



November 12, 2019

To the Board of
Clark County Stadium Authority
dba: Las Vegas Stadium Authority
Las Vegas, NV

We have audited the financial statements of Clark County Stadium Authority, dba: Las Vegas Stadium Authority, a component unit of Clark County, NV, as of and for the year ended June 30, 2019, and have issued our report thereon dated November 12, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 28, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Clark County Stadium Authority, dba: Las Vegas Stadium Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

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Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Clark County Stadium Authority, dba: Las Vegas Stadium Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 12, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Clark County Stadium Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as by Clark County Stadium Authority's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of Las Vegas Stadium Authority and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Las Vegas, Nevada



Financial Statements
June 30, 2019

**Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada**

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Stadium Authority Board of Directors

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Ike Lawrence Epstein, Vice-Chairman	Sr. Executive Vice President/COO, UFC
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Laura Fitzpatrick	Treasurer, Clark County



Financial Section
June 30, 2019

**Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada**



Independent Auditor's Report

To the Honorable Clark County Stadium Authority,
dba: Las Vegas Stadium Authority Board of Directors
Clark County, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Clark County Stadium Authority, dba: Las Vegas Stadium Authority, Clark County, Nevada (the "Stadium"), a component unit of Clark County, Nevada (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Stadium's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Stadium as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 5 through 11 and the budgetary comparison information on pages 28 through 30 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 management's discussion and analysis, 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.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stadium's basic financial statements as a whole. The individual fund schedules, as listed in the supplementary information section of the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 individual fund schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2019 on our consideration of the Stadium'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 Stadium's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Las Vegas, Nevada
November 12, 2019

Management of the Clark County Stadium Authority dba Las Vegas Stadium Authority (the "Authority") offers the following discussion and analysis as a narrative introduction to the basic financial statements and an analytical overview of the Authority's financial activities for the fiscal year ended June 30, 2019. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

Financial Highlights

- The independent auditor's report offers an unmodified opinion that the Authority's financial statements are presented fairly in all material respects.
- The Authority's net position increased by \$118,685,329, from \$253,946,178 as of June 30, 2018, to \$372,631,507 as of June 30, 2019. Unrestricted net position was \$ (276,260,983), a decrease of \$228,417,009 from the prior year.
- Net capital assets were \$981,613,852, an increase from the prior year. Construction of the stadium commenced in fiscal year 2018.
- At year end, bonds payable totaled \$739,005,988, a decrease from the prior year resulting from principal payments and amortization of bond premiums.
- Deferred inflows related to the sale of personal seat license revenue were \$321,699,754, an increase from the prior year resulting from increased sales.
- Room tax revenues increased by \$ 901,876.
- Expenses increased by \$22,487,750 primarily due to interest on long-term debt.

Overview of the Financial Statements

The Authority's financial statements include the following components:

- Government-Wide Financial Statements
 - Statement of Net Position – This statement presents information on the Authority's assets and liabilities. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

- Statement of Activities – This statement presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected tax revenue and accounts payable).
- Governmental Funds Financial Statements
 - Governmental funds are used to account for essentially the same functions reported as governmental activities 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. Such information may be useful in evaluating the Authority's near-term financial requirements.
 - Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with the same information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. To facilitate this comparison, both the governmental funds balance sheet and the statement of governmental fund revenues, expenditures and changes in fund balances include an adjustments column that show reconciling items, if any, between governmental funds and governmental activities.
 - The Authority maintains three governmental funds. The Authority adopts an annual appropriated budget for these three governmental funds. A budgetary comparison statement is provided for each of the Authority's governmental funds to demonstrate compliance with the budget.
- Notes to Financial Statements
 - The Notes to Financial Statements are an integral part of the financial statements and provide additional information that is necessary in order to gain a comprehensive understanding of data reported in the financial statements.

Government-Wide Financial Analysis

Comparative summary financial statements of the Authority are presented as follows:

	Net Position June 30, 2019 and 2018	
	2019	2018
Assets		
Current and other assets	\$ 565,148,401	\$ 796,355,225
Net capital assets	981,613,852	293,603,336
Total Assets	1,546,762,253	1,089,958,561
Liabilities		
Long-term liabilities	739,005,988	743,368,392
Other liabilities	113,425,004	52,493,991
Total Liabilities	852,430,992	795,862,383
Deferred inflows	321,699,754	40,150,000
Net Position		
Net investment in capital assets	592,480,625	275,426,337
Restricted	56,411,865	26,363,815
Unrestricted	(276,260,983)	(47,843,974)
Total net position	\$ 372,631,507	\$ 253,946,178

- As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. Assets exceeded liabilities and deferred inflows by \$372,631,507 as of June 30, 2019, and by \$253,946,178 as of June 30, 2018, a net increase of \$118,685,329.
- The largest portion of the Authority's net position at June 30, 2019, reflects its investment in capital (land and construction in progress); less any related debt outstanding used to acquire those assets. These assets are comprised of land and construction in progress of the football stadium. Accordingly, these assets are not available for future spending. Although the Authority's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since capital assets themselves cannot be used to liquidate the debt.
- 15% of the Authority's net position is restricted due to resources that are subject to external restriction on how they may be used. The restricted net position is for repayment of long-term debt and capital projects.

- The remaining portion of the Authority's net position is unrestricted, but is negative at \$276,260,983 mainly due to the sale of future personal seat license revenues being recorded as a deferred inflow. The proceeds from the sale are being spent on construction.

Changes in Net Position
 Years ended June 30, 2019 and 2018

	2019	2018
Revenues		
Program revenues		
Capital contributions	\$ 82,958,724	\$ 193,482,364
General Revenues		
Room tax revenues	49,475,894	48,574,018
Investment earnings	16,122,195	2,665,144
Total Revenues	148,556,813	244,721,526
Expenses		
General government	964,897	2,558,043
Interest expense	28,906,586	4,825,691
Total Expenses	29,871,483	7,383,734
Change in Net Position	118,685,329	237,337,792
Net Position		
Beginning of year	253,946,178	16,608,386
End of year	\$ 372,631,507	\$ 253,946,178

- Program revenues decreased by \$110,523,640 due to a decrease in donated capital for the construction of the football stadium during the fiscal year.
- Investment earnings increased by \$13,457,051 due to fiscal year 2019 having twelve months of investment earnings on unspent bond proceeds compared to two months in fiscal year 2018.
- Interest expense increased by \$24,080,895 due to the issuance of long-term debt for the construction of the football stadium in May 2018.

Financial Analysis of the Authority's Funds

- At June 30, 2019, the Authority's governmental funds reported a combined ending fund balance of \$132,663,295, a decrease of \$576,422,364.
- Fund balance components have been classified as nonspendable, restricted, and unassigned based on the extent to which the Authority is bound to observe constraints imposed on the use of fund resources.
- Nonspendable fund balance was \$10,887 and consists of prepaid expenses.
- \$132,291,301 of fund balance is restricted. Spending of these resources is constrained either by externally imposed (statutory, bond covenant, or grantors) limitations on their use. Restricted fund balances include \$60,711,192 for capital projects and \$71,580,040 for debt service.
- Unassigned fund balance was \$361,107.
- The General Fund (Stadium Authority Fund) is the main operating fund of the Authority. The fund balance increased by \$15,294,085 from \$695,121 to \$15,989,206. The increase is the result of decreases in transfers to the Debt Service Fund and Capital Projects Fund. In fiscal year 2018 the fund made transfers to the Debt Service Fund to fund debt service reserves and Capital Projects Fund for the construction of the football stadium.
- The fund balance of the Debt Service Fund increased by \$5,936,120 mainly due to transfers of interest earnings from the Capital Projects Fund for debt service reserves.
- The fund balance of the Capital Projects Fund decreased by \$597,652,569 due to capital outlay related to the construction of the football stadium.

Budgetary Highlights

- The Stadium Authority Fund's actual total revenue was higher than the final budget by \$971,645, primarily due to higher room tax revenue than expected for the fiscal year.
- The Stadium Authority Fund's actual total expenditures and other financing uses were \$14,665,499 less than the final budget, primarily due to lower transfers to other funds than expected for the fiscal year.

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation at June 30, 2019, was \$981,613,852. Major additions during the fiscal year were for construction in progress. Detail by type of assets is summarized in the table below.

Capital Assets June 30, 2019 and 2018		
	2019	2018
Land	\$ 77,780,128	\$ 77,780,128
Construction in Progress	903,833,724	215,823,208
Total Assets	\$ 981,613,852	\$ 293,603,336

For additional information on the Authority's capital assets see note 4 in the accompanying financial statements.

Long-Term Debt

On May 1, 2018, on behalf of the Authority, Clark County, Nevada issued Clark County, Nevada General Obligation (Limited Tax) Stadium Improvement Bonds (Additionally Secured with Pledged Revenues) Series 2018A. The proceeds are being used to (i) acquire, construct, lease, improve or equip or any combination thereof, within the boundaries of the stadium district a football stadium capable of hosting the home games of the National Football League team; (ii) fund a debt service reserve fund for the Bonds; (iii) fund a capitalized interest fund; and (iv) pay the costs of issuing the Bonds. Interest payments are paid semiannually beginning December 1, 2018, with an interest rate ranging from 4.0% to 5.0%. Principal will be paid annually beginning June 1, 2019. The bonds mature on May 1, 2048.

Outstanding Debt June 30, 2019 and 2018		
	2019	2018
Revenue backed general obligation bonds	\$ 739,005,988	\$ 743,368,392

Economic Factors

The Southern Nevada economy has experienced an extended period of stability and expansion. Total employment in the region was at an all-time high of 1.02 million at the end of fiscal year 2019, and year-over-year job growth rate has consistently outpaced the national rate while ranking in the top 10 among the 30 largest metropolitan areas. The unemployment rate has fallen to pre-recession levels, and population, wages, retail spending and other key underlying economic indicators have remained on positive growth trends.

Southern Nevada's primary industry is tourism, which accounts for one-fifth of direct economic activity. The region is one of the world's top destinations for leisure and business travelers, attracting 42.3 million visitors in fiscal year 2019, including a record 6.6 million convention attendees. The region is home to nearly 147,000 hotel rooms, more than 11 million square feet of convention and meeting space, three of the 10 largest convention centers in the United States and a world-class airport that welcomed a record 50.5 million passengers in fiscal year 2019.

Visitation to Southern Nevada provides the primary revenue source for the Authority via room taxes. The amount collected is a factor of the number of hotel and motel rooms available, occupancy rate and the average daily room rate (ADR). ADR trended positively in fiscal year 2019, however, room inventory and occupancy rate remained relatively flat, which was reflected lower-than-budgeted room tax revenues for the Authority.

Investment in the Southern Nevada tourism industry remains active, with more than \$10 billion in tourism-related projects currently under construction and an additional \$8.8 billion in planned projects. The list of under-construction investments includes two new resort properties – Resorts World Las Vegas and Circa – which will expand room inventory by more than 4,200 upon completion in 2020.

These new investments will help support increased visitation to Southern Nevada, which will generate additional economic activity and stability throughout the region. It should be noted, however, that because the Southern Nevada economy is heavily reliant on tourism, future growth in that sector is reliant on the relative health and growth of the national and global economies.

Requests for Information

Questions concerning the information provided in this report or requests for additional financial information should be addressed to Las Vegas Stadium Authority c/o Applied Analysis at 6385 S. Rainbow Blvd., Suite 105, Las Vegas, NV 89118.



Basic Financial Statements
June 30, 2019

**Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada**

Clark County Stadium Authority,
 dba: Las Vegas Stadium Authority
 Clark County, Nevada
 Statement of Net Position
 June 30, 2019

	Governmental Activities
Assets	
Cash and investments	
In custody of the County Treasurer	\$ 15,942,117
In custody of Other Officials	386,716
With fiscal agent	499,994,072
Interest receivable	1,278,819
Room taxes receivable	8,879,095
Accounts receivable	38,656,695
Prepaid expenses	10,887
Capital assets not being depreciated	981,613,852
Total assets	1,546,762,253
Liabilities	
Accounts payable	110,749,352
Accounts payable - Clark County	36,000
Accrued interest	2,639,652
Long-term liabilities	
Bonds payable, due within one year	1,775,000
Bonds payable, due after one year	737,230,988
Total liabilities	852,430,992
Deferred Inflows of Resources	
Deferred amounts related to sale of future personal seat license revenues	321,699,754
Total deferred inflows of resources	321,699,754
Total liabilities and deferred inflows of resources	1,174,130,746
Net Position	
Net investment in capital assets	592,480,625
Restricted for capital projects	
Capital projects	6,265,150
Debt service	50,146,715
Unrestricted	(276,260,983)
Total net position	\$ 372,631,507

Clark County Stadium Authority,
 dba: Las Vegas Stadium Authority
 Clark County, Nevada
 Statement of Activities
 For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government
			Governmental Activities
Governmental activities:			
General government	\$ 964,897	\$ 82,958,724	\$ 81,993,827
Interest expense	28,906,586	-	(28,906,586)
Total governmental activities	29,871,483	82,958,724	53,087,241
General Revenues			
Room Taxes			49,475,894
Investment earnings			16,122,194
Total general revenues			65,598,088
Change in net position			118,685,329
Net position, beginning			253,946,178
Net position, ending			\$ 372,631,507

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada
Balance Sheet Governmental Funds
June 30, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash and investments				
In custody of the County Treasurer	\$ 15,679,222	\$ 234,451	\$ 28,444	\$ 15,942,117
On Hand	-	-	386,716	386,716
With Fiscal Agent	-	52,698,759	447,295,313	499,994,072
Interest receivable	86,931	103,434	1,088,454	1,278,819
Due from other funds	-	9,191,334	-	9,191,334
Room taxes receivable	8,879,095	-	-	8,879,095
Accounts receivable	-	-	38,656,695	38,656,695
Prepaid expenses	10,887	-	-	10,887
Total assets	<u>\$ 24,656,135</u>	<u>\$ 62,227,978</u>	<u>\$ 487,455,622</u>	<u>\$ 574,339,735</u>
Liabilities				
Accounts payable	\$ 112,941	\$ -	\$ 110,636,411	\$ 110,749,352
Due to other funds	8,517,988	-	673,346	9,191,334
Accounts payable - Clark County	36,000	-	-	36,000
Total liabilities	<u>8,666,929</u>	<u>-</u>	<u>111,309,757</u>	<u>119,976,686</u>
Deferred inflows of resources				
Personal seat license revenues	-	-	321,699,754	321,699,754
Fund balances				
Nonspendable	10,887	-	-	10,887
Restricted	15,617,212	62,227,978	54,446,111	132,291,301
Unassigned	361,107	-	-	361,107
Total fund balances	<u>15,989,206</u>	<u>62,227,978</u>	<u>54,446,111</u>	<u>132,663,295</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,656,135</u>	<u>\$ 62,227,978</u>	<u>\$ 487,455,622</u>	<u>\$ 574,339,735</u>

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2019

Total fund balance - governmental funds \$ 132,663,295

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities on the statement of net position.

Governmental capital assets	981,613,852	981,613,852
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Long-term liabilities and deferred outflows and inflows of resources, such as general obligation bonds and loans payable and compensated absences, are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities on the statement of net position.

Bonds payable	(739,005,988)	(739,005,988)
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Accrued interest payable		(2,639,652)
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Total net position - governmental activities		\$ 372,631,507
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Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds
For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues				
Room taxes	\$ 49,475,894	\$ -	\$ -	\$ 49,475,894
Investment earnings	245,751	1,614,724	14,261,719	16,122,194
Total revenues	<u>49,721,645</u>	<u>1,614,724</u>	<u>14,261,719</u>	<u>65,598,088</u>
Expenditures				
General government	964,322	575	-	964,897
Capital outlay	-	-	605,051,792	605,051,792
Debt service				
Principal		1,070,000		1,070,000
Interest		34,933,763		34,933,763
Total expenditures	<u>964,322</u>	<u>36,004,338</u>	<u>605,051,792</u>	<u>642,020,452</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,757,323</u>	<u>(34,389,614)</u>	<u>(590,790,073)</u>	<u>(576,422,364)</u>
Other financing sources (uses)				
Transfers from other funds	-	40,325,734	-	40,325,734
Transfers to other funds	<u>(33,463,238)</u>	<u>-</u>	<u>(6,862,496)</u>	<u>(40,325,734)</u>
Total other financing sources and uses	<u>(33,463,238)</u>	<u>40,325,734</u>	<u>(6,862,496)</u>	<u>-</u>
Net change in fund balances	15,294,085	5,936,120	(597,652,569)	(576,422,364)
Fund balances-beginning	<u>695,121</u>	<u>56,291,858</u>	<u>652,098,680</u>	<u>709,085,659</u>
Fund balances-ending	<u>\$ 15,989,206</u>	<u>\$ 62,227,978</u>	<u>\$ 54,446,111</u>	<u>\$ 132,663,295</u>

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ (576,422,364)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. The Stadium utilizes a capital projects fund to construct the stadium project.

Capitalized expenditures	605,051,792	
Capital contributions	<u>82,958,724</u>	
		688,010,516

Governmental funds report bond proceeds as current financial resources. In contrast, the statement of activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast the statement of activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.

Principal payments	<u>1,070,000</u>	
		1,070,000

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

Change in accrued interest	2,734,773	
Amortization of bond premiums	<u>3,292,404</u>	
		<u>6,027,177</u>

Change in net position of governmental activities		<u><u>\$ 118,685,329</u></u>
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Note 1 - Summary of Significant Accounting Policies

The Reporting Entity

The Clark County Stadium Authority, dba: Las Vegas Stadium Authority (the "Stadium") was created on October 17, 2016, by Senate Bill 1 during the 30th Special Session of the Nevada State Legislature in 2016 to provide a pathway for the construction, development and operation of an NFL stadium in Clark County, Nevada.

The organization and funding of the Stadium are governed by Senate Bill 1. The governing board (the "Board") includes three representatives appointed by the Nevada Governor's Office, three representatives appointed by the Clark County Commission, two representatives appointed by the Stadium Authority Board of Directors and one representative appointed by the University of Nevada, Las Vegas. The Stadium is funded by a 0.88 percent tax on rooms rented on the Strip and some adjacent areas to the west and south, and a 0.5 percent tax on rooms within the remainder of the stadium district as defined in Senate Bill 1.

The Stadium is an integral part of the Clark County, Nevada financial reporting entity and as such, the Stadium is considered a component unit of the County. The accounting policies of the Stadium conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Stadium. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. All governmental funds are considered to be major funds and they are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 year or within 90 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Room taxes and interest revenue associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues in the current year.

The Stadium reports the following major governmental funds:

Stadium Authority General Fund – this is the general operating fund of the Stadium. The general operating fund is used to account for all resources and cost of operations traditionally associated with governments, which are not accounted for and reported in other funds.

Stadium Debt Service Fund - this fund is used to account for the payment of principal and interest, and the cost of operations associated with the debt service for the Stadium's general obligation debt.

Stadium Capital Projects Fund - this fund is used to account for the costs of constructing the stadium paid from bond proceeds, room tax revenues, and interest earnings.

Assets, Liabilities and Deferred Inflows of Resources and Net Position or Equity

Cash and Investments

The majority of all cash and investment transactions of the Stadium are held with a fiscal agent. These investments are invested by third-party trustees in various securities. The remaining cash and investment transactions of the Stadium are handled by the Clark County Treasurer's office. Cash balances are combined and invested as permitted by law in combination with Clark County funds. Investments are reported at fair value on the balance sheet and statement of net position. Changes in the fair value of investments are included in investment income of the individual funds.

Investments are reported at fair value on the balance sheet and statement of net position. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Changes in the fair value of Stadium investments are part of interest earnings of the individual fund.

Accounts Receivable

The accounts receivable are shown net of any provision for doubtful accounts.

Capital Assets

Capital assets, which include construction in progress and land are reported in the government-wide financial statements.

The Stadium will be depreciated once the construction is complete and the Stadium is placed in service. Prior to that time, all construction is reported as construction in progress.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as prepaid bond insurance and deferred losses, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources whereas discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Under the provisions of GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, the Stadium has elected to record the purchased revenues related to personal seat licenses as deferred inflows of resources.

Net position or Equity

In the government-wide statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – Capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.

- Restricted net position – Net position with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, the classifications of fund balance represent amounts that are not subject to appropriation or are legally segregated for a specific purpose. The following classifications have been implemented by the Stadium:

- Nonspendable – amounts that are not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact.
- Restricted – amounts constrained to specific purposes by external providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed – amounts constrained to specific purposes by the Stadium itself, using its highest level of decision-making authority, the Stadium Authority Board of Directors (the Board). To be reported as committed, the Board must take formal action, via entering into interlocal agreements or professional service contracts, prior to the end of the reporting period. Amounts cannot be used for any other purpose unless the Board takes the same formal action to remove or change the constraint.
- Assigned – amounts the Stadium intends to use for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future uses of the Stadium's ending fund balance. The Board has authority to assign amounts of ending fund balance.
- Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Stadium considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Stadium considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Note 2 - Stewardship, Compliance and Accountability

Compliance with Nevada Revised Statutes

Per NRS 354.626, no governmental agency may expend or contract to expend funds in excess of amounts appropriated for that function. The Stadium is required to report and explain expenditures or contracts to expend that exceeded budgeted appropriations for the General Fund, Special Revenue, Debt Service, and Capital Project Funds. As of June 30, 2019, the expenditures, including transfers out, in the Capital Projects Fund were \$611,914,288 exceeding budgeted appropriations by \$103,914,288. These expenditures include \$282,750,604 funded by the sale of personal seat licenses. In accordance with GASB Statement No. 48, *Sale and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, the revenues from the sale of personal seat licenses has been recorded as a deferred inflow. The revenues will be recognized after the first game is played in the football stadium. Because these revenues have not been recognized, the Stadium did not have an available revenue resource or fund balance to budget appropriations for these expenditures causing the budget violation.

Note 3 - Cash and Investments

The majority of all cash and investments of the Stadium are included in the investment pool of the Clark County Treasurer (the "Treasurer") and the Stadium's trustees, the Bank of New York Mellon and U.S. Bank. As of June 30, 2019, these amounts are distributed as follows:

Cash and investments held in Clark County Investment Pool	\$ 15,942,117
In custody of other officials	386,716
Cash with fiscal agents	<u>499,994,072</u>
Grand Total	<u><u>\$ 516,322,905</u></u>

Clark County Investment Pool

The Treasurer invests monies held both by individual funds and through a pooling of monies. The pooled monies, referred to as the investment pool, are invested as a whole and not as a combination of monies from each fund belonging to the pool. In this manner, the Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned monthly to each fund in the pool based on the average daily cash balance of the fund for the month in which the investments mature.

According to state statutes, County monies must be deposited with federally insured banks and savings and loan associations within the County. The Treasurer is authorized to use demand accounts, time accounts, and certificates of deposit.

State statutes do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible state investments. Permissible state investments are similar to allowable County investments described below except that some state investments are longer term and include securities issued by municipalities outside the state of Nevada.

Due to the nature of the investment pool, it is not possible to separately identify any specific investment as being that of the Stadium. Instead, the Stadium owns a proportionate share of each investment, based on the Stadium's participation percentage in the investment pool.

Interest Rate Risk

Through its investment policy, the County manages its exposure to fair value losses arising from increasing interest rates by limiting the duration of its investment portfolio to less than 2.5 years. The County's investment policy limits investment portfolio maturities for certain investment instruments as follows: U.S. Treasury and U.S. agencies to less than ten years; bankers' acceptances to 180 days maturity; commercial paper to 270 days maturity; certificates of deposit to 1 year maturity; corporate notes and bonds to 5 years maturity; and repurchase agreements to 90 days maturity.

Interest Rate Sensitivity

At June 30, 2019, the County invested in the following types of securities that have a higher sensitivity to interest rates:

Callable Securities are directly affected by the movement of interest rates. Callable securities allow the issuer to redeem or call a security before maturity, one time or generally on coupon dates.

Asset Backed Securities are financial securities backed by a loan, lease, or receivable against assets other than real estate and mortgage backed securities. These securities are subject to interest rate risk in that the value of the assets fluctuates inversely with changes in the general levels of interest rates.

Credit Risk

The County's investment policy applies the prudent-person rule: "In investing the County's monies, there shall be exercised the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Concentrations of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to no more than five percent of the Clark County investment pool.

GASB 31

GASB Statement No. 31 requires the County to adjust the carrying amount of its investment portfolio to reflect the change in fair or market values. Interest revenue is increased or decreased in relation to this adjustment of unrealized gain or loss. Net interest income in the funds reflects this positive or negative market value adjustment.

Trustee Cash

The Stadium utilizes two Trustee's to service their debt and capital outlay, Bank of New York Mellon and U.S. Bank, respectively.

As of June 30, 2019, the \$499,994,072 held by the Trustees were invested in short-term investments with entities as indicated in the tables below:

Investment Type	Investment Maturities (in Years)		
	Fair Value June 30, 2019	Less Than 1	1 to 3
United States Treasury Notes	\$ 372,657,236	\$362,672,036	\$ 9,985,200
United States Treasury Bills	10,021,624	10,021,624	-
First American Treasury Obligation	115,414,423	105,343,323	10,071,100
Morgan Stanley Money Market Funds	1,900,789	1,900,789	-
	<u>\$ 499,994,072</u>	<u>\$ 479,937,772</u>	<u>\$ 20,056,300</u>

Investment Ratings	Moody's	S&P
United States Treasury Notes	Aaa	AA+
United States Treasury Bills	Aaa	AA+
First American Treasury Obligation	Aaa	AA+
Morgan Stanley Money Market Funds	N/A	N/A

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 77,780,128	\$ -	\$ -	\$ 77,780,128
Construction in progress	<u>215,823,208</u>	<u>688,010,516</u>	<u>-</u>	<u>903,833,724</u>
Total capital assets not being depreciated	<u>293,603,336</u>	<u>688,010,516</u>	<u>-</u>	<u>981,613,852</u>
Governmental activities capital assets	<u><u>\$ 293,603,336</u></u>	<u><u>\$ 688,010,516</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 981,613,852</u></u>

Note 5 - Interfund Balances and Transfers

The composition of interfund balances at June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 8,517,988
	Capital Projects Fund	<u>673,346</u>
		<u><u>\$ 9,191,334</u></u>

These balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2019, consisted of the following:

<u>Transfers In:</u>	<u>Transfers Out:</u>		
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Debt service fund	<u><u>\$ 33,463,238</u></u>	<u><u>\$ 6,862,496</u></u>	<u><u>\$ 40,325,734</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 6 - Long-Term Liabilities

Bonds payable at June 30, 2019, are comprised of the following bonds:

Series	Purpose	Date Issued	Date of Final Maturity	Interest Rate	Original Amount	Balance June 30, 2019
2018A	Construction	05/01/18	05/01/48	4.00-5.00%	\$ 645,145,000	\$ 644,075,000
Total general obligation bonds					<u>\$ 645,145,000</u>	<u>\$ 644,075,000</u>

Summary of Debt Service – The annual debt service requirements to maturity are as follows:

Year ending June 30,	Total Principal	Total Interest	Total
2020	\$ 1,775,000	\$ 32,203,750	\$ 33,978,750
2021	2,545,000	32,115,000	34,660,000
2022	3,365,000	31,987,750	35,352,750
2023	4,240,000	31,819,500	36,059,500
2024	5,175,000	31,607,500	36,782,500
2025 - 2029	42,140,000	153,112,000	195,252,000
2030 - 2034	76,190,000	139,377,000	215,567,000
2035 - 2039	121,985,000	116,016,250	238,001,250
2040 - 2044	183,010,000	79,763,000	262,773,000
2045 - 2048	203,650,000	26,135,292	229,785,292
	<u>\$ 644,075,000</u>	<u>\$ 674,137,042</u>	<u>\$ 1,318,212,042</u>

There are a number of limitations and restrictions contained in the bond indentures. The Stadium is in compliance with all significant limitations and restrictions.

Pledged Revenues

The Stadium has pledged future receipts from the levy of the room taxes imposed pursuant to Section 33 of the Act and the Room Tax Ordinance. The total principal and interest remaining to be paid on the bonds is \$1,318,212,042. Principal and interest paid for the current year and pledged revenues received were as follows:

Pledged revenues - room taxes	\$ 49,475,894
Debt service	36,003,763
Coverage	1.37

Clark County Stadium Authority,
 dba: Las Vegas Stadium Authority
 Clark County, Nevada
 Notes to Financial Statements
 June 30, 2019

Changes in Long-Term Liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 645,145,000	\$ -	\$ (1,070,000)	\$ 644,075,000	\$ 1,775,000
Plus: issuance premiums	98,223,392	-	(3,292,404)	94,930,988	-
Total long-term liabilities	<u>\$ 743,368,392</u>	<u>\$ -</u>	<u>\$ (4,362,404)</u>	<u>\$ 739,005,988</u>	<u>\$ 1,775,000</u>

Note 7 - Commitments

In March 2018, the Authority approved a series of documents related to the construction and operation of the stadium project. These agreements are primarily between the Clark County Stadium Authority and LV Stadium Events Company LLC (“StadCo”), the developer and operator of the stadium, as well as other entities. The agreements include, but are not limited to, the following: the Stadium Development Agreement, generally relating to the funding and construction of the stadium project; the Stadium Lease Agreement, generally relating to the operation of the stadium upon completion; the Construction Funds Trust Agreement and the Stadium Disbursing Agreement, generally relating to the management and disbursement of project funds; the Authority PSL Account Agreement, the PSL Sales and Marketing Agreement and the Purchase and Sale Agreement, generally relating to the marketing, sales and revenues of personal seat licenses; and other legal agreements related to various aspects of the project.



Required Supplementary Information
June 30, 2019

**Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada**

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada

General Fund (Stadium Authority Fund)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the year ended June 30, 2019

	2019			
	Original Budget	Final Budget	Actual	Variance
Revenues				
Intergovernmental Revenue				
Room tax	\$ 18,256,790	\$ 48,700,000	\$ 49,475,894	\$ 775,894
Investment Earnings	10,000	50,000	245,751	195,751
Total revenues	18,266,790	48,750,000	49,721,645	971,645
Expenditures				
Current				
Service and supplies	2,096,500	950,889	964,322	13,433
Total expenditures	2,096,500	950,889	964,322	13,433
Other Financing Uses				
Transfers to other funds	16,170,290	48,494,232	33,815,300	(14,678,932)
Total expenditures and other financing uses	18,266,790	49,445,121	34,779,622	(14,665,499)
Net change in fund balance	-	(695,121)	14,942,023	15,637,144
Fund Balances - Beginning	-	695,121	695,121	-
Fund Balances - Ending	\$ -	\$ -	\$ 15,637,144	\$ 15,637,144

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada

Reconciliation of General Fund Budgetary Information to General Fund GAAP Information
For the year ended June 30, 2019

	<u>General Fund Budgetary Basis</u>	<u>Waterfall Residual Fund (Internally Reported)</u>	<u>Eliminations</u>	<u>General Fund as reported on statement of revenues, expenditures and changes in fund balances (GAAP Basis)</u>
Revenues				
Intergovernmental Revenue				
Room tax	\$ 49,475,894	\$ -	\$ -	\$ 49,475,894
Investment Earnings	245,751	-	-	245,751
Total revenues	49,721,645	-	-	49,721,645
Other Financing Sources				
Transfers from other funds	-	352,062	(352,062)	-
Total other financing sources	-	352,062	(352,062)	-
Total revenues and other financing sources	49,721,645	352,062	(352,062)	49,721,645
Expenditures				
Current				
Service and supplies	964,322	-	-	964,322
Total expenditures	964,322	-	-	964,322
Other Financing Uses				
Transfers to other funds	33,815,300	-	(352,062)	33,463,238
Total expenditures and other	34,779,622	-	(352,062)	34,427,560
Net change in fund balance	14,942,023	352,062	-	15,294,085
Fund Balances - Beginning	695,121	-	-	695,121
Fund Balances - Ending	<u>\$ 15,637,144</u>	<u>\$ 352,062</u>	<u>\$ -</u>	<u>\$ 15,989,206</u>

Note 1 - Budgetary Information

The Stadium uses the following procedures to establish, modify, and control the budgetary data presented in the financial statements:

- a. Prior to April 15, the Stadium Board submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the Stadium of its acceptance of the budget.
- c. Public hearings are conducted on the third Monday in May.
- d. After all changes have been noted and hearings closed, the Stadium adopts the budget on or before June 1.
- e. The Stadium's administrative contractor is authorized to transfer budgeted amounts within functions or funds, and any other transfers must be approved by the Stadium Board.
- f. Increases to a fund's budget (augmentations) other than by transfers are accomplished through formal Stadium Board action.
- g. Statutory regulations require budget control to be exercised at the function level within the Stadium Authority fund, which serves as the Stadium's general fund. The Stadium administratively exercises control at the budgeted item level within a department.
- h. All appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing fiscal year up to the amount of available opening fund balance.
- i. Budgeted amounts as originally adopted for the year ended June 30, 2019, were augmented for grants and other Board actions.
- j. Budgets are adopted on a basis consistent with the method used to report on governmental funds, which are prepared in accordance with the accounting principles generally accepted in the United States of America.

Note 2 - Reconciliation of General Fund Budgetary Information to General Fund GAAP Information

This statement reconciles the general fund as presented for budget purposes to the presentation required under the modified accrual basis of accounting.



Supplementary Information
June 30, 2019

**Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada**

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada
Waterfall Reserve Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the year ended June 30, 2019

	2019			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Investment Earnings	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Other Financing Sources				
Transfers from other funds	6,920,290	2,800,989	352,062	(2,448,927)
Total other financing sources	<u>6,920,290</u>	<u>2,800,989</u>	<u>352,062</u>	<u>(2,448,927)</u>
Total revenues and other financing sources	<u>6,945,290</u>	<u>2,825,989</u>	<u>352,062</u>	<u>(2,473,927)</u>
Expenditures				
Capital outlay	7,922,066	3,802,765	-	(3,802,765)
Total expenditures	<u>7,922,066</u>	<u>3,802,765</u>	<u>-</u>	<u>(3,802,765)</u>
Net change in fund balance	(976,776)	(976,776)	352,062	1,328,838
Fund Balances - Beginning	<u>976,776</u>	<u>976,776</u>	<u>-</u>	<u>(976,776)</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 352,062</u>	<u>\$ 352,062</u>

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada
Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the year ended June 30, 2019

	2019			
	Original Budget	Final Budget	Actual	Variance
Revenues				
Intergovernmental Revenue				
Room tax	\$ 32,743,210	\$ -	\$ -	\$ -
Investment Earnings	250,000	250,000	1,614,724	1,364,724
Total revenues	<u>32,993,210</u>	<u>250,000</u>	<u>1,614,724</u>	<u>1,364,724</u>
Other Financing Sources				
Transfers from other funds	17,250,000	47,917,788	40,325,734	(7,592,054)
Total other financing sources	<u>17,250,000</u>	<u>47,917,788</u>	<u>40,325,734</u>	<u>(7,592,054)</u>
Total revenues and other financing sources	<u>50,243,210</u>	<u>48,167,788</u>	<u>41,940,458</u>	<u>(6,227,330)</u>
Expenditures				
Services and supplies	250,000	250,000	575	(249,425)
Principal	1,070,000	1,070,000	1,070,000	-
Interest	34,933,763	34,933,763	34,933,763	-
Total expenditures	36,253,763	36,253,763	36,004,338	(249,425)
Net change in fund balance	13,989,447	11,914,025	5,936,120	(5,977,905)
Fund Balances - Beginning	<u>59,069,850</u>	<u>59,069,850</u>	<u>56,291,858</u>	<u>(2,777,992)</u>
Fund Balances - Ending	<u>\$ 73,059,297</u>	<u>\$ 70,983,875</u>	<u>\$ 62,227,978</u>	<u>\$ (8,755,897)</u>

Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
For the year ended June 30, 2019

	2019			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Investment Earnings	\$ 8,000,000	\$ 8,000,000	\$ 14,261,719	\$ 6,261,719
Total revenues	<u>8,000,000</u>	<u>8,000,000</u>	<u>14,261,719</u>	<u>6,261,719</u>
Total revenues and other financing sources	<u>8,000,000</u>	<u>8,000,000</u>	<u>14,261,719</u>	<u>6,261,719</u>
Expenditures				-
Capital outlay	500,000,000	505,775,455	605,051,792	99,276,337
Total expenditures	<u>500,000,000</u>	<u>505,775,455</u>	<u>605,051,792</u>	<u>99,276,337</u>
Other Financing Uses				
Transfers to other funds	8,000,000	2,224,545	6,862,496	4,637,951
Total expenditures and other financing uses	<u>508,000,000</u>	<u>508,000,000</u>	<u>611,914,288</u>	<u>103,914,288</u>
Net change in fund balance	(500,000,000)	(500,000,000)	(597,652,569)	(97,652,569)
Fund Balances - Beginning	<u>500,000,000</u>	<u>500,000,000</u>	<u>652,098,680</u>	<u>152,098,680</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,446,111</u>	<u>\$ 54,446,111</u>



Comments of Independent Auditors
June 30, 2019

**Clark County Stadium Authority,
dba: Las Vegas Stadium Authority
Clark County, Nevada**



**Independent Auditor's 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***

To the Honorable Clark County Stadium Authority,
dba: Las Vegas Stadium Authority Board of Directors
and the Honorable Board of County Commissioners
Clark County, 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 of the Clark County Stadium Authority, dba: Las Vegas Stadium Authority, Clark County, Nevada (the "Stadium"), a component unit of Clark County, Nevada, as of and for the year ended June 30, 2019, which collectively comprise the Stadium's basic financial statements and have issued our report thereon dated November 12, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Stadium'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stadium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Stadium'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be 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 Stadium's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Las Vegas, Nevada
November 12, 2019



Auditor's Comments

To the Honorable Clark County Stadium Authority,
dba: Las Vegas Stadium Authority Board of Directors
and the Honorable Board of County Commissioners
Clark County, Nevada

In connection with our audit of the financial statements of the governmental activities and the major funds of the Clark County Stadium Authority, dba: Las Vegas Stadium Authority, Clark County (the "Stadium") as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Stadium, failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Stadium's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

CURRENT YEAR STATUTE COMPLIANCE

The Stadium conformed to all significant statutory constraints on its financial administration during the year.

CURRENT YEAR RECOMMENDATIONS

We noted no material weaknesses and reported no significant deficiencies in internal controls.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Las Vegas, Nevada
November 12, 2019