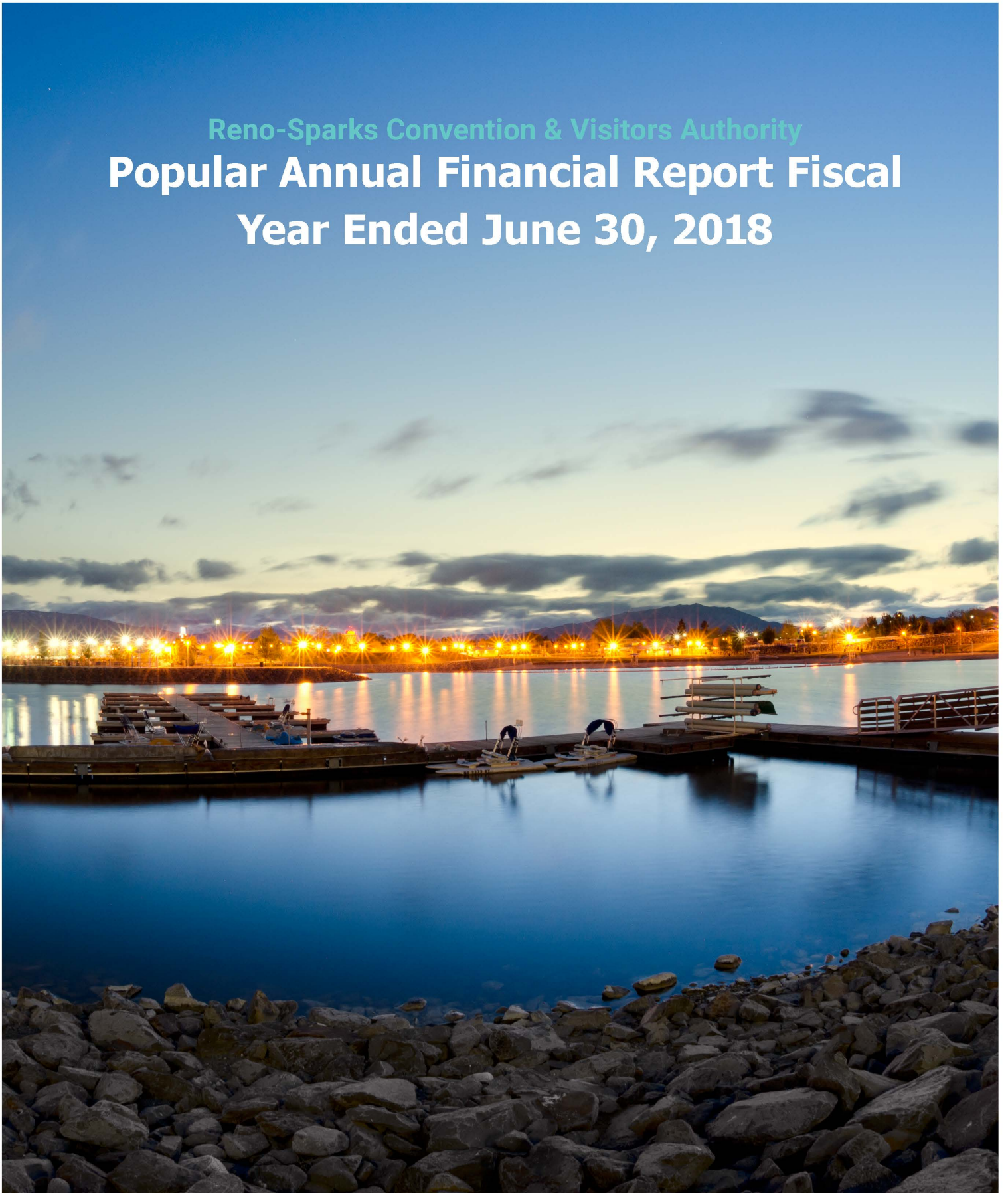


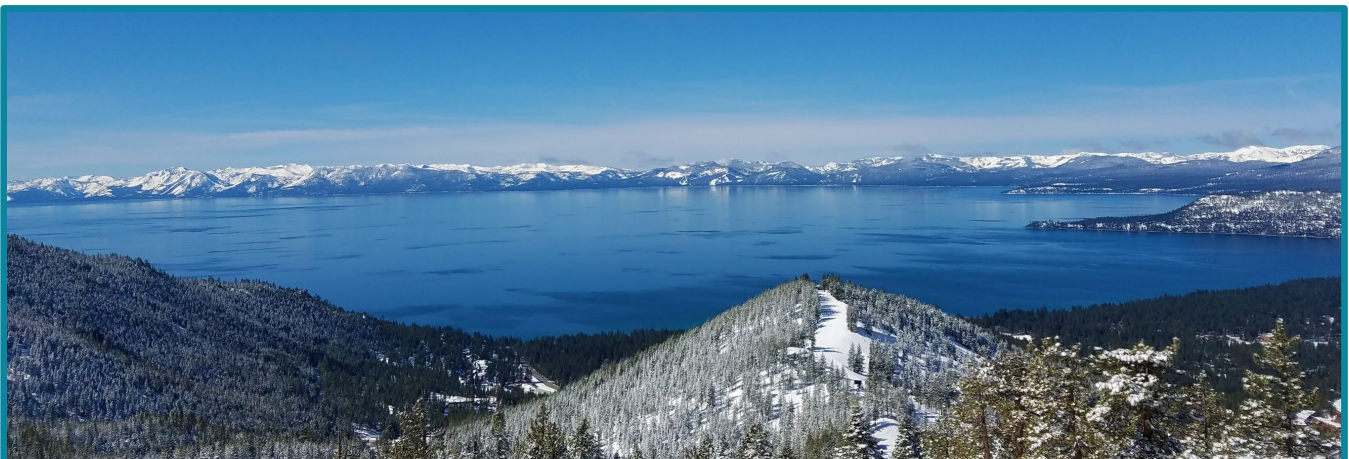


Reno-Sparks Convention & Visitors Authority  
**Popular Annual Financial Report Fiscal  
Year Ended June 30, 2018**



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## MESSAGE FROM FINANCE

I am pleased to present the Reno-Sparks Convention & Visitors Authority Popular Annual Financial Report for the fiscal year ended June 30, 2018. This Popular Annual Financial Report (PAFR) is a summary of the financial activities of the Reno-Sparks Convention & Visitors Authority (Authority) as reported in the 2018 Comprehensive Annual Financial Report (CAFR). The CAFR, with accompanying auditor's report for the fiscal year ended June 30, 2018, is an annual report that was prepared in conjunction with the outside auditing firm, Eide Bailly LLP.

Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the Authority.

Unlike the CAFR, the PAFR is not an audited document and does not include details by fund or other disclosures required by GAAP. Therefore, the PAFR is not intended to present a complete financial picture of the Authority in accordance with GAAP. This report is a simplified view of our financials and is a reflection of our effort to keep you informed about how tax dollars are being spent.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the thirty-first consecutive year the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.



A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

For more in-depth information, the CAFR is available online at [www.rscva.com](http://www.rscva.com), the PAFR is also available online at the same location.

Sincerely,

Robert Chisel  
Director of Finance

**To view this report and other financial information, including the Comprehensive Annual Financial Report, please visit the Financial Information link at <https://www.rscva.com/impact/finance/>**

Reno-Sparks Convention & Visitors Authority  
**Board of Directors as of 6/30/18**



**Bob Lucey, Chairman**  
Washoe County  
Term is Coterminous



**Ed Lawson, Vice-Chairman**  
City of Sparks  
Term is Coterminous



**Hillary Schieve**  
City of Reno  
Term is Coterminous



**Nat Carasali**  
Business Industry  
Term Expires July 2020



**Lee Dillard**  
Gaming Industry  
Term Expires Dec. 2018



**Rick Murdock**  
Gaming Industry  
Term Expires July 2019



**Mark Sterbens**  
Gaming Industry  
Term Expires Dec. 2019



**Bill Wood**  
Incline Village/Crystal Bay CVB  
Term Expires Jan. 2020



**Vick Wowo**  
Reno + Sparks Chamber of Commerce  
Term Expires July 2019

Reno-Sparks Convention & Visitors Authority

Reno-Sparks Convention & Visitors Authority  
**Executive Staff**



**Phil DeLone**  
President and CEO



**Jennifer Cunningham**  
Executive Vice President



**Mike Larragueta**  
Vice President of Sales



**Art Jimenez**  
Executive Director of Tourism



**Robert Chisel**  
Director of Finance



**Esther Isaac**  
Director of Marketing



**Sheri Nill**  
Director of Human Resources

## ABOUT THE RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

The Reno-Sparks Convention & Visitors Authority, an independent governmental entity, was established in February 1959 as the Washoe County Fair and Recreation Board. The Authority is the operating instrumentality in the Washoe County area for promoting conventions, tourism, and outdoor recreation. To provide revenue for such purposes, pursuant to the Fair and Recreation Board statutes and related provisions of the Nevada Revised Statutes, a tax on the income from room charges of transient rental facilities is imposed by the state, county, and the incorporated cities of Reno and Sparks. The tax rates as of July 1, 2009, and to date, are thirteen percent (13%) in non-downtown Reno and, thirteen and one-half percent (13.5%) in downtown Reno, thirteen and one-half percent (13.5%) in Sparks, and thirteen percent (13%) in the unincorporated areas of Washoe County. The Authority collects these taxes and retains a total of 8 5/8%, with the other taxes distributed to state and local governments in accordance with Nevada Revised Statutes, see Room Tax on page 9.

The Authority consists of a nine-member board comprised of (a) one member of the Board of County Commissioners of Washoe County Nevada; (b) one member of the City Council of the City of Reno, Nevada; (c) one member of the City Council of the City of Sparks, Nevada; and (d) six members appointed by the aforementioned elected officials. The six members set forth are selected from nominations made by gaming, industry associations, Incline Village/Crystal Bay Visitors Bureau, or the Greater Reno-Sparks Chamber of Commerce. Furthermore, these members must be actively engaged in the gaming industry (three members), airline industry (one member), the Incline Village/Crystal Bay Visitors Bureau Board (one member), and general business or commerce (one member). Private sector members serve two-year terms and are limited to a maximum of two consecutive terms. Representatives of the various governmental entities serve until the expiration of their respective terms of office.

## BOARD ADOPTED FINANCIAL POLICIES

The Board Financial Policies that were adopted in 2016 in the Strategic Plan and to be funded in order of priority order, are as follows:

- **Capital Reserve Account:** 0.5% of room tax revenues to capital reserve account up to \$1 million.
- **Debt Sinking Fund** (as required by Washoe County due to bond refinancing) increases from 5% to maximum of 15% of room tax revenues in excess of \$22 million annually.
- **Rainy Day Fund:** 1 percent of room tax revenues, to build towards a goal of \$1-2 million in General Fund Balance.
- **Annual Capital Funding:** 10% of all room tax collections up to \$2.5 million annually.
- **Air Service Fund:** Dedicate \$500K annually to build up to \$1.5 million revolving fund to support new airlift.
- **Discretionary Fund:** When Policies above are fully funded, remaining funds will be brought to the Board for allocation, based on the strategic opportunities articulated in the Strategic Plan.



## RENO-SPARKS CONVENTION AND VISITORS AUTHORITY FACILITIES

The Authority owns and operates the Reno-Sparks Convention Center, Wildcreek Golf Course, and the Reno-Sparks Livestock Events Center. Additionally, the Authority owns a building and various improvements at Incline Village (North Lake Tahoe), Nevada, which is operated by the Incline Village/Crystal Bay Visitor and Convention Bureau, a non-profit organization.

The Authority also manages the National Bowling Stadium and Reno Events Center which are owned by the City of Reno.

Wildcreek Golf Course is on 212 acres, with a 27-hole golf course, which is composed of an 18-hole par 72, 7,047 yard course, and a 9-hole par 27, 1,420 yard course. On December 12, 2017, the Authority Board in conjunction with the Washoe County Commission, and the Washoe County School District agreed to high level terms for the sale of an approximately 75-acre portion of the Wildcreek Golf Course to the Washoe County School District for a new high school, with the remaining parcel being transferred to Washoe County. Staffs for the Authority and Washoe County are defining the specifics of the final sale, which is expected to take place sometime in fiscal year 2018-19. The sale is anticipated to generate approximately \$979,706 in proceeds to the Authority. The Washoe County School District is intending to build a new 2,500-seat high school on the 75-acre portion. In anticipation of the sale, the Authority contracted the services of the management and operations of the Wildcreek Golf Course to Duncan Golf Management beginning on May 1, 2018.

The Board approved an agreement with SMG Worldwide Entertainment and Convention Venue Management for the management and operation of the National Bowling Stadium, Reno Events Center, Reno-Sparks Convention Center and Reno-Sparks Livestock Events Center which began on June 17, 2018. SMG is responsible for all day to day operations of the Authority facilities and has assumed all existing operations, management and support services contracts in place at the Authority facilities, including, but not limited to, Customer Event contracts (license contracts and service contracts with shows/associations/corporations), Event Service contracts (audio-visual, event security, housekeeping and set-up) and Building Service contracts (landscaping, building utilities, maintenance, building security). The transition has resulted in the number of employees of the Authority being reduced to fifty-two as of June 30, 2018.



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## NATIONAL BOWLING STADIUM

Owned by City of Reno  
Managed by SMG  
Year Built – 1995  
300 covered parking stalls

The National Bowling Stadium, the only facility of its kind in the world, (referred to as the “Taj Mahal of Tenpins” by The Los Angeles Times) is dedicated to the classic sport of bowling.

The National Bowling Stadium is an 88-lane tournament bowling facility situated within downtown Reno. The stadium offers 78 championship lanes and the Stadium Club with a full-service bar, large screen TV, pool table and a spectacular view of the downtown corridor beckon competitors.

Located on the first floor is the Satellite International Bowling Hall of Fame/Museum



showcasing ABC, WIBC and PBA Hall of Fame members and bowling memorabilia from all over the world.

Also on the first level is the newly constructed Kingpin Club, a ten lane VIP bowling center that can be used for tournaments and rented for corporate/convention parties for up to 125 people.

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## RENO EVENTS CENTER

Owned by City of Reno  
Managed by SMG  
Year Built – 2005



The Reno Events Center is owned by the City of Reno and operated by SMG through a contract with the RSCVA. The 118,000 square foot facility opened in January 2005. The Center consists of 56,000 square feet of free span exhibit space (which is utilized for both convention and meeting space, as well as concerts, boxing, indoor football and basketball), 4,954 square feet of dedicated meeting space with nine rooms varying in size from 400 to 850 square feet, two loading docks, six dressing rooms and two event and promoter offices. When utilized for concerts, the Facility can accommodate up to 7,500 patrons.



## RENO-SPARKS CONVENTION CENTER

Owned by RSCVA  
Managed by SMG  
Year Built – 1965  
Total Acreage 47.798, Building Acreage 13.95

The Reno-Sparks Convention Center, located south of the downtown area at over 600,000 square feet, offers 381,000 square feet of contiguous exhibit space in five adjoining halls. More than 105,000 square feet of meeting room space in 53 meeting rooms with seating capacities ranging from 125 to 3,000 persons is available for breakout sessions. The facility is on ground level with unlimited floor load capacity. On-site parking capacity totals 1,800 (including 35 disabled) stalls.

The Convention Center also features a 30,000 square foot ballroom. A full range of food service capabilities are available ranging from concession stands, portable food stations and cocktail lounges to catered banquet



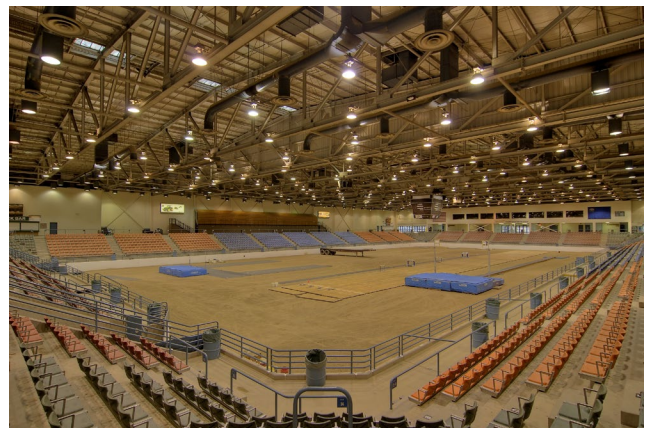
arrangements for more formal dining. In addition, the RSCC features 106,000 square feet of public concourse/registration space and improved show load-in/out capabilities, enabling concurrent major events.

## RENO-SPARKS LIVESTOCK EVENTS CENTER

Owned by State of Nevada  
Managed by SMG through 50-year agreement between RSCVA and Washoe County  
Year of Management Transfer – 1986  
Total Acreage 43

The Reno-Sparks Livestock Events Center (RSLEC) is a large multi-purpose public assembly facility located on the northern edge of downtown Reno. The RSLEC has 19 barns, wash racks for horses, 216 multi-use stalls, 266 exhibitor truck and trailer spaces, 67 full hook-up RV spaces and 22 partial hook-up RV spaces. The indoor Main Arena has seating for 6,200 people, three show offices, VIP Lounge, and a 150'x300' dirt floor arena. The enclosed Livestock Pavilion, connected to the Main Arena

is comprised of a 1,000 seat arena or auction area, a 90'x200' dirt area; an outdoor 100'x200' covered Cutting Arena. The fully-lighted outdoor Rodeo Arena seats 9,500 and the arena dirt floor is 325'x170'. In addition there is an enclosed 20,000 square foot Exhibit Hall.



## ROOM TAX

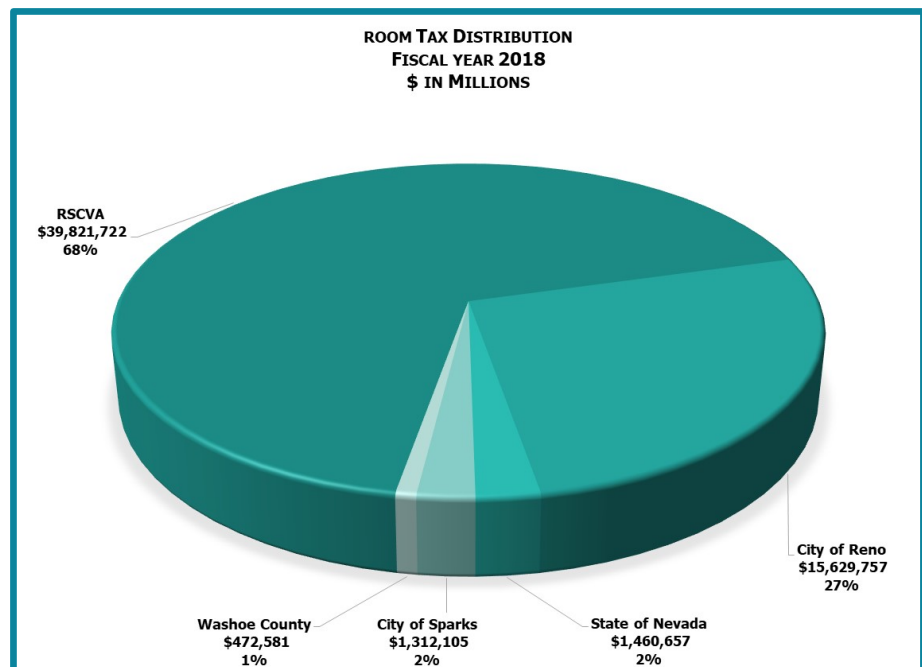
Nevada Revised Statutes 244A.645, 244.335 (7) and 268.095 (7) permit the county and cities to delegate authority to collect, enforce and administer the Transient Lodging Tax and certain Surcharges to the county fair and recreation board if they so desire. Washoe County, City of Reno, and City of Sparks delegated this authority to the RSCVA to collect the Transient Lodging Tax and certain Surcharges on their behalf. The Transient Lodging Tax, often referred to as Room Tax, is collected by the RSCVA and the rate varies throughout Washoe County.

Washoe County Transient Lodging Tax Districts and Rates							
Description	Jurisdiction Receiving Funds	Room Tax Rates					
		Reno B	Reno D *	Reno E	Sparks	Washoe A	Washoe B
		Reno General	Reno Downtown	Reno Greater Downtown	Sparks	Unincorporated Washoe	Washoe - Lake Tahoe
<b>RSCVA</b>							
RSCVA General Fund	RSCVA	6.625%	6.625%	6.625%	6.625%	6.625%	6.625%
Convention Center-Debt (SB 477)	RSCVA	2.000%	2.000%	2.000%	2.000%	2.000%	2.000%
<b>Total to RSCVA</b>		<b>8.625%</b>	<b>8.625%</b>	<b>8.625%</b>	<b>8.625%</b>	<b>8.625%</b>	<b>8.625%</b>
<b>City of Reno</b>							
National Bowling Stadium-Debt (SB 112)	City of Reno	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
City/Civic Center (SB 221)	City of Reno	-	1.500%	1.500%	-	-	-
Reno Parks & Recreation	City of Reno	1.000%	1.000%	1.000%	-	-	-
Reno-Railroad District	City of Reno	-	1.000%	-	-	-	-
<b>Total to City of Reno</b>		<b>2.000%</b>	<b>4.500%</b>	<b>3.500%</b>	<b>1.000%</b>	<b>1.000%</b>	<b>1.000%</b>
<b>Other</b>							
City/Civic Center (SB 477)	Reno/Sparks/RSCVA	1.000%	-	1.000%	1.000%	1.000%	1.000%
Sparks (AB 205)	City of Sparks	-	-	-	2.500%	-	-
Nevada Commission on Tourism (NCOT)	State of Nevada	0.375%	0.375%	0.375%	0.375%	0.375%	0.375%
State General Fund & School Support	State of Nevada	1.000%	-	-	-	1.000%	1.000%
Washoe County	Washoe County	-	-	-	-	1.000%	1.000%
<b>Total to Other</b>		<b>2.375%</b>	<b>0.375%</b>	<b>1.375%</b>	<b>3.875%</b>	<b>3.375%</b>	<b>3.375%</b>
<b>Total Rate</b>		<b>13.000%</b>	<b>13.500%</b>	<b>13.500%</b>	<b>13.500%</b>	<b>13.000%</b>	<b>13.000%</b>
<b>Room Surcharge*</b>							
Capital Projects Surcharge (\$2)	City of Reno	\$ -	\$ 2.00	\$ -	\$ -	\$ -	\$ -
Tourism Surcharge (\$1 to \$2)	RSCVA	\$ 2.00	\$ 1.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00

\*Surcharge - See Tourism Surcharge Section.

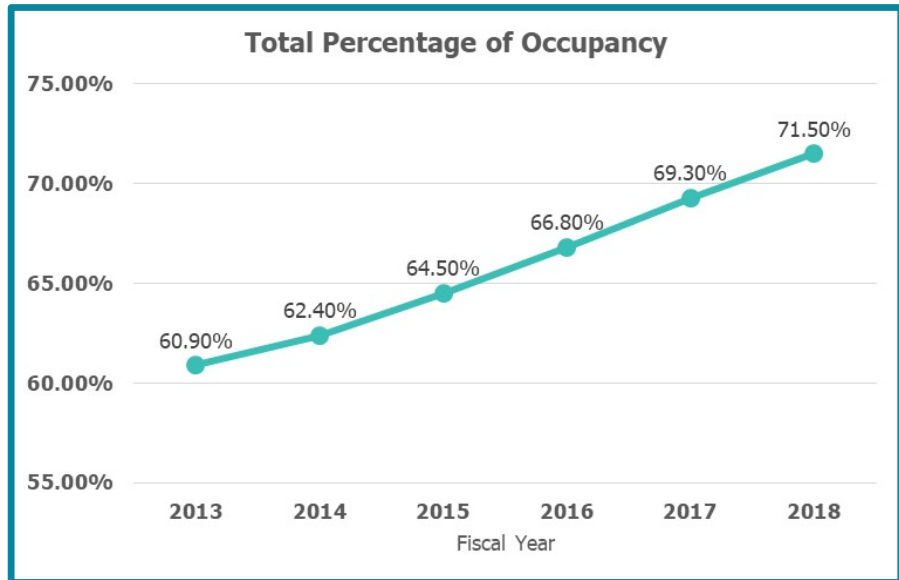
As the chart above shows, not all the Room Tax goes to the RSCVA, some of the collections go to other government entities for various programs or debt as identified.

As shown by the chart to the right, the RSCVA keeps just over two-thirds, or 68%, of the Room Tax collected. In addition, \$1,527,865 is distributed to the Incline Village/Crystal Bay Visitors Bureau from the RSCVA.

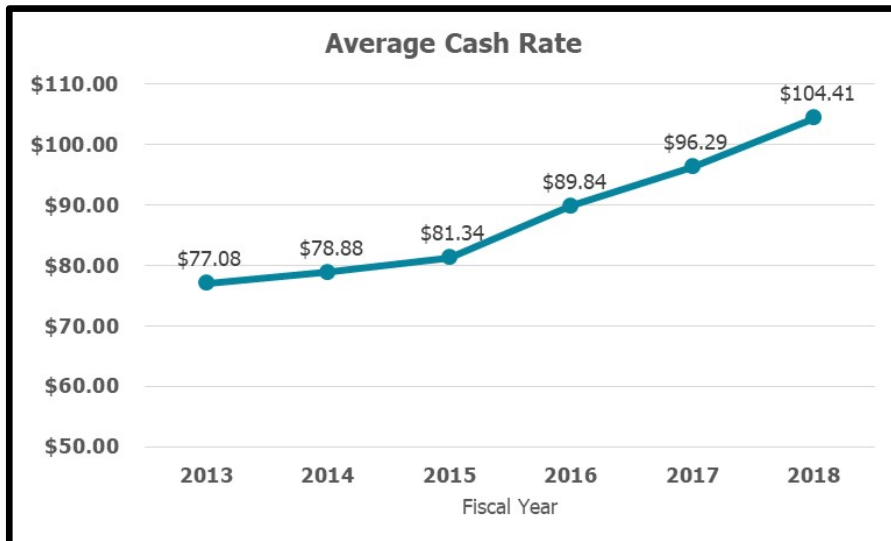


## OCCUPANCY RATE

The occupancy rate for Washoe County continued to increase in the last fiscal year to 71.5% for Fiscal Year 2018, an increase of over 17% in the last five years.



## AVERAGE CASH RATE



The Average Cash Rate has seen an increase of 8.4% to \$104.41 from \$96.29 in Fiscal Year 2017.

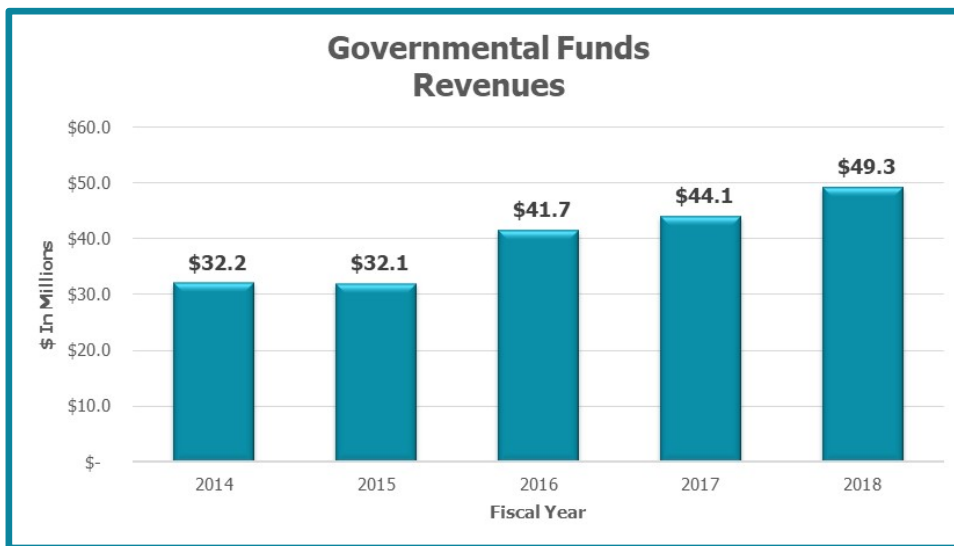
Since Fiscal Year 2013 the rate has increased by over 35%.



## FINANCIALS

In order for the RSCVA to manage the finances smoothly, it divides the activities into several different funds.

The **General Fund** accounts for revenues and expenditure that provide for the basic operations of the RSCVA. The **Debt Service Fund** tracks revenues and expenses related to repayment of long term debt. The **Capital Projects Fund** allocates the expenditures toward construction or major capital expenses. A **Proprietary Fund** is used to account for and allocate internal costs to the various departments of the RSCVA for workers compensation and insurance. Governmental funds focus on the current inflows and outflows of resources. The three separate funds that make up the governmental funds are the General Fund, Debt Service Fund, and Capital Projects Fund. The financial information herein is for the RSCVA's Governmental Funds.



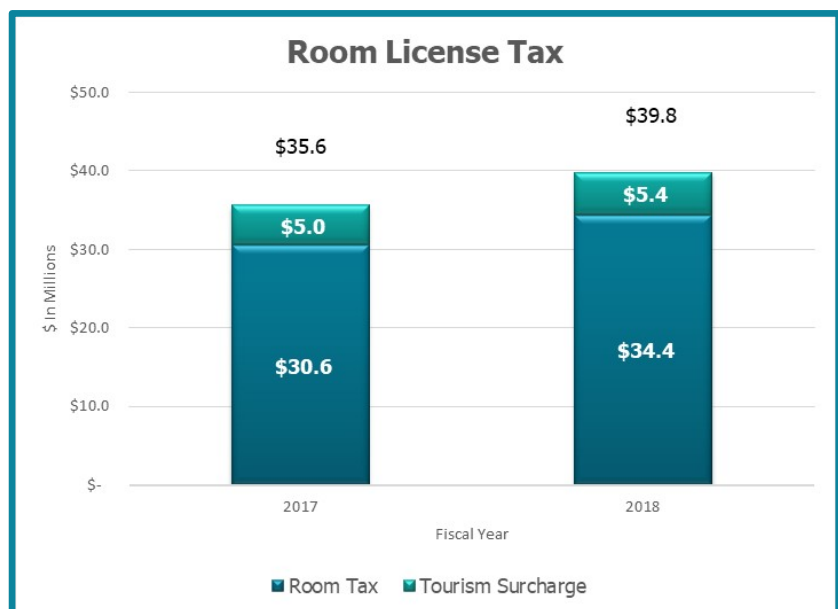
### GOVERNMENTAL FUNDS - REVENUES

The increase in revenues can be attributed to an overall improvement in the economic conditions of the region, resulting in the average cash rate increase (Average Cash Rate – page 10), and occupancy rate increase (Occupancy Rate – page 10). In addition, in Fiscal Year 2016 there was the implementation of the Tourism Surcharge.

### TOURISM SURCHARGE

Pursuant to legislative action, in 2015, a new nightly surcharge (Tourism Surcharge) was added to all hotels (gaming and non-gaming) within a 20 mile radius of downtown Reno at \$2.00 per night and \$1.00 per night on the hotels in the existing Downtown District holding non-restricted gaming licenses.

This is in addition to a \$2 Capital Projects Surcharge in the Downtown District for hotels with an unlimited gaming license that is remitted to the City of Reno.



# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

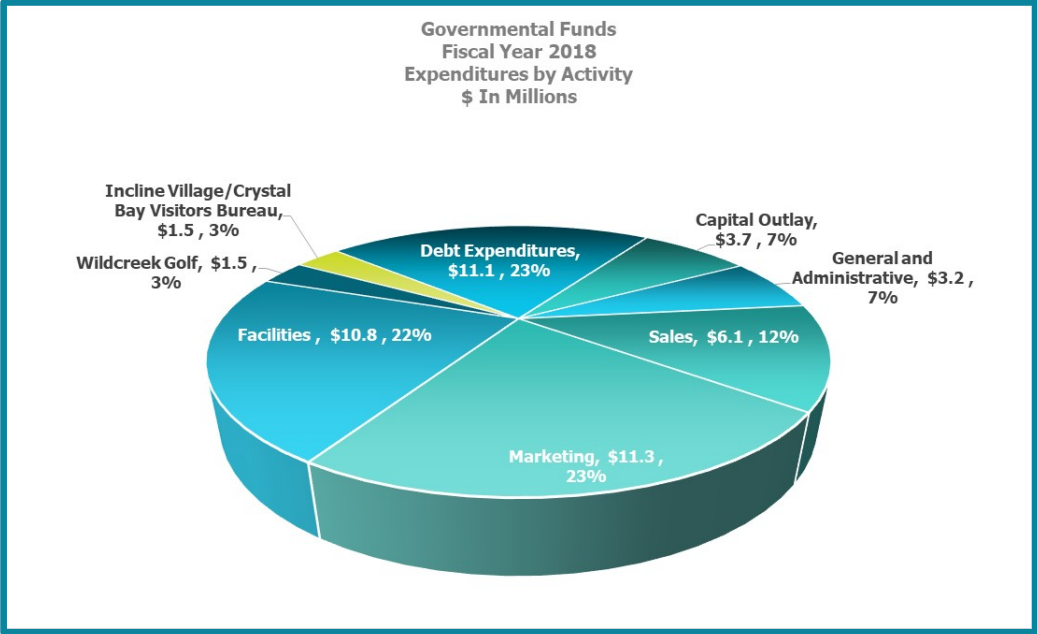
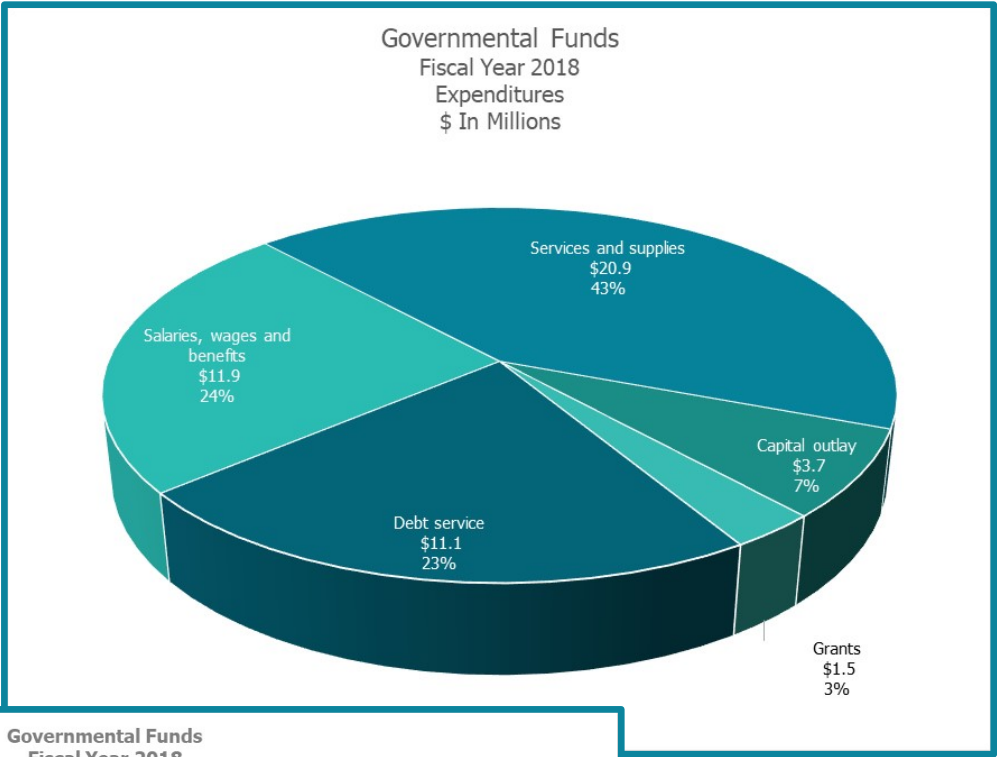
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
<b>Taxes</b>				
Room license taxes	\$ 39,821,722	\$ -	\$ -	\$ 39,821,722
<b>Miscellaneous</b>				
Facilities revenue	7,175,249	-	-	7,175,249
Convention and visitors service revenue	292,870	-	-	292,870
Golf course operations	1,056,005	-	-	1,056,005
Interest on investments	88,377	83,014	9,127	180,518
Other	797,274	-	-	797,274
<b>TOTAL REVENUES</b>	<b>49,231,497</b>	<b>83,014</b>	<b>9,127</b>	<b>49,323,638</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	3,236,411	-	-	3,236,411
Community support	31,179,032	-	-	31,179,032
<b>Debt Service</b>				
Principal	-	5,440,000	-	5,440,000
Interest	-	4,192,919	-	4,192,919
Other bond costs	-	1,438,779	-	1,438,779
<b>Capital outlay</b>	-	-	3,672,502	3,672,502
<b>TOTAL EXPENDITURES</b>	<b>34,415,443</b>	<b>11,071,698</b>	<b>3,672,502</b>	<b>49,159,643</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>14,816,054</b>	<b>(10,988,684)</b>	<b>(3,663,375)</b>	<b>163,995</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	10,875,000	5,200,000	16,075,000
Transfers to other funds	(16,075,000)	-	-	(16,075,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(16,075,000)</b>	<b>10,875,000</b>	<b>5,200,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,258,946)</b>	<b>(113,684)</b>	<b>1,536,625</b>	<b>163,995</b>
<b>FUND BALANCES, JULY 1</b>	<b>13,029,614</b>	<b>12,839,785</b>	<b>1,174,276</b>	<b>27,043,675</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 11,770,668</b>	<b>\$ 12,726,101</b>	<b>\$ 2,710,901</b>	<b>\$ 27,207,670</b>

At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$27,207,670, an increase of \$163,995 compared to the prior year. The unassigned fund balance for the General Fund was \$2,867,371 or 8.3% of total General Fund expenditures.

The Authority's total debt decreased by \$5,982,314 during the fiscal year, due to principal payments on existing debt exceeding the accretion on capital appreciation bonds, and defeasance of \$1,245,000 of principal.

EXPENDITURES



The total expenditures from the Governmental Funds amounted to \$49,159,643 in Fiscal Year.





## CAPITAL ASSETS

The RSCVA's capital assets for its governmental activities as of June 30, 2018, amount to \$56,696,950 (net of accumulated depreciation). These capital assets include water rights, construction in progress, buildings, improvements and furniture and equipment. Current year projects included roof repairs, technology upgrades, lighting, paving, painting and carpeting at the Reno-Sparks Convention Center and lighting, building repairs, and equipment at the Reno-Sparks Livestock Events Center. The fund has an assigned fund balance of \$2,710,901 at year end. The ending fund balance is assigned to ongoing approved projects and fluctuates based upon project status.

### Reno-Sparks Convention & Visitors Authority's Capital Assets

	Governmental Activities
Water Rights	\$ 3,445,200
Construction in Progress	2,151,614
Buildings and Improvements	46,791,035
Improvements	1,819,296
Furniture and Equipment	2,489,805
<b>Total</b>	<b>\$ 56,696,950</b>

The Authority's Capital Improvement Plan provides a comprehensive plan to design, construct, maintain, and repair Authority assets and facilities. The size, age and diverse facilities of the Authority require significant consideration to determine the best investments to make. The plan also serves as a financial tool to set aside funds for the wide variety of capital projects as well as a planning tool to ensure capital projects are consistent with the Authority's Strategic Plan. The Plan identified changes and additions, consulted with professionals in the various specialties, and developed a revised Capital Project Plan. The needs of the projects were based on established criteria:

- The ability of the project to meet health, safety and legal concerns and mandates;
- The value of the project to prolong the life of the asset or avoid/minimize future repair costs;
- The benefit the project will provide the Authority in support of the goals articulated in the Strategic Plan; and
- The potential for the project to generate revenue, savings or increase productivity.

## LONG TERM DEBT

During Fiscal Year 2018, the Authority made payments of \$5,440,000 in principal and \$4,192,919 in interest on its outstanding debt. The chart below summarizes the Authority's outstanding bonds. The 2011 Refunding Bonds had a principal amount of \$1,245,000 defeased. Additional information regarding the Authority's debt structure is presented in Note D in the Notes to Financial Statements section of this report.

### Reno-Sparks Convention & Visitors Authority's Outstanding General Obligation Debt

Debt Series	Original Issue Amount	Amount Outstanding as of June 30, 2018
RSCC Expansion Bonds (Capital Appreciation)	\$ 19,384,075	\$ 15,294,158
2011 Refunding	88,680,000	85,905,000
<b>Total</b>	<b>\$ 108,064,075</b>	<b>\$ 101,199,158</b>

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the financial activity and condition of the Reno-Sparks Convention & Visitors Authority to all having such an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the RSCVA Finance Department, PO Box 837, Reno, Nevada 89504.

