LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Comprehensive Annual Financial Report

FOR THE YEAR ENDED JUNE 30, 2019 | CLARK COUNTY, NV

Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

Prepared by the Finance Department
Under the supervision of:
Ed Finger, CPA, Chief Financial Officer
Shannon Anderegg, CPA, CGMA, Vice President of Finance
Cori Knauss, CPA, Controller

Las Vegas Convention and Visitors Authority
3150 Paradise Road
Las Vegas, NV 89109-9096
702-892-0711
www.lvcva.com

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

TABLE OF CONTENTS
(CONTINUED)

INTRODUCTORY SECTION

October 14, 2019

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

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for the Las Vegas Convention and Visitors Authority (LVCVA) for the year ended June 30, 2019.

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

Piercy Bowler Taylor & Kern, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of Nevada, has audited the LVCVA's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the LVCVA as of and for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that the LVCVA's basic financial statements as of and for the fiscal year ended June 30, 2019, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). The independent auditor's report is presented as the first two pages of the financial section of this CAFR.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report. It provides an analytical overview of the LVCVA's operations for fiscal year (FY) 2019. This letter of transmittal is intended to complement the MD&A and other information contained in this report and should be read in conjunction with it.

REPORTING ENTITY

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

The LVCVA's mission statement is:

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

The LVCVA is charged with marketing and branding Las Vegas and Southern Nevada as a premier travel destination. Its primary responsibility is attracting visitors, while also operating its convention facility. Extended destinations include Laughlin, Mesquite, Boulder City, and Primm. Internationally, the LVCVA has representative offices which cover the following areas: Australia, New Zealand, Canada, China, Hong Kong, Taiwan, Europe, France, Germany, Scandinavia, Switzerland, Austria, Japan, Mexico, Italy, Spain, South and Central America, South Korea, Ireland, and the United Kingdom. In 2018, there were 8.4 million international visitors to the destination which comprised 20% of total visitor volume.

While resorts advertise and market their individual properties, the LVCVA markets and brands the destination as a whole. The LVCVA integrates its branding campaigns with sales, marketing, and public relations activities, as well as special events, to attract visitors.

In addition to marketing the destination, the LVCVA operates the Las Vegas Convention Center (LVCC) to generate business travel for meetings and conventions. While leisure travel makes up the majority of visitors, business travel is a vital component of our market and represented 15% of annual visitation to Southern Nevada in 2018. City-wide delegate attendance in 2018 decreased by 2.2% when compared to prior year due to the cyclical nature of shows, along with the mix of show size and type.

Las Vegas was recognized by the Trade Show News Networks (TSNN) as the No. 1 tradeshow destination in the United States for 2018, the 25th consecutive year of holding the market lead. Las Vegas hosted 48 of the largest tradeshows held across the nation, including the Consumer Electronics Show (CES), the largest tradeshow in 2018. CES is an annual event, and the most recent show, held in January 2019, drew 175,000 people to Las Vegas to view more than 2.9 million square feet of exhibits. More than 61,000 of the attendees were from outside of the U.S., reflecting the global appeal of conducting business in Las Vegas.

Las Vegas Convention Center

The LVCC opened 60 years ago with the World Congress of Flight in 1959. Today, it is one of the busiest convention facilities in the world - a 3.2 million square foot facility located within a short distance of more than 100,000 guest rooms. The center is well known among industry professionals for its versatility. In addition to approximately 2 million square feet of exhibit space, 145 meeting rooms handle seating capacities ranging from 20 to 2,500. A grand lobby and registration area link exhibit halls and meeting rooms and allow simultaneous set-up, break-down, and exhibiting of multiple events. The LVCC hosted 56 conventions and tradeshows in FY 2019, including CES, MAGIC International, Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB). The LVCC hosted an estimated 1.7 million total attendees in FY 2019. The LVCC can host nearly any event imaginable, from the largest conventions to international sporting events and full-scale concerts. Construction on the new Las Vegas Convention Center District (LVCCD) expansion project began in September 2018 and is 46% complete as of September 2019. Additional information on the project can be found in the Major Initiatives section below.

Cashman Center

Cashman Center, which opened in 1983, is a multi-use facility encompassing 483,000 square feet on a 55-acre site near downtown Las Vegas. The facility includes exhibit space, meeting rooms, a theatre, and a 10,000-seat baseball stadium. On June 1, 2017, the LVCVA transferred ownership of Cashman Center to the City of Las Vegas for the potential to redevelop the site. In conjunction with the transfer, the LVCVA entered into a management operating agreement with the City of Las Vegas. As part of this operating agreement, the LVCVA operated the convention facility portion until December 31, 2017, at which time the convention facility section was placed in a "mothball" status and the LVCVA operated the stadium portion until May 2019, when the baseball team moved to a new facility and the management operating agreement was terminated.

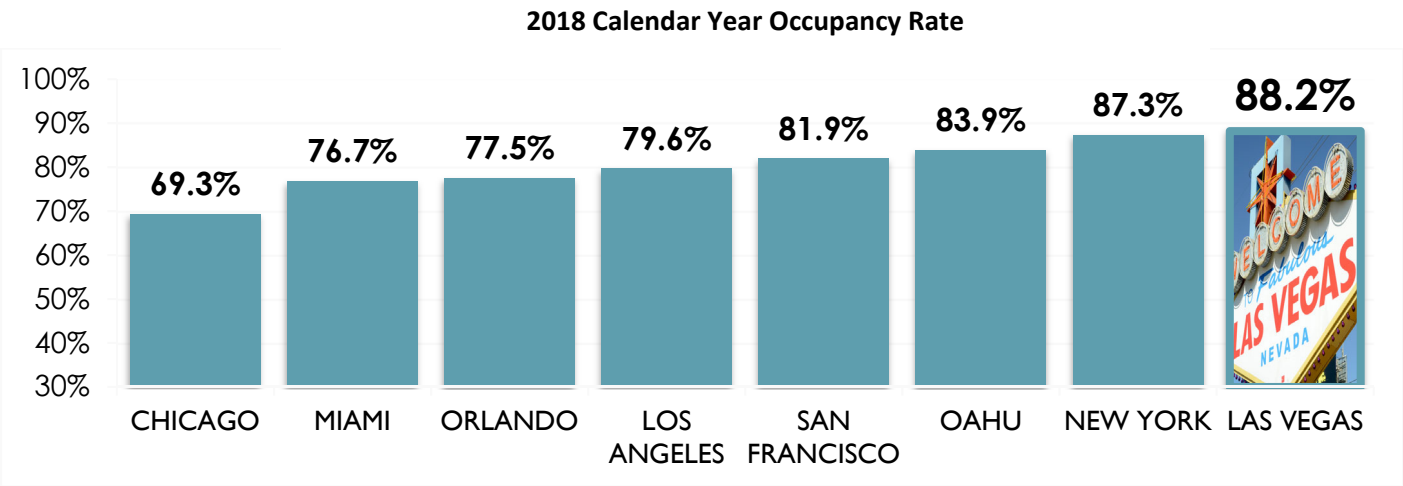
ECONOMIC CONDITION

Tourism is the largest industry and economic driver in Southern Nevada. As a result, U.S. and international travel trends are closely monitored. Tourism to Southern Nevada generates $34.5 billion in economic impact and supports over 367,000 jobs. On a national level, the World Travel and Tourism Council estimates the travel and tourism industry in the United States directly contributed $1.6 trillion to the GDP and supported over 15 million jobs, which are expected to rise 3.6% and 2.2%, respectively, in 2019. Additionally, other macroeconomic indicators reflect continued trends of moderate growth: the S&P 500, Consumer Confidence Index, Employment, the Consumer Price Index, and Travel Price Index all continue to trend upward.

Las Vegas is known for continually reinventing itself to deliver on the brand promise of being the premier destination in the world. During the year, the destination welcomed the renovations and rebranding of multiple projects, maintaining Las Vegas' reputation as a premier travel destination. Long-term investor confidence in Las Vegas is evident with $10 billion worth of projects announced or under construction over the next several years, including the LVCCD Phases Two and Three. Currently underway, expected to open in FY 2021, is the construction of the $4 billion Resort World Las Vegas, a mega-resort on the Las Vegas Strip focused on the blossoming Chinese tourism market, as well as a $1.8 billion National Football League stadium, housing the Raiders. Additional projects under construction include the MSG Sphere, an 18,000-seat performance venue at the Venetian, expected in 2021, and the Drew Las Vegas, a 3,700-room resort, casino, meeting space, entertainment, and retail complex on the Las Vegas Strip, expected in 2022. These multi-million dollar projects continue to show that Las Vegas does not stand still and continues to provide new experiences and reasons to visit.

Hotel room inventory stayed relatively flat over the last year; however, Las Vegas remains the home of seventeen of the twenty largest hotels in the United States. Clark County room inventory was just over 161,000, with nearly 147,000 of those rooms located in the Las Vegas metropolitan area. Calendar year 2018 visitation was steady but slightly lower than previous year, at 42.1 million visitors. Visitation trends continue to demonstrate solid visitation numbers at the time of this publication.

Slightly lower visitor volume produced occupancy of 88.2%; room occupancy decreased slightly as compared to the prior year but is still strong compared to other U.S. destinations. Room occupancy in the Las Vegas area consistently exceeds other major resort destinations and historically outpaces the US average by over 20 percentage points each year.



Sources: STR and LVCVA Research Center

Revenues

Room tax is the LVCVA's primary revenue source. Key components of this revenue stream are room inventory, average daily taxable room rental rate (ADR), and occupancy rates. The FY 2019 final budget for general fund room tax anticipated growth of 2.25% over FY 2018 results. Actual FY 2019 room tax achieved its highest level in the LVCVA's history, but was relatively flat compared to FY 2018, up 1.0%. Even with a lower than anticipated increase, the revenue total reflects the continued demand for the destination. Combined general fund room tax and gaming fees revenue increased from $285.1 million in FY 2018 to $288.0 million in FY 2019. Economic stabilization, consumer confidence, and targeted ad campaigns continued to drive growth in ADR throughout FY 2019.

Total revenues in the general fund at $347.9 million were slightly less than originally budgeted (0.1%), and down 1% as compared to prior year, which totaled $351.4 million. This was primarily due to charges for service decreasing approximately 10.4%, as anticipated, due to the regular cyclical rotation of major tradeshows, as well as the closure of Cashman Center.

MAJOR INITIATIVES IN FY 2019

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

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

Phase Two is currently under construction and is expected to be completed in December 2020. Phase Two will add approximately 1.4 million total square feet, with 600,000 square feet of new indoor and outdoor exhibit space, plus additional square footage for meeting rooms, additional parking, new food and beverage outlets, and support and service spaces. The budget for Phase Two of the LVCCD project is $980.3 million as approved by the Board on October 8, 2019. No additional debt is expected to be issued because of the budget overage. As of September 2019, Phase Two is 46% complete.

Phase Three of the LVCCD project consists of renovation, modernization, and additions to the existing facility and is currently in the architectural design phase. Improvements include upgrades to the exhibit halls, meeting rooms, and entrances with upgraded technology, lights, and design. Phase Three of the LVCCD project will also provide upgraded restrooms and new food and beverage outlets. Structuring the project in this manner provides space for the LVCVA's trade shows while existing facilities are closed for renovation during Phase Three of the LVCCD project. The existing exhibit halls will be renovated on a schedule such that there is no diminishment of leasable exhibition space during the project from existing, pre-expansion space. The estimated budget for Phase Three of the LVCCD project is $540 million.

The LVCVA created an LVCCD debt service fund and an LVCCD capital fund to account for Phases Two and Three of the LVCCD program. The debt fund is restricted to report all principal and interest on issued debt, while the capital fund reports all revenues and expenditures related to the expansion and renovation project(s) associated with the LVCCD, including those received as part of the SB1 legislation. These debt and capital funds are shown separately on the financial statements and have an additional compliance audit, the report for which can be found on page 59.

The LVCVA also embarked on a people mover solution for the growing campus. The competitive process looked at a variety of transportation options to move attendees efficiently and effectively throughout the LVCC campus. The Boring Company was selected to construct an underground tunnel system in which autonomous vehicles will transport constituents to three on campus stations. Bonds were issued and construction commenced on this project in the first quarter of FY20.

Executive

Effective September 1, 2018, the Board appointed the President and COO, Steve Hill, as the new CEO/President. Mr. Hill has been with the LVCVA since January 2018, and has extensive operational, finance, and construction experience. Prior to joining the LVCVA, Mr. Hill was the director of the Governor's Office of Economic Development, having been appointed to the position in 2011 by Nevada Governor Brian Sandoval. He also serves as the chairman of the Las Vegas Stadium Authority.

Marketing

The Marketing Division continues its efforts on expanding the reach of the Las Vegas brand message domestically and internationally. Other marketing initiatives included:

- Launched a drive market campaign (August – December 2018) that targeted our core audience in Los Angeles, San Diego, and Phoenix. Campaign assets created included four broadcast TV spots, four radio spots, 20 social media cuts, emails, digital, and public relations. Forty (40) hotel deals and offers were featured on VisitLasVegas.com/deals, which garnered 220,000 page visits and generated 23,000 property referrals during the campaign.
- Implemented several research studies (including ethnojournals, focus groups in six US cities, and national quantitative studies with nearly 1,400 respondents) to assess and define the current state of the brand "What Happens Here, Stays Here." The next phase will focus on creative development and include additional research to develop and refine messaging in preparation for a January 2020 campaign launch.
- The Sports Marketing department oversaw the 2019 Ultimate Vegas Sports Weekend, which included a Fan Fest featuring NASCAR, USA Sevens Rugby, UFC, Vegas Golden Knights, Tuff Hedeman Bull Riding, Las Vegas Aces, UNLV, Las Vegas Lights, and the Las Vegas Aviators. This public event consisted of interactive experiences, athlete appearances, and the ultimate tailgate party held at the Downtown Events Center. To maximize this event, Public Relations hosted 40 domestic and international media from 11 countries, with journalists experiencing and covering at least three of the weekend's signature events.
- The Public Relations department hosted more than 250 international journalists from 21 countries and 140 domestic journalists. This resulted in 3.8 billion impressions/circulation with a PR value of $78.7 million internationally, and 3.1 billion impressions/circulation with a PR value of $18 million domestically.
- Increased total Las Vegas airline seat capacity by a projected 3.1% in FY 2019; domestic capacity is up 2.9%, while international is up 5.3%. The estimated annualized overall economic impact of new air service for FY19 is projected to hit $1.8 billion. As a result of increased capacity, McCarran International Airport welcomed 49.7 million arriving and departing passengers for 2018, making it the busiest year in the airport's history.
- Secured and launched first nonstop service from Amsterdam to Las Vegas by KLM. El Al Israel Airlines launched service to Las Vegas from Tel Aviv in June 2019. In addition, Las Vegas was the first trans-border destination by two new Canadian airlines, Swoop and Flair Air. Domestically, air service continued to grow with 27 markets receiving new airline service to Las Vegas and 62 markets gaining capacity increases by existing airlines, which represents more than 1.65 million new inbound domestic seats for the fiscal year. Overall, 27 markets saw new airline entrants or significant capacity increases by existing airlines, representing more than 366,000 new inbound international seats for the fiscal year.
- The International Sales department exceeded 1,000 participants in educational Familiarization Programs, which brought travel professionals from 22 countries.
- The Leisure Sales team increased the LVCVA Travel Advisor database to 15,129 users with 19% completing online destination courses and entering over 14,000 bookings to Las Vegas to date.
- Elevated the LVCVA brand and its national advocacy strength in the community by engaging 13 educational institutions from the local hospitality and culinary workforce sectors to provide content to the Department of Commerce's U.S. Travel and Tourism Advisory Board (TTAB) for the creation of a National Workforce Training and Best Practices Strategy.

Fiscal Accountability and New Accounting Standards

Finance staff continued to review the design and compliance effectiveness of the LVCVA's internal policies and procedures and external reporting requirements. This review included industry best practices and several new external reporting standards, as well as an update and refresh of internal ethics, travel, investment, and debt policies. This fiscal year, the LVCVA implemented GASB Statements No. 83 (Certain Asset Retirement Obligations) and No. 88 (Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements). The newly-implemented standards are discussed in more detail in Note 1 to the financial statements. GASB statements slated for future implementation are discussed in Note 3 to the financial statements.

LONG-TERM FINANCIAL PLANNING

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

The LVCVA believes it is important to maintain a balance between planning for recurring resources to sustain core operations and strategic financial planning for a multi-year major capital program. The preparation of a long-term financial projection was an integral part of planning for the LVCCD. The aggregation of future intended outlays and anticipated revenues enabled an assessment of overall financial implications, including additional funding requirements, to be readily identified. With the assistance of financial experts, a comprehensive, long-range pro forma was developed which forecasts anticipated sources and uses of funds through FY 2049. The pro forma baseline included moderate growth assumptions for all current revenues and operating activities, as well as requirements to meet existing debt obligations. Projected facility use revenue growth was added, with offsets for projected operating costs from the expanded facility, including personnel, supplies, and services. Finally, the pro forma incorporated new debt financing requirements for all phases of the LVCCD. The analysis was used to estimate the level of new funding required to support the program, without sacrificing our commitment to our core mission. This analysis proved instrumental to achieve additional revenue at the special legislative session and has continued to be updated as the LVCCD project progresses to ensure sound financial decisions, including issuance of debt, related to the project.

DEBT ADMINISTRATION

Debt Policy

The LVCVA is committed to complying with all federal and other regulatory requirements regarding the issuance and ongoing management of its debt. During the year, the LVCVA, with input from its financial advisors, streamlined and consolidated its debt policy. The updated policy included revising the internal debt coverage ratio to include any self-imposed debt reserves as part of the calculation. The LVCVA's debt policy establishes the requirements and procedures for ensuring compliance with federal laws relating to issuance and post-issuance monitoring of tax-exempt bonds and taxable direct-pay bonds. The policy is intended to define compliance practices including compliance actions, records management, disclosure requirements, and process continuity within the Finance Department and the executive management of the LVCVA.

Debt Overview

Each month, the LVCVA transfers money from the general fund and LVCCD capital fund to the debt service fund and the LVCCD debt service fund so it is available to pay the principal and interest payments for outstanding debt issues due on January 1 and July 1. The reserves in the debt service fund at June 30, 2019, were sufficient to pay principal and interest due on July 1, 2019.

Outstanding bonded debt and debt service reserves at June 30, 2019, are as follows:

	Rating S&P	Rating Moody's	Outstanding Debt	Reserves Restricted for Repayment of Debt Principal	Net Outstanding Debt
2010A G.O./Revenue Bonds*	AA+	Aa1	$ 70,770,000	$ -	$ 70,770,000
2010C G.O./Revenue Bonds*	AA+	Aa1	142,045,000	4,720,000	137,325,000
2012 G.O./Revenue Bonds*	AA+	Aa1	19,700,000	1,140,000	18,560,000
2014 G.O./Revenue Bonds*	AA+	Aa1	49,900,000	100,000	49,800,000
2015 G.O./Revenue Refunding Bonds*	AA+	Aa1	135,520,000	19,165,000	116,355,000
2016C Revenue Refunding Bonds	A+	Aa3	100,705,000	-	100,705,000
2017 G.O./Revenue Refunding Bonds*	AA+	Aa1	21,175,000	-	21,175,000
2017B Revenue Refunding Bonds	A+	Aa3	71,005,000	-	71,005,000
2017C G.O./Revenue Refunding Bonds*	AA+	Aa1	126,855,000	-	126,855,000
2018 G.O./Revenue Bonds*	AA+	Aa1	200,000,000	-	200,000,000
2018B Revenue Bonds	A+	Aa3	500,000,000	-	500,000,000
2018C Revenue Refunding Bonds	A+	Aa3	80,000,000	-	80,000,000
2019A Revenue Refunding Bonds	n/a	n/a	32,860,000	-	32,860,000
			$ 1,550,535,000	$ 25,125,000	$ 1,525,410,000

*Issued through Clark County

The outstanding debt of the LVCVA includes general obligation bonds, taxable direct pay Build America Bonds, and revenue bonds. Property taxes have never been used to pay debt service or any other related expenditure. The LVCVA has $136.3 million in restricted fund balance related to the 2017C bonds and $44.2 million in restricted fund balance of capitalized interest related to the 2018B and 2018C bonds to be used for payment of the debt listed above.

In October 2018, the LVCVA issued $500 million Series 2018B Revenue Bonds for the LVCCD project. The LVCVA drew $60.5 million from its 2016A Line of Credit (LOC) to purchase land next to its expansion. The LVCVA also issued $80 million Series 2018C Revenue bonds in November 2018. The net proceeds paid the outstanding principal balance due on the LOC ($61.5MM) and funded new capital projects. As a result, the LOC was paid off and closed. In June 2019, the LVCVA issued $32,860,000 Series 2019A Revenue Bonds (the 2019A Bonds) for the purpose of refunding the Series 2010B General Obligation Bonds for estimated savings of $2.8 million. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the refunded portion of the 2010B General Obligation Bond is considered defeased, and the liability for that bond has been removed from the Statement of Net Position. Additional information regarding long-term debt can be found in Note 8 on pages 35 through 40.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROLS

The annual budget serves as the financial plan of the LVCVA. The process starts every December and advances through various review processes. The tentative budget is filed by April 15 with the Nevada Department of Taxation and the Clark County Clerk as required by Nevada Revised Statutes (NRS). Between April 15 and approval of the budget, which is no sooner than the third Monday in May and no later than the last day in May, the public has the opportunity to review the tentative budget document and submit any comments for inclusion on the agenda. A public hearing provides the public an opportunity to submit additional comments on the proposed budget to the Board.

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the LVCVA for its CAFR for the year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to the program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The LVCVA has received the Certificate of Achievement for the last 35 consecutive years (fiscal years ended 1984-2018). We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for consideration.

The LVCVA also received the GFOA's Distinguished Budget Presentation Award for its FY 2019 annual budget, marking the 30th consecutive year of earning this recognition. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,

Steve Hill
Chief Executive Officer/President

Ed Finger, CPA
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Las Vegas Convention and Visitors Authority

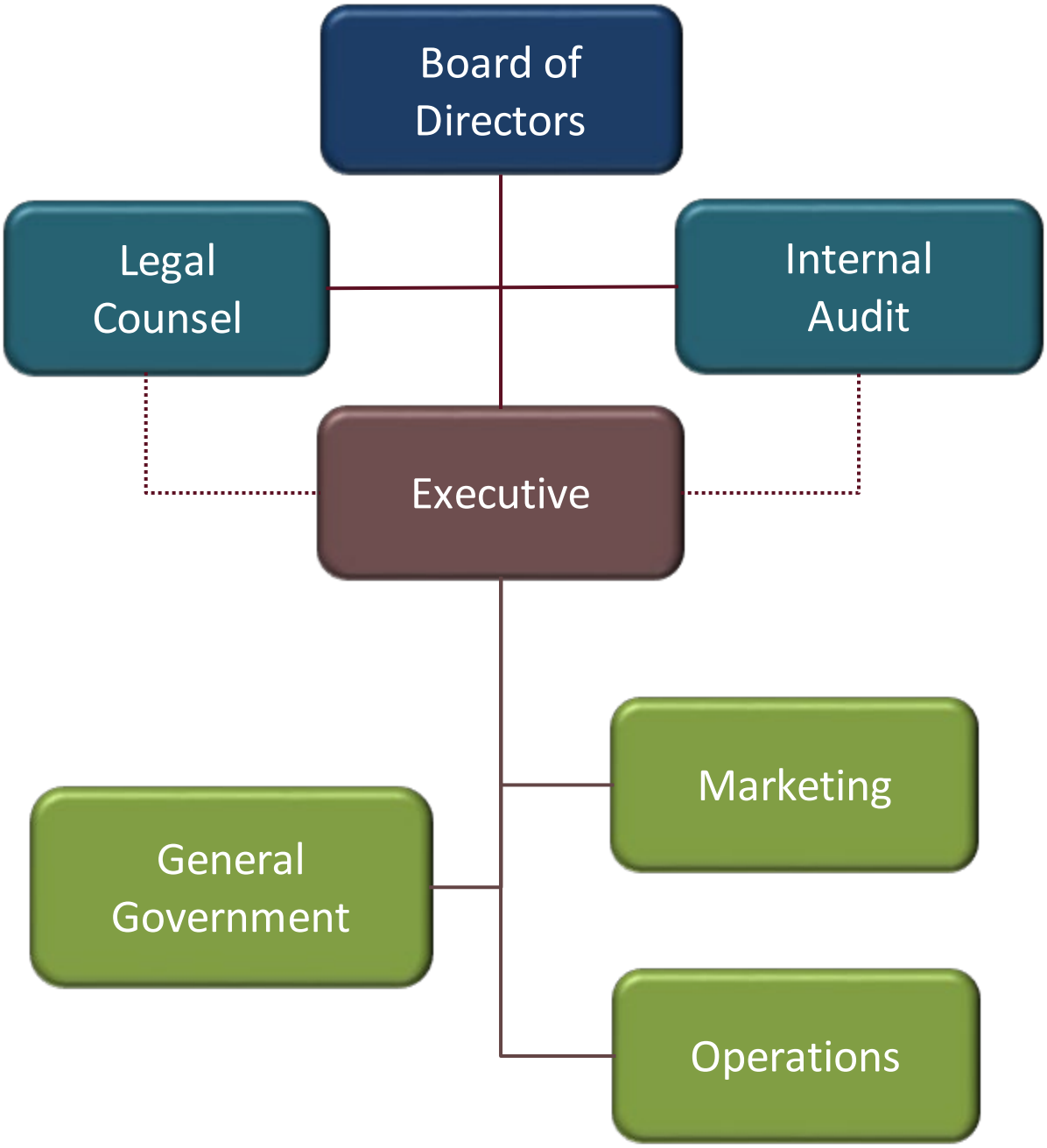
Nevada

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO


Board of Directors
Legal Counsel
Internal Audit
Executive
Marketing
General Government
Operations

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

PRINCIPAL OFFICIALS

As of September 30, 2019

The Las Vegas Convention and Visitors Authority is governed by a Board of Directors consisting of fourteen members. Eight members are elected officials of either Clark County or one of its incorporated cities. The Las Vegas Metro Chamber of Commerce (CC) and Nevada Resort Association (NRA) nominate three each of the remaining six members. Seven of eight elected officials are selected periodically by their respective governing bodies; their terms on the Board are coterminous with their terms of office. The eighth elected official, from the second least populated incorporated city, serves a two-year term, starting with their term in office. The six remaining members serve a two-year term and can be re-appointed to additional two-year terms. As of September 30, 2019, members of the board included:

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

MARILYN SPIEGEL
Vice Chair
Representing resort hotel
Nominated by NRA
Term: Jan 2019 - Jun 2021

JOHN MARZ
Secretary
Councilman
Representing City of Henderson
Term: Jul 2015 - Jun 2021

GREGORY LEE
Treasurer
Representing tourism
Nominated by CC
Term: Jul 2012 – Jun 2020

MICHELE FIORE
Mayor Pro Tem
Representing City of Las Vegas
Term: Mar 2018 – Nov 2022

CAROLYN G. GOODMAN
Mayor
Representing City of Las Vegas
Term: Jul 2011 – Nov 2024

PAMELA GOYNES-BROWN
Councilwoman
Representing North Las Vegas
Term: Dec 2018 – Jun 2023

TOM JENKIN
Representing resort hotel
Nominated by CC
Term: Dec 2003 – Jun 2021

KIERNAN MCMANUS
Mayor
Representing Boulder City
Term: Aug 2019 – Nov 2022

ANTON NIKODEMUS
Representing resort hotel
Nominated by NRA
Term: Jul 2019 – Jun 2021

GEORGE RAPSON
Councilman
Representing City of Mesquite
Term: Aug 2011 – Jun 2021

MARY BETH SEWALD
Representing other commercial
Nominated by CC
Term: Jan 2018 – Jun 2021

STEVE THOMPSON
Representing resort hotel in central business district
Nominated by NRA
Term: Aug 2019 – Jun 2020

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

SENIOR EXECUTIVE STAFF

As of September 30, 2019

The LVCVA Board of Directors serves as a policy-making body and employs a President to serve as Chief Executive Officer. As of September 30, 2019, the LVCVA senior executives consisted of:

Steve Hill
Chief Executive Officer/President

Caroline Bateman
Legal Counsel

Ed Finger
Chief Financial Officer

Lori Nelson-Kraft
Senior Vice President of Communication & Government Affairs

Brian Yost
Chief Operating Officer

FINANCIAL SECTION

PBTK
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents.

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

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

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

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

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

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding

progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information, budgetary comparison information on pages 3-13 and 55-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2019, on our consideration of the LVCVA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the LVCVA's internal control over financial reporting and compliance.

Las Vegas, Nevada
October 14, 2019

Management's Discussion and Analysis

As management of the Las Vegas Convention and Visitors Authority (the LVCVA), we offer readers of the LVCVA's financial statements this narrative overview and analysis of the LVCVA's financial performance for the fiscal year (FY) ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages i to ix of this report.

FINANCIAL HIGHLIGHTS

- Total government-wide revenues increased approximately $17.6 million, which is the ninth consecutive year of growth. Room taxes and gaming fees increased $5.7 million, 2% over the prior year. FY 2019 saw the highest room tax collection in history for the LVCVA, which is due primarily to a second full year of the 0.5% increase in room tax rate related to the Las Vegas Convention Center District (LVCCD) project and gains in average daily room rate (ADR). Marketing program revenues decreased $3.1 million due to a one-time in-kind revenue recorded in FY 2018 related to donated media placements. Facility charges for services decreased by 3%, as compared to the prior year, due to expected cyclical show rotation schedules and the transfer of Cashman to the City of Las Vegas.
- The LVCVA made significant progress during FY 2019 on Phases Two and Three of its expansion and renovation plan entitled the LVCCD project. This included purchase of two properties adjacent to the LVCCD expansion for $61.0 million which allowed the LVCVA to adjust building plans for a more seamless customer experience on the west side of the expansion project. As of June 30, 2019, Phase Two was 32% complete with costs incurred of $313.8 million, and is expected to be completed in December 2020 in time to host the CES 2021 convention. The LVCVA also began architecture design and selection of the construction manager for Phase Three, with $5.1 million of cost incurred at the end of FY 2019.
- The LVCVA completed multiple debt issuances during the fiscal year, with par values totaling $673.4 million. This included the $500.0 million revenue bond for LVCCD Phase Two at a true interest costs of 4.14%. The LVCVA drew on its Subordinate Revenue Bonds 2016A Line of Credit (2016A LOC) for a total of $60.5 million during the fiscal year for the purchase of land associated with Phase Two. The LVCVA issued $80.0 million Revenue Bonds in November 2018, the proceeds of which were used to refund the total outstanding balance of the 2016A LOC ($61.5 million), with $23.0 million used to fund additional capital projects and capitalized interest at a true interest cost of 4.23%. The LVCVA also issued $32.9 million Revenue Bonds to refund the Series 2010B GO Bonds in June 2019 with an estimated savings of $2.8 million.
- Net position increased $81.3 million from $143.6 million to $224.9 million during FY 2019 including a reduction in negative unrestricted net position of $19.1 million. This is primarily a result of the LVCVA continued practice of moderating expense growth, which produces revenues in excess of expenses. Restrictions for debt service also increased $40.0 million due primarily to the issuance of debt with capitalized interest.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

(1) Government-wide financial statements

(2) Governmental fund financial statements

(3) Proprietary fund financial statements

(4) Notes to the financial statements

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

PROPRIETARY FUND FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 54 of this report.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information found on pages 55 through 58, including a schedule of OPEB funding progress, the LVCVA's allocated share of the PERS net pension liability, contributions to the PERS pension plan, and general fund budgeted and actual revenues, expenditures, and change in fund balance.

CONDENSED COMPARATIVE DATA

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

The LVCVA's change in net position, on the government-wide basis, increased $81.3 million during the year as follows:

CHANGES IN NET POSITION				
			Increase (Decrease)	
	FY 2018	FY 2019	Amount	Percent
Net position – beginning	$ 56,842,395	$ 143,585,279	$86,742,884	153%
Revenues	390,062,104	407,708,582	17,646,478	5%
Expenses	303,319,220	326,440,687	23,121,467	8%
Change in net position	86,742,884	81,267,895	(5,474,989)	-6%
Net position – ending	$ 143,585,279	$ 224,853,174	$81,267,895	57%

Growth in overall net position is a function of LVCVA's continued pattern of limiting overall expenditures with modest revenue growth. The growth in revenues for the year is primarily attributed to a boost in interest and investment earnings from significant bond proceeds, along with improved room tax revenues for the LVCVA as a function of increased room rates and occupancy.

During FY 2019, net position consists of the following:

CONSOLIDATED STATEMENT OF NET POSITION				
			Increase (Decrease)	
	June 30, 2018	June 30, 2019	Amount	Percent
Current and other assets	$ 688,975,867	$ 1,063,919,932	$ 374,944,065	54%
Capital assets	684,073,176	1,031,674,280	347,601,104	51%
Total assets	1,373,049,043	2,095,594,212	722,545,169	53%
Deferred outflows of resources	25,323,804	25,249,889	(73,915)	0%
Current and other liabilities	102,155,189	166,118,498	63,963,309	63%
Long-term liabilities	1,142,057,043	1,698,923,520	556,866,477	49%
Total liabilities	1,244,212,232	1,865,042,018	620,829,786	50%
Deferred inflows of resources	10,575,336	30,948,909	20,373,573	193%
Net position				
Net investment in capital assets	226,056,855	231,566,617	5,509,762	2%
Restricted	236,655,652	293,276,770	56,621,118	24%
Unrestricted (deficit)	(319,127,228)	(299,990,213)	19,137,015	-6%
Total net position	$ 143,585,279	$ 224,853,174	$ 81,267,895	57%

A large portion of net position reflects an investment in capital assets, less debt used to acquire those assets. Restricted net position is reported separately to show legal constraints from debt covenants or other restrictions that limit the LVCVA's ability to use those resources. Restricted net position increased $56.6 million, mainly due to $36.1 million related to capitalized interest for future LVCCD debt service payments and $16.8 million related to LVCCD capital projects. Unrestricted net position improved $19.1 million due to efforts to reduce expenses. See Note 3 on page 28 for additional information on net position.

REVENUES

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

The general revenue classification includes all room taxes and gaming fees and investment income because they are not related to charges for program services. Clark County (the County) and the incorporated cities within the County, which includes Las Vegas, levy room tax on all transient lodging establishments, which is the LVCVA's primary source of revenue. All revenues that do not qualify as program revenues are reported as general revenues.

Total revenues for FY 2019 amounted to $407.7 million, a 5% increase over FY 2018.

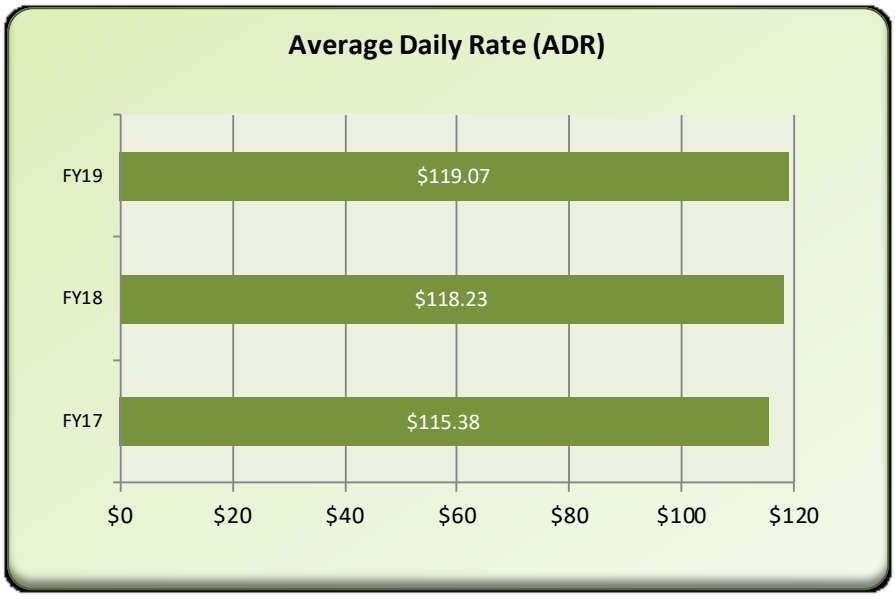
			Increase (Decrease)	
	FY 2018	FY 2019	Amount	Percent
General revenues				
Room taxes and gaming fees	$ 313,293,512	$ 318,991,506	$ 5,697,994	2%
Interest and investment earnings	3,736,224	21,396,568	17,660,344	473%
Miscellaneous	2,022,285	1,527,733	(494,552)	-24%
Total general revenue	319,052,021	341,915,807	22,863,786	7%
Program revenues				
Operations	60,913,192	58,828,400	(2,084,792)	-3%
Marketing	5,432,935	2,349,536	(3,083,399)	-57%
General government	4,663,956	4,614,839	(49,117)	-1%
Total program revenues	71,010,083	65,792,775	(5,217,308)	-7%
Total revenues	$ 390,062,104	$ 407,708,582	$ 17,646,478	5%

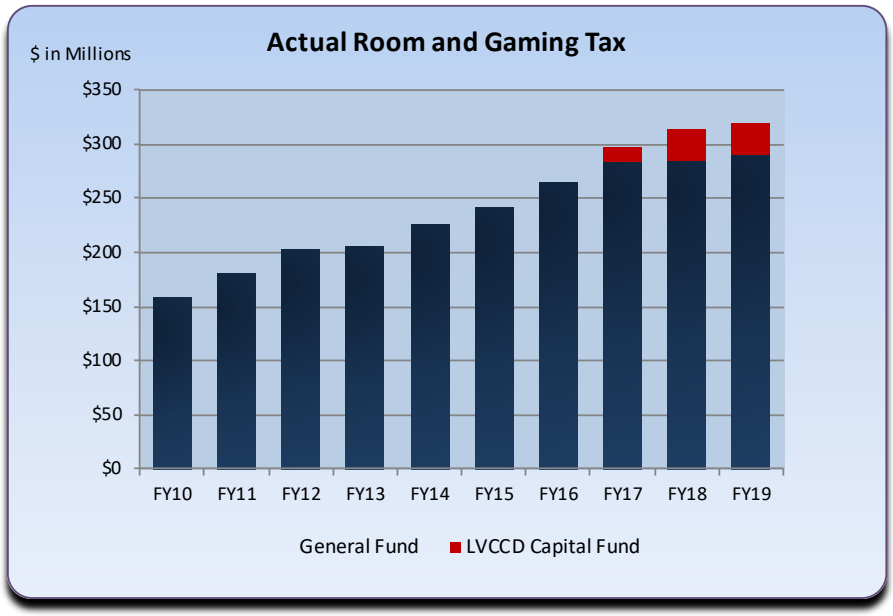
Government-wide room taxes and gaming fees provided $319.0 million during FY 2019, an increase of $5.7 million. Room tax is affected by the number of lodging rooms available, occupancy rate, and average daily room rate (ADR). Room inventory in the County held flat compared to FY 2018, while occupancy percentage increased slightly from 86.3% to 86.8% in FY 2019.The most volatile factor in calculating room taxes is ADR. With hotel rooms being booked over the internet, price fluctuations are common, with hotels having the ability to respond quickly to occupancy trends. ADR averaged $119.07 in FY 2019, a 0.7% increase over the $118.23 result in FY 2018. FY 2019 represented the ninth consecutive year of growth, on a year-over-year basis, for room tax revenues due to the modest increases in ADR and occupancy.

The majority of room tax revenue was generated in Clark County ($292.4 million or 92%). The City of Las Vegas was the second-largest collector of room taxes and gaming fees, at $17.1 million (5%). The other incorporated cities of North Las Vegas, Henderson, Boulder City, and Mesquite combined to provide the remaining 3%.

Interest and investment earnings rose 473% over the prior period as a result of higher interest rates and additional bond proceeds available for investment, as well as the utilization of an external investment manager to maximize return while ensuring safety and liquidity.

Program revenues for Marketing decreased $3.1 million as compared to FY 2018. This is primarily attributable to a one-time in-kind revenue recorded in FY 2018 related to the events of One October.





The room tax rate in Clark County averages 10.5% to 14% on lodging facilities, and such rate can only be modified by the action of the Nevada State Legislature. In general, room tax for resort hotel room rentals will be distributed as follows:

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

Facility charges for services reflected a decrease of 3%, as compared to FY 2018, due primarily to the anticipated, customary cyclical rotation of trade shows and the transfer of Cashman to the City of Las Vegas on May 10, 2019. Total expenses to operate the facilities were $60.3 million in FY 2019, including depreciation and amortization, an increase of 2% compared to FY 2018. The increase is primarily due to additional accrual for pollution remediation of $2.6 million based on updated estimates as the ground water remediation process progresses, which was partially offset by an effort during the year to reduce organization-wide expenses.

FACILITY OPERATIONS				
			Increase (Decrease)	
	FY 2018	FY 2019	Amount	Percent
Charges for services	$ 60,913,192	$ 58,828,400	$ (2,084,792)	-3%
Expense	59,031,568	60,313,746	1,282,178	2%
Net proceeds/(expense)	$ 1,881,624	$ (1,485,346)	$ (3,366,970)	-179%

EXPENSES

Total government-wide expenses by function were as follows:

			Increase (Decrease)	
	FY 2018	FY 2019	Amount	Percent
General government	$ 21,535,551	$ 20,375,949	$ (1,159,602)	-5%
Marketing:				
Advertising	106,726,431	100,315,540	(6,410,891)	-6%
Marketing and sales	40,857,539	38,676,920	(2,180,619)	-5%
Special events grants	12,551,768	15,315,686	2,763,918	22%
Operations	59,031,568	60,313,746	1,282,178	2%
Community support and grants:				
Capital grants to other governments	191,690	4,595,124	4,403,434	2297%
Other community support	24,910,418	25,127,979	217,561	1%
Interest and fiscal charges	37,514,255	61,719,743	24,205,488	65%
	$ 303,319,220	$ 326,440,687	$ 23,121,467	8%

The LVCVA management strategically implemented various cost containment techniques during the year as room tax revenues were trending below budget and are the primary driver in the reduction in General Government and Marketing and Sales account. The decrease in Advertising expenses is primarily attributable to the $3.0 million in a one-time media donation in FY 2018 related to the events of One October and continued efforts to mitigate expenses. Special events grants rose $2.8 million, mainly due to the naming rights for the Las Vegas Ballpark of $2.0 million and expenditures of $1.25 million to sponsor an additional NASCAR race.

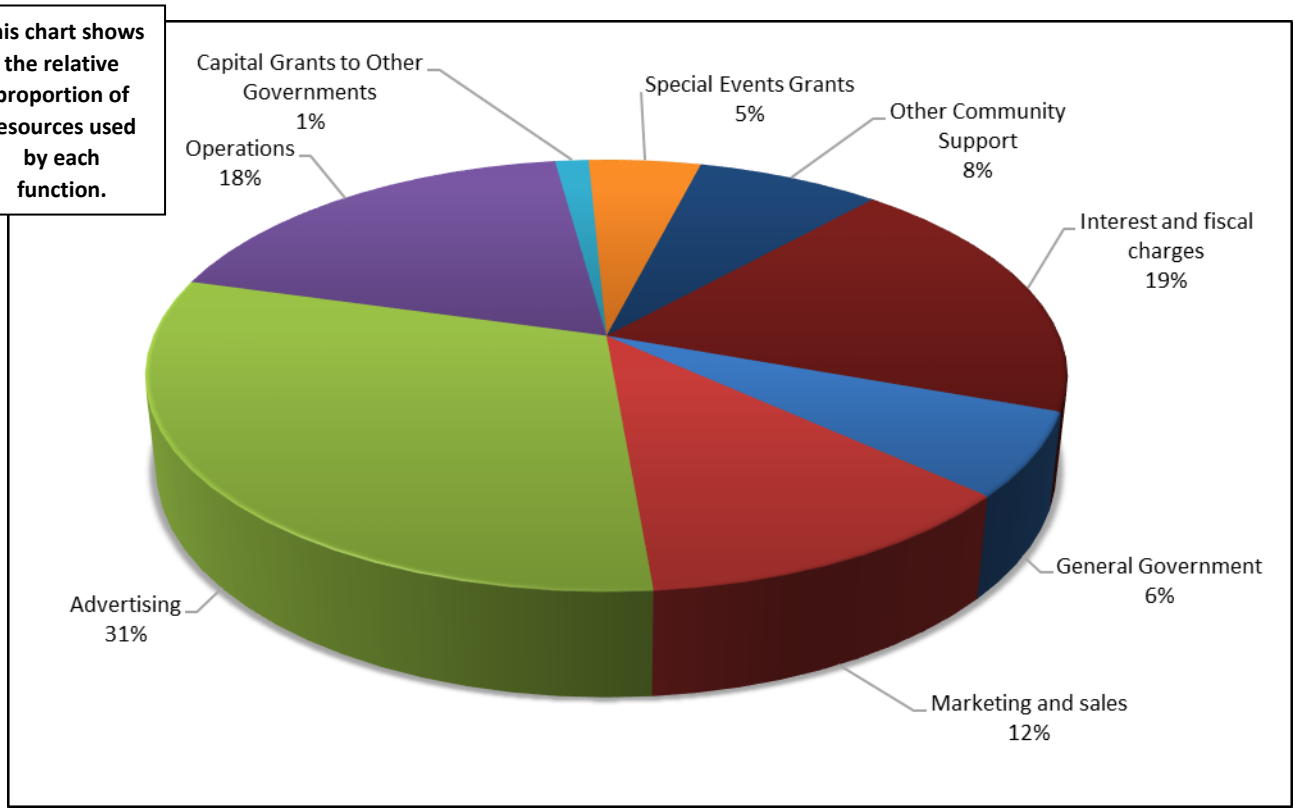
Operations expenses increased due to additional accrual for pollution remediation of $2.6 million, with a partial offset by a reduction in other operations expenses, and the transfer of Cashman to the City of Las Vegas.

Capital grants to other governments increased $4.4 million, due to assistance to the City of Las Vegas for the renovation of the canopy over the Fremont Street Experience. The board approved total amount was $9.5 million and the renovations are expected to be completed in FY 2020.

Other community support expenses, which consist of the administrative fee returned to the collecting government entities of room taxes and gaming fees, remained flat as a direct result of a cap enacted under SB1. As provided by NRS 244A.645, up to 10% of the total room taxes and gaming fees received by the LVCVA may be paid back to the county and incorporated cities.

The calculation excludes revenues generated from SB1, which are restricted to the LVCCD expansion and renovation project. Additionally, SB1 imposed a cap of $25.0 million on the total annual collection, on a modified accrual basis, eligible to be returned to the collecting entities. Any funds above the cap are transferred to, and restricted in, the LVCCD capital fund.

This chart shows the relative proportion of resources used by each function.



The increase in Interest and fiscal charges relates directly to the issuance of bonds during FY 2019 related to capital expenditures for the LVCCD project, and debt refunding transactions to close out the 2016 LOC and to achieve future interest expense savings, which is more fully described in long term debt.

OVERALL FINANCIAL POSITION

The LVCVA demonstrated strong financial results for FY 2019, the ninth consecutive year of revenue growth over recessionary lows. The $81.3 million improvement in overall net position change is related to effective expense management and issuance of debt with capitalized interest. The LVCVA's debt coverage ratio remains more than double the 1.5 times minimum coverage required by bond covenants and exceeds the 3.0 times coverage required by internal policy. Management remains vigilant to maintain fiscal sustainability through conservative budgeting and continuous monitoring of actual financial results and economic trends at the local, state, and national levels. Such approach allows the LVCVA the ability to react swiftly to changing conditions and sustain operations during challenging periods. The LVCVA is dedicated to the preservation of adequate fund balances to meet operating cash flow requirements and to satisfy debt service obligations.

FUND ANALYSIS

During FY 2019, the fund balance changed as indicated in the chart below:

	General Fund	LVCCD Capital Fund	LVCCD Debt Sevice Fund	Capital Projects Fund	Debt Service Fund
Fund balance - beginning	$ 38,992,084	$ 299,418,455	$ 1,935,145	$ 49,120,263	$ 201,532,868
Fund balance - ending	41,260,929	568,966,252	38,039,562	55,774,250	206,821,499
Increase	$ 2,268,845	$ 269,547,797	$ 36,104,417	$ 6,653,987	$ 5,288,631
Percent change	5.8%	90.0%	100.0%	13.5%	2.6%

Fund balance in the General fund increased $2.3 million, or 5.8%, because of successfully monitoring actual spend and identifying cost-saving opportunities throughout the fiscal year. Total expenditures declined $6.9 million due to lower expenses in all functional areas from cost reduction initiatives. Marketing was down $5.2 million, operations declined $1.2 million, and general government decreased $500 thousand.

The increase in fund balance for the capital projects fund is primarily due to unexpended bond proceeds for a police sub-station located at the LVCC that has yet to be constructed.

Funding for the LVCCD capital fund includes SB1 room tax revenues, transfers from the general fund of $45.0 million for "pay-as-you-go reserves," and a transfer of $3.8 million representing the excess collection allocation above the $25 million returned to collecting entities. In preparation of the beginning of the construction project, $500 million in debt was issued for this fund in October 2018. The LVCCD is a multiyear project, and, therefore, significant bond proceeds are still held at year end.

The LVCCD debt service fund was created in FY 2018 to account for the principal and interest payments associated with debt issued in support of the LVCCD project. Fund balance increased due to capitalized interest being held to pay for future debt and the issuance of Series 2018B Revenue Bonds in October 2018, which has $33.6 million of capitalized interest for future debt payments as of June 30, 2019.

The debt service fund ending fund balance increased mainly due to interest earned on the crossover refunding, which stays in the debt fund until utilized when the bonds are defeased, and budget savings from refunding the line of credit with long-term debt.

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY 2019 budget was originally based on 3% growth in room tax revenues over the anticipated FY 2018 results. During the year, actual room tax revenues were up 1% as compared to FY 2018.

The final budget for FY 2019 targeted an ending general fund balance of $28.3 million, or 11% of operating expenditures. The actual ending general fund balance was $41.3 million, an improvement of $13.0 million, primarily due to a decline of $11.6 million in operating expenditures, and $1.5 million less in transfers out, offset by lower revenues compared to the final budget for FY 2019. The decrease in operating expenditures was due to the LVCVA's practice of budgeting expenditures to capture all potential programmatic costs, while monitoring the actual spending and identifying cost-saving opportunities throughout the fiscal year as information of revenues are received.

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

GENERAL FUND CHANGES IN BUDGETED REVENUES AND TRANSFERS			
	Original Budget	Revisions	Final Budget
Room taxes and gaming fees	$ 291,442,000	$ -	$ 291,442,000
Charges for service	56,960,500	-	56,960,500
Interest and other	432,600	-	432,600
Transfers in	170,300	-	170,300
Proceeds from sale of capital assets	48,000	-	48,000

GENERAL FUND CHANGES IN BUDGETED EXPENDITURES AND TRANSFERS			
	Original Budget	Revisions	Final Budget
General government	$ 22,906,700	$ -	$ 22,906,700
Marketing:			
Advertising	101,500,000	-	101,500,000
Marketing and sales	40,834,600	(30,900)	40,803,700
Special events grants	17,130,300	30,900	17,161,200
Operations	41,290,800	-	41,290,800
Community support:			
Other community support	25,100,000	-	25,100,000
Transfers out	110,994,200	-	110,994,200

Actual general fund revenues, transfers in, and proceeds from the sale of capital assets totaled $348.8 million, which is $206 thousand lower than the final budget, mainly related to the 1% decline in room tax revenue. Actual general fund expenditures totaled $237.1 million, about $11.6 million less than the final budget. These results are largely due to conservative budgeting practices, which are based on the strategy of budgeting revenues cautiously while budgeting expenditures aggressively, as well as adjusting expenditure use during the year as revenues are received and compared to budget.

CAPITAL ASSETS

Investment in capital assets as of June 30, 2019 totaled $1.0 billion (net of accumulated depreciation and amortization), which increased 51% compared to FY 2018. Net capital assets additions totaled $347.6 million, mainly due to construction in progress related to the LVCCD and the purchase of land for $61.0 million. The construction in progress of $322.8 million includes $313.8 million for LVCCD Phase Two and $5.6 million for architecture design and selection of the construction manager for Phase Three. Depreciation and amortization expense for the year was approximately $17.0 million which was the primary driver of decreases in the line items shown below.

Capital asset activity is accounted for in both the capital projects fund and the LVCCD capital fund. More detailed information on capital assets can be found in Note 5 on page 33.

CAPITAL ASSETS (net of depreciation and amortization)	June 30, 2018	June 30, 2019	Increase (Decrease) Amount	Increase (Decrease) Percent
Land	$ 439,064,772	$ 500,049,903	$ 60,985,131	14%
Intangibles	293,517	129,297	(164,220)	-56%
Construction in progress	22,019,212	322,840,322	300,821,110	1366%
Buildings	204,419,178	193,504,655	(10,914,523)	-5%
Improvements	14,675,495	11,529,000	(3,146,495)	-21%
Furniture and equipment	3,601,002	3,621,103	20,101	1%
	$ 684,073,176	$ 1,031,674,280	$ 347,601,104	51%

LONG-TERM DEBT

At June 30, 2019, LVCVA debt totaled $1.6 billion. Of this amount, $766.0 million are general obligation bonds additionally secured by specified revenue sources and $784.6 million is revenue bonds. The LVCVA completed three bond issuances in FY 2019, for a face value of $673.4 million.

In October 2018, the LVCVA issued new Revenue Bonds for $500.0 million. These bonds were issued for Phase Two of the LVCCD, and principal and interest payments are accounted for in the LVCCD debt service fund. True interest cost of the bond is 4.14%.

The LVCVA drew on its Subordinate Revenue Bonds 2016A Line of Credit (2016A LOC) for a total of $60.5 million during the fiscal year for the purchase of land in connection with the LVCCD project. In November 2018, the LVCVA issued new Revenue Bonds for $80.0 million, the proceeds of which were used to refund the 2016 LOC, and provide for other LVCVA capital projects. True interest cost of the bond is 4.23%.

In June 2019, the LVCVA issued Series 2019A Revenue Bonds, in the amount of $32.9 million, for the purpose of refunding the Series 2010B GO Bonds at a true interest cost of 2.34%. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2010B GO Bond is considered defeased, and the liability for the 2010B GO Bond has been removed from the Statement of Net Position. The refunding reduced the LVCVA's total debt service payments over six years by an estimated $2.8 million, which is a present value savings of approximately $2.7 million.

	General Obligation Bonds Principal Balance	Revenue Bonds Principal Balance	Unamortized Premiums and Discounts	Total
	(In Thousands)			
Beginning balance	$ 828,245	$ 172,710	$ 43,863	$ 1,044,818
Payments/retirements and amortization	(62,280)	(61,500)	(6,206)	(129,986)
New issuances	-	673,360	29,497	702,857
Ending balance	$ 765,965	$ 784,570	$ 67,154	$ 1,617,689

More detailed information on debt can be found in Note 8 on pages 35 through 40.

INTERNAL SERVICE FUND

In FY 2013, an internal service fund was established to accumulate resources, through yearly discretionary transfers from the general fund, for future payment of liabilities related to post-employment benefits other than pensions. Discretionary transfers since FY 2013 total $27.1 million, including $100K in FY 2019. The annual funding considerations include biannual actuarial studies among other factors and conditions.

ADDITIONAL FINANCIAL INFORMATION

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

LVCVA Chief Financial Officer
3150 Paradise Road
Las Vegas, NV 89109
(702) 892-2990
Or, please visit our website at:
www.lvcva.com/who-we-are/funding-and-finance/

BASIC FINANCIAL STATEMENTS

Government-Wide

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Net Position - Governmental Activities

June 30, 2019

Assets:		
Cash and cash equivalents	$	68,312,855
Investments		778,622,331
Restricted investments		139,334,131
Receivables:		
Room taxes and gaming fees		56,105,534
Accounts		13,043,784
Interest		3,779,139
Inventory		462,337
Prepaid and other items		4,259,821
Capital and intangible assets:		
Non-depreciable		822,990,225
Depreciable, net of accumulated depreciation and amortization		208,684,055
Total assets		2,095,594,212
Deferred outflows of resources:		
Deferred charges on refunding		11,591,889
Deferred resources related to pensions		13,000,885
Deferred resources related to post-employment benefits other than pensions		657,115
Total deferred outflows of resources		25,249,889
Liabilities:		
Accounts payable		72,934,633
Retention payable		10,130,833
Accrued payroll and related items		5,135,477
Due to other governments		6,435,254
Deposits		1,156,460
Unearned revenue		826,701
Interest payable		35,580,671
Pollution remediation obligation		4,400,000
Noncurrent liabilities:		
Due within one year:		
Capital lease obligation		56,041
Bonds payable		25,125,000
Compensated absences payable		4,337,428
Due in more than one year:		
Bonds payable, net of unamortized discounts and premiums		1,592,563,932
Compensated absences payable		1,519,659
Post-employment benefits other than pensions		28,303,861
Net pension liability		76,536,068
Total liabilities		1,865,042,018
Deferred inflows of resources:		
Deferred resources related to pension		4,246,545
Deferred resources related to post-employment benefits other than pensions		26,702,364
Total deferred inflow of resources		30,948,909
Net position:		
Net investment in capital assets		231,566,617
Restricted for:		
Debt service		188,249,013
LVCCD capital project		62,866,446
Community support		4,112,499
LVCCD debt service		38,039,562
Other purposes		9,250
Unrestricted deficit		(299,990,213)
Total net position	$	224,853,174

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Activities - Governmental Activities

For the Year Ended June 30, 2019

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental activities:				
General government	$ 20,375,949	$ -	$ 4,614,839	$ (15,761,110)
Marketing:				
Advertising	100,315,540	-	-	(100,315,540)
Marketing and sales	38,676,920	2,349,536	-	(36,327,384)
Special events grants	15,315,686	-	-	(15,315,686)
Operations	60,313,746	58,828,400	-	(1,485,346)
Community support and grants:				
Capital grants to other governments	4,595,124	-	-	(4,595,124)
Other community support	25,127,979	-	-	(25,127,979)
Interest and fiscal charges	61,719,743	-	-	(61,719,743)
Total governmental activities	$ 326,440,687	$ 61,177,936	$ 4,614,839	(260,647,912)

General revenues:	
Room taxes and gaming fees	318,991,506
Interest and investment earnings	21,396,568
Miscellaneous	1,527,733
Total general revenues	341,915,807
Change in net position	81,267,895
Net position - beginning	143,585,279
Net position - ending	$ 224,853,174

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

BASIC FINANCIAL STATEMENTS

Governmental Funds

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Balance Sheet - Governmental Funds

June 30, 2019

	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 10,117,981	$ 973	$ 15,213,703	$ 7,302	$ 42,961,056	$ 68,301,015
Investments	27,860,198	615,666,120	22,792,118	56,433,918	26,898,618	749,650,972
Restricted investments	-	3,000,000	-	-	136,334,131	139,334,131
Receivables:						
Room taxes and gaming fees	50,899,201	5,206,333	-	-	-	56,105,534
Accounts	9,068,356	-	-	3,975,428	-	13,043,784
Interest	52,151	1,790,964	203,440	175,028	1,374,072	3,595,655
Due from other funds	835,433	3,974,608	-	41,405	-	4,851,446
Inventory	462,337	-	-	-	-	462,337
Prepaid and other items	3,496,515	734,404	-	28,902	-	4,259,821
Total assets	$ 102,792,172	$ 630,373,402	$ 38,209,261	$ 60,661,983	$ 207,567,877	$ 1,039,604,695
Liabilities:						
Accounts payable	$ 23,226,245	$ 48,812,069	$ -	$ 783,412	$ 112,907	$ 72,934,633
Retention payable		10,058,147		72,686		10,130,833
Accrued payroll and related items	5,135,477	-	-	-	-	5,135,477
Due to other governments	4,112,499	-	-	-	-	4,112,499
Due to other funds	3,846,314	145,755	169,699	56,207	633,471	4,851,446
Customer deposits	1,156,460	-	-	-	-	1,156,460
Unearned revenue	826,701	-	-	-	-	826,701
Total liabilities	38,303,696	59,015,971	169,699	912,305	746,378	99,148,049
Deferred inflows of resources:						
Unavailable revenue	23,227,547	2,391,179	-	3,975,428	-	29,594,154
Fund balances:						
Nonspendable	3,958,852	734,404	-	28,902	-	4,722,158
Restricted	4,121,749	453,211,252	38,039,562	11,305,152	188,249,013	694,926,728
Committed	-	115,020,596	-	38,355,946	18,572,486	171,949,028
Assigned	7,000,000	-	-	6,084,250	-	13,084,250
Unassigned	26,180,328	-	-	-	-	26,180,328
Total fund balances	41,260,929	568,966,252	38,039,562	55,774,250	206,821,499	910,862,492
Total liabilities, deferred inflows of resources, and fund balances	$ 102,792,172	$ 630,373,402	$ 38,209,261	$ 60,661,983	$ 207,567,877	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital and intangible assets used in the governmental activities are not current financial resources and, therefore, are not reported in the funds (See Note 2)	1,031,674,280
Certain assets are not available to pay for current period expenditures and, therefore, are not recorded or are deferred in the funds:	
Room taxes and gaming fees - earned but unavailable	25,618,726
Other revenue - earned but unavailable	3,975,428
Deferred outflows related to charges on refunding	11,591,889
Deferred outflows related to pensions	13,000,885
Deferred outflows related to post-employment benefits other than pensions	657,115
The internal service fund is used by management to fund the future other post-employment benefit costs. The net position of the internal service fund is reported with governmental activities.	29,166,683
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued compensated absences	(5,857,087)
Due to other governments - other community support	(2,322,755)
Post-employment benefits other than pensions	(28,303,861)
Net effect of difference in the treatment of long-term debt and related items (See Note 2)	(1,653,325,644)
Pollution remediation obligation	(4,400,000)
Net pension liability	(76,536,068)
Deferred inflows related to pensions	(4,246,545)
Deferred inflows related to post-employment benefits other than pensions	(26,702,364)
Net position, governmental activities	$ 224,853,174

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

For the Year Ended June 30, 2019

	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:						
Room taxes and gaming fees	$ 288,049,092	$ 29,520,291	$ -	$ -	$ -	$ 317,569,383
Charges for services	58,983,002	-	-	-	-	58,983,002
Interest and investment earnings	372,277	13,839,092	759,587	1,509,844	3,477,033	19,957,833
Federal grant subsidy	-	-	-	-	4,614,839	4,614,839
Miscellaneous	447,343	7,467	-	1,072,923	-	1,527,733
Total revenues	347,851,714	43,366,850	759,587	2,582,767	8,091,872	402,652,790
Expenditures:						
Current:						
General government	19,536,345	-	-	-	-	19,536,345
Marketing:						
Advertising	100,315,540	-	-	-	-	100,315,540
Marketing and sales	38,220,616	-	-	-	-	38,220,616
Special events grants	15,315,686	-	-	-	-	15,315,686
Operations	38,729,965	-	-	-	-	38,729,965
Community support and grants:						
Capital grants to other governments	-	-	-	4,595,124	-	4,595,124
Other community support	25,000,000	-	-	-	-	25,000,000
Other						-
Capital outlay	-	299,158,062	-	67,696,277	-	366,854,339
Debt service:						
Principal	-	-	-	129,957	27,210,000	27,339,957
Interest	-	-	11,044,991	6,182	38,601,192	49,652,365
Principal retirement	-	-	-	-	61,500,000	61,500,000
Debt issuance costs	-	1,653,382	-	145,799	574,252	2,373,433
Total expenditures	237,118,152	300,811,444	11,044,991	72,573,339	127,885,444	749,433,370
Excess (deficiency) of revenues over (under) expenditures	110,733,562	(257,444,594)	(10,285,404)	(69,990,572)	(119,793,572)	(346,780,580)
Other financing sources (uses):						
Transfers in	826,776	49,154,182	8,007,500	3,250,000	57,305,031	118,543,489
Transfers out	(109,459,940)	(8,007,500)	(349,273)	-	(826,776)	(118,643,489)
Proceeds from the sale of assets	168,447	-	-	-	-	168,447
Issuance of debt	-	461,268,406	38,731,594	72,647,600	-	572,647,600
Issuance of refunding debt	-	-	-	-	100,712,400	100,712,400
Premium on debt issuance	-	24,577,303	-	746,959	4,172,260	29,496,522
Payment to refunded debt escrow agent	-	-	-	-	(36,280,712)	(36,280,712)
Total other financing sources (uses)	(108,464,717)	526,992,391	46,389,821	76,644,559	125,082,203	666,644,257
Net change in fund balances	2,268,845	269,547,797	36,104,417	6,653,987	5,288,631	319,863,677
Fund balances - beginning	38,992,084	299,418,455	1,935,145	49,120,263	201,532,868	590,998,815
Fund balances - ending	$ 41,260,929	$ 568,966,252 $	$ 38,039,562	$ 55,774,250	$ 206,821,499	$ 910,862,492

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds		$ 319,863,677
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and do not report donated capital assets. However, in the statement of net position, assets with an initial, individual cost that meets LVCVA's capitalization threshold are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Capital outlays (asset additions)	$ 364,750,900	
Depreciation and amortization expense, including disposed assets	(17,149,796)	347,601,104
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		3,617,056
The issuance of long-term debt (*i.e.* , bonds and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred in the statement of net position and amortized over the term of the related debt.		
Issuance of debt	(673,360,000)	
Payment to refunded debt escrow agent	36,280,712	
Premium on debt issuance	(29,496,522)	
Amortization of debt premiums and discounts	5,402,822	
Amortization of refunding charges	(967,209)	
Accrued interest expense	(14,129,559)	
Debt principal repayments	88,839,957	(587,429,799)
Change in expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	677,755	
Post-employment benefits other than pensions	20,123,299	
Deferred inflows related to post-employment benefits other than pensions	(21,412,699)	
Deferred outflows related to post-employment benefits other than pensions	(240,072)	
Net pension liability	(2,153,125)	
Deferred inflows related to pensions	1,039,126	
Deferred outflows related to pensions	725,817	
Pollution remediation	(2,555,000)	
Due to other governments	(127,979)	(3,922,878)
The internal service fund is used by management to fund future other post-employment benefit costs. The change in net position of the internal service fund is reported with governmental activities.		1,538,735
Change in net position of governmental activities		$ 81,267,895

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

BASIC FINANCIAL STATEMENTS

Proprietary Fund

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Net Position

Proprietary Fund

June 30, 2019

	Governmental Activities
	Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	$ 11,840
Investments	28,971,359
Interest receivable	183,484
Total assets	29,166,683
Net position:	
Unrestricted	$ 29,166,683

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Revenues, Expenses, and Change in Net Position

Proprietary Fund

For the Year Ended June 30, 2019

	Governmental Activities
	Internal Service Fund
Nonoperating revenues:	
Interest and investment earnings	$ 1,438,735
Income before transfers	1,438,735
Transfers in	100,000
Change in net position	1,538,735
Net position - beginning	27,627,948
Net position - ending	$ 29,166,683

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2019

	Governmental Activities Internal Service Fund
Cash flows from noncapital financing activities:	
Transfers in from other funds	$ 100,000
Cash flows from investing activities:	
Purchase of investments	(15,635,427)
Proceeds on called/matured investments	11,622,145
Interest on investments	664,975
Net cash used in investing activities	(3,348,307)
Net decrease in cash and cash equivalents	(3,248,307)
Cash and cash equivalents, beginning	3,260,147
Cash and cash equivalents, ending	$ 11,840
Noncash investing and financing activities	
Interest on investments	$ 4,833
Change in fair value of investments	$ 767,084

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

BASIC FINANCIAL STATEMENTS

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

REPORTING ENTITY

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

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

Governmental fund types are used to account for general governmental activities. The operating fund of the LVCVA is the General Fund. The LVCCD Capital Fund is used to account for the construction of new facilities and improvement of the existing facilities related to the Las Vegas Convention Center District (LVCCD) project. The LVCCD Debt Service Fund accounts for principal and interest payments on debt with an additional pledge of legislatively-restricted revenues for the LVCCD project. The Capital Projects Fund is used to account for the acquisition and improvement of routine capital assets and related improvements. Servicing of all other long-term debt obligations is recorded in the Debt Service Fund.

Proprietary fund financial statements distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. Internal service funds may be used to account for all or a portion of a government's risk financing activities. The LVCVA's only proprietary fund is an internal service fund, which was established during FY 2013 for the purpose of receiving resources from the General Fund designated for future payment of post-employment benefits.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Government-wide financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus, as are the proprietary fund financial statements. An economic resource measurement focus concentrates on net position. All transactions and events that affect the total economic resources (net position) during the period are reported. Under the full accrual basis of accounting, revenues are recorded when earned and liabilities are recorded at the time the obligations are incurred, regardless of the timing of related cash inflows and outflows. Major revenue sources that may be accrued include room taxes, gaming fees, facility revenues, charges for services, interest and investment earnings, and miscellaneous.

Governmental fund financial statements are presented using a modified accrual basis and the current financial resources measurement focus. Earned revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally within 30 days of year end. Major revenue sources that may be accrued include room taxes, gaming fees, facility revenues, charges for services, interest and investment earnings. Liabilities are generally recorded when an obligation is incurred. However, debt service expenditures and certain other long-term obligation expenditures are recorded only when payment is due.

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

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

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

The LVCVA reports the following major governmental funds:

General Fund

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

LVCCD Capital Fund

- Accounts for project costs related to LVCCD Phases Two and Three of the expansion and renovation project. This fund accounts for transfers from the General Fund and tax revenues enacted and restricted by the Nevada legislature.

LVCCD Debt Service Fund

- Used to accumulate monies for the payment of principal and interest, which has a pledge of LVCVA revenues, including those restricted by the Nevada Legislature for Phase Two and Phase Three of the LVCCD project, on the following debt:

2018 A General Obligation Bonds	2018 B Revenue Bonds

Capital Projects Fund

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

Debt Service Fund

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

2010 A (NDOT/BABs) General Obligation Bonds	2010 C (NDOT/BABs) General Obligation Bonds
2012 General Obligation Bonds	2014 General Obligation Bonds
2015 General Obligation/Refunding Bonds	2016 C Revenue Refunding Bonds
2017 General Obligation Refunding Bonds	2017 B Revenue Refunding Bonds
2017 C General Obligation Crossover Refunding Bonds	2018 C Revenue Refunding Bonds
2019 A Revenue Refunding Bonds	

The LVCVA reports the following proprietary fund:

Internal Service Fund

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

DEPOSITS AND INVESTMENTS

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

The LVCVA's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. Agencies, commercial paper, banker's acceptances, money market mutual funds, certificates of deposit, repurchase agreements (REPOs), Nevada State Treasurer's Local Government Investment Pool (LGIP), collateralized investment contracts, and any other investment which may be authorized by state statute. The LVCVA's policy also governs the limitations as to the percentage of each type of investment held and its term to maturity, which cannot exceed ten years.

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

RECEIVABLES AND PAYABLES

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

Receivables are evaluated for collectability at least annually and reported net of any significant amounts not expected to be collected (none as of June 30, 2019).

PREPAID ITEMS AND INVENTORY

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Inventory is primarily comprised of promotional items and is recorded at cost determined using the first-in/first-out (FIFO) method. In the fund financial statements, the cost of inventory and prepaid items are recorded as expenditures when consumed rather than when purchased.

CAPITAL ASSETS

Capital assets, which include property, equipment (including some under capital leases), and intangibles, are accounted for in the government-wide financial statements. All purchased capital assets are valued at historical cost net of impairment adjustments, if any. Donated assets are valued at their acquisition value on the date contributed. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly enhance the functionality of an asset are capitalized.

Depreciation and amortization on exhaustible assets and intangibles is recorded in the Statement of Activities, while accumulated depreciation and amortization is reflected in the Statement of Net Position. Depreciation and amortization is computed on a straight-line basis over the following estimated useful lives. Intangibles assets with indefinite lives are not amortized but, rather, are evaluated at least annually for continued compliance with applicable requirements.

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

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

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

- Property and equipment with unit acquisition cost exceeding $10,000.
- Capital leases with total acquisition costs exceeding $50,000.
- Intangibles (*e.g.*, trademarks, patents, logos, easements, and internally generated software) with an acquisition cost equal to or exceeding $200,000.

COMPENSATED ABSENCES

It is the LVCVA's policy to permit employees to accumulate earned but unused paid time off (PTO) benefits. Executive, Management, and Professional employees can accrue up to a maximum of 1,040 hours of PTO. Accrued amounts over the limit are paid to the employee in November of each year at their current rate of pay. There is no accrual cap for bargaining unit employees' PTO. All employees with a minimum PTO balance of 500 hours are allowed to commit up to 100 hours of

future PTO accrual to be paid out in the next calendar year. Such benefits are accrued within the government-wide statements when earned by the employee.

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

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

POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

In accordance with the provisions of GASB Statement No.75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (GASB No. 75), the LVCVA has recorded actuarially determined deferred inflows, deferred outflows, liabilities, and expense in the government-wide basic financial statements for our single employer defined OPEB costs at a defined measurement date. GASB No. 75 requires the liability of the employer OPEB to be measured as a portion of the present value of projected benefit payments to be provided to current active and inactive employees that are attributed to those employees' past periods of service. These amounts can be reduced against the plan's fiduciary net position. These projected benefits are then discounted to their actuarial present value using defined actuarial methods.

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

Benefit payments are recognized by the LVCVA when due and payable in accordance with benefit terms.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

In addition to assets, the LVCVA also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Unamortized deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt) qualify for reporting in this category, as do certain deferred costs related to pensions and OPEB.

In addition to liabilities, the LVCVA also reports deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Revenues that are unavailable to satisfy current obligations qualify for reporting in this category, as do certain deferred amounts related to pensions and OPEB.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are recorded and amortized over the life of the bonds using the effective interest method; however, bond issuance costs are expensed as incurred and reported as debt service expenditures (*i.e.,* a component of interest and fiscal charges). For debt refunding transactions resulting in defeasance of debt, the

difference between the reacquisition price and the net carrying amount of the old debt is reported as either a deferred outflow or inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized in the fiscal year incurred. Bond proceeds and premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses.

USE OF ESTIMATES

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

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED DURING FY 2019

Statement No. 83, *Certain Asset Retirement Obligations* was issued in November 2016. The Statement requires the recognition of future obligations related to certain tangible capital asset retirements. The LVCVA implemented the changes related to asset retirement obligation in FY 2019; however, implementation had no impact on reporting for FY 2019.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in March 2018. The intent of this Statement is to improve consistency in the financial statement notes related to debt. The LVCVA implemented the changes related to direct borrowings or direct placements in FY 2019, which resulted in additional disclosures in Note 8, but did not impact the net position of the LVCVA.

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

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

One element of that reconciliation explains that "capital and intangible assets used in the governmental activities are not current financial resources and, therefore, are not reported in the funds." The details of this $1,031,674,280 difference are as follows:

Depreciable and amortizable capital and intangible assets	$ 494,983,601
Accumulated depreciation and amortization	(286,299,546)
Depreciable and amortizable capital and intangible assets, net	208,684,055
Non-depreciable and non-amortizable capital and intangible assets	822,990,225
Net adjustment to increase *fund balance – total governmental funds* to arrive at *net position – governmental activities*	$ 1,031,674,280

Another element of that reconciliation is long-term liabilities, including bonds, deferred refunding charges, and accrued interest that is not due and payable in the current period, as well as related items, and, therefore, are not reported in the funds. The details of this $1,653,325,644 difference are as follows:

Bonds payable, due in more than one year	$	1,525,410,000
Unamortized bond premiums and discounts		67,153,932
Total bonds payable, net of unamortized discounts and premiums due in more than one year		1,592,563,932
Bonds payable, due within one year		25,125,000
Capital lease obligation, due within one year		56,041
Interest payable		35,580,671
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	1,653,325,644

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

BUDGETARY INFORMATION

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

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

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

Augmentations to increase total appropriations are accomplished by formal Board action. During the year, funds were re-appropriated to honor encumbrances that lapsed at June 30, 2018. All amendments made to the original budget were as prescribed by law.

NET POSITION

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

Restricted assets are assets that have externally imposed (statutory, bond covenant, contract, or grantor) limitations on their use. Restricted assets are classified either by debt service, capital projects, or purpose. Assets restricted by purpose relate to net position of government whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal

and interest. The amount restricted for capital projects consists of unspent debt proceeds with third-party restriction for use on specific projects or programs or legislative mandate for capital use. The government-wide statement of net position reports $293,276,770 of restricted net position, all of which is restricted externally by third parties.

Unrestricted net position represents financial resources of the LVCVA that do not have externally-imposed limitations on their use. At June 30, 2019, the LVCVA is reporting an unrestricted net position deficiency of $299,990,213, which is primarily related the LVCVA's issuance of $300 million in debt on behalf of the Nevada Department of Transportation for construction and improvements in the tourism corridor prior to fiscal year 2019, which are not recorded as assets of the LVCVA.

NEW ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

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

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

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

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued in June 2018. The intent of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing, along with simplifying accounting for interest cost incurred. The LVCVA is currently evaluating the effects of GASB No. 89 and will implement this Statement in FY 2021.

Statement No. 90, *Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)*, was issued in August 2018. The intent of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The LVCVA is currently evaluating the effects of GASB No. 89 and will implement this Statement in FY 2020.

Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The intent of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The LVCVA is currently evaluating the effects of GASB Statement No. 91 and will implement this Statement in FY 2022.

NOTE 4. CASH AND INVESTMENTS

The LVCVA maintains cash and investments separately for all of its funds. At June 30, 2019, cash and investments are displayed in the Statement of Net Position and governmental funds balance sheet as "cash and cash equivalents" and "investments" and in the internal service fund Statement of Net Position as "cash and cash equivalents" and "investments."

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

Cash and cash equivalents:		
Cash on hand	$	19,200
Deposits in bank		68,293,655
		68,312,855
Investments (U.S. Treasuries, U.S. Agencies and LGIP)		
Unrestricted		778,622,331
Restricted		139,334,131
	$	986,269,317

At year end, the LVCVA's carrying amount of deposits was $68,293,655, and the bank balance was $68,548,157. In addition, the LVCVA had the following investments:

			Investments by Maturities				
	Original Cost	Fair Value	Less than 1 Year	1 - 5 Years	5-10 Years	Accrued Interest	Total Value
U.S. Treasuries Unrestricted	$ 351,351,993	$ 353,261,333	$ 321,551,181	$ 31,710,152	$ -	$ 1,216,513	$ 354,477,846
U.S. Treasuries Restricted	139,334,131	139,334,131	5,581,206	133,752,925	-	1,252,814	140,586,945
U.S. Agencies	258,058,646	260,197,965	132,171,548	123,936,097	4,090,320	873,182	261,071,147
Commercial Paper	7,877,716	7,877,716	7,877,716	-	-	-	7,877,716
Certificates of Deposit	2,000,000	2,000,000	2,000,000	-	-	22,818	2,022,818
LGIP	155,115,978	155,285,318	155,285,318	-	-	413,814	155,699,132
Total	$ 913,738,464	$ 917,956,463	$ 624,466,969	$ 289,399,174	$ 4,090,320	$ 3,779,141	$ 921,735,604

Restricted investments consist of two separate escrow accounts. The majority of the restricted balance ($136,334,131) is related to a crossover bond refunding (future defeasement) that occurred during fiscal year 2018. The covenants of the crossover refunding bond require that the funds remain in a restricted escrow account to make the related debt payments until the legal defeasement. More information regarding this debt can be found in Note 8, starting on page 35. The remaining $3,000,000 of restricted investments consists of a performance agreement escrow account required by the County for the LVCCD expansion project. This escrow account is required for the duration of the expansion construction, until the expansion receives its certificate of occupancy.

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

CUSTODIAL CREDIT RISK

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

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

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

CONCENTRATION OF CREDIT RISK

The NRS and the LVCVA's investment policy limits investment instruments by credit risk. Any LVCVA investment in commercial paper must be rated P-1 by Moody's Investor Service and A-1 by Standard and Poor's. The LVCVA's money market investments must be invested in those funds rated by a nationally recognized rating service as AAA or its equivalent and that invest only in securities issued by the Federal Government, U.S. Agencies, or REPOs fully collateralized by such securities. The LVCVA's investments in U.S. Agencies, which are implicitly guaranteed by the U.S. Government, are allowed per NRS. The LGIP does not have a credit rating.

To mitigate credit risk, the LVCVA's investment policy limits total investment (which includes overnight accounts included in cash equivalents). Limits for each category are as follows: U.S. Agencies and U.S. Treasuries to 100%, LGIP to 50%, repurchase agreements to 40%, and bankers' acceptances, commercial paper, certificates of deposit, and money market mutual funds to 25% of the entire portfolio at the time of investment. As of June 30, 2019, the LVCVA's investments were diversified at 53.7% in U.S. Treasuries, 28.3% in U.S. Agencies, 16.9% in LGIP, and 1.1% in Commercial Paper and Certificates of Deposit.

The LVCVA's investment in U.S. Agencies was comprised of securities issued by the Federal Home Loan Bank (34%), the Federal Farm Credit Bank (29%), the Federal Home Loan Mortgage Corporation (21%), the Federal National Mortgage Association (12%), and the Federal Agricultural Mortgage Corporation (4%).

INTEREST RATE RISK

Per the LVCVA's investment policy, exposure to the declines in fair value due to changing interest rates is managed by limiting the maturities of its investments to ten years or less. Some of the U.S. Agency investments have call options or prepayment risk, which, if exercised, could shorten the maturity of these investments during periods of interest volatility.

FAIR VALUE DETERMINATION:

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

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

The LVCVA reports five types of investments: Federal Agency securities, U.S. Treasuries, Commercial Paper, Certificates of Deposit, and LGIP.

Except for LGIP, LVCVA tracks its investments on an investment-by-investment basis and, because of this and the similarity of the investments, reports them in aggregate based upon recurring third-party values using a market approach with matrix pricing. Therefore, these investments, which totaled $762,671,145 at June 30, 2019, are classified as Level 2:

Fund	Level 2
General Fund	$ 1,985,316
Internal Service Fund	28,349,851
Capital Projects Fund	47,743,954
LVCCD Capital Fund	515,272,288
Debt Service Fund	7,601,948
LVCCD Debt Service Fund	22,383,657
Total Unrestricted	$ 623,337,014
Debt Service Fund - Restricted	139,334,131
Total	$ 762,671,145

LGIP is an investment pool with multiple types of investments being reported at fair value, determined by availability of market pricing. The following is a summary of the estimated fair value by fund:

Fund	Level 1	Level 2	Total
General Fund	$ 4,768,741	$ 21,106,141	$ 25,874,882
Internal Service Fund	114,544	506,964	621,508
Capital Projects Fund	1,601,561	7,088,405	8,689,966
LVCCD Capital Fund	18,502,583	81,891,249	100,393,832
Debt Service Fund	3,556,376	15,740,294	19,296,670
LVCCD Debt Service Fund	75,279	333,181	408,460
	$28,619,084	$ 126,666,234	$ 155,285,318

FOREIGN CURRENCY LOSS

The LVCVA pays some of its foreign office expenses in the currency in which they were made. As a result, the foreign currency exchange loss in FY 2019 was $57 thousand or 1.5% of the total foreign currency expenses.

NOTE 5. CAPITAL ASSETS:

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

Description	Balance at June 30, 2018	Increases	Decreases	Balance at June 30, 2019
Capital assets not being depreciated or amortized:				
Land	$ 439,064,772	$ 60,985,131	$ -	$ 500,049,903
Intangibles	100,000	-	-	100,000
Construction in progress	22,019,212	302,322,407	(1,501,296)	322,840,322
Total capital assets not being depreciated or amortized	461,183,984	363,307,538	(1,501,296)	822,990,225
Capital assets being depreciated or amortized:				
Buildings	420,761,534	657,194	(206,683)	421,212,045
Intangibles	736,688	-	-	736,688
Improvements other than buildings	52,483,629	1,188,619	(166,766)	53,505,482
Furniture and equipment	19,348,190	1,098,845	(917,649)	19,529,386
Total capital assets being depreciated or amortized	493,330,041	2,944,658	(1,291,098)	494,983,601
Accumulated depreciation or amortization:				
Buildings	(216,342,356)	(11,532,082)	167,048	(227,707,390)
Intangibles	(543,171)	(164,220)	-	(707,391)
Improvements other than buildings	(37,808,134)	(4,235,112)	66,764	(41,976,482)
Furniture and equipment	(15,747,188)	(1,019,422)	858,327	(15,908,283)
Total accumulated depreciation or amortization	(270,440,849)	(16,950,836)	1,092,139	(286,299,546)
Net capital assets being depreciated or amortized	222,889,192	(14,006,178)	(198,959)	208,684,055
Governmental activities Capital assets, net	$ 684,073,176	$ 349,301,359	$ (1,700,255)	$ 1,031,674,280

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

General Government	$	495,644
Marketing		154,416
Operations		16,300,776
	$	16,950,836

NOTE 6. INTERFUND TRANSACTIONS:

The following schedule details the amounts due from/to other funds at June 30, 2019:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	$ 56,207
General Fund	LVCCD Capital Fund	145,755
General Fund	Debt Service Fund	633,471
Capital Fund	General Fund	41,405
LVCCD Capital Fund	General Fund	3,804,909
LVCCD Capital Fund	LVCCD Debt Service Fund	169,699
		$ 4,851,446

The outstanding balances between funds result mainly from the delayed time period between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur and (2) interest on investments in the Debt Service Fund that is earned and transferred back to the General Fund.

Fund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. For the year ended June 30, 2019, transfers between funds were as follows:

		Transfers Out			
	Transfer In	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Debt Service Fund
General Fund	$ 826,776	$ -	$ -	$ -	$ 826,776
LVCCD Capital Fund	49,154,182	48,804,909	-	349,273	-
LVCCD Debt Service Fund	8,007,500	-	8,007,500	-	-
Capital Projects Fund	3,250,000	3,250,000	-	-	-
Debt Service Fund	57,305,031	57,305,031	-	-	-
ISF Fund	100,000	100,000	-	-	-
	$ 118,643,489	$ 109,459,940	$ 8,007,500	$ 349,273	$ 826,776

NOTE 7. LEASES:

OPERATING LEASES

The LVCVA has non-cancelable operating leases for office space, parking spaces, copiers, and other equipment. Total rental costs for such leases were $394,763 for the year ended June 30, 2019. Future minimum operating lease payments are as follows:

Year Ending June 30,	
2020	$ 391,822
2021	351,808
2022	339,204
2023	341,990
2024	345,053
Thereafter	182,931
Total	$ 1,952,808

CAPITAL LEASES

On December 1, 2016, the LVCVA entered into a $379,273 capital lease for computer equipment, which was capitalized as furniture and equipment. Amortization expense for FY 2019 was $126,424, and total accumulated amortization was $326,597. As of June 30, 2019, the net book value of the assets under capital lease is $52,676. Total lease payments for FY 2019 were $136,139.

Future minimum capital lease payments are as follows:

Year Ending June 30,	
2020	56,725
	56,725
Less portion of payment representing interest	(684)
Present value of minimum lease payments	$ 56,041

NOTE 8. LONG-TERM DEBT:

The LVCVA issues general obligation (GO) and revenue bonds to fund land and other improvements, acquisition, and construction of capital assets consisting primarily of meeting and exhibit and support facilities at the Las Vegas Convention Center. Eight of the LVCVA's outstanding bonds are GO bonds of Clark County, Nevada (Clark County), acting on behalf of the LVCVA. No new general obligation debt was issued during FY 2019; however, $35,070,000 of general obligation debt was refunded with revenue-backed debt (see Revenue Bonds below for additional information.)

Clark County acts as the guarantor of the LVCVA GO bonds, pursuant to GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The GO bonds are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, primarily room taxes on hotels and motels in Clark County. However, repayment of debt service on the GO bonds is not required by the LVCVA to Clark County if ad valorem taxes must be used. It has been the practice of the LVCVA never to use ad valorem taxes for debt service but, rather, to use only net pledged revenues derived from operations. In fiscal year 2019, general fund room taxes and gaming fees of $288 million exceeded 3.8 times the amount necessary to pay the $76.4 million of principal and interest payments for all LVCVA debt service payments, during the fiscal year. As of June 30, 2019, no ad valorem tax revenues have been allocated to the LVCVA for any purpose, including to guarantee debt payments. No change in this practice is contemplated in the future.

During FY 2019, the LVCVA also pledged additional revenue streams on debt related to the ongoing LVCCD Project. In October 2016, during a special session of the Nevada Legislature, Nevada Senate Bill 1 (SB1) enacted and authorized the LVCVA to use an additional 0.5% room tax revenues, as well as any collection fees in excess of $25 million, solely for the LVCCD Project. In FY 2019, the additional SB1 room tax totaled $29.5 million, and the excess collection fee totaled $3.8 million, which was transferred to the LVCCD Capital Fund. At June 30, 2019, debt with this additional pledge totaled $700 million.

REVENUE BONDS

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

In October 2018, the LVCVA issued $500,000,000 Series 2018B Revenue Bonds. The 2018B bonds are 31-year bonds with interest rates between 4.0%-5.0%. The installments will be paid through July 1, 2049. These bonds were issued for the LVCCD, and repayments are accounted for in the LVCCD Debt Service Fund.

Refunding/New Issue

In November 2018, the LVCVA issued $80,000,000 Series 2018C Revenue Bonds (the 2018C Bonds) for the purpose of refunding the entirety of draws made on Subordinate Revenue Bonds 2016A Line of Credit ($61,500,000), and to provide $23 million for additional capital projects and capitalized interest. The 2018C Bonds have interest rates between 4.0% - 5.25%, with a final installment date of July 1, 2048. Net proceeds totaled $84,919,218 including a $4,919,218 premium and net of $512,215 in underwriting fees and other issuance costs. The 2018C Bonds are included in the summary schedule of pledged revenue bonds.

Direct Placement

In June 2019, the LVCVA issued $32,860,000 Series 2019A Revenue Bonds (the 2019A Bonds) as a direct placement, for the purpose of refunding the Series 2010B General Obligation Bonds. The 2019A Bonds have a final installment date of July 1, 2026. The net proceeds of $32,860,000 (net of $129,888 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the refunded portion of the 2010B General Obligation Bond is considered defeased, and the liability for that bond has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by $620,699, which is reported as a deferred outflow of resources that is being amortized over the remaining life of the refunding debt. This bond was issued as a taxable exchange bond, commonly referred to as a “Cinderella Bond,” which indicates that it was issued as a taxable bond with a rate of 2.95%, but includes a provision that allows the LVCVA to convert the bonds’ to tax-exempt status with a rate of 2.34% beginning in October 2019, but only if certain conditions are met. These conditions include written election by the LVCVA, along with consent of the purchaser that will not be unreasonably withheld, selection by the purchaser of one of two post-conversion amortization schedules, and delivery of related forms and assurance including IRS documents and an opinion of bound counsel on compliance with tax code. This direct placement bond is not a line of credit, and no assets were pledged as collateral. Events of default and termination include nonpayment, nonperformance, failure to reconstruct, or appointment of receiver. Penalties associated with events of default include bondholders’ right to enforce payment, the right to suit, action, or special proceedings for the appointment of a receiver or the specific performance of any covenant or agreement, or an award of execution for the enforcement of any proper, legal, or equitable remedy as the bondholder may deem most effectual. There are no acceleration clauses associated with this debt. The 2019A Bonds are included in the summary schedule of pledged revenue bonds. If the debt converts to tax-exempt, on the first date available, the refunding is expected to reduce the LVCVA’s total debt service payments over six years by $2,778,295, which is a present value savings of $2,665,280.

Line of Credit

In July 2016, the LVCVA issued Subordinate Revenue Bonds 2016A Line of Credit (the 2016A LOC). The 2016A LOC was a revolving line of credit, allowing for a maximum principal outstanding amount of up to $100,000,000 and a maximum cumulative amount of $300,000,000, with interest due and paid monthly. The LVCVA drew a total of $61,500,000 from the 2016A LOC between July 2016 and September 2018 and used those proceeds to purchase land adjacent to the LVCCD expansion. As noted above, the LOC was paid off and closed in November 2018 with the issuance of long-term debt 2018C. The LOC had a variable interest rate based on LIBOR and an applicable spread. Total interest paid on the LOC during the fiscal year was $402 thousand.

The following is a summary of terms and balances for GO bonds payable at June 30, 2019:

$70,770,000 - 2010A (NDOT/BABs) Bonds due in annual installments through FY 2039. Semi-annual interest from 6.55 - 6.75%	$	70,770,000
$155,390,000 - 2010C (NDOT/BABs) Bonds due in annual installments through FY 2039. Semi-annual interest from 4 - 7%		142,045,000
$24,990,000 - 2012 General Obligation Bonds due in annual installments through FY 2033. Semi-annual interest from 2 - 4%		19,700,000
$50,000,000 - 2014 General Obligation Bonds due in annual installments through FY 2044. Semi-annual interest from 2 - 5%		49,900,000
$181,805,000 - 2015 General Obligation Bonds due in annual installments through FY 2045. Semi-annual interest from 2 - 5%		135,520,000
$21,175,000 - 2017 General Obligation Bonds due in annual installments through FY 2039. Semi-annual interest from 3 - 5%		21,175,000
$126,855,000 - 2017C General Obligation Bonds due in annual installments through FY 2039. Semi-annual interest from 3 - 5%		126,855,000
$200,000,000 - 2018A General Obligation Bonds due in annual installments through FY 2048. Semi-annual interest from 3 - 5%		200,000,000
	$	765,965,000

The following is a summary of pledged revenue bonds payable at June 30, 2019:

$100,705,000 - 2016C Revenue Bonds due in annual installments through FY 2047. Semi-annual interest from 3 - 5%	$	100,705,000
$71,005,000 - 2017B Revenue Bonds due in annual installments through FY 2041. Semi-annual interest from 3.25 - 5%		71,005,000
$500,000,000 - 2018B Revenue Bonds due in annual installments through FY 2050. Semi-annual interest from 4 - 5%		500,000,000
$80,000,000 - 2018C Revenue Bonds due in annual installments through FY 2049. Semi-annual interest from 4 - 5.25%		80,000,000
$32,860,000 - 2019A Revenue Bonds due in annual installments through FY 2027. Semi-annual interest from 2.34 - 2.95%		32,860,000
	$	784,570,000

The following schedule summarizes all future interest and principal payments, including both the 2010C and 2017C crossover refunding:

	General Obligation /		Revenue Bonds		Direct Placement		All Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 25,125,000	$ 35,774,566	$ -	$ 34,200,469	$ -	$ 535,846	$ 25,125,000	$ 70,510,881
2021	13,025,000	34,933,986	-	33,629,388	2,370,000	934,413	15,395,000	69,497,787
2022	16,565,000	34,290,481	2,740,000	33,560,888	2,430,000	863,613	21,735,000	68,714,982
2023	13,605,000	33,529,101	6,235,000	33,336,513	7,830,000	712,278	27,670,000	67,577,892
2024	20,305,000	32,645,078	8,050,000	32,979,388	4,895,000	524,584	33,250,000	66,149,050
2025-2029	119,080,000	145,265,587	46,410,000	158,320,688	15,335,000	685,211	180,825,000	304,271,486
2030-2034	147,340,000	110,087,283	59,465,000	145,272,425	-	-	206,805,000	255,359,708
2035-2039	171,440,000	70,480,961	70,695,000	130,878,788	-	-	242,135,000	201,359,749
2040-2044	51,140,000	43,016,861	264,815,000	92,689,506	-	-	315,955,000	135,706,367
2045-2049	188,340,000	15,110,400	205,065,000	43,135,300	-	-	393,405,000	58,245,700
2050-2054	-	-	88,235,000	1,764,700	-	-	88,235,000	1,764,700
	$ 765,965,000	$ 555,134,304	$ 751,710,000	$ 739,768,053	$ 32,860,000	$ 4,255,945	$ 1,550,535,000	$ 1,299,158,302

ARBITRAGE REBATE AND DEBT COVENANT REQUIREMENTS

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the LVCVA. Under this Act, when a government entity earns interest at a higher rate of return on tax-exempt bond funds than it pays on the debt, the excess difference may be required to be rebated to the United States Treasury (called "arbitrage"). The rebate is necessary in order for interest on the bonds continue to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent such date, the LVCVA's management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination. In addition, certain of the LVCVA's long-term debt obligations are subject to restrictive debt covenants, including certain revenue levels and revenue/expense ratios. The LVCVA management believes it to be in compliance with such covenants.

As required by debt covenants, facility revenue for the year and operating expenditures, as defined in the related documents, for the year total $54,875,030 and $59,729,285, respectively. This contributes to a coverage ratio of 3.9x for FY 2019, which exceeds the rate maintenance coverage requirement of 1.25x.

DEBT REFUNDING AND DEFEASANCE

In current and prior years, the LVCVA defeased general obligation and revenue bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the LVCVA financial statements. At June 30, 2019, $109,920,000 of defeased bonds remain outstanding.

DEBT APPROVED BUT NOT YET ISSUED

The LVCVA is currently working on Phases Two and Three of the LVCCD Project and is using SB1 resources, transfers from the General Fund, and additional debt to complete the project. In May 2017, the Oversight Panel for Convention Facilities in Clark County approved the issuance of up to $900 million of bonds to complete Phase Two. In June 2017, the LVCVA Board of Directors approved the same financing plan and an additional $300 million in financing was approved in April 2019, by both the Oversight Panel for Convention Facilities in Clark County and the LVCVA Board of Directors

In August 2019, the LVCVA Board of Directors approved the final $300 million in revenue bonds associated with the LVCCD project to be issued later in FY 2020. The sale of the remaining $200 million of general obligation bonds, which was originally authorized as part of the $400 million issuance in February 2017, was approved in September 2019. Specific details related to the structure of the debt issuances for the LVCCD project are currently being finalized.

See Note 15 for additional detail related to subsequent debt issued. The changes in long-term liabilities for the fiscal year were as follows:

	Interest Paid During the Year	Beginning Balance, July 1, 2018	Additions	Reductions	Ending Balance, June 30, 2019
BONDS					
General Obligation/Pledged Revenue Bonds					
2008 General Obligation Bond	$ 12,600	$ 630,000	$ -	$ (630,000)	$ -
2010A General Obligation Bond	4,721,166	70,770,000	-	-	70,770,000
2010B General Obligation Refunding Bond	1,743,200	37,670,000	-	(37,670,000)	-
2010C General Obligation Bond	9,440,835	146,620,000	-	(4,575,000)	142,045,000
2012 General Obligation Bond	626,798	20,805,000	-	(1,105,000)	19,700,000
2014 General Obligation Bond	2,075,349	50,000,000	-	(100,000)	49,900,000
2015 General Obligation Refunding Bond	6,199,725	153,720,000	-	(18,200,000)	135,520,000
2017 General Obligation Refunding Bond	792,569	21,175,000	-	-	21,175,000
2017C General Obligation Refunding Bond	5,146,180	126,855,000	-	-	126,855,000
2018A General Obligation Bond	5,938,896	200,000,000	-	-	200,000,000
Revenue Bonds					
2016A Subordinate Revenue Bond (LOC)	402,899	1,000,000	60,500,000	(61,500,000)	-
2016C Revenue Refunding Bond	4,282,500	100,705,000	-	-	100,705,000
2017B Revenue Refunding Bond	3,157,371	71,005,000	-	-	71,005,000
2018B Revenue Refunding Bond	5,106,094	-	500,000,000	-	500,000,000
2018C Revenue Refunding Bond	-	-	80,000,000	-	80,000,000
2019A Revenue Refunding Bond*	-	-	32,860,000	-	32,860,000
Unamortized premiums and discounts		43,863,396	29,496,522	(6,205,986)	67,153,932
Subtotal Bonds	49,646,182	1,044,818,396	702,856,522	(129,985,986)	1,617,688,932
OTHER LIABILITIES					
Compensated absences	-	6,534,842	4,195,144	(4,872,899)	5,857,087
Capital lease obligations	6,182	185,998	-	(129,957)	56,041
Postemployment benefits other than pensions	-	48,427,160	5,015,225	(25,138,524)	28,303,861
Net pension liability	-	74,382,943	5,518,744	(3,365,619)	76,536,068
Subtotal other liabilities	6,182	129,530,943	14,729,113	(33,506,999)	110,753,057
	$ 49,652,364	$ 1,174,349,339	$ 717,585,635	$ (163,492,985)	$ 1,728,441,989

*The 2019A Reveue Refunding Bond is a Direct Placement Bond.

The portion of each long-term liability that is due in FY 2020 is shown below:

	Principal	Interest
BONDS		
General Obligation/Pledged Revenue Bonds		
2010A General Obligation Bonds	$ -	$ 4,721,166
2010C General Obligation Bonds	4,720,000	9,217,610
2012 General Obligation Bonds	1,140,000	593,123
2014 General Obligation Bonds	100,000	2,073,349
2015 General Obligation Bonds	19,165,000	5,265,600
2017 General Obligation Bonds	-	792,569
2017C General Obligation Bonds	-	5,103,650
2018A General Obligation Bonds	-	8,007,500
Revenue Bonds		
2016C Revenue Bonds	-	4,282,500
2017B Revenue Bonds	-	3,122,675
2018B Revenue Bonds	-	22,417,000
2018C Revenue Bonds	-	4,378,294
2019A Revenue Bonds	-	535,846
	25,125,000	70,510,882
OTHER LIABILITIES		
Compensated absences	4,337,428	-
Capital lease obligation	56,041	684
	$ 29,518,469	$ 70,511,566

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

NOTE 9. RISK MANAGEMENT:

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

NOTE 10. EMPLOYEE RETIREMENT PLAN:

Plan Description

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

Benefits Provided

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

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

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, or any age with 30 years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, at age 55 with 30 years of service, or any age with 33 1/3 years of service. Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with 10 years of service, at age 50 with 20 years of service, or at any age with 25 years of service. Police/Fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, at age 50 with 20 years of service, or at any age with 30 years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

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

Contributions

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

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

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

For the fiscal year ended June 30, 2018 and 2019, the Statutory Employer/employee matching rate was 14.5% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28.0% for Regular and 40.50% for Police/Fire.

Contributions to the pension plan from the LVCVA were $10,444,920 and $10,222,032 for the years ended June 30, 2018 and 2019, respectively.

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

The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Contributions for employer pay dates that fall within PERS fiscal year ending June 30, 2018, are used as the basis for determining each employer's proportionate share of the collective pension amounts. The LVCVA's allocated portion was calculated at 0.56121%. The LVCVA recorded a liability of $76,536,068 for its portion of the net pension liability at June 30, 2019.

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

Beginning net pension liability	$ 74,382,943
Change in pension liability	
Pension expense	5,518,744
Employer contributions	(5,206,322)
Net change in deferred inflows/outflows amortized	1,840,703
Change in pension liability	2,153,125
Ending net pension liability	$ 76,536,068

Deferred outflows and inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,397,661	$ 3,552,587
Change of assumptions	4,032,966	-
Net difference between projected and actual earnings on investments	-	364,386
Changes in proportion and differences between actual contributions and proportionate share of contributions	1,423,557	329,572
LVCVA contributions subsequent to measurement date	5,146,701	-
	$ 13,000,885	$ 4,246,545

At June 30, 2018, the average expected remaining service life is calculated at 6.22 years.

Deferred outflows for contributions made by the LVCVA to PERS subsequent to the measurement date will be recognized as a reduction to net pension liability in the year ending June 30, 2020. Differences in experience and earnings on investments listed as deferred outflows and deferred inflows of resources related to pensions will be recognized as follows:

Year end June 30,	
2020	2,143,215
2021	857,961
2022	(940,762)
2023	680,222
2024	756,932
After	110,071

Included in accounts payable at June 30, 2019, the LVCVA had $1,143,945 payable to PERS, equal to the required contribution for the month of June 2019, which was subsequently paid in accordance with applicable due dates in July and August 2019.

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.5%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
Consumer price index	2.75%

At June 30, 2018, assumed mortality rates and projected life expectancies for selected ages were as follows:

Regular and Police/Fire Members				
	Mortality Rates		Expected Years of Life Remaining	
Age	Males	Females	Males	Females
40	0.20%	0.14%	40.4	43.6
50	0.49%	0.38%	31.4	34.5
60	0.90%	0.59%	23.2	25.9
70	1.81%	1.26%	15.6	17.7
80	4.55%	3.42%	9.1	10.5

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

- For pre-retirement members – Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016.
- For healthy members – Headcount-Weighted RP-2014 Healthy Annuitant Table, projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables in the PERS CAFR. The mortality rates are then projected to 2020 with Scale MP-2016.
- For disabled members – RP-2014 Disabled Retiree Table, set forward four years.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the experience review completed in 2017.

Valuation of Plan Assets - Investment Policy

The policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The PERS Board adopted the following target allocation policy as of June 30, 2018:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic stocks	42%	5.50%
International stocks	18%	5.75%
U.S. Bonds	30%	0.25%
Private markets	10%	6.80%
	100%	

* As of June 30, 2018, PERS' long-term inflation assumption was 2.75%.

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, as of June 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2018, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

Pension Liability Discount Rate Sensitivity

The following presents the LVCVA's proportionate share of the net pension liability of the System as of June 30, 2018, calculated using the discount rate of 7.50%, as well as what the LVCVA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability - LVCVA portion	$116,714,406	$76,536,068	$43,150,209

Pension Plan Fiduciary Net Position

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

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

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

In accordance with NRS, retirees of the LVCVA and their spouses may continue insurance through existing plans, if enrolled as an active employee at the time of retirement.

PLAN DESCRIPTIONS

The LVCVA's plan is a non-trust, single-employer, defined benefit post-employment plan (Primary Plan). Active members and retirees can choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF) and Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO). These program options include healthcare, prescription, dental, vision, and life insurance benefits. The Primary Plan does not issue a separate financial report; however, additional information may be obtained by writing or calling Clark County Risk Management, 500 S. Grand Central Pkwy., Las Vegas, NV 89155, (702) 486-4009.

The LVCVA also provides continuation of medical insurance coverage to retirees and their spouses under the State of Nevada Public Employees Benefits Program (PEBP), an agent, multiple-employer, defined benefit plan. This plan includes healthcare, prescription, dental, Medicare Part B, and life insurance benefits and is provided through a third-party insurer. It is administered by a ten-member governing board with nine members appointed by the State's Governor, and the last board member is the Director from the Department of Administration or their designee. For participants who enrolled in the PEBP prior to September 1, 2008, the LVCVA is responsible for payment of a monthly subsidy, based on the years of service with the local government for the life of the retiree. The subsidy requirements are governed by NRS and can only be amended through legislation. The PEBP issues a publicly-available financial report that includes financial statements and required supplementary information. The PEBP report may be obtained by writing or calling the Public Employee Benefit Plan, 901 South Stewart Street, Suite 1001, Carson City, Nevada 89701, (800) 326-5496.

EMPLOYEES COVERED BY PLANS

The LVCVA's Primary Plan has 108 retirees and surviving spouses, 43 spouses, and covers 514 active employees. The LVCVA also has 46 PEBP retirees. As of November 1, 2008, PEBP was closed to any new participants.

FUNDING POLICY

For the Primary Plan, LVCVA premiums are established and may be amended through negotiations between the LVCVA and the insurance plan. Contribution requirements by active employees to the Primary Plan are established by, and may be amended through, negotiations between the LVCVA and various employee groups. All LVCVA retirees are required to pay 100% of their premiums under the plan. Retirees enrolled in the Primary Plan receive no direct subsidy from the LVCVA; however, retiree loss experience is pooled with active employee loss experience for setting rates, and the difference between the true claims cost and the blended rate creates an implicit rate subsidy from the LVCVA, which is paid annually through plan premiums and charges.

The LVCVA is required to pay the PEBP an explicit subsidy, based on years of service, for retirees enrolled in this plan. Retirees are eligible for a subsidy after five years of service with a Nevada state or local government entity. The maximum subsidy is earned after 20 years of combined service with an eligible entity. If the retiree worked for more than one eligible entity, the subsidy is split based on the length of time with each entity. In FY 2019, the LVCVA's cost per month per retiree ranged from $9 to $1,677.

As of June 30, 2019, the LVCVA's aggregate OPEB plan balances are as follows:

	Primary Plan	PEBP	Total
Net OPEB assets administered through a qualifying trust	$ -	$ -	$ -
Net unamortized deferred outflows of resources related to OPEB	499,580	157,535	657,115
Total OPEB liability	24,689,824	3,614,037	28,303,861
Net unamortized deferred inflows of resources related to OPEB	26,702,364	-	26,702,364
OPEB expense	2,360,017	(432,143)	1,927,874

FUNDING STATUS

Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The LVCVA currently pays for post-employment healthcare benefits on a pay-as-you-go basis and has established an internal service fund to accumulate resources to be held in reserve to pay its future liability for postemployment benefits. Transfers from the general fund to the OPEB reserve fund have been incorporated into the annual budget process. As of June 30, 2019, discretionary transfers since inception total $27.1 million. The annual funding considerations include biannual actuarial studies among other factors and conditions. The assets accumulated for purposes of providing OPEB benefits through the internal service fund are not administered through a trust that meets the specified criteria as required by GASB standards. As such, assets accumulated are reported as assets of the LVCVA. An agency fund is not required because the LVCVA does not hold any assets in a fiduciary capacity.

ACTUARIAL METHODS, ASSUMPTIONS, OTHER INPUTS, AND CHANGES

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan participants) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the LVCVA and the plan members. Bi-annual actuarial reports and mid-period adjustments to such estimates reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Changes in the assumptions and other inputs that affected the measurement of the LVCVA's total OPEB liability during the period from the last measurement date were as follows:

The discount rate was updated from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018 (the actuarial measurement date).

The total OPEB liability was determined using the following actuarial assumptions (based on the results of an experience review completed in 2013), applied to all periods included in the measurement:

	Primary Plan and PEBP
Actuarial valuation date	June 30, 2018 based on census data provided as of June 30, 2018
Measurement date	June 30, 2018
Medical Consumer Price Index	Chained- CPI of 2.0% per annum
Actuarial cost method	Entry age normal, level percentage of salary
Amortization method	Experience/Assumptions gains and losses are amortized over a closed period of 13.8 average remaining service to expected retirement age of active and inactive plan members. Investment gains and losses are amortized over a closed period of 5 years starting the current fiscal year.
Asset valuation	N/A, no assets in OPEB trust
Actuarial assumptions:	
Discount rate	3.58% (Beginning of the year) 3.87% (End of the year)
Discount rate source	Bond Buyer 20-Bond GO Index
Salary increases	3% per annum
Healthcare premium trend rates	Pre-Medicare Medical & Rx Benefits - 7% reduced 0.5% each year until reaching ultimate trend rate of 4.5% Medicare Benefits - 6% reduced 0.5% each year until reaching ultimate trend rate of 4.5% Administrative Fees - 4.5% Dental - 4%

At June 30, 2018, the assumed per capita health claim costs are adjusted to reflect expected increases related to age and gender. These increases are based on a 2013 Society of Actuaries study, with sample rates shown below.

Sample Age	Males	Females
45	4.6%	1.6%
55	5.4%	2.4%
65	1.7%	2.4%
75	1.2%	1.3%
80	0.8%	1.1%

Mortality rates were based on RP-2014 generational tables, back-projected to 2006, then scaled using MP-2018, applied on a gender-specific basis.

Termination rates are based on withdrawal assumptions based on the 2018 Nevada PERS Actuarial Valuation. The rate of withdrawal for reasons other than death and retirement is dependent on an employee's age and years of service. Sample rates are provided below.

Years of Service	General Rate
0	16.0%
5	6.0%
10	3.3%
15	2.0%
20+	1.8%

Marriage rate assumptions were updated to reflect the most recent participant experience: 20% of future female retirees and 50% of future male retirees are assumed married with a spouse at retirement, eligible for plan benefits.

SENSITIVITY ANALYSIS

Discount rate. The sensitivity analysis below indicates what the LVCVA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1- percentage-point higher (4.87%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate 3.87%	1% Increase in Discount Rate
Primary Plan	$ 29,979,000	$ 24,690,000	$ 20,594,000
PEBP	4,137,000	3,614,000	3,189,000
Total OPEB Liability	$ 34,116,000	$ 28,304,000	$ 23,783,000

Health care cost trend rate. The sensitivity analysis below indicates what the LVCVA's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1- percentage-point higher than the current rate:

	1% Decrease in Health Care Trend Rate	Health Care Trend Rate	1% Increase in Health Care Trend Rate
Primary Plan	$ 20,091,000	$ 24,690,000	$ 30,842,000
PEBP	3,203,000	3,614,000	4,107,000
Total OPEB Liability	$ 23,294,000	$ 28,304,000	$ 34,949,000

CHANGES IN LIABILITY

During FY 2019, changes in the LVCVA's total OPEB liability were as follows:

	Primary Plan	PEBP	Total
Service Cost	$ 3,175,322	$ -	$ 3,175,322
Interest on total OPEB liability	1,688,014	151,889	1,839,903
Differences between expected and actual experience	(19,810,976)	(934)	(19,811,910)
Changes of assumptions or other inputs	(4,105,043)	(583,098)	(4,688,141)
Benefit payments	(466,782)	(171,691)	(638,473)
Net change in total OPEB liability	(19,519,465)	(603,834)	(20,123,299)
Total OPEB liability, beginning of year	44,209,289	4,217,871	48,427,160
Total OPEB liability, end of year	$ 24,689,824	$ 3,614,037	$ 28,303,861

The LVCVA's reported deferred outflows and inflows of resources related to OPEB, as of June 30, 2019, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Plan		
Differences between expected and actual experience	$ -	$ 18,516,817
Changes of assumptions or other inputs	-	8,185,547
Benefit payments subsequent to the measurement date	499,580	-
PEBP		
Differences between expected and actual experience	-	-
Changes of assumptions or other inputs	-	-
Benefit payments subsequent to the measurement date	157,535	-
Total of All Plans		
Differences between expected and actual experience	$ -	$ 18,516,817
Changes of assumptions or other inputs	-	8,185,547
Benefit payments subsequent to the measurement date	657,115	-

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date totaling $657,115 will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in OPEB expense as follows:

For the Year Ended June 30,	Total
2020	$2,503,319
2021	2,503,319
2022	2,503,319
2023	2,503,319
2024	2,503,319
Thereafter	14,185,770

NOTE 12. CLASSIFICATION OF NET POSITION AND FUND BALANCES:

FUND BALANCE CLASSIFICATIONS:

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

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

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

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

Assigned Fund Balance – Includes amounts that are constrained by the LVCVA's intent for specific purposes but do not meet the criteria to be classified as restricted or committed. The LVCVA Board of Directors has approved a policy that provides the authority to the President/CEO and the CFO to make fund balance assignments. Constraints imposed on the use of assigned amounts can be removed without formal Board action.

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

SPENDING PRIORITIZATION IN USING AVAILABLE RESOURCES:

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

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

GENERAL FUND BALANCE POLICY:

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

The fund balances by component at June 30, 2019, were:

	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Capital Projects Fund	Debt Service Fund
Non-Spendable					
Inventory	$ 462,337	$ -	$ -	$ -	$ -
Prepaid and other items	3,496,515	734,404	-	28,902	-
Restricted					
SB1 revenues	-	62,866,446	-	-	-
Capital project programs	-	390,344,806	-	11,305,152	-
Debt service programs	-	-	38,039,562	-	188,249,013
Collection allocation	4,112,499	-	-	-	-
Public Saftey	9,250	-	-	-	-
Committed					
Capital project programs	-	115,020,596	-	38,355,946	-
Debt service programs	-	-	-	-	18,572,486
Operating budget	-	-	-	-	-
Assigned					
Capital funds	-	-	-	6,084,250	-
LVCCD capital program	7,000,000	-	-	-	-
Unassigned	26,180,328	-	-	-	-
	$ 41,260,929	$ 568,966,252	$ 38,039,562	$ 55,774,250	$ 206,821,499

NOTE 13. COMMITMENTS AND CONTINGENCIES:

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

CONTRACTS AND COMMITMENTS

ADVERTISING AGENCY

R&R Partners (R&R) is the official advertising and marketing communications agency for the LVCVA. R&R develops marketing plans for both long-term and short-term initiatives and works with the LVCVA in the areas of consumer marketing, business and convention marketing, international marketing, and extended destination marketing. Beginning in July 2015, compensation to R&R is calculated as 6.5% of gross billed (6.95% of the net) amounts for commission on media and external production. Other reimbursable expenses are billed at net (production, travel, and administration). In addition, in FY 2019 there was an agency service fee of $7,363,731 and content creation services fee of $8,790,419. Both service fees are subject to CPI increases. The current contract term is through June 2020, which can be terminated by either party with 90 days notice. The LVCVA, through R&R, also sponsors various special events and pays for media advertising of the destination and its events which bring people to Las Vegas. Some of these involve multi-year contracts. At June 30, 2019, these contract commitments were $29.7 million for FY 2020 and $1.1 million for FY 2021.

INTERNATIONAL OFFICES

The LVCVA is party to contracts for international office representation which covers the following areas: Australia and New Zealand, Canada, China, Hong Kong, Taiwan, Europe, France, Germany, Scandinavia, Switzerland, Austria, Japan, Mexico, Italy, Spain, South and Central America, South Korea, Ireland, and the United Kingdom. The LVCVA has two-year agreements with a two-year extension starting in 2018, which have an aggregate value of $2.8 million annually and can be terminated, without cause, with a 30-day notice.

NATIONAL FINALS RODEO

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

NASCAR SPONSORSHIP

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

WORLDWIDE ROUTE DEVELOPMENT

The LVCVA Board has approved an agreement to host the 27th Worldwide Route Development Forum in September 2021. The estimated future cost to host this forum is $3.6 million, with expenditures being incurred in FY 2021 and FY 2022.

TERMINATION PAYMENTS AND COMMITMENTS IN CONTRACTOR AGREEMENTS

The LVCVA has an agreement through September 28, 2023 with Cox Nevada Telcom (Cox) for telecommunications services at the Las Vegas Convention Center and other various buildings belonging to the LVCVA. Cox's original agreement required Cox to invest at least $10 million of telecommunication infrastructure improvements to the LVCVA's facilities over the life of the agreement, which Cox fulfilled. The improvements funded by Cox are owned by the LVCVA at the end of the term; however, if early termination occurs, the LVCVA is obligated to reimburse Cox for a portion of its investment ($2.3 million as

of June 30, 2019). The remaining potential reimbursement obligation is considered a contingent liability, which is not recorded in the LVCVA's financial statements. In addition to the above capital investments, Cox has agreed to commit an additional $8 million in infrastructure to the LVCCD project as part of the most recent contract extension. This contribution has not yet been made but is contractually obligated to be amortized over a five-year period when it occurs.

In FY 2017, as contemplated under the Cox agreement, a neutral host digital antenna system (DAS) was installed in the Las Vegas Convention Center with proceeds from the cellular carriers that use the DAS. Under these agreements, all operating costs of the DAS are paid by the carriers, in addition to monthly rent to the LVCVA. The DAS becomes property of the LVCVA at the earlier of the end of the DAS agreement term (November 2026) or the termination of the Cox agreement. If the agreement with Cox is not extended past that period, the LVCVA would assume the rights to the DAS assets and be responsible for executing the administrative function of operating and maintaining the DAS, as defined in the agreement, through the remainder of the DAS contract term. This is considered a contingent commitment and asset, which is not recorded in the LVCVA's financial statements as it is dependent on potential future events.

The LVCVA has an agreement with Volume Services (dba Centerplate) for food services at the Las Vegas Convention Center, which is scheduled to terminate on June 30, 2024. Pursuant to the agreement, Centerplate has invested $17.5 million in food infrastructure improvements to the LVCVA's facilities, which will become the property of the LVCVA at the end of the term. If early termination occurs, the LVCVA is obligated to reimburse Centerplate for a portion of their investment ($12 million at June 30, 2019). This is considered a contingent liability, which is not recorded in the LVCVA's financial statements. In addition to the above capital investments, Centerplate has agreed to commit a minimum $5 million in additional infrastructure as part of the LVCCD project. This contribution has not yet been made but is contractually obligated to be amortized over a seven-year period when it occurs, but no later than June 30, 2030.

OTHER OBLIGATIONS

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

On June 1, 2017, the LVCVA transferred ownership of Cashman Center to the City of Las Vegas. In conjunction with the transfer, the LVCVA entered into a management operating agreement with the City of Las Vegas. As part of this operating agreement, the LVCVA operated the convention facility portion until December 31, 2017, at which time the convention facility section was placed in a "mothball" status, and operated the stadium portion until the baseball team moved to a new facility. As of May 2019, the baseball team moved to a new facility, the management operating agreement was terminated, and the City of Las Vegas assumed all responsibilities for the property.

During FY 2018, the LVCVA entered into a naming rights agreement related to the Las Vegas Ballpark, which opened for the 2019 baseball season, and now houses the Las Vegas minor league baseball team that previously played at Cashman Center. Site acquisition, all improvements, and operation of the park is the sole responsibility of the baseball team. The 20-year agreement provides the LVCVA with exclusive naming rights, dominant sponsorship signage, and other marketing assets for an annual fee of $4 million, commencing in FY 2019.

In February 2018, the LVCVA Board approved a capital grant for up to $9.5 million to the City of Las Vegas to assist with the renovation of the canopy over the Fremont Street Experience. As of June 30, 2019, $4.6 million of the grant has been paid to the City of Las Vegas, and the remaining $4.9 million is expected to be paid in FY 2020.

CONSTRUCTION CONTRACTS AND OTHER SIGNIFICANT COMMITMENTS

The LVCVA is a party to several contracts and commitments relating to construction projects and services related to the LVCVA's facilities and land. At June 30, 2019, such contracts, in the LVCCD capital fund and the capital projects fund, totaled approximately $972.3 million and $3.1 million, respectively, with an estimated outstanding balance of approximately $722.5 million and $0.5 million, respectively. In addition, the LVCVA Board executed a contract for Campus Wide People Mover, with an estimated cost of $48.7 million. Other outstanding commitment balances in the General Fund totaled approximately $4.9

million. As of June 30, 2019, the LVCVA Board has approved staff to host future events in the destination at a maximum amount of $7.8 million not previously disclosed.

LEGAL MATTERS

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

There is ground water contamination in one of the parking areas of the LVCC. Management believes it is probable that the LVCVA will be named as a responsible party for remediation activities and, therefore, has recorded a $4,400,000 remediation liability on the government-wide financial statements using the expected cash flow technique for future remediation costs. This estimate is based on ongoing analyses which could change over time due to continued investigation, actual remediation actions performed, future regulatory rulings, changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort.

On August 31, 2018, a revised class action complaint regarding room taxes assessed on resort fees that include internet access was filed against various resort hotels in Clark County (the County). The room taxes in question were collected by the resort hotels in prior years, distributed to the County and the various municipalities therein, and then further distributed to other entities in Clark County (including the LVCVA). However, neither the County, its various municipalities, nor the LVCVA is a named party to the complaint. In addition, the amount of the resort fee room tax collected that is directly attributable to internet access has not been determined, and, therefore, the amount of potential room tax that may be in question (if any) cannot be determined. Furthermore, the probability of a decision that would affect room tax revenue previously remitted to the LVCVA cannot currently be reasonably estimated, due to the inherent uncertainty of the litigation. Accordingly, the room tax revenue reported in the LVCVA's financial statements has not been adjusted for this matter.

During the federal suit, the Clark County Department of Business License received "protective claims for refunds" for the overpayment of tax paid on resort fees attributable to internet access from certain defendants, which were not treated as ripe claims because no judicial determination had been made of improper tax collection. To date, only one of the defendants to the revised complaint - South Point Hotel and Casino ("South Point") - has resubmitted a "protected claim for refund" to the County. South Point's claim states that if its overpayment constitutes the entire amount of tax paid on the resort fees from February 8, 2014 to present, it is entitled to up to a $3 million potential refund. The claims asserted in the complaint do not specifically define the amounts of overpayments within the resort fee attributable to internet access and may cover a period greater than the applicable statute of limitations for refunds. Therefore, the amount of the resort fee tax collected attributable to internet access cannot be determined at this time.

On September 7, 2018, Paris Operating Company LLC filed a Complaint, Paris Operating Company LLC, Plaintiff v. Clark County Business License et.al. Defendants, Case No. A-18-780786-C, against Clark County Department of Business License, Clark County, and various other Clark County officials regarding the interpretation of certain Clark County room tax ordinances. The complaint alleges that the Clark County Department of Business License incorrectly interprets certain Clark County room tax ordinances. The complaint does not seek to enjoin, suspend, or restrain the assessment, levy, or collection of the Room Tax by County, but seeks to change the way that the Room Tax is collected. The Authority is not a party to the complaint. On April 11, 2019, the Eighth Judicial District Court granted the Defendants' Partial Motion to Dismiss and set a briefing schedule for the Court to hear the case as an administrative appeal instead of a Declaratory Judgment action. The parties have not yet completed the briefing in this case. The outcome or impact of this complaint cannot be determined at this time.

The Las Vegas Metropolitan Police Department is currently conducting a criminal investigation into the Authority's handling of $90,000 of Southwest Airlines gift cards that were purchased by the Authority. The Authority is cooperating with the investigation and cannot predict the outcome or consequences of the investigation at this time. However, it is not anticipated

that the investigation and possible legal actions resulting from the investigation will result in any material liabilities to the Authority.

NOTE 14. ROOM TAX REVENUE:

The LVCVA's primary revenue source is a portion of the 10.5% - 14% room tax imposed on lodging establishments in Clark County, Nevada. The rate of taxes can only be modified by action of the Nevada State Legislature.

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

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

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

The LVCCD Capital Fund's dedicated portion was provided by a 0.5% increase to transient lodging tax, which is legislatively restricted to support Phases Two and Three of the LVCCD project and will sunset in 2049 without additional legislative action.

As provided for by NRS 244A.645, up to 10% of the total room taxes and gaming fees received by the LVCVA may be paid back to the county and incorporated cities, excluding revenues generated from SB1 as those revenues are wholly restricted to Phases Two and Three of the LVCCD project. Additionally, SB1 imposed a cap of $25.0 million on the total annual collection allocation eligible to be returned to the collecting entities, and any amount of the 10% collection allocation exceeding the cap will be restricted to the LVCCD capital fund. The total recognized collection allocation was $25.0 million in FY 2019, while $3.8 million was transferred to the LVCCD capital fund in compliance with SB1 for the LVCCD project.

NOTE 15. SUBSEQUENT EVENTS

Events through October 14, 2019 were evaluated by the management of the LVCVA, who determined that no additional recognition or disclosure in these financial statements is necessary, except regarding the matters discussed in the following paragraphs.

In July 2019, the LVCVA issued $45,230,000 Series 2019B Revenue Bonds, which require semi-annual variable interest rate payments from 3%-5% through July 1, 2039 (*i.e.*, 20 year bonds). These bonds were issued for the People Mover project, and repayments are accounted for in the Debt Service Fund.

In August 2019, the LVCVA Board of Directors (the Board) approved the sale of an additional $300 million in revenue bonds for the LVCCD expansion project, which depending on market conditions, are anticipated to be issued in 2020. These are expected to be the final bonds issued related to the LVCCD project.

Also in August 2019, the Board approved the negotiation of a sponsorship agreement for the 2020 and 2021 Pac-12 Football Championship Games to be held in Las Vegas, Nevada, for an amount not to exceed $1,500,000 per year.

In September 2019, the Board approved expenditures of not to exceed $1,650,000 to host the U.S. Travel Association IPW 2020 in Las Vegas, Nevada in May through June 2020.

Also in September 2019, the Board approved the sale of $200 million in general obligation bonds, which were sold in October 2019 as $130.7 million tax-exempt and $69.3 million of taxable bonds related to the LVCCD expansion and renovation project.

In October 2019, the Board approved an increase in Phase Two of the LVCCD project budget to a total $980.3 million.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Post-employment Benefits Other Than Pensions

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

Pensions

SCHEDULE OF CONTRIBUTIONS TO PERS PENSION PLAN

Pensions

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

General Fund

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Schedule of Changes in the Total OPEB Liability and Related Ratios[1]

For the Years Ended June 30, 2019 and the Last Nine Fiscal Years[2]

	2018		2019	
	Primary Plan	PEBP	Primary Plan	PEBP
Service cost	$ 3,310,122	$ -	$ 3,175,322	$ -
Interest on total OPEB liability	1,401,247	130,455	1,688,014	151,889
Differences between expected and actual experience	(189,570)	11,185	(19,810,976)	(934)
Changes in assumptions or other inputs	(5,870,369)	(406,279)	(4,105,043)	(583,098)
Benefit payments	(528,214)	(183,295)	(466,782)	(171,691)
Net change in total OPEB liability	(1,876,784)	(447,934)	(19,519,465)	(603,834)
Total OPEB liability, beginning of year	46,086,073	4,665,805	44,209,289	4,217,871
Total OPEB liability, end of year	$ 44,209,289	$ 4,217,871	$ 24,689,824	$ 3,614,037
Covered-employee Payroll	$ 40,026,786	N/A[3]	$ 40,956,955	N/A[3]
Total OPEB liability, end of year as a percentage of covered payroll	110.45%	N/A[3]	60.28%	N/A[3]

[1] The LVCVA's OPEB is not administered through a trust.

[2] Fiscal year 2019 is the second year of implementation of GASB 75; therefore, only two years are shown. As it becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

[3] PEBP is a closed plan; therefore, there are no current employees covered by the PEBP.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Schedule of Proportionate Share of the PERS Net Pension Liability

For the Years Ended June 30, 2018 and the Last Nine Fiscal Years[2]

	2014	2015	2016	2017	2018
LVCVA proportion of net pension liability	0.54167%	0.55623%	0.56294%	0.55928%	0.56121%
LVCVA proportionate share of net pension liability	$ 56,452,216	$ 63,740,412	$ 75,755,148	$ 74,382,943	$ 76,536,068
LVCVA's covered-employee payroll[1]	$ 32,046,157	$ 33,468,391	$ 34,395,199	$ 36,192,769	$ 37,303,296
LVCVA's proportionate share of the net pension liability as a percentage of LVCVA's covered-employee payroll	57%	53%	45%	49%	49%
Plan fiduciary net position as a percentage of total pension liability	76%	75%	72%	74%	75%

[1]Not administered through a trust. As required by implementation of GASB Statement No. 82, amounts were restated to reflect payroll on which contributions to the pension are based.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Schedule of Contributions to PERS Pension Plan

For the Years Ended June 30, 2019 and the Last Nine Fiscal Years[2]

	2014	2015	2016	2017	2018	2019
Contractually required contribution	$ 8,204,400	$ 8,585,609	$ 9,545,749	$ 10,040,050	$ 10,413,448	$ 10,282,215
Contributions in relation to the contractually-required contribution	8,204,400	8,585,609	9,545,749	10,040,050	10,413,448	10,282,215
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -
LVCVA's covered-employee payroll[1]	$ 32,046,157	$ 33,468,391	$ 34,395,199	$ 36,192,769	$ 37,303,296	$ 36,762,152
Contributions as a percentage of covered-employee payroll	26%	26%	28%	28%	28%	28%

[1]Not administered through a trust. As required by implementation of GASB Statement No. 82, amounts were restated to reflect payroll on which contributions to the pension are based.

[2]Only five years of historical data available since the first year of GASB Statement No. 68 implementation.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

General Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Room taxes and gaming fees	$ 291,442,000	$ 291,442,000	$ 288,049,092	$ (3,392,908)
Charges for services				
Use of Facilities	31,618,500	31,618,500	31,639,460	20,960
Ancillary	22,603,000	22,603,000	24,573,494	1,970,494
Other	2,739,000	2,739,000	2,770,048	31,048
Interest and investment earnings	180,600	180,600	372,277	191,677
Miscellaneous	252,000	252,000	447,343	195,343
Total revenues	348,835,100	348,835,100	347,851,714	(983,386)
Expenditures:				
Current:				
General government	22,906,700	22,906,700	19,536,345	3,370,355
Marketing:				
Advertising	101,500,000	101,500,000	100,315,540	1,184,460
Marketing and sales	40,834,600	40,803,700	38,220,616	2,583,084
Special events	17,130,300	17,161,200	15,315,686	1,845,514
Operations	41,290,800	41,290,800	38,729,965	2,560,835
Community support:				
Other community support	25,100,000	25,100,000	25,000,000	100,000
Total expenditures	248,762,400	248,762,400	237,118,152	11,644,248
Excess of revenues over expenditures	100,072,700	100,072,700	110,733,562	10,660,862
Other financing sources (uses):				
Transfers in	170,300	170,300	826,776	656,476
Transfers out	(110,994,200)	(110,994,200)	(109,459,940)	1,534,260
Proceeds from the sale of assets	48,000	48,000	168,447	120,447
Total other financing sources (uses)	(110,775,900)	(110,775,900)	(108,464,717)	2,311,183
Net change in fund balance	(10,703,200)	(10,703,200)	2,268,845	12,972,045
Fund balance - beginning	38,992,084	38,992,084	38,992,084	-
Fund balance - ending	$ 28,288,884	$ 28,288,884	$ 41,260,929	$ 12,972,045

NOTE 1. OTHER POST-EMPLOYMENT BENEFIT PLANS:

At June 30, 2019, no assets were accumulated in a qualifying trust in which the assets contributed and earnings thereon are irrevocable, dedicated solely to pay postemployment benefits, and are legally protected from creditors.

Change of Assumptions:
The decrease in liability of $19,519,465 and $603,834 in the primary plan and PEBP plans, respectively, from June 30, 2018 to June 30, 2019, is primarily driven by the difference between expected and actual experience that contains census data updates, new per capital claims experience, and the effects of the change in actuary and valuation systems. This included employing an allocation by entity method where services costs, interest cost, and schedule of outflows and inflows are allocated proportionally to each entity share of the total OPEB liability. Updates were also made to the assumed discount rate which was 3.58% as of June 30, 2017 and 3.87% as of June 30, 2018, as well as termination and retirement rate updates, marriage assumption, and aging factors. Mortality rates and salary scales were also updated.

Additional information related to postemployment benefits other than pensions can be found in Note 11 to the financial statements on pages 45 through 49 of this report.

NOTE 2: PERS PENSION PLAN:

For the year ended June 30, 2019, no significant events occurred that would have affected or changed the benefits provision, size or composition of those covered by the pension plan, or actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2018. Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the experience review completed in 2017.

Additional information related to pensions can be found in Note 10 to the financial statements on pages 40 through 44 of this report.

NOTE 3. BUDGET INFORMATION:

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

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

INDIVIDUAL FUND INFORMATION

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

Governmental Funds

LVCCD Capital Fund

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

LVCCD Debt Service Fund

This fund accounts for the accumulation of resources and principal and interest payments for debt issued in conjunction with LVCCD Phases Two and Three.

Capital Projects Fund

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

Debt Service Fund

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

Proprietary Fund

Internal Service Fund

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

LVCCD Capital Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Room taxes	$ 28,984,200	$ 28,984,200	$ 29,520,291	$ 536,091
Interest and investment earnings	2,639,800	2,639,800	13,839,092	11,199,292
Miscellaneous	-	-	7,467	7,467
Total revenues	31,624,000	31,624,000	43,366,850	11,742,850
Expenditures:				
Capital outlay:				
Construction in progress	500,000,000	484,181,744	299,121,000	185,060,744
Noncapitalized assets	-	-	37,062	(37,062)
Debt service:				
Debt issuance costs	-	1,663,965	1,653,382	10,583
Total expenditures	500,000,000	485,845,709	300,811,444	185,034,265
Deficiency of revenues under expenditures	(468,376,000)	(454,221,709)	(257,444,594)	196,777,115
Other financing sources (uses):				
Transfers in	49,144,200	49,144,200	49,154,182	9,982
Transfers out	(21,507,500)	(21,507,500)	(8,007,500)	13,500,000
Issuance of debt	500,000,000	461,268,406	461,268,406	-
Premium on debt issuance	-	24,577,303	24,577,303	-
Total other financing sources (uses)	527,636,700	513,482,409	526,992,391	13,509,982
Net change in fund balance	59,260,700	59,260,700	269,547,797	210,287,097
Fund balance - beginning	299,418,455	299,418,455	299,418,455	-
Fund balance - ending	$ 358,679,155	$ 358,679,155	$ 568,966,252	$ 210,287,097

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

LVCCD Debt Service Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest and investment earnings	$ 7,300	$ 7,300	$ 759,587	$ 752,287
Expenditures:				
Debt service:				
Interest	5,938,896	11,044,991	11,044,991	-
Deficiency of revenues under expenditures	(5,931,596)	(11,037,691)	(10,285,404)	752,287
Other financing sources (uses):				
Transfers in	21,507,500	21,507,500	8,007,500	(13,500,000)
Transfers out	-	-	(349,273)	(349,273)
Issuance of debt	-	38,731,594	38,731,594	-
Total other financing sources (uses)	21,507,500	60,239,094	46,389,821	(13,849,273)
Net change in fund balance	15,575,904	49,201,403	36,104,417	(13,096,986)
Fund balance - beginning	1,935,145	1,935,145	1,935,145	-
Fund balance - ending	$ 17,511,049	$ 51,136,548	$ 38,039,562	$ (13,096,986)

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

Capital Projects Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest and investment earnings	$ 637,900	$ 637,900	$ 1,509,844	$ 871,944
Miscellaneous	-	-	1,072,923	1,072,923
Total revenues	637,900	637,900	2,582,767	1,944,867
Expenditures:				
Capital outlay:				
Land	-	73,678,710	60,738,547	12,940,163
Land improvements	177,000	1,537,800	330,869	1,206,931
Buildings	2,483,315	3,702,915	3,265,167	437,748
Furniture and equipment	2,993,667	3,401,167	1,241,119	2,160,048
Construction in progress	29,400,000	39,400,000	54,197	39,345,803
Noncapitalized assets	-	1,550,000	2,066,378	(516,378)
Capital grants to other governments	-	4,600,000	4,595,124	4,876
Debt service:				
Principal	-	-	129,957	(129,957)
Interest	-	-	6,182	(6,182)
Debt issuance costs	-	77,949	145,799	(67,850)
Total expenditures	35,053,982	127,948,541	72,573,339	55,375,202
Deficiency of revenues under expenditures	(34,416,082)	(127,310,641)	(69,990,572)	57,320,069
Other financing sources (uses):				
Transfers in	3,250,000	3,250,000	3,250,000	-
Issuance of debt	-	92,147,600	72,647,600	(19,500,000)
Premium on debt issuance	-	746,959	746,959	-
Total other financing sources (uses)	3,250,000	96,144,559	76,644,559	(19,500,000)
Net change in fund balance	(31,166,082)	(31,166,082)	6,653,987	37,820,069
Fund balance - beginning	49,120,263	49,120,263	49,120,263	-
Fund balance - ending	$ 17,954,181	$ 17,954,181	$ 55,774,250	$ 37,820,069

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

Debt Service Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Interest and investment earnings	$ 170,300	$ 170,300	$ 3,477,033	$ 3,306,733
Federal grant subsidy	3,419,871	3,419,871	4,614,839	1,194,968
Total revenues	3,590,171	3,590,171	8,091,872	4,501,701
Expenditures:				
Debt service:				
Principal	27,210,000	27,210,000	27,210,000	-
Interest	38,198,293	38,198,293	38,198,293	-
Subordinate Revenue Bond (Line of Credit)				
Principal retirement	11,000,000	10,824,653	-	10,824,653
Interest	250,000	402,899	402,899	-
Principal retirement	-	61,500,000	61,500,000	-
Debt issuance costs	-	587,884	574,252	13,632
Total expenditures	76,658,293	138,723,729	127,885,444	10,838,285
Deficiency of revenues under expenditures	(73,068,122)	(135,133,558)	(119,793,572)	15,339,986
Other financing sources (uses):				
Transfers in	58,500,000	58,500,000	57,305,031	(1,194,969)
Transfers out	(170,300)	(170,300)	(826,776)	(656,476)
Issuance of refunding debt	-	100,712,400	100,712,400	-
Premium on debt issuance	-	4,172,260	4,172,260	-
Payment to refunded debt escrow agent	-	(36,280,713)	(36,280,712)	1
Total other financing sources (uses)	58,329,700	126,933,647	125,082,203	(1,851,444)
Net change in fund balance	(14,738,422)	(8,199,911)	5,288,631	13,488,542
Fund balance - beginning	201,532,868	201,532,868	201,532,868	-
Fund balance - ending	$ 186,794,446	$ 193,332,957	$ 206,821,499	$ 13,488,542

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

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

Internal Service Fund

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Non-operating revenues:				
Interest and investment earnings	$ 464,500	$ 464,500	$ 1,438,735	$ 974,235
Income before transfers	464,500	464,500	1,438,735	974,235
Transfers in	100,000	100,000	100,000	-
Change in net position	564,500	564,500	1,538,735	974,235
Net position - beginning PY CAFR	27,627,948	27,627,948	27,627,948	-
Net position - ending	$ 28,192,448	$ 28,192,448	$ 29,166,683	$ 974,235

STATISTICAL SECTION

Statistical Section
(unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(amounts expressed in thousands [3])

(unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary government										
Net investment in capital assets	$ 189,393	$ 161,799	$ 156,090	$ 163,258	$ 170,538	$ 177,524	$ 189,376	$ 209,842	$ 226,057	$ 231,567
Restricted:										
Debt service	51,058	34,276	43,659	44,555	46,900	49,605	51,144	51,199	184,348	188,249
LVCCD capital project	-	-	-	-	-	-	-	13,716	46,026	62,866
Community support	-	-	-	-	-	-	-	4,538	4,310	4,112
LVCCD debt service	-	-	-	-	-	-	-	-	1,935	38,040
Other purposes	-	-	-	-	-	-	-	579	36	9
Capital grants to other governments	68,705	97,234	30,181	19,612	19,244	18,487	17,882	-	-	-
Unrestricted:	(56,706)	(241,808)	(234,255)	(238,408)	(284,541)	(263,118)	(231,870)	(204,412)	(319,127)	(299,990)
Total primary government net position [1] [2] [3]	$ 252,450	$ 51,501	$ (4,325)	$ (10,983)	$ (47,859)	$ (17,502)	$ 26,533	$ 75,462	$ 143,585	$ 224,853

[1] Retroactive restatement of balances for implementation of GASB No. 65 in FY 2014.

[2] Retroactive restatement of balances for implementation of GASB No. 68 in FY 2014.

[3] Restatement related to implementation of GASB No. 82 in FY 2017.

[4] Amounts expressed in thousands or millions may not foot due to rounding.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

FUND BALANCES OF GOVERNMENTAL FUNDS [1] [2]

LAST TEN FISCAL YEARS

(amounts expressed in millions [3])

(unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	$ 0.9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	18.6	-	-	-	-	-	-	-	-	-
Nonspendable	-	1.8	2.5	3.3	5.0	4.8	6.6	5.1	5.3	4.0
Restricted	-	5.3	5.4	5.8	6.7	6.9	7.0	4.9	4.4	4.1
Committed	-	11.7	10.4	2.9	3.1	1.0	-	12.0	10.7	-
Assigned	-	13.7	11.1	6.9	18.0	15.9	25.0	13.4	8.0	7.0
Unassigned	-	3.2	4.1	2.4	1.9	5.0	14.3	20.3	10.6	26.2
Total general fund	19.5	35.7	33.5	21.3	34.7	33.6	53.0	55.8	39.0	41.3
All other governmental funds										
Reserved	176.0	-	-	-	-	-	-	-	-	-
Unreserved, reported in:					-	-	-	-	-	-
Special revenue fund	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	0.3	0.1	0.8	-	0.3	0.8
Restricted	-	131.6	73.9	64.2	96.3	97.5	68.3	65.1	414.8	690.8
Committed	-	37.2	24.9	43.9	42.1	57.3	65.2	74.4	132.3	171.9
Assigned	-	0.3	19.2	2.9	1.8	1.9	-	5.2	4.6	6.1
Total all other governmental funds	176.0	169.1	118.0	111.0	140.5	156.8	134.3	144.7	552.0	869.6
Total governmental funds	$ 195.5	$ 204.8	$ 151.5	$ 132.3	$ 175.2	$ 190.4	$ 187.2	$ 200.6	$ 591.0	$ 910.9

[1] This schedule uses the modified accrual basis of accounting.

[2] In FY11, new classifications were implemented as required under GASB 54.

[3] Amounts expressed in thousands or millions may not foot due to rounding.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CHANGES IN NET POSITION [1]

LAST TEN FISCAL YEARS

(amounts expressed in thousands [7])

(unaudited)

Program Revenues	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Charges for Services										
Marketing	$ 1,869	$ 1,929	$ 1,388	$ 1,587	$ 2,203	$ 1,348	$ 1,507	$ 6,302	$ 5,433	$ 2,350
Operations	43,832	46,177	47,311	46,164	58,618	51,055	59,537	61,624	60,913	58,828
Operating Grants and Contributions:										
Special events grants	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions:										
General government	711	3,608	5,121	4,898	4,752	4,746	4,774	4,711	4,664	4,615
Operations				756	358	86	-	-	-	-
Total governmental activities program revenues	46,412	51,714	53,820	53,405	65,931	57,235	65,817	72,637	71,010	65,793
Expenses										
Governmental activities:										
General government[2]	11,040	11,226	13,162	14,032	15,016	15,075	16,704	20,895	21,535	20,376
Marketing:										
Advertising	87,199	79,504	83,636	90,587	92,471	93,149	95,012	95,905	106,726	100,316
Marketing and sales	27,329	28,625	31,488	31,456	29,015	35,909	37,769	46,561	40,857	38,677
Special events/grants [6]	7,437	8,059	7,714	8,234	8,571	8,766	11,665	12,196	12,552	15,316
Operations [2]	50,810	53,087	57,771	58,828	65,679	60,244	62,433	60,313	59,032	60,314
Community support and grants:										
Capital grants to other governments	45,989	144,135	67,095	10,605	402	785	671	17,754	192	4,595
Other community support	16,929	19,297	21,274	20,536	22,538	24,185	26,484	25,005	24,910	25,128
Interest and fiscal charges	17,138	27,346	32,610	32,218	32,894	31,924	33,127	34,139	37,515	61,720
Total governmental activities expenses	263,871	371,278	314,750	266,495	266,586	270,038	283,866	312,769	303,319	326,441
Net Expenses	(217,459)	(319,564)	(260,930)	(213,090)	(200,655)	(212,803)	(218,049)	(240,132)	(232,309)	(260,648)
General Revenues and Other Changes in Net Position										
Room taxes and gaming fees	157,810	180,466	202,571	205,355	225,382	241,854	264,844	296,626	313,294	318,992
Interest and investment earnings	875	1,045	448	305	624	630	1,201	1,014	3,736	21,397
Miscellaneous	-	1,412	1,620	1,005	796	677	855	1,329	2,022	1,528
Total general revenues	158,685	182,922	204,639	206,665	226,801	243,161	266,901	298,969	319,052	341,916
Special item [5]	-	(59,481)	-	-	-	-	-	(9,907)	-	-
Total general revenues and special items	158,685	123,441	204,639	206,665	226,801	243,161	266,901	289,062	319,052	341,916
Change in net position	(58,774)	(196,123)	(56,291)	(6,425)	26,146	30,358	48,852	48,930	86,743	81,268
Net position - beginning (as previously reported)	314,998	256,317	60,194	3,903	(2,522)	(47,859)	(17,502)	26,533	75,462	143,585
Adjustments [4]	93	-	-	-	(71,484)	-	(4,817)		(18,620)	-
Net position - beginning (as adjusted)	315,091	256,317	60,194	3,903	(74,006)	(47,859)	(22,319)	26,533	56,842	143,585
Net position - ending	$ 256,317	$ 60,194	$ 3,903	$ (2,522)	$ (47,859)	$ (17,502)	$ 26,533	$ 75,462	$143,585	$224,853

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

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

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

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

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

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS [1]

LAST TEN FISCAL YEARS

(amounts expressed in thousands [4])

(unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Room taxes and gaming fees	$ 156,007	$ 177,345	$ 201,406	$ 205,028	$ 224,492	$ 241,046	$ 261,614	$ 294,229	$ 314,284	$ 317,569
Charges for services	44,536	48,159	49,169	47,847	60,786	51,968	60,836	68,007	65,829	58,983
Interest and investment earnings	875	1,045	448	331	602	540	940	948	3,522	19,958
Federal grant subsidy	711	3,608	5,121	4,898	4,752	4,746	4,774	4,711	4,664	4,615
Miscellaneous	1,046	1,396	1,620	1,005	796	677	855	1,329	2,022	1,528
Total revenues	203,175	231,552	257,764	259,109	291,428	298,977	329,018	369,224	390,321	402,653
Expenses										
General government [2]	10,701	10,374	12,452	13,246	14,209	14,322	16,147	19,533	20,030	19,536
Marketing:										
Advertising	87,199	79,504	83,636	90,587	92,471	93,149	95,012	95,905	106,726	100,316
Marketing and sales	26,755	27,459	30,290	30,302	28,243	34,725	36,537	45,095	39,814	38,221
Special events/grants [3]	7,438	8,058	7,714	8,234	8,571	8,766	11,665	12,196	12,552	15,316
Operations	34,186	34,009	37,132	36,691	44,965	39,454	41,416	39,290	39,898	38,730
Community support and grants:										
Capital grants to other governments	45,989	144,135	67,095	10,605	402	785	671	17,754	192	4,595
Other community support	16,749	18,985	21,158	20,509	22,449	24,105	26,161	25,000	25,000	25,000
Other	-	5,193	-	-	-	-	-	-	-	-
Capital outlay	10,107	10,467	8,985	36,202	29,384	193,820	37,977	26,978	25,223	366,854
Debt service:										
Principal	13,580	121,511	9,175	21,689	22,770	24,909	27,779	27,893	27,991	27,340
Interest	14,983	19,236	33,676	32,360	31,744	32,766	34,317	35,383	33,117	49,652
Principal retirement	-	-	-	-	-	116,800	-	70,200	-	61,500
Payment to refunded debt escrow agent	-	-	-	-	-	66,009	-	69,200	-	-
Debt issuance costs	1,018	-	-	724	1,455	1,205	-	1,014	2,695	2,373
Total expenditures	268,706	478,931	311,313	301,149	296,663	650,815	327,682	485,441	333,238	749,433
Excess (deficiency) of revenues over (under) expenditures	(65,531)	(247,379)	(53,549)	(42,040)	(5,235)	(351,838)	1,336	(116,217)	57,084	(346,780)
Other financing sources (uses)										
Transfers in	43,928	84,168	61,133	69,848	59,354	76,622	72,131	104,716	124,297	118,543
Transfers out	(43,928)	(84,168)	(61,133)	(72,848)	(62,354)	(80,122)	(76,631)	(115,216)	(126,797)	(118,643)
Proceeds from the sale of assets	218	29	223	57	80	636	46	24	105	168
Issuance of capital lease obligation	-	281	-	15	335	-	-	379	-	-
Issuance of debt	124,290	255,830	-	24,990	50,000	368,805	-	192,080	397,860	673,360
Premium on debt issuance	2,052	1,685	-	756	745	16,018	-	13,870	22,424	29,497
Discount on debt issuance	-	(1,192)	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	(25,322)	-	-	-	-	(14,931)	-	(66,316)	(84,533)	(36,281)
Total other financing sources (uses)	101,238	256,633	223	22,818	48,160	367,028	(4,454)	129,537	333,357	666,644
Net change in fund balances	35,707	9,254	(53,326)	(19,222)	42,925	15,190	(3,118)	13,320	390,441	319,864
Fund balance - beginning	159,828	195,534	204,788	151,462	132,240	175,165	190,356	187,237	200,557	590,998
Fund balance - ending	$ 195,534	$ 204,788	$ 151,462	$ 132,240	$ 175,165	$ 190,356	$ 187,237	$ 200,557	$ 590,998	$ 910,862
Debt service as a percentage of noncapital expenditures	11.0%	30.0%	14.2%	20.4%	20.4%	12.6%	21.4%	13.8%	19.8%	20.1%

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

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

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

GENERAL GOVERNMENT EXPENDITURES [1]

FOR ALL GOVERNMENTAL FUND TYPES

LAST TEN FISCAL YEARS

(unaudited)

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

Fiscal Year	Total Expenditures	General Government [2][4]		Marketing		Advertising	
2010	$ 186,919,649	$ 10,700,951	6%	$ 26,754,911	14%	$ 87,199,280	47%
2011	232,226,854	10,373,913	4%	27,458,590	12%	79,504,487	34%
2012	241,712,622	12,452,224	5%	30,289,998	14%	83,636,231	35%
2013	286,504,452	13,246,144	5%	30,301,848	10%	90,587,216	32%
2014	293,544,284	14,208,721	5%	28,242,821	9%	92,470,992	31%
2015	464,710,847	14,322,106	3%	34,725,317	8%	93,148,972	20%
2016	324,410,023	16,146,746	5%	36,537,160	11%	95,012,365	29%
2017	326,226,408	19,532,835	6%	45,094,547	14%	95,905,154	29%
2018	328,977,140	20,029,693	6%	39,813,998	12%	106,726,431	32%
2019	678,861,373	19,536,345	3%	38,220,616	6%	100,315,540	15%

Fiscal Year	Operations [2][4]		Special Events Grants		Other Community Grants [4]		Capital Outlay		Debt Service [3]	
2010	$ 34,186,143	18%	$ 7,437,670	4%	$ 16,650,670	9%	$ 9,409,687	5%	$ 28,766,480	15%
2011	34,008,771	15%	8,058,471	3%	18,785,979	8%	9,618,513	4%	44,418,130	19%
2012	37,131,878	15%	7,713,777	3%	20,157,585	8%	7,479,924	3%	42,851,005	18%
2013	36,690,902	13%	8,233,771	3%	20,509,181	7%	32,886,283	11%	54,049,107	19%
2014	44,964,997	15%	8,570,890	3%	22,449,149	8%	28,122,603	10%	54,514,110	19%
2015	39,453,977	9%	8,765,599	2%	24,104,565	5%	192,515,195	41%	57,675,117	12%
2016	41,415,858	13%	11,665,284	4%	26,161,392	8%	35,375,192	11%	62,096,026	19%
2017	39,289,787	12%	12,196,297	4%	25,000,000	8%	25,932,125	8%	63,275,663	19%
2018	39,898,070	12%	12,551,768	4%	25,000,000	8%	23,848,709	7%	61,108,471	19%
2019	38,729,965	6%	15,315,686	2%	25,000,000	4%	364,750,899	54%	76,992,322	10%

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

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

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

(4) In FY 2009 - FY 2013, other miscellaneous expense was included in Other Community Grants, in FY 2014 it was included in Operations, and, beginning in FY 2015, it is included in General Government.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

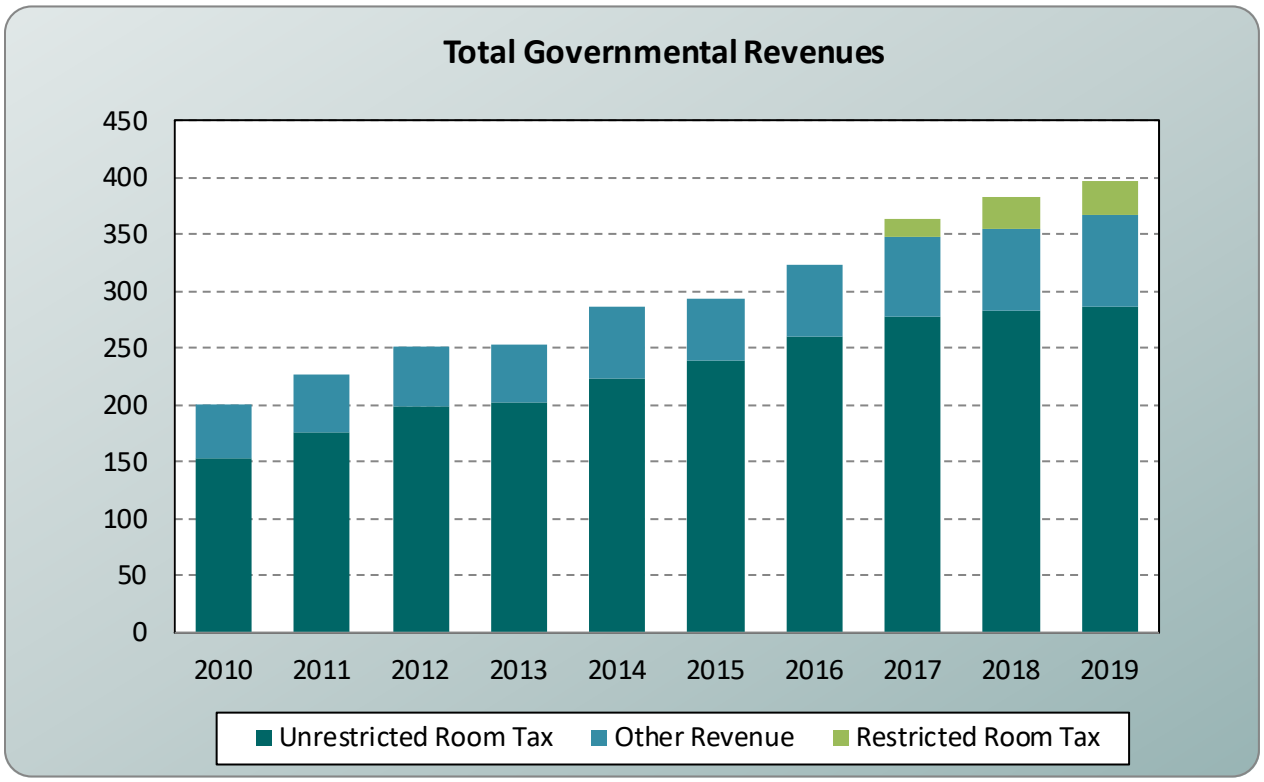
GOVERNMENTAL REVENUES BY SOURCE [1]

LAST TEN FISCAL YEARS

(unaudited)

The schedule below includes revenues recorded in the General, LVCCD Capital, LVCCD Debt Service, Capital Projects, and Debt Service funds, with the exception of nonrecurring items. Nonrecurring revenues include miscellaneous revenues, revenues from any special revenue fund, and federal grant subsidies.

Fiscal Year	Total Revenues	Room Tax		Charges for Services		Gaming Tax		Interest	
2010	$ 201,417,740	$ 154,046,265	76%	$ 44,535,733	22%	$ 1,960,431	1%	$ 875,310	<1%
2011	226,290,335	175,425,978	78%	47,900,661	21%	1,919,186	<1%	1,044,510	<1%
2012	251,177,767	199,592,498	79%	49,323,986	20%	1,813,548	<1%	447,735	<1%
2013	253,206,343	203,196,429	80%	47,846,895	19%	1,831,589	<1%	331,430	<1%
2014	285,879,682	222,781,385	78%	60,786,406	21%	1,710,108	<1%	601,783	<1%
2015	293,554,369	239,318,802	82%	51,968,374	18%	1,726,843	<1%	540,350	<1%
2016	323,389,672	259,967,636	80%	60,835,567	19%	1,646,281	<1%	940,188	<1%
2017	363,184,487	292,635,690	81%	68,007,099	19%	1,593,600	<1%	948,098	<1%
2018	383,635,210	312,702,599	82%	65,829,400	17%	1,581,702	<1%	3,521,509	<1%
2019	396,510,218	315,948,898	80%	58,983,002	15%	1,620,485	<1%	19,957,833	5%



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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Commercial Paper	Unamortized Premiums & Discounts	Capital Lease Obligation	Total Primary Government	Amount of Debt per Visitor [1]
2010	$ 184,645,000	$ 187,005,000	$ 96,000,000	$ 11,180,043	$ -	$ 478,830,043	$ 12.83
2011	355,935,000	246,130,000	-	10,442,482	183,674	612,691,156	15.74
2012	347,955,000	245,025,000	-	9,187,354	93,463	602,260,817	15.16
2013	364,375,000	232,000,000	-	8,610,312	14,287	604,999,599	15.25
2014	405,445,000	218,280,000	-	7,636,790	228,907	631,590,697	15.36
2015	563,160,000	209,785,000	-	17,629,698	120,137	790,694,835	18.69
2016	552,365,000	192,915,000	-	14,362,280	5,698	759,647,978	17.69
2017	527,450,000	180,235,000	-	24,594,782	312,299	732,592,081	17.35
2018	828,245,000	172,710,000	-	43,863,396	185,998	1,045,004,394	24.81
2019	765,965,000	784,570,000	-	67,153,932	56,041	1,617,744,973	n/a [2]

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

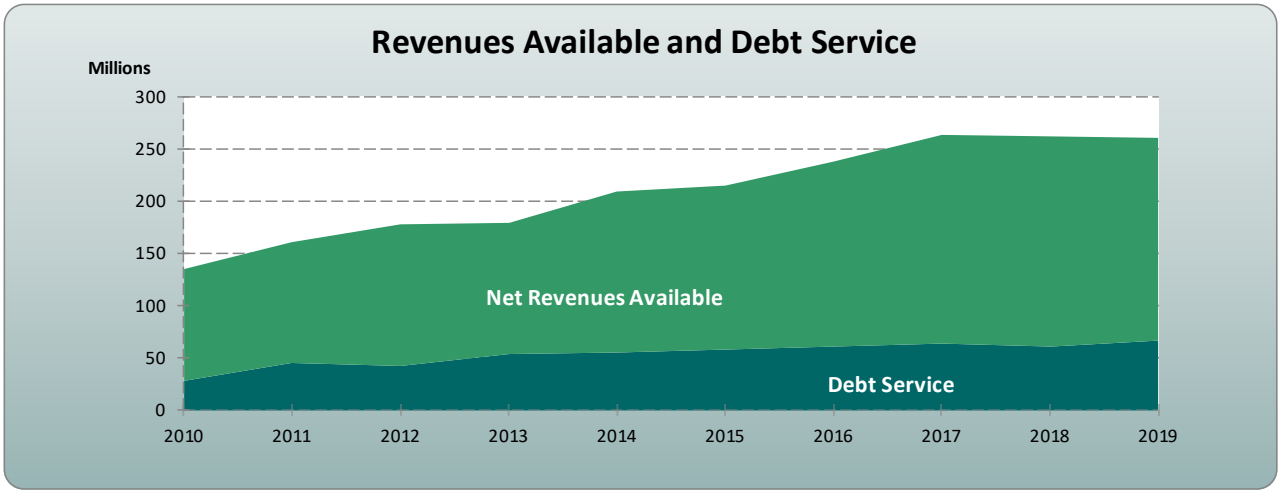
(2) Information was not available as of the report issuance date.

Eight of the LVCVA's thirteen outstanding bonds are general obligation bonds of Clark County, acting by and through the LVCVA. They are primarily secured by ad valorem taxes and are additionally secured by net pledged revenues of the LVCVA, represented basically by room taxes. The LVCVA has never resorted to the use of ad valorem taxes for debt service, using only net pledged revenues derived from operations. In fact, as of June 30, 2019, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. The five remaining bonds are LVCVA revenue bonds.

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

Gross revenues include interest income and miscellaneous fees and charges in the General and Debt Service funds. Revenues from the Capital Projects and Internal Service funds have been excluded since these are not a constant source of income. Revenues from LVCCD Capital Fund are also excluded as the resources are restricted for Phases Two and Three of the LVCCD project and cannot be used to repay principal and interest on existing bonds. Maintenance expenditures are comprised of all expenditures except certain marketing, advertising, bond issuance costs, capital improvement, and debt service. Principal and interest contains expenditures for debt service.

FISCAL YEAR	GROSS REVENUES	MAINTENANCE EXPENDITURES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL AND INTEREST [1]	EXPANSION TAX REVENUE	SERVICE COVERAGE	DEBT COVERAGE w/ EXPANSION TAX
2010	$ 200,886,994	$ 65,614,509	$ 135,272,485	$ 28,562,969	$ -	4.7	4.7
2011	227,600,497	66,460,656	161,139,841	44,321,298	-	3.6	3.6
2012	250,917,732	73,815,377	177,102,355	42,754,341	-	4.1	4.1
2013	253,121,291	74,631,057	178,490,234	53,951,716	-	3.3	3.3
2014	285,749,837	77,050,163	208,699,674	55,149,034	-	3.8	3.8
2015	293,340,228	78,998,994	214,341,234	57,554,480	-	3.7	3.7
2016	322,769,973	85,126,980	237,642,993	61,252,680	-	3.9	3.9
2017	351,597,011	88,906,226	262,690,785	62,892,859	14,544,935	4.2	4.4
2018	351,695,085	89,722,271	261,972,814	60,726,872	32,674,499	4.3	4.9
2019	348,678,490	88,534,194	260,144,296	66,201,008	33,199,909	3.9	4.4



[1] Includes principal and interest payments on senior lien bonds. Excludes interest payments due on the Subordinate Revenue Bonds of $371,334, $722,942, $299,970, $242,893, and $402,899 in FY 2015, FY 2016, FY 2017, FY 2018, and FY 2019, respectively.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

(unaudited)

FISCAL YEAR	APPROXIMATE ASSESSED VALUATION [1]	BONDED DEBT LIMIT [2]	TOTAL LVCVA DEBT APPLICABLE TO DEBT LIMIT [3]	DEBT MARGIN	LEGAL DEBT MARGIN TO THE DEBT LIMIT
2010	$ 91,733,233,181	$ 4,586,661,659	$ 184,645,000	$ 4,402,016,659	96%
2011	64,126,946,544	3,206,347,327	355,935,000	2,850,412,327	89%
2012	56,712,550,689	2,835,627,534	347,955,000	2,487,672,534	88%
2013	53,267,069,961	2,663,353,498	364,375,000	2,298,978,498	86%
2014	54,715,695,579	2,735,784,779	405,445,000	2,330,339,779	85%
2015	62,901,949,671	3,145,097,484	563,160,000	2,581,937,484	82%
2016	70,522,285,405	3,526,114,270	552,365,000	2,973,749,270	84%
2017	77,201,273,046	3,860,063,652	527,450,000	3,332,613,652	86%
2018	82,657,420,456	4,132,871,023	828,245,000	3,304,626,023	80%
2019	88,652,518,662	4,432,625,933	765,965,000	3,666,660,933	83%

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

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

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

COMPUTATION OF DIRECT AND OVERLAPPING DEBT – CLARK COUNTY, NEVADA

JUNE 30, 2019

(unaudited)

	GROSS DEBT	MONIES AVAILABLE	NET OUTSTANDING DEBT	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVER-LAPPING DEBT
Direct Debt:					
Las Vegas Convention and Visitors Authority [1] [2]	$ 1,617,744,973	$ 25,181,041	$ 1,592,563,932	100%	$ 1,592,563,932
Overlapping Debt:					
Clark County [3]			5,268,698,678	100%	5,268,698,678
				Total	$ 6,861,262,610

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

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

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

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

Clark County is the nation's 14th largest county in the United States and provides extensive regional services to more than 2 million citizens. The population in FY 2018 increased 2.6% as compared to FY 2017.

City of Las Vegas, North Las Vegas, and Henderson total aggregate population is 1,203,058, which makes up 53% of the total Clark County population of 2,251,175. Labor force stands at 1,123,792, a modest increase compared to 2018. The unemployment rate is 4.8% and has continued to decline since 2010.

Per capita income has shown an increase for five consecutive years: it is at $48,225 for December 31, 2018, which is above pre-recession income.

Entity	Incorporation Date	2018 Population	Square Miles (approx.)
Clark County	1909	1,009,673	7,441
Las Vegas	1911	644,113	134
N. Las Vegas	1946	248,701	100
Henderson	1953	310,244	105
Boulder City	1958	15,887	208
Mesquite	1984	22,557	32

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

Further statistics that reflect the local economy are shown below:

AS OF JUNE 30	POPULATION (A)	LABOR FORCE (B)	UNEMPLOYMENT RATE (B)
2010	1,968,831	986,342	13.80%
2011	1,967,722	995,209	13.40%
2012	1,988,195	1,000,478	11.40%
2013	2,031,723	1,006,971	10.00%
2014	2,069,450	1,013,962	8.10%
2015	2,118,353	1,034,657	7.00%
2016	2,166,181	1,044,827	6.10%
2017	2,193,818	1,067,289	5.60%
2018	2,251,175	1,095,479	5.00%
2019	n/a	1,123,100	4.80%

AS OF DEC 31	PER CAPITA INCOME (C)	MEDIAN AGE (D)	MEDIAN HOUSEHOLD INCOME (D)	CCSD SCHOOL ENROLLMENT (D)
2009	$ 36,334	35.3	$ 58,148	309,476
2010	37,449	35.4	58,432	309,893
2011	38,774	34.5	54,255	308,373
2012	39,877	36.2	50,962	311,238
2013	39,576	36.4	50,454	314,643
2014	41,654	36.8	50,274	318,040
2015	44,247	37.2	52,865	319,713
2016	44,783	37.5	54,307	320,559
2017	46,557	37.7	55,034	321,648
2018	48,225	37.9	57,946	319,917

Sources:
(A) Nevada Demographer - 2019 information is not available from NV Taxation Dept./ State Demographer at the time of printing.
(B) U.S. Bureau of Labor Statistics
(C) U.S. Bureau of Economic Analysis SA1. New statistics for 2018; revised stats for 2010-2017 updated on March 26, 2019.
(D) Starting with calendar year 2008 – median age calculation includes entire population; previously it was the adult population only. All other statistics as of December 31 are from Las Vegas Perspective.

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

	REAL PROPERTY		PERSONAL PROPERTY		TOTAL [1]	
FISCAL YEAR	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE
2010	$ 86,961,002	$ 248,460,005	$ 4,772,231	$ 13,634,947	$ 91,733,233	$ 262,094,952
2011	60,420,431	172,629,803	3,706,515	10,590,044	64,126,946	183,219,847
2012	53,342,795	152,407,986	3,369,756	9,627,873	56,712,551	162,035,859
2013	48,963,146	139,894,703	4,303,924	12,296,926	53,267,070	152,191,629
2014	49,809,243	143,312,124	4,906,452	14,018,435	54,715,695	157,330,559
2015	57,491,891	164,262,546	5,410,058	15,457,310	62,901,949	179,719,856
2016	65,063,984	185,897,097	5,458,301	15,595,147	70,522,285	201,492,244
2017	70,542,810	201,550,884	6,658,464	19,024,181	77,201,274	220,575,065
2018	75,393,978	215,411,367	7,263,442	20,752,692	82,657,420	236,164,059
2019	81,419,209	232,626,313	7,233,310	20,666,598	88,652,519	253,292,911

Source: Real & Personal Property - Clark County Assessor
[1] Totals may not foot due to rounding.

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

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

	HOTEL/MOTEL CONSTRUCTION		COMMERCIAL/PUBLIC CONSTRUCTION		RESIDENTAL CONSTRUCTION		
CALENDAR YEAR	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	TOTAL NEW CONSTRUCTION [2]
2008	41	$ 2,090,020	558	$ 1,738,803	6,241	$ 1,333,286	$ 5,162,109
2009	3	25,797	170	790,696	4,034	562,292	1,378,785
2010	5	-	122	183,328	4,607	573,065	756,393
2011	-	-	154	214,984	3,958	559,903	774,887
2012	3	98,830	134	409,084	6,225	882,433	1,390,347
2013	-	-	225	457,887	7,334	1,031,419	1,489,306
2014	-	-	951	773,014	7,330	936,763	1,709,777
2015	-	-	930	916,186	8,250	1,060,250	1,976,436
2016	5	31,305	296	598,732	9,067	1,482,868	2,112,905
2017	7	125,076	345	644,424	10,036	1,550,206	2,319,706
2018	9	434,139	942	2,715,243	10,847	1,874,872	5,024,254

Source: New Construction - Las Vegas Perspective
[1] New construction information is only available on a calendar year basis.
[2] Totals may not foot due to rounding.

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

VISITOR ANALYSIS

LAST TEN CALENDAR YEARS

(unaudited)

In its role of promoting Las Vegas as a travel destination, the LVCVA contributes to the growth of the entire local economy. The Las Vegas economy is heavily dependent on the tourism industry. In 2018, the total number of visitors to Las Vegas reached 42.1 million and saw a slight decline of 0.2% compared to 2017.

CALENDAR YEAR	CONVENTION DELEGATES	% OF TOTAL VISITORS	TOURISTS	% OF TOTAL VISITORS	TOTAL VISITORS	CHANGE
2009	4,492,275	12.4%	31,859,194	87.6%	36,351,469	-3.0%
2010	4,473,134	12.0%	32,862,302	88.0%	37,335,436	2.7%
2011	4,865,272	12.5%	34,063,436	87.5%	38,928,708	4.3%
2012	4,944,014	12.4%	34,783,008	87.6%	39,727,022	2.1%
2013	5,107,416	12.9%	34,560,805	87.1%	39,668,221	-0.1%
2014	5,194,580	12.6%	35,931,932	87.4%	41,126,512	3.7%
2015	5,891,151	13.9%	36,421,065	86.1%	42,312,216	2.9%
2016	6,310,616	14.7%	36,625,484	85.3%	42,936,100	1.5%
2017	6,646,200	15.7%	35,568,000	84.3%	42,214,200	-1.7%
2018	6,501,800	15.4%	35,615,000	84.6%	42,116,800	-0.2%

Solid visitor levels produce beneficial secondary effects in other industries, as well, since visitors purchase a significant amount of goods and services while they visit the area. Indicators of the economic impact include total gaming revenues in Clark County and room taxes collected on behalf of the LVCVA. In 2018, Clark County gaming revenues total $10.2 billion, a 2.7% increase over 2017 and the highest level since 2008.

CALENDAR YEAR	GAMING REVENUES (In Thousands)	CHANGE
2009	8,838,261	-9.8%
2010	8,908,574	0.8%
2011	9,222,677	3.5%
2012	9,399,845	1.9%
2013	9,674,404	2.9%
2014	9,553,864	-1.2%
2015	9,617,671	0.7%
2016	9,713,930	1.0%
2017	9,978,503	2.7%
2018	10,249,964	2.7%

FISCAL YEAR	GROSS LVCVA ROOM TAXES [1]	CHANGE
2010	154,046,265	-12.8%
2011	175,425,978	13.9%
2012	199,592,498	13.8%
2013	203,196,429	1.8%
2014	222,781,385	9.6%
2015	239,318,802	7.4%
2016	259,967,636	8.6%
2017	292,635,690	12.6%
2018	312,702,599	6.9%
2019	315,948,898	1.0%

ROOM TAX COLLECTED [2] (sans LVCVA)	CHANGE
228,922,595	47.5%
268,543,035	17.3%
304,877,674	13.5%
310,735,483	1.9%
341,216,176	9.8%
366,546,705	7.4%
398,294,720	8.7%
445,138,728	11.8%
490,170,969	10.1%
n/a	--

Source: LVCVA - Research Center

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

[2] From Nevada Department of Taxation's Transient Lodging Report

n/a - Not available at time of printing

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

USE OF FACILITIES

LAST TEN FISCAL YEARS

(unaudited)

LAS VEGAS CONVENTION CENTER BUILDING UTILIZATION

FY	CONVENTIONS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2010	64	7	2	2	75	35,783,911
2011	60	8	3	5	76	38,483,619
2012	53	7	3	3	66	39,022,683
2013	47	9	7	1	64	36,854,055
2014	47	12	1	3	63	47,067,894
2015	50	11	6	3	70	40,605,461
2016	51	9	10	1	71	46,954,668
2017	50	12	7	4	73	50,282,592
2018	54	11	12	2	79	49,669,504
2019	56	13	19	5	93	47,217,503

CASHMAN CENTER BUILDING UTILIZATION

FY	CONVENTIONS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
2010	1	6	94	38	139	1,497,930
2011	1	3	124	36	164	1,592,040
2012	1	2	142	38	183	1,699,204
2013	2	3	149	35	189	1,760,894
2014	1	5	164	35	205	1,708,593
2015	1	3	152	47	203	1,815,341
2016	1	8	165	62	236	1,997,769
2017	1	11	143	49	204	1,844,901
2018	0	3	128	29	160	1,270,436
2019[1]	0	0	44	0	0	346,109

Source: LVCVA - Research Center

[1] In May 2019, the LVCVA's operating agreement with the City of Las Vegas related to Cashman Center ended; therefore, there will be no reportable events for Cashman Center in the LVCVA CAFR after FY 2019.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

SUMMARY OF AUTHORIZED POSITIONS

LAST TEN FISCAL YEARS

(unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL GOVERNMENT										
Executive	18	15	15	14	16	16	16	17	13	13
Finance [1]	43	35	35	35	36	37	39	61	64	64
Human Resources	10	8	8	8	8	8	10	11	11	11
Public Affairs	19	19	19	20	20	20	18	18	18	18
	90	77	77	77	80	81	83	107	106	106
MARKETING										
Advertising [4]	2	1	1	1	--	--	--	--	--	--
Convention Center Sales [5]	12	10	10	13	--	--	--	--	--	--
Convention Sales [5]	31	26	26	24	--	--	--	--	--	--
Sales [5]	--	--	--	--	38	33	35	37	37	38
Convention Services [6]	16	15	15	14	--	15	15	15	15	14
Destination Services [2]	7	4	4	3	--	--	--	--	--	--
Marketing Systems [2]	--	9	9	9	7	7	7	7	7	7
Diversity Marketing	2	1	1	1	--	--	--	--	--	--
Marketing (formerly Int'l Sales)	6	7	7	8	11	9	9	16	16	14
Leisure Sales	16	12	12	11	10	10	11	10	10	10
Registration [3] [6]	4	6	6	6	--	4	4	4	4	4
Research Center [2]	11	2	2	3	6	7	7	7	7	7
Sports Marketing	2	3	3	2	2	1	1	1	1	3
Industry Relations [3]	--	3	3	7	4	7	8	8	8	8
Visitor Information [3] [6]	18	26	26	23	--	17	17	17	17	17
Call Center [3] [6]	23	--	--	--	--	--	--	--	--	--
Brand Strategy [4]	--	--	--	--	5	11	12	7	11	11
Customer Experience [7]	--	--	--	--	--	4	4	5	5	5
	150	125	125	125	83	125	130	134	138	138
OPERATIONS										
Client Services	126	112	112	112	112	112	112	112	108	108
Customer Experience [7]	1	2	2	2	4	--	--	--	--	--
Convention Services [6]	--	--	--	--	15	--	--	--	--	--
Registration [3] [6]	--	--	--	--	5	--	--	--	--	--
Visitor Information [3] [6]	--	--	--	--	19	--	--	--	--	--
Engineering	109	101	101	100	100	92	94	96	92	92
Engineering Projects	8	5	5	5	4	4	3	2	4	4
Information Technology [1]	15	13	13	14	13	21	21	--	--	--
Fire Prevention	17	17	17	17	5	5	5	5	5	5
Customer Safety	39	34	34	36	47	47	62	64	64	64
Traffic	17	19	19	17	23	28	19	21	21	21
	332	303	303	303	347	309	316	300	294	294
TOTAL LVCVA	572	505	505	505	510	515	529	541	538	538

[1] In FY 2017, Information Technology was moved into the Finance department under General Government division.

[2] In FY 2010, Destination services and Internet marketing/research were re-organized, creating an additional department called Marketing Systems.

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

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

[5] In FY 2014, Convention Center Sales and Convention Sales were merged into Sales.

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

[7] In FY 2015, Customer Experience was moved to the Marketing Division.

Source: LVCVA Adopted Annual Budget

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

ACTIVITY MEASURES [5]

LAST TEN FISCAL YEARS

(unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Human Resources										
# of active employees	484	477	482	485	500	505	510	530	517	473
# of new full-time employees processed	n/a	13	47	22	48	47	60	55	21	22
Public Affairs [5]										
Media inquiries received	1,089	730	897	1,091	642	760	704	797	880	n/a
Press releases distributed	95	63	50	98	37	28	33	40	23	n/a
Video and photo placements	4,145	2,830	1,997	5,484	7,920	7,170	6,646	11,590	11,095	n/a
Public Relations - International / MICE [3] [5]										
Media inquiries received	n/a	n/a	n/a	n/a	n/a	n/a	n/a	249	187	n/a
Press releases distributed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15	9	n/a
Finance										
Payroll checks/deposit advises issued	20,164	18,884	20,157	20,268	21,671	21,222	21,197	20,998	18,964	17,964
Accounts Payable disbursements	4,997	4,135	3,928	n/a	n/a	n/a	n/a	n/a	n/a	n/a
# of Invoices associated w/AP disbursements [1]	n/a	n/a	n/a	19,414	20,705	19,319	20,400	19,359	18,850	17,724
Purchasing and Contracts										
Contracts administered	471	645	755	439	419	363	363	269	265	211
Purchase orders issued	553	752	787	783	790	783	916	870	826	670
Materials										
Packages shipped	44,586	45,892	44,019	50,538	43,449	37,572	35,208	30,117	28,052	23,621
Copies produced	0.7M	0.6M	0.6M	0.6M	0.8M	0.8M	0.7M	0.7M	0.5M	0.5M
Information Technology [2]										
Computer training hours	302	410	361	224	132	109	n/a	n/a	n/a	n/a
Call resolution time (average hours)	4.3	7.5	7.5	6.7	6.8	7.1	n/a	n/a	n/a	n/a
Total help desk calls fielded	n/a	n/a	n/a	n/a	n/a	3,956	4,827	5,068	4,465	4,932
Network devices supported	n/a	n/a	n/a	n/a	n/a	85	95	101	615	618
Computers supported	n/a	n/a	n/a	n/a	n/a	450	469	451	519	509
Research Center										
Statistical Reports and Publications produced	33	32	28	31	33	31	33	31	32	29
Digital Marketing										
Web site visits - combined LVCVA sites	8.8M	7.8M	10.1M	14.1M	18.5M	20.1M	17.3M	13.6M	9.1M	10.4M
Web site referrals - combined LVCVA sites [4]	4.3M	3.9M	3.4M	2.5M	2.4M	2.0M	1.4M	1.2M	744,000	2.4M
Marketing [5]										
Total leads distributed	2,890	2,930	3,640	4,067	3,636	3,977	4,625	4,625	4,142	4,697
Converted leads	845	885	1,322	1,928	1,411	1,421	1,499	1,506	1,392	1,752
In-person out of market sales calls	4,144	3,112	3,108	2,874	2,906	2,649	2,477	2,920	2,594	n/a
Travel industry events attended	902	711	732	885	876	866	851	882	849	n/a
Registration Services										
Meetings and conventions supported	266	282	284	256	284	265	252	263	249	183
Call Center										
Total calls managed	133,736	112,461	92,594	85,922	82,251	79,552	76,985	68,569	59,342	49,752
Visitor Information										
Total visitor volume	277,539	213,152	206,513	198,336	185,965	164,182	143,002	136,017	118,411	78,088
Client Services										
Show support (man-hours)	12,323	12,853	11,971	10,877	15,777	14,376	14,220	13,902	13,120	14,465
Set/strike meeting rooms/halls (man-hours)	19,957	17,045	19,031	18,617	19,383	21,138	22,237	22,012	26,457	27,443
Facilities										
Leased net square foot serviced (LVCC)	12,856,175	14,234,743	13,940,090	13,877,643	17,390,712	14,440,519	16,933,777	18,880,449	19,314,340	16,799,911
Building attendees supported (LVCC)	1,408,063	1,470,325	1,411,022	1,486,545	1,621,450	1,491,098	1,613,859	1,769,353	1,672,534	1,690,389
Security										
Special events hours worked	274	22	385	334	447	261	1,588	1,048	1,418	1,142
Percentage of lost items returned to owner	47%	51%	50%	48%	49%	49%	50%	49%	52%	61%
Patients treated in First Aid	2,151	1,854	1,928	2,216	2,378	1,848	1,577	1,850	1,796	1,846

(1) In FY 2013, Accounts Payable changed from the total of disbursements to the total number of invoices associated with the disbursements.
(2) In FY 2015, Information Technology revised the methodology for activity measures.
(3) In FY 2018, Public Relations - Leisure is now rolled into PA, and PR Business is included in what is now known as Public Relations - International / MICE.
(4) In FY 2019, Digital Marketing transitioned web analytics platforms from Adobe Analytics to Google Analytics. Data prior to FY 2019 is not comparable due to a change in measurement methodology.
(5) N/A in FY 2019 as these measures are no longer tracked. LVCVA is in the process of developing new measures in FY 2020.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CAPITAL ASSETS BY FUNCTION [1]

LAST TEN FISCAL YEARS

(unaudited)

Fiscal Year	General Government	Marketing	Operations	Total
2010	$ 355,203	$ 259,280	$ 533,519,929	$ 534,134,412
2011	5,761	41,341	467,743,263	467,790,365
2012	94,230	19,800	458,005,442	458,119,472
2013	67,572	29,558	474,855,922	474,953,052
2014	76,624	569,329	485,560,723	486,206,676
2015	58,060	488,114	660,648,229	661,194,403
2016	27,523	449,187	678,601,011	679,077,721
2017 [2]	1,427,363	652,766	675,285,497	677,365,626
2018	1,099,975	487,752	682,485,449	684,073,176
2019	870,531	322,421	1,030,481,328	1,031,674,280

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

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

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

CLARK COUNTY'S TEN LARGEST EMPLOYERS

MOST CURRENT YEAR AND NINE YEARS PRIOR

(unaudited)

Employers [1] [2]	Employment Range	Industry
Venetian Hotel & Casino	10,000 or More	Hotels & motels
US Air Force Base	5,000 - 9,999	National security
Las Vegas Metropolitan Police	5,000 - 9,999	Municipal police department
MGM Grand	5,000 - 9,999	Casinos
Flamingo Hotel	5,000 - 9,999	Hotels & motels
Orleans Hotel & Casino	5,000 - 9,999	Casinos
Las Vegas Sands Corp	5,000 - 9,999	Hotels & motel management
Mandalay Bay	5,000 - 9,999	Traveler accommodation
Caesars Palace Las Vegas Hotel	5,000 - 9,999	Casinos
Aquarius Casino Resort	5,000 - 9,999	Casinos

Clark County Employment as of June 30, 2019

[1] Methodoloy of available report is different than methodology used in the period nine years prior. Number of employees is not available.

[2] Source: Infogroup ®, Omaha, NE, 800-555-5211 © July 1, 2019 (as posted by Nevada DETR Research & Analysis Bureau). All Rights Reserved.

Employers [3]	Employees [4]	Percentage of County Employment
Clark County School District	34,960	4.20%
Clak County	8,740	1.05%
Wynn Las Vegas LLC	8,240	0.99%
Bellagio LLC	7,740	0.93%
MGM Grand Hotel/Casino	7,740	0.93%
Aria Resort & Casino	7,240	0.87%
Mandalay Bay Resort and Casino	6,240	0.75%
Las Vegas Mertopolitan Police	5,740	0.69%
University of NV-LV	5,740	0.69%
Caesars Palace	5,240	0.63%
Total for Principal Employers	97,620	11.73%

Clark County Employment as of June 30, 2010

[3] Employer statistics provided by the Nevada Department of Employment.

[4] Number of employees is rounded based on percentage of total county labor force.

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

	Approximate Rooms at Dec 31, 2018	% of total rooms [1]
MGM Grand	4,968	3.1%
Luxor	4,400	2.7%
Venetian	4,027	2.5%
Aria	4,004	2.5%
Excalibur	3,981	2.5%
Bellagio	3,933	2.4%
Caesars Palace	3,794	2.4%
Circus Circus	3,763	2.3%
Flamingo Las Vegas	3,460	2.2%
Mandalay Bay	3,211	2.0%
Total Top 10 Hotels	39,541	24.6%
Total Jean/Primm	3,035	1.9%
Other Hotels and motels	106,582	66.3%
Total Las Vegas metropolitan area	149,158	92.8%
Total Laughlin	9,759	6.1%
Total Mesquite	1,885	1.2%
Total inventory of rooms	160,802	100.0%

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

[1] Percentage figures may not add due to rounding.

In spite of the increasing availability of rooms, the occupancy rate for the Las Vegas metropolitan area exceeds the national average by an average of 22% for the past ten calendar years.

Calendar Year	Total Visitor Volume	Rooms Inventory [1]	Occupancy Percentage	Average Number of Rooms Occupied Daily	Average Daily Rate	National Occupancy Percentage
2009	36,351,469	148,941	81.5%	121,387	93.06	54.5%
2010	37,335,436	148,935	80.4%	119,744	94.91	57.5%
2011	38,928,708	150,161	83.8%	125,835	105.11	59.9%
2012	39,727,022	150,481	84.4%	127,006	108.08	61.3%
2013	39,668,221	150,593	84.3%	126,950	110.72	62.2%
2014	41,126,512	150,544	86.8%	130,672	116.26	64.4%
2015	42,312,216	149,213	87.7%	130,860	120.67	65.6%
2016	42,936,100	149,339	89.1%	133,061	125.97	65.5%
2017	42,214,200	148,896	88.7%	132,071	127.35	65.9%
2018	42,116,800	149,158	88.2%	131,557	128.85	66.2%

[1] Total Las Vegas metropolitan area and Jean/Primm properties.

Source: LVCVA Research Center

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

SCHEDULE OF INSURANCE IN FORCE

JUNE 30, 2019

(unaudited)

Type	NAME OF INSURER	POLICY NUMBER	LIMIT	EXPIRATION DATE (1)
Commercial Crime	Great American Insurance Co.	GVT379271414	Various	8/1/2019
General Liability & Automobile	Philadelphia Indemnity Ins. Co.	PHPK2017851	Various	8/1/2019
Workers Compensation (DC & IL)	Twin City Fire Ins Co (Hartford)	53WECAB1321	$ 1,000,000	8/1/2019
Excess Workers Compensation	Safety National Casualty Corp.	SP4061179	$ 1,000,000	8/1/2019
Lead Excess Liability	StarStone National	R71631190ALI	$ 10,000,000	8/1/2019
Excess over $10 million	Landmark American	LHA247706	$ 10,000,000	8/1/2019
Excess over $20 million	CM Vantage Specialty	CMV-EXL-0015075-01	$ 5,000,000	8/1/2019
Excess over $25 million	Navigators Ins.	LA19EXC878766IV	$ 25,000,000	8/1/2019
Excess over $50 million	Endurance American	EXC10007458804	$ 25,000,000	8/1/2019
Excess over $75 million	Federal Insurance Co.	79736487	$ 25,000,000	8/1/2019
Public Officials Liability	Ace American Insurance Co.	G21656586016	$ 10,000,000	8/1/2019
Excess Public Officials Liability	National Union Fire Ins Co of Pittsburgh, PA	016081730	$ 10,000,000	8/1/2019
Global Medical Insurance	Ace American Insurance Co.	ADDN04986210	Various	8/1/2019
International Protection Liability (Int'l Offices)	Navigators Insurance Co	PH19FPK0A1T7ONV	Various	8/1/2019
Property Insurance & Terrorism	Factory Mutual Insurance Co.	1054694	Various	8/1/2019
Travel Assistance	International SOS Assistance Inc.	11BYCA093484	Various	10/21/2019

(1) Insurance policies have been renewed, as appropriate, for the next year.

Additional Reports of the Independent Auditors'

PBTK
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Las Vegas Convention and Visitors Authority (the LVCVA) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 14, 2019.

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

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

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

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

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

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
October 14, 2019

PBTK
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

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

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

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

We have examined the assertion of the LVCVA's management that the LVCVA has complied with the applicable criteria stated in Sections 56–60 of the Act (the "Criteria") in all material respects for the year ended June 30, 2019 (the "Assertion"). The LVCVA's management is solely responsible for the Assertion. Our responsibility is to express an opinion on the Assertion based on our examination.

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

In our opinion, based on our examination, the Assertion is fairly stated in all material respects.

Las Vegas, Nevada
October 14, 2019

Las Vegas Convention and Visitors Authority
3150 Paradise Road, Las Vegas, Nevada, 89109-9096
702-892-0711 | LVCVA.com