



Financial Statements  
June 30, 2018

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

Clark County Stadium Authority,  
 dba: Las Vegas Stadium Authority  
 Clark County, Nevada  
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 June 30, 2018

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Stadium Authority Board of Directors

Steve Hill, Chairman	Executive Director, Governor's Office of Economic Development
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Jan Jones Blackhurst	Executive Vice President, Caesars Entertainment
Ken Evans	President, Urban Chamber of Commerce
Scott Nielson	President, Nielson Consulting LLC
Bill Hornbuckle	President, MGM Resorts International
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Tommy White	Business Manager-Secretary Treasurer, Laborers International Union, Local 782
Laura Fitzpatrick	Treasurer, Clark County



Financial Section  
June 30, 2018

**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, 2018, 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.

## **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, 2018, 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 schedule on pages 28-29 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 January 14, 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 Sully LLP".

Las Vegas, Nevada  
January 14, 2019

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 Stadium's financial activities for the fiscal year ended June 30, 2018. 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 Stadium's financial statements are presented fairly in all material respects.
- The Stadium's net position increased by \$237,337,792, from \$16,608,386 as of June 30, 2017 to \$253,946,178 as of June 30, 2018. Unrestricted net position was \$ (47,843,974), a decrease of \$64,452,360 from the prior year.
- Net capital assets were \$293,606,336, an increase from the prior year. Construction of the stadium commenced in fiscal year 2018.
- At year-end, bonds payable totaled \$743,368,392, an increase from the prior year as a result of the issuance of the Series 2018A bonds with final maturity on May 1, 2048.
- Room tax revenues increased by \$ 31,399,959, resulting from fiscal year 2018 being the first full year of room tax collections.
- Expenses increased by \$6,828,019, primarily due to interest on long-term debt and bond issuance costs.

#### Overview of the Financial Statements

The Stadium's financial statements include the following components:

- Government-Wide Financial Statements
  - Statement of Net Position – This statement presents information on the Stadium'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 Stadium is improving or deteriorating.
  - Statement of Activities – This statement presents information showing how the Stadium'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 Stadium'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 Stadium'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 Stadium reports on governmental funds. The Stadium adopts an annual appropriated budget for these three governmental funds. A budgetary comparison statement is provided for each of the Stadium'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 Stadium are presented as follows:

	Net Position June 30, 2018 and 2017	
	2018	2017
Assets		
Current and other assets	\$ 796,355,225	\$ 16,829,265
Net capital assets	293,603,336	-
Total Assets	1,089,958,561	16,829,265
Liabilities		
Long-term liabilities	743,368,392	-
Other liabilities	52,493,991	220,879
Total Liabilities	795,862,383	220,879
Deferred inflows	40,150,000	-
Net Position		
Net investment in capital assets	275,426,337	-
Restricted	26,363,815	-
Unrestricted	(47,843,974)	-
Total net position	\$ 253,946,178	\$ 16,608,386

- As noted earlier, net position may serve over time as a useful indicator of the Stadium's financial position. Assets exceeded liabilities and deferred inflows by \$253,946,178 as of June 30, 2018 and by \$16,608,386 as of June 30, 2017, a net increase of \$237,337,792.
- The largest portion of the Stadium's net position at June 30, 2018 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 Stadium's investments in its capital assets is 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.
- 10 % of the Stadium'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.

- The remaining portion of the Stadium's net position is unrestricted, but is negative at \$47,843,974 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, 2018 and 2017

	2018	2017
Revenues		
Program revenues		
Capital contributions	\$ 193,482,364	\$ -
General Revenues		
Room tax revenues	48,574,018	17,174,059
Investment earnings	2,665,144	(9,958)
Total Revenues	244,721,526	17,164,101
Expenses		
General government	2,558,043	555,393
Interest expense	4,825,691	322
Total Expenses	7,383,734	555,715
Change in Net Position	237,337,792	16,608,386
Net Position		
Beginning of year	16,608,386	-
End of year	\$ 253,946,178	\$ 16,608,386

- Program revenues increased by \$193,482,364 due to donated capital for the construction of the football stadium that commenced during the fiscal year.
- Room tax revenues increased by \$ 31,399,959, resulting from fiscal year 2018 being the first full year of room tax collections.
- Interest expense increased by \$4,825,369 due to the issuance of long-term debt for the construction of the football stadium.

Financial Analysis of the Stadium's Funds

- At June 30, 2018, the Stadium's governmental funds reported a combined ending fund balance of \$709,085,659, an increase of \$692,477,273.
- Fund balance components have been classified as nonspendable and restricted based on the extent to which the Stadium is bound to observe constraints imposed on the use of fund resources.

- Nonspendable fund balance was \$10,641 and consists of prepaid expenses.
- The remaining fund balance of \$709,075,018 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 \$652,098,680 for capital projects and \$56,976,338 for debt service.
- The Stadium Authority Fund is the main operating fund of the Stadium. The fund balance decreased by \$15,913,265 from \$16,608,386 to \$695,121. The decrease is the result of transfers to the Debt Service Fund to fund debt service reserves and Capital Projects Fund for the construction of the football stadium. These transfers were offset by increases in room tax revenue due to fiscal year 2018 being the first full year of room tax collections.
- The fund balance of the Debt Service Fund increased by \$56,291,858 due to transfers from the Stadium Authority Fund for debt service reserves and the proceeds from the issuance of long-term debt.
- The fund balance of the Capital Projects Fund increased by \$652,098,680 due proceeds from the issuance of long-term debt and transfers from the Stadium Authority Fund.

Budgetary Highlights

- The Stadium Authority Fund's actual total revenue was lower than the final budget by \$1,478,200, primarily due to lower room tax revenue than expected for the fiscal year.
- The Stadium Authority Fund's actual total expenditures and other financing uses were \$2,173,321 less than the final budget, primarily due to lower transfers to other funds than expected for the fiscal year.

Capital Assets

The Stadium's investment in capital assets, net of accumulated depreciation at June 30, 2018, was \$293,603,336. Major additions during the fiscal year were land for the football stadium site and related construction in progress. Detail by type of assets is summarized in the table below.

	Capital Asset June 30, 2018 and 2017	
	2018	2017
Land	\$ 77,780,128	\$ -
Construction in Progress	215,823,208	-
Total Assets	\$ 293,603,336	\$ -

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

Long-Term Debt

On May 1, 2018, on behalf of the Stadium, 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, 2018 and 2017		
	2018	2017
Revenue backed general obligation bonds	\$ 743,368,392	\$ -

Economic Factors

The Southern Nevada economy has experienced an extended period of stability and expansion. Total employment in the region surpassed 1 million in fiscal year 2018, and year-over-year job growth rate has consistently outpaced the national rate while ranking in the top 5 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 42.0 million visitors in fiscal year 2018, including a record 6.5 million convention attendees. The region is home to more than 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 49.2 million passengers in fiscal year 2018.

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). Room inventory, occupancy rate and ADR remained relatively flat through fiscal year 2018, which was reflected lower-than-budgeted room tax revenues for the Authority.

Investment in the Southern Nevada tourism industry remains active, with more than \$12 billion in tourism-related projects currently under construction and an additional \$6.9 billion in planned projects. The list of investments includes three new properties – Resorts World Las Vegas, The Drew and Circa – which will expand room inventory by more than 8,000 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, 2018

**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, 2018

	Governmental Activities
<b>Assets</b>	
Cash and investments	
In custody of the County Treasurer	\$ 7,403,039
In custody of Other Officials	150,000
With fiscal agent	762,023,151
Interest receivable	1,039,153
Room taxes receivable	8,387,727
Accounts receivable	17,341,514
Prepaid expenses	10,641
Capital assets not being depreciated	293,603,336
Total assets	1,089,958,561
<b>Liabilities</b>	
Accounts payable	46,996,058
Accounts payable - Clark County	123,508
Accrued interest	5,374,425
Long-term liabilities	
Bonds payable, due within one year	1,070,000
Bonds payable, due after one year	742,298,392
Total liabilities	795,862,383
<b>Deferred Inflows of Resources</b>	
Deferred amounts related to sale of future personal seat license revenues	40,150,000
Total deferred inflows of resources	40,150,000
Total liabilities and deferred inflows of resources	836,012,383
<b>Net Position</b>	
Net investment in capital assets	275,426,337
Restricted for capital projects	26,363,815
Unrestricted	(47,843,974)
Total net position	\$ 253,946,178

Clark County Stadium Authority,  
 dba: Las Vegas Stadium Authority  
 Clark County, Nevada  
 Statement of Activities  
 For the Fiscal Year Ended June 30, 2018

	Expenses	Program Revenues Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Primary Government Governmental Activities
Governmental activities:			
General government	\$ 2,558,043	\$ 193,482,364	\$ 190,924,321
Interest expense	4,825,691	-	(4,825,691)
Total governmental activities	7,383,734	193,482,364	186,098,630
General Revenues			
Room Taxes			48,574,018
Investment earnings			2,665,144
Total general revenues			51,239,162
Change in net position			237,337,792
Net position, beginning			16,608,386
Net position, ending			\$ 253,946,178

Clark County Stadium Authority,  
 dba: Las Vegas Stadium Authority  
 Clark County, Nevada  
 Balance Sheet Governmental Funds  
 June 30, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and investments				
In custody of the County Treasurer	\$ 528,987	\$ 2,968,360	\$ 3,905,692	\$ 7,403,039
On Hand	-	-	150,000	150,000
With Fiscal Agent	-	45,195,531	716,827,620	762,023,151
Interest receivable	1,727	80,006	957,420	1,039,153
Due from other funds	-	8,047,961	-	8,047,961
Room taxes receivable	8,387,727	-	-	8,387,727
Accounts receivable	-	-	17,341,514	17,341,514
Prepaid expenses	10,641	-	-	10,641
<b>Total assets</b>	<b><u>\$ 8,929,082</u></b>	<b><u>\$ 56,291,858</u></b>	<b><u>\$ 739,182,246</u></b>	<b><u>\$ 804,403,186</u></b>
<b>Liabilities</b>				
Accounts payable	\$ 150,000	\$ -	\$ 46,846,058	\$ 46,996,058
Due to other funds	8,047,961	-	-	8,047,961
Accounts payable - Clark County	36,000	-	87,508	123,508
<b>Total liabilities</b>	<b><u>8,233,961</u></b>	<b><u>-</u></b>	<b><u>46,933,566</u></b>	<b><u>55,167,527</u></b>
<b>Deferred inflows of resources</b>				
Personal seat license revenues	-	-	40,150,000	40,150,000
<b>Fund balances</b>				
Nonspendable	10,641	-	-	10,641
Restricted	684,480	56,291,858	652,098,680	709,075,018
<b>Total fund balances</b>	<b><u>695,121</u></b>	<b><u>56,291,858</u></b>	<b><u>652,098,680</u></b>	<b><u>709,085,659</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b><u>\$ 8,929,082</u></b>	<b><u>\$ 56,291,858</u></b>	<b><u>\$ 739,182,246</u></b>	<b><u>\$ 804,403,186</u></b>

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, 2018

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Total fund balance - governmental funds \$ 709,085,659

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	<u>293,603,336</u>	
		293,603,336

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	<u>(743,368,392)</u>	
		(743,368,392)

Accrued interest payable		<u>(5,374,425)</u>
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Total net position - governmental activities		<u><u>\$ 253,946,178</u></u>
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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, 2018

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>				
Room taxes	\$ 48,574,018	\$ -	\$ -	\$ 48,574,018
Investment earnings	347,782	92,817	2,224,545	2,665,144
<b>Total revenues</b>	<b>48,921,800</b>	<b>92,817</b>	<b>2,224,545</b>	<b>51,239,162</b>
<b>Expenditures</b>				
General government	558,602	-	-	558,602
Capital outlay	-	-	100,120,972	100,120,972
Debt service				
Bond issuance costs	-	-	1,999,441	1,999,441
<b>Total expenditures</b>	<b>558,602</b>	<b>-</b>	<b>102,120,413</b>	<b>102,679,015</b>
Excess (deficiency) of revenues over (under) expenditures	48,363,198	92,817	(99,895,868)	(51,439,853)
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	30,960,943	33,315,520	64,276,463
Transfers to other funds	(64,276,463)	-	-	(64,276,463)
Bonds issued	-	25,238,098	619,906,902	645,145,000
Premium on bonds issued	-	-	98,772,126	98,772,126
<b>Total other financing sources and uses</b>	<b>(64,276,463)</b>	<b>56,199,041</b>	<b>751,994,548</b>	<b>743,917,126</b>
Net change in fund balances	(15,913,265)	56,291,858	652,098,680	692,477,273
Fund balances-beginning	16,608,386	-	-	16,608,386
Fund balances-ending	<u>\$ 695,121</u>	<u>\$ 56,291,858</u>	<u>\$ 652,098,680</u>	<u>\$ 709,085,659</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, 2018

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Net change in fund balances - total governmental funds \$ 692,477,273

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 capital projects fund to construct the stadium project.

Capitalized expenditures	100,120,972	
Capital contributions	<u>193,482,364</u>	
		293,603,336

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.

Bonds issued	(645,145,000)	
Bond premiums	(98,772,126)	
Accrued interest	(5,374,425)	
Amortized bond premiums	<u>548,734</u>	
		<u>(748,742,817)</u>

Change in net position of governmental activities \$ 237,337,792

## **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, 2018, the Stadium had no exceptions to report.

**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, 2018, these amounts are distributed as follows:

Cash and investments held in Clark County Investment Pool	\$ 7,403,039
In custody of other officials	150,000
Cash with fiscal agents	762,023,151
Grand Total	\$ 769,576,190

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. As of June 30, 2018 the \$7,403,039 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	32.2%	21.6%	56.3%	22.1%	0.0%
U.S. Agency Obligations	24.6%	21.6%	45.1%	33.4%	0.0%
Corporate Obligations	13.8%	41.2%	31.3%	27.5%	0.0%
Money Market Funds	6.3%	100.0%	0.0%	0.0%	0.0%
Commercial Paper	14.5%	100.0%	0.0%	0.0%	0.0%
Negotiable CD	4.6%	100.0%	0.0%	0.0%	0.0%
NV LGIP	0.6%	100.0%	0.0%	0.0%	0.0%
Collateralized Mortgage Obligations	3.4%	0.3%	19.6%	61.6%	18.5%
	100.0%				

*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, 2018, 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, 2018, 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	4.5%
Asset Backed securities	3.1%

*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	94.6%	0.0%	0.0%	5.4%	0.0%
U.S. Agency Obligations	92.6%	0.0%	0.0%	7.2%	0.2%
Corporate Obligations	9.2%	31.6%	59.2%	0.0%	0.0%
Money Market Funds	84.4%	0.0%	0.0%	0.0%	15.6%
Commercial Paper	0.0%	0.0%	0.0%	100.0%	0.0%
Negotiable CD	0.0%	0.0%	0.0%	98.0%	2.0%
NV LGIP	0.0%	0.0%	0.0%	0.0%	100.0%
Collateralized Mortgage Obligations	67.1%	0.0%	0.0%	0.0%	32.9%

*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, 2018, the following investments exceeded five percent of the total cash and investments for all entities combined:

Federal Home Loan Banks (FHLB)	5.79%
Federal Home Loan Mortgage Corporation (FHLMC)	8.56%
Federal National Mortgage Association (FNMA)	8.64%

*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, 2018, the \$762,023,151 held by the Trustees were invested in short-term investments with entities as indicated in the tables below:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>	
	<u>Fair Value 6/30/2018</u>	<u>Less Than 1</u>
United States Treasury Notes	\$ 479,010,300	\$ 479,010,300
United States Treasury Bills	117,687,040	117,687,040
First American Treasury Obligation	164,994,830	164,994,830
Morgan Stanley Money Market Funds	330,981	330,981
	<u>\$ 762,023,151</u>	<u>\$ 762,023,151</u>
<u>Investment Ratings</u>	<u>Moody's</u>	<u>S&amp;P</u>
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, 2018 was as follows:

	<u>Balance June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ -	\$ 77,780,128	\$ -	\$ 77,780,128
Construction in progress	-	215,823,208	-	215,823,208
	<u>-</u>	<u>293,603,336</u>	<u>-</u>	<u>293,603,336</u>
Total capital assets not being depreciated				
Governmental activities capital assets	<u>\$ -</u>	<u>\$ 293,603,336</u>	<u>\$ -</u>	<u>\$ 293,603,336</u>

**Note 5 - Interfund Balances and Transfers**

The composition of interfund balances at June 30, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	<u>\$ 8,047,961</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, 2018, consisted of the following:

<u>Transfers In:</u>	<u>General Fund</u>
Debt service fund	\$ 30,960,943
Capital projects fund	<u>33,315,520</u>
Total Transfers In and Out	<u>\$ 64,276,463</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, 2018, are comprised of the following bond:

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

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

Year ending June 30,	Total Principal	Total Interest	Total
2019	\$ 1,070,000	\$ 34,933,763	\$ 36,003,763
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 - 2028	36,485,000	154,936,250	191,421,250
2029 - 2033	68,540,000	142,804,000	211,344,000
2034 - 2038	111,730,000	121,602,750	233,332,750
2039 - 2043	169,390,000	88,232,500	257,622,500
2044 - 2048	246,005,000	38,435,542	284,440,542
	<u>\$ 645,145,000</u>	<u>\$ 709,070,805</u>	<u>\$ 1,354,215,805</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.

**Bonds Issued**

On May 1, 2018, the Stadium issued \$645,145,000 in general obligation (tax limited) Stadium Improvement Bonds. The Bonds were being issued to finance a portion of the costs of acquiring, constructing, leasing, improving, or equipping a football stadium capable of hosting the home games of a National Football League team. The 2018 bonds are payable at an interest rate ranging between 4.00% and 5.00% over 30 years, with the first payment due December 1, 2018 and the final payment due May 1, 2048.

**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 \$1,354,215,805. There was no principal and interest paid in the current year and pledged revenues received was \$30,960,943.

**Changes in Long-Term Liabilities**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ -	\$ 645,145,000	\$ -	\$ 645,145,000	\$ 1,070,000
Plus: issuance premiums	-	98,772,126	(548,734)	98,223,392	-
Total long-term liabilities	<u>\$ -</u>	<u>\$ 743,917,126</u>	<u>\$ (548,734)</u>	<u>\$ 743,368,392</u>	<u>\$ 1,070,000</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, 2018

**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, 2018

	2018			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental Revenue				
Room tax	\$ 49,900,000	\$ 50,100,000	\$ 48,574,018	\$ (1,525,982)
Investment Earnings	<u>100,000</u>	<u>300,000</u>	<u>347,782</u>	<u>47,782</u>
Total revenues	50,000,000	50,400,000	48,921,800	(1,478,200)
Expenditures				
Current				
Service and supplies	<u>2,000,000</u>	<u>784,051</u>	<u>558,602</u>	<u>(225,449)</u>
Total expenditures	2,000,000	784,051	558,602	(225,449)
Other Financing Uses	-	-	-	-
Transfers to other funds	<u>61,825,000</u>	<u>66,224,335</u>	<u>64,276,463</u>	<u>(1,947,872)</u>
Total expenditures and other financing uses	<u>63,825,000</u>	<u>67,008,386</u>	<u>64,835,065</u>	<u>(2,173,321)</u>
Net change in fund balance	(13,825,000)	(16,608,386)	(15,913,265)	695,121
Fund Balances - Beginning	<u>13,825,000</u>	<u>16,608,386</u>	<u>16,608,386</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695,121</u>	<u>\$ 695,121</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, 2018, 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.



Supplementary Information  
June 30, 2018

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

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, 2018

	2018			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental Revenue				
Room tax	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	218,770	92,817	(125,953)
Total revenues	-	218,770	92,817	(125,953)
Other Financing Sources				
Bonds issued	-	25,238,098	25,238,098	-
Transfers from other funds	-	33,612,982	30,960,943	(2,652,039)
Total other financing sources	-	58,851,080	56,199,041	(2,652,039)
Total revenues and other financing sources	-	59,069,850	56,291,858	(2,777,992)
Net change in fund balance	-	59,069,850	56,291,858	(2,777,992)
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ 59,069,850	\$ 56,291,858	\$ (2,777,992)

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, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance
Revenues				
Investment Earnings	\$ 500,000	\$ 500,000	\$ 2,224,545	\$ 1,724,545
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>2,224,545</u>	<u>1,724,545</u>
Other Financing Sources				
Bonds issued	-	-	619,906,902	619,906,902
Premium on bonds issued	-	-	98,772,126	98,772,126
Transfers from other funds	61,825,000	61,825,000	33,315,520	(28,509,480)
Total other financing sources	<u>61,825,000</u>	<u>61,825,000</u>	<u>751,994,548</u>	<u>690,169,548</u>
Total revenues and other financing sources	<u>62,325,000</u>	<u>62,325,000</u>	<u>754,219,093</u>	<u>691,894,093</u>
Expenditures				
Capital outlay	62,325,000	60,625,000	100,120,972	39,495,972
Debt service				
Bond issuance costs	-	-	1,999,441	1,999,441
Total expenditures	<u>62,325,000</u>	<u>60,625,000</u>	<u>102,120,413</u>	<u>41,495,413</u>
Other Financing Uses				
Transfers to other funds	-	1,700,000	-	(1,700,000)
Total expenditures and other financing uses	<u>62,325,000</u>	<u>62,325,000</u>	<u>102,120,413</u>	<u>39,795,413</u>
Net change in fund balance	-	-	652,098,680	652,098,680
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 652,098,680</u>	<u>\$ 652,098,680</u>



Comments of Independent Auditors  
June 30, 2018

**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 year ended June 30, 2018, which collectively comprise the Stadium's basic financial statements and have issued our report thereon dated January 14, 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.

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

Las Vegas, Nevada  
January 14, 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 fund of the Clark County Stadium Authority, dba: Las Vegas Stadium Authority, Clark County (the "Stadium") as of and for the year ended June 30, 2018, 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".

Las Vegas, Nevada  
January 14, 2019