



February 5, 2018

To the Board of  
Clark County Stadium Authority  
Dbas: 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 period from October 17, 2016 (date of creation) through June 30, 2017, and have issued our report thereon dated February 5, 2018. 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 February 3, 2017, 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.

### **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 2017. 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 February 5, 2018.

## **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, dba: Las Vegas 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 Clark County Stadium Authority, dba: Las Vegas 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.

Very truly yours,

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

Las Vegas, Nevada



Financial Statements  
June 30, 2017

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

Clark County Stadium Authority,  
dba: Las Vegas Stadium Authority  
Clark County, Nevada  
Table of Contents  
June 30, 2017

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Officials.....	1
Financial Section	
Independent Auditor’s Report.....	2
Management’s Discussion and Analysis.....	5
Basic Financial Statements	
Governmental Funds Balance Sheet/Statement of Net Position .....	9
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities .....	10
Notes to Financial Statements.....	11
Required Supplementary Information	
General Fund (Stadium Authority Fund)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual .....	17
Notes to Required Supplementary Information .....	18
Comments of Independent Auditors	
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 <i>Government Auditing Standards</i> .....	20
Auditor's Comments.....	22

Stadium Authority Board of Directors

Steve Hill, Chairman	Executive Director, Governor's Office of Economic Development
Ike Lawrence Epstein, Vice-Chairman	Sr. Executive Vice President/COO, UFC
Jan Jones Blackhurst	Executive Vice President, Caesars Entertainment
Ken Evans	President, Urban Chamber of Commerce
Dallas Haun	President/CEO, Nevada State Bank
Bill Hornbuckle	President, MGM Resorts International
Mike Newcomb	Executive Director, Thomas & Mack Center
J. Tito Tiberti	Former President, J.A. Tiberti Construction
Tommy White	Business Manager-Secretary Treasurer, Laborers International Union, Local 782
Laura Fitzpatrick	Treasurer, Clark County



Financial Section  
June 30, 2017

**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 the major fund of the Clark County Stadium Authority, dba: Las Vegas Stadium Authority, Clark County, Nevada (the "Authority"), a component unit of Clark County, Nevada (the "County"), as of and for the period from October 17, 2016 (date of creation) through June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority'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.

## **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 Authority as of June 30, 2017, and the respective changes in financial position thereof for the period 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 14 and the budgetary comparison schedule on pages 17-18 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 Authority's basic financial statements as a whole. The individual fund schedule, 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 schedule 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 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 schedule is 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 February 5, 2018 on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.

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

Las Vegas, Nevada  
February 5, 2018

Management of the Clark County Stadium Authority dba Las Vegas Stadium Authority (the "Stadium") 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 period from October 17, 2016 (date of creation) through June 30, 2017. This narrative is intended as a supplement and should be read in conjunction with the financial statements.

### 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 reports one major governmental fund, the *General Fund*, which is the general operating fund of the Authority. The Authority adopts an annual appropriated budget for the *General Fund* and a budgetary comparison statement is provided.

- 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.

Financial Highlights

- Fund balance/net position at June 30, 2017 totaled \$16,608,386. Of the total fund balance, \$10,600 was reported as nonspendable; the entire balance of net position was unrestricted.
- Outstanding accounts payable at year-end were \$220,879. This amount represents amounts payable for legal services, public relations, and amounts payable to Clark County, Nevada for administrative fees.
- Room tax revenues comprised \$17,174,059 of the increase in fund balance/net position of \$16,608,386 during the year.

Government-Wide Financial Analysis

	Net Position June 30, 2017
	2017
Assets	
Cash and investments	\$ 12,666,528
Room taxes receivable	4,119,771
Interest receivable	32,366
Prepaid expenses	10,600
Total assets	16,829,265
Liabilities	
Accounts payable	220,879
Net Position	\$ 16,608,386

Changes in Net Position  
 For the period from October 17, 2016 (date of creation) through June 30, 2017

	2017
General Revenues	
Room tax revenues	\$ 17,174,059
Investment earnings	(9,958)
Total Revenues	17,164,101
Expenses	
Stadium operations expense	555,393
Interest expense	322
Total Expenses	555,715
Change in Net Position	16,608,386
Net Position	
Beginning of year	-
End of year	\$ 16,608,386

- Fiscal year ending June 30, 2017 was the Authority's first year of operations. As such, a comparison to the previous fiscal year is not possible. However, as noted earlier, net position may serve as a useful indicator of the Authority's financial position. The Authority's assets exceeded its liabilities by \$16,608,386 at June 30, 2017. The Authority received room tax revenues for the first time during fiscal year 2017 in the amount of \$17,174,059. The Authority's investment earnings were (\$9,958) for fiscal year 2017. The Authority's operational expenses were \$555,393 and interest expenses totaled \$322 for fiscal year 2017, resulting in a change in net position of \$16,608,386.

Financial Analysis of the Authority's Funds

- At June 30, 2017, the Authority's one governmental fund, the *General Fund*, reported an ending fund balance of \$16,608,386.
- Fund balance components have been classified as nonspendable 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 \$10,600 and consists of prepaid expenses. The remaining fund balance of \$16,597,786 was classified as unassigned and available to support the general operations of the Authority.

Budgetary Highlights

- The *General Fund's* actual total revenue exceeded the final budget by \$2,339,101, primarily due to greater room tax revenue than expected for the fiscal year.
- The *General Fund's* actual total expenditures were \$14,269,285 less than the final budget, primarily due to no capital outlay expenditures occurring during the fiscal year, which had been budgeted for.

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, 2017

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

Clark County Stadium Authority,  
 dba: Las Vegas Stadium Authority  
 Clark County, Nevada  
 Governmental Funds Balance Sheet/Statement of Net Position  
 June 30, 2017

	General Fund	Adjustments	Statement of Net Position
<b>Assets</b>			
<b>Cash and Investments</b>			
In custody of the County Treasurer	\$ 12,666,528	\$ -	\$ 12,666,528
Room taxes receivable	4,119,771	-	4,119,771
Interest receivable	32,366	-	32,366
Prepaid expenses	10,600	-	10,600
Total assets	<u>\$ 16,829,265</u>	<u>\$ -</u>	<u>\$ 16,829,265</u>
<b>Liabilities</b>			
Accounts payable	\$ 202,879	\$ -	\$ 202,879
Accounts payable - Clark County	18,000	-	18,000
Total liabilities	220,879	-	220,879
<b>Fund Balances/Net Position</b>			
<b>Fund balances:</b>			
Nonspendable	10,600		
Unassigned	16,597,786	-	-
Total fund balances	16,608,386	-	-
Total liabilities and fund balances	<u>\$ 16,829,265</u>		
<b>Net Position:</b>			
Unrestricted		-	16,608,386
<b>Total Net Position</b>		<u>\$ -</u>	<u>\$ 16,608,386</u>

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

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities  
For the period from October 17, 2016 (date of creation) through June 30, 2017

	General Fund	Adjustments	Statement of Activities
Expenditures/Expenses:			
Stadium authority operations	\$ 555,393	\$ -	\$ 555,393
Debt service:			
Interest	322		322
Total expenditures/expenses	555,715	-	555,715
General Revenues:			
Room taxes	17,174,059	-	17,174,059
Investment earnings	(9,958)	-	(9,958)
Total general revenues	17,164,101	-	17,164,101
Excess of revenues over expenditures	16,608,386		
Change in net position		-	16,608,386
Fund Balance/Net Position:			
Beginning of the year	-	-	-
End of the year	\$ 16,608,386	\$ -	\$ 16,608,386

## **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 Authority 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 Authority 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 Authority is an integral part of the Clark County, Nevada financial reporting entity and as such, the Authority is considered a component unit of the County. The accounting policies of the Authority 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 Authority. 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. The Authority has only one governmental fund, which is treated as a major fund.

### **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 60 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.

Sales taxes, interest revenue, and charges for services associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues in the current year.

The Authority reports the following major governmental fund:

*Stadium Authority Fund* – this is the general operating fund of the Authority. 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.

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

#### **Cash and Investments**

All of the cash and investment transactions of the Authority 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. 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.

#### **Fund Balances**

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 Authority:

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 Authority 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 Authority intends to use for a specific purpose. These assignments, however, are not legally binding and are meant to reflect intended future uses of the Authority'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 Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

### **Subsequent Events**

The Authority has evaluated subsequent events through February 5, 2018, the date which the financial statements were available to be issued.

## **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 Authority is required to report and explain expenditures or contracts to expend that exceeded budgeted appropriations for the General Fund, Special Revenue, and Capital Project Funds. As of June 30, 2017, the Authority had no exceptions to report.

### **Note 3 - Cash and Investments**

All cash and investments of the Authority are included in the investment pool of the Clark County Treasurer (the Treasurer). As of June 30, 2017, these amounts are as follows:

Cash and investments held in Clark County Investment Pool	<u><u>\$ 12,666,528</u></u>
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#### 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 Authority. Instead, the Authority owns a proportionate share of each investment, based on the Authority's participation percentage in the investment pool. As of June 30, 2017 the \$12,666,528 of Stadium investments transactions held in the investment pool are categorized as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 3</u>	<u>3 to 5</u>	<u>More than 5</u>
U.S. Treasury Obligations	33.2%	0.0%	41.1%	58.9%	0.0%
U.S. Agency Obligations	27.9%	24.0%	41.5%	34.6%	0.0%
Corporate Obligations	19.6%	26.3%	50.3%	23.5%	0.0%
Money Market Funds	0.8%	100.0%	0.0%	0.0%	0.0%
Commercial Paper	11.6%	100.0%	0.0%	0.0%	0.0%
Negotiable CD	2.8%	100.0%	0.0%	0.0%	0.0%
NV LGIP	0.7%	100.0%	0.0%	0.0%	0.0%
Collateralized Mortgage Obligations	3.5%	4.2%	3.9%	79.5%	12.4%
	<u>100.0%</u>				

*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, 2017, 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.

At June 30, 2017, the following investment types were held in interest rate sensitive securities:

Investment Type	Percentage of total held in interest rate sensitive Securities
U.S. Agency Obligations	3.5%
Asset Backed securities	3.6%

*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.”

Investment Type Debt Securities	Quality Ratings by Moody's Investors Service				
	Aaa	Aa	A	P	Unrated
U.S. Treasury Obligations	100.0%	0.0%	0.0%	0.0%	0.0%
U.S. Agency Obligations	91.3%	0.0%	0.0%	8.7%	0.0%
Corporate Obligations	6.2%	33.2%	60.6%	0.0%	0.0%
Money Market Funds	100.0%	0.0%	0.0%	0.0%	0.0%
Commercial Paper	0.0%	0.0%	0.0%	100.0%	0.0%
Negotiable CD	0.0%	0.0%	0.0%	100.0%	0.0%
NV LGIP	0.0%	0.0%	0.0%	0.0%	100.0%
Collateralized Mortgage Obligations	64.6%	0.0%	0.0%	0.0%	35.4%

*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.

At June 30, 2017, the following investments exceeded five percent of the total cash and investments for all entities combined:

Federal Home Loan Banks (FHLB)	6.30%
Federal Home Loan Mortgage Corporation (FHLMC)	8.37%
Federal National Mortgage Association (FNMA)	12.64%
Morgan Stanley Money Market Funds (MSGF)	5.36%

*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.

**Note 4 - Commitments**

In December 2016 the Authority agreed to terms with Applied Analysis to perform various administrative services on behalf of the Authority. The agreement was for a minimum twelve month period from the date of approval at a rate not to exceed \$25,000 in fees per month. In July 2017 this agreement was extended from twelve months to fifteen months with a \$375,000 cap instead of the original \$25,000 monthly cap. Additionally, any remaining funds will be paid to Applied Analysis for work not already compensated.

In May 2017 the Authority board approved the Authority Operating Lease between the Clark County Stadium Authority Board and the Raiders' Stadium Events Company (StadCo) with final approval conditioned on the Authority making all findings required under Section 29.1 of the Southern Nevada Tourism Improvements Act (Senate Bill 1) and the Authority's approval of all project documents referenced in the Authority Operating Lease. As of the year ended June 30, 2017, no financial commitments exist between the Authority and StadCo as a result of this lease.



Required Supplementary Information  
June 30, 2017

**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 period from October 17, 2016 (date of creation) through June 30, 2017

	2017			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental Revenue				
Room tax	\$ 14,800,000	\$ 14,800,000	\$ 17,174,059	\$ 2,374,059
Interest earnings	25,000	25,000	(9,958)	(34,958)
Total revenues	14,825,000	14,825,000	17,164,101	2,339,101
Expenditures				
Current:				
Service and supplies	1,000,000	1,000,000	555,393	(444,607)
Capital outlay	13,825,000	13,825,000	-	(13,825,000)
Debt service:				
Interest	-	-	322	322
Total expenditures	14,825,000	14,825,000	555,715	(14,269,285)
Excess of Revenues over Expenditures	-	-	16,608,386	16,608,386
Fund Balance				
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,608,386</u>	<u>\$ 16,608,386</u>

### **Note 1 - Budgetary Information**

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

- a. Prior to April 15, the Authority 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 Authority 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 Authority adopts the budget on or before June 1.
- e. The Authority's administrative contractor is authorized to transfer budgeted amounts within functions or funds, and any other transfers must be approved by the Authority 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 Authority's general fund. The Authority 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 period from October 17, 2016 (date of creation) through June 30, 2017, were augmented for grants and other Board actions.
- k. 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.



Comments of Independent Auditors  
June 30, 2017

**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, NV, as of and for the period from October 17, 2016 (date of creation) through June 30, 2017, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 5, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 cursive script that reads "Eide Sully LLP".

Las Vegas, Nevada  
February 5, 2018



### **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 fund of the Clark County Stadium Authority, dba: Las Vegas Stadium Authority, Clark County (the "Stadium") as of and for the period from October 17, 2016 (date of creation) through June 30, 2017, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Authority, 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 Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

#### CURRENT YEAR STATUTE COMPLIANCE

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

#### CURRENT YEAR RECOMMENDATIONS

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

*Eide Bailly LLP*

Las Vegas, Nevada  
February 5, 2018