POLICY NO. FIN-01	DATE 7/19	OFFICE OF PRIMARY RESPONSIBILITY (OPR) Finance
Title: **DEBT POLICY**		

1) PURPOSE
The Las Vegas Convention and Visitors Authority (LVCVA) recognizes the foundation of any well-managed debt program is a sound debt policy. A debt policy sets forth the parameters and provides guidance to decision makers regarding purposes for which debt may be issued, types and amounts of permissible debt, methods of sale, and structural features. This debt policy recognizes the binding commitment to full and timely repayment of all debt as an intrinsic requirement for entry into the capital markets. This policy also establishes the requirements and procedures for ensuring compliance with state and federal laws relating to debt issuance and post-issuance monitoring and reporting. Adherence to a debt policy helps to ensure that an issuer maintains a sound debt position and that credit quality is protected.

2) SCOPE
This policy applies to all debt issuance of the LVCVA.

3) DEBT ISSUANCE PURPOSES
The LVCVA plans long- and short-term debt issuance to finance its capital programs based on its cash flow needs, sources and availability of revenues, available financing instruments and market conditions. The Chief Financial Officer (CFO) oversees and coordinates the timing, issuance, and marketing of the LVCVA's borrowing activities required in support of the LVCVA's mission.

Debt financing is generally used for either: 1) long-term capital asset construction and acquisition, including grants to other government entities or 2) refunding existing debt at a lower cost or with an improved structure.

A) Capital Asset Construction and Acquisition

i. The Finance Department, in partnership with the Operations Division, maintains a multi-year capital planning process that facilitates the annual budget process.

ii. As part of the capital planning and budget process, the LVCVA sets aside a portion of current revenues to finance ongoing maintenance needs to keep consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize capital asset useful lives.

iii. Significant, long-term capital assets may be funded from borrowing. Typical activity funded by borrowing includes land acquisition, and building construction and renovation. Land and building projects have multi-decade useful lives, entail large upfront costs, and borrowing allows the LVCVA to invest in convention facilities within its revenue constraints.

B) Refunding of Existing Debt

i. A refunding is generally the issuance of new bonds whose proceeds are used to redeem an outstanding issue. This can be achieved on a tax-exempt or taxable basis.

ii. The LVCVA will generally consider refunding outstanding bonds if the present value savings are at least 3% of the par amount of the refunded bonds, the present value savings are estimated to be at optimal levels given market conditions, if the bonds to be refunded have restrictive or outdated covenants, or if restructuring debt is deemed in the best interest of the LVCVA.

4) TYPES OF DEBT
Tax-Exempt and Taxable Debt

The LVCVA can issue taxable or tax-exempt debt. Tax-exempt obligations are exempt from federal taxes and generally provide a less expensive means of financing. Tax-exempt obligations also have significant restrictions, as described in Section IX, *Private Activity Use Limitations on Tax Exempt Debt.* The issuance of taxable debt may allow valuable flexibility in the timing and nature of a bond sale and may provide certain advantages and savings, dependent on market conditions. Taxable debt is primarily used for projects with private use restrictions (Section IX), refinancing, or other opportunities based on market conditions. Determination will be made by the CFO after weighing all considerations and this determination will be communicated to the Board of Directors as part of the bond approval process.

The LVCVA is authorized to issue the following types of debt, whether taxable or tax-exempt:

A) General Obligation / Revenue Bonds (GO Bonds)

i. The LVCVA is not authorized to levy ad valorem taxes to pay debt service but is authorized to issue general obligation bonds, on behalf of and in the name of Clark County, pursuant to the State Constitution and Nevada Revised Statues (NRS) Chapters 244A, 348 and 350, with County approval. General obligation bonds are direct and general obligations of Clark County and the full faith and credit of the County is pledged for the payment of principal and interest, subject to certain Nevada constitutional and statutory limitations.

ii. In Nevada, governments must present their general obligation debt proposals to the Debt Management Commission (DMC) unless specifically exempt under NRS. The DMC reviews the statutory debt limit, the method of repayment, and the possible impact on other underlying or overlapping entities. DMC approval is not required for bonds issued which pledge revenues authorized under Senate Bill No. 1 of the 2016 Special Session for the Las Vegas Convention Center District (LVCCD) expansion and renovation project, subject to a minimum1.5 times revenue to debt coverage requirement.

iii. General obligation bonds are additionally secured by a pledge of revenues from the LVCVA. As a matter of practice, the LVCVA has never had to use property taxes or rely on the County for debt service.

B) Revenue Bonds

The LVCVA is authorized to issue revenue bonds, pursuant to NRS 244A and NRS 350. Under NRS 244A, the LVCVA may issue revenue bonds payable from room taxes, net revenues of convention operations, and any other available revenues. Revenue bonds are not general obligations of the County and no ad valorem taxes may be levied to pay the debt service. They are excluded from the legal debt limitation and approval by the DMC.

C) Certificates of Participation

Certificates of Participation are certificates sold to investors representing their participation in an underlying lease. Generally, the equipment or facility being acquired serves as collateral and lease payments are subject to annual appropriation. These securities are most useful when other means to finance are not available under state law.

D) Medium-Term Financings

Under NRS 350, the LVCVA may issue negotiable notes, short-term bonds, or commercial paper with a maximum term of ten years. These obligations are secured by all legally available funds of the LVCVA.

5) STRUCTURAL FEATURES

A) Maturity and Structure

i. The maturity (term) of LVCVA debt issues shall not extend beyond the expected useful life of the project or equipment financed. GO Bonds are limited by NRS to a maximum term of 30 years. Revenue bonds are limited to a maximum term of 40 years.

ii. Repayment structure is based on a variety of factors including: structure of existing obligations, contemplated future debt, and achievement of other financial goals. Generally, debt issuance should be structured to provide for either level principal or level debt service to avoid deferring the repayment of principal. Capitalization of interest (borrowing additional principal to make interest payments) may be utilized during construction periods, with Board approval.

B) <u>Bond Insurance</u>

i. Bond insurance is a policy purchased by an issuer or underwriter for either an entire issue or specific maturities, which guarantees the payment of principal and interest. This security provides a higher credit rating and thus a lower borrowing cost for an issuer.

ii. The LVCVA will determine, with each debt issuance, if bond insurance is required or beneficial to the LVCVA. Bond insurance can be purchased directly by the LVCVA prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). When insurance is purchased directly by the LVCVA, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium.

C) <u>Reserve Funds</u>

i. A debt service reserve fund is created from the proceeds of a bond issue and/or the excess of applicable revenues to provide a reserve to meet debt service payments. This provides a measure of added security to bond holders and may improve the credit rating and thus a lower borrowing cost for an issuer. Reserve funds may be necessary for specific transactions, or the LVCVA may choose to create one if it is determined to be cost effective. When cost beneficial, the LVCVA may consider the use of surety bonds, lines of credit, or similar instruments to satisfy reserve requirements.

ii. The LVCVA may also decide, subject to the Boards approval, to dedicate additional funds, that are not otherwise dedicated, as internal reserves to enhance the ability of the LVCVA to repay bond holders in times of financial distress.

D) <u>Legal Capacity and Coverage Targets</u>

i. NRS limit the aggregate principal amount of general obligation bonds issued by the LVCVA on behalf of Clark County to five percent (5%) of the total last assessed valuation of the taxable property in the County. Based upon the County's assessed valuation for fiscal year 2018-2019, the County is limited to general obligation indebtedness for recreational purposes in the aggregate amount of $4.37 billion. As of April 15, 2019, the County has $801 million of general obligation debt issued by the LVCVA outstanding. This amount may vary from year to year.

ii. Coverage, for this policy, is the ratio of pledged revenues, as defined by bond covenants, to annual debt service in any year. The LVCVA targets a minimum coverage ratio, including specifically dedicated internal reserves, of 3.0 (revenue plus reserves divided by debt service), because of the significance of room tax in the LVCVA's revenue structure. Coverage may be re-assessed if there is a significant change in revenue structure, sources, and diversification.

iii. For purposes of calculating annual debt service to be used in determining the coverage ratio, any financings that are not at a fixed rate (commercial paper, bank drawdown facilities, etc.) will have an assumed interest rate of the greater of 6% or the actual borrowing rate at the time of preparation.

E) <u>Call Provisions</u>

A call option, or optional redemption provision, gives the issuer of a bond the right to prepay or retire a debt prior to its stated maturity. This option allows the issuer to achieve interest savings in the future through refunding of the bonds. Some call provisions impact the cost of the issuance. In addition, if a bond or debt is called, the holder may be entitled to a premium payment ("call premium"). Because the cost of call options can vary widely, depending largely on market conditions, the LVCVA and its financial advisor will evaluate optional redemption provisions for each issue to determine advantageous and cost-effective structures providing for future refunding opportunities.

F) Debt-Related Derivative Products

i. A derivative, or swap, is a financial instrument created from or whose value is derived from the value of one or more separate assets or indices of asset values. As used in public finance, derivatives may take the form of interest rate swaps, futures and options contracts, options on swaps and other hedging mechanisms such as rate locks. Derivative products may be used in the debt, risk and asset management programs of state and local governments and other debt issuing authorities.

ii. When used properly, derivative products can be effective interest rate management tools, which can provide a governmental entity financial flexibility, opportunities for interest rate savings, alter the pattern of debt service payments, create variable rate exposure, or change variable rate payments to fixed rate and otherwise limit or hedge variable rate payments. However, as observed during and after the financial crisis of 2008 and 2009, there are significant risks involved with such transactions, especially when other related markets - such as the variable rate market - trigger events in swap contracts. Negative outcomes and risks include collateral calls, mark to market and collateral posting requirements, and involuntary and voluntary termination of swaps, which can come at a substantial cost.

iii. The LVCVA will not use financial instruments that are too complex for the organization. Any contemplated use of derivatives will require the use of a derivatives advisor to assist in the transaction, and the LVCVA will only use instruments consistent with in-house expertise necessary to understand the core aspects and risks of a derivatives transaction. Any derivative use requires the approval of the Board.

6) CREDIT OBJECTIVES

Credit ratings indicate to potential buyers the credit worthiness of an issuer. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market. It is the goal of the LVCVA to effectively manage its credit rating and impact on the LVCVA's cost of capital.

7) METHODS OF SALE

A) Competitive Sale

In a competitive sale, interested underwriter(s) are invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is usually determined based on the lowest total interest cost (TIC). Competitive sales are the preferred method of sale, unless circumstances dictate otherwise.

B) Negotiated Sale

In a negotiated sale, a selected underwriter, or team of underwriters, negotiate the terms an issue and sell bonds in the municipal market. Negotiated sales are used when there are unusual conditions related to the credit, structure, call features or other characteristics of the bond issue that might not be obtained in a competitive sale. NRS require negotiated sales to be approved by Board of Directors in the related bond resolution and for a Certificate of the Chief Administrative Officer to be provided documenting the reasons why a negotiated sale would be beneficial. A pool of underwriters will be maintained by competitive purchasing process and approved by the Board of Directors.

C) Direct Placement

Bonds may also be sold directly to financial institutions via direct placement. Direct placements are generally for smaller financings, and are more time and effort efficient. Direct placements will be sold via competitive processes, awarded based on the interest and structural features of the bid, and will only be used if comparable to interest rates available in the municipal market or there are other benefits to the LVCVA such as better redemption features, or market timing.

8) FINANCIAL CONSULTANTS

When issuing debt, it is in the best interest of the LVCVA to utilize external professionals with municipal debt expertise. Utilizing these professionals reduces organizational and transactional risk and generally provides for a more efficient and cost-effective transaction. It also allows the LVCVA to rely upon the opinions of these professionals for required compliance with legal requirements and covenants. Consultants include:

A) **Bond and Disclosure Counsel**

The primary role of bond counsel is to provide an opinion that the issuer is authorized to issue proposed debt securities and has met all legal and procedural requirements necessary for issuance, and, if applicable, that interest on the proposed securities will be excluded from gross income of the bondholders (Federal and/or State and/or local). The purpose of disclosure counsel is to assist with federal securities law and disclosure documents related to public bond issuance. Individual counsel may preform either or both services. The Board of Directors must approve the selection of bond and disclosure counsel.

B) **Financial Advisors**

Financial advisors assist in the structuring and issuance of debt securities, whether through competitive or a negotiated sale processes. Financial advisors represent the issuer in the sale of debt securities, and unlike other professionals involved in debt issuance, have an explicit fiduciary duty to the issuer per the Dodd/Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The LVCVA will retain a Financial Advisor knowledgeable in Nevada municipal financial products and the issuance of municipal securities prior to the undertaking of a debt financing. The Financial Advisor will be engaged to assist with the structuring, timing, terms, and other matters of obligations to be issued, provide information on various options, give advice as to how choices will impact the marketability of LVCVA obligations and provide other services as required. Financial advisors will be licensed and registered with the Municipal Securities Rulemaking Board (MSRB). The Board of Directors must approve the selection of financial advisors.

C) **Other Professionals**

The LVCVA may also utilize other professionals, such as Certified Public Accountant (CPA) firms and paying agents to assist in analysis and execution of the transaction. These professionals are paid as part of bond costs and selected by the CFO, subject to LVCVA purchasing policies.

9) PRIVATE ACTIVITY USE LIMITATIONS ON TAX EXEMPT DEBT

A) IRS Tax Code Section141 sets forth private activity tests for the purpose of limiting the volume of tax-exempt bonds that finance activities of persons other than state and local governmental entities. These tests serve to identify arrangements that actually or reasonably expect to transfer the benefits of tax-exempt financing to non-governmental persons. The law includes tests of private use, security and payment as well as private loan financing tests. The law also provides for various safe harbors and nuances to the application of these limits.

B) The CFO, in collaboration with LVCVA Legal Counsel, will manage a process to ensure private use compliance. As part of that compliance process, the CFO and Legal Counsel will approve all new and revised facility leases, and, along with Finance staff, receive training from outside counsel no less than every two years.

C) As needed, the CFO will consult with bond counsel to obtain federal tax advice in whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond financed property, and, if not, whether any “remedial action” permitted under §141 of the

Code may be taken as means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds.

D) With respect to tax-exempt bonds, the LVCVA pledges in each bond issuance that it will monitor and control the receipt, investment, expenditure and use of all bond proceeds and will take or omit to take any actions to cause interest on tax-exempt bonds to remain excludable from the gross income of bondholders. LVCVA staff will ensure appropriate lease and building use policies to maintain compliance with his pledge.

10) PRIMARY AND CONTINUING DISCLOSURE

Municipal bond transactions generally require financial and operational information for: 1) primary market disclosure, and 2) continuing disclosure.

A) <u>**Primary Market Disclosure**</u>
Primary market disclosure occurs when bonds are issued or remarketed and are typically in the preliminary official statement (POS) and official statement (OS) used as bond marketing documents. To ensure compliance with Securities and Exchange Commission (SEC) requirements, LVCVA finance and legal staff will participate in the preparation of the related documents and utilize Financial Advisors and Bond and Disclosure Counsel.

The CFO will initiate the process for preparation of the primary offering documents, and delegate to Finance staff document preparation tasks, with the assistance of disclosure counsel. Document drafts will be reviewed by key staff in Finance and Legal.

B) <u>**Continuing Disclosure**</u>
i. SEC Rule 15c2-12 requires continuing disclosure consisting of important information about an issuer that arises after the initial issuance. This information generally reflects the financial health or operating condition of the issuer as it changes over time, or the occurrence of specific events that can have an impact on key features of the bonds.

ii. Rule 15c2-12 requires dealers, when underwriting certain types of municipal securities, to ensure that the issuer of bonds enters into a continuing disclosure agreement (CDA) to provide certain information to the Municipal Securities Rulemaking Board (MSRB) about the securities on an ongoing basis.

iii. The CDA requires annual updated financial information and operating data provided by the LVCVA or other obligated persons originally presented in the primary marketing documents, as well as audited financial statements.

iv. Additionally, Rule 15c2-12 requires material event notices for:

- ✓ Principal and interest payment delinquencies.
- ✓ Non-payment related defaults (if material).
  - ° Material events related to delinquencies on principal and interest payments must also be reported to the Nevada State Department of Taxation on each Quarterly Economic Survey.
- ✓ Unscheduled draws on debt service reserves reflecting financial difficulties.
- ✓ Unscheduled draws on credit enhancements reflecting financial difficulties.
- ✓ Substitution of credit or liquidity providers or their failure to perform.
- ✓ Adverse tax opinions/notices or events affecting the tax-exempt status of the bonds.
- ✓ Modifications to rights of the bondholders (if material).
- ✓ Bond calls and tender offers (if material).
- ✓ Defeasances.
- ✓ Release, substitution or sale of property securing the repayment of the bonds (if material).
- ✓ Ratings changes.
- ✓ Bankruptcy, insolvency, receivership or similar event.

- ✓ The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all the assets of the LVCVA, other than in the ordinary course of business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms (if material).
- ✓ Appointment of a successor or additional trustee or the change of name of a trustee (if material).
- ✓ Incurrence of a financial obligation of the LVCVA, (if material) or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the LVCVA, any of which affect security holders (if material). This disclosure became effective for the LVCVA in June of 2019.
  - ° Financial obligations include (a) debt obligations, (b) derivative instruments (like swaps, futures, forwards contacts and similar instruments) entered into in connection with, or pledged as security or source of payment for an existing or planned debt obligation and (c) related guarantee of (a) or (b). This also includes certain lease obligations that represent a vehicle to borrow money.
- ✓ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the LVCVA, any of which reflect financial difficulties. This disclosure became effective for the LVCVA in June of 2019.

These events are required to be disclosed on the MSRB Electronic Municipal Market Access (EMMA) system within 10 business days of occurrence. It is the LVCVA's responsibility to adhere to these required disclosures. To ensure compliance, the CFO will create and manage a continuing disclosure process. This process will include utilization of Financial Advisors and bond and disclosure counsel when determining applicability of certain events.

C) **<u>Other Market Communications</u>**
The LVCVA will ensure that other communications, which may be considered "speaking to the market", will be communicated through Rule 15c2-12 required channels when material or inconsistent with existing disclosures.

11) ARBITRAGE COMPLIANCE

A) Arbitrage is defined is the profit earned when tax-exempt proceeds are invested in higher yielding securities than the interest rates of the bonds issued. The federal government has imposed a variety of rules to restrict the use of tax-exempt financing related to arbitrage. To ensure compliance the CFO will monitor ongoing activities, including remittance of any required arbitrage rebate.

B) The LVCVA will utilize professional providers for arbitrage rebate calculations and preparation of required Internal Revenue Service (IRS) forms. Arbitrage rebate calculations on outstanding bond issues generally shall be performed as often as annually or in alternating years, but never longer than the 5^{th} year after a bond issuance.

12) RECORDS RETENTION REQUIREMENTS

The LVCVA will maintain all material records and information required to comply with Section 103 of the IRS Code and all state required retention periods for debt issuances. The CFO will ensure detailed processes and procedures related to records retention adhere to these requirements.

13) OTHER

A) **<u>Use of Debt Service Funds</u>**
In accordance with governmental generally accepted principles (GAAP), the LVCVA maintains debt service funds to account for the issuance and payment of debt and related costs. The LVCVA by internal policy maintains separate sub-funds for each debt issue. The LVCVA will fund debt service funds in accordance with bond covenants.

B) Reimbursement Resolutions

Reimbursement resolutions may be prepared in accordance with US Treasury Regulation §1.150-2e to reimburse the LVCVA out of bond proceeds for capital costs already incurred.

C) Investment of Bond Proceeds

Finance will invest bond proceeds in accordance with the LVCVA's Board-approved Investment Policy.

D) Insurance

The LVCVA's Legal Counsel and/or CFO will act as Risk Manager and will monitor compliance with property casualty insurance requirements for bond-financed assets. The CFO and/or Legal Counsel will verify proof of receipt of final title policy and proof of delivery to trustee or custodian.

E) Education and Training

The CFO and designated staff are responsible for staying current with changes in laws and regulations regarding bond issuance and management. The LVCVA recognizes that such education and training is vital as a means of helping to ensure compliance with federal tax requirements in respect of its bonds. The LVCVA may rely upon outside advisors for assistance and guidance with these matters.

F) Policy Administration Responsibility

This policy was adopted by the LVCVA's Board of Directors. It is reviewed by staff annually, and submitted to the Clark County Debt Management Commission and the Nevada State Department of Taxation, along with statutorily required annually updated supplemental data. The Chief Executive Officer/President and CFO are responsible for the administration of the policy, with the Board ultimately responsible for approval of the form of any LVCVA borrowing.

AUTHENTICATION:	Policy approved by the Board of Directors	07/19
	Policy reviewed/Supplement updated by the CFO	07/18
	Policy reviewed/Supplement updated by the CFO	07/17
	Policy reviewed/Supplement updated by the CFO	07/16
	Policy reviewed/Supplement updated by the SVP of Finance	07/15
	Approved by the Board of Directors	11/14
	Policy approved/Supplement updated by the SVP of Finance	10/14
	Policy reviewed/Supplement updated by the SVP of Finance	07/14
	Policy reviewed/Supplement updated by the SVP of Finance	07/13
	Policy reviewed/Supplement updated by the VP of Finance	07/12
	Policy reviewed/Supplement updated by the VP of Finance	07/11
	Approved by the Board of Directors	07/10

DEBT CAPACITY ANALYSIS

This portion of the debt policy has been developed to analyze the existing debt position of the LVCVA and to assess the impact of future financing requirements on the LVCVA's ability to service the additional debt. In addition, Senate Bill 413 requires certain information be provided to the Nevada Department of Taxation and the Debt Management Commission on or before August 1 of each year. The following information satisfies those informational requirements. This supplemental reflects the updated debt balances with the most current information.

Current Debt Position

As of 6/30/2019, the LVCVA has the following outstanding debt issues:

Date	Original Amount	Type	Purpose	Maturing	Balance as of 6/30/2019
2010A	$ 70,770,000	G.O./Revenue	NDOT	FY 2039	$ 70,770,000
2010C	155,390,000	G.O./Revenue	NDOT	FY 2039	142,045,000
2012	24,990,000	G.O./Revenue	Land & Improve.	FY 2033	19,700,000
2014	50,000,000	G.O./Revenue	Land & Improve.	FY 2044	49,900,000
2015	72,370,000	G.O./Revenue	Refunding	FY 2022	26,085,000
2015	109,435,000	G.O./Revenue	Refunding	FY2045	109,435,000
2016C	100,705,000	Revenue	Refunding	FY 2047	100,705,000
2017	21,175,000	G.O./Revenue	Refunding	FY2039	21,175,000
2017B	71,005,000	Revenue	Refunding	FY 2041	71,005,000
2017C	126,855,000	G.O./Revenue	Refunding	FY2039	126,855,000
2018A	200,000,000	G.O./Revenue SB-1	LVCCD	FY 2048	200,000,000
2018B	500,000,000	Revenue SB-1	LVCCD	FY 2050	500,000,000
2018C	80,000,000	Revenue	Refunding	FY 2049	80,000,000
2019A	32,860,000	Revenue	Refunding	FY 2027	32,860,000
				Total	$ 1,550,535,000

Included in the Current Debt Position above, and the Future Debt Payments schedule on the following page, are new bonds issued in FY 2019 including the 2018B, 2018C, and 2019A issues. The 2018B bond is for the LVCCD project, and the associated debt service is planned to be paid from revenues including SB1. The 2018C refunded the outstanding draws on the 2016A Subordinate Revenue Line of Credit and the 2019A refunded the 2010B General Obligation bonds. The 2017C issued in FY 2018 is a cross-over refunding for the 2010C. The proceeds of 2017C have been placed in escrow from which the payments for 2017C will be made until the 2010C is legally defeased. The 2010C debt liability must be included as LVCVA debt until the defeasement occurs.

Future Debt Payments

As of 6/30/2019 annual debt service requirements for the LVCVA's bonds are as follows:

Year Ending 6/30	Principal	Interest	Total
2020	$ 25,125,000	$ 70,461,883	$ 95,586,883
2021	15,395,000	69,304,568	84,699,568
2022	21,735,000	68,536,403	90,271,403
2023	27,670,000	67,430,606	95,100,606
2024	33,250,000	66,040,576	99,290,576
2025-2029	180,825,000	304,129,798	484,954,798
2030-2034	206,805,000	255,359,708	462,164,708
2035-2039	242,135,000	201,359,749	443,494,749
2040-2044	315,955,000	135,706,368	451,661,368
2045-2049	393,405,000	58,245,700	451,650,700
2050-2054	88,235,000	1,764,700	89,999,700
	$ 1,550,535,000	$ 1,298,340,059	$ 2,848,875,059

Totals may not foot due to rounding

The schedule includes $229.7 million in payments for the 2010C which is not considered legally defeased until 2021 and $7.7 million for the 2017C debt which will be paid by escrow until 2021, and the new 2019A issuance which sold in May 2019 and closed in June 2019. The table does not include the 2019B Revenue bond issuance in the principal amount of $45.2 million that occurred in July 2019, nor the $200 million GO/Revenue bond issuance budgeted in FY 2020, originally authorized for issuance by the board in January 2018 and expected to be issued in the fall of 2019.

Ability to Afford Existing and Future Debt Obligations

Coverage is the ratio of pledged revenues to related debt service for a given year. It shows that the revenues pledged to pay the debt service are, in fact, sufficient to pay debt service by the number of times it is covered.

Senior Lein Debt	Gross Pledged Revenues	Operating & Maintenance Expenditures	Collection Costs	Net Pledge Revenue	Debt Service	Debt Coverage	Expansion Revenue	Debt Coverage With Expansion
	(1)	(2)			(3)			(4)
FY 2009	$ 225,682,302	$ 56,292,011	$ 17,882,816	$ 151,507,475	$ 30,454,599	5.0	$ -	N/A
FY 2010	200,886,994	50,013,839	15,600,670	135,272,485	28,562,969	4.7	-	N/A
FY 2011	227,600,497	48,726,140	17,734,516	161,139,841	44,321,298	3.6	-	N/A
FY 2012	250,917,732	53,674,772	20,140,605	177,102,355	42,754,341	4.1	-	N/A
FY 2013	253,121,291	54,128,255	20,502,802	178,490,234	53,951,716	3.3	-	N/A
FY 2014	285,749,837	54,601,014	22,449,149	208,699,674	55,149,034	3.8	-	N/A
FY 2015	293,340,228	54,894,429	24,104,565	214,341,234	57,554,480	3.7	-	N/A
FY 2016	322,769,973	58,965,588	26,161,392	237,642,994	61,252,680	3.9	-	N/A
FY 2017	351,597,011	60,607,964	28,298,262	262,690,785	62,892,859	4.2	14,544,935	4.4
FY 2018	351,695,085	61,210,071	28,512,200	261,972,814	60,726,872	4.3	32,674,499	4.9
FY 2019 (Est.)	344,947,020	63,880,889	28,738,362	252,327,769	66,201,009	3.8	33,133,362	4.3
FY 2020 (Bud.)	358,097,200	62,310,000	29,237,000	266,550,200	68,237,454	3.9	34,147,000	4.4

Collection costs include $25 million to local entities and the remainder transferred to the LVCCD fund, per legislation
Totals may not foot due to rounding

(1) Gross pledged revenues include interest income and miscellaneous fees and charges in the general fund and the debt service funds. Revenues from the capital fund have been excluded since these are not a constant source of income. FY 2019 are projected for June 30, 2019, and FY 2020 are budgeted projections for June 30, 2020.

(2) Total expenditures for the Public Affairs are excluded due to the nature of the expenditures benefiting the City of Las Vegas and the County rather than the Las Vegas Convention Center. Marketing expenditures included in the total relate to the sales efforts of marketing the convention facilities, primarily the Las Vegas Convention Center and Cashman Center (Customer Experience, Convention Services, and Registration). All other Marketing departments expenditures are excluded.

(3) Includes principal and interest payments on senior lien debt (LVCCD and non-LVCCD) and excludes bond issuance costs and operating transfers to the General Fund. Excludes debt service paid under an escrow agreement and capitalized interest on the 2017C, 2018B and 2018C Bonds. Amounts are gross of any BAB credit expected on the 2010A and 2010C Bonds.

(4) Only bonds 2018A, 2018B and future LVCCD debt have a lien upon the Expansion Revenue.

Capacity to Incur Future Debt without Exceeding Applicable Debt Limit

Nevada Revised Statutes (NRS) 244A.059 limit the aggregate principal amount of Clark County's general obligation debt to ten percent of the County's total reported assessed valuation. In addition to the debt limits imposed on overall County general obligation indebtedness, state statutes (NRS 244A.653) limit the aggregate indebtedness for recreational purposes that may be incurred by the LVCVA on behalf of the County to no more than five percent of the County's total assessed valuation. The statutory debt limit in the table below is based upon the County's assessed valuation for fiscal year 2018-19 of $87,432,856,574 (net assessed value of real and personal property). Outstanding debt is identified as of June 30, 2019 for the LVCVA and Clark County:

	Las Vegas Convention and Visitors Authority	**Clark County**
Reported Assessed Valuation	$ 87,432,856,574	$ 87,432,856,574
Bonded debt limit	5%	10%
Statutory debt limitation	4,371,642,829	8,743,285,657
Less:		
Outstanding General Obligation	765,965,000	2,012,252,715
Proposed Bonds		
Additional Statutory Debt Capacity	3,605,677,829	6,731,032,942

G.O. Debt per Capita Compared to the Average of Such Debt for Other Local Governments

Due to the nature of the LVCVA, it is not considered feasible to determine a per capita debt comparison of the LVCVA with other governmental agencies within the state. The only similar agency within the state is the Reno-Sparks Convention and Visitors Authority. Because of the size difference, a comparison with that organization is not considered appropriate. However, if the LVCVA's portion of Clark County's general obligation debt ($765,965,000 as of 6/30/19) is compared to the most recent certified County population estimate (2,251,175 at June 30, 2018); the resulting ratio is $340.25 per person.

G.O. Debt as a Percent of Assessed Value of All Taxable Property in the County

Clark County's total assessed valuation for fiscal year 2018-19 was reported at $87,432,856,574. The LVCVA's total outstanding general obligation debt equals less than 1% of the assessed value.

Credit Ratings

The LVCVA's bonds issued through Clark County are rated "AA+" by Standard & Poor's and "Aa1" by Moody's. LVCVA's separate revenue bond ratings, as of June 2019, were rated at "A+" with a stable outlook by Standard & Poor's and "Aa3" with a stable outlook by Moody's.

Sources of Money Projected to be Available to Pay Existing & Future Debt

All existing and future debt will be paid from revenues derived from use of the facilities and unrestricted room taxes (net of collection allocation) less operation and maintenance expenses of the facilities.

Room taxes historically account for approximately 80% of the LVCVA's total revenue. This revenue is heavily dependent on the tourism industry. Any fluctuation in the level of tourist activity or in the rates charged for room rentals by hotel operators is likely to have an effect in room taxes collected by the LVCVA. Total revenues for

FY 2019 are projected at $381.5 million, a 2% decrease from FY 2018, and FY 2020 are budgeted to be $401.8 million, a 5% increase from FY 2019.

Fiscal Year	Total LVCVA Fund Revenues	Room Tax	SB1 Room Tax	Room Tax as a % of Revenue
FY 2009	$ 229,648,214	$ 176,726,992	$ -	77%
FY 2010	203,175,145	154,046,265	-	76%
FY 2011	231,552,187	175,425,978	-	76%
FY 2012	257,764,150	199,592,498	-	77%
FY 2013	259,109,575	203,196,429	-	78%
FY 2014	291,428,097	222,781,385	-	76%
FY 2015	298,977,204	239,318,802	-	80%
FY 2016	329,018,464	259,967,636	-	79%
FY 2017	369,224,256	281,389,017	11,246,673	79%
FY 2018	390,321,451	283,540,300	29,162,299	80%
FY 2019 (Est.)	381,536,391	285,808,620	29,395,000	83%
FY 2020 (Bud.)	401,839,490	290,810,300	29,910,000	83%

Upcoming Contemplated Issuance of Debt

The LVCVA has started construction on Phase Two of the Las Vegas Convention Center District (LVCCD), which includes the construction of 600,000 square feet of additional indoor and outdoor exhibition space, along with meeting rooms, food and beverage outlets, parking spaces, and support spaces. The LVCVA plans to utilize flexible financing throughout the remaining phases.

The LVCVA Board of Directors approved the issuance of up to of $400 million of debt in January 2018, and an additional $500 million in May 2018 related to the project. $200 million of this was issued in April 2018 (2018A) and $500 million in October 2018 (2018B) and are included in the debt schedules on previous pages. The remaining $200 million is expected to be issued in October 2019 and included in the FY 2020 budget. The final $300 million of debt, authorized by the LVCCD Oversight Panel of the LVCVA, is expected to be issued in future years as revenue bonds.

The LVCVA will also continue to review market conditions for potential restructuring opportunities which generate significant savings.

Policy Administration Responsibility

This supplement is updated annually and submitted to the Debt Management Commission and the State Department of Taxation along with applicable forms. The CFO is the Chief Compliance Officer and is identified as follows:

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AUTHENTICATION:	Supplement updated by the CFO	07/19
	Policy approved by Board of Directors	07/19
	Policy reviewed/Supplement updated by the CFO	07/18
	Policy reviewed/Supplement updated by the CFO	07/17
	Policy reviewed/Supplement updated by the CFO	07/16
	Policy reviewed/Supplement updated by the SVP of Finance	07/15
	Approved by the Board of Directors	11/14
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	Approved by the Board of Directors	07/10
	Approved by the Vice President of Finance	06/10