



LAS VEGAS CONVENTION AND VISITORS AUTHORITY

# Comprehensive Annual Financial Report

FOR THE YEAR ENDED JUNE 30, 2020 | CLARK COUNTY, NV





Comprehensive Annual Financial Report  
For the Year Ended June 30, 2020

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

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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**INTRODUCTORY**  
**SECTION**

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December 8, 2020  
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, 2020.

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 maintains 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, based on management's estimates and judgments, the cost of maintaining internal controls should not exceed the benefits. We believe the LVCVA's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

BDO USA, LLP, 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, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, 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, 2020, 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 three 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) 2020. 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**

The LVCVA was created to directly drive tourism to Southern Nevada, through ownership and operation of the Las Vegas Convention Center (LVCC), and to enhance the marketing, sales, and advertising efforts of our resort and industry partners.

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 a government agency, established by Nevada state law, primarily funded by room tax, and governed by an autonomous board of directors. The LVCVA's board of directors serves on behalf of a broad cross-section of

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stakeholders within the local tourism and business industry and includes 14 members representing Clark County and incorporated cities within the county, as well as tourism, hospitality, and business leaders.

The LVCVA is a unique, destination marketing organization in that it also owns and operates a convention center.

### Marketing and Sales

The LVCVA's core purpose as the destination marketing organization is to drive visitation across both leisure and business segments for Southern Nevada, including Las Vegas, Boulder City, Laughlin, and Mesquite. The LVCVA's marketing programs include coordinated efforts among our resort and mission partners, in conjunction with internal teams and external marketing partners of the LVCVA. Through tailored marketing and sales strategies for each of the unique Southern Nevada destinations, the marketing efforts are designed to maximize demand through multi-channel advertising, digital marketing, events, sponsorships, and destination sales. The LVCVA partners with key transportation agencies and McCarran International Airport to ensure accessibility to and within the destination. The overall marketing effort is driven by destination-specific research and industry trends as insights to enable more effective business strategies and market optimizations.

The LVCVA's sales teams directly sells not only the LVCC, but also distributes leads to individual properties and business partners to drive both leisure and business travel in Southern Nevada.

### Las Vegas Convention Center



In addition to marketing and selling 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 15.6% of annual visitation to Southern Nevada in calendar year 2019.

Las Vegas was recognized by the Trade Show News Networks (TSNN) as the No. 1 tradeshow destination in the United States for 2019, the 26<sup>th</sup> consecutive year of holding the market lead. Las Vegas hosted 48 of the largest tradeshow held across the nation, including the Consumer Electronics Show (CES), the largest US tradeshow in 2019.

The LVCC 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 54 conventions and tradeshow in calendar year 2019, including CES, MAGIC International, Specialty Equipment Marketing Association (SEMA), and National Association of Broadcasters (NAB), with an estimated total attendance of 1.3 million. Construction on the new Las Vegas Convention Center District (LVCCD) expansion project began in September 2018 and is 96% complete, as of November 2020. Additional information on the project can be found in the Major Initiatives section below.

## **ECONOMIC CONDITION**

Tourism is the largest industry and economic driver in Southern Nevada. Las Vegas is the home of 17 of the 20 largest hotels in the United States, and Southern Nevada has a hotel room inventory exceeding 160,000, with nearly 147,000 of those rooms located in the Las Vegas metropolitan area.

The first eight months of the fiscal year were strong for the LVCVA and for the destination. Through the month of March 2020, reflecting hotel activity through February, the LVCVA's room tax collections were up 5.3% over the prior year, and the Las Vegas metropolitan area had a 4.0% unemployment rate.

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In March 2020, in response to the COVID-19 pandemic, Las Vegas resort properties closed. At the same time, all conventions in the LVCC ceased. The LVCVA's, and the resort industry's, revenues virtually disappeared until the properties began to reopen in June 2020. By April, the local unemployment rate soared to 30%, more than double the US unemployment rate.

After seeing a slight increase in visitor volume of 1%, to 42.5 million visitors, and an overall hotel room occupancy rate of 88.9% in calendar year 2019, calendar year 2020 will not be comparable. By September 2020, monthly visitation had increased to approximately 45% of prior year totals, with hotel occupancy down 46% and average daily room rates down approximately 5% from September 2019. Additionally, roughly 15,000 hotel rooms in the Las Vegas area were not available compared to the same period last year.

Las Vegas is known for continually reinventing itself to deliver on the brand promise of being the premier destination in the world. In July 2020, the \$1.9 billion Allegiant Stadium opened. Home to the NFL's Las Vegas Raiders, the facility will host large concerts and events in the future. In October 2020, the \$1 billion, 777-room Circa Resort and Casino opened as downtown Las Vegas' tallest resort. Currently under construction and expected to open in summer 2021 is the \$4.3 billion Resorts World Las Vegas, a mega-resort on the Las Vegas Strip, across from the Las Vegas Convention Center. The MSG Sphere, an 17,500-seat performance venue near the Venetian, remains under construction and is expected to open in 2023.

### **MAJOR INITIATIVES IN FISCAL YEAR 2020**

#### **Las Vegas Convention Center District**

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.

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 proceeds.

Phase Two is currently under construction and is on schedule 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 million. As of November 2020, Phase Two is 96% 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 upgrade restrooms and provide new food and beverage outlets. 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. COVID-19 impacts have delayed the further design and construction of LVCCD Phase Three renovation project. The renovation was expected to begin in early calendar year 2021, and it is now expected that the project will be delayed by at least two years.

The LVCVA also embarked on a people mover solution for the growing campus. Elon Musk's The Boring Company was selected to construct an underground tunnel system, in which eventually autonomous vehicles will transport visitors to three on-campus stations. As of November 2020, the system's two tunnels and three stations are

structurally complete, with finish work underway. Vehicle and system testing are expected to commence in December 2020.

## Marketing



In January 2020, the LVCVA launched a new campaign: “What Happens Here, Only Happens Here,” which continues to reinforce the legendary brand’s status as the paramount purveyor of adult freedom. The new campaign launched during the 62nd GRAMMY™ Awards, making Las Vegas the first destination ever to run a 60-second ad during the international broadcast and the first to debut a campaign with an emoji, prompted by the campaign hashtag #OnlyVegas on Twitter.

The marketing program adjusted to the temporary closing of the Southern Nevada resort properties in March 2020, in response to the COVID-19 pandemic. During the period of closure, marketing focused on community programs geared towards the local health response, and national spots focused on staying connected and keeping Las Vegas top-of-mind until travel returned. The reopening of the destination in June 2020 was highlighted by a commercial simply showing the re-lighting of the famous Las Vegas Strip, ending with “Now Open.” Late summer and fall campaigns focused on the #VegasSmart effort to not only highlight Las Vegas being open, but also safely open.



In June 2020, the LVCVA named Kate Wik as its new Chief Marketing Officer. In her role, Ms. Wik is responsible for the strategic direction, management, and oversight of the marketing efforts for the United States’ premier travel destination, including advertising, brand strategy and management, brand public relations, digital engagement, marketing campaigns, research, sports marketing, and management of agency partners. Prior to joining the LVCVA, Ms. Wik served as Senior Vice President of Marketing Strategy for MGM Resorts International and has significant experience on the agency side of the business, working at both global powerhouse agencies and small boutique agencies.

## **LONG-TERM FINANCIAL PLANNING**

The fiscal year began with intent to complete the execution of the full borrowing strategy for the LVCCD project. In July 2019, the LVCVA issued \$45,230,000 of 20-year revenue bonds to finance the construction of the underground Las Vegas Convention Center Loop. In October 2019, the LVCVA issued the \$132,565,000 Series 2019C and \$67,435,000 taxable Series 2019D General Obligation Bonds to finance the expansion of the LVCCD.

COVID-19 was significantly disruptive to not only fiscal years 2020 and 2021 operations, as discussed further in the MD&A, but also to the long-term financial planning of the LVCVA. The decline in revenues and the utilization of reserves negatively impacted the LVCVA’s ability to finance the \$540 million LVCCD Phase Three renovation project. Specifically, the remaining \$300 million of planned LVCCD debt was indefinitely postponed. The renovation was expected to begin in early calendar year 2021; it is now expected that the project will be delayed by at least two years.

The LVCVA’s financial planning assumes that it will take more than two years for full revenue recovery from the COVID-19 economic impact, led by the continued return of leisure travel and followed by the full return of meeting and convention travel.

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## 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.

## 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 implemented on July 1 in 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, 2019. The Certificate of Achievement is a national award recognizing conformance with certain standards for the preparation of state and local government financial reports.

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

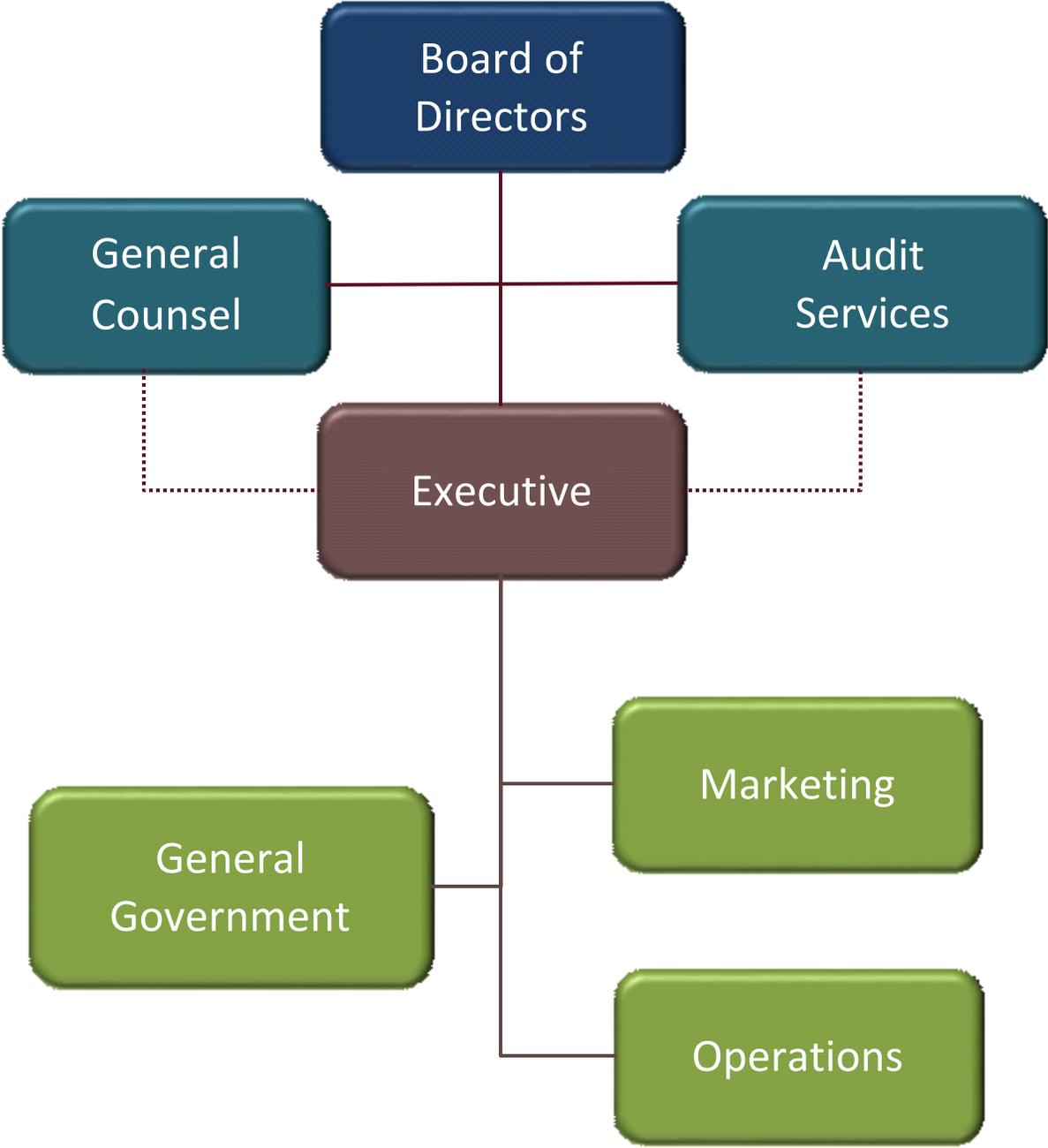
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

LAS VEGAS CONVENTION AND VISITORS AUTHORITY  
ORGANIZATION CHART  
AS OF JUNE 30, 2020

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# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## PRINCIPAL OFFICIALS

As of September 30, 2020

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 one of the other incorporated cities, serves a two-year term, commencing on July 1 of each odd-numbered year. The six remaining members serve a two-year term and can be re-appointed to additional two-year terms. As of September 30, 2020, 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 – Dec 2022



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



SCOTT DEANGELO  
Representing general business  
Nominated by CC  
Term: Jul 2020 – Jun 2022



MICHELE FIORE  
Councilwoman  
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 – Nov 2024



JAN JONES-BLACKHURST  
Representing resort hotel  
Nominated by CC  
Term: Sept 2020 – Jun 2021



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



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 2022



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

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

**SENIOR EXECUTIVE STAFF**

As of September 30, 2020

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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, 2020, the LVCVA senior executive team consists of:



Steve Hill  
Chief Executive Officer/President



Caroline Bateman  
General Counsel



Constance Brooks  
Vice President of Public Affairs and Diversity



Ed Finger  
Chief Financial Officer



Lori Nelson-Kraft  
Senior Vice President of Communications



Stana Subaric  
Senior Vice President of People & Culture



Kate Wik  
Chief Marketing Officer



Brian Yost  
Chief Operating Officer

**FINANCIAL**  
**SECTION**

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6100 Elton Avenue, #1000  
Las Vegas, NV 89107

## **Independent Auditor's Report on Financial Statements and Supplementary Information**

Board of Directors  
Las Vegas Convention and Visitors Authority

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Las Vegas Convention and Visitors Authority (the LVCVA), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the LVCVA's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the LVCVA, as of June 30, 2020, 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.

### ***Emphasis of Matter, COVID-19 Pandemic***

As more fully described in Note 9 to the basic financial statements, the LVCVA discusses the impact of the novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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 total OPEB liability and related ratios, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information, and budgetary comparison information on pages 4 through 14 and 57 through 59 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 November 18, 2020, 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 solely 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 the effectiveness of the LVCVA's 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.

BDO USA, LLP

November 18, 2020  
Las Vegas, Nevada

## **Management's Discussion and Analysis**

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# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

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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, 2020. 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 v of this report.

### FINANCIAL HIGHLIGHTS

- Total government-wide revenues decreased approximately \$87.7 million, the first decline in ten years, related to the COVID-19 pandemic. Room taxes and gaming fees decreased \$80.5 million, 25% below the prior year. FY 2020 was on track to be the highest room tax collection in history for the LVCVA, prior to the COVID-19 pandemic, which shut major resort properties for approximately 2 ½ months from mid-March through early June 2020. Facility charges for services decreased by 14%, as compared to the prior year, due to the pandemic, which shut the convention facilities in mid-March.
- To counteract the significant and unprecedented decrease in revenues, LVCVA management cut spending across the board. This included significant staff furloughs and separations, as well as terminating or reducing contractual commitments and discretionary spending and transfers, leaving actual government-wide expenditures \$20.5 million below the prior year and \$14 million below government-wide revenues. Cost reduction efforts during COVID-19 resulted in General Fund expenditures savings of \$46.3 million, as compared to budget, and ending fund balance \$39.9 million above budget. However, the future impact of the COVID-19 pandemic is unknown and rapidly evolving.
- The LVCVA made significant progress during FY 2020 on the Las Vegas Convention Center District (LVCCD) Phase Two. As of June 30, 2020, the \$980.3 million Phase Two expansion was approximately 80% complete, with \$546.2 million of costs incurred in FY 2020. \$860 million has been spent to date on the expansion, which is on track to be completed in December 2020. The LVCVA also began architectural design for the Phase Three renovation, with \$15.2 million of cost incurred to date. Due to the pandemic and resulting loss of revenue in the final quarter of the year, Phase Three has been suspended.
- The LVCVA completed three debt issuances during the fiscal year, with par values totaling \$245.2 million. \$200.0 million of General Obligation/Revenue bonds were issued for the LVCCD expansion and renovation project, consisting of \$132.6 million of non-taxable and \$67.4 million of taxable bonds, carrying a blended true interest cost of 2.79%. The LVCVA also issued \$45.2 million in Revenue Bonds, with a true interest cost of 2.86%, for the construction of the Las Vegas Convention Center Loop underground people mover system. The Loop system was started in FY 2020 and is expected to be operational by the end of calendar year 2020.
- FY 2020 ending net position totaled \$238.9 million, a \$14 million-dollar increase over prior year. This includes a decrease in restricted net position of \$48.5 million, primarily attributable to use of bond proceeds dedicated to semi-annual interest payments during construction of capital projects. Unrestricted net position increased \$36.6 million, ending with a deficit balance of \$263.4 million. This increase is primarily a result of the restricted debt service reduction and overall increase in net position.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Management’s Discussion and Analysis

For the Year Ended June 30, 2020

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		

**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 using the economic resources measurement focus and accrual basis of accounting.

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 Public Employees’ Retirement System (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 current financial resources measurement focus and 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 future 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 55 of this report.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Management's Discussion and Analysis

For the Year Ended June 30, 2020

**REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information found on pages 56 through 59, including a schedule of changes in Total OPEB liability, the LVCVA's proportionate 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 \$14 million during the year as follows:

CHANGES IN NET POSITION						
	FY 2019		FY 2020		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Net position – beginning	\$ 143,585,279		\$ 224,853,174		\$ 81,267,895	57%
Revenues	407,708,582		319,961,319		(87,747,263)	-22%
Expenses	326,440,687		305,950,587		(20,490,100)	-6%
Change in net position	81,267,895		14,010,732		(67,257,163)	-83%
Net position – ending	\$ 224,853,174		\$ 238,863,906		\$ 14,010,732	6%

The modest growth in overall net position is a function of LVCVA's continued pattern of limiting overall operating expenditures, during times of economic challenge, to shore up financial position. Because of the COVID-19 pandemic, revenues in the fourth quarter declined significantly as most major resort properties closed for two and a half months, and all shows and events in the Las Vegas Convention Center (LVCC) were delayed or cancelled after March 13, 2020.

During FY 2020, net position consisted of the following:

CONSOLIDATED STATEMENT OF NET POSITION						
	June 30, 2019		June 30, 2020		Increase (Decrease)	
	Amount	Percent	Amount	Percent	Amount	Percent
Current and other assets	\$ 1,063,919,932		\$ 730,653,942		\$ (333,265,990)	-31%
Capital assets	1,031,674,280		1,595,862,021		564,187,741	55%
Total assets	2,095,594,212		2,326,515,963		230,921,751	11%
Deferred outflows of resources	25,249,889		24,576,272		(673,617)	-3%
Current and other liabilities	166,118,498		263,025,999		\$ 96,907,501	58%
Long-term liabilities	1,698,923,520		1,816,027,308		117,103,788	7%
Total liabilities	1,865,042,018		2,079,053,307		214,011,289	11%
Deferred inflows of resources	30,948,909		33,175,022		2,226,113	7%
Net position						
Net investment in capital assets	231,566,617		261,668,738		30,102,121	13%
Restricted	293,276,770		240,632,838		(52,643,932)	-18%
Unrestricted (deficit)	(299,990,213)		(263,437,670)		36,552,543	-12%
Total net position	\$ 224,853,174		\$ 238,863,906		\$ 14,010,732	6%

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Management’s Discussion and Analysis

For the Year Ended June 30, 2020

Net position consists of investment in capital assets, net of debt used to acquire those assets. Net investment in capital assets increase \$30.1 million primarily due to construction in progress on the LVCCD expansion project with restricted room taxes from SB1.

Restricted net position demonstrates legal constraints from debt covenants or other restrictions that limit the LVCVA’s ability to use those resources. Restricted net position is primarily composed of funds held for future debt service payments. Restricted net position decreased \$52.6 million, of which \$30.6 million is attributable to a reduction in debt resources as bond proceeds dedicated to payment of interest were utilized. Construction activity on the LVCCD project also decreased the restricted resources for the project by \$18 million.

Unrestricted net position improved \$36.6 million as a result of the changes above and the overall increase in net position. The deficit unrestricted net position exists because of approximately \$300 million of bonds were issued for Nevada Department of Transportation projects that are not assets of the LVCVA. See Note 3 on page 29 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 or restricted for use by a specific function. 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 2020 were \$320.0 million, a 22% decrease compared to FY 2019.

	FY 2019	FY 2020	Increase (Decrease)	
			Amount	Percent
General revenues				
Room taxes and gaming fees	\$ 318,991,506	\$ 238,536,700	\$ (80,454,806)	-25%
Interest and investment earnings	21,396,568	22,545,609	1,149,041	5%
Miscellaneous	1,527,733	1,242,046	(285,687)	-19%
Total general revenue	341,915,807	262,324,355	(79,591,452)	-23%
Program revenues				
Operations	58,828,400	50,845,599	(7,982,801)	-14%
Marketing	2,349,536	2,239,492	(110,044)	-5%
General government	4,614,839	4,551,873	(62,966)	-1%
Total program revenues	65,792,775	57,636,964	(8,155,811)	-12%
Total revenues	\$ 407,708,582	\$ 319,961,319	\$ (87,747,263)	-22%

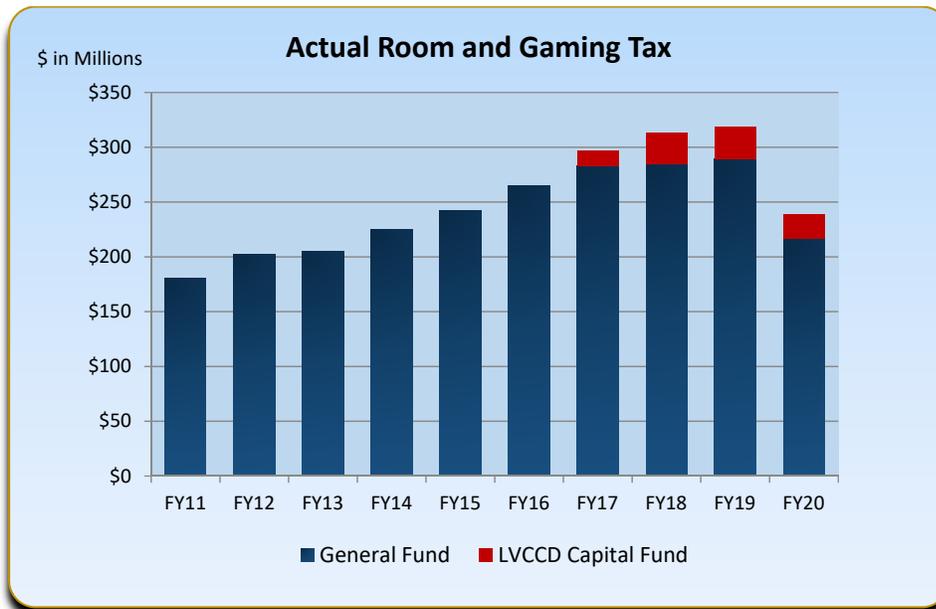
Government-wide room taxes and gaming fees provided \$238.5 million during FY 2020, a decrease of \$80.5 million. Room tax is affected by the number of lodging rooms available, occupancy rate, and average daily room rate (ADR). Before the COVID-19 pandemic, FY 2020 room inventory and occupancy in the County were showing a modest increase of just under 1% as compared to FY 2019. ADR was also showing year-over-year gains at approximately 4.3%. Due to these factors, FY 2020 was on track to be the highest room tax collection in history for the LVCVA. During the last quarter of FY 2020, the majority of rooms were shut down due to the COVID-19 pandemic, resulting in the significant reduction in overall revenue for the year and the first decline in this revenue stream in ten years.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Management’s Discussion and Analysis

For the Year Ended June 30, 2020

The majority of room tax revenue and gaming fees was generated in Clark County (\$217.5 million or 91%). The City of Las Vegas was the second-largest collector of room taxes and gaming fees, at \$13.3 million (6%). The other incorporated cities of North Las Vegas, Henderson, Boulder City, and Mesquite combined to provide the remaining 3%.



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 rates for hotel room rentals in Clark County are:

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

Interest and investment earnings rose 5% over the prior period primarily as a result of an overall increase in the average amount of funds available and utilization of an external investment manager to maximize return while ensuring safety and liquidity.

Program revenues for Operations decreased 12% compared to the prior year, mainly as a result of the COVID-19 pandemic, which closed LVCC facilities to shows in mid-March for the remainder of FY 2020. Program revenues before that point had exceeded the prior year and were on track with budget.

Facility charges for services reflected a decrease of 14%, as compared to FY 2019, due primarily to the COVID-19 pandemic and closure of the LVCC in March for the remainder of the fiscal year.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Management's Discussion and Analysis

For the Year Ended June 30, 2020

	<b>FACILITY OPERATIONS</b>			
			Increase (Decrease)	
	FY 2019	FY 2020	Amount	Percent
Charges for services	\$ 58,828,400	\$ 50,845,599	\$ (7,982,801)	-14%
Expense	60,313,746	61,294,126	980,380	2%
Net proceeds/(expense)	\$ (1,485,346)	\$ (10,448,527)	\$ (8,963,181)	603%

**EXPENSES**

Total government-wide expenses by function were as follows:

			Increase (Decrease)	
			Amount	Percent
	FY 2019	FY 2020		
General government	\$ 20,375,949	\$ 17,296,334	\$ (3,079,615)	-15%
Marketing:				
Advertising	100,315,540	81,183,541	(19,131,999)	-19%
Marketing and sales	38,676,920	28,882,298	(9,794,622)	-25%
Special events grants	15,315,686	15,770,524	454,838	3%
Operations	60,313,746	61,294,126	980,380	2%
Community support and grants:				
Capital grants to other governments	4,595,124	4,904,876	309,752	7%
Other community support	25,127,979	21,636,082	(3,491,897)	-14%
Interest and fiscal charges	61,719,743	74,982,806	13,263,063	21%
	<b>\$ 326,440,687</b>	<b>\$ 305,950,587</b>	<b>\$ (20,490,100)</b>	<b>-6%</b>

The LVCVA management strategically implemented various cost containment measures during the year, as room taxes and facility revenues were unprecedentedly reduced in the last quarter of the fiscal year. The decrease in Advertising expenses is primarily attributable to the reduction of advertising related to the closure of the major resort properties, convention space, and any non-essential business in Southern Nevada in March 2020. Special events grants rose 3% as compared to the prior year. This is due to special event rotation in the destination, but this is below the expected expenditure due to cancellation or delay of events due to the COVID-19 pandemic.

Operations expenses were \$61.3 million in FY 2020, including depreciation and amortization, an increase of 2% compared to FY 2019. The slight increase is primarily due to transferring leasing operations from the marketing function to operations in FY 2020 and general operating cost increases due to the larger show rotation schedule as compared to the prior year. This was partially offset by the cost reductions made once shows stopped due to COVID-19 pandemic.

Capital grants to other governments remained stable as the payments due to assist to the City of Las Vegas for the renovation of the canopy over the Fremont Street Experience were paid and the project was completed.

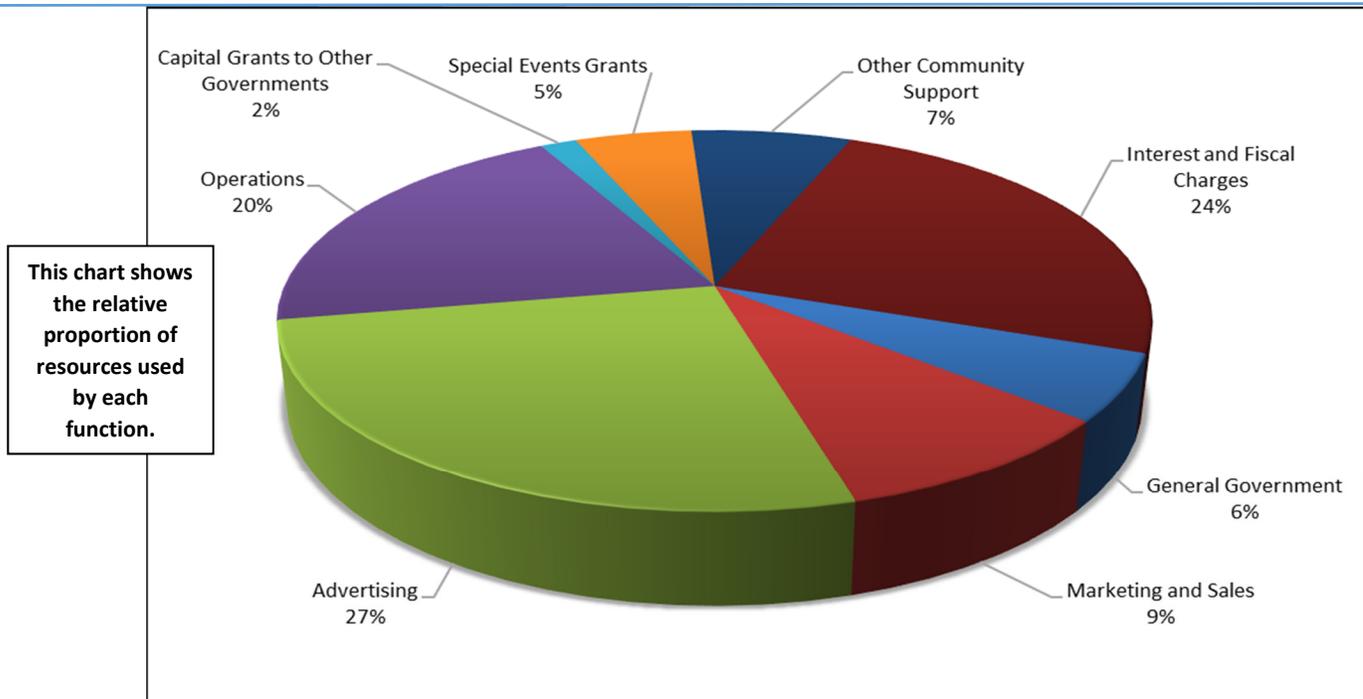
Other community support expenses, which consist of the administrative fee returned to the collecting government entities of room taxes and gaming fees, decreased as a direct result of the reduced revenue due to the COVID-19 pandemic. As provided by NRS 244A.645, up to 10% of the total room taxes and gaming fees received by the LVCVA may be paid back to the county and incorporated cities.

The calculation excludes revenues generated from SB1 taxes, which are restricted to the LVCCD expansion and renovation project. Additionally, SB1 imposed a cap of \$25.0 million on total room taxes and gaming fees collection allocation, on a modified accrual basis, eligible to be distributed to the collecting entities. Any funds above the cap are transferred to, and restricted in, the LVCCD Capital Fund. Due to reduced room tax and gaming fees, the cap was not reached, and, therefore, no transfer was to the LVCCD Capital Fund in FY 2020 made for collection allocation.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Management's Discussion and Analysis

For the Year Ended June 30, 2020



The increase in Interest and fiscal charges relates directly to the issuance of bonds during FY 2020 related to capital expenditures for the LVCCD project and underground transportation system, as well as full period interest on debt issued last fiscal year.

### OVERALL FINANCIAL POSITION

The LVCVA was on pace to demonstrate improved year-over-year financial results, prior to the COVID-19 pandemic. Instead, it is reporting its first revenue decline in ten years. The \$14 million improvement in overall net position change is primarily related to expense management. The LVCVA's debt coverage ratio of 3.2 (and 3.8x including SB1 pledge) remains in excess of the minimum maintenance debt coverage required by bond covenants. Management remains focused on maintaining 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 to changing conditions and sustain operations during challenging periods.

Due to COVID-19 and its effect on revenues, the LVCVA credit rating was lowered, from "A+" to "A," by S&P Global Ratings on June 30, 2020. The LVCVA has continued to reduce operating budgets and strategically utilize resources to fulfill its mission. The \$27 million-dollar transfer from the Internal Service Fund to the General Fund in FY20, allowed for its operational use in FY21. The LVCVA is dedicated to the preservation of adequate fund balances to meet minimal operating cash flow requirements and to satisfy debt service obligations. Management has also paused Phase Three of the LVCCD Project and is able, with future Board approval, to utilize prior year transfers for operations which total in excess of \$100 million in the LVCCD Capital Fund at the end of FY20. These amounts could be utilized to supplement resources for operations and debt payments, if revenues continue to have downward pressure.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Management's Discussion and Analysis

For the Year Ended June 30, 2020

### FUND ANALYSIS

During FY 2020, the fund balance changed as indicated in the chart below:

	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Capital Projects Fund	Debt Service Fund
Fund balance - beginning	\$ 41,260,929	\$ 568,966,252	\$ 38,039,562	\$ 55,774,250	\$ 206,821,499
Fund balance - ending	98,632,909	248,567,022	21,825,521	93,677,278	190,081,422
Change	\$ 57,371,980	\$ (320,399,230)	\$ (16,214,041)	\$ 37,903,028	\$ (16,740,077)
Percent change	139.0%	-56.3%	100.0%	68.0%	-8.1%

The General Fund's ending fund balance increased \$57.4 million. Due to COVID-19 and the uncertainty regarding revenue recovery, the LVCVA reduced operational spend and discretionary transfers to other funds. The LVCVA also transferred \$27 million from the Internal Service Fund, to ensure cash flow for operations during FY21.

Funding for the LVCCD Capital Fund includes SB1 room tax revenues. Due to the pandemic and suspension of the Phase Three renovation project, there was no transfer from the General Fund for "pay-as-you-go reserves" to the LVCCD Capital Fund in FY 2020. There were also no transfers representing the excess collection allocation above the \$25 million distributed to collecting entities, as revenues did not meet the threshold. In addition, \$200 million in debt was issued for this fund in October 2019. The decrease in fund balance this year is due to the utilization of bond proceeds for the project totaling \$559.6 million for the year. The LVCCD is a multiyear project and, therefore, 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 decreased due to the expenditure of bond proceeds dedicated to semi-annual interest payments for the Series 2018B Revenue Bonds. As of June 30, 2020 there is \$11.2 million of dedicated bond proceeds remaining for future interest payments.

The fund balance in the Capital Projects Fund increased \$37.9 million. This is primarily due to unexpended bond proceeds received in FY 2020 for underground Las Vegas Convention Center Loop (the Loop) system of \$35.4 million, which is in progress and expected to be completed in FY 2021. Also contributing to increased fund balance is the reduction in other planned expenditures, due to the loss of revenues related to the COVID-19 pandemic.

The Debt Service Fund's ending fund balance decreased \$16.7 million mainly due to the expenditure of dedicated bond proceeds held to pay for semi-annual interest payments on the Series 2018C Revenue Bonds and escrow funds for the crossover refunding, which stays in the Debt Service Fund until utilized when the bonds are defeased.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The FY 2020 budget was originally based on 2% growth in room tax revenues over the anticipated FY 2019 results. During the year, actual room tax revenues were down 18% as compared to FY 2019, solely due to the COVID-19 pandemic and resulting major resort property closures.

The final budget for FY 2020 targeted an ending General Fund balance of \$58.7 million, or 23.3% of operating expenditures. The actual ending General Fund balance was \$98.6 million, an improvement of \$39.9 million, primarily due to reduced expenditures in response to the COVID-19 pandemic and a transfer of funds from the Internal Service Fund. 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 revenues indicated distress. LVCVA management cut spending across the board at all functions and types. This included significant staff furloughs and separations, as well as terminating or reducing contractual commitments and discretionary spending and transfers.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Management's Discussion and Analysis

For the Year Ended June 30, 2020

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

<b>GENERAL FUND CHANGES IN BUDGETED REVENUES AND TRANSFERS</b>			
	Original Budget	Revisions	Final Budget
Room taxes and gaming fees	\$ 292,370,300	\$ -	\$ 292,370,300
Charges for service	64,996,900	-	64,996,900
Interest and other	405,000	-	405,000
Transfers in	325,000	27,000,000	27,325,000
Proceeds from sale of capital assets	55,000	-	55,000
	<b>\$ 358,152,200</b>	<b>\$ 27,000,000</b>	<b>\$ 385,152,200</b>

<b>GENERAL FUND CHANGES IN BUDGETED EXPENDITURES AND TRANSFERS</b>			
	Original Budget	Revisions	Final Budget
General government	\$ 20,741,900	\$ -	\$ 20,741,900
Marketing:			
Advertising	101,500,000	-	101,500,000
Marketing and sales	40,315,400	-	40,315,400
Special events grants	19,574,852	-	19,574,852
Operations	44,818,500	-	44,818,500
Community support:			
Other community support	25,100,000	-	25,100,000
Transfers out	104,337,000	11,300,000	115,637,000
	<b>\$ 356,387,652</b>	<b>\$ 11,300,000</b>	<b>\$ 367,687,652</b>

Actual General Fund revenues, transfers in, and proceeds from the sale of capital assets totaled \$318.2 million, which is \$66.9 million lower than the final budget, mainly due to the COVID-19 related decline in room taxes and facility revenue. Actual General Fund expenditures totaled \$205.8 million, approximately \$46.3 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, 2020 totaled \$1.6 billion (net of accumulated depreciation and amortization), which increased 55% compared to FY 2019. Net capital assets additions totaled \$564.2 million, mainly due to construction in progress related to the LVCCD and the Loop system. The construction in progress net additions of \$573.4 million includes \$546.3 million for LVCCD Phase Two and \$10.1 million for architecture design and selection of the construction manager for Phase Three, along with \$17.7 million for the underground transportation system. These increases were partially offset by \$4.6 million of projects completed and moved to depreciable categories. Depreciation and amortization expense for the year was approximately \$15.6 million, which was the primary driver of decreases in the line items shown below.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Management's Discussion and Analysis

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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 34.

<b>CAPITAL ASSETS</b>				
(net of depreciation and amortization)				
	June 30, 2019	June 30, 2020	Increase (Decrease)	
			Amount	Percent
Land	\$ 500,049,903	\$ 500,840,566	\$ 790,663	0%
Intangibles	129,297	100,000	(29,297)	-23%
Construction in progress	322,840,322	896,199,392	573,359,070	178%
Buildings	193,504,655	186,389,847	(7,114,808)	-4%
Improvements	11,529,000	8,972,497	(2,556,503)	-22%
Furniture and equipment	3,621,103	3,359,719	(261,384)	-7%
	<b>\$ 1,031,674,280</b>	<b>\$ 1,595,862,021</b>	<b>\$ 564,187,741</b>	<b>55%</b>

**LONG-TERM DEBT**

At June 30, 2020, LVCVA debt, including unamortized discounts and premiums, totaled \$1.86 billion. Of this amount, \$940.8 million are general obligation bonds additionally secured by specified revenue sources, and \$829.8 million are revenue bonds. The LVCVA completed three bond issuances in FY 2020, for a face value of \$245.2 million.

In July 2019, the LVCVA issued Series 2019B Revenue Bonds, in the amount of \$45.2 million, for the purpose of constructing the Loop system at a true interest cost of 2.86%.

In October 2019, the LVCVA issued new General Obligation/Revenue Bonds for \$200.0 million consisting of Series 2019C for \$132.6 million, which was non-taxable, and Series 2019D for \$67.4 million, which was taxable. These bonds were issued for Phase Two of the LVCCD, and principal and interest payments are accounted for in the LVCCD debt service fund and carry a blended true interest cost of 2.79%.

In April 2020, the LVCVA converted the direct placement to a tax-exempt status, which reduced the interest rate by 0.61%.

	General Obligation Bonds Principal Balance	Revenue Bonds Principal Balance	Unamortized Premiums and Discounts	Total
(In Thousands)				
Beginning balance	\$ 765,965	\$ 784,570	\$ 67,154	\$ 1,617,689
Payments/retirements and amortization	(25,125)	-	(4,720)	(29,845)
New issuances	200,000	45,230	25,573	270,803
Ending balance	<b>\$ 940,840</b>	<b>\$ 829,800</b>	<b>\$ 88,007</b>	<b>\$ 1,858,647</b>

More detailed information on debt can be found in Note 8 on pages 36 through 41.

## LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Management's Discussion and Analysis

For the Year Ended June 30, 2020

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### INTERNAL SERVICE FUND

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In FY 2013, an Internal Service Fund was established to accumulate resources, through discretionary transfers from the General Fund, for future payment of liabilities related to post-employment benefits other than pensions. Discretionary transfers since FY 2013 totaled \$27.1 million, and the annual funding considerations include biannual actuarial studies, among other factors and conditions. In FY 2020, \$27 million was transferred from this fund to the General Fund, with the approval of the Board of Directors, into order to prepare the General Fund for the expected continued negative effects of the COVID-19 pandemic on operational revenues in fiscal year 2021.

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### ADDITIONAL FINANCIAL INFORMATION

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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/funding-and-finance/](http://www.lvcva.com/funding-and-finance/)

# **BASIC FINANCIAL STATEMENTS**

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## **Government-Wide**

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Statement of Net Position - Governmental Activities

June 30, 2020

<b>Assets:</b>	
Cash and cash equivalents	\$ 73,996,690
Investments	502,116,074
Restricted investments	136,825,610
Receivables:	
Room taxes and gaming fees	6,783,816
Accounts	4,327,210
Interest	2,373,109
Inventory	463,594
Prepaid and other items	3,767,839
Capital and intangible assets:	
Non-depreciable	1,397,139,958
Depreciable, net of accumulated depreciation and amortization	198,722,063
Total assets	2,326,515,963
<b>Deferred outflows of resources:</b>	
Deferred charges on refunding	10,536,008
Deferred resources related to pensions	11,156,217
Deferred resources related to post-employment benefits other than pensions	2,884,047
Total deferred outflows of resources	24,576,272
<b>Liabilities:</b>	
Accounts payable	44,095,023
Retention payable	19,559,811
Accrued payroll and related items	1,058,735
Due to other governments	2,139,493
Deposits	527,174
Unearned revenue	471,585
Interest payable	39,507,017
Pollution remediation obligation	3,300,000
Noncurrent liabilities:	
Due within one year:	
Capital lease obligation	122,043
Bonds payable	149,200,000
Compensated absences payable	3,045,118
Due in more than one year:	
Capital lease obligation	127,399
Bonds payable, net of unamortized discounts and premiums	1,709,446,941
Compensated absences payable	1,821,569
Post-employment benefits other than pensions	31,802,904
Net pension liability	72,828,495
Total liabilities	2,079,053,307
<b>Deferred inflows of resources:</b>	
Deferred resources related to pension	8,975,977
Deferred resources related to post-employment benefits other than pensions	24,199,045
Total deferred inflow of resources	33,175,022
<b>Net position:</b>	
Net investment in capital assets	261,668,738
Restricted for:	
Debt service	173,845,758
LVCCD capital project	44,796,514
LVCCD debt service	21,825,521
Other purposes	165,045
Unrestricted deficit	(263,437,670)
Total net position	\$ 238,863,906

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, 2020

Function/Program	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Capital Grants and Contributions	
Governmental activities:				
General government	\$ 17,296,334	\$ -	\$ 4,551,873	(12,744,461)
Marketing:				
Advertising	81,183,541	-	-	(81,183,541)
Marketing and sales	28,882,298	2,239,492	-	(26,642,806)
Special events grants	15,770,524	-	-	(15,770,524)
Operations	61,294,126	50,845,599	-	(10,448,527)
Community support and grants:				
Capital grants to other governments	4,904,876	-	-	(4,904,876)
Other community support	21,636,082	-	-	(21,636,082)
Interest and fiscal charges	74,982,806	-	-	(74,982,806)
<b>Total governmental activities</b>	<b>\$ 305,950,587</b>	<b>\$ 53,085,091</b>	<b>\$ 4,551,873</b>	<b>(248,313,623)</b>

General revenues:

Room taxes and gaming fees	238,536,700
Interest and investment earnings	22,545,609
Miscellaneous	1,242,046
<b>Total general revenues</b>	<b>262,324,355</b>
Change in net position	14,010,732
Net position - beginning	224,853,174
<b>Net position - ending</b>	<b>\$ 238,863,906</b>

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

# **BASIC FINANCIAL STATEMENTS**

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## **Governmental Funds**

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Balance Sheet - Governmental Funds

June 30, 2020

	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>						
Cash and cash equivalents	\$ 8,786,508	\$ 11,443,431	\$ 18,817,185	\$ 2,361	\$ 34,946,309	\$ 73,995,794
Investments	95,888,708	285,011,348	3,274,490	95,062,183	20,570,072	499,806,801
Restricted investments	-	3,072,684	-	-	133,752,926	136,825,610
<b>Receivables:</b>						
Room taxes and gaming fees	6,161,507	622,309	-	-	-	6,783,816
Accounts	1,412,175	-	-	2,915,035	-	4,327,210
Interest	188,319	680,669	5,379	215,378	1,281,730	2,371,475
Due from other funds	439,258	271,533	-	3,677	-	714,468
Inventory	463,594	-	-	-	-	463,594
Prepaid and other items	1,934,488	1,042,044	-	791,307	-	3,767,839
Total assets	<u>\$ 115,274,557</u>	<u>\$ 302,144,018</u>	<u>\$ 22,097,054</u>	<u>\$ 98,989,941</u>	<u>\$ 190,551,037</u>	<u>\$ 729,056,607</u>
<b>Liabilities:</b>						
Accounts payable	\$ 8,138,830	\$ 34,321,161	\$ -	\$ 1,594,032	\$ 41,000	\$ 44,095,023
Retention payable	-	18,752,658	-	807,153	-	19,559,811
Accrued payroll and related items	1,058,735	-	-	-	-	1,058,735
Due to other governments	1,661,067	-	-	-	-	1,661,067
Due to other funds	-	3,677	271,533	10,643	428,615	714,468
Customer deposits	527,174	-	-	-	-	527,174
Unearned revenue	471,585	-	-	-	-	471,585
Total liabilities	<u>11,857,391</u>	<u>53,077,496</u>	<u>271,533</u>	<u>2,411,828</u>	<u>469,615</u>	<u>68,087,863</u>
<b>Deferred inflows of resources:</b>						
Unavailable revenue	<u>4,784,257</u>	<u>499,500</u>	<u>-</u>	<u>2,900,835</u>	<u>-</u>	<u>8,184,592</u>
<b>Fund balances:</b>						
Nonspendable	2,398,082	1,042,044	-	791,307	-	4,231,433
Restricted	165,045	131,769,978	21,825,521	50,566,345	173,845,758	378,172,647
Committed	60,877,677	115,755,000	-	35,799,042	16,235,664	228,667,383
Assigned	-	-	-	6,520,584	-	6,520,584
Unassigned	<u>35,192,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,192,105</u>
Total fund balances	<u>98,632,909</u>	<u>248,567,022</u>	<u>21,825,521</u>	<u>93,677,278</u>	<u>190,081,422</u>	<u>652,784,152</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 115,274,557</u>	<u>\$ 302,144,018</u>	<u>\$ 22,097,054</u>	<u>\$ 98,989,941</u>	<u>\$ 190,551,037</u>	<u>729,056,607</u>

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)

1,595,862,021

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	5,283,757
Other revenue - earned but unavailable	2,900,835
Deferred outflows related to charges on refunding	10,536,008
Deferred outflows related to pensions	11,156,217
Deferred outflows related to post-employment benefits other than pensions	2,884,047

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.

2,311,803

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued compensated absences	(4,866,687)
Due to other governments - other community support	(478,426)
Post-employment benefits other than pensions	(31,802,904)
Net effect of difference in the treatment of long-term debt and related items (See Note 2)	(1,898,403,400)
Pollution remediation obligation	(3,300,000)
Net pension liability	(72,828,495)
Deferred inflows related to pensions	(8,975,977)
Deferred inflows related to post-employment benefits other than pensions	(24,199,045)

Net position, governmental activities

\$ 238,863,906

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2020

	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues:</b>						
Room taxes and gaming fees	\$ 234,804,111	\$ 24,067,558	\$ -	\$ -	\$ -	\$ 258,871,669
Charges for services	52,807,527	-	-	-	-	52,807,527
Interest and investment earnings	2,373,170	13,818,558	400,072	2,469,086	3,339,603	22,400,489
Federal grant subsidy	-	-	-	-	4,551,873	4,551,873
Miscellaneous	372,142	4,896	-	865,007	-	1,242,045
Total revenues	<u>290,356,950</u>	<u>37,891,012</u>	<u>400,072</u>	<u>3,334,093</u>	<u>7,891,476</u>	<u>339,873,603</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	16,556,545	-	-	-	-	16,556,545
<b>Marketing:</b>						
Advertising	81,183,541	-	-	-	-	81,183,541
Marketing and sales	28,462,981	-	-	-	-	28,462,981
Special events grants	15,770,524	-	-	-	-	15,770,524
Operations	40,313,033	-	-	-	-	40,313,033
<b>Community support and grants:</b>						
Capital grants to other governments	-	-	-	4,904,876	-	4,904,876
Other community support	23,480,411	-	-	-	-	23,480,411
Capital outlay	-	559,599,072	-	25,907,284	-	585,506,356
<b>Debt service:</b>						
Principal	-	-	-	189,030	25,125,000	25,314,030
Interest	-	-	31,786,304	684	41,090,579	72,877,567
Debt issuance costs	-	1,426,961	-	306,778	109,400	1,843,139
Total expenditures	<u>205,767,035</u>	<u>561,026,033</u>	<u>31,786,304</u>	<u>31,308,652</u>	<u>66,324,979</u>	<u>896,213,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>84,589,915</u>	<u>(523,135,021)</u>	<u>(31,386,232)</u>	<u>(27,974,559)</u>	<u>(58,433,503)</u>	<u>(556,339,400)</u>
<b>Other financing sources (uses):</b>						
Transfers in	27,795,288	801,890	15,974,081	12,600,000	42,488,714	99,659,973
Transfers out	(55,088,714)	(15,974,081)	(801,890)	-	(795,288)	(72,659,973)
Proceeds from the sale of assets	75,491	-	-	-	-	75,491
Issuance of capital lease obligation	-	-	-	382,432	-	382,432
Issuance of debt	-	200,000,000	-	45,230,000	-	245,230,000
Premium on debt issuance	-	18,050,350	-	7,665,155	-	25,715,505
Discount on debt issuance	-	(142,368)	-	-	-	(142,368)
Total other financing sources (uses)	<u>(27,217,935)</u>	<u>202,735,791</u>	<u>15,172,191</u>	<u>65,877,587</u>	<u>41,693,426</u>	<u>298,261,060</u>
Net change in fund balances	<u>57,371,980</u>	<u>(320,399,230)</u>	<u>(16,214,041)</u>	<u>37,903,028</u>	<u>(16,740,077)</u>	<u>(258,078,340)</u>
Fund balances - beginning	41,260,929	568,966,252	38,039,562	55,774,250	206,821,499	910,862,492
Fund balances - ending	<u>\$ 98,632,909</u>	<u>\$ 248,567,022</u>	<u>\$ 21,825,521</u>	<u>\$ 93,677,278</u>	<u>\$ 190,081,422</u>	<u>\$ 652,784,152</u>

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, 2020

Net change in fund balances - total governmental funds	\$	(258,078,340)
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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)	\$	579,968,034	
Depreciation and amortization expense, including disposed assets		(15,780,293)	564,187,741

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Consists of unavailable revenues from room taxes and gaming fees and miscellaneous receipts.		(21,409,563)
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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		(245,230,000)	
Issuance of capital lease obligation		(382,432)	
Premium on debt issuance		(25,715,505)	
Discount on debt issuance		142,368	
Amortization of debt premiums and discounts		4,720,129	
Amortization of refunding charges		(1,055,881)	
Accrued interest expense		(3,926,346)	
Debt principal repayments		25,314,031	(246,133,636)

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

Compensated absences		990,400	
Post-employment benefits other than pensions		(3,499,043)	
Deferred inflows related to post-employment benefits other than pensions		2,503,319	
Deferred outflows related to post-employment benefits other than pensions		2,226,932	
Net pension liability		3,707,573	
Deferred inflows related to pensions		(4,729,432)	
Deferred outflows related to pensions		(1,844,668)	
Pollution remediation		1,100,000	
Due to other governments for collection allocation distribution		1,844,329	2,299,410

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.		(26,854,880)
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Change in net position of governmental activities	\$	14,010,732
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The notes to the financial statements are an integral part of this statement.

## **BASIC FINANCIAL STATEMENTS**

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### **Proprietary Fund**

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Statement of Net Position

Proprietary Fund

June 30, 2020

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	Governmental Activities
	<u>Internal Service Fund</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$          448
Investments	2,309,721
Interest receivable	1,634
Total assets	<u>          2,311,803</u>
Net position:	
Unrestricted	<u>          \$          2,311,803</u>

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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, 2020

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	Governmental Activities
	Internal Service Fund
Nonoperating revenues:	
Interest and investment earnings	\$ 145,120
Income before transfers	145,120
Transfers out	(27,000,000)
Change in net position	(26,854,880)
Net position - beginning	29,166,683
Net position - ending	\$ 2,311,803

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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, 2020

	Governmental Activities
	Internal Service Fund
Cash flows from investing activities:	
Purchase of investments	\$ (6,591,906)
Proceeds on called/matured investments	5,863,560
Interest on investments	716,954
Net cash used in investing activities	(11,392)
Net decrease in cash and cash equivalents	(11,392)
Cash and cash equivalents, beginning	11,840
Cash and cash equivalents, ending	\$ 448
Noncash investing and financing activities	
Transfer of securities to other funds	\$ (27,000,000)
Interest on investments reinvested	\$ 22,312
Change in fair value of investments	\$ (613,202)

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

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

The portion of each long-term liability that is due in FY 2021 is shown below:

	Principal	Interest
<b><u>BONDS</u></b>		
General Obligation/Pledged Revenue Bonds		
2010A General Obligation Bonds	\$ -	\$ 4,721,166
2010C General Obligation Bonds	137,325,000	4,549,805
2012 General Obligation Bonds	1,175,000	558,397
2014 General Obligation Bonds	1,115,000	2,050,049
2015 General Obligation Bonds	5,855,000	4,727,925
2017 General Obligation Bonds	-	792,569
2017C General Obligation Bonds	-	5,103,650
2018A General Obligation Bonds	-	8,007,500
2019C General Obligation Bonds	-	5,051,950
2019D General Obligation Bonds	-	2,157,603
Revenue Bonds		
2016C Revenue Bonds	-	4,282,500
2017B Revenue Bonds	-	3,122,675
2018B Revenue Bonds	-	22,417,000
2018C Revenue Bonds	-	3,807,213
2019A Revenue Bonds*	2,370,000	802,999
2019B Revenue Bonds	1,360,000	2,086,900
	149,200,000	74,239,901
<b><u>OTHER LIABILITIES</u></b>		
Compensated absences	3,045,118	-
Capital lease obligation	122,043	3,261
	\$ 152,367,161	\$ 74,243,162

\* 2019A is a Direct Placement Bond

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 property and commercial liability. For worker's compensation, the LVCVA is self-insured, with an excess insurance policy. 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.

During the first quarter of 2020, the outbreak of the COVID-19 pandemic caused significant volatility in U.S. and international economies and has led to a global health emergency. As a result, all non-essential business operations in Nevada ceased on March 17, 2020, and did not begin reopening until June 2020, resulting in a significant decrease in LVCVA room taxes revenue for FY 2020. The future impact of the COVID-19 pandemic is unknown and rapidly evolving. The ultimate long-term impact on the LVCVA's financial position and changes therein cannot be determined at this time but may be substantial. The LVCVA did not receive any funding related to the Coronavirus Aid, Relief, and Economic Security Act.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements

For the Year Ended June 30, 2020

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### **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. 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 restricted for use in a specific program or function 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 maintained is 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.

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# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements

For the Year Ended June 30, 2020

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*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, and 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.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements

For the Year Ended June 30, 2020

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### *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
2019 C General Obligation Bonds	2019 D General Obligation 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	2019 B Revenue 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 earnings 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 financial 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.

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

Receivables are evaluated for collectability at least annually and reported net of any significant amounts not expected to be collected.

**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 costs 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. Intangible assets with indefinite lives are not amortized but, rather, are evaluated at least annually for continued compliance with applicable requirements.

<b>ASSET DESCRIPTION</b>	<b>USEFUL LIFE (YEARS)</b>
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 useful 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. As of June 30, 2020, 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.

## LAS VEGAS CONVENTION AND VISITORS AUTHORITY

### Notes to the Financial Statements

For the Year Ended June 30, 2020

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All employees with a minimum PTO balance of 500 hours are allowed to request 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) as amended, the LVCVA has recorded actuarially determined deferred inflows, deferred outflows, liabilities, and expense in the government-wide financial statements related to LVCVA's OPEB obligation 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' current and past periods of service. These amounts can be reduced by a plan's assets when such assets are held by a qualifying trust. 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 OPEB plan assets for actuarial reporting, as they are not held 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.

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements  
For the Year Ended June 30, 2020

**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 2020**

Due to the COVID-19 pandemic, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which extended the implementation date for a variety of standards. The LVCVA has adopted this statement to extend the implementation dates of those pronouncements.

However, Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued in June 2020 with immediate implementation required for certain paragraphs. These paragraphs relate to defined benefit pension plans and defined benefit other postemployment benefits that are administered through a trust and, therefore, were implemented but have no effect on the LVCVA financial statements.

See Note 3 for the list of accounting pronouncements to be adopted after FY 2020.

**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 \$1,595,862,021 difference are as follows:

Depreciable and amortizable capital and intangible assets	\$ 499,579,625
Accumulated depreciation and amortization	<u>(300,857,562)</u>
Depreciable and amortizable capital and intangible assets, net	198,722,063
Non-depreciable and non-amortizable capital and intangible assets	<u>1,397,139,958</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 1,595,862,021</u>

LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements

For the Year Ended June 30, 2020

Another element of that reconciliation is long-term debt and related items, 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 \$1,898,403,400 difference are as follows:

Bonds payable, due in more than one year	\$	1,621,440,000
Capital lease obligation, due within one year		127,399
Unamortized bond premiums and discounts		<u>88,006,941</u>
Total bonds payable, net of unamortized discounts and premiums due in more than one year		1,709,574,340
Bonds payable, due within one year		149,200,000
Capital lease obligation, due within one year		122,043
Interest payable		<u>39,507,017</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u><u>1,898,403,400</u></u>

**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.
- Intrafund 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.
- Interfund 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, 2019. All amendments made to the original budget were as prescribed by law.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements For the Year Ended June 30, 2020

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### 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 total capital assets less the related debt outstanding that applies to the acquisition, construction, or improvement of capital assets. This is adjusted for unspent debt proceeds, if any.

Restricted assets are assets that have externally imposed (statutory, bond covenant, contract, or grantor) limitations on their use. Restricted assets are classified and reported by restriction for debt service, capital projects, or purpose. Assets restricted by purpose relate to net position which 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 \$240,632,838 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, 2020, the LVCVA is reporting an unrestricted net position deficiency of \$263,437,670 which is primarily related to 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 2020, 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. With the issuance of Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020 due to the COVID-19 pandemic, the LVCVA will further evaluate Statement No. 84 and determine if there will be any applicable activities to report in FY 2021.

Statement No. 87, *Leases*, was issued in June 2017. This Statement establishes a single model for lease reporting. With the issuance of Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020 due to the COVID-19 pandemic, the LVCVA will further evaluate Statement No. 84 and will implement this statement in FY 2022.

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. With the issuance of Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020 due to the COVID-19 pandemic, the LVCVA will further evaluate Statement No. 84 and will implement this statement in FY 2022.

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. With the issuance of Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020 due to the COVID-19 pandemic, the LVCVA will further evaluate Statement No. 90 and will implement this statement in FY 2021.

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. With the issuance of Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020 due to the COVID-19 pandemic, the LVCVA will further evaluate Statement No. 91 and will implement this statement in FY 2023.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

Statement No. 92, *Omnibus 2020*, was issued in January 2020. The intent of this Statement is to provide further guidance and clarification on previously issued Statements No. 73, No. 74, No. 84, and No. 87. With the issuance of Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020 due to the COVID-19 pandemic, the LVCVA will further evaluate Statement No. 92 and will implement this statement in FY 2023.

Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020. The intent of this Statement is to provide guidance related to economic and financial reporting implications resulting from the replacement of interbank offered rates. The LVCVA will further evaluate Statement No. 93 and will implement this Statement in FY 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued in March 2020. The intent of this Statement is to improve financial reporting by addressing issues related to public-private partnerships, as well as availability payment arrangements. The LVCVA will further evaluate Statement No. 94 and will implement this Statement in FY 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. The intent of this Statement is to provide financial reporting guidance on subscription-based information technology arrangements. The LVCVA will further evaluate Statement No. 96 and will implement this Statement in FY 2023.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, was issued in June 2020. The intent of this Statement is to increase consistency and comparability related to the reporting of fiduciary component units and financial reporting for IRS Code 457 Deferred Compensation Plans. The LVCVA will further evaluate paragraphs of Statement No. 97 not already analyzed (See Note 1) and will implement those paragraphs of 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, 2020, 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	<u>73,977,042</u>
	73,996,242
Investments (U.S. Treasuries, U.S. Agencies and LGIP)	
Unrestricted	502,116,522
Restricted	<u>136,825,610</u>
	<u>\$ 712,938,374</u>

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

At year end, the LVCVA's carrying amount of deposits was \$73,977,042, and the bank balance was \$73,991,754. In addition, the LVCVA had the following investments:

	<u>Investments by Maturities</u>						Accrued Interest	Total Value
	Original Cost	Fair Value	Less than 1 Year	1 - 5 Years	5-10 Years	5-10 Years		
U.S. Treasuries unrestricted	\$ 50,403,789	\$ 51,029,749	\$ 51,029,749	\$ -	\$ -	\$ -	\$ 272,334	\$ 51,302,083
U.S. Treasuries restricted	136,825,610	136,825,610	136,825,610	-	-	-	1,243,902	138,069,512
U.S. Agencies	129,343,836	133,522,887	59,751,900	73,770,987	-	-	652,288	134,175,175
Commercial Paper	120,265,783	120,265,783	120,265,783	-	-	-	-	120,265,783
LGIP	196,786,280	197,298,102	197,298,102	-	-	-	204,585	197,502,687
<b>Total</b>	<b>\$ 633,625,298</b>	<b>\$ 638,942,131</b>	<b>\$ 565,171,144</b>	<b>\$ 73,770,987</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,373,109</b>	<b>\$ 641,315,240</b>

Restricted investments consist of two separate escrow accounts. The majority of the restricted balance (\$133,752,926) 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 can be completed. More information regarding this debt can be found in Note 8. The remaining \$3,072,684 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.

## LAS VEGAS CONVENTION AND VISITORS AUTHORITY

### Notes to the Financial Statements For the Year Ended June 30, 2020

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#### **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. At June 30, 2020, all investments in Treasury Bills and Commercial Paper were rated A-1, P-1, or better. For all applicable, rated federal agency and treasury note securities, each investment was rated Aaa, AA+, or better, at June 30, 2020. 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, 2020, the LVCVA's investments were diversified at 29.4% in U.S. Treasuries, 20.9% in U.S. Agencies, 30.9% in LGIP, and 18.8% 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 (17%), the Federal Farm Credit Bank (49%), the Federal Home Loan Mortgage Corporation (4%), the Federal National Mortgage Association (26%), 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 (as applicable).

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.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

Therefore, these investments, which totaled \$441,644,029 at June 30, 2020, are classified as Level 2:

<b>Fund</b>	<b>Level 2</b>
General Fund	\$ 29,324,737
Internal Service Fund	-
Capital Projects Fund	66,614,693
LVCCD Capital Fund	205,011,788
Debt Service Fund	3,867,201
LVCCD Debt Service Fund	-
Total Unrestricted	\$ 304,818,419
Debt Service Fund - Restricted	133,752,926
LVCCD Capital Fund - Restricted	3,072,684
Total	\$ 441,644,029

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:

<b>Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
General Fund	\$ 16,581,085	\$ 49,982,886	\$ 66,563,971
Internal Service Fund	575,352	1,734,370	2,309,722
Capital Projects Fund	7,086,270	21,361,220	28,447,490
LVCCD Capital Fund	19,927,890	60,071,669	79,999,559
Debt Service Fund	4,160,685	12,542,185	16,702,870
LVCCD Debt Service Fund	815,675	2,458,815	3,274,490
	\$ 49,146,957	\$ 148,151,145	\$ 197,298,102

**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 2020 was \$37 thousand or 1.1% of the total foreign currency expenses.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

**NOTE 5. CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2020, was as follows:

Description	Balance at June 30, 2019	Increases	Decreases	Balance at June 30, 2020
Capital assets not being depreciated or amortized:				
Land	\$ 500,049,903	\$ 790,663	\$ -	\$ 500,840,566
Intangibles	100,000	-	-	100,000
Construction in progress	<u>322,840,322</u>	<u>578,141,891</u>	<u>(4,782,821)</u>	<u>896,199,392</u>
Total capital assets not being depreciated or amortized	<u>822,990,225</u>	<u>578,932,554</u>	<u>(4,782,821)</u>	<u>1,397,139,958</u>
Capital assets being depreciated or amortized:				
Buildings	421,212,045	4,597,249	(2,241)	425,807,053
Intangibles	736,688	-	-	736,688
Improvements other than buildings	53,505,482	318,814	(379,291)	53,445,005
Furniture and equipment	<u>19,529,386</u>	<u>768,146</u>	<u>(706,653)</u>	<u>19,590,879</u>
Total capital assets being depreciated or amortized	<u>494,983,601</u>	<u>5,684,209</u>	<u>(1,088,185)</u>	<u>499,579,625</u>
Accumulated depreciation or amortization:				
Buildings	(227,707,390)	(11,712,057)	2,241	(239,417,206)
Intangibles	(707,391)	(29,297)	-	(736,688)
Improvements other than buildings	(41,976,482)	(2,866,575)	370,549	(44,472,508)
Furniture and equipment	<u>(15,908,283)</u>	<u>(1,029,530)</u>	<u>706,653</u>	<u>(16,231,160)</u>
Total accumulated depreciation or amortization	<u>(286,299,546)</u>	<u>(15,637,459)</u>	<u>1,079,443</u>	<u>(300,857,562)</u>
Net capital assets being depreciated or amortized	<u>208,684,055</u>	<u>(9,953,250)</u>	<u>(8,742)</u>	<u>198,722,063</u>
Governmental activities				
Capital assets, net	<u>\$ 1,031,674,280</u>	<u>\$ 568,979,304</u>	<u>\$ (4,791,563)</u>	<u>\$ 1,595,862,021</u>

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

General Government	\$ 499,995
Marketing	111,590
Operations	<u>15,025,874</u>
	<u>\$ 15,637,459</u>

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

**NOTE 6. INTERFUND TRANSACTIONS:**

The following schedule details the amounts due from/to other funds at June 30, 2020:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 10,643
General Fund	Debt Service Fund	428,615
Capital Projects Fund	LVCCD Capital Fund	3,677
LVCCD Capital Fund	LVCCD Debt Service Fund	271,533
		\$ 714,468

The outstanding balances between funds result mainly from the delayed time period between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur and (2) interest on investments in the Debt Service Fund 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, 2020, transfers between funds were as follows:

	Transfer In	Transfers Out			
		General Fund	Internal Service Fund	LVCCD Capital Fund	LVCCD Debt Service Fund
General Fund	\$ 27,795,288	\$ -	\$ 27,000,000	\$ -	\$ 795,288
LVCCD Capital Fund	801,890	-	-	-	801,890
LVCCD Debt Service Fund	15,974,081	-	-	15,974,081	-
Capital Projects Fund	12,600,000	12,600,000	-	-	-
Debt Service Fund	42,488,714	42,488,714	-	-	-
	\$ 99,659,973	\$ 55,088,714	\$ 27,000,000	\$ 15,974,081	\$ 1,597,178

The Internal Service Fund is used to accumulate a reserve to fund the accounting liability of post-employment health insurance benefits (OPEB); however, the annual OPEB costs have always been funded annually by the General Fund, on a pay-as-you-go basis. As of the preceding fiscal year ended June 30, 2019, the Internal Service Fund had reserves equal to 103% of its OPEB actuarial liability. A 2018 Pew Research Center study found that, nationwide, states reported an OPEB funding ratio of 6.7%. Due to the impact of COVID-19, it was determined that the Internal Service Fund would transfer its excess reserves back to the original transferor, the General Fund, for use in operations. Following the \$27 million reserve reduction, the Internal Service Fund, at June 30, 2020, maintains an ending fund balance of 7.3% of its most recent actuarial OPEB liability.

**NOTE 7. LEASES:**

**OPERATING LEASES**

The LVCVA has non-cancelable operating leases for office space, parking spaces, copiers, and other equipment.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

Total rental costs for such leases were \$449,758 for the year ended June 30, 2020. Future minimum operating lease payments are as follows:

Year Ending June 30,	
2021	\$ 429,484
2022	425,147
2023	354,490
2024	346,352
2025	112,626
2026-2030	<u>70,305</u>
Total	<u>\$ 1,738,404</u>

**CAPITAL LEASES**

During 2020, the LVCVA entered into a \$382,431 capital lease for computer equipment, which was capitalized as furniture and equipment. Amortization expense for FY 2020 was \$53,116 to the general government function, and total accumulated amortization was \$53,116 included in Note 5 Capital Assets table. As of June 30, 2020, the net book value of the assets under capital lease is \$329,316. This lease's total payments were \$132,990 in FY 2020. The previous capital lease for computer equipment was completed during the year, with total lease payments of \$56,724.

Future minimum capital lease payments are as follows:

Year Ending June 30,	
2021	\$ 132,990
2022	<u>132,990</u>
	265,980
Less portion of payment representing interest	<u>(16,538)</u>
Present value of minimum lease payments	<u>\$ 249,442</u>

**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 the County acting on behalf of the LVCVA. During FY 2020 both general obligation and revenue bonds were issued.

The 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 2020, General Fund room taxes and gaming fees of \$234.8 million exceeded 2.4 times the amount necessary to pay the \$98 million of principal and interest payments for all LVCVA debt service payments, during the fiscal year. As of June 30, 2020, 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.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

In addition, the LVCVA, pursuant to legislative directive, provided \$300,000,000 of funding to the NDOT for transportation projects and issued general obligation bonds in this regard (\$388,985,000 principal outstanding at June 30, 2020 which includes the cross-over advance refunding). This increases the total bonds outstanding until the original bond is defeased. The cross-over advance refunding is discussed below. The capital assets acquired with this debt are not assets of LVCVA.

During FY 2020, 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 amounts in excess of an imposed a cap of \$25.0 million on total non-SB1 room tax and gaming fees collection allocation, solely for the LVCCD Project. In October 2019, the LVCVA issued \$132,565,000 Series 2019C non-taxable general obligation and \$67,435,000 Series 2019D taxable general obligation bonds. The 2019C bonds are 20-year bonds with interest rates between 3.0%-5.0%. The installments will be paid through July 1, 2039. The 2019D bonds are 25-year bonds with interest rates between 3.0%-5.0%. The installments will be paid through July 1, 2044. Both of these bonds were issued for the LVCCD, and repayments are accounted for in the LVCCD Debt Service Fund. In FY 2020, the additional SB1 room tax totaled \$24.1 million. At June 30, 2020, the SB1 pledge is utilized to make payments on \$900 million of LVCVA debt.

**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.

The following is a summary of terms and balances for revenue bonds payable at June 30, 2020:

\$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% (direct placement debt)	32,860,000
\$45,230,000 - 2019B Revenue Bonds due in annual installments through FY 2040. Semi-annual interest from 3 - 5%	45,230,000
	<u>\$ 829,800,000</u>

**New Issue**

In July 2019, the LVCVA issued new Series 2019B Revenue Bonds for \$45,230,000. Net proceeds totaled \$52,588,377 including a premium of \$7,665,155 less underwriting fees and other issuance costs totaling \$306,778. These bonds were issued for the people mover project, and repayments are accounted for in the Debt Service Fund.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements

For the Year Ended June 30, 2020

### Direct Placements

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. 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 were met and in April 2020 the bond rate was converted. 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.

### GENERAL OBLIGATION BONDS

#### New Issue

In October 2019, the LVCVA issued new Series 2019C and 2019D General Obligation Bonds for \$132,565,000 and \$67,435,000, respectively. These bonds were issued for the LVCCD Project. Net proceeds for the 2019C totaled \$149,584,007 including a premium of \$18,050,350 less underwriting fees and other issuance costs totaling \$1,031,343. Net proceeds for the 2019D totaled \$67,688,250 including a discount of \$142,368 less underwriting fees and other issuance costs totaling \$395,618.

The following is a summary of pledged general obligation bonds payable at June 30, 2020:

\$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%		137,325,000
\$24,990,000 - 2012 General Obligation Bonds due in annual installments through FY 2033. Semi-annual interest from 2 - 4%		18,560,000
\$50,000,000 - 2014 General Obligation Bonds due in annual installments through FY 2044. Semi-annual interest from 2 - 5%		49,800,000
\$181,805,000 - 2015 General Obligation Bonds due in annual installments through FY 2045. Semi-annual interest from 2 - 5%		116,355,000
\$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
\$132,565,000 - 2019C General Obligation Bonds due in annual installments through FY 2040. Semi-annual interest from 3 - 5%		132,565,000
\$67,435,000 - 2019D General Obligation Bonds due in annual installments through FY 2045. Semi-annual interest from 3 - 5%		67,435,000
	\$	<u>940,840,000</u>

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

The following schedule summarizes all future interest and principal payments at June 30, 2020, including the 2017C crossover refunding, which occurred July 1, 2020:

Year Ending June 30,	General Obligation / Pledged Revenue Bonds		Revenue Bonds		Direct Placement		All Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 145,470,000	\$ 37,720,614	\$ 1,360,000	\$ 35,716,288	\$ 2,370,000	\$ 802,999	\$ 149,200,000	\$ 74,239,901
2022	11,515,000	32,790,534	4,165,000	35,584,963	2,430,000	685,035	18,110,000	69,060,532
2023	8,370,000	32,312,084	7,730,000	35,287,588	7,830,000	564,993	23,930,000	68,164,665
2024	15,875,000	31,707,111	9,620,000	34,853,838	4,895,000	416,110	30,390,000	66,977,059
2025	16,590,000	30,876,902	10,060,000	34,361,838	5,000,000	300,338	31,650,000	65,539,078
2026-2030	117,315,000	138,630,265	58,395,000	163,548,065	10,335,000	243,183	186,045,000	302,421,513
2031-2035	160,415,000	105,804,914	74,655,000	147,316,276	-	-	235,070,000	253,121,190
2036-2040	167,820,000	72,027,265	120,710,000	128,615,317	-	-	288,530,000	200,642,582
2041-2045	158,000,000	45,721,342	240,590,000	80,349,015	-	-	398,590,000	126,070,357
2046-2050	139,470,000	8,554,200	269,655,000	33,640,900	-	-	409,125,000	42,195,100
	<u>\$ 940,840,000</u>	<u>\$ 536,145,231</u>	<u>\$ 796,940,000</u>	<u>\$ 729,274,088</u>	<u>\$ 32,860,000</u>	<u>\$ 3,012,658</u>	<u>\$ 1,770,640,000</u>	<u>\$ 1,268,431,977</u>

**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 to 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 bond documents, for the year total \$48,344,043 and \$54,837,127, respectively. This contributes to a coverage ratio of 3.2x (and 3.8x including SB1 pledge) for FY 2020, which exceeds the coverage ratio of 1.25x required in the bond documents.

**DEBT REFUNDING AND DEFEASANCE**

In 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, 2020, \$105,260,000 of defeased bonds remain outstanding.

**Crossover Advance Refunding**

In December 2017, the LVCVA issued Series 2017C General Obligation Bonds (the 2017C Bonds) with a face value of \$126,855,000. The net proceeds were restricted to defease the 2010C Bond on July 1, 2020 (the 10-year call date), which had interest rates ranging from 4%-7%. The net proceeds were held in a restricted trust with an escrow agent to provide funds for current principal and interest payments on the new 2017C Bond until such time as the 2010C Bond could be called. Since the 2017C Bonds are considered a crossover advance refunding, the LVCVA still reports a long-term obligation for the 2010C Bonds and also reports restricted cash, cash equivalents, and investments made of the unspent net proceeds of the 2017C Bonds as of June 30, 2020. The Debt Service Fund has restricted investments of \$133,752,926 as of June 30, 2020, which were used to refund the 2010C bonds on July 1, 2020.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

**DEBT APPROVED BUT NOT YET ISSUED**

In 2017, the Oversight Panel for Convention Facilities in Clark County and the LVCVA Board approved the issuance of up to \$900 million of bonds to complete Phase Two of the LVCCD Project. The \$900 million has been issued and the LVCVA is currently finishing Phase Two of the LVCCD Project using SB1 resources, transfers from the General Fund, and debt proceeds to complete the project.

In 2019, the LVCVA Board and the Oversight Panel for Convention Facilities in Clark County approved the final \$300 million in revenue bonds associated with the LVCCD project. The additional \$300 million authorization is still available, but due to the COVID-19 pandemic, Phase Three has been suspended for the foreseeable future, and the related debt issuance is not being contemplated at this time. See Note 15 for additional detail related to subsequent debt approved.

The changes in long-term liabilities for the fiscal year were as follows:

	Interest Paid During the Year	Beginning Balance, July 1, 2019	Additions	Reductions	Ending Balance, June 30, 2020
<b>BONDS</b>					
General Obligation/Pledged Revenue Bonds					
2010A General Obligation Bond	\$ 4,721,166	\$ 70,770,000	\$ -	\$ -	\$ 70,770,000
2010C General Obligation Bond	9,217,610	142,045,000	-	(4,720,000)	137,325,000
2012 General Obligation Bond	593,123	19,700,000	-	(1,140,000)	18,560,000
2014 General Obligation Bond	2,073,349	49,900,000	-	(100,000)	49,800,000
2015 General Obligation Refunding Bond	5,265,600	135,520,000	-	(19,165,000)	116,355,000
2017 General Obligation Refunding Bond	792,569	21,175,000	-	-	21,175,000
2017C General Obligation Refunding Bond	5,103,650	126,855,000	-	-	126,855,000
2018A General Obligation Bond	8,007,500	200,000,000	-	-	200,000,000
2019C General Obligation Bond	954,257	-	132,565,000	-	132,565,000
2019D General Obligation Bond	407,547	-	67,435,000	-	67,435,000
Revenue Bonds					
2016C Revenue Refunding Bond	4,282,500	100,705,000	-	-	100,705,000
2017B Revenue Refunding Bond	3,122,675	71,005,000	-	-	71,005,000
2018B Revenue Refunding Bond	22,417,000	500,000,000	-	-	500,000,000
2018C Revenue Refunding Bond	4,378,294	80,000,000	-	-	80,000,000
2019A Revenue Refunding Bond*	535,846	32,860,000	-	-	32,860,000
2019B Revenue Bond	1,004,197	-	45,230,000	-	45,230,000
Unamortized premiums and discounts		67,153,932	25,573,138	(4,720,129)	88,006,941
Subtotal Bonds	<u>72,876,883</u>	<u>1,617,688,932</u>	<u>270,803,138</u>	<u>(29,845,129)</u>	<u>1,858,646,941</u>
<b>OTHER LIABILITIES</b>					
Compensated absences	-	5,857,087	3,743,644	(4,734,044)	4,866,687
Capital lease obligations	684	56,041	382,432	(189,031)	249,442
Postemployment benefits other than pensions	-	28,303,861	4,156,158	(657,115)	31,802,904
Net pension liability	-	76,536,068	7,365,649	(11,073,222)	72,828,495
Subtotal other liabilities	<u>684</u>	<u>110,753,057</u>	<u>15,647,883</u>	<u>(16,653,412)</u>	<u>109,747,528</u>
	<u>\$ 72,877,567</u>	<u>\$ 1,728,441,989</u>	<u>\$ 286,451,021</u>	<u>\$ (46,498,541)</u>	<u>\$ 1,968,394,469</u>

\* 2019A is a Direct Placement Bond

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

The portion of each long-term liability that is due in FY 2021 is shown below:

	Principal	Interest
<b><u>BONDS</u></b>		
General Obligation/Pledged Revenue Bonds		
2010A General Obligation Bonds	\$ -	\$ 4,721,166
2010C General Obligation Bonds	137,325,000	4,549,805
2012 General Obligation Bonds	1,175,000	558,397
2014 General Obligation Bonds	1,115,000	2,050,049
2015 General Obligation Bonds	5,855,000	4,727,925
2017 General Obligation Bonds	-	792,569
2017C General Obligation Bonds	-	5,103,650
2018A General Obligation Bonds	-	8,007,500
2019C General Obligation Bonds	-	5,051,950
2019D General Obligation Bonds	-	2,157,603
Revenue Bonds		
2016C Revenue Bonds	-	4,282,500
2017B Revenue Bonds	-	3,122,675
2018B Revenue Bonds	-	22,417,000
2018C Revenue Bonds	-	3,807,213
2019A Revenue Bonds*	2,370,000	802,999
2019B Revenue Bonds	1,360,000	2,086,900
	149,200,000	74,239,901
<b><u>OTHER LIABILITIES</u></b>		
Compensated absences	3,045,118	-
Capital lease obligation	122,043	3,261
	\$ 152,367,161	\$ 74,243,162

\* 2019A is a Direct Placement Bond

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 property and commercial liability. For worker's compensation, the LVCVA is self-insured, with an excess insurance policy. 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.

During the first quarter of 2020, the outbreak of the COVID-19 pandemic caused significant volatility in U.S. and international economies and has led to a global health emergency. As a result, all non-essential business operations in Nevada ceased on March 17, 2020, and did not begin reopening until mid-May 2020, resulting in a significant decrease in LVCVA room taxes revenue for FY 2020. The future impact of the COVID-19 pandemic is unknown and rapidly evolving. The ultimate long-term impact on the LVCVA's financial position and changes therein cannot be determined at this time but may be substantial. The LVCVA did not receive any funding related to the Coronavirus Aid, Relief, and Economic Security Act.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements

For the Year Ended June 30, 2020

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### **NOTE 10. EMPLOYEE RETIREMENT PLAN:**

#### **Plan Description**

The LVCVA participates in the Public Employees' Retirement System of Nevada. This is 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 by the Public Employees' Retirement Board comprised of seven members 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 with 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. Police/Fire entering the system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of, and at any age with 33 1/3 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.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements For the Year Ended June 30, 2020

### 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, 2019, the Statutory Employer/employee matching rate was 14.5% for Regular and 20.75% for Police/Fire; for the fiscal year ended June 30, 2020, the Statutory employer/employee matching rate increased to 15.25% for Regular and 22.00% for Police/Fire. The Employer-pay contribution (EPC) rate was 28.0% for Regular and 40.50% for Police/Fire, for the fiscal year ended June 30, 2019; the EPC rate increased, for the fiscal year ended June 30, 2020, to 29.25% for Regular and 42.50% for Police/Fire. Contributions to the pension plan from the LVCVA were \$10,293,401 and \$9,008,626 for the years ended June 30, 2019 and 2020, respectively.

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

The employer allocated 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, 2019, 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 0.53409%. The LVCVA recorded a liability of \$72,828,495 for its portion of the net pension liability at June 30, 2020.

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

Beginning net pension liability	\$	76,536,068
Change in pension liability		
Pension expense		7,365,649
Employer contributions		(5,141,510)
Net change in deferred inflows/outflows amortized		<u>(5,931,712)</u>
Change in pension liability		<u>(3,707,573)</u>
Ending net pension liability	\$	<u>72,828,495</u>

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

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	\$ 2,730,985	\$ 2,100,645
Change of assumptions	2,963,819	-
Net difference between projected and actual earnings on investments	-	3,622,956
Changes in proportion and differences between actual contributions and proportionate share of contributions	957,100	3,252,376
LVCVA contributions subsequent to measurement date	4,504,313	-
	\$ 11,156,217	\$ 8,975,977

At June 30, 2019, the average expected remaining service life is calculated at 6.18 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as follows:

Year end June 30,	
2021	17,744
2022	(1,700,370)
2023	(168,860)
2024	(96,754)
2025	(302,459)
Thereafter	(73,374)

Included in accounts payable at June 30, 2020, the LVCVA had \$432,070 payable to PERS, equal to the required contribution for the month of June 2020, which was subsequently paid in accordance with applicable due dates in July and August 2020.

**Actuarial Assumptions**

The System's net pension liability was measured as of June 30, 2019, 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	5.50% for regular and 6.50% for Police/Fire
Investment rate of return	7.50%
Discount rate	7.50%
Productivity pay increase	0.50%
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%

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

At June 30, 2019, 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, 2019:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic stocks	42%	5.50%
International stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private markets	<u>12%</u>	6.65%
	100%	

\* As of June 30, 2019, 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, 2019. 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, 2019, 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, 2019.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

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**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, 2019, 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:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Net Pension Liability - LVCVA portion	\$112,766,110	\$72,828,495	\$39,630,202

**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](http://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**

As of the June 30, 2019 actuarial valuation, the LVCVA's Primary Plan covers 108 retirees and surviving spouses, 43 spouses, and 514 active employees. The LVCVA also covers 46 PEBP retirees. As of November 1, 2008, PEBP was closed to any new participants.

# LAS VEGAS CONVENTION AND VISITORS AUTHORITY

## Notes to the Financial Statements For the Year Ended June 30, 2020

### 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 were 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 2020, the LVCVA's cost per month per retiree ranged from \$9 to \$1,677.

As of June 30, 2020, 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	2,702,485	181,562	2,884,047
Total OPEB liability	28,039,966	3,762,938	31,802,904
Net unamortized deferred inflows of resources related to OPEB	24,199,045	-	24,199,045
OPEB expense	(284,631)	306,436	21,805

### FUNDING STATUS

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, 2020, net discretionary transfers since inception, adjusted for investments earnings, total \$2.3 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 and, therefore, 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 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019 (the actuarial measurement date).

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

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:

	<u>Primary Plan and PEBP</u>
Actuarial valuation date	June 30, 2019 based on census data provided as of June 30, 2019
Measurement date	June 30, 2019
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
Discount rate	3.87% (Beginning of the year) 3.50% (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 - 6.5% reduced 0.5% each year until reaching ultimate trend rate of 4.5%. Medicare Benefits - 5.5% reduced 0.5% each year until reaching ultimate trend rate of 4.5%. Administrative Fees - 4.5% Dental - 4%

At June 30, 2019, 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.

<u>Sample Age</u>	<u>Males</u>	<u>Females</u>
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.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements  
For the Year Ended June 30, 2020

Termination rates are based on withdrawal assumptions based on the 2019 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 (2.50%) or 1- percentage-point higher (4.50%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate 3.50%	1% Increase in Discount Rate
Primary Plan	\$ 34,046,959	\$ 28,039,966	\$ 23,387,972
PEBP	4,307,929	3,762,938	3,319,945
Total OPEB Liability	<u>\$ 38,354,888</u>	<u>\$ 31,802,904</u>	<u>\$ 26,707,917</u>

**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	\$ 22,816,972	\$ 28,039,966	\$ 35,026,958
PEBP	3,334,945	3,762,938	4,275,930
Total OPEB Liability	<u>\$ 26,151,917</u>	<u>\$ 31,802,904</u>	<u>\$ 39,302,888</u>

**CHANGES IN LIABILITY**

During FY 2020, changes in the LVCVA's total OPEB liability were as follows:

	Primary Plan	PEBP	Total
Service Cost	\$ 1,102,757	\$ -	\$ 1,102,757
Interest on total OPEB liability	988,506	136,815	1,125,321
Changes of assumptions or other inputs	1,758,458	169,621	1,928,079
Benefit payments	<u>(499,580)</u>	<u>(157,535)</u>	<u>(657,115)</u>
Net change in total OPEB liability	3,350,141	148,901	3,499,042
Total OPEB liability, beginning of year	<u>24,689,825</u>	<u>3,614,037</u>	<u>28,303,862</u>
Total OPEB liability, end of year	<u>\$ 28,039,966</u>	<u>\$ 3,762,938</u>	<u>\$ 31,802,904</u>

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

The LVCVA’s reported deferred outflows and inflows of resources related to OPEB, as of June 30, 2020, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Primary Plan</u>		
Differences between expected and actual experience	\$ -	\$ (17,057,164)
Changes of assumptions or other inputs	1,631,034	(7,141,881)
Benefit payments subsequent to the measurement date	1,071,451	-
 <u>PEBP</u>		
Benefit payments subsequent to the measurement date	181,562	-
 <u>Total of All Plans</u>		
Differences between expected and actual experience	\$ -	\$ (17,057,164)
Changes of assumptions or other inputs	1,631,034	(7,141,881)
Benefit payments subsequent to the measurement date	1,253,013	-

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date totaling \$1,253,013 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
2021	\$ 2,375,894
2022	2,375,894
2023	2,375,894
2024	2,375,894
2025	2,273,641
Thereafter	10,790,794

**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 LVCVA’s highest level of decision-making authority, which is the LVCVA’s Board. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

**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 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 taxes collected. 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, 2020, were:

	General Fund	LVCCD Capital Fund	LVCCD Debt Service Fund	Capital Projects Fund	Debt Service Fund
Non-Spendable					
Inventory	\$ 463,594	\$ -	\$ -	\$ -	\$ -
Prepaid and other items	1,934,488	1,042,044	-	791,307	-
Restricted					
SB1 revenues for the LVCCD Project	-	131,769,978	-	-	-
Capital project programs	-	-	-	50,566,345	-
Debt service programs	-	-	21,825,521	-	173,845,758
Promotional activity for destination weddings	165,045	-	-	-	-
Committed					
Capital project programs	-	115,755,000	-	35,799,042	-
Debt service programs	-	-	-	-	16,235,664
Operating budget	60,877,677	-	-	-	-
Assigned					
Capital funds	-	-	-	6,520,584	-
Unassigned	35,192,105	-	-	-	-
	<u>\$ 98,632,909</u>	<u>\$ 248,567,022</u>	<u>\$ 21,825,521</u>	<u>\$ 93,677,278</u>	<u>\$ 190,081,422</u>

**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.

## LAS VEGAS CONVENTION AND VISITORS AUTHORITY

Notes to the Financial Statements  
For the Year Ended June 30, 2020

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### **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 2020 there was an agency service fee of \$7,121,531 and content creation services fee of \$8,697,130. The contract term ended in June 2020 and an extension for 12 months was agreed upon that establishes an agency service fee of \$5.7 million and caps the content creation fee at \$7.2 million for FY 2021, 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, 2020, these contract commitments were \$11.6 million for FY 2021 and \$1 million for FY 2022 and beyond.

#### **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.

#### **PAC-12 FOOTBALL CHAMPIONSHIP GAMES**

The Board has approved the negotiation of a sponsorship agreement for the December 2021 Pac-12 Football Championship Games to be held in Las Vegas, Nevada, for an amount not to exceed \$1,500,000.

#### **PAC-12 BASKETBALL CHAMPIONSHIP GAMES**

The Board has approved a sponsorship agreement for the Pac-12 men's and women's basketball tournaments to be held in Las Vegas, Nevada, in March 2021 and 2022, for an amount not to exceed \$1,000,000.

#### **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 (\$0.5 million at June 30, 2020). 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 April of 2020, an amendment was executed to increase the

## LAS VEGAS CONVENTION AND VISITORS AUTHORITY

### Notes to the Financial Statements For the Year Ended June 30, 2020

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investment \$1.4 million dollars in fiscal year 2021. This contribution has not yet been made but is contractually obligated to be amortized through the end of the current term, 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 paid 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 LVCC, 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 (\$9.4 million at June 30, 2020). 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.

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.

#### **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, 2020, such contracts, in the LVCCD Capital Fund and the Capital Projects Fund (which includes the Las Vegas Convention Center Loop underground people mover system), totaled approximately \$971.2 million and \$134.6 million, respectively, with an estimated outstanding balance of approximately \$154.9 million and \$0.1 million, respectively. Other outstanding commitment balances in the General Fund totaled approximately \$2.3 million. As of June 30, 2020, the LVCVA Board has approved staff to host future events in the destination at a maximum amount of \$0.3 million not previously disclosed.

#### **LEGAL MATTERS**

The LVCVA is the defendant or responsible party 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 some parking areas of the LVCC. The LVCVA is the responsible party for remediation activities related to the contamination and, therefore, has recorded a \$3,300,000 remediation liability in the government-wide financial statements using the expected cash flow technique for future remediation costs. This estimate is based on

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Financial Statements

For the Year Ended June 30, 2020

ongoing analyses which could change over time due to continued investigation, actual remediation actions performed, future regulatory rulings and/or requirements, changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation effort.

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 the Clark County Department of Business License, Clark County, and various Clark County officials regarding the interpretation of certain Clark County room tax ordinances. The Complaint alleged that the Clark County Department of Business License incorrectly interpreted 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 the County, but seeks to change the way that the room tax is calculated and collected. The changes to room tax collection, as proposed by the Plaintiff, would negatively impact the overall amount of the collection and, in turn, impact the LVCVA’s share of the room tax collection. The LVCVA is not a named party to the complaint. On September 9, 2020, the Eighth Judicial District Court of Nevada issued an Order of Alternative Writ of Certiorari, Mandate, and Prohibition providing that the County’s application of the room tax ordinances incorrectly applied the legal standards for gross receipts which could be taxed and that all associated penalties that the County assessed must be set aside. The Court’s order requires the County to conduct a new room tax audit for an audit period of January 1, 2013 through December 31, 2015 and to refund any overpayment. On October 9, 2020, the County filed a notice of appeal to the Nevada Supreme Court which has referred the case to the Court’s settlement program. The date of the settlement conference has not yet been set. Potential economic loss relating to the litigation is not reasonably estimable at this time. To address the ongoing disputes regarding room tax collection, the County has proposed a new ordinance to clarify the calculation of the collection. The new ordinance is set for a hearing before the Clark County Board of Commissioners in November 2020 for possible adoption.

The Las Vegas Metropolitan Police Department is currently conducting a criminal investigation into the LVCVA’s handling of \$90,000 of Southwest Airlines gift cards that were purchased by the LVCVA. The LVCVA 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 LVCVA.

**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 the 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 distributed 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 non-SB1 room tax and gaming fees collection allocation. Any amount of the 10% exceeding the room tax and gaming fees collection allocation cap is restricted to the LVCCD Capital Fund. The total collection allocation was \$23.5 million in FY 2020 due to lower room tax revenues related to the COVID-19 pandemic; therefore, no funds were transferred to the LVCCD Capital Fund, which is compliant with SB1 requirement.

**NOTE 15. SUBSEQUENT EVENTS**

Events through November 18, 2020 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 elsewhere herein and in the following paragraphs.

The Board approved the acquisition of the assets of Las Vegas Monorail Company, which filed for bankruptcy, for \$24.3 million. The Monorail is a seven-stop, 3.9-mile elevated transportation system along the east side of the Las Vegas Strip, with stations at MGM Grand, Bally's/Paris, Flamingo/Caesars Palace, Harrah's/The LINQ, the Las Vegas Convention Center, the Westgate, and the Sahara. The Board also approved accepting the transference of the rights and obligations of the related Monorail franchise agreement with the County. This includes an approximate \$6.8 million escrow disbursement to the LVCVA for the future obligation of decommissioning a portion of the Monorail system that is in the public right-of-way. The Board also approved a management agreement for the operation of the system. It is estimated that this acquisition and operation will create a net outflow of funds in FY21 and FY22 totaling \$2.3 million to operate the system, which is intended to be funded with the \$6.8 million escrow disbursement. The Board also approved the issuance of revenue bonds, through a direct placement, of \$21.5 million related to the acquisition. These transactions are expected to be completed in calendar year 2020.

The Board approved a lease (power purchase agreement) and potential subsequent purchase of a roof mounted solar photovoltaic system for the LVCC expansion facility. Estimated lease/purchase costs are approximately \$12,420,000 for a projected lifecycle of 25 years. This system is also expected to produce a reduction in the LVCC's future energy costs.

The Board approved an amendment to the Food and Beverage Service Concession Lease with Centerplate, which extends of the term and the remaining amortization of the current investment, as described in Note 13, for an additional three years. It also modifies future revenue splits until January 2023, as well as adding additional commission tiers if annual gross sales do not meet a minimum threshold.

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**

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Post-employment Benefits Other Than Pensions

### **SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

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Pensions

### **SCHEDULE OF CONTRIBUTIONS TO PERS PENSION PLAN**

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Pensions

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

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#### 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.

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
Schedule of Changes in the Total OPEB Liability and Related Ratios<sup>(1)</sup>  
For the Years Ended June 30, 2020 and the Last Nine Fiscal Years<sup>(2)</sup>

	2018		2019		2020	
	Primary Plan	PEBP	Primary Plan	PEBP	Primary Plan	PEBP
Service cost	\$ 3,310,122	\$ -	\$ 3,175,322	\$ -	\$ 1,102,757	\$ -
Interest on total OPEB liability	1,401,247	130,455	1,688,014	151,889	988,506	136,815
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)	1,758,458	169,621
Benefit payments	(528,214)	(183,295)	(466,782)	(171,691)	(499,580)	(157,535)
Net change in total OPEB liability	(1,876,784)	(447,934)	(19,519,465)	(603,834)	3,350,141	148,901
Total OPEB liability, beginning of year	46,086,073	4,665,805	44,209,289	4,217,871	24,689,824	3,614,037
Total OPEB liability, end of year	<u>\$ 44,209,289</u>	<u>\$ 4,217,871</u>	<u>\$ 24,689,824</u>	<u>\$ 3,614,037</u>	<u>\$ 28,039,965</u>	<u>\$ 3,762,938</u>
Covered-employee Payroll	\$ 40,026,786	N/A <sup>(3)</sup>	\$ 40,956,955	N/A <sup>(3)</sup>	\$ 41,811,068	N/A <sup>(3)</sup>
Total OPEB liability, end of year as a percentage of covered payroll	110.45%	N/A <sup>(3)</sup>	60.28%	N/A <sup>(3)</sup>	67.06%	N/A <sup>(3)</sup>

<sup>(1)</sup> The LVCVA's OPEB is not administered through a trust.

<sup>(2)</sup> Fiscal year 2020 is the third year of implementation of GASB 75; therefore, only three years are shown. As it becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

<sup>(3)</sup> 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, 2019 and the Last Nine Fiscal Years<sup>(2)</sup>

	2014	2015	2016	2017	2018	2019
LVCVA proportion of net pension liability	0.54167%	0.55623%	0.56294%	0.55928%	0.56121%	0.53409%
LVCVA proportionate share of net pension liability	\$ 56,452,216	\$ 63,740,412	\$ 75,755,148	\$ 74,382,943	\$ 76,536,068	\$ 72,828,495
LVCVA's covered payroll <sup>(1)</sup>	\$ 32,046,157	\$ 33,468,391	\$ 34,395,199	\$ 36,192,769	\$ 37,303,296	\$ 36,762,152
LVCVA's proportionate share of the net pension liability as a percentage of LVCVA's covered payroll	57%	53%	45%	49%	49%	50%
Plan fiduciary net position as a percentage of total pension liability	76%	75%	72%	74%	75%	77%

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
Schedule of Contributions to PERS Pension Plan  
For the Years Ended June 30, 2020 and the Last Nine Fiscal Years<sup>(3)</sup>

	2014	2015	2016	2017	2018	2019	2020
Statutorily required contribution	\$ 8,204,187	\$ 8,618,472	\$ 9,617,946	\$ 10,088,792	\$ 10,444,920	\$ 10,293,401	\$ 9,008,626
Contributions in relation to the statutorily-required contribution	8,204,187	8,618,472	9,617,946	10,088,792	10,444,920	10,293,401	9,008,626
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LVCVA's covered payroll <sup>(1)</sup>	\$ 32,046,157	\$ 33,468,391	\$ 34,395,199	\$ 36,192,769	\$ 37,303,296	\$ 36,762,152	\$ 30,885,583
Contributions as a percentage of covered payroll	26%	26%	28%	28%	28%	28%	29%

<sup>(1)</sup>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.

<sup>(2)</sup>Only six years of historical data available since the first year of GASB Statement No. 68 implementation.

<sup>(3)</sup>Only seven 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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Room taxes and gaming fees	\$ 292,370,300	\$ 292,370,300	\$ 234,804,111	\$ (57,566,189)
Charges for services				
Use of Facilities	34,392,400	34,392,400	27,378,840	(7,013,560)
Ancillary	25,925,500	25,925,500	22,007,843	(3,917,657)
Other	4,679,000	4,679,000	3,420,844	(1,258,156)
Interest and investment earnings	110,000	110,000	2,373,170	2,263,170
Miscellaneous	295,000	295,000	372,142	77,142
Total revenues	<u>357,772,200</u>	<u>357,772,200</u>	<u>290,356,950</u>	<u>(67,415,250)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	20,741,900	20,741,900	16,556,545	4,185,355
Marketing:				
Advertising	101,500,000	101,500,000	81,183,541	20,316,459
Marketing and sales	40,315,400	40,315,400	28,462,981	11,852,419
Special events grants	19,574,852	19,574,852	15,770,524	3,804,328
Operations	44,818,500	44,818,500	40,313,033	4,505,467
Community support:				
Other community support	25,100,000	25,100,000	23,480,411	1,619,589
Total expenditures	<u>252,050,652</u>	<u>252,050,652</u>	<u>205,767,035</u>	<u>46,283,617</u>
Excess of revenues over expenditures	<u>105,721,548</u>	<u>105,721,548</u>	<u>84,589,915</u>	<u>(21,131,633)</u>
<b>Other financing sources (uses):</b>				
Transfers in	325,000	27,325,000	27,795,288	470,288
Transfers out	(104,337,000)	(115,637,000)	(55,088,714)	60,548,286
Proceeds from the sale of assets	55,000	55,000	75,491	20,491
Total other financing sources (uses)	<u>(103,957,000)</u>	<u>(88,257,000)</u>	<u>(27,217,935)</u>	<u>61,039,065</u>
Net change in fund balance	1,764,548	17,464,548	57,371,980	39,907,432
Fund balance - beginning	41,260,929	41,260,929	41,260,929	-
Fund balance - ending	<u>\$ 43,025,477</u>	<u>\$ 58,725,477</u>	<u>\$ 98,632,909</u>	<u>\$ 39,907,432</u>

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

Notes to the Required Supplementary Information

For the Year Ended June 30, 2020

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**NOTE 1. OTHER POST-EMPLOYMENT BENEFIT PLANS:**

At June 30, 2020, 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 increases in the liability of \$3,350,141 and \$148,901 in the primary plan and PEBP plans, respectively, from June 30, 2019 to June 30, 2020, are primarily driven by the difference between expected and actual experience that includes census data updates, new per capita claims experience, and the effect of the changes in assumptions and other inputs. This included employing an allocation-by-entity method where service costs, interest cost, and schedule of outflows and inflows are allocated proportionally to each entity as a share of the total OPEB liability. Updates were also made to the assumed discount rate which was 3.87% as of June 30, 2018 and 3.50% as of June 30, 2019. There were no changes to termination and retirement rates, marriage assumptions, or aging factors. Mortality rates and salary scales were also the same as the prior year.

Additional information related to postemployment benefits other than pensions can be found in Note 11 to the financial statements on pages 46 through 50 of this report.

**NOTE 2: PERS PENSION PLAN:**

For the year ended June 30, 2020, 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, 2019. Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the experience study from the period of July 1, 2012 through June 30, 2016.

Additional information related to pensions can be found in Note 10 to the financial statements on pages 42 through 46 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 pages 28 through 30 of this report.

## INDIVIDUAL FUND INFORMATION

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

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#### 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.

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**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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Room taxes	\$ 29,910,000	\$ 29,910,000	\$ 24,067,558	\$ (5,842,442)
Interest and investment earnings	5,200,000	5,200,000	13,818,558	8,618,558
Miscellaneous	-	-	4,896	4,896
Total revenues	<u>35,110,000</u>	<u>35,110,000</u>	<u>37,891,012</u>	<u>2,781,012</u>
<b>Expenditures:</b>				
Capital outlay:				
Construction in progress	650,000,000	644,630,671	556,497,839	88,132,832
Noncapitalized assets	-	-	3,101,233	(3,101,233)
Debt service:				
Debt issuance costs	1,200,000	1,426,961	1,426,961	-
Total expenditures	<u>651,200,000</u>	<u>646,057,632</u>	<u>561,026,033</u>	<u>85,031,599</u>
Deficiency of revenues under expenditures	<u>(616,090,000)</u>	<u>(610,947,632)</u>	<u>(523,135,021)</u>	<u>87,812,611</u>
<b>Other financing sources (uses):</b>				
Transfers in	54,537,000	49,537,000	801,890	(48,735,110)
Transfers out	(16,007,500)	(16,007,500)	(15,974,081)	33,419
Issuance of debt	200,000,000	200,000,000	200,000,000	-
Premium on debt issuance	-	-	18,050,350	18,050,350
Discount on debt issuance	-	(142,368)	(142,368)	-
Total other financing sources (uses)	<u>238,529,500</u>	<u>233,387,132</u>	<u>202,735,791</u>	<u>(30,651,341)</u>
Net change in fund balance	<u>(377,560,500)</u>	<u>(377,560,500)</u>	<u>(320,399,230)</u>	<u>57,161,270</u>
Fund balance - beginning	568,966,252	568,966,252	568,966,252	-
Fund balance - ending	<u>\$ 191,405,752</u>	<u>\$ 191,405,752</u>	<u>\$ 248,567,022</u>	<u>\$ 57,161,270</u>

**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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest and investment earnings	\$ 300,000	\$ 300,000	\$ 400,072	\$ 100,072
Expenditures:				
Debt service:				
Interest	38,424,500	38,424,500	31,786,304	6,638,196
Deficiency of revenues under expenditures	(38,124,500)	(38,124,500)	(31,386,232)	6,738,268
Other financing sources (uses):				
Transfers in	16,007,500	16,007,500	15,974,081	(33,419)
Transfers out	(300,000)	(300,000)	(801,890)	(501,890)
Total other financing sources (uses)	15,707,500	15,707,500	15,172,191	(535,309)
Net change in fund balance	(22,417,000)	(22,417,000)	(16,214,041)	6,202,959
Fund balance - beginning	38,039,562	38,039,562	38,039,562	-
Fund balance - ending	<u>\$ 15,622,562</u>	<u>\$ 15,622,562</u>	<u>\$ 21,825,521</u>	<u>\$ 6,202,959</u>

**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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest and investment earnings	\$ 800,000	\$ 800,000	\$ 2,469,086	\$ 1,669,086
Miscellaneous	-	-	865,007	865,007
Total revenues	<u>800,000</u>	<u>800,000</u>	<u>3,334,093</u>	<u>2,534,093</u>
<b>Expenditures:</b>				
Capital outlay:				
Land	-	855,000	790,663	64,337
Land improvements	425,000	7,443,100	242,618	7,200,482
Buildings	6,321,900	3,660,800	24,717	3,636,083
Furniture and equipment	2,786,600	19,724,700	768,146	18,956,554
Construction in progress	93,800,000	91,028,900	21,644,052	69,384,848
Noncapitalized assets	-	1,016,100	2,437,088	(1,420,988)
Capital grants to other governments	5,300,000	4,904,900	4,904,876	24
Debt service:				
Principal	-	-	189,030	(189,030)
Interest	-	-	684	(684)
Debt issuance costs	1,000,000	1,000,000	306,778	693,222
Total expenditures	<u>109,633,500</u>	<u>129,633,500</u>	<u>31,308,652</u>	<u>98,324,848</u>
Deficiency of revenues under expenditures	<u>(108,833,500)</u>	<u>(128,833,500)</u>	<u>(27,974,559)</u>	<u>100,858,941</u>
<b>Other financing sources (uses):</b>				
Transfers in	5,500,000	21,800,000	12,600,000	(9,200,000)
Issuance of capital lease obligation	-	-	382,432	382,432
Issuance of debt	52,500,000	45,230,000	45,230,000	-
Premium on debt issuance	-	7,270,000	7,665,155	395,155
Total other financing sources (uses)	<u>58,000,000</u>	<u>74,300,000</u>	<u>65,877,587</u>	<u>(8,422,413)</u>
Net change in fund balance	<u>(50,833,500)</u>	<u>(54,533,500)</u>	<u>37,903,028</u>	<u>92,436,528</u>
Fund balance - beginning	55,774,250	55,774,250	55,774,250	-
Fund balance - ending	<u>\$ 4,940,750</u>	<u>\$ 1,240,750</u>	<u>\$ 93,677,278</u>	<u>\$ 92,436,528</u>

**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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Interest and investment earnings	\$ 2,847,000	\$ 2,847,000	\$ 3,339,603	\$ 492,603
Federal grant subsidy	4,450,290	4,450,290	4,551,873	101,583
Total revenues	<u>7,297,290</u>	<u>7,297,290</u>	<u>7,891,476</u>	<u>594,186</u>
<b>Expenditures:</b>				
Debt service:				
Principal	27,830,000	26,289,956	25,125,000	1,164,956
Interest	45,187,637	46,659,281	41,090,579	5,568,701
Debt issuance costs	-	68,400	109,400	(41,000)
Total expenditures	<u>73,017,637</u>	<u>73,017,637</u>	<u>66,324,979</u>	<u>6,692,657</u>
Deficiency of revenues under expenditures	<u>(65,720,347)</u>	<u>(65,720,347)</u>	<u>(58,433,503)</u>	<u>7,286,843</u>
<b>Other financing sources (uses):</b>				
Transfers in	44,500,000	44,500,000	42,488,714	(2,011,286)
Transfers out	(325,000)	(325,000)	(795,288)	(470,288)
Total other financing sources (uses)	<u>44,175,000</u>	<u>44,175,000</u>	<u>41,693,426</u>	<u>(2,481,574)</u>
Net change in fund balance	<u>(21,545,347)</u>	<u>(21,545,347)</u>	<u>(16,740,077)</u>	<u>4,805,269</u>
Fund balance - beginning	206,821,499	206,821,499	206,821,499	-
Fund balance - ending	<u>\$ 185,276,152</u>	<u>\$ 185,276,152</u>	<u>\$ 190,081,422</u>	<u>\$ 4,805,269</u>

**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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Non-operating revenues:				
Interest and investment earnings	\$ 560,000	\$ 560,000	\$ 145,120	\$ (414,880)
Income before transfers	560,000	560,000	145,120	(414,880)
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	(27,000,000)	(27,000,000)	-
Total other financing sources (uses)	100,000	(26,900,000)	(27,000,000)	(100,000)
Change in net position	660,000	(26,340,000)	(26,854,880)	(514,880)
Net position - beginning	29,166,683	29,166,683	29,166,683	-
Net position - ending	\$ 29,826,683	\$ 2,826,683	\$ 2,311,803	\$ (514,880)

**STATISTICAL**  
**SECTION**

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## **Statistical Section** **(unaudited)**

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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.

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**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS**

(amounts expressed in thousands <sup>(4)</sup>)

(unaudited)

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Primary government										
Net investment in capital assets	\$ 161,799	\$ 156,090	\$ 163,258	\$ 170,538	\$ 177,524	\$ 189,376	\$ 209,842	\$ 226,057	\$ 231,567	\$ 261,669
Restricted:										
Debt service	34,276	43,659	44,555	46,900	49,605	51,144	51,199	184,348	188,249	173,846
LVCCD capital project	-	-	-	-	-	-	13,716	46,026	62,866	44,797
Community support	-	-	-	-	-	-	4,538	4,310	4,112	-
LVCCD debt service	-	-	-	-	-	-	-	1,935	38,040	21,826
Other purposes	-	-	-	-	-	-	579	36	9	165
Capital grants to other governments	97,234	30,181	19,612	19,244	18,487	17,882	-	-	-	-
Unrestricted:	(241,808)	(234,255)	(238,408)	(284,541)	(263,118)	(231,870)	(204,412)	(319,127)	(299,990)	(263,438)
Total primary government net position <sup>(1) (2) (3)</sup>	\$ 51,501	\$ (4,325)	\$ (10,983)	\$ (47,859)	\$ (17,502)	\$ 26,533	\$ 75,462	\$ 143,585	\$ 224,853	\$ 238,864

<sup>(1)</sup> Retroactive restatement of balances for implementation of GASB No. 65 in FY 2014.

<sup>(2)</sup> Retroactive restatement of balances for implementation of GASB No. 68 in FY 2014.

<sup>(3)</sup> Restatement related to implementation of GASB No. 82 in FY 2017.

<sup>(4)</sup> Amounts expressed in thousands may not foot due to rounding.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

**FUND BALANCES OF GOVERNMENTAL FUNDS <sup>(1)</sup>**

**LAST TEN FISCAL YEARS**

(amounts expressed in millions <sup>(2)</sup>)

(unaudited)

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Fund										
Nonspendable	\$ 1.8	\$ 2.5	\$ 3.3	\$ 5.0	\$ 4.8	\$ 6.6	\$ 5.1	\$ 5.3	\$ 4.0	\$ 2.4
Restricted	5.3	5.4	5.8	6.7	6.9	7.0	4.9	4.4	4.1	0.2
Committed	11.7	10.4	2.9	3.1	1.0	-	12.0	10.7	-	60.9
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	35.2
Total general fund	35.7	33.5	21.3	34.7	33.6	53.0	55.8	39.0	41.3	98.6
All other governmental funds										
Nonspendable	-	-	-	0.3	0.1	0.8	-	0.3	0.8	1.8
Restricted	131.6	73.9	64.2	96.3	97.5	68.3	65.1	414.8	690.8	378.0
Committed	37.2	24.9	43.9	42.1	57.3	65.2	74.4	132.3	171.9	167.8
Assigned	0.3	19.2	2.9	1.8	1.9	-	5.2	4.6	6.1	6.5
Total all other governmental funds	169.1	118.0	111.0	140.5	156.8	134.3	144.7	552.0	869.6	554.2
Total governmental funds	\$ 204.8	\$ 151.5	\$ 132.3	\$ 175.2	\$ 190.4	\$ 187.2	\$ 200.6	\$ 591.0	\$ 910.9	\$ 652.8

<sup>(1)</sup> This schedule uses the modified accrual basis of accounting.

<sup>(2)</sup> Amounts expressed in thousands may not foot due to rounding.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**CHANGES IN NET POSITION <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands <sup>(7)</sup>)  
(unaudited)

Program Revenues	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Charges for Services</b>										
Marketing	\$ 1,929	\$ 1,388	\$ 1,587	\$ 2,203	\$ 1,348	\$ 1,507	\$ 6,302	\$ 5,433	\$ 2,350	\$ 2,239
Operations	46,177	47,311	46,164	58,618	51,055	59,537	61,624	60,913	58,828	50,846
<b>Capital Grants and Contributions:</b>										
General government	3,608	5,121	4,898	4,752	4,746	4,774	4,711	4,664	4,615	4,552
Operations	-	-	756	358	86	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>51,714</b>	<b>53,820</b>	<b>53,405</b>	<b>65,931</b>	<b>57,235</b>	<b>65,817</b>	<b>72,637</b>	<b>71,010</b>	<b>65,793</b>	<b>57,637</b>
<b>Expenses</b>										
Governmental activities: <sup>(3)</sup>										
General government <sup>(2)</sup>	11,226	13,162	14,032	15,016	15,075	16,704	20,895	21,535	20,376	17,296
Marketing:										
Advertising	79,504	83,636	90,587	92,471	93,149	95,012	95,905	106,726	100,316	81,184
Marketing and sales	28,625	31,488	31,456	29,015	35,909	37,769	46,561	40,857	38,677	28,882
Special events/grants <sup>(6)</sup>	8,059	7,714	8,234	8,571	8,766	11,665	12,196	12,552	15,316	15,771
Operations <sup>(2)</sup>	53,087	57,771	58,828	65,679	60,244	62,433	60,313	59,032	60,314	61,294
Community support and grants:										
Capital grants to other governments	144,135	67,095	10,605	402	785	671	17,754	192	4,595	4,905
Other community support	19,297	21,274	20,536	22,538	24,185	26,484	25,005	24,910	25,128	21,636
Interest and fiscal charges	27,346	32,610	32,218	32,894	31,924	33,127	34,139	37,515	61,720	74,983
<b>Total governmental activities expenses</b>	<b>371,278</b>	<b>314,750</b>	<b>266,495</b>	<b>266,586</b>	<b>270,038</b>	<b>283,866</b>	<b>312,769</b>	<b>303,319</b>	<b>326,441</b>	<b>305,951</b>
<b>Net Expenses</b>	<b>(319,564)</b>	<b>(260,930)</b>	<b>(213,090)</b>	<b>(200,655)</b>	<b>(212,803)</b>	<b>(218,049)</b>	<b>(240,132)</b>	<b>(232,309)</b>	<b>(260,648)</b>	<b>(248,314)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Room taxes and gaming fees	180,466	202,571	205,355	225,382	241,854	264,844	296,626	313,294	318,992	238,537
Interest and investment earnings	1,045	448	305	624	630	1,201	1,014	3,736	21,397	22,546
Miscellaneous	1,412	1,620	1,005	796	677	855	1,329	2,022	1,528	1,242
<b>Total general revenues</b>	<b>182,922</b>	<b>204,639</b>	<b>206,665</b>	<b>226,801</b>	<b>243,161</b>	<b>266,901</b>	<b>298,969</b>	<b>319,052</b>	<b>341,916</b>	<b>262,324</b>
Special item <sup>(5)</sup>	(59,481)	-	-	-	-	-	(9,907)	-	-	-
<b>Total general revenues and special items</b>	<b>123,441</b>	<b>204,639</b>	<b>206,665</b>	<b>226,801</b>	<b>243,161</b>	<b>266,901</b>	<b>289,062</b>	<b>319,052</b>	<b>341,916</b>	<b>262,324</b>
<b>Change in net position</b>	<b>(196,123)</b>	<b>(56,291)</b>	<b>(6,425)</b>	<b>26,146</b>	<b>30,358</b>	<b>48,852</b>	<b>48,930</b>	<b>86,743</b>	<b>81,268</b>	<b>14,011</b>
Net position - beginning (as previously reported)	256,317	60,194	3,903	(2,522)	(47,859)	(17,502)	26,533	75,462	143,585	224,853
Adjustments <sup>(4)</sup>	-	-	-	(71,484)	-	(4,817)	-	(18,620)	-	-
<b>Net position - beginning (as adjusted)</b>	<b>256,317</b>	<b>60,194</b>	<b>3,903</b>	<b>(74,006)</b>	<b>(47,859)</b>	<b>(22,319)</b>	<b>26,533</b>	<b>56,842</b>	<b>143,585</b>	<b>224,853</b>
<b>Net position - ending</b>	<b>\$ 60,194</b>	<b>\$ 3,903</b>	<b>\$ (2,522)</b>	<b>\$ (47,859)</b>	<b>\$ (17,502)</b>	<b>\$ 26,533</b>	<b>\$ 75,462</b>	<b>\$143,585</b>	<b>\$224,853</b>	<b>\$238,864</b>

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

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

(3) 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 implementation of various GASB standards.

(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 <sup>(1)</sup>**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands <sup>(4)</sup>)  
(unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues</b>										
Room taxes and gaming fees	\$ 177,345	\$ 201,406	\$ 205,028	\$ 224,492	\$ 241,046	\$ 261,614	\$ 294,229	\$ 314,284	\$ 317,569	\$ 258,872
Charges for services	48,159	49,169	47,847	60,786	51,968	60,836	68,007	65,829	58,983	52,808
Interest and investment earnings	1,045	448	331	602	540	940	948	3,522	19,958	22,400
Federal grant subsidy	3,608	5,121	4,898	4,752	4,746	4,774	4,711	4,664	4,615	4,552
Miscellaneous	1,396	1,620	1,005	796	677	855	1,329	2,022	1,528	1,242
<b>Total revenues</b>	<b>231,552</b>	<b>257,764</b>	<b>259,109</b>	<b>291,428</b>	<b>298,977</b>	<b>329,018</b>	<b>369,224</b>	<b>390,321</b>	<b>402,653</b>	<b>339,874</b>
<b>Expenditures</b>										
General government <sup>(2)</sup>	10,374	12,452	13,246	14,209	14,322	16,147	19,533	20,030	19,536	16,557
Marketing:										
Advertising	79,504	83,636	90,587	92,471	93,149	95,012	95,905	106,726	100,316	81,184
Marketing and sales	27,459	30,290	30,302	28,243	34,725	36,537	45,095	39,814	38,221	28,463
Special events/grants <sup>(3)</sup>	8,058	7,714	8,234	8,571	8,766	11,665	12,196	12,552	15,316	15,771
Operations <sup>(2)</sup>	34,009	37,132	36,691	44,965	39,454	41,416	39,290	39,898	38,730	40,313
Community support and grants:										
Capital grants to other governments	144,135	67,095	10,605	402	785	671	17,754	192	4,595	4,905
Other community support	18,985	21,158	20,509	22,449	24,105	26,161	25,000	25,000	25,000	23,480
Other	5,193	-	-	-	-	-	-	-	-	-
Capital outlay	10,467	8,985	36,202	29,384	193,820	37,977	26,978	25,223	366,854	585,506
Debt service:										
Principal	121,511	9,175	21,689	22,770	24,909	27,779	27,893	27,991	27,340	25,314
Interest	19,236	33,676	32,360	31,744	32,766	34,317	35,383	33,117	49,652	72,878
Principal retirement	-	-	-	-	116,800	-	70,200	-	61,500	-
Payment to refunded debt escrow agent	-	-	-	-	66,009	-	69,200	-	-	-
Debt issuance costs	-	-	724	1,455	1,205	-	1,014	2,695	2,373	1,843
<b>Total expenditures</b>	<b>478,931</b>	<b>311,313</b>	<b>301,149</b>	<b>296,663</b>	<b>650,815</b>	<b>327,682</b>	<b>485,441</b>	<b>333,238</b>	<b>749,433</b>	<b>896,213</b>
Excess (deficiency) of revenues over (under) expenditures	(247,379)	(53,549)	(42,040)	(5,235)	(351,838)	1,336	(116,217)	57,084	(346,780)	(556,339)
<b>Other financing sources (uses)</b>										
Transfers in	84,168	61,133	69,848	59,354	76,622	72,131	104,716	124,297	118,543	99,660
Transfers out	(84,168)	(61,133)	(72,848)	(62,354)	(80,122)	(76,631)	(115,216)	(126,797)	(118,643)	(72,660)
Proceeds from the sale of assets	29	223	57	80	636	46	24	105	168	75
Issuance of capital lease obligation	281	-	15	335	-	-	379	-	-	382
Issuance of debt	255,830	-	24,990	50,000	368,805	-	192,080	397,860	673,360	245,230
Premium on debt issuance	1,685	-	756	745	16,018	-	13,870	22,424	29,497	25,716
Discount on debt issuance	(1,192)	-	-	-	-	-	-	-	-	(142)
Payment to refunded debt escrow agent	-	-	-	-	(14,931)	-	(66,316)	(84,533)	(36,281)	-
<b>Total other financing sources (uses)</b>	<b>256,633</b>	<b>223</b>	<b>22,818</b>	<b>48,160</b>	<b>367,028</b>	<b>(4,454)</b>	<b>129,537</b>	<b>333,357</b>	<b>666,644</b>	<b>298,261</b>
<b>Net change in fund balances</b>	<b>9,254</b>	<b>(53,326)</b>	<b>(19,222)</b>	<b>42,925</b>	<b>15,190</b>	<b>(3,118)</b>	<b>13,320</b>	<b>390,441</b>	<b>319,864</b>	<b>(258,078)</b>
<b>Fund balance - beginning</b>	<b>195,534</b>	<b>204,788</b>	<b>151,462</b>	<b>132,240</b>	<b>175,165</b>	<b>190,356</b>	<b>187,237</b>	<b>200,557</b>	<b>590,998</b>	<b>910,862</b>
<b>Fund balance - ending</b>	<b>\$ 204,788</b>	<b>\$ 151,462</b>	<b>\$ 132,240</b>	<b>\$ 175,165</b>	<b>\$ 190,356</b>	<b>\$ 187,237</b>	<b>\$ 200,557</b>	<b>\$ 590,998</b>	<b>\$ 910,862</b>	<b>\$ 652,784</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>30.1%</b>	<b>14.2%</b>	<b>20.7%</b>	<b>20.5%</b>	<b>12.7%</b>	<b>21.6%</b>	<b>13.8%</b>	<b>19.8%</b>	<b>20.2%</b>	<b>32.2%</b>

(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 <sup>(1)</sup>**

**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 <sup>(2)(4)</sup>		Marketing		Advertising	
		\$	%	\$	%	\$	%
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	678,861,051	19,536,345	3%	38,220,616	6%	100,315,540	15%
2020	858,612,637	16,556,545	2%	28,462,981	3%	81,183,541	9%

Fiscal Year	Operations <sup>(2)(4)</sup>		Special Events Grants		Other Community Grants <sup>(4)</sup>		Capital Outlay		Debt Service <sup>(3)</sup>	
	\$	%	\$	%	\$	%	\$	%	\$	%
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%	76,992,000	10%
2020	40,313,033	5%	15,770,524	2%	23,480,411	3%	579,968,035	68%	72,877,567	8%

(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, debt service fund, and LVCCD debt service fund.

(4) In FY 2011 - 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**

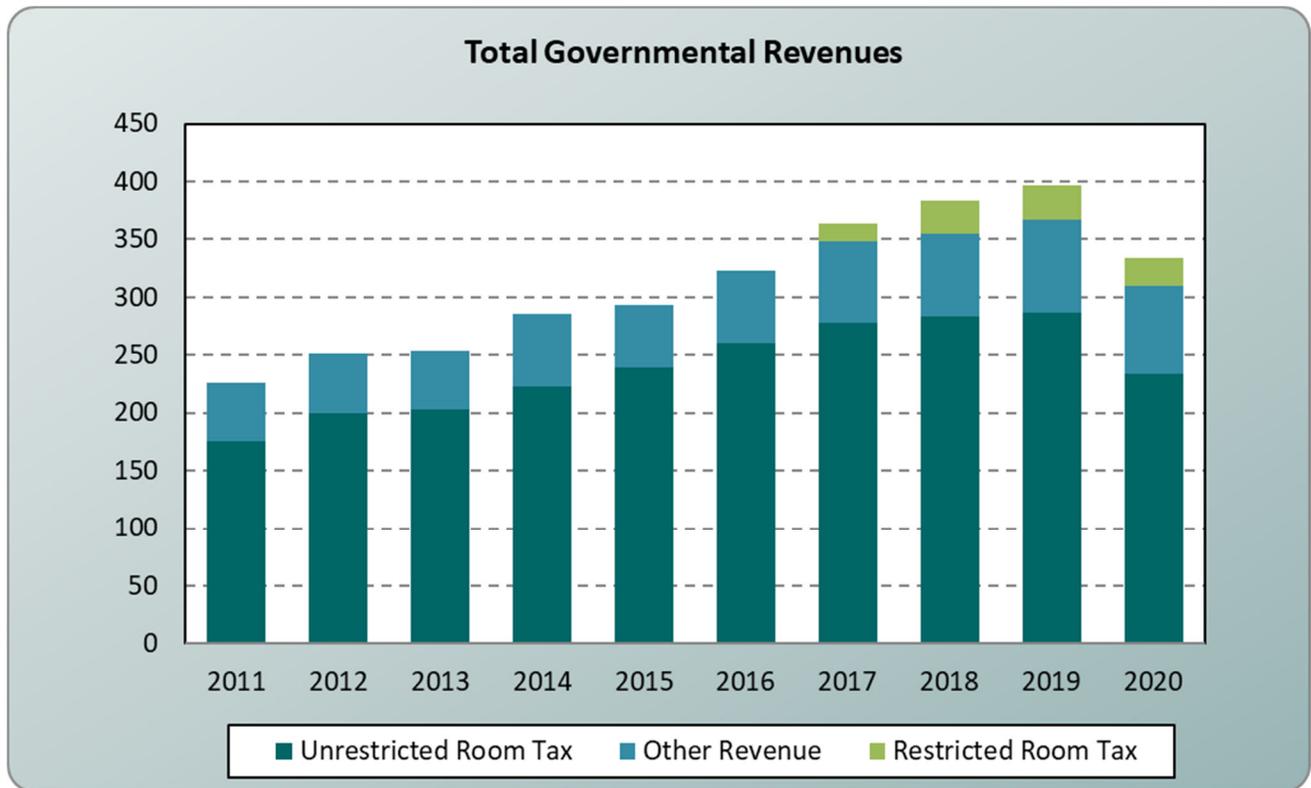
**GOVERNMENTAL REVENUES BY SOURCE <sup>(1)</sup>**

**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 Fees	Interest
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%
2020	334,079,685	257,462,003 77%	52,807,527 16%	1,409,666 <1%	22,400,489 7%



(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	Unamortized Premiums & Discounts	Capital Lease Obligation	Total Primary Government	Amount of Debt per Visitor <sup>(1)</sup>
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	38.04
2020	940,840,000	829,800,000	88,006,941	249,442	1,858,896,383	n/a <sup>(2)</sup>

(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.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

**BOND COVERAGE**

**LAST TEN FISCAL YEARS**

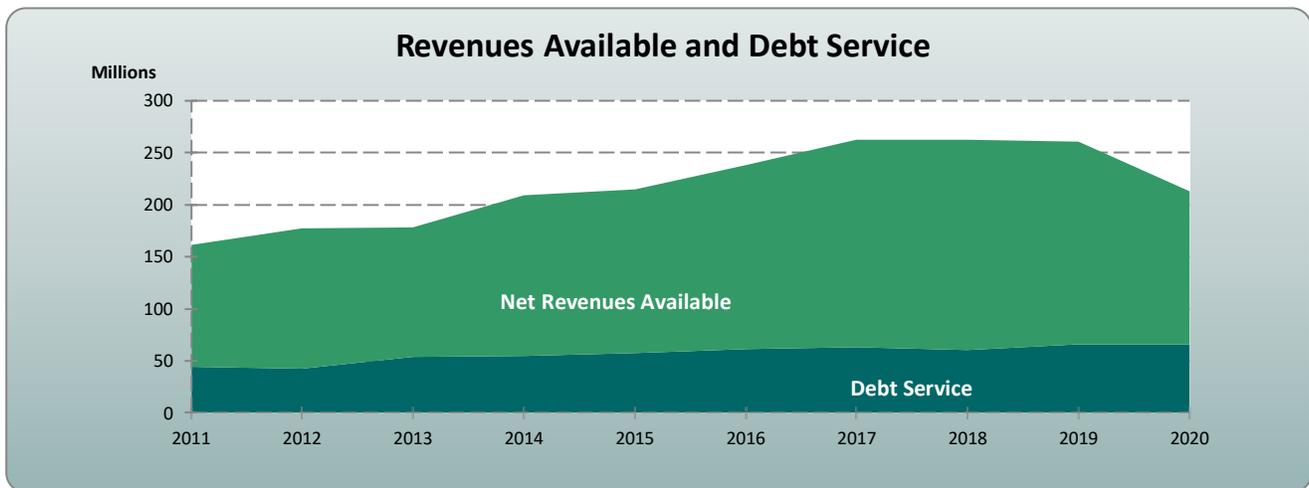
(unaudited)

Ten of the LVCVA's sixteen 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, 2020, no ad valorem property tax revenues are allocated to the LVCVA for any purpose. No change in this practice is contemplated. The six 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, Debt Service, and LVCCD 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 excluded from Gross Revenue, but are included in Expansion Tax Revenue, as those resources are restricted for Phases Two and Three of the LVCCD project and can only be used to repay principal and interest on LVCCD bonds and are only included in the Debt Coverage with Expansion Tax ratio. Maintenance expenditures are comprised of all expenditures except certain marketing, advertising, bond issuance costs, capital improvement, and debt service. Principal and interest contain expenditures for debt service and LVCCD debt service.

FISCAL YEAR	GROSS REVENUES	MAINTENANCE EXPENDITURES	AVAILABLE FOR DEBT SERVICE	PRINCIPAL AND INTEREST <sup>(1)</sup>	EXPANSION TAX REVENUE	SERVICE COVERAGE	DEBT COVERAGE w/ EXPANSION TAX
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	14,625,224	4.2	4.4
2018	351,695,085	89,722,271	261,972,814	60,726,872	33,859,453	4.3	4.9
2019	348,678,491	88,534,195	260,144,296	66,201,008	47,923,879	3.9	4.7
2020	291,152,237	78,317,538	212,834,699	66,102,939	38,286,185	3.2	3.8



<sup>(1)</sup>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 <sup>(1)</sup>	BONDED DEBT LIMIT <sup>(2)</sup>	TOTAL LVCVA DEBT APPLICABLE TO DEBT LIMIT <sup>(3)</sup>	LEGAL DEBT MARGIN	LEGAL DEBT MARGIN TO THE BONDED DEBT LIMIT
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%
2020	97,788,043,990	4,889,402,200	940,840,000	3,948,562,200	81%

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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, 2020**  
(unaudited)

	GROSS DEBT	MONIES AVAILABLE	NET OUTSTANDING DEBT	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVER-LAPPING DEBT
<u>Direct Debt:</u>					
Las Vegas Convention and Visitors Authority <sup>(1) (2)</sup>	\$ 1,858,896,383	\$ 149,322,043	\$ 1,709,574,340	100%	\$ 1,709,574,340
<u>Overlapping Debt:</u>					
Clark County <sup>(3)</sup>			5,551,686,904	100%	<u>5,551,686,904</u>
				Total	<u>\$ 7,261,261,244</u>

(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.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**DEMOGRAPHIC STATISTICS – CLARK COUNTY, NEVADA**  
**JUNE 30, 2020**  
(unaudited)

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 14<sup>th</sup> largest county in the United States and provides extensive regional services to more than 2 million citizens. The population in FY 2019 increased 1.9% as compared to FY 2018.

The cities of Las Vegas, North Las Vegas, and Henderson total aggregate population is 1,226,337, which makes up 53% of the total Clark County population of 2,293,391. Labor force stands at 1,088,500, a modest decrease compared to 2019. unemployment rate at June 30, 2020 was 18% due to the COVID-19 pandemic, but, prior to the pandemic, had continued to decline since 2011.

Per capita income had shown an increase for six consecutive years and was \$50,883 at December 31, 2019.



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

Entity	Incorporation Date	2019 Population	Square Miles (approx.)
Unincorporated Clark County	1909	1,027,039	7,441
Las Vegas	1911	653,350	134
North Las Vegas	1946	255,327	100
Henderson	1953	317,660	105
Boulder City	1958	16,188	208
Mesquite	1984	23,827	32

Further statistics that reflect the local economy are shown below:

AS OF JUNE 30	POPULATION (A)	LABOR FORCE (B)	UNEMPLOYMENT RATE (B)	AS OF DEC 31	PER CAPITA INCOME (C)	MEDIAN AGE (D)	MEDIAN HOUSEHOLD INCOME (D)	CCSD SCHOOL ENROLLMENT (D)
2011	1,967,722	995,209	13.40%	2010	\$ 37,228	35.4	\$ 58,432	309,893
2012	1,988,195	1,000,478	11.40%	2011	38,551	34.5	54,255	308,373
2013	2,031,723	1,006,971	10.00%	2012	39,659	36.2	50,962	311,238
2014	2,069,450	1,013,962	8.10%	2013	39,285	36.4	50,454	314,643
2015	2,118,353	1,034,657	7.00%	2014	41,505	36.8	50,274	318,040
2016	2,166,181	1,044,827	6.10%	2015	44,092	37.2	52,865	319,713
2017	2,193,818	1,067,289	5.60%	2016	45,001	37.5	54,307	320,559
2018	2,251,175	1,095,479	5.00%	2017	46,954	37.7	55,034	321,648
2019	2,293,391	1,123,100	4.80%	2018	49,290	37.9	57,946	319,917
2020	n/a	1,088,500	18.00%	2019	50,883	38.1	61,835	318,233

Sources:

- (A) Nevada Demographer - 2020 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 2020; revised stats for 2011-2019 updated on August 11, 2020
- (D) Median age calculation includes entire population. All other statistics as of December 31 are from the Las Vegas Perspective.
- n/a - Not available at time of printing

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**ASSESSED PROPERTY VALUE, CONSTRUCTION, AND DEPOSITS – CLARK COUNTY, NEVADA**  
**LAST TEN YEARS**  
(unaudited)

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

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL <sup>(1)</sup>	
	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE	NET ASSESSED VALUE	ESTIMATED ACTUAL VALUE
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	7,233,309	20,666,598	88,652,519	253,292,911
2020	89,852,896	256,722,561	7,935,148	22,671,850	97,788,044	279,394,411

Source: Real & Personal Property - Clark County Assessor

<sup>(1)</sup> Totals may not foot due to rounding.

**NEW CONSTRUCTION (IN THOUSANDS) <sup>(1)</sup>**  
**LAST TEN CALENDAR YEARS**

CALENDAR YEAR	HOTEL/MOTEL CONSTRUCTION		COMMERCIAL/PUBLIC CONSTRUCTION		RESIDENTIAL CONSTRUCTION		TOTAL NEW CONSTRUCTION <sup>(2)</sup>
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE	
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
2019	6	37,602	420	1,696,253	10,409	2,044,941	3,778,796

Source: New Construction - Las Vegas Perspective

<sup>(1)</sup> New construction information is only available on a calendar year basis.

<sup>(2)</sup> 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. 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 2019, the total number of visitors to Las Vegas reached 42.5 million and saw a slight increase of 1.0% compared to 2018.

CALENDAR YEAR	CONVENTION DELEGATES	% OF TOTAL VISITORS	TOURISTS	% OF TOTAL VISITORS	TOTAL VISITORS	CHANGE
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%
2019	6,649,100	15.6%	35,874,600	84.4%	42,523,700	1.0%

Source: LVCVA - Research Center

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 2019, Clark County gaming revenues total \$10.4 billion, a 1.0% increase over 2018 and the highest level since 2008. Decrease in FY 2020 room tax is directly related to the COVID-19 pandemic, which closed most of the properties in mid-March for two and a half months.

CALENDAR YEAR	GAMING REVENUES (In Thousands)	CHANGE	FISCAL YEAR	GROSS LVCVA ROOM TAXES <sup>(1)</sup>	CHANGE	ROOM TAX COLLECTED <sup>(2)</sup> (sans LVCVA)	CHANGE
2010	\$ 8,908,574	0.8%	2011	\$ 175,425,978	13.9%	\$ 268,543,035	17.3%
2011	9,222,677	3.5%	2012	199,592,498	13.8%	304,877,674	13.5%
2012	9,399,845	1.9%	2013	203,196,429	1.8%	310,735,483	1.9%
2013	9,674,404	2.9%	2014	222,781,385	9.6%	341,216,176	9.8%
2014	9,553,864	-1.2%	2015	239,318,802	7.4%	366,546,705	7.4%
2015	9,617,671	0.7%	2016	259,967,636	8.6%	398,294,720	8.7%
2016	9,713,930	1.0%	2017	292,635,690	12.6%	445,138,728	11.8%
2017	9,978,503	2.7%	2018	312,702,599	6.9%	490,170,969	10.1%
2018	10,250,555	2.7%	2019	315,948,898	1.0%	532,817,513	8.7%
2019	10,354,892	1.0%	2020	257,462,003	-18.5%	n/a	n/a

Source: LVCVA - Research Center

<sup>(1)</sup> Prepared on modified accrual basis. This represents only the LVCVA portion of the county-wide room tax revenues.

<sup>(2)</sup> 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
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
2020	32	6	20	5	63	41,823,288

**CASHMAN CENTER BUILDING UTILIZATION**

FY	CONVENTIONS	SPECIAL EVENTS	PUBLIC INVITED EVENTS	MEETINGS	TOTAL ACTIVITIES	FACILITIES USAGE REVENUE
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	-	3	128	29	160	1,270,436
2019 <sup>(1)</sup>	-	-	44	-	44	346,109

Source: LVCVA - Research Center

<sup>(1)</sup> In May 2019, the LVCVA's operating agreement with the City of Las Vegas related to Cashman Center ended.

**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	2020 <sup>(8)</sup>
<b><u>GENERAL GOVERNMENT</u></b>											
Executive	18	15	15	14	16	16	16	17	13	13	9
Finance <sup>(1)</sup>	43	35	35	35	36	37	39	61	64	64	40
Human Resources	10	8	8	8	8	8	10	11	11	11	6
Public Affairs	19	19	19	20	20	20	18	18	18	18	7
	90	77	77	77	80	81	83	107	106	106	62
<b><u>MARKETING</u></b>											
Advertising <sup>(4)</sup>	2	1	1	1	--	--	--	--	--	--	--
Convention Center Sales <sup>(5)</sup>	12	10	10	13	--	--	--	--	--	--	--
Convention Sales <sup>(5)</sup>	31	26	26	24	--	--	--	--	--	--	--
Sales <sup>(5)</sup>	--	--	--	--	38	33	35	37	37	38	18
Convention Services <sup>(6)</sup>	16	15	15	14	--	15	15	15	15	14	--
Destination Services <sup>(2)</sup>	7	4	4	3	--	--	--	--	--	--	--
Marketing Systems <sup>(2)</sup>	--	9	9	9	7	7	7	7	7	7	4
Diversity Marketing	2	1	1	1	--	--	--	--	--	--	--
Marketing (formerly Int'l Sales)	6	7	7	8	11	9	9	16	16	14	11
Leisure Sales	16	12	12	11	10	10	11	10	10	10	8
Registration <sup>(3) (6)</sup>	4	6	6	6	--	4	4	4	4	4	--
Research Center <sup>(2)</sup>	11	2	2	3	6	7	7	7	7	7	4
Sports Marketing	2	3	3	2	2	1	1	1	1	3	3
Industry Relations <sup>(3)</sup>	--	3	3	7	4	7	8	8	8	8	4
Visitor Information <sup>(3) (6)</sup>	18	26	26	23	--	17	17	17	17	17	--
Call Center <sup>(3) (6)</sup>	23	--	--	--	--	--	--	--	--	--	--
Brand Strategy <sup>(4)</sup>	--	--	--	--	5	11	12	7	11	11	12
Customer Experience <sup>(7)</sup>	--	--	--	--	--	4	4	5	5	5	--
	150	125	125	125	83	125	130	134	138	138	64
<b><u>OPERATIONS</u></b>											
Client Services	126	112	112	112	112	112	112	112	108	108	88
Customer Experience <sup>(7)</sup>	1	2	2	2	4	--	--	--	--	--	--
Convention Services <sup>(6)</sup>	--	--	--	--	15	--	--	--	--	--	8
Registration <sup>(3) (6)</sup>	--	--	--	--	5	--	--	--	--	--	3
Visitor Information <sup>(3) (6)</sup>	--	--	--	--	19	--	--	--	--	--	2
Engineering	109	101	101	100	100	92	94	96	92	92	54
Engineering Projects	8	5	5	5	4	4	3	2	4	4	5
Information Technology <sup>(1)</sup>	15	13	13	14	13	21	21	--	--	--	--
Fire Prevention	17	17	17	17	5	5	5	5	5	5	3
Customer Safety	39	34	34	36	47	47	62	64	64	64	52
Traffic	17	19	19	17	23	28	19	21	21	21	17
	332	303	303	303	347	309	316	300	294	294	232
Unfilled / Pooled Positions	--	--	--	--	--	--	--	--	--	--	54
<b><u>TOTAL LVCVA</u></b>	<b>572</b>	<b>505</b>	<b>505</b>	<b>505</b>	<b>510</b>	<b>515</b>	<b>529</b>	<b>541</b>	<b>538</b>	<b>538</b>	<b>358</b>

<sup>(1)</sup> In FY 2017, Information Technology was moved into the Finance department under General Government division.

<sup>(2)</sup> In FY 2010, Destination services and Internet marketing/research were re-organized, creating an additional department called Marketing Systems.

<sup>(3)</sup> 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.

<sup>(4)</sup> In FY 2014, Brand Strategy was created within Marketing, and the Advertising personnel function was moved into the department.

<sup>(5)</sup> In FY 2014, Convention Center Sales and Convention Sales were merged into Sales.

<sup>(6)</sup> In FY 2014, Convention Services, Registration, and Visitor Information were moved to Operations but moved back to Marketing in FY 2015.

<sup>(7)</sup> In FY 2015, Customer Experience was moved to the Marketing Division.

<sup>(8)</sup> Methodology changed in FY 2020, now using a pooled list of authorized but unfilled positions not assigned to any particular department. Totals by department included working and furloughed employees.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

**ACTIVITY MEASURES <sup>(5)</sup>**

**LAST TEN FISCAL YEARS**

(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Human Resources</b>										
# of active employees	477	482	485	500	505	510	530	517	473	358
# of new full-time employees processed	13	47	22	48	47	60	55	21	22	7
<b>Public Affairs <sup>(5)</sup></b>										
Media inquiries received	730	897	1,091	642	760	704	797	880	n/a	n/a
Press releases distributed	63	50	98	37	28	33	40	23	n/a	n/a
Video and photo placements	2,830	1,997	5,484	7,920	7,170	6,646	11,590	11,095	n/a	n/a
<b>Public Relations - International / MICE <sup>(3) (5)</sup></b>										
Media inquiries received	n/a	n/a	n/a	n/a	n/a	n/a	249	187	n/a	n/a
Press releases distributed	n/a	n/a	n/a	n/a	n/a	n/a	15	9	n/a	n/a
Domestic media placements	n/a	2,061	3,843							
Impressions from domestic media placements	n/a	4,558	6,648							
<b>Finance</b>										
Payroll checks/deposit advises issued	18,884	20,157	20,268	21,671	21,222	21,197	20,998	18,964	17,964	15,018
Accounts Payable disbursements	4,135	3,928	n/a							
# of Invoices associated w/AP disbursements <sup>(1)</sup>	n/a	n/a	19,414	20,705	19,319	20,400	19,359	18,850	17,724	13,853
<b>Purchasing and Contracts</b>										
Contracts administered	645	755	439	419	363	363	269	265	211	208
Purchase orders issued	752	787	783	790	783	916	870	826	670	430
<b>Materials</b>										
Packages shipped	45,892	44,019	50,538	43,449	37,572	35,208	30,117	28,052	23,621	12,684
Copies produced	0.6M	0.6M	0.6M	0.8M	0.8M	0.7M	0.7M	0.5M	0.5M	0.1M
<b>Information Technology <sup>(2)</sup></b>										
Computer training hours	410	361	224	132	109	n/a	n/a	n/a	n/a	n/a
Call resolution time (average hours)	7.5	7.5	6.7	6.8	7.1	n/a	n/a	n/a	n/a	n/a
Total help desk calls fielded	n/a	n/a	n/a	n/a	3,956	4,827	5,068	4,465	4,932	1,760
Network devices supported	n/a	n/a	n/a	n/a	85	95	101	615	618	976
Computers supported at year-end	n/a	n/a	n/a	n/a	450	469	451	519	509	104
<b>Research Center</b>										
Statistical Reports and Publications produced	32	28	31	33	31	33	31	32	29	n/a
<b>Digital Marketing</b>										
Web site visits - combined LVCVA sites	7.8M	10.1M	14.1M	18.5M	20.1M	17.3M	13.6M	9.1M	10.4M	8.7M
Web site referrals - combined LVCVA sites <sup>(4)</sup>	3.9M	3.4M	2.5M	2.4M	2.0M	1.4M	1.2M	744,000	2.4M	2.1M
<b>Marketing <sup>(5)</sup></b>										
Total leads distributed	2,930	3,640	4,067	3,636	3,977	4,625	4,625	4,142	4,697	3,430
Converted leads	885	1,322	1,928	1,411	1,421	1,499	1,506	1,392	1,752	1,438
In-person out of market sales calls	3,112	3,108	2,874	2,906	2,649	2,477	2,920	2,594	n/a	n/a
Travel industry events attended	711	732	885	876	866	851	882	849	n/a	n/a
<b>Registration Services</b>										
Meetings and conventions supported	282	284	256	284	265	252	263	249	183	n/a
<b>Call Center</b>										
Total calls managed	112,461	92,594	85,922	82,251	79,552	76,985	68,569	59,342	49,752	n/a
<b>Visitor Information</b>										
Total visitor volume	213,152	206,513	198,336	185,965	164,182	143,002	136,017	118,411	78,088	n/a
<b>Client Services</b>										
Show support (man-hours)	12,853	11,971	10,877	15,777	14,376	14,220	13,902	13,120	14,465	10,620
Set/strike meeting rooms/halls (man-hours)	17,045	19,031	18,617	19,383	21,138	22,237	22,012	26,457	27,443	18,084
<b>Facilities</b>										
Leased net square foot serviced (LVCC)	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	12,230,475
Building attendees supported (LVCC)	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	1,329,087
<b>Security</b>										
Special events hours worked <sup>(6)</sup>	22	385	334	447	261	1,588	1,048	1,418	1,142	n/a
Percentage of lost items returned to owner <sup>(6)</sup>	51%	50%	48%	49%	49%	50%	49%	52%	61%	67%
Patients treated in First Aid <sup>(6)</sup>	1,854	1,928	2,216	2,378	1,848	1,577	1,850	1,796	1,846	585

(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.

(6) FY 2020 data through October 2019. New measures were being developed in FY 2020 and will be presented in FY 2021.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

**CAPITAL ASSETS BY FUNCTION <sup>(1)</sup>**

**LAST TEN FISCAL YEARS**

(unaudited)

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<u>Fiscal Year</u>	<u>General Government</u>	<u>Marketing</u>	<u>Operations</u>	<u>Total</u>
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 <sup>(2)</sup>	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
2020	917,031	220,831	1,594,724,159	1,595,862,021

(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)

Industry <sup>(1)</sup>	Employees	Percentage of County Employment
Leisure and Hospitality	221,700	24.85%
Trade, Transportation and Utilities	160,600	18.00%
Professional and Business Services	123,700	13.87%
Education and Health Services	94,900	10.64%
Government	102,700	11.51%
Construction	72,200	8.09%
Financial Activities	54,000	6.05%
Other Services	27,100	3.04%
Manufacturing	24,900	2.79%
Information	9,600	1.08%
Mining and Logging	600	0.07%
	<b>892,000</b>	<b>100.00%</b>

Clark County Employment as of June 30, 2020

Industry <sup>(1)</sup>	Employees	Percentage of County Employment
Leisure and Hospitality	264,200	32.72%
Trade, Transportation and Utilities	148,300	18.37%
Professional and Business Services	101,900	12.62%
Education and Health Services	72,700	9.00%
Government	90,100	11.16%
Construction	37,300	4.62%
Financial Activities	40,000	4.95%
Other Services	23,700	2.93%
Manufacturing	19,700	2.44%
Information	9,400	1.16%
Mining and Logging	200	0.02%
	<b>807,500</b>	<b>100.00%</b>

Clark County Employment as of June 30, 2011

<sup>(1)</sup> Industry statistics from United States Bureau of Labor Statistics for the metropolitan statistical area of Las Vegas-Henderson-Paradise, Nevada. In the past, the Nevada Department of Employment, Training, and Rehabilitation (DETR) compiled a list of the top employers in Clark County. In fiscal year 2019, DETR stopped providing the information, and the top employers list is not available from another reliable source. Therefore, the information above is intended to provide the reader with alternate data to consider customer concentration risk.

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**

**PRINCIPAL ROOM TAXPAYERS**

**JUNE 30, 2020**

(unaudited)

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, 2019	% of total rooms <sup>(1)</sup>
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	2.3%
Circus Circus	3,763	2.3%
Flamingo Las Vegas	3,446	2.1%
Mandalay Bay	<u>3,211</u>	<u>2.0%</u>
Total Top 10 Hotels	39,527	24.4%
Total Jean/Primm	3,035	1.9%
Other Hotels and motels	<u>107,697</u>	<u>66.5%</u>
Total Las Vegas metropolitan area	150,259	92.8%
Total Laughlin	9,875	6.0%
Total Mesquite	<u>1,871</u>	<u>1.2%</u>
Total inventory of rooms	<u><u>162,005</u></u>	<u><u>100.0%</u></u>

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

<sup>(1)</sup> 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 <sup>(1)</sup>	Occupancy Percentage	Average Number of Rooms Occupied Daily	Average Daily Rate	National Occupancy Percentage
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%
2019	42,523,700	150,259	88.9%	133,580	132.62	66.1%

<sup>(1)</sup> Total Las Vegas metropolitan area including Jean/Primm properties.

Source: LVCVA Research Center

**LAS VEGAS CONVENTION AND VISITORS AUTHORITY**  
**SCHEDULE OF INSURANCE IN FORCE**  
**JUNE 30, 2020**  
(unaudited)

Type	NAME OF INSURER	POLICY NUMBER	LIMIT	EXPIRATION DATE <sup>(1)</sup>
Commercial Crime	Great American Insurance Co.	GVT37927141400	Various	8/1/2020
General Liability & Automobile	Philadelphia Indemnity Insurance Co.	PHPK2017851	Various	8/1/2020
Workers Compensation (DC & IL)	Twin City Fire Insurance Co. (Hartford)	53WECAB1321	\$ 1,000,000	8/1/2020
Excess Workers Compensation	Safety National Casualty Corp.	SP4061179	\$ 1,000,000	8/1/2020
Lead Excess Liability	StarStone National Insurance Co.	R71631190ALI	\$ 10,000,000	8/1/2020
Excess over \$10 million	Landmark American Insurance Co.	LHA247706	\$ 10,000,000	8/1/2019
Excess over \$20 million	CM Vantage Specialty Insurance Co.	CMV-EXL-0015075-01	\$ 5,000,000	8/1/2020
Excess over \$25 million	Navigators Insurance Co.	LA19EXC878766IV	\$ 25,000,000	8/1/2020
Excess over \$50 million	Endurance American Insurance Co.	EXC10007458804	\$ 25,000,000	8/1/2020
Excess over \$75 million	Federal Insurance Co.	79736487	\$ 25,000,000	8/1/2020
Public Officials Liability	ACE American Insurance Co.	EONG21656586016	\$ 10,000,000	8/1/2020
Excess Public Officials Liability	National Union Fire Insurance Co. of Pittsburgh, PA	016081730	\$ 10,000,000	8/1/2020
Global Medical Insurance	ACE American Insurance Co.	ADDN04986210	Various	8/1/2020
International Protection Liability (Int'l Offices)	Navigators Insurance Co	PH19FPK0A1T7ONV	Various	8/1/2020
Property Insurance & Terrorism	Factory Mutual Insurance Co.	1054694	Various	8/1/2020
Travel Assistance	International SOS Assistance Inc.	11BYCA093484	Various	10/21/2020
Cyber Liability	Beazley Insurance Co., Inc.	V2AAF6200101	\$ 3,000,000	3/17/2021

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

**Additional Reports of  
the Independent Auditors'**

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## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Directors  
Las Vegas Convention and Visitors Authority

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, 2020, 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 November 18, 2020.

### **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 entity'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

November 18, 2020  
Las Vegas, Nevada



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## 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, 2020 (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.

BDO USA, LLP

November 18, 2020  
Las Vegas, Nevada



Las Vegas Convention and Visitors Authority  
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