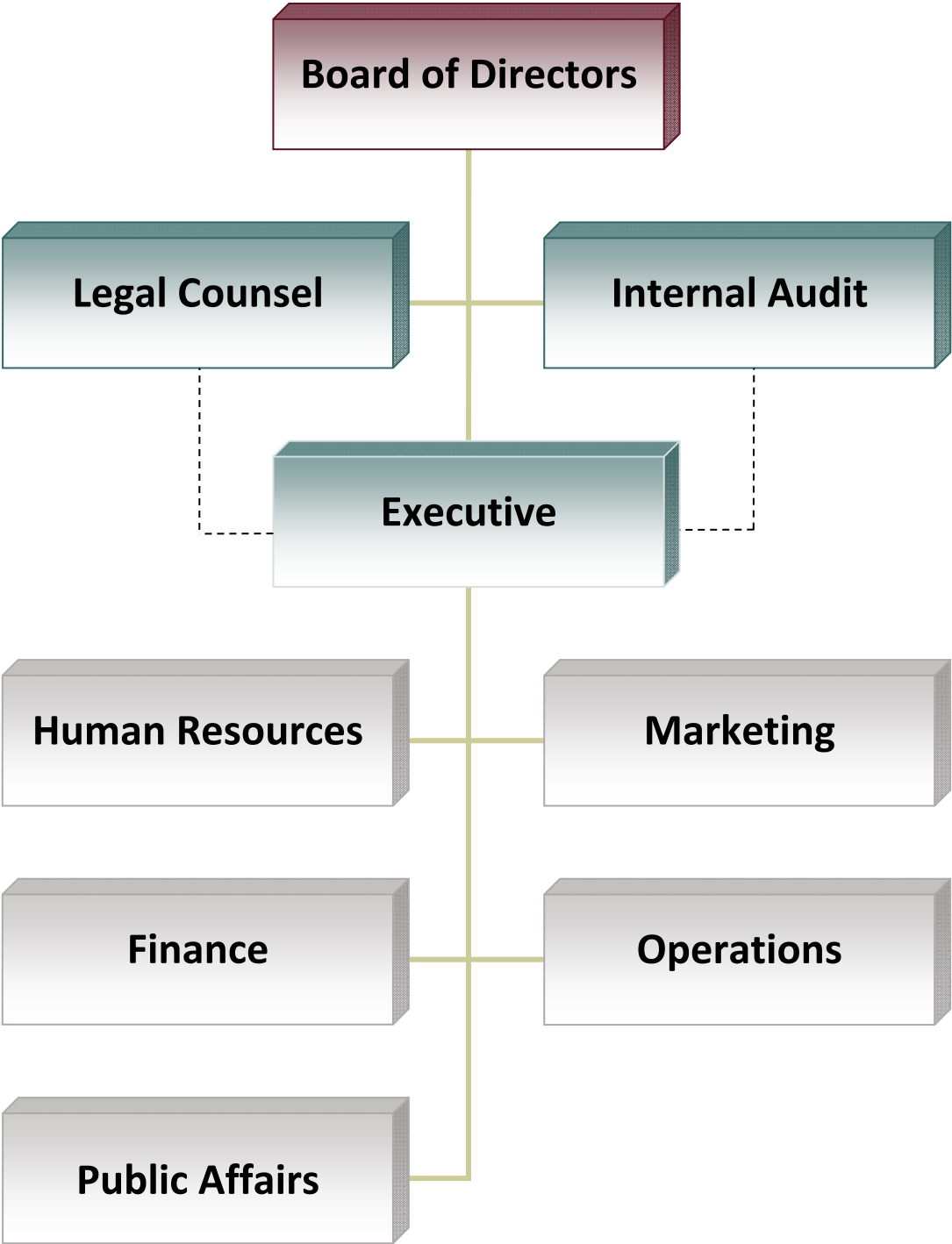
**Las Vegas Convention
and Visitors Authority, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
ORGANIZATION CHART
AS OF JUNE 30, 2017



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

PRINCIPAL OFFICIALS

For the Year Ended June 30, 2017

The Las Vegas Convention and Visitors Authority is governed by a Board of Directors consisting of fourteen members. Eight members are elected officials of either Clark County or one of its incorporated cities. The Las Vegas Metro Chamber of Commerce (CC) and Nevada Resort Association (NRA) nominate three each of the remaining six members. Seven of eight elected officials are selected periodically by their respective governing bodies; their terms on the Board are coterminous with their terms of office. The elected official from the second least populated incorporated city serves a two-year term, starting with their term in office. The six remaining members serve a 2-year term and can be re-appointed to additional 2-year terms. As of June 30, 2017, members of the board included:



LAWRENCE WEEKLY
Chair
Commissioner
Representing Clark County
Term: Jan 2009 – Dec 2020



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



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



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



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



LARRY BROWN
Commissioner
Representing Clark County
Term: Jan 2017 – Dec 2020



CAROLYN G. GOODMAN
Mayor
Representing City of Las Vegas
Term: Jul 2011 – Jun 2019



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



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



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



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



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



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



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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

EXECUTIVE STAFF

For the Year Ended June 30, 2017

The LVCVA Board of Directors serves as a policy-making body and employs a President to serve as Chief Executive Officer. As of June 30, 2017, the LVCVA executive committee consisted of:



Rossi Ralenkotter
President/CEO



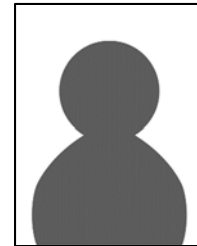
Barbara Bolender
Chief Human Resources
Officer



Rana Lacer
Chief Financial
Officer



Jacqueline Peterson
Chief Communications &
Public Affairs Officer



Vacant
Chief Operating
Officer



Ed Finger
Senior Vice President
Finance



Terry Jicinsky
Senior Vice President
Operations



Cathy Tull
Senior Vice President
Marketing



Michael Goldsmith
Vice President
International Sales



Chris Meyer
Vice President
Global Business Sales



Luke Puschnig
Vice President
Legal Counsel



Hugh Sinnock
Vice President
Customer Experience



Kevin Bagger
Executive Director
Research Center



Lawrence Roney
Executive Director
Information Technology



Valarie Segarra
Executive Director
Strategic Initiatives



Ray Suppe
Executive Director
Customer Safety

FINANCIAL
SECTION

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the LVCVA as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter. As discussed in Note 1, "Accounting Changes During FY 2017", previously issued

financial statements as of and for the year ended June 30, 2017, have been recalled and restated. Our opinion is not modified with respect to this matter.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 3-13 and 51-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2017, on our consideration of the LVCVA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LVCVA's internal control over financial reporting and compliance.



Las Vegas, Nevada

October 5, 2017, except for the item discussed in the emphasis of matter paragraph above as to which the date is January 31, 2018

Management's Discussion and Analysis

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management’s Discussion and Analysis

For the Year Ended June 30, 2017

As management of the Las Vegas Convention and Visitors Authority (the LVCVA), we offer readers of the LVCVA’s financial statements this narrative overview and analysis of the LVCVA’s financial performance for the fiscal year (FY) ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages i to x of this report.

FINANCIAL HIGHLIGHTS

- In October 2016, the Nevada Legislature approved Senate Bill 1 (SB1) which provided for a 0.5% increase to transient lodging tax for the LVCVA to partially fund Phase Two and Three of the Las Vegas Convention Center District (LVCCD), the \$1.4 billion project to expand and renovate the Las Vegas Convention Center. The LVCCD capital fund was created for the purpose of accounting for these new legislatively restricted revenues, as well as all associated construction and financing costs. Through June 30, 2017, the new restricted room tax rate generated \$13.6 million since the January 15, 2017 implementation.
- Phase One of the LVCCD project was completed in early FY 2017. Phase One was comprised of the demolition of the former Riviera property towers, followed by clearing and improvements to the land to prepare it for client use. The land is being utilized for outdoor exhibits and overflow parking until construction activities begin on the exhibit hall expansion as part of Phase Two. Approximately \$19.7 million was spent on demolition and improvement activities during FY 2017.
- In June 2017, the LVCVA transferred ownership of the Cashman Center real property to the City of Las Vegas to enhance redevelopment opportunities on the site for the benefit of the community. Associated with the transfer agreement is a management operating agreement stating that the LVCVA will continue to operate the convention facility until December 2017 and operate the stadium until the expiration of the baseball lease. As a result of this transfer, the LVCVA recorded a capital asset reduction totaling \$9.9 million as a special item.
- Total government-wide revenues increased approximately \$38.9 million, which is the seventh consecutive year of growth. Room taxes and gaming fees increased \$31.8 million, 12% over the prior year. FY 2017 saw the highest room tax collection in history for the LVCVA due to average daily room rate (ADR) increases, combined with the new 0.5% increase in room tax rate. Facility charges for services also increased over the prior year due to strong cyclical show rotation schedules and rate increases.
- Net position increased to \$75.5 million, primarily as a result of higher room taxes totaling \$296.6 million and service revenues of \$72.6 million, combined with maturing debt. Beginning net position was adjusted down \$5.7 million as a result of the implementation of GASB Statement No. 82.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position is, in substance, the balance sheet. It includes not just current assets and liabilities and deferred outflows and inflows, but also capital assets and long-term debt. All funds are included in this statement. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the LVCVA is improving or deteriorating.

The Statement of Activities is the operating statement for the LVCVA as a whole. It is based on full accrual accounting rather than the traditional modified accrual. Depreciation and amortization of capital assets is recognized as an expense, as are compensated absences, postemployment benefits other than pensions (OPEB) and an allocated share of PERS' net pension liability. The format of the statement has an unfamiliar appearance and it focuses on the net cost of the LVCVA's individual functions and is intended to answer the question "How much did it cost and how is it being paid for?"

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

PROPRIETARY FUND FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 50 of this report.

REQUIRED SUPPLEMENTARY INFORMATION

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2017

CONDENSED COMPARATIVE DATA

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION (RESTATED)

The LVCVA's net position, on the government-wide basis, increased \$48.9 million during the year as follows:

CHANGES IN NET POSITION						
	FY 2016 (restated)		FY 2017		Increase (Decrease)	
					Amount	Percent
Net position (deficit) – beginning (as adjusted)	\$	(22,318,908)	\$	26,532,598	\$48,851,506	219%
Revenues		332,718,001		371,606,410	38,888,409	12%
Expenses		283,866,495		312,769,138	28,902,643	10%
Excess before special item		48,851,506		58,837,272	9,985,766	20%
Special Item		-		9,907,463	9,907,463	100%
Change in net position		48,851,506		48,929,809	78,303	0%
Net position – ending	\$	26,532,598	\$	75,462,407	\$48,929,809	184%

This growth is primarily attributed to the LVCVA's increase in room tax revenues while continuing the practice of containing expenses below revenues. The LVCVA transferred the real property and land of Cashman Center to the City of Las Vegas, resulting in an asset reduction of \$9.9 million which is shown as a special item in the above table. Restatement of net position is a result of implementation of GASB Statement No. 82.

During FY 2017, net position consists of the following:

NET POSITION						
	June 30, 2016 (restated)		June 30, 2017		Increase (Decrease)	
					Amount	Percent
Current and other assets	\$	274,934,630	\$	282,521,541	\$ 7,586,911	3%
Capital assets		679,077,721		677,365,626	(1,712,095)	0%
Total assets		954,012,351		959,887,167	5,874,816	1%
Deferred outflows of resources		9,241,382		19,433,119	10,191,737	110%
Current and other liabilities		102,614,288		83,979,327	(18,634,961)	-18%
Long-term liabilities		825,859,862		814,805,792	(11,054,070)	-1%
Total liabilities		928,474,150		898,785,119	(29,689,031)	-3%
Deferred inflows of resources		8,246,985		5,072,760	(3,174,225)	-38%
Net position						
Net investment in capital assets		189,376,462		209,841,668	20,465,206	11%
Restricted		69,025,936		70,033,074	1,007,138	1%
Unrestricted (deficit)		(231,869,800)		(204,412,335)	(27,457,465)	-12%
Total net position	\$	26,532,598	\$	75,462,407	\$48,929,809	184%

A large portion of net position reflects an investment in capital assets, less debt used to acquire those assets. Restricted net position is reported separately to show legal constraints from debt covenants or other restrictions that limit the LVCVA's ability to use those resources. See Note 3 on page 28 for additional information on net position.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management’s Discussion and Analysis

For the Year Ended June 30, 2017

REVENUES

Revenues are classified as either general or program. The general revenue classification includes all room taxes and gaming fees and investment income because they are not related to charges for program services. The LVCVA’s primary source of revenue is from room taxes, which are classified as general revenue. Clark County (the County) and the incorporated cities within the County, which includes Las Vegas, levy room tax on all transient lodging establishments.

All revenues that do not qualify as general revenues are reported as program revenues.

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

Total revenues for FY 2017 amounted to \$371.6 million, an 11.7% increase over FY 2016.

	FY 2016		FY 2017		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
General revenues						
Room taxes and gaming fees	\$ 264,844,257		\$ 296,626,214		\$ 31,781,957	12%
Interest and investment earnings	1,201,484		1,014,447		(187,037)	-16%
Miscellaneous	855,070		1,328,542		473,472	55%
Total general revenue	266,900,811		298,969,203		32,068,392	12%
Program revenues						
Operations	59,536,936		61,623,859		2,086,923	4%
Marketing	1,506,532		6,302,091		4,795,559	318%
General government	4,773,722		4,711,257		(62,465)	-1%
Total program revenues	65,817,190		72,637,207		6,820,017	10%
Total revenues	\$ 332,718,001		\$ 371,606,410		\$ 38,888,409	12%

FY 2017 represented the seventh consecutive year of growth on a year-over-year basis for room tax revenues. Room tax is based on the number of lodging rooms available, occupancy rate and ADR. Room inventory in Clark County was relatively flat during the fiscal year. Clark County occupancy increased slightly from 87.7% to 89.1% in calendar year 2016 and exceeded the national average by 24 percentage points.

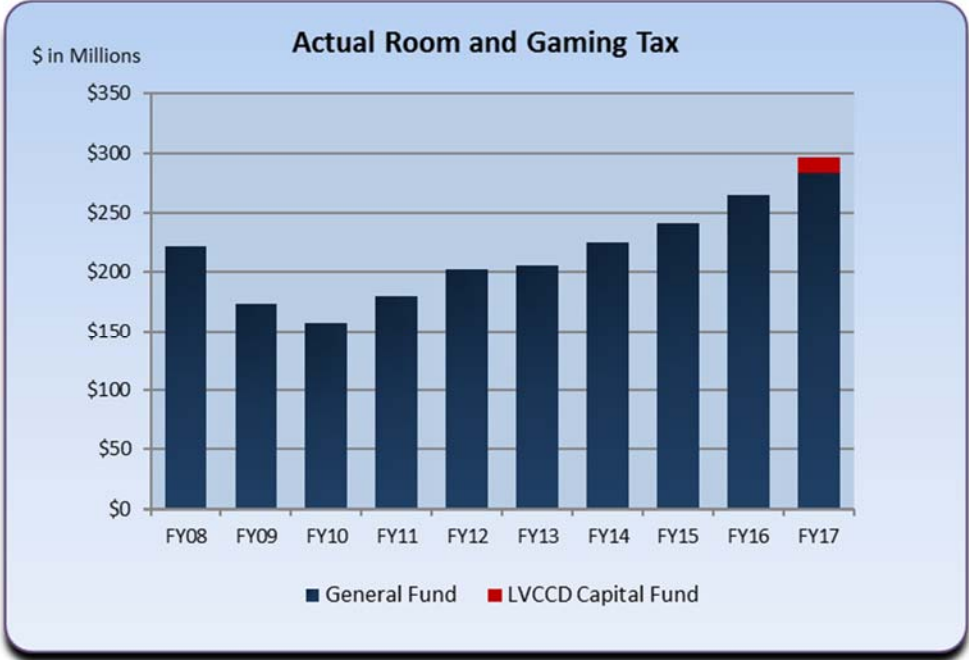
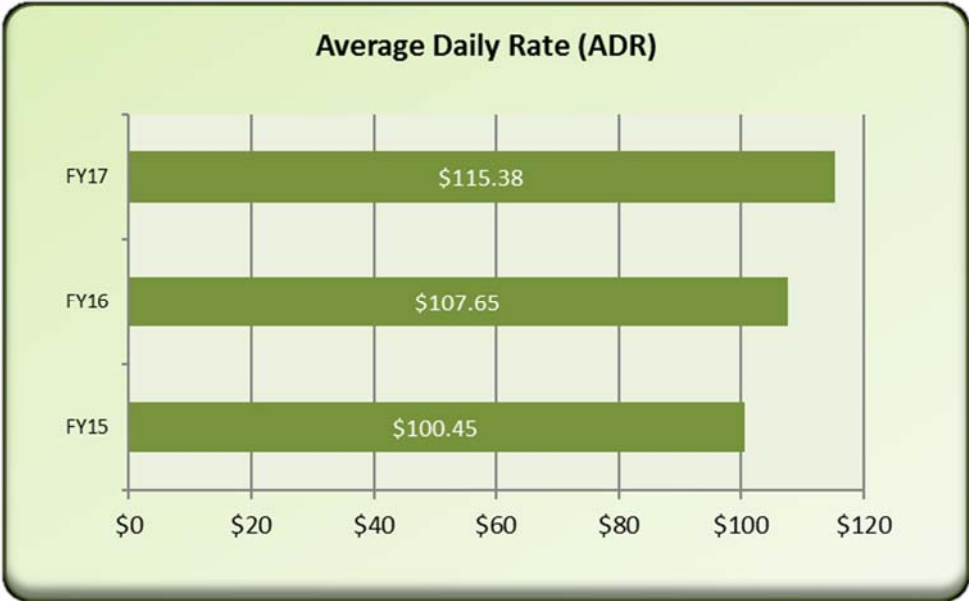
The most volatile factor in calculating room taxes is ADR. With hotel rooms being booked over the internet, price fluctuations are common with hotels having the ability to respond quickly to occupancy trends. ADR averaged \$115.38 in FY 2017, a 7.2% increase over the \$107.65 result in FY 2016. The growth in ADR is largely a result of increased visitor demand. Government-wide room taxes and gaming fees provided \$296.6 million during FY 2017, an increase of \$31.8 million. The LVCVA expects modest increases in ADR to continue based on an improving global economy.

The rate of tax levied in Clark County averages from 10% to 13.38% on lodging facilities. The rate of taxes can only be increased by the action of the Nevada State Legislature.

In October 2016, SB1 passed during the 30th Special Session of the Nevada Legislature. SB1 provides for a 0.5% increase to transient lodging tax. The new revenues are legislatively restricted to support the construction and financing program of the LVCCD capital fund.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management’s Discussion and Analysis
 For the Year Ended June 30, 2017



SB1 also provided for up to an additional 0.88% increase to the lodging tax, to create and fund the Las Vegas Stadium Authority (LVSA). The LVSA will be responsible for the ownership and oversight of a new National Football League (NFL) stadium to be built in Clark County, for the expressed purpose of housing a NFL team.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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

4% - 5%	LVCVA - General Fund
0.5%	LVCVA – LVCCD Capital Fund
0.0% - 0.88%	Las Vegas Stadium Authority
1.625%	Clark County School District - Capital Projects
0% - 2%	City/County (collecting entities jurisdiction) - General Fund
1%	Clark County - County transportation tax
0.375%	State General Fund – a portion of the proceeds are allocated to tourism
2% - 3%	State of Nevada - Education and other state programs

The LVCVA received \$296.6 million in room taxes and gaming fees, from the collecting entities. The majority was generated in Clark County and totaled \$272.5 million (92.0%). The City of Las Vegas was the second largest collector of room taxes and gaming fees, at \$16.1 million (5.4%). The other incorporated cities of North Las Vegas, Henderson, Boulder City, and Mesquite combined to provide the remaining 2.6%.

FACILITY OPERATIONS						
	FY 2016 (restated)		FY 2017		Increase (Decrease)	
					Amount	Percent
Charges for services	\$	59,536,936	\$	61,623,859	\$ 2,086,923	4%
Expense (Restated)		62,433,482		60,313,350	(2,120,132)	-3%
Net proceeds/(expense)	\$	(2,896,546)	\$	1,310,509	\$ 4,207,055	145%

Facility charges for services reflected an increase of 4% over FY 2016, due primarily to the customary cyclical rotation of trade shows including CONEXPO-CON/AGG, a large construction trade show held every three years. Total expenses to operate the facilities were \$60.3 million in FY 2017, including depreciation and amortization, a decrease of 3% compared to FY 2016. The decline is primarily due to an organizational structure adjustment moving the Information Technology department from the Operations division to the General Government division.

Program revenues for Marketing also increased \$4.8 million as compared to FY 2016. This is primarily attributable to non-recurring revenues related to hosting the final 2016 Presidential Debate. It is also reflects the first year of restricted revenues totaling \$1.4 million related to a new inter-local agreement with Clark County. The agreement provides for a pass-through of certain marriage license fees, which the LVCVA must use to conduct marketing efforts specifically for wedding promotion.

EXPENSES (RESTATED)

Total government-wide expenses by function were as follows:

	FY 2016 (restated)		FY 2017		Increase (Decrease)	
					Amount	Percent
General government	\$	16,703,627	\$	20,894,797	\$ 4,191,170	25%
Marketing:						
Advertising		95,012,365		95,905,154	892,789	1%
Marketing and sales		37,768,704		46,561,372	8,792,668	23%
Special events grants		11,665,284		12,196,297	531,013	5%
Operations		62,433,482		60,313,350	(2,120,132)	-3%
Community support and grants:						
Capital grants to other governments		671,219		17,754,180	17,082,961	2545%
Other community support		26,484,425		25,005,309	(1,479,116)	-6%
Interest and other		33,127,390		34,138,679	1,011,289	3%
	\$	283,866,496	\$	312,769,138	\$28,902,642	10%

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

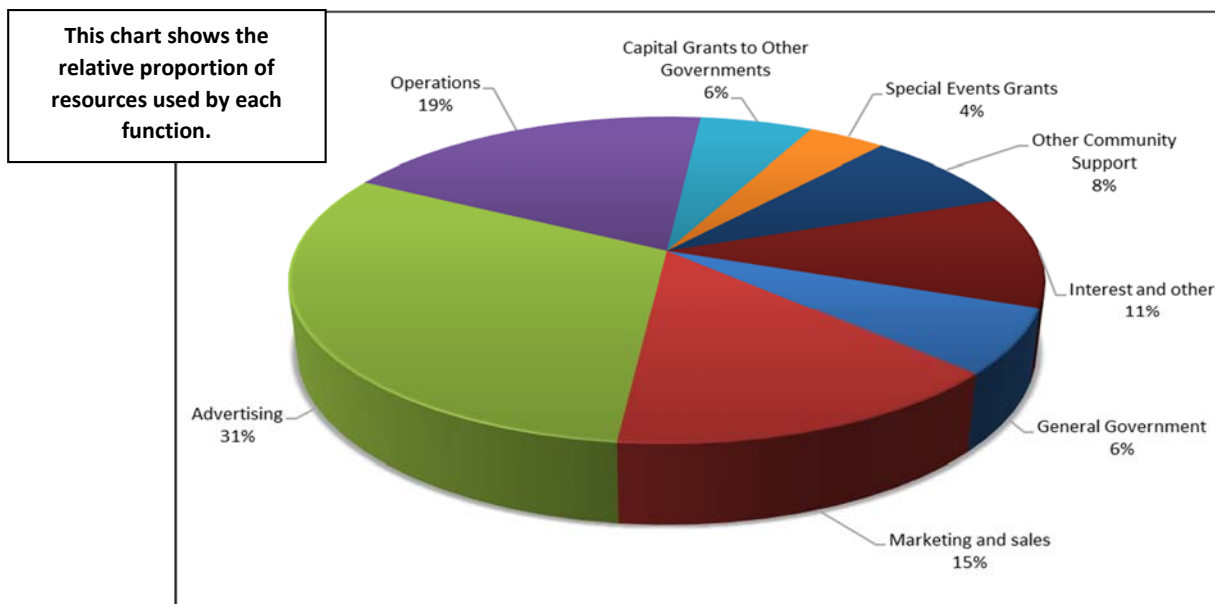
For the Year Ended June 30, 2017

The largest increases in expenses relate to capital grants to other governments. Expenses in capital grants to other governments is the result of a legislative mandate requiring the LVCVA to contribute funds to the Nevada Department of Transportation (NDOT) for critical transportation projects essential to providing access to the recreational and tourism facilities in Clark County. In FY 2017, amounts designated for improvements at the intersection of Las Vegas Boulevard and Tropicana Avenue were utilized and the LVCVA's contribution to the project is substantially complete. Final payments of approximately \$200 thousand are expected in FY 2018 at which point all legislatively mandated amounts will have been expended.

The increase in Marketing expenses is primarily attributable to hosting the final 2016 Presidential Debate.

Operations expenses decrease primarily due to an organizational structure adjustment moving the Information Technology department to General Government.

Community Support, the administrative fee returned to the collecting government entities of room taxes and gaming fees, decreased by 5.6% as a direct result of a cap enacted under SB1. As provided for by NRS 244A.645, up to 10% of the total room taxes and gaming fees received by the LVCVA may be paid back to the county and incorporated cities. The calculation excludes revenues generated from SB1 as those revenues are wholly restricted to the LVCCD expansion and renovation project. Additionally, SB1 imposed a cap of \$25 million on the total annual collection eligible to be returned to the collecting entities. Any funds above the cap are restricted to the LVCCD capital fund.



OVERALL FINANCIAL POSITION

The LVCVA demonstrated strong financial results for FY 2017, the seventh consecutive year of revenue growth over recessionary lows. During the period, the LVCVA's general fund revenues exceeded budget by \$12.8 million and expenditures were under budget by \$13.7 million. LVCCD capital fund generated \$13.6 million in SB1 revenues which also contributed to the \$49.6 million increase in overall net position. Additional fund balance was allocated to economic reserves as well as the LVCCD capital fund for "pay-as-you-go" reserves for future phases. The LVCVA's debt coverage ratio remains more than double the 1.5 times minimum coverage required by bond covenants and also exceeds the 3.0 times coverage required by internal policy. Management remains vigilant to maintain fiscal sustainability through conservative budgeting and continuous monitoring of actual financial results and economic trends at the local, state and national level. Such approach allows the LVCVA the ability to react swiftly to changing conditions and sustain operations during challenging periods. The LVCVA is dedicated to the preservation of adequate fund balances to meet operating cash flow requirements and to satisfy debt service obligations.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2017

FUND ANALYSIS

The fund balance in the general fund and debt fund increased while the capital projects fund decreased during FY 2017 as follows:

	General Fund	Capital Projects Fund	LVCCD Capital Fund	Debt Fund
Fund balance - beginning	\$ 52,953,857	\$ 79,186,650	\$ -	\$ 55,096,758
Fund balance - ending	55,804,838	45,550,159	36,970,630	62,232,978
Increase/(Decrease)	\$ 2,850,981	\$ (33,636,491)	\$ 36,970,630	\$ 7,136,220
Percent change	5.4%	-42.5%	100.0%	13.0%

The final budget for FY 2017 targeted an ending general fund balance of \$28.0 million, or 11.2% of operating expenditures. The actual ending general fund balance was \$55.8 million a \$27.8 million positive variance. Actual revenues exceeded budget by \$12.8 million or 3.8% which is primarily due to increased visitation and growth in ADR that generated higher room tax revenues. Expenditures were lower than budget by \$13.7 million or 5.5% due to the LVCVA's practice of budgeting expenditures to capture all potential programmatic costs, yet monitoring the actual spend and identifying cost-saving opportunities throughout the fiscal year. Transfers out were reduced by \$1.1 million due to the receipt of unbudgeted federal grant subsidy related to taxable bonds.

The decrease in fund balance for the capital projects fund is primarily due to payments to other governments of \$17.8 million and the completion of Phase One of the LVCCD project.

Funding for the LVCCD capital fund included SB1 room tax revenues, transfers from the general fund of \$20 million for "pay-as-you-go reserves", a transfer of \$3.3 million representing the excess collection allocation above the \$25 million returned to collecting entities, and a \$3.3 million transfer of accumulated reserves from the capital projects fund.

The debt fund ending fund balance was increased in anticipation of the issuance of debt related to LVCCD Phases Two and Three.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY 2017 budget was originally based on 9.0% growth in room tax revenues over the revised FY 2016 budget. During the year, actual room tax revenues showed more robust growth than anticipated. Therefore, in November 2016, the budget was adjusted to reflect the increased estimates. New revenue projections due to the passage of SB1 were also budgeted. Revenue augmentation also included charges for service revenue related to non-recurring amounts from the hosting of the October 2016 Final Presidential Debate. Expenditure augmentation included funds for the cost of hosting the 2016 Final Presidential Debate along with additional transfers to debt, OPEB and capital projects to increase reserves. In January 2017, LVCCD capital fund was created and related funds were augmented out of the general fund to provide for separate reporting. Additional reserves were also augmented for transfer from the general fund to debt and OPEB funds in preparation for future year costs. The \$3.2 million change between the General Government division and the Operations division is related to the transfer of the Information Technology department from the Operations division to the General Government division.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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

GENERAL FUND CHANGES IN BUDGETED REVENUES AND TRANSFERS			
	Original Budget	Revisions	Final Budget
Room taxes and gaming fees	\$ 268,950,000	\$ 2,800,000	\$ 271,750,000
Charges for service	60,327,000	6,250,000	66,577,000
Interest and other	233,800	-	233,800
Transfers in	109,900	-	109,900
Proceeds from sale of capital assets	58,000	-	58,000

GENERAL FUND CHANGES IN BUDGETED EXPENDITURES AND TRANSFERS			
	Original Budget	Revisions	Final Budget
General government	\$ 20,173,800	\$ 3,214,300	\$ 23,388,100
Marketing:			
Advertising	96,500,000	100,000	96,600,000
Marketing and sales	45,164,200	4,450,000	49,614,200
Special events grants	14,280,600	(300,000)	13,980,600
Operations	44,866,100	(3,214,300)	41,651,800
Community support:			
Other community support	27,395,000	(1,895,000)	25,500,000
Transfers out	(78,073,300)	(34,825,000)	(112,898,300)

Actual general fund revenues, transfers in and proceeds from the sale of capital assets totaled \$351.6 million which is \$12.9 million higher than the final budget. Total actual general fund expenditures and transfers out totaled \$348.8 million, about \$14.9 million less than the final budget. These results are largely due to conservative budgeting practices, which are based on the strategy of budgeting revenues cautiously while budgeting expenditures aggressively.

CAPITAL ASSETS

Capital assets additions totaled \$27.9 million, which includes \$19.7 million related to the Riviera Hotel demolition and site improvements on land purchased in FY 2015. Investment in capital assets as of June 30, 2017 totaled \$677.4 million (net of accumulated depreciation and amortization), which is a slight decrease compared to FY 2016. This is primarily due to a modest increase in depreciable assets during the year which was offset by the transfer of Cashman Center capital assets of \$9.9 million to the City of Las Vegas. Depreciation and amortization expense for the year was approximately \$17.7 million.

In June 2017, the LVCVA transferred ownership of Cashman Center real property and land to the City of Las Vegas in an effort to redevelop the site. Associated with the transfer agreement is a management operating agreement stating that the LVCVA will continue to operate the convention facility until December 31, 2017 at which time that facility will be mothballed. Additionally, the operating agreement provides for the LVCVA to operate the stadium until the expiration of the baseball

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2017

lease in 2022, or until such time as the team provides notices of termination, whichever is earlier. At that time, the LVCVA's obligation to manage and operate any activities at the Cashman campus will cease in full.

Capital assets consist of assets accounted for in both the capital projects fund and the LVCCD capital fund. More detailed information on capital assets can be found in Note 5 on page 32.

CAPITAL ASSETS				
(net of depreciation and amortization)				
			Increase (Decrease)	
	June 30, 2016	June 30, 2017	Amount	Percent
Land	\$ 423,033,987	\$ 439,064,772	\$ 16,030,785	4%
Intangibles	100,000	563,363	463,363	463%
Construction in progress	1,113,900	1,402,611	288,711	26%
Buildings	229,579,340	214,788,871	(14,790,469)	-6%
Improvements	21,817,763	17,930,110	(3,887,653)	-18%
Furniture and equipment	3,432,732	3,615,899	183,167	5%
	\$ 679,077,722	\$ 677,365,626	\$ (1,712,096)	0%

LONG-TERM DEBT

At June 30, 2017, debt totaled \$707.7 million. Of this amount, \$527.5 million was general obligation bonds additionally secured by specified revenue sources and \$180.2 million was revenue bonds. Furthermore, of the total outstanding, \$260.3 million was for the purpose of providing funds to NDOT for transportation projects within the Southern Nevada resort corridor in compliance with a 2007 legislative mandate.

The LVCVA completed four bond issuances in FY 2017. In July 2016, the LVCVA issued Subordinate Revenue Bonds 2016A (2016A LOC) and 2016B (2016B) which provided a current refunding of the 2014A Subordinate Revenue Bonds (2014 LOC). The 2016A LOC issuance is a revolving line of credit with JPMorgan, allowing for a maximum principal outstanding amount of up to \$100,000,000, and a maximum cumulative amount of \$300,000,000. The LVCVA drew \$1,000,000 from the 2016A LOC in July 2016, and used those proceeds to partially defease the 2014A LOC. The LVCVA simultaneously issued the 2016B in the principal amount of \$69,200,000, and used those proceeds to defease the remaining portion of the 2014 LOC. The 2016B were refunded with the issuance of the 2016C Revenue Bonds in August 2016. The 2016C Revenue Bonds also advance refunded a portion of the 11/07 Revenue Bonds. In May 2017, the LVCVA issued the 2017 General Obligation Bonds which provided an advanced refunding of the 2008 General Obligation Bonds. Total present value of refunding's was \$8,958,473.

	General Obligation Bonds Principal Balance	Revenue Bonds Principal Balance	Unamortized Premiums and Discounts	Total
	(In Thousands)			
Beginning balance	\$ 552,365	\$ 192,915	\$ 14,363	\$ 759,643
Payments/retirements and amortization	(46,090)	(183,585)	(3,638)	(233,313)
New Issuances	21,175	170,905	13,870	205,950
Ending balance	\$ 527,450	\$ 180,235	\$ 24,595	\$ 732,280

More detailed information on debt can be found in Note 8 on pages 34 through 39.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2017

INTERNAL SERVICE FUND

In FY 2013, an internal service fund was established to accumulate resources, through yearly transfers from the general fund, for future payment of liabilities related to post-employment benefits other than pensions. Discretionary transfers since FY 2013 total \$24.5 million. The annual funding considerations include biannual actuarial studies among other factors and conditions.

ADDITIONAL FINANCIAL INFORMATION

The LVCVA's financial statements are designed to present users (citizens, taxpayers, customers and investors) with a general overview of the LVCVA's finances and to demonstrate accountability. If you have any questions about the report or need additional financial information, please contact:

LVCVA Chief Financial Officer

3150 Paradise Road

Las Vegas, NV 89109

(702) 892-2990

Or, please visit our website at:

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

BASIC FINANCIAL STATEMENTS

Government-Wide

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Net Position - Governmental Activities

June 30, 2017

Assets:	
Cash, cash equivalents and investments	\$ 216,232,651
Receivables:	
Room taxes and gaming fees	51,958,472
Accounts	8,998,864
Interest	175,177
Inventory	587,609
Prepaid and other items	4,568,768
Capital and intangible assets:	
Non-depreciable	440,567,383
Depreciable, net of accumulated depreciation and amortization	236,798,243
Total assets	959,887,167
Deferred outflows of resources:	
Deferred charges on refunding	5,285,822
Deferred resources related to pension (Restated)	14,147,297
Total deferred outflows of resources	19,433,119
Liabilities:	
Accounts payable	20,999,217
Accrued payroll and related items	4,529,145
Due to other governments	6,822,683
Deposits	305,990
Unearned revenue	225,867
Interest payable	17,534,951
Other	1,845,000
Noncurrent liabilities:	
Due within one year:	
Capital lease obligation	126,300
Bonds payable	27,865,000
Compensated absences payable	3,725,174
Due in more than one year:	
Capital lease obligation	185,999
Bonds payable, net of unamortized discounts and premiums	704,414,782
Compensated absences payable	2,317,997
Post-employment benefits other than pensions payable	32,131,866
Net pension liability	75,755,148
Total liabilities	898,785,119
Deferred inflows of resources:	
Deferred resources related to pension	5,072,760
Net position:	
Net investment in capital assets	209,841,668
Restricted for:	
Community support	4,538,328
Other purposes	579,628
LVCCD capital project	13,715,630
Debt service	51,199,488
Unrestricted (deficit):	
Related to non-capital debt (See Note 3)	(261,021,461)
Related to capital projects	68,614,482
Other	(12,005,356)
Total net position (Restated)	\$ 75,462,407

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Activities - Governmental Activities (Restated)
For the Year Ended June 30, 2017

Function/Program	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	
Governmental activities:				
General government	\$ 20,894,797	\$ -	\$ 4,711,257	\$ (16,183,540)
Marketing:				
Advertising	95,905,154	-	-	(95,905,154)
Marketing and sales	46,561,372	6,302,091	-	(40,259,281)
Special events grants	12,196,297	-	-	(12,196,297)
Operations	60,313,350	61,623,859	-	1,310,509
Community support and grants:				
Capital grants to other governments	17,754,180	-	-	(17,754,180)
Other community support	25,005,309	-	-	(25,005,309)
Interest on long-term debt	33,124,760	-	-	(33,124,760)
Bond issuance costs	1,013,919	-	-	(1,013,919)
Total governmental activities	\$ 312,769,138	\$ 67,925,950	\$ 4,711,257	(240,131,931)
General revenues:				
Room taxes and gaming fees				296,626,214
Interest and investment earnings				1,014,447
Miscellaneous				1,328,542
Special item				
Transfer of capital assets (See Note 3)				(9,907,463)
Total general revenues and special items				289,061,740
Change in net position				48,929,809
Net position - beginning (as previously reported)				32,227,967
Adjustment (See Note 1)				(5,695,369)
Net position - beginning (as adjusted)				26,532,598
Net position - ending				\$ 75,462,407

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

BASIC FINANCIAL STATEMENTS

Governmental Funds

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Balance Sheet - Governmental Funds
June 30, 2017

	General Fund	Capital Projects Fund	LVCCD Capital Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash, cash equivalents and investments	\$ 50,799,238	\$ 46,070,518	\$ 32,128,179	\$ 62,362,390	\$ 191,360,325
Receivables:					
Room taxes and gaming fees	47,151,314	-	4,807,158	-	51,958,472
Accounts	7,362,947	1,635,917	-	-	8,998,864
Interest	14,236	66,366	20,366	33,302	134,270
Due from other funds	162,714	3,652	2,447,724	-	2,614,090
Inventory	587,609	-	-	-	587,609
Prepaid and other items	4,536,121	32,647	-	-	4,568,768
Total assets	\$ 110,614,179	\$ 47,809,100	\$ 39,403,427	\$ 62,395,692	\$ 260,222,398
Liabilities:					
Accounts payable	\$ 19,915,060	\$ 995,175	\$ 88,982	\$ -	\$ 20,999,217
Accrued payroll and related items	4,529,145	-	-	-	4,529,145
Due to other governments	4,538,327	-	-	-	4,538,327
Due to other funds	2,451,376	-	-	162,714	2,614,090
Customer deposits	305,990	-	-	-	305,990
Unearned revenue	225,867	-	-	-	225,867
Total liabilities	31,965,765	995,175	88,982	162,714	33,212,636
Deferred inflows of resources:					
Unavailable revenue	22,843,576	1,263,766	2,343,815	-	26,451,157
Fund balances:					
Nonspendable	5,123,730	32,647	-	-	5,156,377
Restricted	4,927,279	190,677	13,715,630	51,199,488	70,033,074
Committed	12,048,877	40,133,479	23,255,000	11,033,490	86,470,846
Assigned	13,400,000	5,193,356	-	-	18,593,356
Unassigned	20,304,952	-	-	-	20,304,952
Total fund balances	55,804,838	45,550,159	36,970,630	62,232,978	200,558,605
Total liabilities, deferred inflows of resources, and fund balances	\$ 110,614,179	\$ 47,809,100	\$ 39,403,427	\$ 62,395,692	

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

Capital and intangible assets used in the governmental activities are not current financial resources; and therefore, are not reported in the funds (See Note 2)	677,365,626
Certain assets are not available to pay for current period expenditures; and therefore, are not recorded or are deferred in the funds:	
Room taxes and gaming fees - earned but unavailable	25,187,391
Other community support	(2,284,356)
Other revenue - earned but unavailable	1,263,766
Deferred inflows related to pension	14,147,297
The internal service fund is used by management to fund the future other post-employment benefit costs. The net position of the internal service fund is reported with governmental activities.	24,913,233
Certain liabilities are not due and payable in the current period; and therefore, are not reported in the funds:	
Accrued compensated absences	(6,043,171)
Post-employment benefits other than pensions	(32,131,866)
Net effect of difference in the treatment of long-term debt and related items (See Note 2)	(744,841,210)
Accrued pollution remediation	(1,845,000)
Net pension liability	(75,755,148)
Deferred outflows related to pension	(5,072,760)
Net position, governmental activities	\$ 75,462,407

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

For the Year Ended June 30, 2017

	General Fund	Capital Projects Fund	LVCCD Capital Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Room taxes and gaming fees	\$ 282,982,617	\$ -	\$ 11,246,673	\$ -	\$ 294,229,290
Charges for services	68,007,099	-	-	-	68,007,099
Interest and investment earnings	389,506	323,975	80,289	154,298	948,068
Federal grant subsidy	-	-	-	4,711,257	4,711,257
Miscellaneous	8,100	1,320,442	-	-	1,328,542
Total revenues	<u>351,387,322</u>	<u>1,644,417</u>	<u>11,326,962</u>	<u>4,865,555</u>	<u>369,224,256</u>
Expenditures:					
Current:					
General government	19,532,835	-	-	-	19,532,835
Marketing:					
Advertising	95,905,154	-	-	-	95,905,154
Marketing and sales	45,094,547	-	-	-	45,094,547
Special events grants	12,196,297	-	-	-	12,196,297
Operations	39,289,787	-	-	-	39,289,787
Community support and grants:					
Capital grants to other governments	-	17,754,180	-	-	17,754,180
Other community support	25,000,000	-	-	-	25,000,000
Capital outlay:					
Capitalized assets	-	25,027,655	904,470	-	25,932,125
Non-capitalized assets	-	1,040,512	5,124	-	1,045,636
Debt service:					
Principal	-	72,672	-	27,820,000	27,892,672
Interest	-	10,162	-	35,372,829	35,382,991
Principal retirement	-	-	-	70,200,000	70,200,000
Payment to refunded debt escrow agent	-	-	-	69,200,000	69,200,000
Debt issuance costs	-	-	-	1,013,919	1,013,919
Total expenditures	<u>237,018,620</u>	<u>43,905,181</u>	<u>909,594</u>	<u>203,606,748</u>	<u>485,440,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>114,368,702</u>	<u>(42,260,764)</u>	<u>10,417,368</u>	<u>(198,741,193)</u>	<u>(116,215,887)</u>
Other financing sources (uses):					
Transfers in	209,689	11,500,000	26,553,262	66,453,419	104,716,370
Transfers out	(111,751,681)	(3,255,000)	-	(209,689)	(115,216,370)
Proceeds from the sale of assets	24,271	-	-	-	24,271
Issuance of capital lease obligation	-	379,273	-	-	379,273
Issuance of debt refunding bonds	-	-	-	192,080,000	192,080,000
Premium on debt issuance	-	-	-	13,870,085	13,870,085
Payment to refunded debt escrow agent	-	-	-	(66,316,402)	(66,316,402)
Total other financing sources (uses)	<u>(111,517,721)</u>	<u>8,624,273</u>	<u>26,553,262</u>	<u>205,877,413</u>	<u>129,537,227</u>
Net change in fund balances	2,850,981	(33,636,491)	36,970,630	7,136,220	13,321,340
Fund balances - beginning	52,953,857	79,186,650	-	55,096,758	187,237,265
Fund balances - ending	<u>\$ 55,804,838</u>	<u>\$ 45,550,159</u>	<u>\$ 36,970,630</u>	<u>\$ 62,232,978</u>	<u>\$ 200,558,605</u>

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds \$ 13,321,340

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

Governmental funds report capital outlays as expenditures and do not report donated capital assets. However, in the statement of net position, assets with an initial, individual cost that meets LVCVA's capitalization threshold are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlays (asset additions)	25,932,125	
Special Item	(9,907,463)	
Depreciation and amortization expense, including disposed assets	<u>(17,736,756)</u>	<u>(1,712,094)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 2,315,775

The issuance of long-term debt (*i.e.*, bonds and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred in the statement of net position and amortized over the term of the related debt.

Issuance of debt	(192,080,000)	
Payment to refunded debt escrow agent	135,516,402	
Issuance of capital lease obligation	(379,273)	
Premium on debt issuance	(13,870,085)	
Amortization of debt premiums and discounts	2,988,831	
Amortization of refunding charges	(777,818)	
Accrued interest expense	47,218	
Repayment/retirement of debt principal	<u>98,092,672</u>	<u>29,537,947</u>

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

Compensated absences	346,903	
Postemployment benefits other than pensions	(3,112,526)	
Net pension liability	(12,014,736)	
Deferred inflows related to pension	3,174,225	
Deferred outflows related to pension	7,756,905	
Pollution remediation	(1,245,000)	
Due to other governments	<u>(5,309)</u>	<u>(5,099,538)</u>

The internal service fund is used by management to fund future other post-employment benefit costs. The change in net position of the internal service fund is reported with governmental activities. 10,566,379

Change in net position of governmental activities \$ 48,929,809

BASIC FINANCIAL STATEMENTS

Proprietary Fund

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Net Position

Proprietary Fund

June 30, 2017

	Governmental Activities
	<u>Internal Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 8,898,962
Investments	15,973,364
Interest receivable	<u>40,907</u>
Total assets	<u>24,913,233</u>
Net position:	
Unrestricted	<u>\$ 24,913,233</u>

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Statement of Revenues, Expenses and Change in Net Position
Proprietary Fund
For the Year Ended June 30, 2017

	Governmental Activities
	<u>Internal Service Fund</u>
Nonoperating revenues (expenses):	
Interest and investment earnings	\$ <u>66,379</u>
Income before transfers	66,379
Transfers in	<u>10,500,000</u>
Change in net position	10,566,379
Net position - beginning	<u>14,346,854</u>
Net position - ending	<u>\$ 24,913,233</u>

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2017

	Governmental Activities
	Internal Service Fund
Cash flows from noncapital financing activities:	
Transfers in	\$ 6,500,000
Cash flows from investing activities:	
Interest on investments	182,880
Net cash used in investing activities	182,880
Net increase in cash and cash equivalents	6,682,880
Cash and cash equivalents, beginning	2,216,082
Cash and cash equivalents, ending	\$ 8,898,962
Noncash investing and non-capital financing activities	
Transfer to investments	\$ 4,000,000
Interest on investments	22,565
Unrealized loss	(144,538)
	-

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

BASIC FINANCIAL STATEMENTS

Notes to the Financial Statements

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

REPORTING ENTITY

The LVCVA was created in 1955 under the provisions of Nevada Revised Statutes (NRS) 244A as the Clark County Fair and Recreation Board. This NRS governs the powers and duties of the Board of Directors (the Board), including the number, selection, and term of its members. The LVCVA is subject to State of Nevada (the State or Nevada) laws governing local governments, including the Local Government Budget and Finance Act. The Board is responsible for establishing policy for overall operations. The LVCVA's President serves as chief executive officer. The LVCVA does not include any component units in its financial statements and is not included as a component unit in any other entity's financial statements.

The LVCVA has been charged with the promotion of tourism as well as to own, operate and promote recreation and convention facilities within Clark County (the County) for the benefit of the local economy.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements display information about the reporting government as a whole. In order to present an accurate financial picture, the effects of interfund activity have been eliminated. The purpose of the Statement of Activities is to allow financial statement users to determine operating results of the LVCVA in its entirety over a period of time. It demonstrates the degree to which the direct expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. The LVCVA's program revenues include, but are not limited to, charges to customers for facility rentals, commissions from concession stand sales, parking revenue, and commissions from electrical, plumbing and telecommunication services.

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

The Statement of Net Position is intended to present a snapshot of the financial position of the LVCVA as a whole as of year-end. It displays the difference between assets and deferred outflows and liabilities and deferred inflows as net position.

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

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates operations according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund types are used to account for general governmental activities. The operating fund of the LVCVA is the general fund. The capital projects fund is used to account for the acquisition and improvement of routine capital assets. The LVCCD capital fund, created in January 2017, is used to account for the construction of new facilities and improvement of the existing facilities related to the Las Vegas Convention Center District (LVCCD) project. Servicing of long-term debt obligations is recorded in the debt service fund.

Proprietary fund financial statements distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

nonoperating revenue and expenses. Internal service funds may be used to account for all or a portion of a government's risk financing activities. The LVCVA's only proprietary fund is an internal service fund. This internal service fund was established during FY 2013 for the purpose of receiving resources from the general fund designated for future payment of post-employment benefits.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of measurement focus.

Government-wide financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus, as are the proprietary fund financial statements. An economic resource measurement focus concentrates on net position. All transactions and events that affect the total economic resources (net position) during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and liabilities are recorded at the time the obligations are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented using a modified accrual basis and the current financial resources measurement focus. Earned revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally, within 30 days of year end. Liabilities are generally recorded when an obligation is incurred. However, debt service expenditures and certain other long-term obligation expenditures are recorded only when payment is due.

Since governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, the statements include reconciliations that explain the differences between the net change in fund balances of governmental funds using a modified accrual basis and the change in government-wide governmental activities using a full accrual basis and between total fund balances and net position.

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

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance of each major fund, as defined by GAAP, and any other fund the government determines to have particular importance are presented separately.

The LVCVA reports the following major governmental funds:

General Fund

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

Capital Projects Fund

- Accounts for capital expenditures for furniture, equipment, intangibles, and routine improvements or additions to land and buildings financed by general government resources.
- Accounts for capital grants to other governments, which are for the express purpose of capital construction activities by the other government.

LVCCD Capital Fund

- Accounts for all project costs related to LVCCD Phase Two and Three of the expansion and renovation project. This fund accounts for transfer from the general fund and tax revenues enacted and restricted by the Nevada legislature.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements
For the Year Ended June 30, 2017

Debt Service Fund

- Used to accumulate monies for the payment of principal and interest on the following debt:

5/07 General Obligation/Refunding Bonds	7/08 (NDOT) General Obligation Bonds
2010 A (NDOT/BABs) General Obligation Bonds	2010B (NDOT) General Obligation/Refunding Bonds
2010 C (NDOT/BABs) General Obligation Bonds	2010E Revenue/Refunding Bonds
2012 General Obligation Bonds	2014 General Obligation Bonds
2015 General Obligation/Refunding Bonds	2016 A Subordinate Revenue Bonds/Line of Credit
2016 C Revenue/Refunding Bonds	2017 General Obligation/Refunding Bonds

The LVCVA reports the following proprietary fund:

Internal Service Fund

- Used to accumulate monies for future payment of liabilities related to post-employment benefits other than pensions.

DEPOSITS AND INVESTMENTS

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

The LVCVA's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. Agencies, commercial paper, banker's acceptances, money market funds, repurchase agreements (REPOs) and the Nevada State Treasurer's Local Government Investment Pool (LGIP). The holding period of the LVCVA's investments does not exceed five years. The LVCVA's policy also governs the limitations as to the percentage of each type of investment held, its term to maturity, and allocation of investments in two to five year maturities.

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

RECEIVABLES AND PAYABLES

Transactions between funds that are outstanding at year end are reported as "due to/from other funds" within the fund financials statements. For government-wide and proprietary fund financial statements, receivables and related revenues are recognized as soon as they are earned, whereas for governmental fund financial statement purposes, receivables and related revenues are recognized when earned and are both measurable and available. Room taxes and gaming fees receivable, the LVCVA's major revenue source, are considered measurable and available when they can be collected within 30 days after year end. Room taxes and gaming fees received more than 30 days after year end are classified as deferred inflows in governmental fund financial statements.

Receivables are reported net of any significant amounts not expected to be collected.

PREPAID ITEMS AND INVENTORY

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In the fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

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

CAPITAL ASSETS

Capital assets, which include property, equipment (including some under capital leases), and intangibles, are accounted for in the government-wide financial statements. All purchased capital assets are valued at historical cost net of impairment

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

adjustments, if any. Donated assets are valued at their acquisition value on the date of gift. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly enhance the functionality of an asset are capitalized.

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

The LVCVA classifies an item as a capital asset when its estimated useful life is at least one year and meets one of the following thresholds:

- Property and equipment with unit acquisition cost exceeding \$10,000.
- Bulk purchases which are part of the rolling stock of recurring purchases.
- Capital leases with total acquisition costs exceeding \$50,000.
- Trademarks, patents, logos, easements and internally generated software with an acquisition cost equal or exceeding \$200,000.

Depreciation and amortization on exhaustible assets and intangibles is recorded in the Statement of Activities, while accumulated depreciation and amortization is reflected in the Statement of Net Position. Depreciation and amortization is computed on a straight-line basis over the following estimated useful lives:

ASSET DESCRIPTION	USEFUL LIFE (YEARS)
Buildings	40
Major land improvements, leasehold improvements and building improvements. Leasehold improvements are limited to the shorter of useful life or lease term.	5-20
Furniture/fixtures, and the following equipment items: baseball equipment, carts, communication equipment (mobile), forklifts, heavy equipment, set-up equipment, power tools, risers, tables, telephones, test equipment, turf equipment, typewriters, vacuums, and word processing equipment.	5-15
Equipment items in the following categories: camera equipment, cleaning equipment, copiers, fax machines, MATV equipment, mowers, refuse equipment, mobile sound equipment, tools, turnstiles, vehicles, and other equipment.	5-15
Computers, printers, and software	3

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

Gains or losses from sales or retirements of capital assets are included in the Statement of Activities.

COMPENSATED ABSENCES

It is the LVCVA’s policy to permit employees to accumulate earned but unused paid time off (PTO) benefits. Such benefits are accrued within the government-wide statements when earned by the employee.

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

OTHER POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The LVCVA has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In accordance with the transition rules of that statement, the LVCVA elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net OPEB obligation at zero for the year ended June 30, 2008. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contributions (ARC) of the LVCVA, calculated using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The OPEB obligation at June 30, 2017, is determined by adding the annual OPEB cost to the OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year and other adjustments required by the standard.

In a proactive measure to address the OPEB liability, the LVCVA created an internal service fund in FY 2013 to accumulate resources through yearly transfers from the general fund. Transfers to the internal service fund do not constitute an OPEB contribution for actuarial reporting. Rather, the funds are an earmarking of employer assets to reflect the LVCVA's current intent to apply those assets to the payment of future benefits; and therefore, does not offset or reduce the recorded OPEB liability.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are recorded and amortized over the life of the bonds using the effective interest method. Bond issuances costs are expensed as incurred. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as either a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period, as applicable. Bond proceeds are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

ACCOUNTING CHANGES DURING FY 2017

The LVCVA implemented Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* effective July 1, 2016. This statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The LVCVA does not currently administer OPEB funds through a trust, therefore Statement No. 74 had no material effect on the LVCVA's financial reporting of the OPEB plan.

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Notes to the Financial Statements

For the Year Ended June 30, 2017

The GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, in March 2016. This statement updates Statements No. 67, 68, and 73 regarding pension reporting. As required by the standard, the LVCVA updated the calculation of covered payroll, which also adjusted the related ratios, in the Required Supplementary Information of the CAFR. The information necessary to fully implement was not received from PERS until after our CAFR was originally issued on October 5, 2017. Subsequent full implementation of this statement also required an adjustment to beginning net position in the Government-wide Financial Statements of \$5,695,369, related to the timing of recognition of contributions made by the employer on behalf of the employee and increased expense \$691,483 for FY 2017.

The LVCVA implemented other GASB Statements during FY 2017 that had no effect on the LVCVA’s reporting including No. 77, *Tax Abatement Disclosures*, No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, and No. 80, *Blending Requirements for Certain Component Units*.

USE OF ESTIMATES

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

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

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position.

One element of that reconciliation explains that “capital and intangible assets used in the governmental activities are not current financial resources; and therefore, are not reported in the funds.” The details of this \$677,365,626 difference are as follows:

Depreciable and amortizable capital and intangible assets	\$	490,856,663
Accumulated depreciation and amortization		<u>(254,058,420)</u>
Depreciable and amortizable capital and intangible assets, net		236,798,243
Non-depreciable and non-amortizable capital and intangible assets		<u>440,567,383</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	\$	<u>677,365,626</u>

Another element of that reconciliation is long-term liabilities, including bonds, deferred refunding charges, accrued interest that are not due and payable in the current period, as well as related items; and therefore, are not reported in the funds. The details of this \$744,861,210 difference are as follows:

Bonds payable, due in more than one year	\$	679,820,000
Unamortized bond premiums and discounts		<u>24,594,782</u>
Total bonds payable, net of unamortized discounts and premiums due in more than one year		704,414,782
Bonds payable, due within one year		27,865,000
Capital lease obligation, due within one year		126,300
Capital lease obligation, due in more than one year		185,999
Unamortized refunding charges		(5,285,822)
Interest payable		<u>17,534,951</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>744,841,210</u>

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

BUDGETARY INFORMATION

Budgets for all of the LVCVA's governmental and proprietary funds are adopted annually and prepared using a presentation basis consistent with GAAP. Requests for current year transfers and following year appropriations are submitted by divisions and sections for review and approval. As required by the NRS, the tentative budget documents are filed with the Nevada Department of Taxation and the County Clerk by April 15. After April 15 and before the budget hearing, 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 budget hearing is held no earlier than the third Monday in May and no later than the last day of May. The approved budget is fully integrated on July 1 with LVCVA's accounting system. All appropriations lapse at the end of the fiscal year.

NRS 354.626 generally prohibits expenditures in excess of appropriations at the function level, which is the legal level of budgetary control. Budget transfers are reviewed by the Finance Department for budget availability and conformance with policies and the NRS. Three types of budget transfers are permitted by the NRS:

- Functional budget transfers are defined as transfers within the same function (i.e. general government, marketing, operations, and community support) and same fund (i.e. general fund, capital projects fund). Transfers \$250,000 and under are approved by the Chief Financial Officer; else the President/CEO's approval is required.
- Intra-fund budget transfers are defined as transfers between different functions, but within the same fund. The approval level is the same as functional transfers and the Board is advised of these transfers.
- Inter-fund or contingency budget transfers are defined as transfers between different funds and require approval of the Board.

Augmentations (increasing total appropriations) are accomplished by formal Board action. During the year, funds were re-appropriated to honor encumbrances that lapsed at June 30, 2015. All amendments made to the original budget were as prescribed by law.

NET POSITION

The government-wide Statement of Net Position utilizes a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. Net investment in capital assets is less the related debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

Restricted assets are assets that have externally imposed (statutory, bond covenant, contract, or grantor) limitations on their use. Restricted assets are classified either by debt service, capital projects or purpose. Assets restricted by purpose relate to net position of government whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent debt proceeds with third party restriction for use on specific projects or programs or legislative mandate for capital use. The government-wide statement of net position reports \$70,033,074 of restricted net position, all of which is externally imposed.

Unrestricted net position represents financial resources of the County that do not have externally imposed limitations on their use. Total unrestricted net position at June 30, 2017, was (\$204,412,335). The components of unrestricted net position were as follows:

- Outstanding non-capital debt obligation of (\$261,021,461) related to the LVCVA's obligation to the Nevada Department of Transportation (NDOT) for critically needed transportation projects (See Note 8).
- \$68,614,482 specifically identified for ongoing capital projects.
- Cumulative results of all past years' operations of (\$12,005,356).

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements For the Year Ended June 30, 2017

TRANSFER OF CAPITAL ASSETS

As of June 1, 2017, the LVCVA transferred ownership of the Cashman Center real property and land to the City of Las Vegas. Simultaneously, the City of Las Vegas engaged the LVCVA to continue operating the meeting and exhibit hall facilities at Cashman Center through December 2017. At that time the LVCVA will close the meeting, convention and theater space, maintaining it in a dormant status. Under the management agreement, the LVCVA will also continue to operate Cashman Field (the stadium) until the expiration of the baseball team lease in December 2022 or until the team terminates the lease, whichever comes first. At that time, the management agreement for the Cashman campus will cease and the City of Las Vegas will assume all responsibilities for the property. Cashman revenues are reported as charges for services and expenses are part of the Operations and Marketing function.

NEW PRONOUNCEMENTS

The LVCVA staff is currently evaluating the effects, if any, that the following GASB pronouncements will have on the LVCVA's future financial reporting:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued in June 2015. This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with other post-employment benefits (OPEB). It also includes specific recognition and disclosure requirements for various OPEB plans similar to current accounting for pensions. The LVCVA does not currently administer OPEB funds through a trust. This statement is effective beginning in FY 2018.

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

Statement No. 83, *Certain Asset Retirement Obligations* was issued in November 2016. The Statement requires the recognition of future obligations related to certain tangible capital asset retirements. The LVCVA will implement the changes related to asset retirement obligation in fiscal year 2019.

Statement No. 84, *Fiduciary Activities*, was issued in January 2017. GASB No. 84 is intended to improve the identification and financial reporting regarding fiduciary activities. The LVCVA will further evaluate Statement No. 84 and determine if there will be any applicable activities to report in FY 2020.

Statement No. 85, *Omnibus 2017*, was issued in March 2017. This Statement covers a variety of reporting topics. The Statement was recently released and the LVCVA is currently evaluating what effects, if any, it will have on reporting in FY 2018.

Statement No. 86, *Certain Debt Extinguishment Issues*, was issued in May 2017. This statement was issued to improve consistency in accounting for in-substance defeasance of debt. The LVCVA will implement the requirements of GASB No. 86 in FY 2018.

Statement No. 87, *Leases*, was issued in June 2017. This Statement establishes a single model for lease reporting. The LVCVA will implement the provisions of this Statement in FY 2021.

NOTE 4. CASH AND INVESTMENTS:

The LVCVA maintains cash and investments separately for all of its funds. At June 30, 2017, cash and investments are displayed in the Statement of Net Position and governmental funds balance sheet as "cash, cash equivalents and investments" and in the internal service fund Statement of Net Position as "cash and cash equivalents" and "investments". The LVCVA has \$5.8 million of these funds which are restricted by covenant requirements for the Series 2010E Revenue Bond and are tracked separately within the debt service fund until such time as their release is allowed by the covenants.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

At year end, the LVCVA's cash, cash equivalents and investment balances consisted of the following:

Cash and cash equivalents:	
Cash on hand	\$ 19,200
Deposits in bank	124,687,932
Investments (U.S. Agencies and LGIP)	<u>91,525,519</u>
	<u>\$ 216,232,651</u>

At year end, the LVCVA's carrying amount of deposits was \$124,687,932, and the bank balance was \$124,960,087.

According to the NRS, the LVCVA monies must be deposited in federally insured banks, credit unions, or savings and loan associations in the State. The LVCVA is authorized to use demand accounts, time accounts, and certificates of deposits. The NRS specifically requires collateral for all demand deposits and that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to the LVCVA's allowable investments described below, except that the NRS permits longer terms and include securities issued by municipalities within the State.

The LVCVA manages custodial credit risk for deposits by ensuring that they are fully covered by the federal depository insurance or collateralized by securities. This is currently accomplished by use of the State's Pooled Collateral Program which monitors collateral maintained by depositories for local government agency deposits. This program provided for centralized processing and management of all pledging and maintenance of collateral by the State Treasurer's Office rather than each local agency and eliminates the need for the LVCVA to establish separate custodial agreement with each financial institution. The State Treasurer requires that acceptable securities pledged as collateral be maintained at 102% of those entities' deposits participating in the pool and that the pledged securities be held by a third party for the benefit of the State Treasurer.

Local Government Investment Pool (LGIP) is an external investment pool administered by the State of Nevada's Treasurer, with oversight by the State's Board of Finance. The LVCVA deposits monies with the State Treasurer to be pooled with monies of other local governments for investment in the LGIP. The LGIP operates in accordance with all applicable NRS and the fair value of its shares is the same as the reported value of the shares. LGIP financial statements may be obtained from the State Treasurer's Office, 101 N. Carson Street Suite 4, Carson City, NV 89701.

As of June 30, 2017, the LVCVA had the following investments:

	<u>Investments by Maturities</u>				Accrued Interest	Total Value
	Original Cost	Fair Value	Less than 1 Year	1 - 5 Years		
U.S. Agencies	\$ 42,055,340	\$ 41,943,753	\$ 20,073,633	\$ 21,870,120	\$ 99,666	\$ 42,043,419
LGIP	49,615,505	49,581,766	49,581,766	-	43,109	49,624,875
Total	<u>\$ 91,670,845</u>	<u>\$ 91,525,519</u>	<u>\$ 69,655,399</u>	<u>\$ 21,870,120</u>	<u>\$ 142,775</u>	<u>\$ 91,668,294</u>

CONCENTRATION OF CREDIT RISK

The NRS and the LVCVA's investment policy limits investment instruments by credit risk. Any LVCVA investment in commercial paper must to be rated P-1 by Moody's Investor Service and A-1 by Standard and Poor's, however at this time the LVCVA doesn't not have nor is it contemplating any commercial paper. The LVCVA's money market investments must be invested in those funds rated by a nationally recognized rating service as AAA or its equivalent and that invest only in securities issued by the Federal Government, U.S. Agencies, or REPOs fully collateralized by such securities. The LVCVA's investments in U.S. Agencies, which are implicitly guaranteed by the U.S. Government must be all rated AAA or its equivalent by a nationally recognized rating service. The LGIP does not have a credit rating.

To limit exposure to concentrations of credit risk, the LVCVA's investment policy limits total investment (which includes overnight accounts included in cash equivalents). Limits for each category are as follows: U.S. Agencies to 80%, money market

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

mutual funds to 30%, deposits, repurchase agreements and overnight investments to 60%, LGIP to 40%, certificates of deposit to 5%, and commercial paper to 20% of the entire portfolio at the time of investment. As of June 30, 2017, the LVCVA's investments were diversified at 26% in U.S. Agencies, 43% in Demand Deposits, and 31% in the LGIP.

The LVCVA's investment in U.S. Agencies was comprised of securities issued by the Federal Home Loan Bank (26%), the Federal Home Loan Mortgage Corporation (17%), the Federal National Mortgage Association (19%), the Federal Farm Credit Bank (31%), and the Federal Agricultural Mortgage Corporation (7%).

INTEREST RISK:

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

CUSTODIAL CREDIT RISK:

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

FAIR VALUE DETERMINATION AND RISK:

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

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

The LVCVA reports two types of investments, Federal Agency securities and LGIP. The LVCVA tracks the Federal Agency investments on an investment by investment basis, and because of this and the similarity of the investments, reports them in aggregate based upon reoccurring third party values using a market approach with matrix pricing. Therefore, these investments, which totaled \$41,943,753 at June 30, 2017, are classified as Level 2:

Fund	Level 1	Level 2	Total
Internal Service Fund	-	11,951,040	11,951,040
Capital Projects Fund	-	27,021,813	27,021,813
Debt Service Fund	-	2,970,900	2,970,900
	\$ -	\$ 41,943,753	\$ 41,943,753

The LGIP is an investment pool with multiple types of investments being reported at fair value, determined by availability of market pricing. The following chart breaks out the fair value by fund and risk levels at 10.22% for Level 1, and 89.78% for Level 2:

Fund	Level 1	Level 2	Total
General Fund	\$ 292,435	\$ 2,568,969	\$ 2,861,404
Internal Service Fund	411,082	3,611,243	4,022,325
Capital Projects Fund	1,417,908	12,455,950	13,873,858
LVCCD Capital Fund	2,177,585	19,129,509	21,307,094
Debt Service Fund	768,246	6,748,839	7,517,085
	\$ 5,067,256	\$ 44,514,510	\$ 49,581,766

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Notes to the Financial Statements

For the Year Ended June 30, 2017

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2017, was as follows:

Description	Balance at June 30, 2016	Increases	Decreases	Balance at June 30, 2017
Capital assets not being depreciated or amortized:				
Land	\$ 423,033,987	\$ 19,706,870	\$ (3,676,085)	\$ 439,064,772
Intangibles	100,000	-	-	100,000
Construction in progress	1,113,900	2,299,417	(2,010,706)	1,402,611
Total capital assets not being depreciated or amortized	<u>424,247,887</u>	<u>22,006,287</u>	<u>(5,686,791)</u>	<u>440,567,383</u>
Capital assets being depreciated or amortized:				
Buildings	446,040,861	2,984,053	(29,487,958)	419,536,956
Intangibles	138,402	598,286	-	736,688
Improvements other than buildings	53,417,925	1,174,717	(2,964,930)	51,627,712
	<u>18,206,443</u>	<u>1,179,486</u>	<u>(430,622)</u>	<u>18,955,307</u>
Total capital assets being depreciated or amortized	<u>517,803,631</u>	<u>5,936,542</u>	<u>(32,883,510)</u>	<u>490,856,663</u>
Accumulated depreciation or amortization:				
Buildings	(216,461,521)	(12,287,842)	24,001,278	(204,748,085)
Intangibles	(138,402)	(134,923)	-	(273,325)
Improvements other than buildings	(31,600,162)	(4,311,494)	2,214,054	(33,697,602)
Furniture and equipment	<u>(14,773,711)</u>	<u>(996,319)</u>	<u>430,622</u>	<u>(15,339,408)</u>
Total accumulated depreciation or amortization	<u>(262,973,796)</u>	<u>(17,730,578)</u>	<u>26,645,954</u>	<u>(254,058,420)</u>
Net capital assets being depreciated or amortized	<u>254,829,835</u>	<u>(11,794,036)</u>	<u>(6,237,556)</u>	<u>236,798,243</u>
Governmental activities capital assets, net	<u>\$ 679,077,722</u>	<u>\$ 10,212,251</u>	<u>\$ (11,924,347)</u>	<u>\$ 677,365,626</u>

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

General Government	\$ 396,521
Marketing	113,008
Operations	<u>17,221,049</u>
	<u>\$ 17,730,578</u>

NOTE 6. INTERFUND TRANSACTIONS:

The following schedule details the amounts due from/to other funds at June 30, 2017:

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 162,714
Capital Projects Fund	General Fund	3,652
LVCCD Capital Fund	General Fund	<u>2,447,724</u>
		<u>\$ 2,614,090</u>

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Notes to the Financial Statements

For the Year Ended June 30, 2017

The outstanding balances between funds result mainly from the delayed time period between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) interest on investments in the debt service fund that is earned and transferred back to the general fund.

Fund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. For the year ended June 30, 2017, transfers between funds were as follows:

	Transfers In	Transfers Out		
		General	Debt Service	Capital Projects
		Fund	Fund	Fund
General Fund	\$ 209,689		\$ 209,689	
Capital Projects Fund	11,500,000	11,500,000		
Internal Service Fund	10,500,000	10,500,000		
LVCCD Capital Fund	26,553,262	23,298,262		3,255,000
Debt Service Fund	66,453,419	66,453,419		
	<u>\$ 115,216,370</u>	<u>\$ 111,751,681</u>	<u>\$ 209,689</u>	<u>\$ 3,255,000</u>

NOTE 7. LEASES:

OPERATING LEASES

The LVCVA has non-cancelable operating leases for office space, parking spaces, copiers and other equipment. Total rental costs for such leases were \$321,155, for the year ended June 30, 2017. Future minimum operating lease payments are as follows:

Year Ending June 30,	
2018	\$ 336,772
2019	340,803
2020	334,255
2021	330,834
2022	327,166
2023-2026	<u>863,277</u>
Total	<u>\$ 2,533,107</u>

CAPITAL LEASES

On December 1, 2016, the LVCVA entered into a \$379,273 capital lease for computer equipment, which was capitalized as furniture and equipment. Amortization expense for FY 2017 was \$73,748 and total accumulated amortization was also \$73,748 (since this was the first year of the contract). As of June 30, 2017, the net value of this capital lease is \$305,525. Total lease payments for FY 2017 were \$79,414.

The LVCVA entered into a five-year capital lease in April 2013 for \$14,942 to purchase a copier which was capitalized as furniture and equipment. Amortization expense for FY 2017 was \$2,988 and the total accumulated amortization was \$12,701. The net value at June 30, 2017 was \$2,241. Total lease payments for FY 2017 were \$3,420.

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Notes to the Financial Statements

For the Year Ended June 30, 2017

Future minimum capital lease payments are as follows:

Year Ending June 30,		
2018	\$	138,704
2019		136,139
2020		<u>56,724</u>
		331,567
Less portion of payment representing interest		<u>(19,268)</u>
Present value of minimum lease payments	\$	<u>312,299</u>

NOTE 8. LONG-TERM DEBT:

The LVCVA issues general obligation and revenue bonds to fund land and other improvement, acquisition, and construction of capital assets consisting primarily of meeting and exhibit and support facilities at the Las Vegas Convention Center. In addition, pursuant to legislative directive, the LVCVA provided \$300,000,000 of funding to the Nevada Department of Transportation (NDOT) for transportation infrastructure projects through the issuance of general obligation bonds with \$239.1 million outstanding at June 30, 2017. The balance of bond proceeds and the related interest earnings to be remitted to NDOT as of June 30, 2017 is approximately \$190,000.

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

Clark County, Nevada acts as the guarantor of these general obligation bonds, as defined in GASB Statement No. 70. The bonds are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, primarily room taxes on hotels and motels in Clark County, Nevada. No requirements for repayment by the LVCVA to the County exist if ad valorem taxes had to be used. It has been the practice of the LVCVA never to resort to the use of ad valorem taxes for debt service, but rather to use only net pledged revenues derived from operations. In FY 2017, general fund room taxes and gaming fees of \$283 million exceeded five times the amount necessary to pay the \$53.2 million of principal and interest payments during the fiscal year. In fact, as of June 30, 2017, no ad valorem tax revenues have been allocated to the LVCVA for any purpose, including guarantee debt payments. No change in this practice is contemplated in the future.

GENERAL OBLIGATION BONDS:

Advance Refunding

The LVCVA issued Series 2017 General Obligation Bonds in May 2017. The principal totaled \$21,175,000 which is due in annual installments through FY 2039 with semi-annual interest from 3-5%. This issuance was an advance refunding, and the proceeds are being used to partially defease the 07/08 General Obligation Bond which had interest rates ranging from 4%-5%. The net proceeds of \$21,970,209 (including a \$1,152,022 premium and after payment of \$356,813 in underwriting fees and other issuance costs) along with an additional cash contribution to escrow were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the refunded portion of the 07/08 General Obligation Bond are considered defeased and the liability for that bond has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,244,078. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The LVCVA advance refunded the 07/08 General Obligation Bond to reduce its total debt service payments over 20 years by \$3,531,309 and to obtain present value savings of \$2,911,295. The 2017 General Obligation Bond is included in the summary schedule of general obligation/pledged revenue bonds.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

The following is a summary of terms and balances for general obligation and pledged revenue bonds payable at June 30, 2017:

\$38,200,000 - 5/07 Refunding Bonds due in annual installments through FY 2018. Semi-annual interest from 4 - 5.5%	\$	3,035,000
\$26,455,000 - 7/08 (NDOT) Bonds due in annual installments through FY 2019. Semi-annual interest from 4 - 5%		1,235,000
\$70,770,000 - 2010A (NDOT/BABs) Bonds due in annual installments through FY 2039. Semi-annual interest from 6.55 - 6.75%		70,770,000
\$53,520,000- 2010B (NDOT/Refunding) Bonds due in annual installments through FY 2027. Semi-annual interest from 2 - 5%		40,165,000
\$155,390,000- 2010C (NDOT/BABs) Bonds due in annual installments through FY 2039. Semi-annual interest from 4 - 7%		151,065,000
\$24,990,000 - 2012 General Obligation Bonds due in annual installments through FY 2033. Semi-annual interest from 2 - 4%		21,885,000
\$50,000,000 - 2014 General Obligation Bonds due in annual installments through FY 2044. Semi-annual interest from 2 - 5%		50,000,000
\$181,805,000 - 2015 General Obligation Bonds due in annual installments through FY 2045. Semi-annual interest from 2 - 5%		168,120,000
\$21,175,000 - 2017 General Obligation Bonds due in annual installments through FY 2039. Semi-annual interest from 3 - 5%		21,175,000
	<u>\$</u>	<u>527,450,000</u>

REVENUE BONDS:

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

Line of Credit

In December 2014, the LVCVA issued its Series 2014A, Subordinate Revenue Bonds, which included a credit agreement with JPMorgan to provide a non-revolving credit line (LOC) of \$275 million. The bonds and the credit agreement were collectively referred to as the "2014 LOC." These bonds were issued to provide short-term financing primarily for acquiring land related to the first phase of the LVCCD. The 2014 LOC was non-revolving and subordinated to the other revenue bonds. The LVCVA entered FY 2017 with a balance due on the 2014 LOC of \$70,200,000.

In July 2016, the LVCVA issued Subordinate Revenue Bonds 2016A (2016A LOC) and 2016B (2016B) which provided a current refunding of the 2014 LOC. This transaction had no gain or loss. The 2016A issuance, is a revolving line of credit with JPMorgan, allowing for a maximum principal outstanding amount of up to \$100,000,000, and a maximum cumulative amount of \$300,000,000. The LVCVA drew \$1,000,000 from the 2016A LOC in July 2016, and used those proceeds to partially defease the 2014LOC. The LVCVA simultaneously issued the 2016B in the principal amount of \$69,200,000, and used those proceeds to defease the remaining portion of the 2014A Bonds. The 2016B was a term loan and was paid off and closed with the issuance of the 2016C Revenue Bonds. This is shown as principal retirement in the Statement of Revenues, Expenditures and Changes in Fund Balance. Interest on 2016B is included in the interest expense for FY 2017.

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Notes to the Financial Statements

For the Year Ended June 30, 2017

The 2016A revolving LOC revenue bond has an interest and fee payment structure similar to the terms of the 2014A LOC. The interest rate on drawn funds is based upon the product of the one month London Interbank Offered Rate (LIBOR) times 70% times an applicable spread which is based on the LVCVA's credit rating times the greater of 1 or 1 less the maximum federal corporate tax rate times 1.53846. The applicable spread is currently 52.5 basis points (bps) and remains in effect as long as the LVCVA maintains a credit rating of A1 for Moody's, or A+ for S&P. This rate would increase to 67.5 bps for an A2 or A rating, respectively, and 92.5 bps for an A3 or A- rating, respectively. Similarly, lower ratings by Moody's and S&P would result in progressively higher increases. Interest is due and paid monthly. The interest rate on the remaining amount available to draw is also based on the credit rating of the LVCVA, currently 22.5 bps, progressively increasing, if the LVCVA's rating were to decrease and it is payable quarterly.

The 2016A LOC August 2017 interest rate was 138 basis points. The LVCVA has estimated the FY 2018 rate at this amount and used this figure to calculate the estimated interest payments for future years. FY 2018, totals \$13,900 based upon the current outstanding drawn balance. The current undrawn available funds of \$99,000,000, and at 22.5 basis points calculates an estimated fee for FY 2018 of \$223,400. The LVCVA has estimated on \$10,000 in interest and fees for FY 2019, since the 2016A LOC comes to term in July 2018. These estimates have been included in the interest and principal schedules below. A 1% increase in the floating interest rate would increase costs on the current outstanding balance by approximately \$10,000.

The agreement contains a provision allowing the LVCVA to convert any unpaid balance of drawn funds to a term loan on July 13, 2018 with equal semi-annual payments of principal over a 3-year term if not repaid. The interest rate would be 1% plus the higher of Prime Rate plus 1.5%, Federal Effective Rate plus 2.0%, or the rate of 7.5%.

Current and Advance Refunding

The LVCVA issued Series 2016C Revenue Bonds in August 2016 in the principal amount of \$100,705,000, which is comprised of a current refunding of the 2016B Subordinate Revenue Bonds of \$62,575,000 and an advance refunding of the 11/07 Revenue Bonds of \$38,130,000. The 2016C Revenue Bonds, with semi-annual interest rates of 3-5%, are due in annual installments through FY 2047.

The proceeds from 2016C Revenue Bonds, related to the current refunding, were used to fully defease the 2016B Subordinate Revenue Bond term loan with a long-term fixed rate obligation. The net proceeds of \$69,200,000 (including a \$6,976,562 premium and after payment of \$348,901 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent and then paid to JP Morgan to close the 2016B. There was no gain or loss on this refunding as the intent was to fix out short term debt with a long term fixed rate obligation.

The proceeds from 2016C Revenue Bonds, related to the advance refunding, were used to fully defease the remaining 11/07 Revenue Bonds which had interest rates ranging from 4.25%-6%. The net proceeds of \$43,655,984 (including a \$5,741,501 premium and after payment of \$215,517 in underwriting fees and other issuance costs) along with an additional cash contribution to escrow were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 11/07 Revenue Bonds are considered defeased and the liability for that bond has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,968,572. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The LVCVA advance refunded the 11/07 Revenue Bond to reduce its total debt service payments over 21 years by \$6,556,982 and to obtain present value savings of \$6,047,178. The 2016C Revenue Bonds are included in the summary schedule of general obligation/pledged revenue bonds.

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Notes to the Financial Statements
For the Year Ended June 30, 2017

The following is a summary of revenue bonds payable at June 30, 2017:

\$81,925,000- 2010E Revenue Bonds due in annual installments through FY 2041. Semi-annual interest from 4 - 5.5%	78,530,000
\$1,000,000- 2016A Subordinate Revenue Bond/Line of Credit revolving variable rate indexed at one month LIBOR plus 22.5 basis points	1,000,000
\$100,705,000- 2016C Revenue Bonds due in annual installments through FY 2047. Semi-annual interest from 3 - 5%	100,705,000
	\$ 180,235,000

Schedule of interest and principal payments including the 2016 LOC estimated interest costs noted above.

Year Ending June 30,	General Obligation / Pledged Revenue Bonds		Revenue Bonds		All Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 26,060,000	\$ 26,577,083	\$ 1,805,000	\$ 8,488,283	\$ 27,865,000	\$ 35,065,366
2019	27,210,000	25,612,241	2,875,000	8,187,382	30,085,000	33,799,623
2020	27,830,000	24,300,516	1,955,000	8,100,783	29,785,000	32,401,299
2021	15,855,000	23,335,086	2,035,000	8,020,982	17,890,000	31,356,068
2022	17,280,000	22,602,956	4,860,000	7,867,262	22,140,000	30,470,218
2023-2027	101,230,000	98,104,254	28,165,000	35,510,350	129,395,000	133,614,604
2028-2032	96,295,000	71,316,456	36,445,000	27,488,501	132,740,000	98,804,957
2033-2037	111,590,000	42,156,470	46,325,000	17,601,113	157,915,000	59,757,583
2038-2042	77,595,000	12,223,728	38,230,000	7,340,300	115,825,000	19,564,028
2043-2047	26,505,000	1,496,262	17,540,000	1,810,000	44,045,000	3,306,262
	\$ 527,450,000	\$ 347,725,052	\$ 180,235,000	\$ 130,414,956	\$ 707,685,000	\$ 478,140,008

ARBITRAGE REBATE AND DEBT COVENANT REQUIREMENTS

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the LVCVA. Under this Act, an amount may be required to be rebated to the United States Treasury (called "arbitrage") for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent such date, the LVCVA's management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination. In addition, certain of the LVCVA's long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels and revenue/expense ratios and the LVCVA's line of credit contains default interest and acceleration provisions. The LVCVA management believes it to be in compliance with such covenants.

DEBT REFUNDING AND DEFEASANCE

At June 30, 2017, \$76,195,000 of bonds defeased remained outstanding and an irrevocable trust account had a balance of \$79,417,209 to provide for all required future debt and interest payments on the old bonds. The trust assets and the liabilities for the defeased bonds are not included in the LVCVA financial statements.

DEBT APPROVED BUT NOT YET ISSUED

As disclosed elsewhere, the LVCVA is beginning Phase Two of the LVCCD, and anticipates the use of SB1 resources, transfers from the general fund, the revolving 2016 LOC and additional debt to complete the project. In May 2017, the Oversight Panel for Convention Facilities in Clark County approved the issuance of up to \$900 million of bonds to complete Phase Two. In June 2017, the LVCVA board approved the same financing plan. While specific detail as related to future debt issuances related to Phases Two and Three over the next three years is currently still being finalized, it is anticipated that the LVCVA will borrow approximately \$1.1 billion for the LVCCD, including the \$900 million for Phase Two.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

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

	Interest paid During the Year	Beginning Balance, July 1, 2016	Additions	Reductions	Ending Balance, June 30, 2017
BONDS					
General Obligation/Pledged Revenue Bonds					
5/07 Refunding Bonds	\$ 231,225	\$ 5,925,000	\$ -	\$ (2,890,000)	\$ 3,035,000
7/08 General Obligation Bonds	1,078,385	22,970,000	-	(21,735,000)	1,235,000
2010A General Obligation Bonds	4,721,166	70,770,000	-	-	70,770,000
2010B General Obligation/Refunding Bonds	1,943,000	42,565,000	-	(2,400,000)	40,165,000
2010C General Obligation Bonds	9,823,695	155,390,000	-	(4,325,000)	151,065,000
2010D General Obligation Bonds	-	-	-	-	-
2012 General Obligation Bonds	675,523	22,940,000	-	(1,055,000)	21,885,000
2014 General Obligation Bonds	2,076,348	50,000,000	-	-	50,000,000
2015 General Obligation Bonds	7,716,850	181,805,000	-	(13,685,000)	168,120,000
2017 General Obligation Bonds	-	-	21,175,000	-	21,175,000
Revenue Bonds					
4/05 Revenue Bonds	-	-	-	-	-
11/07 Revenue Bonds	1,023,543	42,455,000	-	(42,455,000)	-
2010E Revenue Bonds	4,039,182	80,260,000	-	(1,730,000)	78,530,000
2014A Subordinate Revenue Bond/Line of Cred	54,734	70,200,000	-	(70,200,000)	-
2016A Subordinate Revenue Bond/Line of Cred	299,970	-	1,000,000	-	1,000,000
2016B Subordinate Revenue Bond/Term Loan	-	-	69,200,000	(69,200,000)	-
2016C Refunding Bond	1,689,208	-	100,705,000	-	100,705,000
Unamortized premiums and discounts	-	14,362,280	13,870,085	(3,637,583)	24,594,782
Subtotal Bonds	35,372,829	759,642,280	205,950,085	(233,312,583)	732,279,782
OTHER LIABILITIES					
Compensated absences	-	6,390,074	4,331,009	(4,677,912)	6,043,171
Capital lease obligations	10,162	5,698	379,273	(72,672)	312,299
Postemployment benefits other than pensions	-	29,019,340	3,112,526	-	32,131,866
Net pension liability	-	63,740,412	23,477,888	(11,463,152)	75,755,148
Subtotal other liabilities	10,162	99,155,524	31,300,696	(16,213,736)	114,242,484
	\$ 35,382,991	\$ 858,797,804	\$ 237,250,781	\$ (249,526,319)	\$ 846,522,266

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

The portion of each long-term liability that is due in FY 2018 is shown below:

	Principal	Interest
<u>BONDS</u>		
General Obligation/Pledged Revenue Bonds		
5/07 Refunding Bonds	\$ 3,035,000	\$ 75,875
7/08 General Obligations Bonds	605,000	37,300
2010A General Obligations Bonds	-	4,721,166
2010B General Obligations Bonds	2,495,000	1,845,100
2010C General Obligations Bonds	4,445,000	9,641,628
2012 General Obligations Bonds	1,080,000	654,173
2014 General Obligations Bonds	-	2,076,349
2015 General Obligations Bonds	14,400,000	7,014,725
2017 General Obligations Bonds	-	510,767
Revenue Bonds		
4/05 Revenue Bonds	-	-
2010E Revenue Bonds	1,805,000	3,968,483
2016A Subordinate Revenue Bonds/Line of Credit*	-	237,300
2016C Refunding Bond	-	4,282,500
	27,865,000	35,065,366
 <u>OTHER LIABILITIES</u>		
Compensated absences	3,725,174	-
Capital lease obligation	126,300	12,402
	\$ 31,716,474	\$ 35,077,768

* Interest cost shown also reflects estimated amounts based on the 2016A subordinate revenue bond / line of credit agreement.

The general fund is normally used to liquidate compensated absences, net pension obligations and other post-employment obligations.

NOTE 9. RISK MANAGEMENT:

The LVCVA is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The LVCVA has third-party coverage for all lines of insurance, including property, commercial liability, and employees. For worker's compensation, the LVCVA is self-insured at a relatively low threshold. For claims over the threshold, third-party coverage would take effect. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 10. EMPLOYEE RETIREMENT PLAN:

Plan Description

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements For the Year Ended June 30, 2017

Benefits Provided

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

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

Vesting

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

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

Contributions

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

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

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

For the fiscal year ended June 30, 2016, the Statutory Employer/employee matching rate was 14.5% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28.0% for Regular and 40.50% for Police/Fire. For the fiscal year ended June 30, 2016, all of the rates remained the same. Contributions to the pension plan from the LVCVA were \$9,545,749 and \$10,088,792 for the years ended June 30, 2016 and 2017 respectively.

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Notes to the Financial Statements

For the Year Ended June 30, 2017

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

The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Contributions for employer pay dates that fall within PERS fiscal year ending June 30, 2016, are used as the basis for determining each employer's proportionate share of the collective pension amounts. The LVCVA's allocated portion was calculated at 0.56294%. The LVCVA recorded a liability of \$75,755,148 for its portion of the net pension liability at June 30, 2017.

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

Beginning net pension liability	\$	63,740,412
Change in pension liability		
Pension expense		6,128,003
Employer contributions		(4,772,875)
Net change in deferred inflows/outflows amortized		<u>10,659,608</u>
Change in pension liability		<u>12,014,736</u>
Ending net pension liability	\$	<u>75,755,148</u>

The LVCVA recognized pension expense of \$11,172,398 for the year ended June 30, 2017. The LVCVA reported deferred outflows and inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,072,760
Net difference between projected and actual earnings on investments	7,042,384	-
Changes in proportion and differences between actual contributions and proportionate share of contributions	2,060,517	-
LVCVA contributions subsequent to measurement date	5,044,396	-
	<u>\$ 14,147,297</u>	<u>\$ 5,072,760</u>

At June 30, 2016, the average expected remaining service life is calculated at 6.48 years.

The \$5,044,396 of deferred outflows for contributions made by the LVCVA to PERS subsequent to the measurement date, related to the employer contribution, will be recognized as a reduction to net pension liability in the year ending June 30, 2018. Differences in experience and earnings on investments listed as deferred outflows and deferred inflows of resources related to pensions will be recognized as follows:

<u>Year End June 30,</u>	
2018	(583,786)
2019	(583,786)
2020	2,496,946
2021	1,207,732
2022	(464,979)
After	(102,504)

Included in accounts payable at June 30, 2017, the LVCVA had \$1,128,812 payable to PERS, equal to the required contribution for the month of June 2017 which was subsequently paid in accordance with applicable due dates in July and August 2017.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

Actuarial Assumptions

The System’s net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

At June 30, 2016, assumed mortality rates and projected life expectancies for selected ages were as follows:

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

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

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

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

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of the experience review completed in 2013.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements For the Year Ended June 30, 2017

Valuation of Plan Assets-Investment Policy

The policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following target allocation policy was adopted as of June 30, 2016:

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

* As of June 30, 2016, PERS' long-term inflation assumption was 3.5%.

Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2016, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2016

Pension Liability Discount Rate Sensitivity

The following presents the LVCVA's proportionate share of the net pension liability of the System as of June 30, 2016, calculated using the discount rate of 8.00%, as well as what the LVCVA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1- percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.0%)</u>	<u>1% Increase (9.00%)</u>
Net Pension Liability-LVCVA portion	\$111,042,247	\$75,755,148	\$46,396,716

Pension Plan Fiduciary Net Position

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

Public Employees Retirement System of Nevada
693 W. Nye Lane
Carson City, NV 89703-1599
(775) 687-4200

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

The cost of postemployment healthcare benefits, like the cost of pension benefits, are recorded in the period in which employee services are received, rather than in the future years when paid. The reported accumulated liability and related information is useful in assessing potential demands on the LVCVA's future cash flows.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements For the Year Ended June 30, 2017

PLAN DESCRIPTION

In accordance with NRS, retirees of the LVCVA may continue insurance through existing plans, if enrolled as an active employee at the time of retirement. The LVCVA's two insurance programs that are available to active employees and retirees are the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF) and Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO) plan. Together, these plans are provided through a single-employer defined benefit plan. The assets accumulated for purposes of providing OPEB benefits through this plan are not administered through a trust that meets the specified criteria of GASB Statement No. 74. As such, in accordance with GASB Statement No. 74, assets accumulated are reported as assets of the LVCVA. An agency fund is not required because the LVCVA does not hold any assets in a fiduciary capacity.

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

FUNDING POLICY

For the CCSF and HPN insurance plans, contribution requirements of plan members and the LVCVA are established and may be amended through negotiations between the LVCVA and Clark County. In some years, the LVCVA has made additional contributions, as determined by the CCSF Executive Board, under terms of the agreement. Retirees in the CCSF and HPN programs receive no direct subsidy from the LVCVA. Retiree loss experience is pooled with active loss experience for the purpose of setting rates as required by NRS 287.023. The difference between the true claim cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the LVCVA. Based on the FY 2017 actuarial report, the LVCVA has 46 PEBP retirees, 159 non-PEBP retirees and spouse, 7 surviving spouses and 504 active employees in the CCSF and HPN plans. The LVCVA currently pays for postemployment healthcare benefits on a pay-as-you-go basis.

At the September 13, 2011, Board of Directors meeting, revisions to the LVCVA's Financial Management Policy were approved to establish a funding plan for its OPEB obligations. In FY 2013, the LVCVA established an internal service fund to accumulate resources to be held in reserve to pay its future liability for postemployment benefits. This internal service fund continues to meet the requirements of GASB Statement No. 74, which requires assets that are not held in trusts that meet the criteria of the statements to be reported as assets of the employer. Transfers from the general fund to the OPEB reserve fund have been incorporated into the annual budget process. Discretionary transfers since FY 2013 total \$24.5 million. The annual funding considerations include biannual actuarial studies among other factors and conditions.

The LVCVA is required to pay the PEBP an explicit subsidy, based on years of service, for retirees enrolled in this plan. Retirees are eligible for a subsidy after 5 years of service with a Nevada state or local government entity. The maximum subsidy is earned after 20 years of combined service with an eligible entity. If the retiree worked for more than one eligible entity, the subsidy is split based on the length of time with each entity. In FY 2017, the LVCVA's cost per month per retiree ranged from \$9 to \$1,100.

Annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount determined in accordance with the parameters of GASB standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the LVCVA's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the LVCVA's net OPEB obligation.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

	CCSF and HPN	PEBP	Total
Annual required contribution (ARC)	\$ 4,108,792	\$ 232,660	\$ 4,341,452
Interest on net OPEB obligation	1,098,568	62,206	1,160,774
Adjustment to the ARC	<u>(1,588,256)</u>	<u>(89,935)</u>	<u>(1,678,191)</u>
Annual OPEB cost (expense)	3,619,104	204,931	3,824,035
Contributions made	<u>(528,214)</u>	<u>(183,295)</u>	<u>(711,509)</u>
Increase in net OPEB obligations	3,090,890	21,636	3,112,526
Net OPEB obligation - beginning of the year	<u>28,589,604</u>	<u>429,736</u>	<u>29,019,340</u>
Net OPEB obligation - end of the year	<u>\$ 31,680,494</u>	<u>\$ 451,372</u>	<u>\$ 32,131,866</u>

The LVCVA's annual OPEB cost, the percentage of annual cost contributed and net OPEB obligation for fiscal years 2015-2017 were as follows:

	Fiscal year ended June 30,	Annual OPEB Cost	Percent of OPEB Cost Contributed	Net OPEB Obligation
CCSF and HPN	2015	\$ 4,187,106	13.4%	\$ 24,873,561
	2016	4,314,696	13.9%	28,589,604
	2017	3,619,104	14.6%	31,680,494
PEBP	2015	\$ 292,915	66.0%	\$ 312,494
	2016	301,841	61.2%	429,736
	2017	204,931	89.4%	451,372

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the plans as of the most recent actuarial valuation date was as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a percentage of Covered Payroll
<u>CCSF and HPN</u>						
7/1/2016	\$ -	\$ 36,654,493	\$ 36,654,493	0%	\$ 36,192,769	101%
<u>PEBP</u>						
7/1/2016	\$ -	\$ 4,023,171	\$ 4,023,171	0%	N/A*	N/A*

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the LVCVA and the plan members. Bi-annual actuarial reports and mid-period adjustments to such estimates reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

	CCSF, HPN and PEBP
Actuarial valuation date	July 1, 2016
Actuarial cost method	Entry age normal, level dollar amount
Amortization method	30 years, open, level dollar amount
Remaining amortization period	30 years remaining as of July 1, 2016
Asset valuation	N/A, no assets in OPEB trust
Actuarial assumptions:	
Investment rate of return	4%
Projected salary increases	N/A
Cost of living adjustments	N/A
Healthcare inflation rates	PPO Medical - 7.5%; graded down to ultimate rate of 4.5% over 12 years PPO Drug - 12%; graded down to ultimate rate of 4.5% over 12 years HMO Non-Medicare - 7.0%; graded down to ultimate rate of 4.5% over 10 years HMO Medicare - 6.5%; graded down to ultimate rate of 4.5% over 8 years

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

NOTE 12. CLASSIFICATION OF NET POSITION AND FUND BALANCES:

FUND BALANCE CLASSIFICATIONS:

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

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

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

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

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

SPENDING PRIORITIZATION IN USING AVAILABLE RESOURCES:

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

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

GENERAL FUND BALANCE POLICY:

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

The fund balances by component at June 30, 2017, were:

	General Fund	Capital Projects Fund	LVCCD Capital Fund	Debt Service Fund
Non-Spendable				
Inventory	\$ 587,609	\$ -	\$ -	\$ -
Prepaid and other items	4,536,121	32,647	-	-
Restricted				
SB1 revenues	-	-	13,715,630	-
Debt service programs	-	-	-	51,199,488
Collection allocation	4,538,327	-	-	-
Nevada Department of Transportation	-	190,677	-	-
Clark County Wedding Fee Revenue	388,952	-	-	-
Committed				
Capital project programs	-	40,133,479	23,255,000	-
Debt service programs	-	-	-	11,033,490
Operating budget	12,048,877	-	-	-
Assigned				
Marketing and advertising	-	-	-	-
Capital funds	9,900,000	5,193,356	-	-
Marketing and advertising	3,500,000	-	-	-
Unassigned	20,304,952	-	-	-
	<u>\$ 55,804,838</u>	<u>\$ 45,550,159</u>	<u>\$ 36,970,630</u>	<u>\$ 62,232,978</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements
For the Year Ended June 30, 2017

NOTE 13. COMMITMENTS AND CONTINGENCIES:

The LVCVA often carries cash and cash equivalents on deposits with financial institutions in excess of federally-insured limits, and the risk of losses that may be sustained as a result of uninsured deposits in the event of a future failure of a financial institution if any, is not subject to estimation at this time.

CONTRACTS AND COMMITMENTS

ADVERTISING AGENCY

R&R Partners (R&R) is the official advertising and marketing communications agency for the LVCVA. R&R develops marketing plans for both long-term and short-term initiatives and works with the LVCVA in the areas of consumer marketing, business and convention marketing, international marketing and extended destination marketing. Beginning in July 2015, compensation is 6.5% of gross billed (6.95% of the net) amounts for commission on media and external production. Other reimbursable expenses are billed at net (production, travel, administration). In addition, in FY 2017 there was an agency service fee of \$7,029,600 and content creation services fee of \$8,585,000. Both service fees are subject to CPI increases. The current contract term is through June 2018 with an optional two-year extension, which can be terminated by either party with 90 days' notice. The LVCVA, through R&R, also sponsors various special events and pays for media advertising of the destination and its events which bring people to Las Vegas. Some of these involve multi-year contracts. These contract commitments at June 30, 2017 were \$11.4 million for FY 2018, of which \$1.8 million is included in prepaid expenses, as well as \$1.1 million for FY 2019.

INTERNATIONAL OFFICES

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

NATIONAL FINALS RODEO

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

NASCAR SPONSORSHIP

In March 2017, the LVCVA Board approved an agreement to sponsor two annual NASCAR races at the Las Vegas Motor Speedway through 2024, with a possible 3-year extension for a total cost of \$17.5 million. The required payment from LVCVA is \$2.5 million a year and includes other ancillary marketing sponsorship benefits.

TERMINATION PAYMENTS AND COMMITMENTS IN CONTRACTOR AGREEMENTS

The LVCVA has an agreement with Cox Nevada Telcom (Cox) for telecommunications services for the Las Vegas Convention Center, Cashman Center and other various buildings belonging to the LVCVA. Cox was obligated to invest at least \$9.5 million of telecommunication infrastructure improvements to the LVCVA's facilities, over the life of the agreement which ends on September 28, 2020. As of June 30, 2017, the total investment made by Cox was \$10.3 million. The improvements are owned by the LVCVA at the end of the term. If early termination occurs the LVCVA is obligated to reimburse Cox for a portion of their investment. As part of the Cashman property transfer to the City of Las Vegas, the LVCVA recorded an estimated liability of \$227 thousand for the unamortized portion of the Cox investment at the location. The remaining amount of \$4.9 million as of June 30, 2017 is considered a contingent liability which is not recorded in the LVCVA's financial statements.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements For the Year Ended June 30, 2017

During the year, as contemplated under the Cox agreement, a neutral host digital antenna system (DAS) was installed in the Las Vegas Convention Center with proceeds from the cellular carriers that use the DAS. Under these agreements, all operating costs of the DAS are paid by the carriers in addition to monthly rent to the LVCVA. The DAS becomes property of the LVCVA at the earlier of the end of the DAS agreement term (November 2026) or the termination of the Cox agreement. If the agreement with COX terminates before September 28, 2020, the LVCVA would assume the rights to the DAS assets and also be responsible for executing the administrative function of operating and maintaining the DAS as defined in the agreement through the remainder of the DAS contract term. This is considered a contingent commitment and asset which is not recorded in the LVCVA's financial statements as it is dependent on potential future events.

The LVCVA has an agreement with Volume Services (dba Centerplate) for food services for the Las Vegas Convention Center and Cashman Center. Centerplate is obligated to invest at least \$17.5 million in food infrastructure improvements to the LVCVA's facilities, over the life of the agreement which terminates on June 30, 2024. As of June 30, 2017, the total investment made by Centerplate was \$5.9 million. The improvements are owned by the LVCVA at the end of the term. If early termination occurs the LVCVA is obligated to reimburse Centerplate for a portion of their investment (\$5.4 million if termination occurred June 30, 2017). This is considered a contingent liability which is not recorded in the LVCVA's financial statements.

OTHER OBLIGATIONS

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

On June 1, 2017, the LVCVA transferred ownership of Cashman Center to the City of Las Vegas. In conjunction with the transfer, the LVCVA entered into a management operating agreement with the City of Las Vegas. As part of this operating agreement the LVCVA agreed to operate the convention facility portion until December 31, 2017 at which time the convention facility section will be placed in a "mothball" status. The LVCVA also agreed to operate the stadium portion until 2022, the end of the lease for the current triple A baseball tenant. The LVCVA is responsible for all expenses related to running the facility and the stadium and receives all revenue generated, as well as a yearly stipend from the City for \$209,000 to maintain the convention facility in the mothballed state. Revenues related to operating the facility are recorded in Charges for Services and expenditures are coded to Operating and Marketing Functions.

CONSTRUCTION CONTRACTS AND OTHER SIGNIFICANT COMMITMENTS

The LVCVA is a party to several contracts and commitments relating to construction projects and services related to the LVCVA's facilities and land. At June 30, 2017, such contracts, in the capital projects fund, totaled approximately \$5 million with an estimated outstanding balance of approximately \$1.9 million. Other outstanding commitment balances in the general fund totaled approximately \$2.9 million. As of June 30, 2017, the LVCVA Board has approved staff to host future events in the destination in FY 2018 budgeted at approximately \$1.8 million not previously disclosed.

LEGAL MATTERS

The LVCVA is the defendant in various legal actions. It is the opinion of the LVCVA's management and legal counsel that they will not result in any material liabilities to the LVCVA other than disclosed below. The LVCVA does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

There is ground water contamination in one of the parking areas of the LVCC. Management believes it is probable that the LVCVA will be named as a responsible party for remediation activities; and therefore, has recorded a \$1,845,000 remediation liability on the government-wide financials using the expected cash flow technique for future remediation costs. This estimate is based on preliminary analysis which could change over time due to continued investigation, actual remediation actions performed, future regulatory rulings, changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2017

NOTE 14. ROOM TAX REVENUE:

The LVCVA’s primary revenue source is a portion of the average 10% - 13.38% room tax imposed on lodging establishments in Clark County, Nevada. The rate of taxes can only be increased by action of the Nevada State Legislature.

In October 2016, Senate Bill 1 (SB1) passed during the 30th Special Session of the Nevada Legislature. SB1 provides for a 0.5% increase to transient lodging tax. The new revenues are legislatively restricted to support the LVCCD project.

SB1 also provided for up to an additional 0.88% increase to the lodging tax, to create and fund the Las Vegas Stadium Authority (LVSA). The LVSA will be responsible for the ownership and oversight of a new NFL stadium to be built in Clark County, for the expressed purpose of housing a NFL team. The Stadium Authority will approve the stadium location, development plan and operating agreement, as well as manage the stadium capital improvement fund and related expenditures.

The tax for transient lodging in Clark County is distributed as follows:

	Total *	LVCVA General Fund & LVCVA Capital Fund	Las Vegas Stadium Authority	Clark County School District	Clark County Transportation	Taxing Entity	State of Nevada
Resort Hotels	12% - 14%	4 1/2% - 5 1/2%	0% - 7/8%	1 5/8%	1%	0% - 2%	3 3/8%
Other hotel and motels	10% - 13%	2 1/2% - 4 1/2%	0% - 7/8%	1 5/8%	1%	0% - 2%	3 3/8%

* The individual components of room tax have distinct geographical regions and therefore each property pays varying room tax rates.

As provided for by NRS 244A.645, up to 10% of the total room taxes and gaming fees received by the LVCVA may be paid back to the county and incorporated cities excluding revenues generated from SB1 as those revenues are wholly restricted to the Las Vegas Convention Center District (LVCCD) expansion and renovation project. Additionally, SB1 imposed a cap of \$25.0 million on the total annual collection allocation eligible to be returned to the collecting entities and any value of the 10% collection allocation exceeding the cap, will be restricted to the LVCCD capital fund. The total recognized collection allocation was \$25.0 million in FY 2017, while \$3.3 million was transferred to the LVCCD capital fund in compliance with SB1 for the LVCCD project.

NOTE 15. SUBSEQUENT EVENTS

Events through January 31, 2018, were evaluated by the management of the LVCVA who determined that no additional recognition or disclosure in these financial statements is necessary, except in regard to the matters discussed in the following paragraphs.

On October 1, 2017, Las Vegas was the site of one of the worst mass shootings in U.S. history. The tragedy is likely to have adverse effects on tourism to the area, the local economy, and LVCVA’s revenues and operations for an undeterminable period that are not subject to estimation at this time.

The LVCVA entered into a naming rights agreement related to a proposed new ballpark. Site acquisition, all improvements, and operation of the park is the sole responsibility of the professional team. The 20-year agreement provides the LVCVA with exclusive naming rights, dominate sponsorship signage and other marketing assets for an annual fee of \$4 million estimated to commence in FY 2019.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

Postemployment Benefits Other Than Pensions

SCHEDULE OF SHARE OF NET PENSION LIABILITY

Pensions

SCHEDULE OF SHARE OF NET PENSION LIABILITY

Pensions

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

General Fund

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Schedule of Funding Progress

Postemployment Benefits Other Than Pensions

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
CCSF and HPN						
7/1/2012	---	\$ 40,159,887	\$ 40,159,887	0%	\$ 30,228,041	133%
7/1/2014	---	39,266,548	39,266,548	0%	33,467,565	117%
7/1/2016	---	36,654,493	36,654,493	0%	36,192,769	101%
PEBP						
7/1/2012	---	\$ 6,363,081	\$ 6,363,081	0%	N/A*	N/A*
7/1/2014	---	5,386,309	5,386,309	0%	N/A*	N/A*
7/1/2016	---	4,023,171	4,023,171	0%	N/A*	N/A*

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Schedule of Proportionate Share of the PERS Net Pension Liability
For the Years Ended June 30, 2016 and the Last 9 Fiscal Years⁽²⁾

	2014	2015	2016
LVCVA proportion of net pension liability	0.54167%	0.55623%	0.56294%
LVCVA proportionate share of net pension liability	\$ 56,452,216	\$ 63,740,412	\$ 75,755,148
LVCVA's covered employee payroll ⁽¹⁾	\$ 32,046,157	\$ 33,468,391	\$ 34,395,199
LVCVA's proportionate share of the net pension liability as a percentage of LVCVA's covered employee payroll	57%	53%	45%
Plan fiduciary net position as a percentage of total pension liability	76%	75%	72%

⁽¹⁾As required by implementation of GASB Statement No. 82, amounts were restated to reflect payroll on which contributions to the pension are based.

⁽²⁾Only three years of historical data available since the first year of GASB Statement No. 68 implementation.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
Schedule of Contributions to PERS Pension Plan
For the Years Ended June 30, 2017 and the Last 9 Fiscal Years⁽²⁾

	2014	2015	2016	2017
Contractually required contribution	\$ 8,204,400	\$ 8,585,609	\$ 9,545,749	\$ 10,088,792
Contributions in relation to the contractually required contribution	8,204,400	8,585,609	9,545,749	10,088,792
Contribution deficiency	\$ -	\$ -	\$ -	\$ -
LVCVA's covered employee payroll*	\$ 32,046,157	\$ 33,468,391	\$ 34,395,199	\$ 36,192,769
Contributions as a percentage of covered employee payroll	26%	26%	28%	28%

⁽¹⁾As required by implementation of GASB Statement No. 82, amounts were restated to reflect payroll on which contributions to the pension are based.

⁽²⁾Only four years of historical data available since the first year of GASB Statement No. 68 implementation.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

General Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Room taxes and gaming fees	\$ 268,950,000	\$ 271,750,000	\$ 282,982,617	\$ 11,232,617
Charges for services	60,327,000	66,577,000	68,007,099	1,430,099
Interest and investment earnings	231,100	231,100	389,506	158,406
Miscellaneous	2,700	2,700	8,100	5,400
Total revenues	<u>329,510,800</u>	<u>338,560,800</u>	<u>351,387,322</u>	<u>12,826,522</u>
Expenditures:				
Current:				
General government	20,173,800	23,388,100	19,532,835	3,855,265
Marketing:				
Advertising	96,500,000	96,600,000	95,905,154	694,846
Marketing and sales	45,164,200	49,614,200	45,094,547	4,519,653
Special events	14,280,600	13,980,600	12,196,297	1,784,303
Operations	44,866,100	41,651,800	39,289,787	2,362,013
Community support:				
Other community support	27,395,000	25,500,000	25,000,000	500,000
Total expenditures	<u>248,379,700</u>	<u>250,734,700</u>	<u>237,018,620</u>	<u>13,716,080</u>
Excess of revenues over expenditures	<u>81,131,100</u>	<u>87,826,100</u>	<u>114,368,702</u>	<u>26,542,602</u>
Other financing sources (uses):				
Transfers in	109,900	109,900	209,689	99,789
Transfers out	(78,073,300)	(112,898,300)	(111,751,681)	1,146,619
Proceeds from the sale of assets	58,000	58,000	24,271	(33,729)
Total other financing sources (uses):	<u>(77,905,400)</u>	<u>(112,730,400)</u>	<u>(111,517,721)</u>	<u>1,212,679</u>
Net change in fund balances	3,225,700	(24,904,300)	2,850,981	27,755,281
Fund balances - beginning	52,953,857	52,953,857	52,953,857	-
Fund balances - ending	<u>\$ 56,179,557</u>	<u>\$ 28,049,557</u>	<u>\$ 55,804,838</u>	<u>\$ 27,755,281</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Required Supplementary Information

For the Year Ended June 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

For the year ended June 30, 2017, no significant events occurred that would have affected or changed the benefits provision, size or composition of those covered by the other post-employment benefit plans, or actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2016, 2014 and 2012.

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

Additional information related to postemployment benefits other than pensions can be found in Note 11 to the financial statements on pages 43 through 46 of this report.

NOTE 2: PERS PENSION PLAN:

For the year ended June 30, 2017, no significant events occurred that would have affected or changed the benefits provision, size or composition of those covered by the pension plan, or actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2017.

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

NOTE 3. BUDGET INFORMATION:

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

Additional budgetary information can be found in Note 3 to the financial statements on page 28 through 29 of this report.

INDIVIDUAL FUND INFORMATION

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

Governmental Funds

Capital Projects Fund

This fund accounts for capital expenditures for furniture, equipment, intangibles, and routine improvements or additions to land and buildings financed by general government resources. It also accounts for capital grants to other governments, which are for the express purpose of capital construction activities by the other government.

LVCCD Capital Fund

This fund accounts for all project costs related to LVCCD Phase Two and Three of the expansion and renovation project, as well as accounting for transfers from the general fund and tax revenues enacted and restricted by the Nevada legislature.

Debt Service Fund

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

Proprietary Fund

Internal Service Fund

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

Capital Projects Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest and investment earnings	\$ 285,000	\$ 285,000	\$ 323,975	\$ 38,975
Miscellaneous	-	-	1,320,442	1,320,442
Total revenues	<u>285,000</u>	<u>285,000</u>	<u>1,644,417</u>	<u>1,359,417</u>
Expenditures:				
Capital outlay:				
Land	-	10,000,000	19,706,870	(9,706,870)
Land improvements	1,045,000	1,407,400	626,893	780,507
Buildings	3,386,500	4,386,600	2,955,426	1,431,174
Furniture and equipment	3,418,500	4,677,700	1,400,099	3,277,601
Construction in progress	107,500,000	71,315,300	338,367	70,976,933
Noncapitalized assets	-	-	1,040,512	(1,040,512)
Capital grants to other governments	-	17,881,830	17,754,180	127,650
Debt service:				
Principal	-	-	72,672	(72,672)
Interest	-	-	10,162	(10,162)
Total expenditures	<u>115,350,000</u>	<u>109,668,830</u>	<u>43,905,181</u>	<u>65,763,649</u>
Deficiency of revenues under expenditures	<u>(115,065,000)</u>	<u>(109,383,830)</u>	<u>(42,260,764)</u>	<u>67,123,066</u>
Other financing sources (uses):				
Transfers in	10,350,000	11,500,000	11,500,000	-
Transfers out	-	(3,255,000)	(3,255,000)	-
Issuance of capital lease obligation	-	-	379,273	379,273
Issuance of debt	50,000,000	50,000,000	-	(50,000,000)
Total other financing sources	<u>60,350,000</u>	<u>58,245,000</u>	<u>8,624,273</u>	<u>(49,620,727)</u>
Net change in fund balances	<u>(54,715,000)</u>	<u>(51,138,830)</u>	<u>(33,636,491)</u>	<u>17,502,339</u>
Fund balances - beginning	<u>79,186,650</u>	<u>79,186,650</u>	<u>79,186,650</u>	<u>-</u>
Fund balances - ending	<u>\$ 24,471,650</u>	<u>\$ 28,047,820</u>	<u>\$ 45,550,159</u>	<u>\$ 17,502,339</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

LVCCD Capital Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Room tax	\$ -	\$ 10,500,000	\$ 11,246,673	\$ 746,673
Interest and investment earnings	-	-	80,289	80,289
Total revenues	-	10,500,000	11,326,962	826,962
Expenditures:				
Construction in progress	-	3,500,000	904,470	2,595,530
Noncapitalized assets	-	-	5,124	(5,124)
Total expenditures	-	3,500,000	909,594	2,590,406
Excess of revenues over expenditures	-	7,000,000	10,417,368	3,417,368
Other financing sources:				
Transfers in	-	23,255,000	23,255,000	-
Transfers in - Excess Collection Allocation	-	2,175,000	3,298,262	1,123,262
Total other financing sources	-	25,430,000	26,553,262	1,123,262
Net change in fund balances	-	32,430,000	36,970,630	4,540,630
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 32,430,000	\$ 36,970,630	\$ 4,540,630

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

Debt Service Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest and investment earnings	\$ 109,900	\$ 109,900	\$ 154,298	\$ 44,398
Federal grant subsidy	2,530,213	2,530,213	4,711,257	2,181,044
	<u>2,640,113</u>	<u>2,640,113</u>	<u>4,865,555</u>	<u>2,225,442</u>
Expenditures:				
5/07 Refunding Bond				
Principal	2,890,000	2,890,000	2,890,000	-
Interest	231,225	231,225	231,225	-
11/07 Revenue Bond				
Principal	1,150,000	1,150,000	1,150,000	-
Interest	2,024,085	1,023,543	1,023,543	-
7/08 General Obligation Bond (NDOT)				
Principal	585,000	585,000	585,000	-
Interest	1,078,385	1,078,385	1,078,385	-
2010A General Obligation Bond (NDOT/BABs)				
Interest	4,721,166	4,721,166	4,721,166	-
2010B General Obligation (NDOT)/Refunding Bond				
Principal	2,400,000	2,400,000	2,400,000	-
Interest	1,943,000	1,943,000	1,943,000	-
2010C General Obligation Bond (NDOT/BABs)				
Principal	4,325,000	4,325,000	4,325,000	-
Interest	9,823,695	9,823,695	9,823,695	-
2010E Revenue Refunding Bond				
Principal	1,730,000	1,730,000	1,730,000	-
Interest	4,039,182	4,039,182	4,039,182	-
2012 General Obligation Bond				
Principal	1,055,000	1,055,000	1,055,000	-
Interest	675,523	675,523	675,523	-
2014 General Obligation Bond				
Interest	2,076,348	2,076,348	2,076,348	-
2015 General Obligation Bond				
Principal	13,685,000	13,685,000	13,685,000	-
Interest	7,716,850	7,716,850	7,716,850	-
2016B Term Loan				
Principal retirement	-	69,200,000	69,200,000	-
Interest	-	54,734	54,734	-
2016C Refunding				
Interest	-	1,689,208	1,689,208	-
Subordinate Revenue Bond (Line of Credit)				
Principal retirement	1,000,000	1,000,000	1,000,000	-
Interest	1,830,000	11,202,830	299,970	10,902,860
Payment to refunded debt escrow agent	69,200,000	69,200,000	69,200,000	-
Debt issuance costs	170,000	1,093,892	1,013,919	79,973
Total expenditures	<u>134,349,459</u>	<u>214,589,581</u>	<u>203,606,748</u>	<u>10,982,833</u>
Deficiency of revenues under expenditures	<u>(131,709,346)</u>	<u>(211,949,468)</u>	<u>(198,741,193)</u>	<u>13,208,275</u>
Other financing sources (uses):				
Transfers in	62,223,300	68,723,300	66,453,419	(2,269,881)
Issuance of debt	70,200,000	192,080,000	192,080,000	-
Premium on debt issuance	-	13,870,085	13,870,085	-
Transfers out	(109,900)	(109,900)	(209,689)	(99,789)
Payment to refunded debt escrow agent	-	(66,316,403)	(66,316,402)	1
Total other financing sources (uses):	<u>132,313,400</u>	<u>208,247,082</u>	<u>205,877,413</u>	<u>(2,369,669)</u>
Net change in fund balances	604,054	(3,702,386)	7,136,220	10,838,606
Fund balances - beginning	55,096,758	55,096,758	55,096,758	-
Fund balances - ending	<u>\$ 55,700,812</u>	<u>\$ 51,394,372</u>	<u>\$ 62,232,978</u>	<u>\$ 10,838,606</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Schedule of Revenues, Expenses and Change in Net Position - Budget and Actual

Internal Service Fund

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Non-operating revenues (expenses):				
Interest and investment earnings	\$ 185,200	\$ 185,200	\$ 66,379	\$ (118,821)
Income before transfers	185,200	185,200	66,379	(118,821)
Transfers in	5,500,000	10,500,000	10,500,000	-
Change in net position	5,685,200	10,685,200	10,566,379	(118,821)
Net position - beginning	14,346,854	14,346,854	14,346,854	-
Net position - ending	\$ 20,032,054	\$ 25,032,054	\$ 24,913,233	\$ (118,821)

STATISTICAL
SECTION

Statistical Section **(unaudited)**

Statistical schedules differ from financial statements because they usually cover several fiscal years and may present non-accounting data. The statistical tables presented in this section reflect social and economic data along with financial trends of the LVCVA. Certain tables recommended by the Governmental Accounting Standards Board (GASB) are not included because property taxes are not a source of revenue.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(amounts expressed in thousands ⁽⁴⁾)
(unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Primary government										
Net investment in capital assets	\$ 136,347	\$ 183,400	\$ 189,393	\$ 161,799	\$ 156,090	\$ 163,258	\$ 170,538	\$ 177,524	\$ 189,376	\$ 209,842
Restricted:										
Community support	-	-	-	-	-	-	-	-	-	4,538
Other purposes	-	-	-	-	-	-	-	-	-	579
LVCCD capital project	-	-	-	-	-	-	-	-	-	13,716
Capital grants to other governments	-	13,281	68,705	97,234	30,181	19,612	19,244	18,487	17,882	-
Debt service	20,423	48,584	51,058	34,276	43,659	44,555	46,900	49,605	51,144	51,199
Unrestricted:										
Related to non-capital debt	-	(26,455)	(125,655)	(299,100)	(293,465)	(287,360)	(281,084)	(274,070)	(267,107)	(261,021)
Related to capital projects	115,136	77,250	56,272	37,552	44,172	39,793	68,054	84,071	61,305	68,614
Other ⁽¹⁾⁽²⁾⁽³⁾	56,094	15,861	12,677	19,740	15,038	9,159	(71,511)	(73,119)	(26,068)	(12,005)
Total primary government net position ⁽¹⁾⁽²⁾⁽³⁾	\$ 328,000	\$ 311,921	\$ 252,450	\$ 51,501	\$ (4,325)	\$ (10,983)	\$ (47,859)	\$ (17,502)	\$ 26,533	\$ 75,462

⁽¹⁾ Retroactive restatement of balances for implementation of GASB No. 65 in FY 2014.

⁽²⁾ Retroactive restatement of balance for implementation of GASB No. 68 in FY 2014.

⁽³⁾ Restatement related to implementation of GASB No. 82 in FY 2017.

⁽⁴⁾ Amounts expressed in thousands or millions may not foot due to rounding.

Source: Statement of Net Position - Governmental Activities

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1.1	\$ 0.5	\$ 0.9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	44.7	17.9	18.6	-	-	-	-	-	-	-
Nonspendable	-	-	-	1.8	2.5	3.3	5.0	4.8	6.6	5.1
Restricted	-	-	-	5.3	5.4	5.8	6.7	6.9	7.0	4.9
Committed	-	-	-	11.7	10.4	2.9	3.1	1.0	-	12.0
Assigned	-	-	-	13.7	11.1	6.9	18.0	15.9	25.0	13.4
Unassigned	-	-	-	3.2	4.1	2.4	1.9	5.0	14.3	20.3
Total general fund	45.8	18.4	19.5	35.7	33.5	21.3	34.7	33.6	53.0	55.8
All other governmental funds										
Reserved	133.8	141.3	176.0	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	0.1	-	-	-	-	-	-	-	-
Debt service fund	11.6	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	0.3	0.1	0.8	-
Restricted	-	-	-	131.6	73.9	64.2	96.3	97.5	68.3	65.1
Committed	-	-	-	37.2	24.9	43.9	42.1	57.3	65.2	74.4
Assigned	-	-	-	0.3	19.2	2.9	1.8	1.9	-	5.2
Total all other governmental funds	145.4	141.4	176.0	169.1	118.0	111.0	140.5	156.8	134.3	144.7
Total governmental funds	\$ 191.2	\$ 159.8	\$ 195.5	\$ 204.8	\$ 151.5	\$ 132.3	\$ 175.2	\$ 190.4	\$ 187.2	\$ 200.6

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

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

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

Source: Balance Sheet - Governmental Funds

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CHANGES IN NET POSITION ⁽¹⁾

LAST TEN FISCAL YEARS

(amounts expressed in millions ⁽⁷⁾)

(unaudited)

Program Revenues	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Charges for Services										
Marketing	\$ 3,486	\$ 1,618	\$ 1,869	\$ 1,929	\$ 1,388	\$ 1,587	\$ 2,203	\$ 1,348	\$ 1,507	\$ 6,302
Operations	55,781	45,408	43,832	46,177	47,311	46,164	58,618	51,055	59,537	61,624
Operating Grants and Contributions:										
Special events grants	-	866	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
General government	-	-	711	3,608	5,121	4,898	4,752	4,746	4,774	4,711
Operations	-	-	-	-	-	756	358	86	-	-
Total governmental activities program revenues	59,267	47,892	46,412	51,714	53,820	53,405	65,931	57,235	65,817	72,637
Expenses										
Governmental activities:										
General government ⁽²⁾	9,773	14,279	11,040	11,226	13,162	14,032	15,016	15,075	16,704	20,895
Marketing:										
Advertising	88,074	89,548	87,199	79,504	83,636	90,587	92,471	93,149	95,012	95,905
Marketing and sales	34,617	30,620	27,329	28,625	31,488	31,456	29,015	35,909	37,769	46,561
Special events/grants ⁽⁶⁾	12,967	6,574	7,437	8,059	7,714	8,234	8,571	8,766	11,665	12,196
Operations ⁽²⁾	58,248	50,099	50,810	53,087	57,771	58,828	65,679	60,244	62,433	60,313
Community support and grants:										
Capital grants to other governments	-	10,960	45,989	144,135	67,095	10,605	402	785	671	17,754
Other community support	25,590	21,317	16,929	19,297	21,274	20,536	22,538	24,185	26,484	25,005
Interest on long-term debt	14,317	17,230	17,138	27,346	32,610	32,218	31,439	30,719	33,127	33,125
Bond issuance costs	-	-	-	-	-	-	1,455	1,205	-	1,014
Total governmental activities expenses	243,586	240,627	263,871	371,278	314,750	266,495	266,586	270,038	283,866	312,769
Net Expenses	(184,319)	(192,735)	(217,459)	(319,564)	(260,930)	(213,090)	(200,655)	(212,803)	(218,049)	(240,132)
General Revenues and Other Changes in Net Position										
Room taxes and gaming fees	221,744	173,580	157,810	180,466	202,571	205,355	225,382	241,854	264,844	296,626
Interest and investment earnings	6,599	3,522	875	1,045	448	305	624	630	1,201	1,014
Miscellaneous	-	-	-	1,412	1,620	1,005	796	677	855	1,329
Gain/loss on the sale of capital assets ⁽³⁾	(7)	-	-	-	-	-	-	-	-	-
Total general revenues	228,336	177,102	158,685	182,922	204,639	206,665	226,801	243,161	266,901	298,969
Special item ⁽⁵⁾	-	-	-	(59,481)	-	-	-	-	-	(9,907)
Total general revenues and special items	228,336	177,102	158,685	123,441	204,639	206,665	226,801	243,161	266,901	289,062
Change in net position	44,017	(15,633)	(58,774)	(196,123)	(56,291)	(6,425)	26,146	30,358	48,852	48,930
Net position - beginning (as previously reported)	286,614	330,631	314,998	256,317	60,194	3,903	(2,522)	(47,859)	(17,502)	26,533
Adjustments ⁽⁴⁾	-	-	93	-	-	-	(71,484)	-	(4,817)	-
Net position - beginning (as adjusted)	286,614	330,631	315,091	256,317	60,194	3,903	(74,006)	(47,859)	(22,319)	26,533
Net position - ending	\$ 330,631	\$ 314,998	\$ 256,317	\$ 60,194	\$ 3,903	\$ (2,522)	\$ (47,859)	\$ (17,502)	\$ 26,533	\$ 75,462

(1) This schedule uses the accrual basis of accounting under GASB 34.

(2) Beginning in FY 2009, the Finance and Materials Management sections were combined in one department. In FY 2017 the Information Technology department moved from Operations to General Government division.

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

(4) Adjustments to beginning fund balance were the result of a change in accounting estimate in FY 2010, GASB 65 and 68 implementation in FY 2014 and GASB 82 in FY 2017.

(5) Special item in FY 2011 related to an impairment of CWIP. In FY 2017 Cashman Center property and land was transferred to the City of Las Vegas.

(6) Special events/grants was moved under Marketing beginning FY 2015 and prior years were adjusted for conformity.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS ⁽¹⁾
LAST TEN FISCAL YEARS
(amounts expressed in thousands ⁽⁴⁾)
(unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Room taxes and gaming fees	\$ 222,585	\$ 178,828	\$ 156,007	\$ 177,345	\$ 201,406	\$ 205,028	\$ 224,492	\$ 241,046	\$ 261,614	\$ 294,229
Charges for services	57,689	46,504	44,536	48,159	49,169	47,847	60,786	51,968	60,836	68,007
Interest and investment earnings	6,599	3,522	875	1,045	448	331	602	540	940	948
Federal grant subsidy	-	-	711	3,608	5,121	4,898	4,752	4,746	4,774	4,711
Miscellaneous	1,004	794	1,046	1,396	1,620	1,005	796	677	855	1,329
Total revenues	287,877	229,648	203,175	231,552	257,764	259,109	291,428	298,977	329,018	369,224
Expenses										
General government ⁽²⁾	9,192	12,861	10,701	10,374	12,452	13,246	14,209	14,322	16,147	19,533
Marketing:										
Advertising	88,074	89,548	87,199	79,504	83,636	90,587	92,471	93,149	95,012	95,905
Marketing and sales	33,909	30,165	26,755	27,459	30,290	30,302	28,243	34,725	36,537	45,095
Special events/grants ⁽³⁾	11,967	6,574	7,438	8,058	7,714	8,234	8,571	8,766	11,665	12,196
Operations	43,940	37,350	34,186	34,009	37,132	36,691	44,965	39,454	41,416	39,290
Community support and grants:										
Capital grants to other governments	-	10,960	45,989	144,135	67,095	10,605	402	785	671	17,754
Other community support	26,920	22,559	16,749	18,985	21,158	20,509	22,449	24,105	26,161	25,000
Other	-	-	-	5,193	-	-	-	-	-	-
Capital outlay:										
Capitalized assets	112,556	46,378	9,410	9,619	7,480	32,886	28,123	192,515	35,375	25,932
Non-capitalized assets	906	616	698	848	1,505	3,316	1,261	1,305	2,602	1,046
Debt service:										
Principal	11,605	13,340	13,580	121,511	9,175	21,689	22,770	24,909	27,779	27,893
Interest	12,384	17,114	14,983	19,236	33,676	32,360	31,744	32,766	34,317	35,383
Principal retirement	-	-	-	-	-	-	-	116,800	-	70,200
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	66,009	-	69,200
Debt issuance costs	1,053	-	1,018	-	-	724	1,455	1,205	-	1,014
Total expenditures	352,506	287,465	268,706	478,931	311,313	301,149	296,663	650,815	327,682	485,440
Excess (deficiency of revenues over (under) expenditures	(64,628)	(57,817)	(65,531)	(247,379)	(53,549)	(42,040)	(5,235)	(351,838)	1,336	(116,216)
Other financing sources (uses)										
Transfers in	67,761	60,217	43,928	84,168	61,133	69,848	59,354	76,622	72,131	104,716
Transfers out	(67,761)	(60,217)	(43,928)	(84,168)	(61,133)	(72,848)	(62,354)	(80,122)	(76,631)	(115,216)
Proceeds from the sale of assets	14	15	218	29	223	57	80	636	46	24
Issuance of capital lease obligation	-	-	-	281	-	15	335	-	-	379
Issuance of debt	115,000	26,455	124,290	255,830	-	24,990	50,000	368,805	-	192,080
Premium on debt issuance	911	-	2,052	1,685	-	756	745	16,018	-	13,870
Discount on debt issuance	-	-	-	(1,192)	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	(25,322)	-	-	-	-	(14,931)	-	(66,316)
Total other financing sources (uses)	115,925	26,470	101,238	256,633	223	22,818	48,160	367,028	(4,454)	129,537
Net change in fund balances	51,296	(31,347)	35,707	9,254	(53,326)	(19,222)	42,925	15,190	(3,118)	13,321
Fund balance - beginning	139,878	191,175	159,828	195,534	204,788	151,462	132,240	175,165	190,356	187,237
Fund balance - ending	\$ 191,175	\$ 159,828	\$ 195,534	\$ 204,788	\$ 151,462	\$ 132,240	\$ 175,165	\$ 190,356	\$ 187,237	\$ 200,558
Debt service as a percentage of noncapital expenditures	10.0%	12.6%	11.0%	30.0%	14.1%	20.1%	20.3%	12.6%	21.2%	13.8%

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

(2) In FY 2009, the Finance and Materials Management sections were combined in one department. In FY 2017 the Information Technology department moved from Operations to General Government division.

(3) Special events/grants was moved under Marketing beginning FY 2015 and prior years were adjusted for conformity.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

GENERAL GOVERNMENT EXPENDITURES ⁽¹⁾

FOR ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS

(unaudited)

The schedule below details expenditures recorded in the general, debt service, LVCCD capital and capital projects funds except nonrecurring expenditures. Nonrecurring expenditures include capital grants to other governments, non-capitalized assets, debt issuance costs, payment to refunded debt escrow agent, principal retirements and other. Additionally, expenditures from any special revenue funds are excluded.

Fiscal Year	Total Expenditures	General Government ⁽²⁾⁽⁴⁾		Marketing		Advertising	
		\$	%	\$	%	\$	%
2008	\$ 214,024,724	\$ 9,192,348	4%	\$ 33,908,754	16%	\$ 88,074,185	41%
2009	236,824,486	12,860,753	5%	30,165,052	13%	89,547,692	38%
2010	186,919,649	10,700,951	6%	26,754,911	14%	87,199,280	47%
2011	232,226,854	10,373,913	4%	27,458,590	12%	79,504,487	34%
2012	241,712,622	12,452,224	5%	30,289,998	14%	83,636,231	35%
2013	286,504,452	13,246,144	5%	30,301,848	10%	90,587,216	32%
2014	293,544,284	14,208,721	5%	28,242,821	9%	92,470,992	31%
2015	464,710,847	14,322,106	3%	34,725,317	8%	93,148,972	20%
2016	324,410,023	16,146,746	5%	36,537,160	11%	95,012,365	29%
2017	326,226,408	19,532,835	6%	45,094,547	14%	95,905,154	29%

Fiscal Year	Operations ⁽²⁾⁽⁴⁾		Special Events Grants		Other Community Grants ⁽⁴⁾		Capital Outlay		Debt Service ⁽³⁾	
	\$	%	\$	%	\$	%	\$	%	\$	%
2008	\$ 43,940,271	21%	\$ 11,967,338	6%	\$ 26,673,197	12%	\$ 20,209,772	9%	\$ 23,999,130	11%
2009	37,350,037	16%	6,574,416	3%	20,227,815	9%	46,994,159	20%	30,454,599	13%
2010	34,186,143	18%	7,437,670	4%	16,650,670	9%	9,409,687	5%	28,766,480	15%
2011	34,008,771	15%	8,058,471	3%	18,785,979	8%	9,618,513	4%	44,418,130	19%
2012	37,131,878	15%	7,713,777	3%	20,157,585	8%	7,479,924	3%	42,851,005	18%
2013	36,690,902	13%	8,233,771	3%	20,509,181	7%	32,886,283	11%	54,049,107	19%
2014	44,964,997	15%	8,570,890	3%	22,449,149	8%	28,122,603	10%	54,514,110	19%
2015	39,453,977	9%	8,765,599	2%	24,104,565	5%	192,515,195	41%	57,675,117	12%
2016	41,415,858	13%	11,665,284	4%	26,161,392	8%	35,375,192	11%	62,096,026	19%
2017	39,289,787	12%	12,196,297	4%	25,000,000	8%	25,932,125	8%	63,275,663	19%

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

(2) In FY 2009, the Finance and Materials Management sections were combined in one department. In FY 2017 the Information Technology department moved from Operations to General Government division.

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

(4) In FY 2008 - FY 2013 Other Miscellaneous expense was included in Other Community Grants, in FY 2014 it was included in Operations, and beginning in FY 2015 it is included in General Government.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

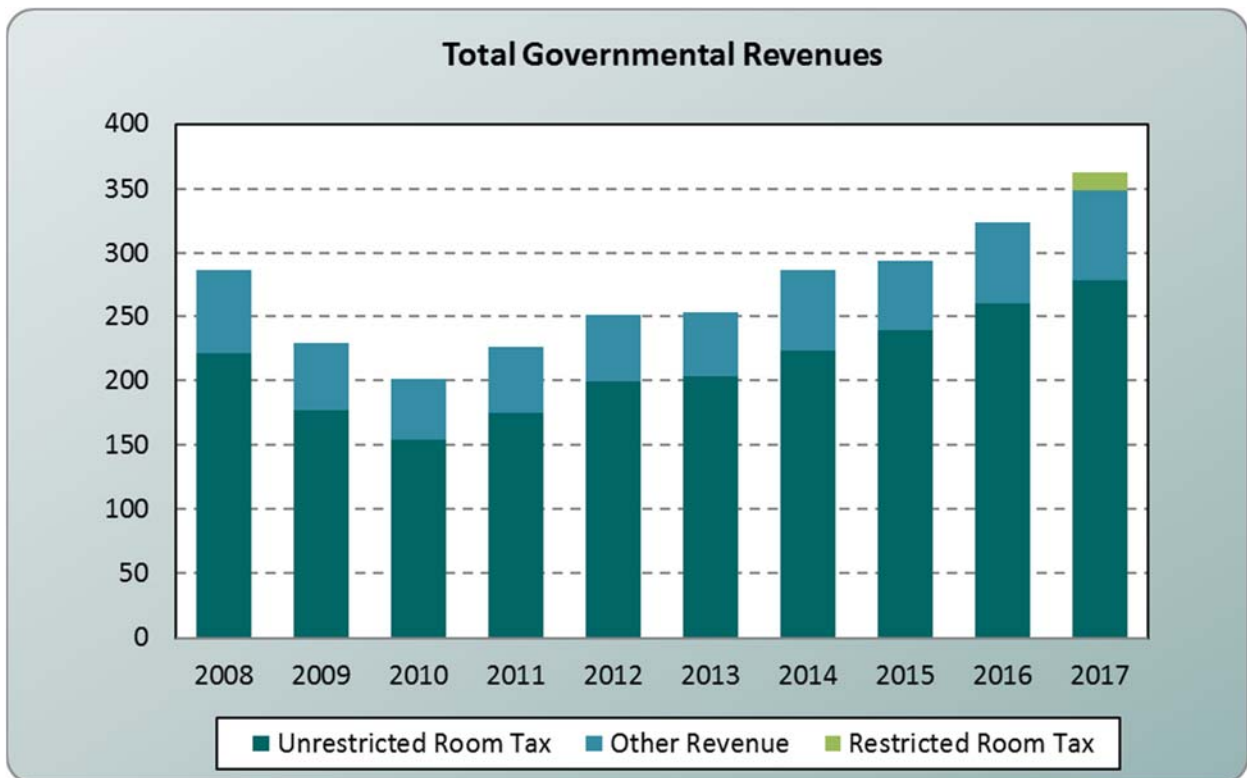
GOVERNMENTAL REVENUES BY SOURCE ⁽¹⁾

LAST TEN FISCAL YEARS

(unaudited)

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

Fiscal Year	Total Revenues	Room Tax	Charges for Services	Gaming Tax	Interest
2008	\$ 286,098,907	\$ 220,733,128 77%	\$ 57,689,079 20%	\$ 1,851,848 1%	\$ 5,824,852 2%
2009	228,854,315	176,726,992 77%	46,503,953 20%	2,101,166 1%	3,522,204 2%
2010	201,417,740	154,046,265 76%	44,535,733 22%	1,960,431 1%	875,310 <1%
2011	226,290,335	175,425,978 78%	47,900,661 21%	1,919,186 <1%	1,044,510 <1%
2012	251,177,767	199,592,498 79%	49,323,986 20%	1,813,548 <1%	447,735 <1%
2013	253,206,343	203,196,429 80%	47,846,895 19%	1,831,589 <1%	331,430 <1%
2014	285,879,682	222,781,385 78%	60,786,406 21%	1,710,108 <1%	601,783 <1%
2015	293,554,369	239,318,802 82%	51,968,374 18%	1,726,843 <1%	540,350 <1%
2016	323,389,672	259,967,636 80%	60,835,567 19%	1,646,281 <1%	940,188 <1%
2017	363,184,457	292,635,690 81%	68,007,099 19%	1,593,600 <1%	948,068 <1%



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Commercial Paper	Unamortized Premiums & Discounts	Capital Lease Obligation	Total Primary Government	Amount of Debt per Visitor ⁽¹⁾
2008	\$ 73,775,000	\$ 198,935,000	\$ 96,000,000	\$ 10,913,814	\$ -	\$ 379,623,814	\$ 10.13
2009	87,810,000	198,015,000	96,000,000	10,056,589	-	391,881,589	10.78
2010	184,645,000	187,005,000	96,000,000	11,180,043	-	478,830,043	12.83
2011	355,935,000	246,130,000	-	10,442,482	183,674	612,691,156	15.74
2012	347,955,000	245,025,000	-	9,187,354	93,463	602,260,817	15.16
2013	364,375,000	232,000,000	-	8,610,312	14,287	604,999,599	15.25
2014	405,445,000	218,280,000	-	7,636,790	228,907	631,590,697	15.36
2015	563,160,000	209,785,000	-	17,629,698	120,137	790,694,835	18.69
2016	552,365,000	192,915,000	-	14,362,280	5,698	759,647,978	17.69
2017	527,450,000	180,235,000	-	24,594,782	312,299	732,592,081	n/a

(1) These ratios are calculated using the total number of visitors to Las Vegas on a calendar year basis.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

BOND COVERAGE

LAST TEN FISCAL YEARS

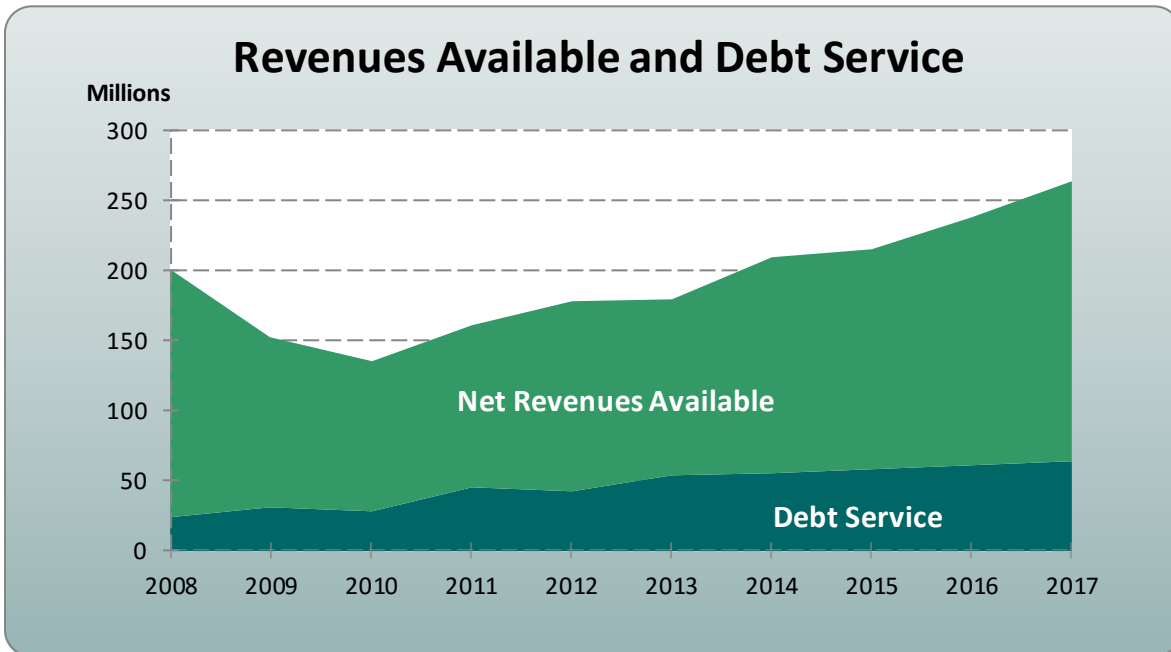
(unaudited)

Nine of the LVCVA's twelve outstanding bonds are general obligation bonds of Clark County, acting by and through the LVCVA. They are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of ad valorem taxes for debt service, using only net pledged revenues derived from operations. In fact, as of June 30, 2017, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. The three remaining bonds are LVCVA revenue bonds.

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

Gross revenues include interest income and miscellaneous fees and charges in the general and debt funds. Revenues from the capital and internal service funds have been excluded since these are not a constant source of income. Revenues from LVCCD capital fund are also excluded as the resources are restricted for Phases Two and Three of the LVCCD project and cannot be used to repay principal and interest on existing bonds. To date, no debt has been issued pledging these restricted revenues. Maintenance expenditures are comprised of all expenditures except marketing, advertising, bond issuance costs, capital improvement and debt service. Principal and interest contains expenditures for debt service.

FISCAL YEAR	GROSS REVENUES	MAINTENANCE EXPENDITURES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL AND INTEREST ⁽¹⁾	SERVICE COVERAGE
2008	\$ 282,743,913	\$ 81,762,822	\$ 200,981,091	\$ 23,989,130	8.4
2009	225,682,302	74,174,828	151,507,474	30,454,599	5.0
2010	200,886,994	65,614,509	135,272,485	28,562,969	4.7
2011	227,600,497	66,460,656	161,139,841	44,321,298	3.6
2012	250,917,732	73,815,377	177,102,355	42,754,341	4.1
2013	253,121,291	74,631,057	178,490,234	53,951,716	3.3
2014	285,749,837	77,050,163	208,699,674	55,149,034	3.8
2015	293,340,228	78,998,994	214,341,234	57,554,480	3.7
2016	322,769,973	85,126,980	237,642,993	61,252,680	3.9
2017	351,597,011	88,906,226	262,690,785	62,892,859	4.2



⁽¹⁾Includes principal and interest payments on senior lein bonds. Excludes interest payments due on the Subordinate Revenue Bonds of \$371,334, \$722,942 and \$299,970 in FY 2015, 2016 and FY 2017 respectively.

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

FISCAL YEAR	APPROXIMATE ASSESSED VALUATION ⁽¹⁾	BONDED DEBT LIMIT ⁽²⁾	TOTAL LVCVA DEBT APPLICABLE TO DEBT LIMIT ⁽³⁾	DEBT MARGIN	LEGAL DEBT MARGIN TO THE DEBT LIMIT
2008	\$ 108,649,925,840	\$ 5,432,496,292	\$ 73,775,000	\$ 5,358,721,292	99%
2009	112,805,485,594	5,640,274,280	87,810,000	5,552,464,280	98%
2010	91,733,233,181	4,586,661,659	184,645,000	4,402,016,659	96%
2011	64,126,946,544	3,206,347,327	355,935,000	2,850,412,327	89%
2012	56,712,550,689	2,835,627,534	347,955,000	2,487,672,534	88%
2013	53,267,069,961	2,663,353,498	364,375,000	2,298,978,498	86%
2014	54,715,695,579	2,735,784,779	405,445,000	2,330,339,779	85%
2015	62,901,949,671	3,145,097,484	563,160,000	2,581,937,484	82%
2016	70,522,285,405	3,526,114,270	552,365,000	2,973,749,270	84%
2017	77,201,273,046	3,860,063,652	527,450,000	3,332,613,652	86%

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

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

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

⁽³⁾ The LVCVA's outstanding general obligation indebtedness includes general obligation bonds and medium-term obligations, as applicable.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT – CLARK COUNTY, NEVADA
JUNE 30, 2017
(unaudited)

	GROSS DEBT	MONIES AVAILABLE	NET OUTSTANDING DEBT	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVER-LAPPING DEBT
<u>Direct Debt:</u>					
Las Vegas Convention and Visitors Authority ⁽¹⁾⁽²⁾	\$ 732,592,081	\$ 27,865,000	\$ 704,727,081	100%	\$ 704,727,081
<u>Overlapping Debt:</u>					
Clark County ⁽³⁾			5,445,793,565	100%	<u>5,445,793,565</u>
				Total	<u>\$ 6,150,520,646</u>

(1) Ad valorem taxes have never been used to repay these debts.

(2) The LVCVA's gross debt includes general obligation bonds, issued by the County on behalf of the LVCVA, revenue bonds, unamortized premiums and discounts on bonds and capital lease obligations.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
DEMOGRAPHIC STATISTICS – CLARK COUNTY, NEVADA

JUNE 30, 2017

(unaudited)

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

Clark County is the nation's 14th largest county in the United States and provides extensive regional services to more than 2 million citizens. The population in FY 2016 increased 2.3% as compared to FY 2015.

City of Las Vegas, North Las Vegas, and Henderson total population is 1,164,716 which makes up 54% of the total Clark County population of 2,166,181. Labor force stands at 1,061,707 a slight increase compared to previous year and unemployment rate is at 5.10% which has continued to decline since 2010.

Per capita income steadily increased to \$43,637 at December 31, 2016, which is above pre-recession income.



Entity	Incorporation Date	2016 Population	Square Miles (approx.)
Clark County	1909	965,176	7,441
Las Vegas	1911	629,649	134
N. Las Vegas	1946	240,708	100
Henderson	1953	294,359	105
Boulder City	1958	16,298	208
Mesquite	1984	19,991	32

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

Further statistics that reflect the local economy are shown below.

AS OF JUNE 30	POPULATION (A)	LABOR FORCE (B)	UN-EMPLOYMENT RATE (B)	AS OF DEC 31	PER CAPITA INCOME (C)	MEDIAN AGE (D)	MEDIAN HOUSEHOLD INCOME	SCHOOL ENROLLMENT
2008	1,967,716	983,657	6.30%	2007	\$ 40,137	50.1	\$ 53,704	323,037
2009	1,952,040	969,122	11.80%	2008	38,815	35.7	57,403	330,519
2010	1,968,831	986,342	13.80%	2009	36,280	35.3	58,148	323,607
2011	1,967,722	995,209	13.40%	2010	36,820	35.4	58,432	323,637
2012	1,988,195	1,001,608	11.40%	2011	37,986	34.5	54,255	322,555
2013	2,031,723	1,009,941	9.90%	2012	39,211	36.2	50,962	311,238
2014	2,069,450	1,023,712	8.20%	2013	38,939	36.4	50,454	314,643
2015	2,118,353	1,049,522	7.10%	2014	40,565	36.8	50,274	318,040
2016	2,166,181	1,059,667	6.40%	2015	41,992	37.2	52,865	319,713
2017	n/a	1,061,707	5.10%	2016	43,637	37.5	54,307	320,559

Sources:

(A) Nevada Demographer - 2017 information is not available from NV Taxation Dept./ State Demographer at the time of printing.

(B) Nevada Workforce - 2017 figure is preliminary at the time of printing.

(C) U.S. Bureau of Economic Analysis SA1.

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY
ASSESSED PROPERTY VALUE, CONSTRUCTION AND DEPOSITS – CLARK COUNTY, NEVADA
LAST TEN YEARS
(unaudited)

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL ⁽¹⁾	
	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE
	2008	\$ 102,349,025	\$ 292,425,787	\$ 6,300,900	\$ 18,002,573	\$ 108,649,925
2009	106,988,179	305,680,511	5,817,307	16,620,877	112,805,486	322,301,388
2010	86,961,002	248,460,005	4,772,231	13,634,947	91,733,233	262,094,952
2011	60,420,431	172,629,803	3,706,515	10,590,044	64,126,946	183,219,847
2012	53,342,795	152,407,986	3,369,756	9,627,873	56,712,551	162,035,859
2013	48,963,146	139,894,703	4,303,924	12,296,926	53,267,070	152,191,629
2014	49,809,243	143,312,124	4,906,452	14,018,435	54,715,695	157,330,559
2015	57,491,891	164,262,546	5,410,058	15,457,310	62,901,949	179,719,856
2016	65,063,984	185,897,097	5,458,301	15,595,147	70,522,285	201,492,244
2017	70,542,810	201,550,884	6,658,464	19,024,181	77,201,274	220,575,065

Source: Real & Personal Property - Clark County Assessor

⁽¹⁾ Totals may not foot due to rounding.

The total net assessed value over the last ten years has consistently represented 35% of the total estimated actual value.

NEW CONSTRUCTION (IN THOUSANDS) ⁽¹⁾
LAST TEN CALENDAR YEARS

CALENDAR YEAR	HOTEL/MOTEL CONSTRUCTION		COMMERCIAL/PUBLIC CONSTRUCTION		RESIDENTIAL CONSTRUCTION		TOTAL NEW CONSTRUCTION ⁽²⁾
	NUMBER		NUMBER		NUMBER		
	OF PERMITS	VALUE	OF PERMITS	VALUE	OF PERMITS	VALUE	
2007	69	\$ 2,286,411	1,074	\$ 2,486,733	13,831	\$ 3,902,161	\$ 8,675,305
2008	41	2,090,020	558	1,738,803	6,241	1,333,286	5,162,109
2009	3	25,797	170	790,696	4,034	562,292	1,378,785
2010	5	-	122	183,328	4,607	573,065	756,393
2011	-	-	154	214,984	3,958	559,903	774,887
2012	3	98,830	134	409,084	6,225	882,433	1,390,347
2013	-	-	225	457,887	7,334	1,031,418	1,489,305
2014	4	108,393	198	303,916	7,099	1,137,138	1,549,447
2015	2	12,970	251	562,003	8,323	1,343,719	1,918,692
2016	5	80,407	283	730,886	9,016	1,572,212	2,383,505

Source: New Construction - Las Vegas Perspective

⁽¹⁾ New construction information is only available on a calendar year basis.

⁽²⁾ Totals may not foot due to rounding.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

VISITOR ANALYSIS

LAST TEN CALENDAR YEARS

(unaudited)

In its role of promoting Las Vegas as a travel destination, the LVCVA contributes to the growth of the entire local economy. The Las Vegas economy is heavily dependent on the tourism industry. In 2016, the total number of visitors to Las Vegas hit a record high of over 42.9 million an increase of 1.5% compared to 2015.

CALENDAR YEAR	CONVENTION DELEGATES	% OF TOTAL VISITORS	TOURISTS	% OF TOTAL VISITORS	TOTAL VISITORS	CHANGE
2007	6,209,253	15.8%	32,987,508	84.2%	39,196,761	0.7%
2008	5,899,725	15.7%	31,581,827	84.3%	37,481,552	-4.4%
2009	4,492,275	12.4%	31,859,194	87.6%	36,351,469	-3.0%
2010	4,473,134	12.0%	32,862,302	88.0%	37,335,436	2.7%
2011	4,865,272	12.5%	34,063,436	87.5%	38,928,708	4.3%
2012	4,944,014	12.4%	34,783,008	87.6%	39,727,022	2.1%
2013	5,107,416	12.9%	34,560,805	87.1%	39,668,221	-0.1%
2014	5,169,054	12.6%	35,957,458	87.4%	41,126,512	3.7%
2015	5,891,151	13.9%	36,421,065	86.1%	42,312,216	2.9%
2016	6,310,616	14.7%	36,625,493	85.3%	42,936,109	1.5%

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 2016, Clark County gaming revenues total \$9.7 billion, a 1% increase over 2015 and the highest level since 2008.

CALENDAR YEAR	GAMING REVENUES (In Millions)	CHANGE	FISCAL YEAR	LVCVA ROOM TAXES ⁽¹⁾	CHANGE
2007	\$ 10,868,464	2.2%	2008	\$ 220,733,128	3.5%
2008	9,796,749	-9.9%	2009	176,726,992	-19.9%
2009	8,838,261	-9.8%	2010	154,046,265	-12.8%
2010	8,908,574	0.8%	2011	175,425,978	13.9%
2011	9,222,677	3.5%	2012	199,592,498	13.8%
2012	9,399,845	1.9%	2013	203,196,429	1.8%
2013	9,674,404	2.9%	2014	222,781,385	9.6%
2014	9,553,864	-1.2%	2015	239,318,802	7.4%
2015	9,616,463	0.7%	2016	259,967,636	8.6%
2016	9,712,796	1.0%	2017	292,635,690	12.6%

Source: LVCVA - Research Center

⁽¹⁾ Prepared on modified accrual basis. This represents only the LVCVA portion of the county-wide room tax revenues.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

USE OF FACILITIES

LAST TEN FISCAL YEARS

(unaudited)

LAS VEGAS CONVENTION CENTER BUILDING UTILIZATION

FY ⁽¹⁾	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC		TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
				INVITED EVENTS	MEETINGS		
2008	66	12	-	-	5	83	\$ 42,587,445
2009	68	-	11	5	6	90	35,951,249
2010	64	-	7	2	2	75	35,783,911
2011	60	-	8	3	5	76	38,483,619
2012	53	-	7	3	3	66	39,022,683
2013	47	-	9	7	1	64	36,854,055
2014	47	-	12	1	3	63	47,067,894
2015	51	-	11	5	3	70	40,605,461
2016	51	-	9	10	1	71	46,954,668
2017	50	-	12	7	4	73	50,282,592

CASHMAN CENTER BUILDING UTILIZATION

FY ⁽¹⁾	CONVENTIONS	EVENTS	SPECIAL EVENTS	PUBLIC		TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
				INVITED EVENTS	MEETINGS		
2008	2	163	-	-	112	277	\$ 2,069,376
2009	-	-	11	91	38	140	1,412,766
2010	1	-	6	94	38	139	1,497,930
2011	1	-	3	124	36	164	1,592,040
2012	1	-	2	142	38	183	1,699,204
2013	2	-	3	149	35	189	1,760,894
2014	1	-	5	164	35	205	1,708,593
2015	1	-	3	152	47	203	1,815,341
2016	1	-	9	164	62	236	1,989,571
2017	1	-	11	143	49	204	1,844,901

Source: LVCVA - Research Center

⁽¹⁾ In 2009, the categorizations of events at both facilities was revised. Rather than "Events" and "Meetings", the new categories are "Special Events", which are directly tied to visitors to the County and "Public Events", which include shows aimed at local residents, meetings and other local organization events. Historical data for 2009 was adjusted under the new method.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

SUMMARY OF AUTHORIZED POSITIONS

LAST TEN FISCAL YEARS

(unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>GENERAL GOVERNMENT</u>										
Executive	17	17	18	15	15	14	16	16	16	17
Finance ⁽¹⁾	--	42	43	35	35	35	36	37	39	61
Human Resources	10	10	10	8	8	8	8	8	10	11
Public Affairs	18	18	19	19	19	20	20	20	18	18
	45	87	90	77	77	77	80	81	83	107
<u>MARKETING</u>										
Advertising ⁽⁴⁾	2	2	2	1	1	1	--	--	--	--
Convention Center Sales ⁽⁵⁾	12	13	12	10	10	13	--	--	--	--
Convention Sales ⁽⁵⁾	28	28	31	26	26	24	--	--	--	--
Global Business Sales ⁽⁵⁾	--	--	--	--	--	--	38	33	35	37
Convention Services ⁽⁶⁾	16	16	16	15	15	14	--	15	15	15
Destination Services ⁽²⁾	10	10	7	4	4	3	--	--	--	--
Digital Marketing ⁽²⁾	--	--	--	9	9	9	7	7	7	7
Research ⁽²⁾	7	7	11	2	2	--	--	--	--	--
Diversity Marketing	4	4	2	1	1	1	--	--	--	--
International Sales	8	8	6	7	7	8	11	9	9	16
Leisure Sales	15	17	16	12	12	11	10	10	11	10
Registration ⁽³⁾⁽⁶⁾	4	4	4	6	6	6	--	4	4	4
Research Center	--	--	--	--	--	3	6	7	7	7
Sports Marketing	4	2	2	3	3	2	2	1	1	1
Industry Relations ⁽³⁾	--	--	--	3	3	7	4	7	8	8
Visitor Information ⁽³⁾⁽⁶⁾	18	18	18	26	26	23	--	17	17	17
Call Center ⁽³⁾⁽⁶⁾	24	23	23	--	--	--	--	--	--	--
Brand Strategy ⁽⁴⁾	--	--	--	--	--	--	5	11	12	7
Customer Experience ⁽⁷⁾	--	--	--	--	--	--	--	4	4	5
	152	152	150	125	125	125	83	125	130	134
<u>OPERATIONS</u>										
Client Services	126	126	126	112	112	112	112	112	112	112
Customer Experience ⁽⁷⁾	2	2	1	2	2	2	4	--	--	--
Convention Services ⁽⁶⁾	--	--	--	--	--	--	15	--	--	--
Registration ⁽³⁾⁽⁶⁾	--	--	--	--	--	--	5	--	--	--
Visitor Information ⁽³⁾⁽⁶⁾	--	--	--	--	--	--	19	--	--	--
Engineering	111	113	109	101	101	100	100	92	94	96
Engineering Projects	7	4	8	5	5	5	4	4	3	2
Information Technology ⁽¹⁾	15	15	15	13	13	14	13	21	21	--
Fire Prevention	17	17	17	17	17	17	5	5	5	5
Customer Safety	39	39	39	34	34	36	47	47	62	64
Traffic	17	17	17	19	19	17	23	28	19	21
Finance ⁽¹⁾	22	--	--	--	--	--	--	--	--	--
Purchasing & Contracts ⁽¹⁾	11	--	--	--	--	--	--	--	--	--
Materials Management ⁽¹⁾	10	--	--	--	--	--	--	--	--	--
	377	333	332	303	303	303	347	309	316	300
<u>TOTAL LVCVA</u>	574	572	572	505	505	505	510	515	529	541

⁽¹⁾ In FY 2009, the Finance, Purchasing and Materials Management sections were combined into one department. In FY 2017, Information Technology was moved into the Finance department under General Government division.

⁽²⁾ In FY 2010, Destination services and Internet marketing/research were re-organized, creating an additional department called Digital Marketing.

⁽³⁾ In FY 2011, Call Center was consolidated into the Visitor Information. The Registration and Housing sections were combined; and a new department - Strategic Planning was added, later renamed Industry Relations. In FY 2013 Registration & Housing was renamed Registration.

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

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

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

**ACTIVITY MEASURES
LAST TEN FISCAL YEARS
(unaudited)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Human Resources										
# of active employees	531	500	484	477	482	485	500	505	510	530
# of new full-time employees processed	48	n/a	n/a	13	47	22	48	47	60	55
Public Affairs										
Media inquiries received	1,095	1,284	1,089	730	897	1,091	642	760	704	797
Press releases distributed	93	102	95	63	50	98	37	28	33	40
Online press kit article page views	32,069	22,526	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Video and photo placements	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	6,646	11,590
Video projects completed	108	76	215	274	292	215	245	261	301	n/a
Photo assignments completed	659	720	678	614	593	668	645	700	668	n/a
Public Relations - Leisure/Business⁽²⁾										
Media inquiries received	n/a	n/a	n/a	n/a	n/a	n/a	750	663	572	423
Press releases distributed	n/a	n/a	n/a	n/a	n/a	n/a	53	59	55	38
Finance										
Payroll checks/deposit advises issued	22,271	22,199	20,164	18,884	20,157	20,268	21,671	21,222	21,197	20,998
Accounts Payable disbursements	7,060	6,002	4,997	4,135	3,928	n/a	n/a	n/a	n/a	n/a
# of Invoices associated w/AP disbursements ⁽¹⁾	n/a	n/a	n/a	n/a	n/a	12,349	13,235	12,075	13,023	12,870
Purchasing and Contracts										
Contracts administered	436	259	471	645	755	439	419	363	363	269
Purchase orders issued	1,218	869	553	752	787	783	790	783	916	870
Materials										
Packages shipped	281,585	191,170	44,586	45,892	44,019	50,538	43,449	37,572	35,208	30,117
Copies produced	1.5M	1.0M	0.7M	0.6M	0.6M	0.6M	0.8M	0.8M	0.7M	0.7M
Information Technology⁽³⁾										
Computer training hours	2,053	1,803	302	410	361	224	132	109	n/a	n/a
Call resolution time (average hours)	4.0	4.1	4.3	7.5	7.5	6.7	6.8	7.1	n/a	n/a
Total help desks calls fielded	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,956	4,827	5,068
Network devices supported	n/a	n/a	n/a	n/a	n/a	n/a	n/a	85	95	101
Computers supported	n/a	n/a	n/a	n/a	n/a	n/a	n/a	450	469	451
Research Center										
Statistical Reports and Publications produced	31	34	33	32	28	31	33	31	33	30
Digital Marketing										
Web site visits - combined LVCCA sites	7.1M	8.2M	8.7M	9.0M	10.5M	14.1M	17.5M	19.0M	17.3M	13.6M
Web site referrals - combined LVCCA sites	4.9M	4.6M	4.3M	3.9M	3.4M	2.5M	2.4M	2.0M	1.4M	1.2M
Marketing										
Total leads distributed	4,013	3,186	2,890	2,930	3,640	4,067	3,636	3,977	4,625	4,625
Converted leads	1,229	1,026	845	885	1,322	1,928	1,411	1,421	1,499	1,506
In-person out of market sales calls	1,983	4,846	4,144	3,112	3,108	2,874	2,906	2,649	2,477	2,920
Travel industry events attended	813	819	902	711	732	885	876	866	851	882
Registration Services										
Meetings and conventions supported	283	281	266	282	284	256	284	265	252	263
Call Center										
Total calls managed	201,384	156,401	133,736	112,461	92,594	85,922	82,251	79,552	76,985	68,569
Visitor Information										
Total visitor volume	246,818	225,307	277,539	213,152	206,513	198,336	185,965	164,182	143,002	136,017
Client Services										
Show support (man-hours)	16,093	13,550	12,323	12,853	11,971	10,877	15,777	14,376	14,220	13,902
Set/strike meeting rooms/halls (man-hours)	23,432	21,875	19,957	17,045	19,031	18,617	19,383	21,138	22,237	22,012
Facilities										
Leased net square foot serviced (LVCC)	18,922,197	14,334,348	12,856,175	14,234,743	13,940,090	13,877,643	17,390,712	14,440,519	16,933,777	18,880,449
Building attendees supported (LVCC)	1,806,604	1,457,106	1,408,063	1,470,325	1,411,022	1,486,545	1,621,450	1,491,098	1,613,859	1,769,353
Security										
Special events hours worked	637	363	274	22	385	334	447	261	1,588	1,048
Percentage of lost items returned to owner	48%	49%	47%	51%	50%	48%	49%	49%	50%	49%
Patients treated in First Aid	3,932	3,000	2,151	1,854	1,928	2,216	2,378	1,848	1,577	1,850

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

(2) In FY 2014 Public Relations - Leisure began tracking their activity measures separately from Public Affairs.

(3) In FY 2015, Information Technology revised the methodology for activity measures.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CAPITAL ASSETS BY FUNCTION ⁽¹⁾

LAST TEN FISCAL YEARS

(unaudited)

Fiscal Year	General Government	Marketing	Operations	Total
2008	\$ 26,006	\$ 294,258	\$ 506,030,244	\$ 506,350,508
2009	191,960	212,482	539,608,792	540,013,234
2010	355,203	259,280	533,519,929	534,134,412
2011	5,761	41,341	467,743,263	467,790,365
2012	94,230	19,800	458,005,442	458,119,472
2013	67,572	29,558	474,855,922	474,953,052
2014	76,624	569,329	485,560,723	486,206,676
2015	58,060	488,114	660,648,229	661,194,403
2016	27,523	449,187	678,601,011	679,077,721
2017 ⁽²⁾	1,427,363	652,766	675,285,497	677,365,626

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

(2) In FY 2017 the Information Technology department moved from Operations to General Government division.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CLARK COUNTY'S TEN LARGEST EMPLOYERS ⁽¹⁾

MOST CURRENT YEAR AND NINE YEARS PRIOR

(unaudited)

Employers	Approximate Employees ⁽¹⁾	Percentage of County Employment ⁽²⁾
Clark County School District	35,000	3.51%
Clark County	8,750	0.88%
Wynn Las Vegas	8,250	0.83%
Bellagio LLC	7,750	0.78%
MGM Grand Hotel/Casino	7,750	0.78%
Aria Resort & Casino LLC	7,250	0.73%
Mandalay Bay Resort and Casino	7,250	0.73%
The Venetian/Palazzo Casino Resort	6,250	0.63%
University of Nevada - Las Vegas	5,750	0.58%
Caesars Palace	5,250	0.53%
Total for Principal Employers	<u>99,250</u>	<u>9.94%</u>

Clark County Employment as of December 31, 2016	998,457
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Employers	Approximate Employees ⁽¹⁾	Percentage of County Employment ⁽²⁾
Clark County School District	35,000	3.93%
Clark County	9,750	1.09%
Wynn Las Vegas	9,250	1.04%
Bellagio LLC	8,750	0.98%
MGM Grand Hotel/Casino	8,250	0.93%
Mandalay Bay Resort and Casino	6,750	0.76%
University of Nevada - Las Vegas	5,750	0.65%
Las Vegas Metropolitan Police	5,750	0.65%
Caesars Palace	5,250	0.59%
Mirage Casino Hotel	4,750	0.53%
Total for Principal Employers	<u>99,250</u>	<u>11.15%</u>

Clark County Employment as of December 31, 2008	890,420
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⁽¹⁾ Number of employees is rounded based on percentage of total county labor force.

Source: Nevada Department of Employment, Training & Rehabilitation

⁽²⁾ Percentage figures may not add due to rounding.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

PRINCIPAL ROOM TAXPAYERS

JUNE 30, 2017

(unaudited)

The primary source of revenue for the LVCVA is from room taxes imposed on hotels and motels in Clark County. The hotels listed below represent the ten largest hotel properties in Clark County and generate the greatest volume of room taxes for the LVCVA.

	Approximate Rooms at <u>Dec 31, 2016</u>	% of <u>total rooms</u> ⁽¹⁾
MGM Grand	5,044	3.1%
Luxor	4,400	2.7%
Venetian	4,027	2.5%
Aria	4,004	2.5%
Excalibur	3,981	2.5%
Bellagio	3,933	2.4%
Caesars Palace	3,792	2.4%
Circus Circus	3,767	2.3%
Flamingo Las Vegas	3,460	2.1%
Mandalay Bay	<u>3,211</u>	<u>2.0%</u>
Total Top 10 Hotels	39,619	24.6%
Total Jean/Primm	2,945	1.8%
Other Hotels and motels	<u>106,775</u>	<u>66.3%</u>
Total Las Vegas metropolitan area	149,339	92.7%
Total Laughlin	9,920	6.2%
Total Mesquite	<u>1,905</u>	<u>1.2%</u>
Total inventory of rooms	<u><u>161,164</u></u>	<u><u>100.0%</u></u>

Note: Other Hotels and motels does not include timeshare properties.

⁽¹⁾ Percentage figures may not add due to rounding.

In spite of the increasing availability of rooms, the occupancy rate for the Las Vegas metropolitan area exceeds the national average by an average of 26% for the past ten calendar years.

Calendar Year	Total Visitor Volume	Rooms Inventory ⁽¹⁾	Occupancy Percentage	Average Number of Rooms Occupied Daily	Average Daily Rate	National Occupancy Percentage
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	61.3%
2013	39,668,221	150,593	84.3%	126,950	110.72	62.2%
2014	41,126,512	150,544	86.8%	130,672	116.73	64.4%
2015	42,312,216	149,213	87.7%	130,860	119.94	65.6%
2016	42,936,109	149,339	89.1%	133,061	125.96	65.5%

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

Source: LVCVA Research Center

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

SCHEDULE OF INSURANCE IN FORCE

JUNE 30, 2017

(unaudited)

<u>Type</u>	<u>NAME OF INSURER</u>	<u>POLICY NUMBER</u>	<u>LIMIT</u>	<u>EXPIRATION DATE</u>
Commercial Crime	Great American Insurance Co.	GVT379271412	Various	8/1/2018
General Liability & Automobile	Philadelphia Indemnity Ins. Co.	PHPK1685695	Various	8/1/2018
Workers Compensation (DC & IL)	Twin City Fire Ins Co (Hartford)	53WECAB1321	\$ 1,000,000	8/1/2018
Excess Workers Compensation	Safety National Casualty Corp.	SP4057432	\$ 1,000,000	8/1/2018
Umbrella Liability	National Union Fire Ins Co. of Pittsburgh, PA	014272647	\$ 10,000,000	8/1/2018
Excess over \$25 million	Navigators Ins.	LA17EXC878766IV	\$ 25,000,000	8/1/2018
Excess over \$50 million	Endurance American	EXC10007458802	\$ 25,000,000	8/1/2018
Excess over \$75 million	Federal Insurance Co.	79736487	\$ 25,000,000	8/1/2018
Public Officials & Employees Liability	Ace American Insurance Co.	G21656586014	\$ 10,000,000	8/1/2018
Excess Public Officials & Employees Liability	National Union Fire Ins Co of Pittsburgh, PA	016514312	\$ 10,000,000	8/1/2018
Global Medical Insurance	Ace American Insurance Co.	ADDN04986210	Various	8/1/2018
International Protection Liability (Int'l Offices)	Navigators Insurance Co	PH17FPK0A1T7ONV	Various	8/1/2018
Property Insurance & Terrorism	Factory Mutual Insurance Co.	1026711	Various	8/1/2018
Travel Assistance	International SOS Assistance inc.	11BYCA093484	Various	10/21/2017

**Additional Reports of
the Independent Auditors'**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 5, 2017.

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LVCVA's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

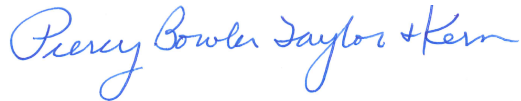
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the LVCVA's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the LVCVA, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under

Government Auditing Standards.

We noted certain matters that we reported to the LVCVA in a separate letter dated October 5, 2017.

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

A handwritten signature in blue ink that reads "Percy Bowler Taylor + Kern". The signature is written in a cursive style.

Las Vegas, Nevada
October 5, 2017

P B T K

**PIERCY BOWLER
TAYLOR & KERN**

Certified Public Accountants
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SENATE
BILL 1 OF THE 2017 NEVADA LEGISLATIVE SESSION**

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

Senate Bill 1, as amended by Assembly Bill 399, of the 2017 Nevada Legislative session (the Act) requires the Las Vegas Convention and Visitors Authority ("the LVCVA") to provide the Oversight Panel established by the Act with an annual third-party audit. Sections 59 and 60 of the ACT require distribution to the LVCVA of the resultant financing proceeds to be used solely for the expansion of the Convention Center and to pay the principal and interest on securities issued to fund the costs of such project.

We have examined the assertions of the LVCVA's management that the LVCVA has complied with the applicable criteria stated in Sections 56-60 of the Act (the "Criteria") in all material respects for the year ended June 30, 2017 (the "Assertion"). The LVCVA's management is solely responsible for the Assertion. Our responsibility is to express an opinion on the Assertion based on our examination.

We conducted our examination in accordance with generally accepted government attestation standards. Such standards require that we plan and perform our examination to obtain reasonable assurance about whether the Assertion, in all material respects, is fairly stated. An examination involves performing procedures to obtain evidence about the Assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, based on our examination, the Assertion that the LVCVA, in all material respects, has complied with the Criteria, is, in all material respects, fairly stated.

Piercy Bowler Taylor: Ken

Las Vegas, Nevada
October 5, 2017



Las Vegas Convention and Visitors Authority
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