

**RENO-SPARKS CONVENTION AND VISITORS AUTHORITY
NOTICE OF PUBLIC MEETING
BOARD OF DIRECTORS RETREAT AND
STRATEGIC PLAN UPDATE WORKSHOP
Thursday, December 6, 2018
8:00 A.M.
Reno-Sparks Convention Center
4950 S. Virginia Street, Room C-2
Reno, Nevada**

**BOARD OF DIRECTORS:
Commissioner Bob Lucey, Chairman**

Mr. Nat Carasali
Mr. Lee Dillard
Councilman Ed Lawson
Mr. Rick Murdock

Mayor Hillary Schieve
Mr. Mark Sterbens
Mr. Bill Wood
Mr. Vick Wowo

THIS MEETING IS IN COMPLIANCE WITH THE NEVADA OPEN MEETING LAW AND HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

Reno-Sparks Convention & Visitors Authority (RSCVA)
Reno City Hall
Sparks City Hall
National Bowling Stadium
RSCVA Website: www.rscva.com/public-meetings

Reno-Sparks Convention Center
Washoe County Administration Bldg.
Washoe County Courthouse
Online at <http://notice.nv.gov/>

Items on the agenda are for possible action by the Board of Directors unless stated otherwise. Items will not necessarily be considered in the order listed. The Board may combine two or more agenda items for consideration, may remove an item from the agenda or may delay discussion relating to an item on the agenda at any time. Support materials are made available when they are provided to the Board, or if provided during the meeting, support materials will be made available at the meeting at the same time as they are made available to the Board. Support materials are also available at the RSCVA administrative offices and at the scheduled meeting. The designated contact to obtain support materials is Corie Carlsen, 4001 South Virginia Street, Suite G, Reno, NV (775) 827-7618.

AGENDA

A. OPENING CEREMONIES

Call to Order
Pledge of Allegiance
Roll Call

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

Public comment is limited to three minutes. The public is encouraged to comment on all agenda items as well as issues not on the agenda during the Public Comment period, or on "action" items immediately before board discussion of such "action" items. Members of the public desiring to speak must complete a "Request to Speak" form and return it to the RSCVA clerk at the meeting. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Public comments may not be accepted after the Chairman closes any period for public comment.

C. APPROVAL OF THE AGENDA

For possible action.

D. APPROVAL OF MINUTES, OCTOBER 25, 2018 BOARD OF DIRECTORS MEETING

For possible action.

E. RENO-SPARKS CONVENTION & VISITORS RSCVA STAFF

E1. RSCVA Staff Update

Phil DeLone, President/CEO, and RSCVA staff will deliver updates on Executive Office, Marketing, Sales, and Finance, including the Corporate Scorecard.

Not an action item. For information only.

F. FINANCIAL DIVISION

F1. Discussion and potential direction from the Board in the matter of the demolition of the Reno-Sparks Livestock Events Center Exhibit Hall

In lieu of undertaking cost prohibitive roof and related repairs, the RSCVA Finance Committee has recommended the demolition of the Reno-Sparks Livestock Events Center Exhibit Hall with an attempt to salvage the existing bathrooms as a stand-alone facility. In the event the bathrooms are unable to be salvaged due to cost, the recommendation is to demolish the entire Reno-Sparks Livestock Events Center Exhibit Hall. The Board of Directors is being asked to consider the recommendation of the Finance Committee and give direction to staff regarding the possible demolition of the Reno-Sparks Livestock Events Center Exhibit Hall.

For possible action.

F2. Discussion and potential direction from the Board in the matter of the demolition of the Armory Building located at the Reno-Sparks Livestock Events Center

The Board of Directors is being asked to discuss and give direction to staff regarding the possible demolition of the Armory Building located at the Reno-Sparks Livestock Events Center.

For possible action.

F3. Presentation of the Opinion and Findings of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018, containing the Auditor's Required Communications Letter

Staff will present findings of the Comprehensive Annual Financial Report (CAFR) that has been developed in accordance with guidelines from the Government Finance Officers Association.

For possible action.

G. CONTRACT RENEWALS

G1. Review, discussion and possible action for renewal of the contract for professional research services with EMC Research, the existing research vendor

The Board of Directors is being asked to review, discuss and approve the renewal of the contract with EMC Research, Inc. for research services for the next two years (January 2019 through December 2020) not to exceed \$168,000.

For possible action.

G2. Review, discussion and possible action to approve exercise by the RSCVA of its option to renew the lease with the Incline Village General Improvement District for property located at 969 Tahoe Boulevard, Incline Village, Nevada

The Board of Directors is being asked to review, discuss and approve the exercise by the RSCVA of its option to renew its lease with the Incline Village General Improvement District for that certain real property located at 969 Tahoe Boulevard, Incline Village, Nevada, for an additional term of thirty-five years, at a lease rate of one dollar (\$1.00) per year.

For possible action.

H. BOARD RETREAT/STRATEGIC PLAN UPDATE WORKSHOP

H1. Board Retreat Consisting of a Review, Discussion, and Possible Direction to Staff and/or RSCVA Strategic Planning Consultants and Possible Action on the Five Year Strategic Plan Update for the RSCVA

The RSCVA Board of Directors, staff and consultants will conduct and participate in a Board Retreat and Strategic Planning Discussion which will include presentations, workshops and discussions regarding the RSCVA policies and procedures and update to the five-year Strategic Plan for the organization. The purpose of the Board Retreat and the strategic plan workshop and discussions is to discuss and give direction to staff and/or the RSCVA's strategic planning consultants regarding the five-year Strategic Plan and the strategic objectives and goals of the RSCVA, both long and short term.

The RSCVA Board of Directors may take action to approve, modify, and/or update, all or any portion of the five-year Strategic Plan. The Board Retreat and Strategic Planning Discussion may include, but is not limited to, possible approval, review, discussion and direction to staff and/or the RSCVA's strategic planning consultants regarding:

The RSCVA mission statement;

Discussion regarding convention sales goals, initiatives, strategic objectives and key performance indicators,

Discussion regarding marketing goals, objectives, opportunities, and key performance indicators,

Discussion regarding tourism goals, objectives, opportunities, and key performance indicators,

Discussion regarding facilities maintenance and capital expenditure needs,

Identification and discussion regarding budget adjustments and goals of the RSCVA related to the budget and budget policies; and/or

Discussion regarding possible expansion and updated Master Plan of the Reno-Sparks Convention Center.

For discussion and possible action.

I. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

For possible action.

J. COMMENTS FROM THE FLOOR BY THE PUBLIC

Public comment is limited to three minutes. The public is encouraged to comment on all agenda items as well as issues not on the agenda during the Public Comment period, or on "action" items immediately before board discussion of such "action" items. Members of the public desiring to speak must complete a "Request to Speak" form and return it to the RSCVA clerk at the meeting. No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken. Public comments may not be accepted after the Chairman closes any period for public comment.

K. ADJOURNMENT

For possible action.

Persons are invited to submit written remarks for all matters, both on and off the agenda. Written remarks presented for inclusion in the Board of Directors' minutes must be flat, unfolded, on paper of standard quality, and 8 ½ by 11 inches in size. Written remarks shall not exceed five (5) pages in length. The RSCVA will not accept for filing any submission that does not comply with this rule. On a case-by-case basis, the Board of Directors may permit the filing of noncomplying written remarks, documents, and related exhibits pursuant to NRS 241.035(1)(e). Board of Directors' meeting rooms are accessible to persons with disabilities. If special arrangements are required, please contact Corie Carlsen at 775-827-7618.

For information or questions regarding this agenda please contact:
The RSCVA Executive Office
P.O. Box 837, Reno, NV 89504
775-827-7618



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Reno, NV 89504 USA
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**Reno-Sparks Convention & Visitors Authority
Board of Directors Meeting Minutes
October 25, 2018**

The Regular Meeting of the Board of Directors of the Reno-Sparks Convention & Visitors Authority met at 9:00 a.m., October 25, 2018, at the Reno-Sparks Convention and Visitors Authority, 4001 S. Virginia Street, Reno, NV. The meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

A. OPENING CEREMONIES

Call to Order

Chairman Bob Lucey called the meeting to order at 9:00 a.m.

Pledge of Allegiance led by Vick Wowo

Board Members Present:

Nat Carasali
Lee Dillard
Commissioner Bob Lucey
Rick Murdock
Mayor Hillary Schieve (via telephone)
Mark Sterbens
Vick Wowo
Bill Wood

Board Members Absent:

Councilman Ed Lawson

RSCVA Executive Staff Present:

Phil DeLone, President/Chief Executive Officer
Jennifer Cunningham, Executive Vice President
Michael Larragueta, Vice President of Sales
Robert Chisel, Director of Finance
Sheri Nill, Director of Human Resources
Esther Isaac, Director of Marketing
Ben Kennedy, Legal Counsel
Molly Rezac, Legal Counsel

RSCVA Executive Staff Absent:

B. COMMENTS FROM THE FLOOR BY THE PUBLIC

No Public Comment

C. APPROVAL OF THE AGENDA

Chairman Lucey requested the board make an adjustment to the agenda by moving items F, Finance Division and G, Human Resources Division before items E, Presentations and H, RSCVA Committee Review in order to expedite the meeting.

MOTION: Member Vick Wowo made a motion to approve the changes to the October 25, 2018 agenda. Seconded by Member Rick Murdock. **Motion carried unanimously.**

D. APPROVAL OF MINUTES OF SEPTEMBER 27, 2018 REGULAR MEETING

MOTION: Member Lee Dillard made a motion to approve the Minutes of September 27, 2018 Regular Meeting. Seconded by Member Rick Murdock. **Motion carried unanimously.**

E. PRESENTATIONS

E1. Hobbs Ong and Associates Presentation

Guy Hobbs of Hobbs/Ong & Associates presented a report on potential financial strategies, data and return on investment models regarding the Reno Sparks Convention Center expansion proposal.

E2. SMG Presentation

Gregg Caren, Executive Vice President and John Adams, Regional Vice President of Convention Centers for SMG presented a report on the current state of the national trade show industry. This report showed several case studies of other cities, their economic revitalization, and how convention centers play a role in the economic vitality of a tourism-based community will be addressed.

E3. OnStrategy Presentation

Erica Olsen, COO/Co-Founder of OnStrategy, discussed the upcoming RSCVA Board Retreat and board input regarding items to be included on the agenda for the December 6, 2018 Board Retreat.

E4. RSCVA Staff Update

Phil DeLone, President/CEO gave the board an update on the Safari Club Convention. He stated that the room nights booked thus far are over 12,000 with three months to go until the convention. Mr. DeLone gave the board a recap of the International Meetings Industry Exposition tradeshow in Las Vegas October 16-18, 2018. He finished by reminding the board that members of the RSCVA staff will travel to Washington DC in November to present Reno's bid for the 2023 National Guard Association of the United States (NGAUS) conference. This conference has the potential for 10,000 room nights and Reno is up against Nashville and Hawaii.

Ms. Jennifer Cunningham, Executive Vice President, presented an update on the RSCVA Corporate Scorecard. She stated that visitor volume was down for month of August was down 6.7%. Because of the increase in ADR – now at \$129.00 for August – total revenues were up slightly, at 1%. This trend is reflected in the year-to-date figures but remember we are only two months into the fiscal year.

Mike Larragueta, Vice President of Sales, presented an update on convention sales year-to-date. He stated that for the month of August Gross produced room nights equaled 23,532 on a goal of 18,429. He added that for the month of September Gross produced room nights equaled 7,049 on a goal of 18,429. Mr. Larragueta went on to say that Convention Produced room nights totaled 13,779 and Sports totaled 9,753.

Mr. Art Jimenez, Executive Director of Tourism Sales, gave the board an update on tourism sales. He stated that August monthly total room nights saw an increase of 1,373 from last year. He added that Year to date total room nights was down 2,437 room nights from last year.

Mr. Robert Chisel, Director of Finance, drew the boards attention to the financial report provided in the board packet. He stated that the RSCVA is within budget.

F. FINANCIAL DIVISION

F1. Review and possible approval of joinder to contract for foodservice equipment

Robert Chisel, Director of Finance, asked the board to review the National Cooperative Purchasing Alliance joinder contract for foodservice equipment, small wares, parts, design and/or installation with TriMark in accordance with NRS 332.195. He asked the board for authorization to execute purchase orders related to the foregoing not to exceed the previously budgeted amount of \$500,000.

MOTION: Member Nat Carasali made a motion to approve. Seconded by Member Mark Sterbens.
Motion carried unanimously.

F2. Review and possible approval of roofing repairs at the Reno-Sparks Livestock Event Center

Robert Chisel, Director of Finance, asked the board to review and approve BID 2019-02 in accordance with NRS 338. This bid is for the roof replacement and repairs at the Reno-Sparks Livestock Events Center (RSLEC). Responses to the Bid were received on September 20, 2018, from one bidder. He added that the Bid was reviewed by the Personnel-Finance Committee on October 15, 2018, with a recommendation to the RSCVA Board that the award of the bid for the Main Arena Roof and Pavilion Roof to Kodiak Roofing & Waterproofing, as detailed in Bid 2019-02, for an amount of \$272,325 with 10% contingency of \$27,232 for a total not to exceed of \$299,557.

MOTION: Member Nat Carasali made a motion to approve. Seconded by Member Lee Dillard.
Motion carried unanimously.

G. HUMAN RESOURCES DIVISION

G1. Review and possible approval of RSCVA 2019 Benefit Plan.

Sheri Nill, Human Resources Manager, stated that the Board is being asked to review and approve the RSCVA Employee health benefit plan for calendar year 2019. She stated that RSCVA staff and broker (LP Insurance) have negotiated with the current carrier United Health Care for a renewal of the current health insurance plan that has no increases for medical or vision. Ms. Nill added that there will be nominal increase in dental premiums, for a total cost of approximately \$8,657 per year.

MOTION: Member Nat Carasali made a motion to approve. Seconded by Member Lee Dillard.
Motion carried unanimously.

H. RSCVA COMMITTEE MEMBER REVIEW

H1. Review of RSCVA Committees and Committee Members.

Molly Rezac, Legal Counsel for the RSCVA, reviewed the existing RSCVA committee structure and the RSCVA's use of committees. She stated that the RSCVA Board has previously formed the following advisory committees: (i) Personnel/Finance; (ii) Facilities; (iii) Marketing; and (iv) Legislative. Ms. Rezac asked the board to discuss and take action to: define and/or revise the subject matter addressed by each committee; create new committees as the Board deems necessary; abolish existing committees; combine existing and/or newly created committees; and/or implement policies/guidelines regarding committee meetings and operations on a going forward basis. She reminded the board that all RSCVA Committee Meetings are subject to Open Meeting Laws and added that legal counsel recommends that the committees be comprised of four members so as not to have a board quorum. Ms. Rezac concluded by stating that the last point of discussion should be the frequency of said meetings.

Chairman Lucey stated that in the past it was decided to bring every issue before the full board of directors, however, recently several board members have expressed an interest in bringing back the committees. He said that there were four committees. Personnel/Finance, Sales/Marketing, Facilities/Legislative comprised of four board members that sat on each of those committees. However, based on discussions, and the fact that there are only nine board members, it makes it difficult for everyone to serve and poses a significant time commitment to the board members. With that, Chairman Lucey recommended that the board approve three committees (i) Facilities/Finance; (ii) Sales/Marketing; and (iii) Executive/Legislative. He added that Personnel would fall into the Executive/Legislative Committee. Chairman Lucey recommended that the following RSCVA staff represent each of these committees; (i) Phil DeLone, CEO and Robert Chisel, Director of Finance for the Finance/Facilities Committee (ii) Jennifer Cunningham, EVP and Michael Larragueta, VP Sales for the Sales/Marketing Committee; and (iii) Phil DeLone, CEO and Sheri Nill, Director of Human Resources for the Executive/Legislative Committee. Chairman Lucey went on to suggest that these committees not meet on a monthly basis, but at the recommendation of RSCVA staff. With that, Chairman Lucey opened the meeting for discussion.

Mr. Nat Carasali asked if there was a need for a Sales/Marketing Committee as all issues from these areas should be brought before the full board. He stated that it would seem like a waste of time.

Chairman Lucey stated that the reason the board steered away from committees was to present all items to the full board. He added that this action item before the board today is due to board input that we bring back the committees going forward.

Mr. Nat Carasali suggested that there be two committees; (i) Facilities/Finance, and (ii) Executive/Legislative and Sales/Marketing items come to the entire board.

Chairman Lucey asked the RSCVA Staff for feedback. He asked if a Sales/Marketing Committee is a necessity.

Jennifer Cunningham, EVP, addressed the board stating that the RSCVA is a sales and marketing organization, therefore any items should be brought before the entire board.

Molly Rezac, Legal Counsel, stated the board can establish each committee with a committee chair and that chair has the authority to set the meeting dates.

Nat Carasali recommended that the board go through and vote on each committee.

Molly Rezac, Legal Counsel, asked for a motion to allow established committee chair to set the committee meeting dates.

MOTION: Member Vick Wowo made a motion to approve a Facilities/Finance Committee. Seconded by Member Rick Murdock.

Motion carried unanimously.

MOTION: Member Mark Sterbens made motion to bring all sales and marketing items to the full board of directors and not create a separate committee. Seconded by Member Nat Carasali.

Motion carried unanimously.

MOTION: Member Vick Wowo made a motion to approve an Executive/Legislative Committee. Seconded by Member Bill Wood.

Motion carried unanimously.

MOTION: Member Nat Carasali made a motion to approve committee chair to set committee meeting dates. Seconded by Member Bill Wood.

Motion carried unanimously.

I. BOARD MEMBER COMMENTS REGARDING ITEMS FOR FUTURE MEETINGS

None

J. COMMENTS FROM THE FLOOR BY THE PUBLIC

None

K. ADJOURNMENT

Meeting adjourned at 10:45 a.m.

RSCVA - Market Comparison Group/ Convention

Market Comparison - Group/Convention														
Market	Available Rooms/Daily	Available Rooms/YTD	September						Year to Date					
			2018			% Change Year over Year			2018			% Change Year over Year		
			Group Mix (%)	ADR (\$)	RevPAR (\$)	Group Mix	ADR	RevPAR	Group Mix (%) (2)	ADR (\$)	RevPAR (4) (\$)	Group Mix	ADR	RevPAR
Reno, NV (1)	12,038	3,286,339	25.20	121.64	18.18	40.20	12.40	14.20	19.70	110.75	15.43	14.60	2.40	12.10
Tier 1 Market (3) (7)	22,671	43,324,731	23.00	141.45	32.50	2.50	2.80	5.30	20.60	140.11	28.79	-2.30	2.90	0.50
Tier 2 Market (3) (7)	37,136	91,243,192	21.60	135.20	29.24	2.50	1.50	4.00	21.30	140.34	29.89	0.20	4.10	4.30

All Group/Convention Markets Comparison														
Market	Available Rooms/Daily	Available Rooms/YTD	September						Year to Date					
			2018			% Change Year over Year			2018			% Change Year over Year		
			Group Mix (%)	ADR (\$)	RevPAR (\$)	Group Mix (%)	ADR (\$)	RevPAR (\$)	Group Mix (%)	ADR (\$)	RevPAR (\$)	Group Mix (%)	ADR (\$)	RevPAR (\$)
Reno, NV	12,038	3,286,339	25.20	121.64	18.18	40.20	12.40	14.20	19.70	110.75	15.43	14.60	2.40	12.10
Tier 1 (5)														
Anaheim, CA	5,873	1,603,254	11.40	104.18	11.83	27.10	-1.90	24.70	12.40	114.40	14.14	-1.20	1.90	0.70
Austin, TX	39,172	10,694,017	21.90	150.86	33.00	-0.40	3.40	2.90	23.10	154.11	35.67	-1.20	2.60	1.40
Denver, CO	47,763	13,039,410	24.10	146.95	35.41	-4.90	1.60	-3.50	21.10	141.79	29.92	-2.60	2.60	-0.10
Long Beach, CA	6,259	1,708,576	23.40	158.70	37.09	6.20	1.30	7.50	20.70	163.43	33.81	-11.80	3.50	-8.70
Portland, OR	28,369	7,744,784	20.10	144.46	29.06	1.70	5.20	7.00	16.30	139.98	22.78	-3.60	4.00	0.20
Salt Lake City/Ogden, UT	23,486	6,411,569	31.30	124.60	39.01	17.00	5.70	23.70	24.10	119.70	28.82	0.40	2.70	3.10
Spokane, WA	7,777	2,123,121	15.10	108.05	16.27	5.10	3.90	9.10	15.10	106.63	16.14	-9.00	1.20	-7.80
Tier 2 (6)														
Albuquerque, NM	17,569	4,796,312	20.00	88.65	17.74	11.80	-1.00	10.70	17.50	86.91	15.21	3.90	1.90	5.90
Indianapolis, IN	31,857	8,696,924	28.40	116.63	33.17	1.50	-2.60	-1.10	26.40	121.75	32.16	-1.80	1.60	-0.20
Louisville, KY	22,171	6,052,581	23.80	112.54	26.77	6.10	5.90	12.30	21.60	123.20	26.64	-3.70	7.10	3.10
Minneapolis, MN	43,064	11,756,517	24.20	127.85	30.92	8.90	-1.90	6.80	21.70	134.41	29.23	10.60	11.20	23.00
Phoenix, AZ	65,640	17,919,642	22.00	129.45	28.51	6.50	8.20	15.20	24.50	146.44	35.91	-0.10	0.70	0.60
Sacramento, CA	24,972	6,817,483	16.00	120.48	19.33	-12.10	-1.10	-13.00	16.90	121.77	20.56	-0.50	4.20	3.70
San Antonio, TX	46,960	12,820,017	21.60	119.88	25.92	2.50	-0.80	1.70	23.80	129.70	30.88	0.60	3.40	4.00
San Jose/Santa Cruz, CA	35,701	9,746,503	20.00	199.60	39.93	0.70	4.20	4.90	17.50	191.85	33.48	0.20	7.30	7.50
Seattle, WA	46,290	12,637,213	17.90	179.17	32.02	-6.00	2.60	-3.50	16.90	170.56	28.83	-7.00	4.90	-2.50

Ref Legend

- 1 Represents data from the top 10 hotel/casino properties
- 2 Percentage of the total occupancy that is Group/Convention
- 3 Represents data reported from Smith Travel based on **total** occupied room nights
- 4 Total Group/Convention room revenue divided by **all** room nights available in the top 10 hotel/casino properties
- 5 Tier 1 represents primary competitors as determined by RSCVA leadership
- 6 Tier 2 represents secondary competitors as determined by RSCVA leadership
- 7 The available rooms per day have been divided by the number of cities in each tier

Please note: Tier 1 and Tier 2 data is a weighted average based upon available rooms

RSCVA - Market Comparison

Overall

Market Comparison - Total														
Market	Available Rooms/Daily	Available Rooms/YTD	September						Year to Date					
			2018			% Change Year over Year			2018			% Change Year over Year (7)		
			Occupancy (%)	ADR (\$)	RevPAR (\$)	Occupancy	ADR	RevPAR	Occupancy (%)	ADR (\$)	RevPAR (\$)(3)	Occupancy	ADR	RevPAR
Reno, NV (1)	17,151	4,682,161	75.70	129.64	76.55	-5.20	11.30	2.70	71.60	112.47	63.29	-1.30	9.00	7.00
Tier 1 Market (2) (8)	23,279	57,197,148	79.10	173.17	136.95	2.00	30.90	33.50	78.60	161.90	127.27	4.90	24.20	30.20
Tier 2 Market (2) (8)	29,444	112,536,435	70.90	141.94	100.65	0.60	9.00	9.60	73.70	145.62	107.33	4.50	10.20	15.10

All Markets Comparison														
Market	Available Rooms/Daily	Available Rooms/YTD	September						Year to Date					
			2018			% Change Year over Year			2018			% Change Year over Year		
			Occupancy (%)	ADR	RevPAR	Occupancy	ADR	RevPAR	Occupancy (%)	ADR	RevPAR	Occupancy	ADR	RevPAR
Reno, NV	17,151	4,682,161	75.70	129.64	76.55	-5.20	11.30	2.70	71.60	112.47	63.29	-1.30	9.00	7.00
Tier 1 (4) Anaheim, CA	5,873	1,603,254	71.70	95.61	68.57	-0.20	2.60	2.40	77.00	104.64	80.62	0.10	1.90	1.80
Austin, TX	39,172	10,694,017	69.10	142.47	98.48	-6.00	5.30	-1.00	71.40	140.34	100.24	-2.20	1.10	-1.00
Denver, CO	47,763	13,039,410	82.00	139.20	114.12	-0.20	-0.30	-0.50	76.20	133.54	101.74	0.20	0.80	1.00
Lake Tahoe South (6)	3,783	1,032,648	69.80	122.00	85.20	4.70	-6.70	-2.30	58.70	131.80	77.40	2.20	-0.10	2.10
Long Beach, CA	6,259	1,708,576	78.30	155.46	121.68	0.20	3.20	3.50	79.40	155.91	123.79	0.40	1.20	1.60
Portland, OR	28,369	7,744,784	80.20	146.66	117.55	1.80	3.20	5.10	75.60	139.87	105.78	-1.80	0.70	-1.10
Salt Lake City/Ogden, UT	23,486	6,411,569	76.60	118.87	91.00	-1.20	5.50	4.20	74.20	113.01	83.81	-0.70	2.30	1.60
San Francisco/San Mateo, CA (6)	47,032	12,839,769	87.20	274.70	239.60	-0.20	13.60	13.30	83.70	243.30	203.60	-0.90	6.10	5.10
Spokane, WA	7,777	2,123,121	70.60	107.98	74.12	1.70	1.70	3.40	67.70	109.08	73.81	1.50	2.80	4.40
Tier 2 (5) Albuquerque, NM	17,569	4,796,312	68.10	83.56	56.89	5.60	1.40	7.10	66.20	82.11	54.38	3.30	1.90	5.30
Indianapolis, IN	31,857	8,696,924	68.00	111.84	76.06	-3.10	-0.90	-4.00	65.10	113.80	74.05	-2.70	1.40	-1.30
Louisville, KY	22,171	6,052,581	64.00	107.38	68.67	-4.40	1.70	-2.80	63.10	112.77	71.15	-2.00	1.90	-0.10
Mammoth, CA (6)	2,141	584,415	66.80	146.00	97.60	-7.90	3.00	-5.10	65.60	183.60	120.50	-7.30	0.50	-6.80
Minneapolis, MN	43,064	11,756,517	73.10	125.11	91.48	-2.10	2.90	0.70	69.90	124.71	87.18	1.60	7.00	8.70
Monterey, CA (6)	4,151	1,133,352	86.20	218.90	188.70	0.10	8.80	8.80	80.00	203.30	162.60	1.80	6.70	8.60
Napa/Sonoma, CA (6)	3,476	948,914	78.70	340.70	268.10	-5.00	2.70	-2.40	73.50	271.80	199.70	-1.10	0.80	-0.40
Palm Springs, CA (6)	13,356	3,646,284	53.80	131.20	70.60	1.80	2.20	4.00	62.50	174.40	109.00	-0.30	5.50	5.20
Phoenix, AZ	65,640	17,919,642	63.70	110.37	70.26	5.10	6.60	12.10	70.20	131.23	92.11	3.00	1.70	4.80
Sacramento, CA	24,972	6,817,483	75.70	120.50	91.18	-1.80	0.90	-1.00	72.50	122.19	88.54	-1.00	3.60	2.50
San Antonio, TX	46,960	12,820,017	59.40	107.69	64.00	-1.40	1.70	0.20	67.40	117.21	79.04	0.60	3.70	4.30
San Diego, CA (6)	54,873	14,980,278	77.80	164.20	127.80	-0.30	3.70	3.40	80.80	169.40	136.80	1.40	2.70	4.10
San Jose/Santa Cruz, CA	35,701	9,746,503	81.30	200.86	163.25	-0.40	5.10	4.60	78.80	198.03	155.97	0.40	5.60	6.00
Seattle, WA	46,290	12,637,213	80.80	180.17	145.61	-3.10	2.50	-0.60	77.90	170.78	132.98	-2.50	3.10	0.60

Ref Legend

- 1 Represents all hotel and motel occupancy in Washoe County
- 2 Represents all occupancy data reported to Smith Travel for the respective markets
- 3 Represents taxable room night revenue divided all available hotel & motel room nights
- 4 Tier 1 represents primary competitors in group/convention and leisure markets as determined by RSCVA leadership
- 5 Tier 2 represents secondary competitors in group/convention and leisure markets
- 6 Leisure market competitor only
- 7 Prior year raw data not available for leisure market competitor
- 8 The available rooms per day have been divided by the number of cities in each tier

Please note: Tier 1 and Tier 2 data is a weighted average based upon available rooms



**Reno-Sparks Convention & Visitors Authority
Fiscal Year 2018-19
Interim Financial**

October 2018



Consolidated Summary

Report of Operations

For the Month of October 2018

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

	Current Month				Prior Year		
	Actual	Budget	Increase (Decrease)		Actual	Increase (Decrease)	
			Amount	%		Amount	%
Revenues							
Room Tax Collections	\$ 2,606,893	\$ 2,666,420	\$ (59,527)	-2.2%	\$ 2,513,988	\$ 92,906	3.7%
Tourism Sucharge	426,274	455,988	(29,714)	-6.5%	447,276	(21,002)	-4.7%
Facility Revenues							
Reno-Sparks Convention Center	242,276	116,750	125,526	107.5%	167,954	74,322	44.3%
National Bowling Stadium	44,980	31,351	13,629	43.5%	78,281	(33,301)	-42.5%
Reno Events Center	99,651	166,300	(66,649)	-40.1%	96,795	2,856	3.0%
Reno-Sparks Livestock Events Center	167,761	162,500	5,261	3.2%	97,093	70,668	72.8%
RSCVA Facilities	4,925	-	4,925	0.0%	-	4,925	0.0%
Wildcreek Golf Course	6,436	-	6,436	0.0%	102,768	(96,332)	-93.7%
Total Facility Revenues	566,029	476,901	89,128	18.7%	542,891	23,138	4.3%
Other Income	228,024	180,834	47,190	26.1%	224,724	3,299	1.5%
Total Revenues	\$ 3,827,220	\$ 3,780,143	\$ 47,077	1.2%	\$ 3,728,879	\$ 98,341	2.6%
Operating Expenses							
Payroll & Related	\$ 489,380	\$ 506,266	\$ (16,886)	-3.3%	\$ 504,556	\$ (15,176)	-3.0%
Supplies & Services	1,291,270	1,368,882	(77,612)	-5.7%	920,303	370,966	40.3%
Travel & Entertainment	82,935	93,620	(10,685)	-11.4%	40,402	42,533	105.3%
Promotion & Advertising	571,657	837,773	(266,116)	-31.8%	737,125	(165,468)	-22.4%
Special Projects	190,798	668,250	(477,452)	-71.4%	42,802	147,996	345.8%
Capital Outlay	48,054	5,500	42,554	773.7%	1,318	46,736	3546.3%
Total Operating Expenses	\$ 2,674,094	\$ 3,480,291	\$ (806,196)	-23.2%	\$ 2,246,507	\$ 427,588	19.0%
Non Operating Expenses							
Debt Service	\$ 2,650	\$ 500	2,150	430.0%	\$ 5,200	\$ (2,550)	-49.0%
Incline Village/Cystal Bay Room Tax	179,197	189,539	(10,342)	-5.5%	170,429	8,768	5.1%
Capital Improvements	120,340	404,955	(284,615)	-70.3%	(26,779)	147,120	-549.4%
Insurance	62,398	64,683	(2,285)	-3.5%	100,518	(38,121)	-37.9%
Contingency	-	-	-	0.0%	-	-	0.0%
Total Non Operating Expenses	\$ 364,585	\$ 659,677	\$ (295,092)	-44.7%	\$ 249,368	\$ 115,217	46.2%
Total Expenses	\$ 3,038,679	\$ 4,139,968	\$ (1,101,288)	-26.6%	\$ 2,495,874	\$ 542,805	21.7%
Profit/(Loss)	\$ 788,541	\$ (359,825)	\$ 1,148,365	-319.1%	\$ 1,233,005	\$ (444,464)	-36.0%

Consolidated Summary

Report of Operations

Four Months Ended October 2018

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

	Current Year				Prior Year			Annual				
	Actual	Budget	Increase (Decrease)		Actual	Increase (Decrease)		FY 18-19 Outlook	FY 18-19 Budget	Increase (Decrease)		
			Amount	%		Amount	%			Amount	%	
Revenues												
Room Tax Collections	\$ 13,690,994	\$ 13,871,597	\$ (180,603)	-1.3%	\$ 13,464,294	\$ 226,700	1.7%	\$ 34,737,518	\$ 34,918,122	\$ (180,604)	-0.5%	
Tourism Surcharge	1,907,959	2,019,729	(111,770)	-5.5%	1,993,493	(85,534)	-4.3%	5,239,623	5,351,393	(111,770)	-2.1%	
City Center Tax	-	-	-	0.0%	-	-	0.0%	1,187,195	1,187,195	-	0.0%	
Facility Revenues												
Reno-Sparks Convention Center	1,270,251	768,962	501,289	65.2%	1,057,878	212,373	20.1%	4,158,094	3,656,806	501,289	13.7%	
National Bowling Stadium	233,370	159,404	73,966	46.4%	227,020	6,350	2.8%	375,978	302,012	73,966	24.5%	
Reno Events Center	373,822	525,257	(151,435)	-28.8%	352,702	21,120	6.0%	1,486,332	1,637,767	(151,435)	-9.2%	
Reno-Sparks Livestock Events Center	432,781	531,360	(98,579)	-18.6%	378,842	53,939	14.2%	932,721	1,031,300	(98,579)	-9.6%	
RSCVA Facilities	10,469	-	10,469	0.0%	-	-	-	10,469	-	10,469	0.0%	
Wildcreek Golf Course	9,015	-	9,015	0.0%	636,195	(627,179)	-98.6%	988,722	979,707	9,015	0.9%	
Total Facility Revenues	2,329,708	1,984,983	344,725	17.4%	2,652,637	(322,928)	-12.2%	7,952,316	7,607,591	344,725	4.5%	
Other Income	788,333	641,267	147,066	22.9%	856,705	(68,373)	-8.0%	2,149,310	2,044,950	104,360	5.1%	
Total Revenues	\$ 18,716,994	\$ 18,517,576	\$ 199,417	1.1%	\$ 18,967,129	\$ (250,135)	-1.3%	\$ 51,265,962	\$ 51,109,251	\$ 156,711	0.3%	
Operating Expenses												
Payroll & Related	\$ 2,320,320	\$ 2,118,260	\$ 202,060	0.0%	\$ 2,191,523	\$ 128,797	5.9%	\$ 6,893,637	\$ 6,690,886	\$ 202,751	3.0%	
Supplies & Services	4,463,980	4,084,141	379,839	9.3%	3,717,921	746,059	20.1%	12,769,695	12,347,344	422,352	3.4%	
Travel & Entertainment	261,461	446,162	(184,701)	-41.4%	223,161	38,300	17.2%	1,149,186	1,149,022	164	0.0%	
Promotion & Advertising	3,630,297	4,359,557	(729,260)	-16.7%	3,239,808	390,489	12.1%	12,299,360	12,258,270	41,090	0.3%	
Special Projects	538,489	1,156,550	(618,061)	-53.4%	436,471	102,018	23.4%	2,619,070	2,969,070	(350,000)	-11.8%	
Capital Outlay	56,908	86,000	(29,092)	-33.8%	9,328	47,579	510.0%	136,710	137,600	(890)	-0.6%	
Total Operating Expenses	\$ 11,271,454	\$ 12,250,671	\$ (979,216)	-8.0%	\$ 9,818,212	\$ 1,453,242	14.8%	\$ 35,867,658	\$ 35,552,192	\$ 315,466	0.9%	
Non Operating Expenses												
Debt Service	\$ 7,517,447	\$ 7,551,022	(33,575)	-0.4%	\$ 7,558,222	\$ (40,775)	-0.5%	\$ 11,369,469	\$ 11,403,544	\$ (34,075)	-0.3%	
Incline Village/Cystal Bay Room Tax	850,100	833,010	17,089	2.1%	791,067	59,033	7.5%	1,629,769	1,602,757	27,012	1.7%	
Capital Improvements	387,078	887,363	(500,285)	-56.4%	345,003	42,075	12.2%	4,127,000	4,127,000	-	0.0%	
Insurance	269,723	258,732	10,991	4.2%	379,655	(109,932)	-29.0%	831,037	881,645	(50,608)	-5.7%	
Contingency	-	-	-	0.0%	-	-	0.0%	400,000	400,000	-	0.0%	
Total Non Operating Expenses	\$ 9,024,348	\$ 9,530,127	\$ (505,780)	-5.3%	\$ 9,073,947	\$ (49,599)	-0.5%	\$ 18,357,275	\$ 18,414,946	\$ (57,671)	-0.3%	
Total Expenses	\$ 20,295,802	\$ 21,780,798	\$ (1,484,995)	-6.8%	\$ 18,892,159	\$ 1,403,643	7.4%	\$ 54,224,933	\$ 53,967,138	\$ 257,795	0.5%	
Profit/(Loss)	\$ (1,578,808)	\$ (3,263,222)	\$ 1,684,413	51.6%	\$ 74,970	\$ (1,653,778)	2205.9%	\$ (2,958,971)	\$ (2,857,887)	\$ (101,085)	-3.5%	

Consolidated Summary

Transient Lodging Tax Collections and Statistics

For the Month of October 2018

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

	Current Year				Prior Year		
	Actual	Budget	Increase (Decrease)		Last Year	Increase (Decrease)	
			Amount	%		Amount	%
Room Tax Collections							
Lodging	2,002,396	2,048,120	(45,724)	-2.2%	1,931,034	71,362	3.7%
Convention Center	604,497	618,300	(13,803)	-2.2%	582,954	21,543	3.7%
Tourism Surcharge	426,274	455,988	(29,714)	-6.5%	447,276	(21,002)	-4.7%
Total Tax Collections	3,033,167	3,122,408	(89,241)	-2.9%	2,961,264	71,904	2.4%
Room Statistics							
Taxable Room Revenues	42,506,002	30,915,023	11,590,979	37.5%	41,663,505	842,497	2.0%
Occupied Rooms-Cash	335,248	320,864	14,384	4.5%	365,040	(29,792)	-8.2%
Average Rate - Cash	\$126.79	\$96.35	\$30.44	31.6%	\$114.13	\$12.66	11.1%
Occupied Rooms							
Cash	335,248	320,864	14,384	4.5%	365,040	(29,792)	-8.2%
Comp	79,749	74,716	5,033	6.7%	78,672	1,077	1.4%
28 Day	121,092	133,082	(11,990)	-9.0%	127,383	(6,291)	-4.9%
Total Occupied Rooms	536,089	528,662	7,427	1.4%	571,095	(35,006)	-6.1%
Percentage of Occupancy							
Cash	46.5%	44.7%	1.8	4.0%	49.7%	(3.2)	-6.4%
Comp	11.1%	10.4%	0.7	6.7%	10.7%	0.4	3.7%
28 Day	16.8%	18.5%	(1.7)	-9.2%	17.3%	(0.5)	-2.9%
Total Percentage of Occupancy	74.4%	73.6%	0.8	6.7%	77.7%	(3.3)	-4.2%

Consolidated Summary

Transient Lodging Tax Collections and Statistics

Four Months Ended October 2018

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

	Current Year				Prior Year			Annual				
	Actual	Budget	Increase (Decrease)		Last Year	Increase (Decrease)		FY 18-19 Outlook	FY 18-19 Budget	Increase (Decrease)		
			Amount	%		Amount	%			Amount	%	
Room Tax Collections												
Lodging	10,516,271	10,654,995	(138,724)	-1.3%	10,342,139	174,132	1.7%	26,682,441	26,821,166	(138,725)	-0.5%	
Convention Center	3,174,723	3,216,602	(41,879)	-1.3%	3,122,155	52,568	1.7%	8,055,077	8,096,956	(41,879)	-0.5%	
Tourism Surcharge	1,907,959	2,019,729	(111,770)	-5.5%	1,993,493	(85,534)	-4.3%	5,239,623	5,351,393	(111,770)	-2.1%	
City Center Tax	-	-	(111,770)	100.0%	-	-	0.0%	1,187,195	1,187,195	-	0.0%	
Total Tax Collections	15,598,953	15,891,326	(292,373)	-1.8%	15,457,787	141,166	0.9%	41,164,336	41,456,710	(292,374)	-0.7%	
Room Statistics												
Taxable Room Revenues	128,414,166	160,830,108	(32,415,942)	-20.2%	126,963,437	1,450,729	1.1%	402,123,532	404,375,720	(2,252,188)	-0.6%	
Occupied Rooms-Cash	1,026,368	1,455,634	(429,266)	-29.5%	1,120,228	(93,860)	-8.4%	3,750,056	3,892,802	(142,746)	-3.7%	
Average Rate - Cash	\$125.12	\$110.49	\$14.63	13.2%	\$113.34	\$11.78	10.4%	\$107.23	\$103.88	\$3.35	3.2%	
Occupied Rooms												
Cash	1,026,368	1,455,634	(429,266)	-29.5%	1,120,228	(93,860)	-8.4%	3,750,056	3,892,802	(142,746)	-3.7%	
Comp	248,338	319,043	(70,705)	-22.2%	249,288	(950)	-0.4%	865,888	863,711	2,177	0.3%	
28 Day	372,523	533,429	(160,906)	-30.2%	391,697	(19,174)	-4.9%	1,573,277	1,610,971	(37,694)	-2.3%	
Total Occupied Rooms	1,647,229	2,308,106	(660,877)	-28.6%	1,761,213	(113,984)	-6.5%	6,189,221	6,367,484	(178,263)	-2.8%	
Percentage of Occupancy												
Cash	47.6%	50.2%	(2.6)	-5.2%	51.0%	(3.4)	-6.7%	43.5%	45.1%	(1.5)	-3.4%	
Comp	11.5%	11.0%	0.5	4.5%	11.4%	0.1	0.9%	10.1%	10.0%	0.1	0.6%	
28 Day	17.3%	18.4%	(1.1)	-6.0%	17.8%	(0.5)	-2.8%	18.3%	18.7%	(0.4)	-2.0%	
Total Percentage of Occupancy	76.4%	79.6%	(3.2)	-4.0%	80.2%	(3.8)	-4.7%	0.0%	0.0%	-	0.0%	

Consolidated Summary

Departmental Margins

For the Month of October 2018

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

	Current Month				Prior Year		
	Actual	Budget	Increase (Decrease)		Actual	Increase (Decrease)	
			Amount	%		Amount	%
Facilities							
Reno-Sparks Convention Center	(268,641)	(558,973)	290,332	51.9%	(200,257)	(68,384)	-34.1%
National Bowling Stadium	(163,007)	(138,661)	(24,346)	-17.6%	(105,788)	(57,219)	-54.1%
Reno Events Center	(60,196)	(20,002)	(40,194)	-200.9%	(2,680)	(57,516)	-2146.3%
Reno-Sparks Livestock Events Center	(16,088)	(3,405)	(12,683)	-372.5%	(50,003)	33,915	67.8%
RSCVA Facilities	(44,801)	-	-	-	-	(44,801)	100.0%
Wildcreek Golf Course	(24,390)	(25,000)	610	2.4%	(31,123)	6,733	21.6%
Total Facilities	(577,122)	(746,042)	213,720	28.6%	(389,850)	(187,272)	-48.0%
Sales and Marketing							
Convention Sales	(416,649)	(974,422)	557,773	57.2%	(273,711)	(142,937)	-52.2%
Tourism Sales	(113,583)	(118,102)	4,519	3.8%	(60,415)	(53,168)	-88.0%
Marketing	(556,599)	(819,870)	263,271	32.1%	(771,129)	214,530	27.8%
Total Sales and Marketing	(1,086,831)	(1,912,394)	825,563	43.2%	(1,105,255)	18,424	1.7%
General and Administrative	(290,969)	(236,259)	(54,710)	-23.2%	(100,592)	(190,377)	-189.3%
Room Tax Revenues	2,606,893	2,666,420	(59,527)	-2.2%	2,513,988	92,906	3.7%
Tourism Surcharge	426,274	455,988	(29,714)	-7.0%	447,276	(21,002)	-4.7%
Total Operating Margins	1,078,246	227,713	895,333	393.2%	1,365,566	(287,320)	-21.0%
Capital and Debt Service	(289,705)	(587,538)	297,833	50.7%	(132,759)	(156,946)	-118.2%
Total Departmental Margins	788,541	(359,825)	#####	319.1%	1,232,807	(444,267)	-36.0%

Consolidated Summary

Departmental Margins

Four Months Ended October 2018

RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

	Current Year				Prior Year			Annual			
	Actual	Budget	Increase (Decrease)		Actual	Increase (Decrease)		FY 18-19 Outlook	FY 18-19 Budget	Increase (Decrease)	
			Amount	%		Amount	%			Amount	%
Facilities											
Reno-Sparks Convention Center	(451,522)	(891,223)	439,701	49.3%	(373,735)	(77,787)	-20.8%	(825,772)	(1,265,473)	439,701	34.7%
National Bowling Stadium	(539,941)	(543,138)	3,197	0.6%	(401,044)	(138,897)	-34.6%	(1,650,799)	(1,653,996)	3,197	0.2%
Reno Events Center	(205,244)	(39,690)	(165,554)	-417.1%	(81,138)	(124,106)	-153.0%	(495,659)	(330,105)	(165,554)	-50.2%
Reno-Sparks Livestock Events Center	(241,650)	(50,544)	(191,106)	-378.1%	(177,286)	(64,364)	-36.3%	(981,273)	(790,168)	(191,106)	-24.2%
RSCVA Facilities	(91,654)	-	(91,654)	-100.0%	-	(91,654)	-100.0%	(87,740)	-	(87,740)	-100.0%
Wildcreek Golf Course	(97,312)	(102,000)	4,688	4.6%	33,314	(130,625)	-392.1%	745,287	717,707	27,580	3.8%
Total Facilities	(1,627,323)	(1,626,596)	(727)	0.0%	(999,889)	(627,433)	-62.8%	(3,295,956)	(3,322,035)	26,079	0.8%
Sales and Marketing											
Convention Sales	(1,811,645)	(2,593,005)	781,360	30.1%	(1,561,342)	(250,304)	-16.0%	(6,683,857)	(6,947,105)	263,248	3.8%
Tourism Sales	(397,325)	(622,031)	224,706	36.1%	(245,037)	(152,288)	-62.1%	(1,427,912)	(1,392,896)	(35,016)	-2.5%
Marketing	(3,648,224)	(4,152,593)	504,369	12.1%	(3,366,582)	(281,642)	-8.4%	(12,525,447)	(12,524,773)	(674)	0.0%
Total Sales and Marketing	(5,857,195)	(7,367,629)	1,510,434	20.5%	(5,172,961)	(684,234)	-13.2%	(20,637,216)	(20,864,774)	227,558	1.1%
General and Administrative	(961,159)	(915,434)	(45,725)	-5.0%	(589,156)	(372,003)	-63.1%	(2,763,724)	(2,679,387)	(84,337)	-3.1%
Room Tax Revenues	13,690,994	13,871,597	(180,603)	-1.3%	13,464,294	226,700	1.7%	35,924,713	36,105,317	(180,604)	-0.5%
Tourism Surcharge	1,907,959	2,019,729	(111,770)	-5.5%	1,993,493	(85,534)	4.3%	5,239,623	5,351,393	(111,770)	-2.1%
Total Operating Margins	7,153,277	5,981,667	1,171,610	19.6%	8,695,781	(1,542,504)	-17.7%	14,467,440	14,590,513	(123,074)	-0.8%
Capital and Debt Service	(8,732,085)	(9,244,888)	512,804	5.5%	(8,620,811)	(111,274)	-1.3%	(17,426,411)	(17,448,402)	21,991	0.1%
Total Departmental Margins	(1,578,808)	(3,263,222)	1,684,413	51.6%	74,970	(1,653,778)	-2205.9%	(2,958,971)	(2,857,889)	10,687	0.4%



To: RSCVA Board

From: Robert Chisel, Director of Finance

CC: Bob Lucey, Board Chair
Phil DeLone, President/CEO

Date: December 6, 2018

Subject: **Discussion and potential direction from the Board in the matter of the demolition of the Reno-Sparks Livestock Events Center Exhibit Hall**

Executive Summary

On April 26, 2018 the Board approved a Capital Improvement Plan that included the repair of roofs at the Reno-Sparks Livestock Events Center (RSLEC) Exhibit Hall. The budgeted amounts for the project, that includes design, repair, and construction engineering is \$375,000.

Staff issued and advertised Bid 2019-02 on August 24, 2018, in accordance with NRS 338. This bid was for the roof replacement and repairs at the RSLEC. Responses to the Bid were received on September 20, 2018, from one bidder. The Board has the award bid of the roof repairs for the Main Arena and Pavilion on the Board Agenda of October 25, 2018.

The bid for one of the options, Exhibit Hall roof replacement, was severely over the engineer's estimate. Staff has reviewed the bid and the options available with SMG, the professional management firm operating the facility, and presented the information to the Personnel/Finance Committee who has recommended the demolition of the Exhibit Hall.

Background

On April 26, 2018 the Board approved a Capital Improvement Plan that included the repair of roofs at the RSLEC Main Arena, Pavilion, and Exhibit Hall. The roofs experience frequent leaks and are in need of repair to maintain the usage of the buildings. The repair of the roofs was also identified in the April 2018 report from the State of Nevada Public Works Division Facility Condition Analysis that they conducted of the RSLEC.



Staff engaged Benchmark Inc, a roof consultant, to identify the improvements required for each roof and develop bid specifications and engineers estimates of cost. The budgeted amounts for the project, that includes design, repair, and construction engineering is \$375,000. The identified repairs for the Exhibit Hall Roof repairs needs consist of:

- Remove existing roof system to the purlins;
- Replace roof with 24-guage, galvalume coated, steel R-panel roof system;
- Remove and replace existing purlins (\approx 200 ft); and
- Remove and replace damaged insulation (\approx 2,000 sq ft).

Staff, working with Benchmark, bid the projects for the roof repairs on May 29, 2018, with the bid opening on July 12, 2018. Although three contractors attended the pre-bid meeting, no contractors bid on the project. A review of the bid and discussions with contractors determined that a re-bid of the project in early fall would achieve a response to the bid. On August 24, 2018, the projects were re-bid with a bid opening on September 20, 2018. The RSCVA received one bid from Kodiak Roofing & Waterproofing Co. The bid has been reviewed and the bidder is a responsive bidder and met the bidding requirements. Below is a summary of the bid:

	Exhibit Hall Roof
Budget	\$ 375,000
Bid	\$ 647,723
10% Contingency (Estimate)	\$ 64,772
Construction Engineering (Estimate)	\$ 30,000
Total Estimated Cost	\$ 742,495
Difference	\$(367,495)

The Exhibit Hall roof exceeded the budget and engineers estimate for the project by approximate projection of \$367,495. A review of the bids determined much of the increased cost is a result of the extensive erosion of the roof and purlins of the Exhibit Hall.

Prior to bringing the award of the bid for the repair of the Exhibit Hall to the full Board staff presented the bid and potential options to the Personnel/Finance Committee to develop a recommendation to the RSCVA Board. The Committee unanimously recommended demolition of the Exhibit Hall. There was only one public comment, from the Reno Rodeo Association, concurring with the recommendation to demolish the Exhibit Hall and to attempt to save the bathrooms.

The Exhibit Hall was built in 1968 and is 20,000 square feet. In Fiscal Year 2017/18 the facility was used for twenty-four events resulting in total rental revenue of \$103,195. There is space and times available at other RSCVA facilities for all of the events, with the exception of the Reno Rodeo usage during the Reno Rodeo. The shows in the year were: 4-H Small Animal Show, American Kennel Club, Carson City RV, Gem Faire, Jackpot of Gems Show, Just Between Friends Show (2), Magic of Santa Art & Craft Faire, Reno Kennel Club, Reno Rodeo Foundation Toy Distribution, Reno Rodeo, Spa & Swim Show (3), Tanner's Marketplace (4), Truckee Meadows Dog Training, Truckee Meadows Quilt Guild, Western Skies RV (3), and Washoe County Senior Vaccination Clinic.

In March 2018, the State of Nevada Public Works Division completed a facility condition analysis of the RSLEC. The report identified maintenance items with current construction cost estimates for the RSLEC. The report identified the roof repair (estimated to cost \$354,000) and an additional \$378,800 of improvements required for the Exhibit Hall (ADA Improvements, Fire Suppression, Exterior Finishes, HVAC, Interior Finishes, and Lighting). RSCVA staff has also identified approximately \$100,000 of needed improvement to the restrooms connected to the Exhibit Hall, bringing the total of additional maintenance items to \$478,800.

Staff worked with the facility manager, SMG, and Benchmark to determine options for proceeding in regards to the roof repair of the Exhibit Hall. The identified options include: No Repair of Roof or Repurpose the Hall, Remove the Hall and Replace, Additional Capital for Roof, or Remove the Hall and no Replacement.

No Repair of Roof or Repurpose the Hall

By not repairing the roof we would not incur any capital expenditures, however, the roof and purlins are in poor condition and they will continue to deteriorate. If the roof is not addressed the building will at some point not be able to be safely occupied for use as an Exhibit Hall or any other purpose. Total cost would be \$0 in near term. Due to a potential derelict building being at the center of the RSLEC and no potential for positive use, this is not a recommended action and is recommended not to pursue.

Remove the Hall and Replace

Removing the Exhibit Hall and replacing with a like structure would incur the cost of demolition (\approx \$200,000) and it is estimated that a replacement structure could cost up to \$4,000,000. At this time the RSCVA does not have the funding available for a capital expenditure of this amount. Plus, as the building has only experienced revenue of \$103,195, with limited room nights, this would result in a return on investment 2.6%, not including the loss opportunity of the investment or the time to construct a replacement. Total cost of this option would be approximately \$4,200,000. Due to the lack of available funding and the poor return on investment this is not a recommended action.

Additional Capital for Roof

Additional funds would need to be identified to complete the roof replacement, currently the additional amount is an approximate \$367,495. Money for this would come at a cost of delaying or not being able to complete alternative projects. The RSLEC is in need of numerous capital expenditures, as noted the Exhibit Hall has \$478,800 of improvements. The roof repair and the additional improvements do not include improvements to the Exhibit Hall, but maintenance needs for a total of \$846,295. As the building has only experienced revenue of \$103,195, with limited room nights, this would result in a limited return on investment. Due to the lack of available funding and the poor return on investment this is not a recommended action.

Remove the Hall and No Replacement (Recommendation)

Removing the Exhibit Hall with no replacement would incur the cost of demolition (\approx \$200,000). A further analysis could be conducted to determine if the restrooms would be able to remain, or need to be demolished. This would result in the area being cleared and allowed to be repurposed for a multi-use open area utilizing the existing concrete pad. A review of the current users of the Exhibit Hall has determined that all of the users, except the Reno Rodeo, would be able to be place in either another facility at the RSLEC or at the Reno-Sparks Convention Center. Total cost would be approximately \$200,000. Funding from the roofing project could be redirected to the demolition with the remaining funds used in other necessary and vital projects at the RSLEC. This option was approved as a recommendation to the Board by the Personnel/Finance Committee.

Fiscal Impact

The proposal to recommend the demolition, which will need to be bid, is estimated to cost approximately \$200,000. The funds allocated to the repair of the Exhibit Hall roof are budgeted as part of the approved Fiscal Year 2018/19 capital budget and, if directed by the Board, be utilized for the demolition.

Recommendation

The Personnel/Finance Committee approved the motion to the Board that “staff pursues the demolition of the RSLEC Exhibit Hall with an attempt to save the existing bathrooms.”



To: RSCVA Board

From: Robert Chisel, Director of Finance

CC: Bob Lucey, Board Chair
Phil DeLone, President/CEO

Date: December 6, 2018

Subject: **Discussion and potential direction from the Board in the matter of the demolition of the Reno-Sparks Livestock Events Center Armory Building**

Executive Summary

On April 26, 2018 the Board approved a Capital Improvement Plan that included the demolition of the Armory Building at the Reno-Sparks Livestock Events Center (RSLEC) for \$350,000. The RSLEC is on land owned by the State of Nevada and is leased to Washoe County and managed by the Reno-Sparks Convention and Visitors Authority (RSCVA) by agreement through July 31, 2036.

Washoe County, through discussions, has agreed to allow for the demolition of the Armory Building by the RSCVA.

Staff is seeking approval from the Board to proceed with the process for the demolition of the Armory Building in cooperation with Washoe County, the Reno Rodeo Association, and the State of Nevada.

Background

The RSLEC is on land owned by the State of Nevada and is leased to Washoe County (as authorized by Nevada Revised Statutes) and managed by the RSCVA by agreement through July 31, 2036. The Armory Building was originally constructed for use by the National Guard in 1956 and was vacated by the National Guard in 1998. Since that time the structure has been used for storage use. The building has fallen into disrepair and is no longer in use by Washoe County or any other entity.

Washoe County, through discussions, has agreed to allow for the demolition of the Armory Building by the RSCVA.



Prior to demolition the RSCVA will ensure that the proper approvals are received for the removal of the building.

Fiscal Impact

The estimated cost is approximately \$350,000. The funds are budgeted as part of the approved Fiscal Year 2018/19 capital budget.

Recommendation

Direct staff to proceed with obtaining all necessary and required approvals for effected entities for the demolition of the Armory Building and return to the Board for the award of the demolition of the Armory Building.



To: RSCVA Board of Directors

From: Robert Chisel, Director of Finance

CC: Phil DeLone, President/CEO
Bob Lucey, Board Chair

Date: December 6, 2018

Subject: Presentation of the Opinion and Findings of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018, containing the Auditor's Required Communications Letter

Executive Summary

The Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ending June 30, 2018, has been completed, and the findings and opinion therein contained are now ready for presentation to the Board. Staff is also presenting for review a Popular Annual Financial Report (PAFR) that has been developed in accordance with guidelines from the Government Finance Officers Association. An annual audit of a Nevada local government's financial statements is required by law, and the results of such audit must be submitted to the Board within five months of the close of the fiscal year. NRS 354.624(6) requires that the audit opinion and findings be presented to the Council at a meeting within 30 days after the audit report is submitted.

Background

The Authority's FY 2017/18 CAFR has been completed and has received an unqualified (clean) opinion from the City's external auditors, Eide Bailly, LLP. An unqualified opinion by Eide Bailly concludes that the CAFR presents fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2018 and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund for the year.

Fiscal Impact

None at this time.

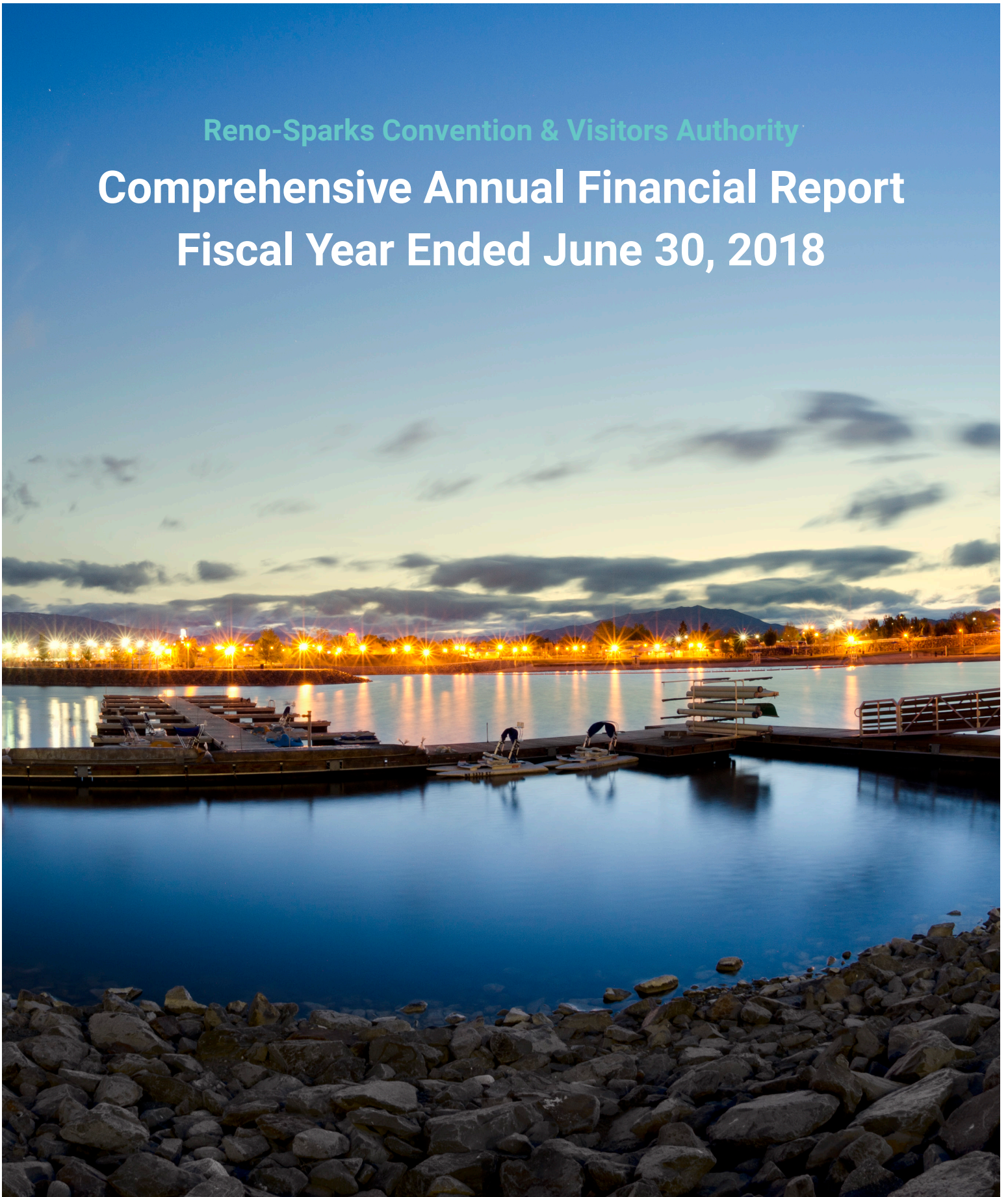
Recommendation

Staff recommends Board accepts the report.



Reno-Sparks Convention & Visitors Authority

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2018



RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2018

Bob Lucey
Chairman

Phil Delone
President &
Chief Executive Officer

Robert Chisel
Director of Finance

Prepared by the Reno-Sparks Convention & Visitors Authority
Finance Department

Reno-Sparks Convention & Visitors Authority Post Office Box 837 Reno, Nevada 89504
Phone: (775) 827-7600 Internet: <http://www.visitrenotahoe.com>



Reno-Sparks Convention & Visitors Authority

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018

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Reno-Sparks Convention & Visitors Authority

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018**

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INTRODUCTORY SECTION



P.O. Box 837
Reno, NV 89504 USA
t: 775.827.7600
VisitRenoTahoe.com

November 30, 2018

Board of Directors
Reno-Sparks Convention & Visitors Authority
and The Citizens of Washoe County, Nevada

Subject: Comprehensive Annual Financial Report for the Fiscal Year
July 1, 2017 to June 30, 2018

The Comprehensive Annual Financial Report of the Reno-Sparks Convention & Visitors Authority (referred to as RSCVA or Authority) with accompanying auditor's report for the fiscal year ended June 30, 2018, is submitted herewith. This annual report 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. We believe that the data, as presented, is accurate and complete in all material aspects and fairly sets forth the net position, activities and cash flows of the Authority. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Authority's financial affairs have been included. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

THE REPORTING ENTITY

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 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%
- 1% is remitted to the City of Reno for the National Bowling Stadium
- 3/8% is remitted to the State of Nevada Department of Taxation
- 1% of the tax collected in Reno is returned to the City of Reno and 1% of the tax collected in the unincorporated areas of Washoe County is returned to Washoe County
- 1.5% collected in downtown Reno is returned to the City for the operation of a multi-use facility in downtown Reno
- 2.5% of the tax collected in Sparks is returned to the City of Sparks for Victorian Square capital improvements
- The remaining one percent is allocated between:
 1. The railroad tracks lowered in downtown Reno, which properties in downtown Reno pay towards, and
 2. Properties not within downtown Reno and unincorporated Washoe County is utilized for education (imposed in 2009 through Nevada Legislature Initiation Petition 1)
 3. The remaining tax collected is used by the City of Reno for a multi-use facility in downtown Reno

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.

ECONOMIC CONDITIONS AND OUTLOOK

Fiscal Year 2017-2018. Throughout the period covered by this report, gaming and tourism continued to be the dominant local industries, making the economic vitality of Washoe County largely dependent on a constant influx of visitors.

Total cash occupied room nights increased from 3,608,187 room nights in fiscal year 2016-17 to 3,727,230 room nights in fiscal year 2017-18. Overall occupancy percentages increased from 69.3% in fiscal year 2016-17 to 71.5% in fiscal year 2017-18. Average cash rates increased from \$96.29 for fiscal year 2016-17 to \$104.41 for fiscal year 2017-18, resulting in total taxable revenues

increasing from \$347,426,005 in fiscal year 2016-17 to \$389,144,926 in fiscal year 2017-18.

Outlook For Fiscal Year 2018-19 and The Future. During the 2015-2016 fiscal year, the Board of Directors adopted a Strategic Plan for the Organization. The plan was made up of four priorities:

- Visitation/Destination Awareness
- Direct Room Night Growth
- Facility Efficiency
- Organizational Sustainability

Continued emphasis on marketing the Reno, Sparks, and North Lake Tahoe Areas.

Continued heavy emphasis will be placed on marketing the region as a whole, including the brand of "Reno Tahoe USA". Advertising will continue to focus on the area's many unique attractions, facilities, and amenities, irrespective of geopolitical subdivisions.

Financial Policies. The financial policies of the Authority address the various activities of the Authority. Policies have remained consistent for the year ended June 30, 2018 in relation to the continuing revenue sources and related expenditure/expense of such sources.

Facility Management. The operations of the Authority facilities have transitioned to management firms. 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.

For the Wildcreek Golf Course, Duncan Golf Management began operating the facility as of May 1, 2018. This facility is also anticipated to be sold to Washoe County and the the Washoe County School District in fiscal year 2018-19 for approximately \$979,706. The Washoe County School District is intending to build a new 2,500-seat high school on the site.

OTHER INFORMATION

Independent Audit. Nevada Revised Statutes 354.624 requires that an annual audit of all funds be performed by an independent certified public accountant. The Authority has complied with this requirement. A copy of the auditor's opinion has been included in this report.

Awards. 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.

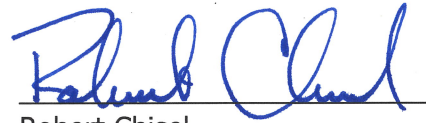
Acknowledgments. The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire staff of the Finance Department and the certified public accounting firm of Eide Bailly LLP. We would like to recognize their efforts and express our appreciation for their assistance.

We would also like to thank the Board of Directors, without whose leadership and support this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. DeLone', written over a horizontal line.

Phil DeLone
President and Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Robert Chisel', written over a horizontal line.

Robert Chisel
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Reno-Sparks Convention & Visitors
Authority, Nevada**

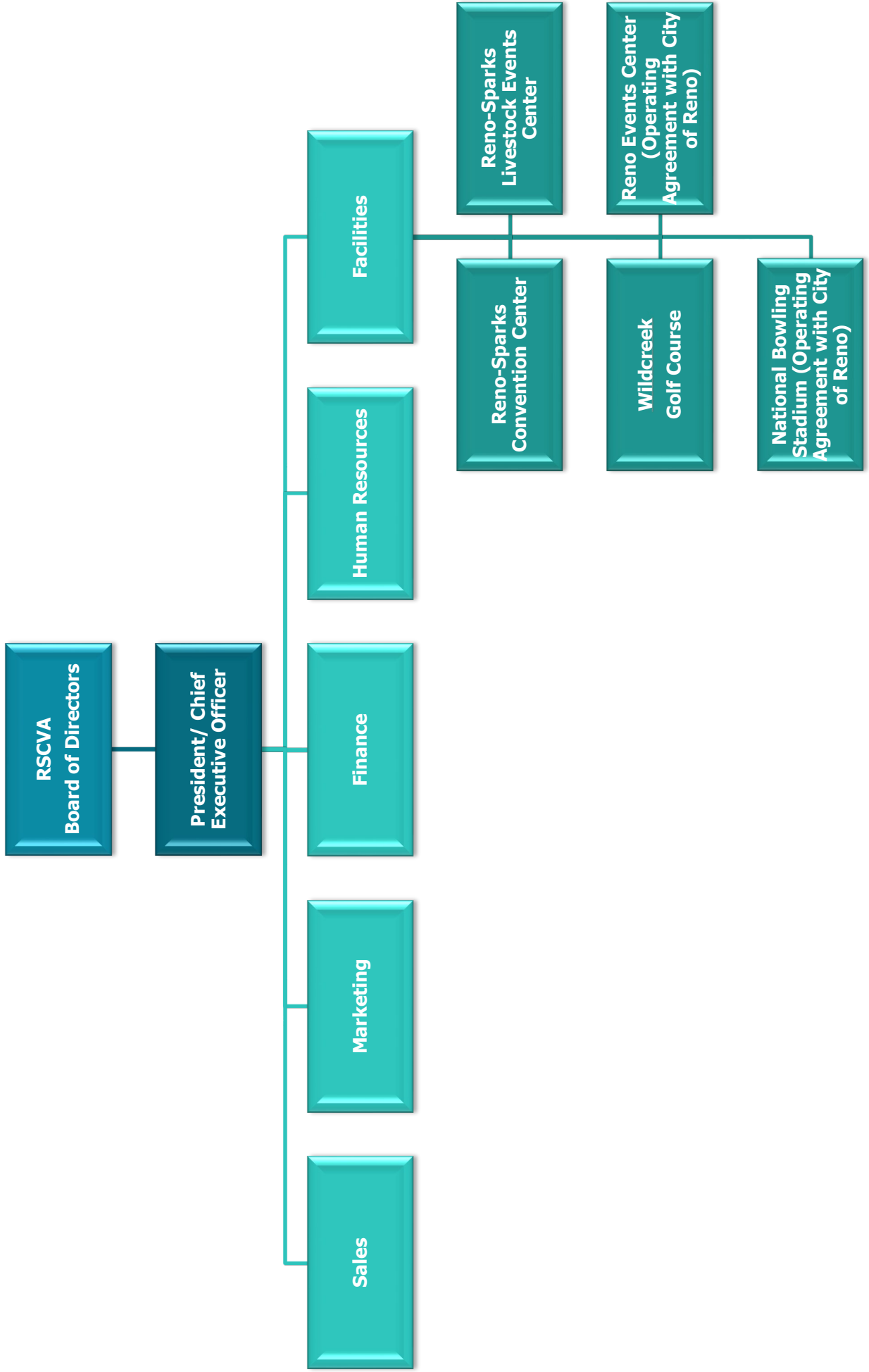
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY
FINANCIAL STRUCTURE
JUNE 30, 2018**



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
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

FINANCIAL SECTION



Independent Auditor's Report

To the Board of Directors
Reno-Sparks Convention & Visitors Authority, Nevada
Reno, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority, Nevada, (the Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority'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 of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes A and K to the financial statements, the Reno-Sparks Convention & Visitors Authority adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, with has resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note K to the financial statements, certain errors occurred in the determination or classification of payment to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*, resulting in the overstatement of amounts previously reported for deferred outflows of resources, net pension liability-related amounts, for the year ended June 30, 2017, and were discovered by management during the current year based on communications from the Public Employee’s Retirement System of Nevada (PERS), including a restated Schedule of Employer Allocations for GASB 82 Implementation. Accordingly, this error in the amounts reported as deferred outflows of resources, net pension liability-related amounts, have resulted in a restatement of net position as of July 1, 2017. Our opinions are 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, the Schedule of Changes in the Authority’s Total OPEB Liability and Related Ratios, the Schedule of the Authority’s Share of the Net Pension Liability, and the Schedule of Authority Contributions on pages 4 through 12 and pages 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 opinions on the financial statements that collectively comprise the Reno-Sparks Convention & Visitors Authority's financial statements. The Introductory Section, individual fund statement and schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund statement and schedules are the responsibility of management and were derived from and relate 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 individual fund statement and schedules are 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.

Prior Year Partial Comparative Information

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of the Reno-Sparks Convention & Visitors Authority as of and for the year ended June 30, 2017 and have issued our report thereon dated December 4, 2017, which expressed an unmodified opinion on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2017, is consistent with the audited financial statements from which it has been derived.

The individual fund financial statement and schedules related to the 2017 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statement and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the Reno-Sparks Convention & Visitors Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Reno-Sparks Convention & Visitors Authority'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 Reno-Sparks Convention & Visitors Authority's internal control over financial reporting and compliance.



Reno, Nevada
November 30, 2018



Reno-Sparks Convention & Visitors Authority Management's Discussion and Analysis

The following discussion and analysis is presented to provide the reader with an overview of the financial activity and overall financial condition of the Reno-Sparks Convention & Visitors Authority (referred to as RSCVA or Authority). The following document should be read in conjunction with the transmittal letter presented in the introductory section of this report to enhance the understanding of the financial information presented.

Financial Highlights

- The liabilities of the Authority exceeded its assets at the close of the most recent fiscal year by \$40,913,417 (net deficit). The primary reason for this deficit is that the assets included due to GASB 34 are exceeded by the debt included, because the Authority is not allowed to hold land it has purchased, as well as the net pension liability and total OPEB liability.
- The Authority's total net position increased by \$6,715,038. The principal causes of this increase are surcharge revenues collected but unspent and increased room tax collections.
- 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.
- At the end of the current fiscal year, 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.
- The Authority's room license tax/surcharge collections increased \$4,193,650 (11.8%) from the prior year.
- Cash and investments of the Authority increased by \$1,767,850 (7.1%) from the prior year, primarily due to unspent room surcharge revenues.

Overview of the Financial Statements

The basic financial statements of the Reno-Sparks Convention & Visitors Authority are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. Additionally, supplemental information to the financial statements is contained in this report.

Government-wide financial statements. The government-wide financial statements are presented to provide readers with a broad overview of the Reno-Sparks Convention & Visitors Authority in a manner like that of the private sector.

The Statement of Net Position presents information on all assets, liabilities and deferred inflows/outflows of resources of the Reno-Sparks Convention & Visitors Authority. The difference between the total assets and deferred outflows and total liabilities and deferred inflows is reported

as “net position”. Over time, increases and decreases in net position may serve as an indicator of improvement or deterioration of financial condition.

The Statement of Activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Governmental activities, which are supported primarily by room license taxes and facility usage fees, are presented in the government-wide financial statements. Governmental activities include general government and community support, which includes operational costs of the facilities as well as costs associated with selling and marketing the Reno-Tahoe region.

Fund financial statements. A fund is a legal and accounting entity with a self-balancing set of accounts to track specific sources of funding and spending. The Reno-Sparks Convention and Visitors Authority, as with other governmental agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the RSCVA are divided into governmental, proprietary, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, governmental funds focus on the current inflows and outflows of resources. This information is useful in determining current financial requirements.

The RSCVA maintains three separate funds that make up the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance for the General Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

A separate budget is prepared annually for each fund reflecting anticipated resources and uses of the collected resources. A budgetary comparison statement or schedule has been provided for the funds to demonstrate compliance with the budget.

Proprietary fund. The RSCVA maintains one internal service (Insurance) proprietary fund. Internal service funds are used to account for and allocate internal costs to the various departments of the RSCVA, and primarily benefit governmental activities. Consequently, the internal service fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the Authority. These funds are not reflected in the government-wide financial statements because the resources are not available to support RSCVA programs. The Authority had established an Agency Fund to account for its Flexible Compensation (Internal Revenue Service Code Section 125 – “Cafeteria”) Plan. This Plan was closed during year ended June 30, 2018.

Notes to the financial statements. Notes to the financial statements are included to provide information that is crucial to the full and complete understanding of the data provided in the

government-wide and fund financial statements.

Other information. In addition to the basic financial statements, and accompanying notes, this report also represents certain required supplementary information concerning the changes in the Authority's total OPEB liability. Also, presented are the required schedules related to pensions, with the adoption of GASB 68.

This report also presents certain supplementary information. The individual fund statement and schedules are presented immediately following the required supplementary information within this report.

Government-wide Financial Analysis

By far the largest portion of the Authority's assets (63%) reflects its investment in capital assets (e.g. buildings, improvements, and equipment). The Authority's capital assets consist of three operating facilities – Reno-Sparks Convention Center, Reno-Sparks Livestock Events Center and Wildcreek Golf Course – and other capital assets primarily consisting of the Incline Village/Crystal Bay Visitors Center.

The only components of net position with a positive balance are those that are restricted for use, primarily for debt service and strategic plan implementation. Both the net investment in capital assets and the unrestricted net position classes have deficits.

Reno-Sparks Convention & Visitors Authority's Net Position

	Governmental Activities	
	2018	2017
Assets:		
Current and other assets	\$ 33,329,525	\$ 30,917,703
Capital assets	56,696,950	56,320,364
Total assets	90,026,475	87,238,067
Deferred outflows of resources	1,960,565	3,086,774
Liabilities:		
Long-term liabilities	122,226,639	127,990,963
Other liabilities	8,023,509	5,649,308
Total liabilities	130,250,148	133,640,271
Deferred inflows of resources	2,650,309	1,462,234
Net Assets:		
Net investment in capital assets	(20,329,530)	(23,977,554)
Restricted for:		
Debt service	10,647,804	10,727,763
Strategic Plan Implementation	6,341,914	6,174,888
Claims	179,243	336,742
Unrestricted (deficit)	(37,752,848)	(38,039,503)
Total net position	\$ (40,913,417)	\$ (44,777,664)

The primary revenue streams collected by the Authority are room license tax collections and charges for services (usage fees from facilities).

The Authority's room license tax/surcharge collections increased \$4,193,650 (11.8%) from the prior year. This increase was primarily caused by increased visitation to the area and higher average room rates.

The deficit in net position (net investment in capital assets) is the result of 1) debt outstanding exceeding the net book value of capital assets; the funds were used to construct or acquire capital assets and 2) the Authority being unable to hold title to land.

The portions of the Authority's net position that are subject to restrictions are debt service, strategic plan implementation and insurance reserves (claims).

The deficit in unrestricted net position is primarily the result of the accreted interest on the capital appreciation bonds, the net pension liability, and the total OPEB liability.

The Authority's total net position increased by \$6,715,038. The principal cause of this change is surcharge revenues collected but unspent and increased room tax collections.

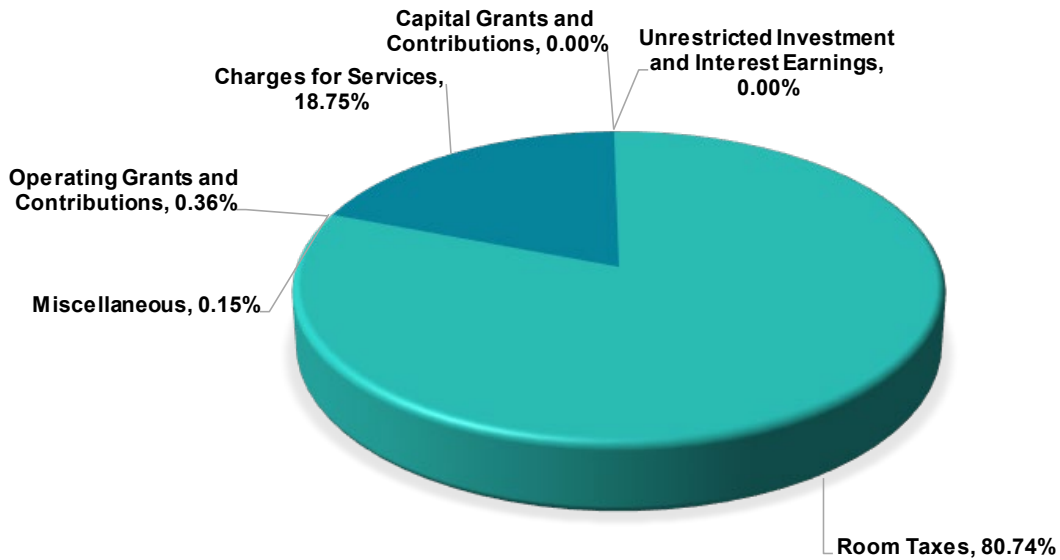
Reno-Sparks Convention & Visitors Authority's Change in Net Position

	Governmental Activities	
	2018	2017
Revenue:		
<i>Program revenues:</i>		
Charges for services	\$ 9,249,831	\$ 8,280,169
Operating grants and contributions	178,754	31,907
Capital grants and contributions	-	69,333
<i>General revenues:</i>		
Room taxes, penalties and interest	39,821,722	35,628,072
Unrestricted investment and interest earnings	1,764	799
Miscellaneous	71,567	77,456
Total revenues	49,323,638	44,087,736
Expenses:		
General government	3,203,353	2,879,569
Community support	34,293,703	28,561,398
Loss on defeasance of debt	120,852	-
Debt service	4,990,692	5,131,245
Total expenses	42,608,600	36,572,212
Change in net position	6,715,038	7,515,524
Net Position, July 1, as previously reported	(44,777,664)	(52,293,188)
Prior period adjustments	(2,850,791)	-
Net Position, July 1, as restated	(47,628,455)	(52,293,188)
Net Position, June 30	\$ (40,913,417)	\$ (44,777,664)

Governmental activities.

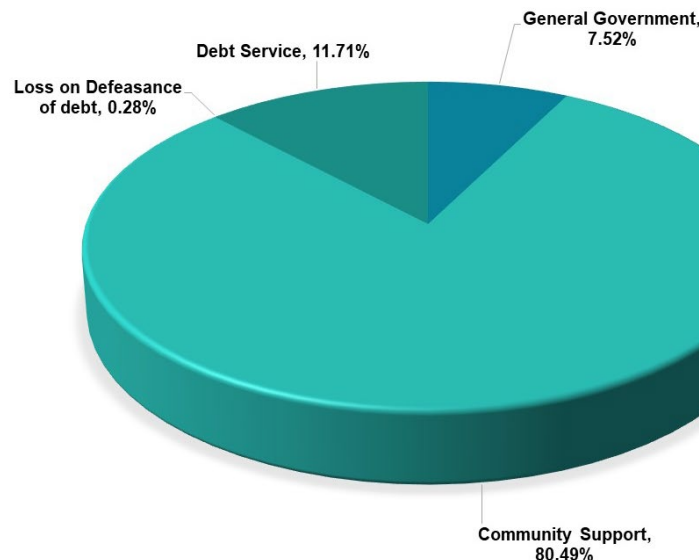
Total program revenues and total general revenues for governmental activities amounted to \$9,428,585 and \$39,895,053, respectively, for the 2017-18 fiscal year. As illustrated on the following chart, room tax collections are the largest revenue source, followed by charges for services.

Revenues by Source – Government Activities



As can be seen on the following chart, the majority of expenses are classified as Community Support. This category includes operation and maintenance costs for the facilities, as well as costs associated with selling and marketing the Reno-Tahoe region.

Expenses – Government Activities



Financial Analysis of the Government's Funds

As noted earlier, the RSCVA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the RSCVA's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the RSCVA's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the RSCVA's governmental funds reported combined ending fund balances of \$27,207,670. Approximately 10.5% of this total amount (\$2,867,371) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable or restricted to indicate that is not available for new spending because it has already been committed to other purposes (prepaid, expenditures, inventory, debt, strategic plan implementation, claims).

The General Fund is the chief operating fund of the RSCVA. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,867,371, while the total fund balance was \$11,770,668. As a measure of the General Fund's liquidity, it may be useful to compare fund balance with fund expenditures. The ratio of fund balance to expenditures is 34.2% for the year just completed.

The fund balance of the RSCVA's General Fund decreased by \$1,258,946 during the fiscal year. The primary factor for this decrease was the expenditures incurred in the implementation of the strategic plan.

The Debt Service Fund has a total fund balance of \$12,726,101, which is a decrease of \$113,684 from the prior year, all of which is restricted for the payment of debt service.

The Capital Projects Fund is used to track expenditures at the Authority's facilities. 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 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.

Budgetary Highlights for the General Fund

During the year, there were budgetary adjustments made by the Authority including:

- Expenditures – General Government increased by \$760,000, primarily related to all positions being fully staffed, employee termination leave payouts, and support of the City of Reno's sign, the City of Sparks' sign, Feasibility Study, and support of the Business Improvement District;
- Expenditures – Facility Operation increased by \$1,985,000, primarily as a result of costs associated with employee termination leave payouts, increased workers compensation, and additional reimbursable costs for associated events;

- Expenditures – Convention and tourism promotion increased by \$2,525,000, largely related to booking incentives (Interbike), and strategic plan marketing expenditures which were carried forward from FY 2016-17;
- Revenues – Net increase of \$2,670,000, room taxes/surcharges increased by \$2,400,000, while facility revenues increased by \$600,000, convention and visitor service revenues increased by \$40,000, golf course revenues decreased by \$400,000, and interest on investments increased by \$30,000.

Overall, revenues were above budget by \$693,047 for the year, primarily due to increased room license tax revenues, increased facilities revenues, and decreased (below that budgeted) golf course revenues.

Expenditures were below budget by \$2,582,206, primarily due to lower services and supplies (below that budgeted) in convention and tourism promotion.

Capital Assets and Long-term Debt Activity

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. Major capital asset transactions during the fiscal year 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.

Additional information on capital assets is presented in Note C in the Notes to Financial Statements section of this report.

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
Total	\$ 56,696,950

Long-term debt. During fiscal year 2017-18, the Authority made payments of \$5,440,000 in principal and \$4,192,919 in interest on its outstanding bond. The 2011 Refunding Bonds had a principal amount of \$1,245,000 defeased. The chart below summarizes the Authority’s outstanding bonds. 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
Total	\$ 108,064,075	\$ 101,199,158

Known Economic Factors

Lodging properties continue to invest capital into their current facilities:

- Eldorado Resorts – Continuing with \$50 million in improvements to Eldorado/Silver Legacy/Circus Circus, including a new 21,000 square foot luxury spa;
- Grand Sierra Resort – Completed \$150 million in improvements to The Pool, meeting space and newly remodeled casino floor;
- Hyatt Regency Lake Tahoe - \$5 million upgrade of its casino; and
- The Nugget – Continuing a \$25 million renovation project, including the main casino floor, rebuilding the West Tower, newly remodeled fitness center and public spaces.

Increased Sales Efforts and New Business:

- Interbike Marketweek will be held at the Reno-Sparks Convention Center for five years, starting in September 2018, producing an estimated 12,000 room nights annually; and
- Safari Club International returns in January 2019, producing an estimated 15,000 room nights annually.

New Hotel Development:

- Hampton Inn & Suites at the Sparks Marina opened in May 2018;
- Residence Inn by Marriot is scheduled to open in October 2018 at the Sparks Marina;
- Woodsprings Suites in Sparks is scheduled to open in October 2018;
- Home2 Suites by Hilton, near Meadowood Mall, is scheduled to open in early 2019;
- Springfield Suites by Marriott, in South Reno, is scheduled to open in November 2018;
- Aloft Hotel is proposed to be built at the Reno-Tahoe Airport in the coming years;
- Cal Neva Resort & Casino recently was purchased out of bankruptcy, though future plans have not been announced; and
- Sands Regency – Jacobs Entertainment purchased the hotel casino, and numerous other properties around the Sands Regency. Final plans have not been disclosed.

The Tahoe-Reno Industrial Center, located just east of Reno-Sparks, continues to show promise for the economic growth and stability. Currently home to the Tesla Gigafactory, Switch Data Center, and Wal-Mart Distribution. The Center saw Google purchasing more than 1,200 acres in 2017, and Blockchains LLC purchasing 64,000 acres for \$175 million in 2018.

The Washoe County median home price is at \$385,000 up 16% compared to June 2017. The median price is \$250,000 or 185% over the median low of \$135,000 in January 2012. The lack of inventory has been the primary driving factor for increasing prices. Sellers are receiving an average of 99.4% of list price, up less than 1% from June 2017. Increased job opportunities are projected to increase the population in the coming years, which could result in more home construction, additional jobs, and further growth in both the local population, as well as visitation.

The Reno-Tahoe Airport Authority has adopted a 20-year master plan. The plan maps out short, mid and long-term projects including the development of new concourses, relocation of cargo facilities, building a standalone rental car facility, ridesharing services, airfield improvements, and parking expansion. The project's price tag is \$1.6 billion. The first phase of the plan would likely break ground in calendar year 2019.

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.

BASIC FINANCIAL STATEMENTS

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 26,777,175
Receivables	
Accounts receivable	242,623
Room license taxes receivable	5,844,517
Other receivables	448,615
Prepaid items	5,000
Inventories	11,595
Capital assets not being depreciated	5,596,814
Capital assets being depreciated (net of accumulated depreciation)	<u>51,100,136</u>
TOTAL ASSETS	<u>90,026,475</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Net pension liability-related amounts	1,749,471
Total OPEB liability-related amounts	<u>211,094</u>
TOTAL DEFERRED OUTFLOWS	<u>1,960,565</u>
 LIABILITIES	
Accounts payable	890,465
Accrued liabilities	4,712,262
Accrued construction retention	39,847
Accrued interest payable	2,080,897
Event deposits	300,038
Noncurrent liabilities:	
Due within one year	5,835,000
Due in more than one year	98,131,741
Net pension liability	11,894,750
Total OPEB liability	<u>6,365,148</u>
TOTAL LIABILITIES	<u>130,250,148</u>
 DEFERRED INFLOWS OF RESOURCES	
Net pension liability-related amounts	2,286,760
Total OPEB liability-related amounts	<u>363,549</u>
TOTAL DEFERRED INFLOWS	<u>2,650,309</u>
 NET POSITION	
Net investment in capital assets	(20,329,530)
Restricted for:	
Debt service	10,647,804
Strategic plan implementation (surcharge revenues)	6,341,914
Claims	179,243
Unrestricted (deficit)	<u>(37,752,848)</u>
TOTAL NET POSITION	<u>\$ (40,913,417)</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT FUNCTIONS/PROGRAMS					
Governmental activities:					
General government	\$ 3,203,353	\$ 725,707	\$ 86,613	\$ -	\$ (2,391,033)
Community support	34,293,703	8,524,124	9,127	-	(25,760,452)
Loss on defeasance of debt	120,852	-	-	-	(120,852)
Interest and fiscal charges	4,990,692	-	83,014	-	(4,907,678)
Total governmental activities	\$ 42,608,600	\$ 9,249,831	\$ 178,754	\$ -	\$ (33,180,015)
GENERAL REVENUES					
Taxes:					
Room taxes					39,821,722
Unrestricted investment and interest earnings					1,764
Miscellaneous					71,567
TOTAL GENERAL REVENUES					39,895,053
CHANGE IN NET POSITION					6,715,038
NET POSITION, JULY 1, as previously reported					(44,777,664)
Prior period adjustments					(2,850,791)
NET POSITION, JULY 1, as restated					(47,628,455)
NET POSITION, JUNE 30					\$ (40,913,417)

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2018

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 13,213,938	\$ 12,305,039	\$ 1,009,995	\$ 26,528,972
Receivables				
Accounts receivable	242,623	-	-	242,623
Room license taxes receivable	5,844,517	-	-	5,844,517
Other receivables	448,615	-	-	448,615
Prepaid items	5,000	-	-	5,000
Inventory	11,595	-	-	11,595
Due from other funds	-	423,662	1,861,837	2,285,499
TOTAL ASSETS	\$ 19,766,288	\$ 12,728,701	\$ 2,871,832	\$ 35,366,821
LIABILITIES				
Accounts payable	\$ 766,781	\$ 2,600	\$ 121,084	\$ 890,465
Accrued liabilities	4,550,507	-	-	4,550,507
Accrued construction retention	-	-	39,847	39,847
Event deposits	300,038	-	-	300,038
Due to other funds	2,378,294	-	-	2,378,294
TOTAL LIABILITIES	7,995,620	2,600	160,931	8,159,151
FUND BALANCES				
Nonspendable	16,595	-	-	16,595
Restricted	6,341,914	12,726,101	-	19,068,015
Assigned	2,544,788	-	2,710,901	5,255,689
Unassigned	2,867,371	-	-	2,867,371
TOTAL FUND BALANCES	11,770,668	12,726,101	2,710,901	27,207,670
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,766,288	\$ 12,728,701	\$ 2,871,832	\$ 35,366,821

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

JUNE 30, 2018

TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET	\$	27,207,670
 Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds		 56,696,950
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:		
Accrued interest payable		(2,080,897)
Bonds payable		(101,199,158)
Add: Unamortized premium		(2,353,353)
Compensated absences		(414,230)
Total OPEB liability		(6,365,148)
Net pension liability		(11,894,750)
 Deferred outflow of resources related to pensions		 1,749,471
Deferred outflow of resources related to OPEB		211,094
 Deferred inflows of resources related to pensions		 (2,286,760)
Deferred inflows of resources related to OPEB		(363,549)
 Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in Governmental Activities in the Statement of Net Position.		 <u>179,243</u>
 TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET POSITION	\$	 <u>(40,913,417)</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
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
REVENUES				
Taxes				
Room license taxes	\$ 39,821,722	\$ -	\$ -	\$ 39,821,722
Miscellaneous				
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
TOTAL REVENUES	49,231,497	83,014	9,127	49,323,638
EXPENDITURES				
Current				
General government	3,236,411	-	-	3,236,411
Community support	31,179,032	-	-	31,179,032
Debt Service				
Principal	-	5,440,000	-	5,440,000
Interest	-	4,192,919	-	4,192,919
Other bond costs	-	1,438,779	-	1,438,779
Capital outlay	-	-	3,672,502	3,672,502
TOTAL EXPENDITURES	34,415,443	11,071,698	3,672,502	49,159,643
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,816,054	(10,988,684)	(3,663,375)	163,995
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	10,875,000	5,200,000	16,075,000
Transfers to other funds	(16,075,000)	-	-	(16,075,000)
TOTAL OTHER FINANCING SOURCES (USES)	(16,075,000)	10,875,000	5,200,000	-
NET CHANGE IN FUND BALANCES	(1,258,946)	(113,684)	1,536,625	163,995
FUND BALANCES, JULY 1	13,029,614	12,839,785	1,174,276	27,043,675
FUND BALANCES, JUNE 30	\$ 11,770,668	\$ 12,726,101	\$ 2,710,901	\$ 27,207,670

See accompanying notes.

RENO-SPARKS CONVENTION & 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, 2018

NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	\$ 163,995
 Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	3,722,368
Depreciation expense	(3,345,782)
 The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on Net Position. Also, Governmental Funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. This amount is the effect of differences in the treatment of long-term debt and related items.	
Accretion on capital appreciation bonds	(960,902)
Principal payments on debt	5,440,000
Mandatory defeasance principal payments	1,245,000
Add: Unamortized premium	35,432
 Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.	
Accrued interest	31,125
Compensated absences	53,285
Amortization of premium	169,499
 Governmental Funds report pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned is reported as pension and OPEB expense.	
Authority pension contributions	883,138
Authority pension expense	(575,531)
Authority OPEB contributions	211,094
Authority OPEB expense	(200,184)
 Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) revenue of certain activities of the internal service fund is reported with Governmental Activities.	
	<u>(157,499)</u>
 CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES	 \$ <u><u>6,715,038</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)
Page 1 of 2**

	2018 Budget Amount		2018		2017
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Taxes					
Room license taxes	\$ 37,080,256	\$ 39,480,256	\$ 39,821,722	\$ 341,466	\$ 35,628,072
Miscellaneous					
Facilities revenue	5,975,040	6,575,040	7,175,249	600,209	5,736,177
Convention and visitor service revenue	227,987	267,987	292,870	24,883	297,173
Golf course operations	1,772,300	1,372,300	1,056,005	(316,295)	1,573,382
Interest on investments	24,000	54,000	88,377	34,377	12,772
Other	788,867	788,867	797,274	8,407	750,893
TOTAL REVENUES	45,868,450	48,538,450	49,231,497	693,047	43,998,469
EXPENDITURES					
Current:					
General government					
Salaries and wages	1,007,939	1,257,939	1,234,733	23,206	915,427
Employee benefits	575,673	675,673	599,636	76,037	436,841
Services and supplies	1,061,856	1,461,856	1,327,550	134,306	1,325,579
Capital outlay	88,750	98,750	74,492	24,258	51,871
Total general government	2,734,218	3,494,218	3,236,411	257,807	2,729,718
Community support					
Facility operation					
Salaries and wages	2,696,639	3,246,639	3,817,169	(570,530)	3,212,681
Employee benefits	1,736,629	2,211,629	1,234,206	977,423	1,283,774
Services and supplies	4,706,225	5,656,225	5,701,402	(45,177)	4,820,453
Capital outlay	-	10,000	-	10,000	-
Total community support	9,139,493	11,124,493	10,752,777	371,716	9,316,908
Golf course operations					
Salaries and wages	718,983	568,983	609,103	(40,120)	725,235
Employee benefits	296,095	421,095	158,485	262,610	243,206
Services and supplies	1,001,201	1,026,201	739,312	286,889	941,799
Total golf course operations	2,016,279	2,016,279	1,506,900	509,379	1,910,240

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)**

Page 2 of 2

	2018 Budget Amount		2018		2017
	Original	Final	Actual	Variance to Final Budget	Actual
EXPENDITURES - continued					
Convention and tourism promotion					
Salaries and wages	\$ 2,840,141	\$ 2,940,141	\$ 2,874,739	\$ 65,402	\$ 2,288,548
Employee benefits	1,399,642	1,424,642	1,416,443	8,199	1,078,159
Services and supplies	11,953,075	14,353,075	13,100,308	1,252,767	9,109,919
Capital outlay	-	-	-	-	4,878
	<u>16,192,858</u>	<u>18,717,858</u>	<u>17,391,490</u>	<u>1,326,368</u>	<u>12,481,504</u>
Community grants and miscellaneous	<u>1,594,801</u>	<u>1,644,801</u>	<u>1,527,865</u>	<u>116,936</u>	<u>1,528,438</u>
Total community support	<u>28,943,431</u>	<u>33,503,431</u>	<u>31,179,032</u>	<u>2,324,399</u>	<u>25,237,090</u>
TOTAL EXPENDITURES	<u>31,677,649</u>	<u>36,997,649</u>	<u>34,415,443</u>	<u>2,582,206</u>	<u>27,966,808</u>
Excess (deficiency) of revenues over expenditures	<u>14,190,801</u>	<u>11,540,801</u>	<u>14,816,054</u>	<u>3,275,253</u>	<u>16,031,661</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(400,000)	(400,000)	-	400,000	-
Transfers to other funds	(13,675,000)	(16,075,000)	(16,075,000)	-	(12,485,174)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,075,000)</u>	<u>(16,475,000)</u>	<u>(16,075,000)</u>	<u>400,000</u>	<u>(12,485,174)</u>
Net change in fund balances	<u>115,801</u>	<u>(4,934,199)</u>	<u>(1,258,946)</u>	<u>3,675,253</u>	<u>3,546,487</u>
FUND BALANCE, JULY 1	<u>5,011,293</u>	<u>13,029,614</u>	<u>13,029,614</u>	<u>-</u>	<u>9,483,127</u>
FUND BALANCE, JUNE 30	<u>\$ 5,127,094</u>	<u>\$ 8,095,415</u>	<u>\$ 11,770,668</u>	<u>\$ 3,675,253</u>	<u>\$ 13,029,614</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**PROPRIETARY FUND
STATEMENT OF NET POSITION**

JUNE 30, 2018

	Governmental Activities Internal Service Fund
	<u> </u>
ASSETS	
Current assets	
Cash and investments	\$ 248,203
Due from other funds	<u> 92,795</u>
TOTAL ASSETS	<u> 340,998</u>
LIABILITIES	
Current liabilities	
Accrued liabilities	<u> 161,755</u>
TOTAL LIABILITIES	<u> 161,755</u>
NET POSITION	
Restricted for claims	\$ <u><u> 179,243</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Charges for benefits	\$ 1,473,552
OPERATING EXPENSES	
Services and supplies	<u>1,631,051</u>
CHANGE IN NET POSITION	(157,499)
NET POSITION, JULY 1	<u>336,742</u>
NET POSITION, JUNE 30	<u><u>\$ 179,243</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2018

Page 1 of 2

	Governmental Activities Internal Service Fund
	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers or users	\$ 241,579
Cash received from interfund services provided	1,231,973
Cash paid to vendors for services and supplies	<u>(1,502,309)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(28,757)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from (paid to) other funds	<u>107,318</u>
Net increase (decrease) in cash and investments	78,561
CASH AND INVESTMENTS, JULY 1	<u>169,642</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 248,203</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2018

Page 2 of 2

	Governmental Activities Internal Service Fund
	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ <u>(157,499)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Increase (decrease)	
Accounts payable	(1,726)
Accrued liabilities	<u>130,468</u>
Total adjustments	<u>128,742</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ <u>(28,757)</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Reno-Sparks Convention & Visitors Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Financial statements are prepared in accordance with GAAP in conformity with reporting guidelines established by the Governmental Accounting Standards Board (GASB). The following is a summary of consistently applied significant accounting policies:

Reporting Entity:

The Reno-Sparks Convention & Visitors Authority (the Authority) was originally established in February 1959 as the Washoe County Fair and Recreation Board. The Authority is the operating instrumentality in Washoe County, Nevada for promoting conventions, tourism, and recreation, and is empowered to establish, acquire, and operate facilities appropriate related thereto.

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.

Pursuant to Nevada Revised Statute 244A, the Authority is an instrumentality of Washoe County. Statutes provide for the independence of the Authority in specifying the powers and duties of the Board of Directors, including the Board's composition, selection, and terms of office. The Authority is subject to state laws governing local governments, including the Local Government Budget and Finance Act.

The Board of Directors is responsible for establishing policy and procedures for the Organization and is not significantly influenced in any way by Washoe County or the incorporated cities of Reno and Sparks, nor are any of these entities financially accountable for the Authority as defined by Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*, issued by the Governmental Accounting Standards Board. Accordingly, there is no basis for inclusion of the Authority as a component unit of any of these entities.

For financial reporting purposes, the Reno-Sparks Convention & Visitors Authority includes all funds, functions, and activities over which the Board of Directors has responsibility.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Implementation of GASB Statements No. 75

As of July 1, 2017, the Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard improves the usefulness of information about and improves accounting and financial reporting for postemployment benefits other than pensions (other postemployment benefits or OPEB). The effect of the implementation of this standard on beginning net position is disclosed in Note K and the additional disclosures required by this standard are included in Note I.

Government-wide and Fund Financial Statements:

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Eliminations have been made to minimize the effect of interfund activity. Interfund activity does not include amounts related to services provided and used between functions.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are associated with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, if any, result from nonexchange transactions or ancillary activities.

The fund financial statements provide information about the Authority's funds, including its fiduciary fund. Separate statements for each fund category—governmental, proprietary and fiduciary—are presented even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary fund (agency fund) is reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for principal and interest on general long-term debt, compensated absences, the net pension liability and postemployment benefit obligations which are recorded as liabilities when due. The Authority first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

Room license taxes, penalties and interest; facilities revenue; convention and visitors service revenue; and interest on investments associated with the fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenues are normally not susceptible to accrual because they are generally not measurable until received in cash.

The Authority reports the following major governmental funds:

The General Fund is the primary operating fund of the Authority. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for the accumulation of resources required for, and the payment of, general long-term debt principal, interest and related costs.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction and significant repair of major facilities.

Additionally, the Authority reports the following fund types:

The Internal Service Fund accounts for the insurance activities provided to other departments of the Authority, on a cost reimbursement basis.

The Agency Fund, which is custodial in nature, accounts for the assets and liabilities of the flexible compensation program offered as benefits to the employees of the Authority, was closed out in fiscal year 2018.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position/governmental funds balance sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

The Authority has an item, which arises under accounting for pensions, that qualifies for reporting in this category. The item, net pension liability-related amounts, is reported in the statement of net position. The statement of net position reports differences between projected and actual investment earnings on pension plan investments, changes of assumptions and other inputs, and the Authority's contributions subsequent to the measurement date of the net pension liability. These items are deferred and recognized as a reduction of the net pension liability in the subsequent year.

The Authority has a second item, which arises under accounting for other postemployment benefits (OPEB) that qualifies for reporting in this category. The item, total OPEB liability-related amounts, is reported in the statement of net position. The statement of net position reports the Authority contributions subsequent to the measurement date of the total OPEB liability. This item is deferred and recognized as a reduction of the total OPEB liability in the subsequent year.

In addition to liabilities, the statement of net position/governmental funds balance sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow (revenue) until that time.

The Authority has an item, which arises under accounting for pensions, that qualifies for reporting in this category. The item, net pension liability-related amounts, is reported in the statement of net position. The statement of net position reports differences between expected and actual experience and changes in the Authority's proportion. These items are deferred and recognized as an increase of the net pension liability in subsequent periods.

The Authority has a second item, which arises under accounting for OPEB that qualifies for reporting in this category. The item, total OPEB liability-related amounts, is reported in the statement of net position. The statement of net position reports changes in assumptions and other inputs. This item is deferred and recognized as an increase of the total OPEB liability in the subsequent periods.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Budgets and Budgetary Accounting:

The Authority follows the procedures outlined below in establishing the budgetary data reflected in the financial statements:

1. Prior to April 15, the Chief Executive Officer submits to the Authority Board of Directors, a proposed operating budget for the fiscal year commencing the following July 1.

The operating budget includes proposed expenditures and expenses and the means of financing them for all governmental and proprietary funds. Budgets for governmental funds are prepared on the modified accrual basis of accounting. Those for proprietary funds are prepared on the accrual basis of accounting.

2. Public hearings are conducted on the third Thursday or Friday in May to obtain public comments.
3. On or before June 1, the budget is legally enacted through passage of a resolution by a majority vote of the Authority Board.
4. Department heads are authorized to transfer appropriations between accounts within their respective departments subject to approval of the Chief Executive Officer. The Chief Executive Officer is authorized to transfer appropriations between departments within the various functional levels of the General Fund. Any revisions that alter or augment total appropriations or transfer appropriations between functional levels must be approved by the Authority Board. Formal budgetary integration is employed as a management control device during the year for all funds of the Authority, except the Agency Fund which is not required to be budgeted.
5. Budgeted appropriations may not be exceeded by actual expenditures of the various governmental functions in the General Fund. State statutes do not require that debt service payments (Debt Service Fund) or programs of insurance (Insurance Internal Service Fund) be limited by the budget. Also, state statutes generally do not require that capital payments (Capital Projects Fund) be limited by the budget. At year-end, any unencumbered appropriations lapse. Actual expenses may not exceed the sum of budgeted operating and nonoperating expenses in the proprietary fund.

The budget amounts reflected in the financial statements have been amended from original amounts in accordance with state statute.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Cash and Investments:

Cash and investments include amounts in demand deposit accounts as well as all investments of the Authority. Investments are stated at fair value.

All interest earned on cash and investments is recognized in the General Fund in accordance with NRS 355.175, except for separate accounts established for the Debt Service Fund, (in accordance with bond resolutions) and the Capital Projects Fund.

Pursuant to Nevada Revised Statutes, the Authority may invest in United States securities, bond and indentures, negotiable certificates of deposit, certain bankers' acceptances, commercial paper, and AAA rated money market mutual funds that invest in securities issued by, or agencies of the U.S. government.

In addition, the Authority may invest in the Local Government Investment Pool administered by the State Treasurer with oversight by the Board of Finance of the State of Nevada.

Cash and investments held by the proprietary fund meet liquidity requirements for classification as cash equivalents (original maturities three months or less).

Receivables:

The Authority considers receivables to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

Inventory:

Merchandise inventory for the Golf Course Pro Shop was sold to Duncan Management as of May 1, 2018. Prior to the transition, inventory was valued at the lower of average cost or market. Charges were made to operations at the time merchandise was sold. Miscellaneous supply purchases were expensed as incurred.

Due To and Due From Other Funds:

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. All such balances are eliminated in the government-wide statements.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Capital Assets:

Capital assets are reported in the government-wide financial statements. As a matter of policy, the Authority classifies those assets with a unit value of \$5,000 or more and a useful life of more than one year as capital assets. The Authority has no public domain (infrastructure) capital assets. Purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation is computed over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	5 – 40 years
Improvements	3 – 25 years
Furniture and equipment	3 – 10 years

Long-Term Liabilities:

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts and prepaid bond insurance, if applicable, are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed during the current period.

In the governmental fund financial statements, bond proceeds and premiums/discounts, if any, are recognized during the current period as an other financing source or use, as applicable. Bond issue costs are reported as expenditures during the current period.

Compensated Absences:

All vacation is accrued when earned in the government-wide and proprietary fund statements. Potential sick leave payout is accrued in the government-wide statements and proprietary fund based upon the employee's date of employment and at rate of one hour for every three unused hours up to a maximum of 300 hours of sick leave, as the specified maximum payout.

In the General Fund, the costs involved in vacation and sick leave benefits are not accrued as earned, but are recorded as payroll costs only when the time is actually used or accumulated benefits are paid as a result of employee resignations and retirements.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Public Employees Retirement System of the State of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined 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.

Fund Equity:

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, contributors, or laws or regulations; (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net positions that do not meet the definition of restricted or net investment in capital assets.

Restricted Net Position consists of amounts restricted for debt service in accordance with bond indentures, amounts restricted for Strategic Plan Implementation and claims for insurance for the benefit of employees in accordance with state statute.

In the governmental fund financial statements, fund equity is classified as fund balance. Fund balance is further classified in the following components, as applicable:

Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Committed – Amounts that can only be used for specific purposes. Committed fund balance is established pursuant to action taken by the Board of Directors, which is the Authority’s highest level of decision making authority. A similar action of the Board would be required to modify or rescind a fund balance commitment.

Assigned – Amounts the Authority intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. By action taken by the Board of Directors in adopting the Fund Balance Policy, amounts may be assigned by the Board of Directors or the Finance Department.

Unassigned – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, or committed.

In accordance with the Cooperative Agreement Regarding General Obligation Backing of Bonds with Washoe County, the Authority shall budget and maintain ending fund balance in relation to expenditures in the Authority’s General Fund of ten percent (10%), positive ending fund balances in the Authority’s Capital Projects Fund, and positive net position in the Authority’s Insurance Internal Service Fund.

Proprietary fund equity is classified the same as in the government-wide statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors have provided otherwise in its commitment or assignment actions.

Revenues:

By statute and through interlocal agreement, the Authority is administrator and collection agent for all transient lodging license taxes imposed within Washoe County. Tax rates are 13.5% of gross transient lodging revenues within the City of Sparks, 13.5% of gross transient lodging revenues within the downtown of the City of Reno, and 13% of gross transient lodging revenues of properties not located in the downtown of the City of Reno and all unincorporated areas of Washoe County.

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One percent of the effective tax rates in all jurisdictions represents a State of Nevada Lodging Tax, which is divided between the Authority and the State of Nevada on the basis of 5/8% and 3/8%, respectively. The 5/8% retained by the Authority is restricted by statute to be used for promotion and special events; the 3/8% retained by the State is designated for use in funding operations of the Nevada Department of Tourism.

One percent of the effective tax rate in all jurisdictions was imposed by the Nevada Legislature on July 1, 1991 as The National Bowling Stadium Lodging Tax. Proceeds of this tax are transferred to the City of Reno.

Effective June 1, 1999, transient lodging taxes increased 3%, except in the Railroad Improvement District where the increase was 2%. A 1% transient lodging tax was previously imposed on the Railroad Improvement District effective January 1, 1999. The Authority collects and remits the 1% transient lodging tax to the Railroad Improvement District. The increase in transient lodging taxes retained by the Authority is imposed by statute to be used for expansion of the Convention Center (2%). The increase in transient lodging taxes not retained by the Authority (1% collected outside of the Railroad Improvement District) is remitted to the City of Reno for the Reno Events Center/National Bowling Stadium. Amounts, determined by the Special Acts of the State of Nevada, may be distributed to the City of Sparks or retained by the Authority based on allocations mandated in the Special Act. In addition, the legislation requires one-half of the proceeds received from transient lodging taxes (previously imposed taxes) collected in Incline Village, Nevada and Crystal Bay, Nevada to be granted to the Incline Village/Crystal Bay Visitor and Convention Bureau.

Effective December 1, 2001 transient lodging taxes increased 1.5% within the Railroad Improvement District. This increase is remitted to the City of Reno Redevelopment Agency for the Reno Events Center/National Bowling Stadium.

Effective July 1, 2003 transient lodging taxes increased 2.5% within the City of Sparks. This increase is remitted to the City of Sparks for construction/renovation of Downtown Sparks.

Effective July 1, 2009 transient lodging taxes increased 1% for properties not located in the downtown of the City of Reno and all unincorporated areas of Washoe County. This increase is remitted to the State of Nevada for educational purposes (Initiative Petition 1).

The remaining 7% tax revenues from within Washoe County and the City of Reno are divided between the Authority and these entities on the basis of 6% and 1%, respectively. The remaining 6% tax from within the City of Sparks is retained by the Authority.

The Authority's share of revenues detailed above is currently pledged to the Authority as part of existing bond resolutions. This will continue through repayment

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of outstanding bonds. All other revenues of the Authority result from fees imposed on users of Authority facilities, convention and visitors service revenue and interest on investments.

Effective July 13, 2011, the City of Reno approved an ordinance to collect a surcharge of \$2 on the per night charge for the rental of a room in a hotel that holds a non-restricted gaming license located in downtown Reno. Amounts collected are remitted to the City of Reno.

During the fiscal year ended June 30, 2016, a surcharge of \$1 - \$2 on the per night charge for the rental of a room in a hotel within 20 miles from the boundaries of a district created by NRS 268.798 was collected. Amounts collected are retained by the Authority to implement a strategic plan for the promotion of tourism in the region.

For the year ended June 30, 2018, principal and interest paid and total net pledged revenues were \$9,632,919 and \$24,087,186, respectively. Annual principal and interest payments are expected to require approximately 40% of net revenues. The total principal and interest remaining on the bonds is \$141,952,000.

Comparability:

Comparative data shown for the year ended June 30, 2017 has been extracted from fiscal year 2016-17 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for 2016-17. Such information can only be obtained by referring to the financial statements for that year.

NOTE B - CASH AND INVESTMENTS

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority does not have any investments that are measured using Level 2 or Level 3 inputs.

As of June 30, 2018, the Authority's investments, including the recurring fair value measurement of investments, is as follows:

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	<u>Average Maturity/ Maturity</u>	<u>Fair Value</u>
Investments:		
Invesco Treasury Portfolio (Money Market Fund)	22 Days	\$ 21,780,214
Total Investments		21,780,214
Total Cash		<u>4,996,961</u>
Total Cash and Investments		<u>\$ 26,777,175</u>

For investments in the Invesco Treasury Portfolio, the investments are categorized as Level 1 and valued at fair value based on the quoted prices in active markets for identical assets.

Interest Rate Risk. Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by diversifying the durations of fixed income investments that are held at a given time. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in statute.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of investments. The Invesco Treasury Portfolio are rated AAA-mf by Moody's and AAAM by Standard and Poor's. As noted above, the Authority does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in statute.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Custodial Credit Risk on Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

A certificate of deposit is carried for performance of the Authority's obligation for self-insured worker's compensation; security deposit for the Nevada Division of Insurance.

An account has been established in accordance with the bond covenants to be used if there are insufficient monies to pay the principal and interest on the Convention Center bond issue. The account is maintained in the Debt Service Fund and is restricted for Convention Center debt service.

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NOTE C – CAPITAL ASSETS

Depreciation expense was charged to functions/programs of the Authority as follows:

Governmental Activities

General government	\$ 49,719
Community Support	<u>3,296,063</u>
Total depreciation expense-governmental activities	<u>\$ 3,345,782</u>

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Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2018
Governmental Activities				
Capital assets, not being depreciated				
Water rights	\$ 3,445,200	-	-	\$ 3,445,200
Construction in progress	990,145	2,151,614	(990,145)	2,151,614
Total capital assets, not being depreciated	4,435,345	2,151,614	(990,145)	5,596,814
Capital assets, being depreciated				
Buildings and improvements	149,673,561	135,787	-	149,809,348
Improvements	2,109,396	335,653	-	2,445,049
Furniture and equipment	3,608,403	2,089,459	-	5,697,862
Total capital assets, being depreciated	155,391,360	2,560,899	-	157,952,259
Less accumulated depreciation for				
Buildings and improvements	(100,300,524)	(2,717,789)	-	(103,018,313)
Improvements	(461,110)	(164,643)	-	(625,753)
Furniture and equipment	(2,744,707)	(463,350)	-	(3,208,057)
Total accumulated depreciation	(103,506,341)	(3,345,782)	-	(106,852,123)
Total capital assets, being depreciated, net	51,885,019	(784,883)	-	51,100,136
Governmental Activities Capital Assets, net	\$ 56,320,364	\$ 1,366,731	\$ (990,145)	\$ 56,696,950

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NOTE D – AUTHORITY OBLIGATIONS

The Authority issues general obligation bonds to finance the purchase of major capital items and the acquisition or construction of major capital facilities.

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The Authority is in compliance with all significant limitations and restrictions at June 20, 2018.

Governmental activities debt is serviced through the Debt Service Fund, except for compensated absences (funded by the General Fund).

The 2011 Refunding Bonds, through the Cooperative Agreement with Washoe County, requires the Authority to establish and maintain a Bond Payment Sinking Fund that is to be funded as follows: 5% of the amount exceeding \$22,000,000 annually in Room Tax Revenue (Revenue) in each of the first two years in which Revenues exceed \$22,000,000, then 10% of the amount exceeding \$22,000,000 annually in Revenue in the succeeding two years in which Revenues exceed \$22,000,000, then 15% of the amount exceeding \$22,000,000 annually in Revenue each year thereafter. Funds deposited in the Sinking Fund are to be used to defease (redeem) the 2011 Refunding Bonds, once the balance exceeds \$1,000,000. For the year ended June 30, 2018, the Authority defeased a principal amount of \$1,245,000 of the 2011 Bonds set to mature in 2033.

The Authority has entered into an agreement for the purchase and use of treated effluent for the Wildcreek Golf Course from the City of Sparks. The agreement calls for a base rate of \$300,000 annually to be paid in 12 equal monthly installments. The base rate may be adjusted every five years based on activity of the City of Sparks' system.

The following is a schedule of minimum payments currently required under the agreement described above:

<u>Year ending June 30,</u>	
2019	\$ 300,000
2020	300,000
2021	300,000
2022	<u>275,000</u>
	<u>\$ 1,175,000</u>

During the year ended June 30, 2018, expenditures under the agreement were \$300,000 and are recorded in the General Fund.

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(Continued)

The Authority has outstanding commitments related to construction projects at June 30, 2018, at the Reno-Sparks Convention Center roof repair for \$50,254, and replacement of hot water tanks for \$50,662.

Subsequent to the year end, additional projects at the Reno-Sparks Convention Center were approved for \$1,346,524.

The Authority has entered into a lease for its office facilities. The lease provides for fixed monthly rent plus additional rent for increase in expenses occurring during the least term. The term of the lease was extended as of October 31, 2018 for a period of five years, with monthly rent payments of \$13,613 expiring in 2023. The lease may be extended for one additional period of five years. The following is a schedule of minimum payments currently required under the agreement described above:

<u>Year ending June 30,</u>	
2019	\$ 163,356
2020	163,356
2021	163,356
2022	163,356
2023	163,356
2024	<u>54,452</u>
	<u>\$ 871,232</u>

During the year ended June 30, 2018, expenditures under the agreement were \$163,356 and are recorded in the General Fund.

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Description	Interest Rate	Maturity Date	Original Issue	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due in 2018-2019
Governmental Activities								
General Obligation Bonds Payable								
(Limited Tax) Improvement and Refunding Bonds:								
January 2000 Series								
Capital Appreciation	-	2021	\$ 19,384,075	\$ 19,773,256	\$ 960,902	\$ 5,440,000	\$ 15,294,158	\$ 5,435,000
2011 Refunding	2.0 - 5.0%	2032	88,680,000	87,150,000	-	1,245,000	85,905,000	-
Unamortized premium				2,558,284	-	204,931	2,353,353	-
				<u>109,481,540</u>	<u>960,902</u>	<u>6,889,931</u>	<u>103,552,511</u>	<u>5,435,000</u>
Arbitrage Payable	N/A	N/A	N/A	-	-	-	-	-
Compensated Absences	N/A	N/A	N/A	467,515	360,945	414,230	414,230	400,000
Total Debt				<u>\$109,949,055</u>	<u>\$ 1,321,847</u>	<u>\$ 7,304,161</u>	<u>\$ 103,966,741</u>	<u>\$ 5,835,000</u>

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During the year ended June 30, 2018, interest expense has been recorded in the Debt Service Fund in the amount of \$4,192,919.

Presented below is a summary of debt service requirements to maturity of the Authority's obligations, excluding bond premiums, and compensated absences:

Governmental Activities		
Bonds		
Year Ending June 30,	Principal	Interest
2019	\$ 5,435,000	\$ 4,161,794
2020	5,093,247	4,503,547
2021	4,765,911	4,825,883
2022	5,495,000	4,036,419
2023	5,765,000	3,766,919
2024-2028	33,410,000	14,245,966
2029-2033	41,235,000	5,212,314
	<u>\$ 101,199,158</u>	<u>\$ 40,752,842</u>

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(Continued)

NOTE E – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2018, fund balances are composed of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$ 5,000	\$ -	\$ -	\$ 5,000
Inventory	<u>11,595</u>	<u>-</u>	<u>-</u>	<u>11,595</u>
Total Nonspendable	<u>16,595</u>	<u>-</u>	<u>-</u>	<u>16,595</u>
Restricted:				
Strategic Plan Implementation	6,341,914	-	-	6,341,914
Debt Service	<u>-</u>	<u>12,726,101</u>	<u>-</u>	<u>12,726,101</u>
	<u>6,341,914</u>	<u>12,726,101</u>	<u>-</u>	<u>19,068,015</u>
Assigned:				
Budget Shortfall	2,544,788	-	-	2,544,788
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>2,710,901</u>	<u>2,710,901</u>
	<u>2,544,788</u>	<u>-</u>	<u>2,710,901</u>	<u>5,255,689</u>
Unassigned:				
	<u>2,867,371</u>	<u>-</u>	<u>-</u>	<u>2,867,371</u>
Total fund balance	<u>\$ 11,770,668</u>	<u>\$ 12,726,101</u>	<u>\$ 2,710,901</u>	<u>\$ 27,207,670</u>

NOTE F – FLEXIBLE COMPENSATION PLAN

The Authority had provided a Flexible Compensation (Internal Revenue Code Section 125) Plan for its employees. In the year ending June 30, 2018, the Authority ceased this Plan and the fund was closed out in accordance with the Plan document.

NOTE G – INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances (amounts paid on behalf of other funds) as of June 30, 2018 is as follows:

<u>Due To/From Other Funds</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 423,662
Capital Projects Fund	General Fund	1,861,837
Insurance Internal Service Fund	General Fund	<u>92,795</u>
		<u>\$ 2,378,294</u>

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Balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2018 consisted of the following:

Transfers Out:	Transfers In		Total
	Debt Service Fund	Capital Projects Fund	
General Fund	\$10,875,000	\$5,200,000	\$16,075,000

Transfers are used to 1) move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected or resources in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE H – DEFINED BENEFIT PENSION PLAN

Plan Description: The Authority contributes to the Public Employees’ Retirement System of the State of Nevada (PERS). PERS administers a cost sharing, multiple employer, defined benefit public employees’ retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided: Benefits, as required by Nevada Revised Statutes (NRS or statute), are determined by the number 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 PERS on or after January 1, 2010. 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 at 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on or after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.50% service factor. Regular members entering PERS on or after July 1, 2015, have a 2.25% multiplier for all years of service. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced

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service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 – 286.579.

Vesting: Regular members entering PERS prior to January 1, 2010, 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 thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or at age 55 with thirty years of service, or at any age with thirty-three and one-third years of service.

Police/Fire members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Police/Fire employees entering PERS 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 service and at any age with thirty-three and one-third years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

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

Contributions: The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are cancelled upon withdrawal of the contributions from the member's account. If EPC was elected, the member cannot convert to the Employee/Employer Contribution plan.

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(Continued)

PERS 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.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. 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.

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.

For the fiscal years ended June 30, 2017 and June 30, 2018, the Statutory Employer/employee matching rate for Regular members was 14.50%; the rate was 20.75% for Police/Fire in both years. The Employer-Pay Contribution (EPC) rate was 28.00% for Regular members for the fiscal years ended June 30, 2017 and June 30, 2018; the rate was 40.50% for Police/Fire for both years.

The Authority's employer contributions were \$802,299 (restated) for the year ended June 30, 2017 and \$883,137 for the year ended June 30, 2018.

PERS Investment Policy: PERS' 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 following was the PERS Board adopted policy target asset allocation as of June 30, 2017:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2017 PERS' long-term inflation assumption was 2.75%.

Net Pension Liability: At June 30, 2018, the Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The

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Authority's proportion of the net pension liability (\$11,894,750) was based on the Authority's share of contributions to the PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2017, the Authority's proportion was 0.08944 percent, which was a decrease of .00952 from its proportion measured as of June 30, 2016.

Pension Liability Discount Rate Sensitivity: The following presents the net pension liability of the Authority as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the Authority'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 discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Authority's proportionate share of net pension liability	\$ 17,981,543	\$ 11,894,750	\$ 6,839,575

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions: The Authority's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll growth	5.00%, including inflation
Investment rate of return	7.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service
Projected salary increases	Police/Fire: 4.55% to 13.90%, depending on service
	Rates include inflationary and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Mortality rates for healthy were based on the 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 healthy annuitants at age 50 to the

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mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of 6 years is a provision made for future mortality improvement.

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

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. 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, 2017, 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 was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Changes in assumptions include changes in the inflation rate and consumer price index from 3.50% to 2.75%, changes in the investment rate of return from 8.00% to 7.50%, changes in the productivity pay increase from 0.75% to 0.50%, and changes in the projected salary increases. In addition, the mortality rates are now based on the Headcount-Weighed RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2018, the Authority recognized pension expense of \$575,994. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	(\$780,536)
Net difference between projected and actual earnings on pension plan investments	77,230	-
Changes in the Authority's proportion	-	(1,506,224)
Changes in assumptions and other inputs	789,104	-
Authority contributions subsequent to the measurement date	883,137	-
Total	\$ 1,749,471	(\$2,286,760)

The \$883,137 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 6.39 years.

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

Year Ending June 30:

2019	\$ (526,531)
2020	(37,087)
2021	(241,909)
2022	(471,431)
2023	(112,802)
Thereafter	(30,666)

Additional Information – Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

NOTE I - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Authority provides other postemployment benefits (OPEB) for eligible retired employees through either participation in the Authority’s health insurance program or the Nevada Public Employees’ Benefit Plan (PEBP) under NRS 287.023.

Plan Descriptions: The Authority’s defined benefit OPEB plan, RSCVA Retiree Health Benefit Program (RRHBP), provides OPEB for all eligible employees on retirement from the Authority. Additionally, the Authority contributes to the defined benefit OPEB plan, the Public Employees’ Benefits Plan (PEBP). Both plans provide medical, vision, dental, prescription, and life insurance benefits to eligible Authority retirees and beneficiaries.

RRHBP is a single employer defined benefit OPEB plan administered by the Authority. In accordance with Nevada Revised Statute 287.010, the RRHBP was adopted to provide postemployment benefits to full-time employees on retirement. Eligibility requirements, benefit levels, employee contributions, and employer contributions are governed by the Authority and can only be amended by the Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75; no separate financial reports are issued.

PEBP is an agent multiple-employer defined benefit OPEB plan administered by a nine member governing board. Nevada Revised Statute 287.023 allows certain retired employees of governmental entities with the State of Nevada to join the State’s Public Employee Benefits Program. Eligibility and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75; no separate financial reports are issued.

Benefits Provided: RRHBP provides healthcare and life insurance benefits for retirees and their dependents. Employees retiring from the Authority under PERS with a minimum of five years of service are allowed continued participation in the Authority’s group health insurance program (medical, vision, dental and life insurance). Employees retiring from the Authority under PERS with a minimum of ten years of service receive subsidized premiums from the Authority based on the years of service, as noted below. Retirees are responsible for payment of unsubsidized premiums, as well as, premiums for eligible dependents. During the year end June 30, 2012, the plan was modified for those employees hired after January 1, 2012. Consequently, no employees hired after January 1, 2012 will be eligible to receive subsidized premium payments. In addition, effective for those retirees retiring after November 15, 2017, subsidized premium payments are no longer paid after age 65.

<u>Length of Service</u>	<u>% Retiree Premium Subsidy</u>
10 years	50%
15 years	75%
20 years	100%

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

PEBP provides medical, prescription, vision, life and accident insurance, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The Authority is required to provide a subsidy for their retirees who have elected to join PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depends on the date of retirement and years of PERS service former employees earned in total and while working for the Authority. The subsidy ranges from a minimum of \$2 to a maximum of \$240 per month. Subsidies for retiree premiums participating in the PEBP are paid directly to the State when due. The Authority's obligation for subsidies is limited to payment of the statutorily required contribution. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former Authority employees and retirees must have retired and joined PEBP by September 1, 2008 to elect PEBP membership. Consequently, no employees retiring from the Authority on or after September 1, 2008 will be eligible to participate in the PEBP plan as a retiree at the Authority's expense.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

	<u>RRHBP</u>	<u>PEBP</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefit payments	40	13	53
Inactive employees entitled to but not yet receiving benefit payments	3	-	3
Active employees	<u>53</u>	<u>-</u>	<u>53</u>
	<u>96</u>	<u>13</u>	<u>109</u>

Total OPEB Liability: The Authority's total OPEB liability of \$6,365,148 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

	<u>RRHBP</u>	<u>PEBP</u>	<u>Total</u>
Total OPEB Liability	<u>\$6,213,049</u>	<u>\$152,099</u>	<u>\$6,365,148</u>

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs for RRHBP and PEBP, applied to all periods included in the measurement, unless otherwise specified:

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

	<u>RRHBP</u>	<u>PEBP</u>
General Inflation	2.75%	2.75%
Salary Increases	4.00%, per year	N/A
Assumed Wage Inflation	3.00% per year	N/A
Discount Rate	3.13%	3.13%
Healthcare Cost Trend Rates	6.25% for 2019, decreasing 0.25% per year to an ultimate rate of 5.00% for 2024 and later years	6.00% for 2019, decreasing 0.25% per year to an ultimate rate of 5.00% for 2023 and later years
Retirees' Share of Benefit-related costs	0% to 100% of premium amounts based on years of service	0% to 100% of premium amounts based on years of service

The discount rate for RRHBP and PEBP was based on the S & P General Obligation Municipal Bond 20 Year High Grade Index.

For the RRHBP and PEBP Plans, mortality rates for healthy were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table, set forward one year. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward 4 years. Mortality rates for Pre-retirement were based on Headcount-Weighted RP-2014 Employee Table. Adjustments for mortality improvements were based by applying the MacLeod Watts Scale 2017 on a generational basis from 2017 forward, based on data from the Society of Actuaries Mortality Improvement Scale MP-2016 and the demographic assumptions used in the 2016 Annual Report of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds.

Changes in the Total OPEB Liability:

	<u>RRHBP</u>	<u>PEBP</u>	<u>Total</u>
Balance at June 30, 2017	<u>\$ 6,606,591</u>	<u>\$ 164,712</u>	<u>\$ 6,771,303</u>
Changes for the Year:			
Service Cost	104,654	-	104,654
Interest	176,732	4,290	181,022
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions or Other Inputs	(441,397)	(7,644)	(449,041)
Benefit Payments	<u>(233,531)</u>	<u>(9,259)</u>	<u>(242,790)</u>
Net Changes	<u>(393,542)</u>	<u>(12,613)</u>	<u>(406,155)</u>
Balance at June 30, 2018	<u>\$ 6,213,049</u>	<u>\$ 152,099</u>	<u>\$ 6,365,148</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

Changes in Assumptions: RRHBP changes in assumptions and other inputs reflect updated rates of retirement, termination, projection of future improvement in mortality rates, and a slight increase in higher rates in the years 2019 through 2023. The basis for developing age-related medical premiums was also updated. In addition, participants, participant rates, and spouse coverage were updated based on review of recent retiree elections, and the potential impact of excise tax attributable to retirees for high cost healthcare plans was reflected.

PEBP changes in assumptions and other inputs reflect updated mortality assumptions, projection of future improvement in mortality rates, and a slight increase in the assumed healthcare trend for years 2020 through 2022 as expected to impact the required subsidy. In addition, participants were updated.

The RRHBP and PEBP Plans reflect a change in the discount rate from 2.68% to 3.13%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage lower (2.13%) or 1-percentage-point higher (4.13%) than the current discount rate:

	1% Decrease in Discount Rate (2.13%)	Discount Rate (3.13%)	1% Increase in Discount Rate (4.13%)
RRHBP OPEB Liability	\$ 7,261,512	\$ 6,213,049	\$ 5,379,558
PEBP OPEB Liability	<u>169,931</u>	<u>152,099</u>	<u>137,048</u>
Total OPEB Liability	<u>\$ 7,431,443</u>	<u>\$ 6,365,148</u>	<u>\$ 5,516,606</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate (5.25% decreasing to 4.00%)	Healthcare Cost Trend Rate (6.25% decreasing to 5.00%)	1% Increase in Healthcare Cost Trend Rate (7.25% decreasing to 6.00%)
RRHBP OPEB Liability	\$ 5,471,501	\$ 6,213,049	\$ 7,175,194

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

	1% Decrease in Healthcare Cost Trend Rate (5.00% decreasing to 4.00%)	Healthcare Cost Trend Rate (6.00% decreasing to 5.00%)	1% Increase in Healthcare Cost Trend Rate (7.00% decreasing to 6.00%)
PEBP OPEB Liability	\$ <u>137,702</u>	\$ <u>152,099</u>	\$ <u>168,758</u>
Total OPEB Liability	\$ <u>5,609,203</u>	\$ <u>6,365,148</u>	\$ <u>7,343,952</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the Authority recognized OPEB expense (income) of \$200,184:

RRHBP	\$ 203,538
PEBP	<u>(3,354)</u>
	<u>\$ 200,184</u>

At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	RRHBP		PEBP		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions and other inputs	\$ -	\$(363,549)	\$ -	\$ -	\$ -	\$(363,549)
Contributions						
Subsequent to the Measurement Date	<u>201,745</u>	<u>-</u>	<u>9,349</u>	<u>-</u>	<u>211,094</u>	<u>-</u>
Total	<u>\$ 201,745</u>	<u>\$(363,549)</u>	<u>\$ 9,349</u>	<u>\$ -</u>	<u>\$ 211,094</u>	<u>\$(363,549)</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

<u>Year Ending June 30,</u>	<u>RRHBP</u>	<u>PEBP</u>	<u>Total</u>
2019	\$77,848	\$ -	\$77,848
2020	77,848	-	77,848
2021	77,848	-	77,848
2022	77,848	-	77,848
2023	52,157	-	52,157
Thereafter	-	-	-

NOTE J – INSURANCE

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters, as are all entities.

The Authority is self-insured for workers' compensation (industrial injury) claims to a maximum of:

- Each accident: \$350,000
- Each employee for disease or cumulative injury: \$350,000

Commercial insurance is carried for claims in excess of these amounts and performance of the Authority's financial obligation is guaranteed by a certificate of deposit issued by Meadows Bank in favor of the Nevada Insurance Commission. Liabilities include an amount for claims (excluding incremental costs) that have been incurred but not reported (IBNR). Changes in the balances of claims liability during the past two years are as follows:

	<u>Workers'</u> <u>Compensation</u> <u>Claims</u>
Claims liability, July 1, 2016	\$ 164,260
Claims and changes in estimates	2,805
Claims payments	<u>(139,236)</u>
Claims liability, June 30, 2017	27,829
Claims and changes in estimates	295,623
Claims payments	<u>(161,697)</u>
Claims liability, June 30, 2018	<u>\$ 161,755</u>

The Authority is also self-insured for unemployment claims. Risk for unemployment claims incurred are assumed by the Authority without limitation.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

The Authority continues to carry commercial insurance for other risks of loss including liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE K – CORRECTION OF AN ERROR AND ADOPTION OF NEW STANDARD
(GASB 75)**

During 2018, the Authority identified misstatements in the June 30, 2017 financial statements related to the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*. Based on the restated Schedule of Employer Allocations for GASB 82 Implementation provided by the Public Employee’s Retirement System of Nevada (PERS), beginning net position was restated as of July 1, 2017 to report the previous overstatement of the balances reported for deferred outflows of resources, net pension-liability amounts, at June 30, 2017.

As of July 1, 2017, the Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard requires governments calculate and report the cost, obligations, and deferred outflows of resources, and deferred inflows of resources associated with other postemployment benefits in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning total OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

Governmental Activities

Net position at June 30, 2017, as previously reported	(\$44,777,664)
Restatement of deferred outflows of resources, net pension-liability amounts	<u>(1,046,421)</u>
Net position at June 30, 2017, restated for correction of error	(45,824,085)
Change in the total OPEB liability at June 30, 2017	(2,047,160)
Deferred outflows of resources related to contributions made during the year ended June 30, 2017	<u>242,790</u>
Net position at July 1, 2017, as restated	<u>(\$47,628,455)</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

**NOTE L – COMPLIANCE WITH NEVADA REVISED STATUTES AND NEVADA
ADMINISTRATIVE CODE**

The Authority conformed to all significant statutory constraints on its financial administration during the year, with the following possible exception:

The budgets of the Capital Projects Fund and the Insurance Internal Service Fund were augmented with anticipated resources; however, additional resources did not actually exceed those included in the original budget, an apparent violation of NRS 354.598005.

NOTE M – CONTINGENCIES

Management estimates that the potential claims against the Authority will not materially affect the financial condition of the Authority.

NOTE N – OTHER AGREEMENTS

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.

**Reno-Sparks Convention & Visitors Authority
Required Supplementary Information (OPEB)
June 30, 2018**

Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios
RSCVA Retiree Health Benefit Program (RRHBP)

	2018
Total OPEB Liability	
Service Cost	\$ 104,654
Interest	176,732
Changes in Benefit Terms	-
Difference between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(441,397)
Benefit Payments	(233,531)
Net Change in Total OPEB Liability	(393,542)
Total OPEB Liability, July 1	6,606,591
Total OPEB Liability, June 30	\$ 6,213,049
Covered-employee Payroll	\$ 6,295,011
Total OPEB Liability as a Percentage of Covered-employee Payroll	98.70%

Notes to Schedule:

Changes of Assumptions: Changes in assumptions and other inputs reflect updated rates of retirement, termination, projection of future improvement in mortality rates, and a slight increase in higher rates in the years 2019 through 2023. The basis for developing age-related medical premiums was also updated. In addition, participants, participant rates, and spouse coverage were updated based on review of recent retiree elections, and the potential impact of excise tax attributable to retirees for high cost healthcare plans was reflected. A change in discount rate from 2.68% to 3.13 % was also made.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. Information is not available prior to that time.

**Reno-Sparks Convention & Visitors Authority
Required Supplementary Information (OPEB)
June 30, 2018**

Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios
State of Nevada's Public Employees' Benefit Plan (PEBP)

	2018
Total OPEB Liability	
Service Cost	\$ -
Interest	4,290
Changes in Benefit Terms	-
Difference between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	(7,644)
Benefit Payments	(9,259)
Net Change in Total OPEB Liability	(12,613)
Total OPEB Liability, July 1	164,712
Total OPEB Liability, June 30	\$ 152,099
Covered-employee Payroll	N/A
Total OPEB Liability as a Percentage of Covered-employee Payroll	N/A

Notes to Schedule:

Changes of Assumptions: Changes in assumptions and other inputs reflect updated mortality assumptions, projection of future improvement in mortality rates, and a slight increase in the assumed healthcare trend for years 2020 through 2022 as expected to impact the required subsidy. In addition, participants were updated. A change in discount rate from 2.68% to 3.13 % was also made.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. Information is not available prior to that time.

Reno-Sparks Convention & Visitors Authority
 Required Supplementary Information - Pension
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

Schedule of the Authority's Share of the Net Pension Liability

Fiscal Year Ending	Authority's Proportion of the Net Pension Liability	Authority's Proportionate Share of the Net Pension Liability	Authority's Covered Payroll	Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered- Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.10485%	\$ 10,927,636	\$ 6,170,966	177.08%	76.31%
2015	0.10083%	11,554,489	6,044,073	191.17%	75.13%
2016	0.09896%	13,317,765	6,032,160	220.78%	72.23%
2017	0.08944%	11,894,750	5,761,493	206.45%	74.42%

Schedule of Authority Contributions

Fiscal Year Ending	Statutorily Required Contribution*	Contributions in Relation to the Statutorily Required Contribution*	Contribution Deficiency (Excess)	Authority's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,562,041	\$ 1,562,041	\$ -	\$ 6,044,073	25.84%
2016	839,072	839,072	-	6,032,160	13.91%
2017	802,299	802,299	-	5,761,493	13.93%
2018	883,137	883,137	-	6,319,358	13.98%

The Authority adopted GASB 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015. Information is not available prior to that time.

Changes in assumptions include changes in the inflation rate and consumer price index from 3.50% to 2.75%, changes in the investment rate of return from 8.00% to 7.50%, changes in the productivity pay increase from 0.75% to 0.50%, and changes in the projected salary increases. In addition, the mortality rates are now based on the Headcount-Weighted RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

*All contributions for the years 2016-2018 reflect employer-paid contributions only. Member contributions are excluded. 2016 and 2017 values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 68 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources required for the repayment of debt principal and interest. The chief resources are transfers of room license tax revenue from the General Fund and interest earned on investments.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)**

	2018 Budget Amount		2018		2017
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Miscellaneous					
Interest on investments	\$ 31,419	\$ 59,419	\$ 83,014	\$ 23,595	\$ 18,508
EXPENDITURES					
Debt service					
Principal	5,440,000	5,440,000	5,440,000	-	5,440,000
Interest	4,224,044	4,224,044	4,192,919	31,125	4,224,044
	<u>9,664,044</u>	<u>9,664,044</u>	<u>9,632,919</u>	<u>31,125</u>	<u>9,664,044</u>
Other bond costs					
Payment to escrow agent	-	1,400,000	1,401,284	(1,284)	-
Arbitrage	-	-	-	-	875,000
Administrative fees	10,000	38,000	37,495	505	7,286
	<u>10,000</u>	<u>1,438,000</u>	<u>1,438,779</u>	<u>(779)</u>	<u>882,286</u>
Total expenditures	<u>9,674,044</u>	<u>11,102,044</u>	<u>11,071,698</u>	<u>30,346</u>	<u>10,546,330</u>
Excess (deficiency) of revenues over expenditures	(9,642,625)	(11,042,625)	(10,988,684)	53,941	(10,527,822)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	9,475,000	10,875,000	10,875,000	-	9,845,560
Net change in fund balances	(167,625)	(167,625)	(113,684)	53,941	(682,262)
FUND BALANCE, JULY 1	<u>12,459,852</u>	<u>12,839,785</u>	<u>12,839,785</u>	<u>-</u>	<u>13,522,047</u>
FUND BALANCE, JUNE 30	\$ <u>12,292,227</u>	\$ <u>12,672,160</u>	\$ <u>12,726,101</u>	\$ <u>53,941</u>	\$ <u>12,839,785</u>

CAPITAL PROJECTS FUND

To account for the acquisition and construction of major capital facilities.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018 Budget Amount		2018		2017
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Miscellaneous					
Interest on investments	\$ 2,700	\$ 52,700	\$ 9,127	\$ (43,573)	\$ 1,426
Other	-	-	-	-	69,333
Total revenues	2,700	52,700	9,127	(43,573)	70,759
EXPENDITURES					
Capital outlay	4,150,000	5,200,000	3,672,502	1,527,498	3,089,646
Excess (deficiency) of revenues over expenditures	(4,147,300)	(5,147,300)	(3,663,375)	1,483,925	(3,018,887)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	4,200,000	5,200,000	5,200,000	-	2,639,614
Net change in fund balances	52,700	52,700	1,536,625	1,483,925	(379,273)
FUND BALANCE, JULY 1	944,901	1,174,276	1,174,276	-	1,553,549
FUND BALANCE, JUNE 30	\$ 997,601	\$ 1,226,976	\$ 2,710,901	\$ 1,483,925	\$ 1,174,276

INTERNAL SERVICE FUND

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments of the government on a cost reimbursement basis.

Financial activities of insurance programs are accounted for in the Internal Service Fund. The Authority is self-insured to specific stop-loss limits for workers' compensation (industrial) claims and without limitation for unemployment claims. Employee health (medical, dental and vision) insurance is provided through several purchased coverage (fixed premium) plans at no financial risk to the Authority.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF NET POSITION**

**JUNE 30, 2018
(with comparative totals at June 30, 2017)**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and investments	\$ 248,203	\$ 169,642
Due from other funds	<u>92,795</u>	<u>200,113</u>
TOTAL ASSETS	<u>340,998</u>	<u>369,755</u>
LIABILITIES		
Current liabilities		
Accounts payable	-	1,726
Accrued liabilities	<u>161,755</u>	<u>31,287</u>
TOTAL LIABILITIES	<u>161,755</u>	<u>33,013</u>
NET POSITION		
Restricted for claims	<u>\$ 179,243</u>	<u>\$ 336,742</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)

	2018 Budget Amount		2018		2017
	Original	Final	Actual	Variance to Final Budget	Actual
OPERATING REVENUES					
Charges for benefits	\$ 1,476,315	\$ 1,676,315	\$ 1,473,552	\$ (202,763)	\$ 1,312,875
OPERATING EXPENSES					
Insurance and claims	1,397,100	1,547,100	1,578,020	(30,920)	1,220,952
Administrative expenses	21,175	61,175	53,031	8,144	21,032
TOTAL OPERATING EXPENSES	<u>1,418,275</u>	<u>1,608,275</u>	<u>1,631,051</u>	<u>(22,776)</u>	<u>1,241,984</u>
CHANGE IN NET POSITION	\$ <u>58,040</u>	\$ <u>68,040</u>	(157,499)	\$ <u>(225,539)</u>	70,891
NET POSITION, JULY 1			<u>336,742</u>		<u>265,851</u>
NET POSITION, JUNE 30			\$ <u>179,243</u>		\$ <u>336,742</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND INVESTMENTS
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)**

Page 1 of 2

	2018 Budget Amount		2018		2017
	Original	Final	Actual	Variance to Budget	Actual
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from users	\$ 276,315	\$ 276,315	\$ 241,579	\$ (34,736)	\$ 266,984
Cash received from internal services provided	1,200,000	1,400,000	1,231,973	(168,027)	1,045,891
Cash paid to vendors for services and supplies	(1,418,275)	(1,608,275)	(1,502,309)	105,966	(1,379,526)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	58,040	68,040	(28,757)	(96,797)	(66,651)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash received from (paid to) other funds	(30,000)	(30,000)	107,318	137,318	93,841
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	28,040	38,040	78,561	40,521	27,190
CASH AND INVESTMENTS, JULY 1	155,153	169,642	169,642	-	142,452
CASH AND INVESTMENTS, JUNE 30	\$ 183,193	\$ 207,682	\$ 248,203	\$ 40,521	\$ 169,642

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND INVESTMENTS
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2018
(with comparative actual amounts for the year ended June 30, 2017)
Page 2 of 2**

	<u>2018 Budget Amount</u>		<u>2018</u>		<u>2017</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ <u>58,040</u>	\$ <u>68,040</u>	\$ <u>(157,499)</u>	\$ <u>(225,539)</u>	\$ <u>70,891</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Increase (decrease)					
Accounts payable	-	-	(1,726)	(1,726)	(4,569)
Accrued liabilities	-	-	130,468	130,468	(132,973)
Total adjustments	<u>-</u>	<u>-</u>	<u>128,742</u>	<u>128,742</u>	<u>(137,542)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>58,040</u></u>	\$ <u><u>68,040</u></u>	\$ <u><u>(28,757)</u></u>	\$ <u><u>(96,797)</u></u>	\$ <u><u>(66,651)</u></u>

FIDUCIARY FUND

Agency funds are used to account for assets held by the government as an agent.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
FLEXIBLE COMPENSATION PLAN AGENCY FUND
STATEMENT OF CHANGES IN AGENCY FUND ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
ASSETS				
Cash and investments				
Flexible compensation plan	\$ <u>18,528</u>	\$ <u>11,384</u>	\$ <u>29,912</u>	\$ <u>-</u>
 LIABILITIES				
Benefits payable				
Flexible compensation plan	\$ <u>18,528</u>	\$ <u>11,384</u>	\$ <u>29,912</u>	\$ <u>-</u>

STATISTICAL SECTION

This part of the RSCVA's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government'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 government's financial activities take place.

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Reno-Sparks Convention & Visitors Authority
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net Investment in capital assets	\$ (20,925,684)	\$ (24,145,397)	\$ (27,435,670)	\$ (23,362,078)	\$ (24,718,329)	\$ (25,281,463)	\$ (26,008,544)	\$ (26,239,415)	\$ (23,997,554)	\$ (20,329,530)
Restricted	8,221,904	7,108,195	7,740,234	9,437,557	10,652,094	10,790,791	10,777,150	14,921,411	17,239,393	17,168,961
Unrestricted (deficit)	(27,429,582)	(27,113,595)	(27,590,079)	(32,277,129)	(33,126,722)	(33,957,609)	(44,929,237)	(40,975,184)	(38,039,503)	(37,752,848)
Total governmental activities net position	<u>(40,133,362)</u>	<u>(44,150,797)</u>	<u>(47,285,515)</u>	<u>(46,201,650)</u>	<u>(47,192,957)</u>	<u>(48,448,281)</u>	<u>(60,160,631)</u>	<u>(52,293,188)</u>	<u>(44,797,664)</u>	<u>(40,913,417)</u>
GASB 65/68 adjustments	-	-	-	-	(647,273)	(12,199,123)	-	-	-	-
Total governmental activities net position	<u>\$ (40,133,362)</u>	<u>\$ (44,150,797)</u>	<u>\$ (47,285,515)</u>	<u>\$ (46,201,650)</u>	<u>\$ (47,840,230)</u>	<u>\$ (60,647,404)</u>	<u>\$ (60,160,631)</u>	<u>\$ (52,293,188)</u>	<u>\$ (44,797,664)</u>	<u>\$ (40,913,417)</u>
Business-type activities										
Net Investment in capital assets	\$ 4,348,702	\$ 4,274,363	\$ 4,228,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted (deficit)	(152,679)	(289,604)	(517,011)	-	-	-	-	-	-	-
Total business-type activities net position	<u>\$ 4,196,023</u>	<u>\$ 3,984,759</u>	<u>\$ 3,711,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Net Investment in capital assets	\$ (16,576,982)	\$ (19,871,034)	\$ (23,206,695)	\$ (23,362,078)	\$ (24,718,329)	\$ (25,281,463)	\$ (26,008,544)	\$ (26,239,415)	\$ (23,997,554)	\$ (20,329,530)
Restricted	8,221,904	7,108,195	7,740,234	9,437,557	10,652,094	10,790,791	10,777,150	14,921,411	17,239,393	17,168,961
Unrestricted (deficit)	(27,582,261)	(27,403,199)	(28,107,090)	(32,277,129)	(33,773,995)	(46,156,732)	(44,929,237)	(40,975,184)	(38,039,503)	(37,752,848)
Total primary government net position	<u>\$ (35,937,339)</u>	<u>\$ (40,166,038)</u>	<u>\$ (43,573,551)</u>	<u>\$ (46,201,650)</u>	<u>\$ (47,840,230)</u>	<u>\$ (60,647,404)</u>	<u>\$ (60,160,631)</u>	<u>\$ (52,293,188)</u>	<u>\$ (44,797,664)</u>	<u>\$ (40,913,417)</u>

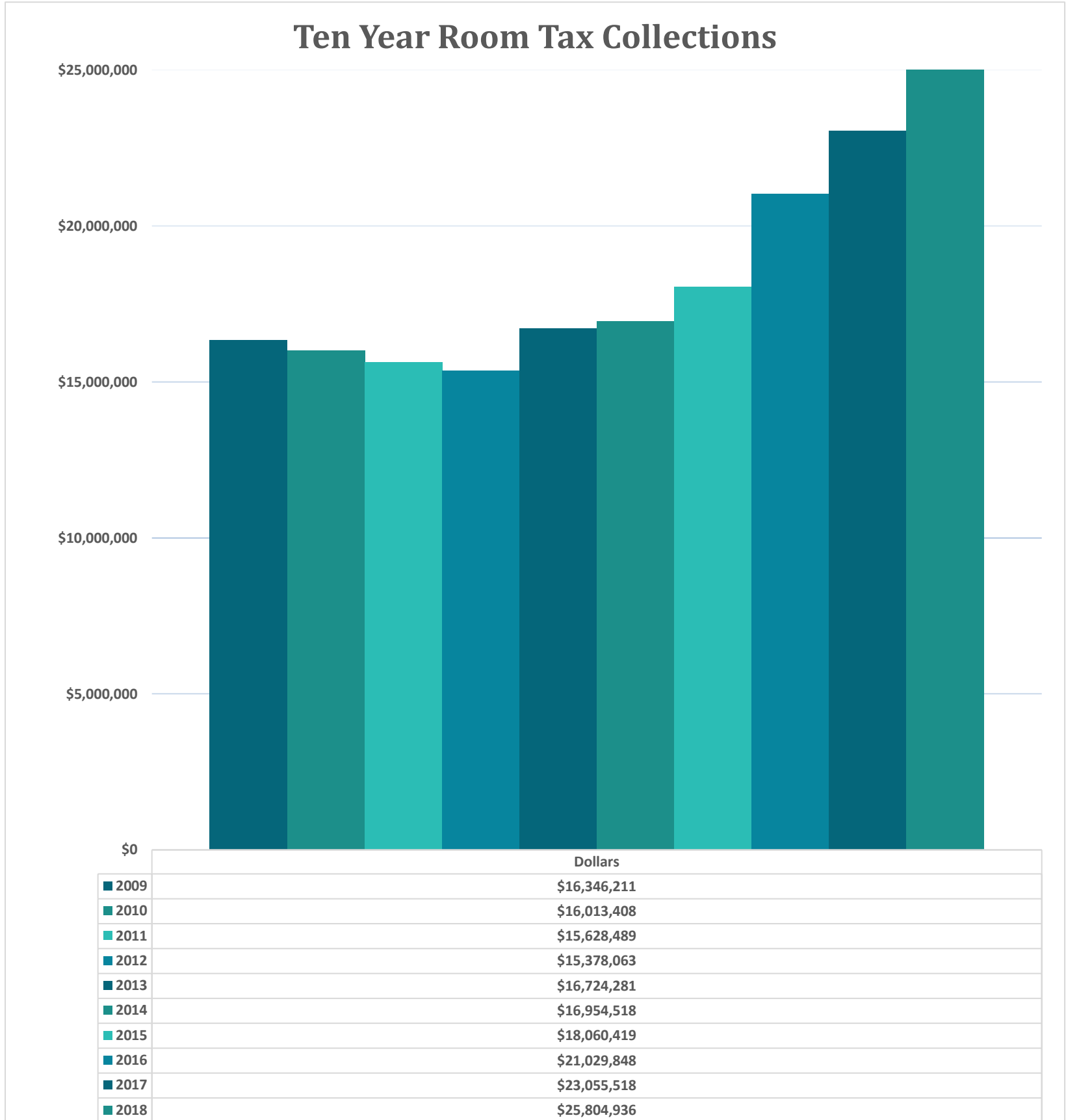
The Golf Courses Enterprise Fund (Business-type activities) was closed into the Governmental activities on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity (as governmental activities); prior year governmental activities balances have not been restated.

Reno-Sparks Convention & Visitors Authority
Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 3,587,489	\$ 2,900,843	\$ 2,668,446	\$ 2,226,809	\$ 2,330,130	\$ 2,335,097	\$ 2,557,066	\$ 2,730,099	\$ 2,879,569	\$ 3,203,353
Community support	25,387,470	23,294,909	21,781,565	23,295,763	24,517,642	24,767,252	23,429,612	25,755,263	28,561,398	34,293,703
Debt service - interest and fiscal charges	7,136,998	7,015,494	7,051,033	6,762,092	7,793,572	5,751,022	5,585,687	5,361,882	5,131,245	4,990,692
Loss on defeasance	-	-	-	-	-	-	-	-	-	120,852
Total governmental activities expenses	36,111,957	33,211,246	31,501,044	32,284,664	34,641,344	32,853,371	31,572,365	33,847,244	36,572,212	42,608,600
Business-type activities:										
Golf courses	4,040,228	2,154,810	2,155,031	-	-	-	-	-	-	-
Total business-type activities expenses	4,040,228	2,154,810	2,155,031	-	-	-	-	-	-	-
Total primary government expenses	\$ 40,152,185	\$ 35,366,056	\$ 33,656,075	\$ 32,284,664	\$ 34,641,344	\$ 32,853,371	\$ 31,572,365	\$ 33,847,244	\$ 36,572,212	\$ 42,608,600
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 373,799	\$ 535,379	\$ 564,149	\$ 561,696	\$ 558,120	\$ 611,253	\$ 614,229	\$ 640,390	\$ 673,437	\$ 725,707
Community support	8,227,469	7,351,586	7,018,082	8,548,547	8,956,262	8,830,284	7,714,933	9,026,115	7,606,732	8,524,124
Operating grants and contributions	444,178	383,644	366,428	471,677	2,241,792	1,147	1,139	4,305	31,907	178,754
Capital grants and contributions	100,000	30,000	-	-	63,300	599,265	-	-	69,333	-
Total governmental activities program revenues	9,145,446	8,300,609	7,948,659	9,581,920	11,819,474	10,041,949	8,330,301	9,670,810	8,381,409	9,428,585
Business-type activities:										
Charges for services	2,438,219	1,943,546	1,882,236	-	-	-	-	-	-	-
Capital grants and contributions	3,445,200	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	5,883,419	1,943,546	1,882,236	-	-	-	-	-	-	-
Total primary government program revenues	\$ 15,028,865	\$ 10,244,155	\$ 9,830,895	\$ 9,581,920	\$ 11,819,474	\$ 10,041,949	\$ 8,330,301	\$ 9,670,810	\$ 8,381,409	\$ 9,428,585
Net (expense)/revenue	\$ (26,966,511)	\$ (24,910,637)	\$ (23,552,385)	\$ (22,702,744)	\$ (22,821,870)	\$ (22,811,422)	\$ (23,242,064)	\$ (24,176,434)	\$ (28,190,803)	\$ (33,180,015)
Governmental activities	1,843,191	(211,264)	(272,795)	-	-	-	-	-	-	-
Business-type activities	\$ (25,123,320)	\$ (25,121,901)	\$ (23,825,180)	\$ (22,702,744)	\$ (22,821,870)	\$ (22,811,422)	\$ (23,242,064)	\$ (24,176,434)	\$ (28,190,803)	\$ (33,180,015)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Room taxes	\$ 21,710,998	\$ 20,847,644	\$ 20,346,521	\$ 20,020,498	\$ 21,773,120	\$ 22,149,713	\$ 23,675,331	\$ 31,981,321	\$ 35,628,072	\$ 39,821,722
Unrestricted investment and interest earnings	37,652	1,013	3,878	2,004	1,281	30	60	1,336	799	1,764
Miscellaneous	42,422	44,545	67,268	52,143	56,162	53,628	53,446	61,220	77,456	71,567
Transfers	(246,356)	-	-	-	-	-	-	-	-	-
Total governmental activities	21,544,716	20,893,202	20,417,667	20,074,645	21,830,563	22,203,371	23,728,837	32,043,877	35,706,327	39,895,053
Business-type activities:										
Transfers	246,356	-	-	-	-	-	-	-	-	-
Total business-type activities	246,356	-	-	-	-	-	-	-	-	-
Total primary government	\$ 21,791,072	\$ 20,893,202	\$ 20,417,667	\$ 20,074,645	\$ 21,830,563	\$ 22,203,371	\$ 23,728,837	\$ 32,043,877	\$ 35,706,327	\$ 39,895,053
Change in Net Position										
Governmental activities	\$ (5,421,795)	\$ (4,017,435)	\$ (3,134,718)	\$ (2,628,099)	\$ (991,307)	\$ (608,051)	\$ 486,773	\$ 7,867,443	\$ 7,515,524	\$ 6,715,038
Business-type activities	2,089,547	(211,264)	(272,795)	-	-	-	-	-	-	-
Total primary government	\$ (3,332,248)	\$ (4,228,699)	\$ (3,407,513)	\$ (2,628,099)	\$ (991,307)	\$ (608,051)	\$ 486,773	\$ 7,867,443	\$ 7,515,524	\$ 6,715,038

The Golf Courses Enterprise Fund (Business-type activities) was closed into the Governmental activities on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity (as governmental activities); prior year governmental activities balances have not been restated.

**Reno-Sparks Convention & Visitors Authority
 Governmental Activities Tax Revenues
 General Room Tax (6 5/8%) Collections
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)**



General Room Tax is the combination of a 6% tax imposed by the local political subdivisions of Washoe County, Reno and Sparks, and the 5/8% imposed by the State of Nevada Department of Taxation that is retained by the Authority. It is the principal source of operating revenues.

Reno-Sparks Convention & Visitors Authority
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 48,045	\$ 5,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,391,813	6,096,272	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	120,842	188,092	210,101	237,104	227,356	104,766	16,595
Restricted	-	-	-	-	-	-	-	4,288,207	6,174,888	6,341,914
Assigned	-	-	2,239,365	270,814	-	-	-	-	-	2,544,788
Unassigned	-	-	4,484,961	4,338,052	3,850,219	3,655,320	4,284,169	4,967,564	6,749,960	2,867,371
Total general fund	\$ 3,439,858	\$ 6,102,065	\$ 6,724,326	\$ 4,729,708	\$ 4,038,311	\$ 3,865,421	\$ 4,521,273	\$ 9,483,127	\$ 13,029,614	\$ 11,770,668
All other governmental funds										
Reserved	\$ 12,072,953	\$ 10,379,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	10,639,428	12,087,559	14,199,365	13,921,930	13,721,849	13,522,047	12,839,785	12,726,101
Assigned	-	-	52,845	-	-	-	87,760	1,553,549	1,174,276	2,710,901
Unassigned	-	-	-	-	-	75,941	-	-	-	-
Total all other governmental fund	\$ 12,072,953	\$ 10,379,415	\$ 10,692,273	\$ 12,087,559	\$ 14,199,365	\$ 13,997,871	\$ 13,809,609	\$ 15,075,596	\$ 14,014,061	\$ 15,437,002

Reno-Sparks Convention & Visitors Authority adopted GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the Year Ended June 30, 2011.

Fund balances will be classified in accordance with GASB 54 prospectively.

Reno-Sparks Convention & Visitors Authority
Change in Fund Balances of Governmental Funds and Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year									
Revenues	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Room tax (Net 6%)	\$ 14,804,116	\$ 14,502,709	\$ 14,154,104	\$ 13,927,303	\$ 15,146,518	\$ 15,355,035	\$ 16,356,606	\$ 19,045,900	\$ 20,880,469	\$ 23,370,508
Room tax (State 5/8%)	1,542,095	1,510,699	1,474,385	1,450,760	1,577,763	1,599,483	1,703,813	1,983,948	2,175,049	2,434,428
Room tax (RSCC 2%)	4,934,705	4,834,236	4,718,032	4,642,435	5,048,839	5,118,345	5,452,202	6,348,633	6,960,157	7,790,170
Room tax (City Ctr)	430,082	-	-	-	-	76,850	162,710	315,918	579,855	849,158
Room surcharge	-	-	-	-	-	-	-	4,286,922	5,032,542	5,377,458
Facility use fees	7,992,415	7,194,755	6,826,462	6,172,061	6,720,421	6,700,658	5,660,710	7,023,966	5,736,177	7,175,249
Golf course operations	-	-	-	2,108,588	2,056,701	1,947,910	1,881,123	1,777,997	1,573,382	1,056,005
Investment earnings	481,830	384,657	370,306	473,681	2,243,073	1,177	1,219	5,641	32,706	88,377
Miscellaneous	651,275	736,755	823,037	881,737	793,422	1,445,862	840,755	925,762	1,117,399	1,090,144
Total revenues	<u>30,836,518</u>	<u>29,163,811</u>	<u>28,366,326</u>	<u>29,656,565</u>	<u>33,586,737</u>	<u>32,245,320</u>	<u>32,059,138</u>	<u>41,714,687</u>	<u>44,087,736</u>	<u>49,231,497</u>
Expenditures										
General government	3,370,720	2,733,056	2,557,456	2,100,286	2,225,338	2,193,678	2,460,121	2,631,798	2,729,718	3,236,411
Community support										
Facility operation	10,997,397	10,290,811	10,636,854	9,566,672	10,851,958	10,688,591	9,637,793	10,267,511	9,316,908	10,752,777
Golf course operations	-	-	-	2,093,472	2,088,409	2,087,126	2,068,060	1,999,683	1,910,240	1,506,900
Convention and tourism promotion	7,125,967	6,101,256	5,980,966	5,880,390	5,998,424	6,183,581	6,451,993	8,149,215	12,481,504	17,391,490
Community grants and miscellaneous	1,100,758	1,028,913	927,361	951,201	992,213	1,034,822	1,159,160	1,365,321	1,528,438	1,527,865
Debt service										
Principal	7,600,000	2,335,000	2,379,000	95,396,000	4,605,000	5,345,000	5,360,000	5,445,000	5,440,000	5,440,000
Interest	5,343,142	4,920,814	4,826,604	4,549,734	4,632,834	4,247,094	4,231,794	4,224,044	4,224,044	4,192,919
Other bond costs	5,800	11,250	6,900	709,864	25,266	9,025	9,426	9,727	882,286	1,438,779
Capital outlay	714,944	504,042	116,066	836,348	746,886	830,787	213,201	1,394,547	3,089,646	3,672,502
Total expenditures	<u>36,258,728</u>	<u>27,925,142</u>	<u>27,431,207</u>	<u>122,083,967</u>	<u>32,166,328</u>	<u>32,619,704</u>	<u>31,591,548</u>	<u>35,486,846</u>	<u>41,602,784</u>	<u>49,159,643</u>
Excess (deficiency) of revenues over expenditures	<u>(5,422,210)</u>	<u>1,238,669</u>	<u>935,119</u>	<u>(92,427,402)</u>	<u>1,420,409</u>	<u>(374,384)</u>	<u>467,590</u>	<u>6,227,841</u>	<u>2,484,952</u>	<u>71,854</u>
Other financing sources (uses)										
Transfers in	9,650,000	5,875,000	7,500,000	10,225,000	9,880,000	9,630,000	9,625,000	12,335,000	12,485,174	16,075,000
Transfers out	(9,700,000)	(6,175,000)	(7,500,000)	(10,587,485)	(9,880,000)	(9,630,000)	(9,625,000)	(12,335,000)	(12,485,174)	(16,075,000)
Insurance recovery	100,000	30,000	-	-	-	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	88,680,000	-	-	-	-	-	-
Premium on general obligation bonds	-	-	-	3,510,555	-	-	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>(270,000)</u>	<u>-</u>	<u>91,828,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,372,210)</u>	<u>\$ 968,669</u>	<u>\$ 935,119</u>	<u>\$ (599,332)</u>	<u>\$ 1,420,409</u>	<u>\$ (374,384)</u>	<u>\$ 467,590</u>	<u>\$ 6,227,841</u>	<u>\$ 2,484,952</u>	<u>\$ 71,854</u>
Debt Service (principal and interest)	<u>\$ 12,943,142</u>	<u>\$ 7,255,814</u>	<u>\$ 7,205,604</u>	<u>\$ 99,945,734</u>	<u>\$ 9,237,834</u>	<u>\$ 9,592,094</u>	<u>\$ 9,591,794</u>	<u>\$ 9,669,044</u>	<u>\$ 9,664,044</u>	<u>\$ 9,632,919</u>
Noncapital expenditures	<u>\$ 35,824,741</u>	<u>\$ 27,534,954</u>	<u>\$ 27,319,862</u>	<u>\$ 121,247,619</u>	<u>\$ 31,396,094</u>	<u>\$ 32,129,217</u>	<u>\$ 31,348,218</u>	<u>\$ 34,173,746</u>	<u>\$ 38,513,138</u>	<u>\$ 45,437,275</u>
Debt service as a percentage of noncapital expenditures	36.13%	26.35%	26.37%	82.43%	29.42%	29.85%	30.60%	28.29%	25.09%	21.20%

Note: The Golf Courses Enterprise Fund was closed into the General Fund on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity, prior year balances have not been restated.

**Reno-Sparks Convention & Visitors Authority
Room Tax Rates by Location
Last Ten Fiscal Years
(Unaudited)**

Rate for properties within the City of Sparks and related allocation of those taxes:

Fiscal Year	RSCVA	City of Sparks	City of Reno					Washoe County	State of Nevada		Total
			National Bowling	Events Center	City Center	Railroad	Park and Recreation		Commission on Tourism	Education (IP1)	
2018	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2017	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2016	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2015	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2014	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2013	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2012	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2011	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2010	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
2009	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5

Rate for properties within the Downtown Reno and related allocation of those taxes:

Fiscal Year	RSCVA	City of Sparks	City of Reno					Washoe County	State of Nevada		Total
			National Bowling	Events Center	City Center	Railroad	Park and Recreation		Commission on Tourism	Education (IP1)	
2018	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2017	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2016	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2015	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2014	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2013	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2012	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2011	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2010	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
2009	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5

Rate for properties within the City of Reno (properties not located in the Downtown Center) and related allocation of those taxes:

Fiscal Year	RSCVA	City of Sparks	City of Reno					Washoe County	State of Nevada		Total
			National Bowling	Events Center	City Center	Railroad	Park and Recreation		Commission on Tourism	Education (IP1)	
2018	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2017	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2016	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2015	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2014	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2013	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2012	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2011	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2010	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
2009	8.625	-	1.0	-	1.0	-	1.0	-	0.375	-	12.0

Rate for properties within unincorporated Washoe County and related allocation of those taxes:

Fiscal Year	RSCVA	City of Sparks	City of Reno					Washoe County	State of Nevada		Total
			National Bowling	Events Center	City Center	Railroad	Park and Recreation		Commission on Tourism	Education (IP1)	
2018	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2017	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2016	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2015	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2014	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2013	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2012	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2011	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2010	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2009	8.625	-	1.0	-	1.0	-	-	1.0	0.375	-	12.0

Reno-Sparks Convention & Visitors Authority
Principal Room Taxpayers
June 30, 2018 and 2009
(Unaudited)

Taxpayer	2018			2009		
	Number of Rooms	Rank	Percentage of Total Rooms	Number of Rooms	Rank	Percentage of Total Rooms
Grand Sierra Resort	1,990	1	8.31%	1,994	1	7.97%
Silver Legacy Resort Casino	1,711	2	7.15%	1,710	2	6.83%
Peppermill Hotel Casino - Reno	1,623	3	6.78%	1,623	3	6.48%
Circus Circus	1,572	4	6.57%	1,572	4	6.28%
Sparks Nugget, Inc.	1,382	5	5.77%	1,382	5	5.52%
Harrah's	928	6	3.88%	928	7	3.71%
Sands Regency	833	7	3.48%	833	8	3.33%
Atlantis Hotel Casino Resort	824	8	3.44%	974	6	3.89%
Eldorado Hotel & Casino	814	9	3.40%	815	9	3.26%
Hyatt - Lake Tahoe	422	10	1.76%	422	10	1.69%
All Other Hotels	3,765		15.73%	3,191		12.75%
Total All Hotels	15,864		66.27%	15,444		61.71%
Motels	1,468		6.13%	2,156		8.61%
Other Rental Properties	6,608		27.60%	7,429		29.68%
Total Room Inventory	23,940		100.00%	25,029		100.00%

The chief revenue source of the Authority is from room license taxes imposed on transient rental facilities located in Washoe County. The properties above represent the largest properties in this area and accordingly, represent the group which generates the largest volume of room license tax revenues.

Reno-Sparks Convention & Visitors Authority
Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Total Primary Government	Per Cash Occupied Room Night	Per Room Tax Revenue (8%)
	General Obligation Bonds	Medium Term Obligations				
2018	\$	\$	-	\$ 103,552,511	27.78	\$ 3.32
2017	103,552,511			109,481,540	30.34	3.93
2016	109,481,540			113,853,953	32.27	4.48
2015	113,853,953			117,972,842	35.27	5.41
2014	117,972,842			121,765,749	36.34	5.95
2013	121,765,749			125,373,965	37.24	6.21
2012	125,373,965			124,675,330	38.50	6.71
2011	124,675,330	2,021,000		129,184,789	40.03	6.85
2010	127,163,789	2,700,000		129,385,496	38.65	6.69
2009	126,685,496	2,800,000		129,625,963	38.71	6.57

Note: Details regarding the outstanding debt can be found in the notes to the financial statements.

Note: Payment of general obligation bonds and medium term obligations is provided by transient lodging taxes (governmental activities).

Reno-Sparks Convention & Visitors Authority
General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (1)	Total	Per Cash Occupied Room Night	Per Room Tax Revenue (8%)
2018	\$ 103,552,511	\$ 10,647,804	92,904,707	24.93	2.98
2017	109,481,540	10,727,763	98,753,777	27.37	3.55
2016	113,853,953	10,367,353	103,486,600	29.33	4.08
2015	117,972,842	10,369,155	107,603,687	32.17	4.93
2014	121,765,749	10,346,610	111,419,139	34.41	5.44
2013	125,373,965	10,304,712	115,069,253	35.17	5.70
2012	124,675,330	9,172,338	115,502,992	36.13	6.22
2011	129,184,789	7,547,100	121,637,689	37.69	6.45
2010	129,385,496	6,977,302	122,408,194	36.55	6.33
2009	129,625,963	8,205,523	121,420,440	36.24	6.15

Note: Details regarding the outstanding debt can be found in the notes to the financial statements.

Note: Payment of general obligation bonds is provided by transient lodging taxes.

(1) This is the amount restricted for debt service principal payments.

Reno-Sparks Convention & Visitors Authority
Direct and Overlapping Governmental Activities Bonded Debt
June 30, 2018
(Unaudited)

<u>Name of Government Unit</u>	<u>General Obligation Debt Outstanding (Thousands)</u>	<u>Present Self-Supporting General Obligation Debt (Thousands)</u>	<u>Percent Applicable to Washoe County</u>	<u>Applicable Net Debt (Thousands)</u>
Debt repaid with taxes:				
Washoe County - Governmental Funds	\$ 137,836	\$ 41,116	100%	\$ 96,720
Washoe County School District	709,722	-	100%	709,722
City of Reno	409,792	368,012	100%	41,780
City of Sparks	37,567	37,567	100%	-
Incline Village General Improvement District	6,967	6,967	100%	-
State of Nevada	1,358,070	296,840	15%	154,833
Washoe County (RSCVA)	103,553	103,553	100%	-
Overlapping Bonded Debt				1,003,055
Direct debt:				
Washoe County (RSCVA)				103,553
Direct and Overlapping Debt				\$ 1,106,608

Note: The Authority's schedule of overlapping bonded debt is the same as Washoe County, Nevada's. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. The outstanding debt of those overlapping governments is borne by the residents and businesses of Washoe County. When considering the ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, every taxpayer is not responsible for repaying the debt of each overlapping government.

Note: Payment of general obligation bonds (direct debt) is provided by transient lodging taxes collected by the Authority.

Source: Washoe County

Reno-Sparks Convention & Visitors Authority
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 465,753	\$ 466,097	\$ 409,766	\$ 387,874	\$ 374,749	\$ 374,908	\$ 404,628	\$ 430,281	\$ 471,270	\$ 484,100
Total net debt applicable to limit	121,420	122,408	121,638	115,503	115,069	111,419	107,604	103,487	98,754	92,905
Legal debt margin	<u>\$ 344,333</u>	<u>\$ 343,689</u>	<u>\$ 288,128</u>	<u>\$ 272,371</u>	<u>\$ 259,680</u>	<u>\$ 263,489</u>	<u>\$ 297,024</u>	<u>\$ 326,794</u>	<u>\$ 372,516</u>	<u>\$ 391,195</u>
Total net debt applicable to the limit as a percentage of debt limit	26.07%	26.26%	29.68%	29.78%	30.71%	29.72%	26.59%	24.05%	20.95%	19.19%
					Assessed value					<u>\$ 16,136,670</u>
					Debt limit (3% of assessed value)					<u>484,100</u>
					Debt applicable to debt limit					
					General obligation bonds					103,553
					Amounts set aside for repayment of general obligation debt					<u>(10,648)</u>
					Total net debt applicable to limit					<u>92,905</u>
					Legal debt margin					<u>\$ 391,195</u>

Note: The general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligations bonds.
Based on Fiscal Year 2018 Assessed Value

Source: JNA Consulting Group
See Page 6 of the Debt Management Policy (JNA Consulting)

Reno-Sparks Convention & Visitors Authority
Pledged Revenue Coverage
Last Ten Fiscal Years and June 30, 2018 (Budgeted)
(Unaudited)

	Fiscal Year										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 (Budgeted)
Net General Room License Taxes (1)	\$ 14,804,116	\$ 14,502,709	\$ 14,154,104	\$ 13,927,303	\$ 15,146,518	\$ 15,355,035	\$ 16,356,606	\$ 19,045,900	\$ 20,880,469	\$ 23,370,508	\$ 24,290,867
Convention Center Room Taxes (2)	4,934,705	4,834,236	4,718,032	4,642,435	5,048,839	5,118,345	5,452,202	6,348,633	6,960,157	7,790,169	8,096,956
Other Income (3)	8,150,675	6,787,149	6,802,082	6,927,116	6,778,259	6,946,306	6,406,639	6,569,101	6,361,506	6,848,948	6,715,617
Subtotal	27,889,496	26,124,094	25,674,218	25,496,854	26,973,616	27,419,686	28,215,447	31,963,634	34,202,132	38,009,625	39,103,440
Less: Operating and Maintenance Expenses (4)	14,041,135	11,871,701	11,654,707	10,827,579	11,732,595	11,498,233	11,476,156	12,002,634	12,562,649	13,922,439	6,841,279
Net Pledged Revenues	\$ 13,848,361	\$ 14,252,393	\$ 14,019,511	\$ 14,669,275	\$ 15,241,021	\$ 15,921,453	\$ 16,739,291	\$ 19,961,000	\$ 21,639,483	\$ 24,087,186	\$ 32,262,161
Combined Maximum Annual Debt Service on Pledged Revenue Bonds (5)	\$ 12,576,313	\$ 12,576,313	\$ 12,576,313	\$ 9,669,044	\$ 9,669,044	\$ 9,669,044	\$ 9,669,044	\$ 9,669,044	\$ 9,669,044	\$ 9,596,793	\$ 9,659,044
Coverage Factor (6)	1.10	1.13	1.11	1.52	1.58	1.65	1.73	2.06	2.24	2.51	3.34

- (1) Pledged Room License Taxes levied at a rate of 6%, Net of Collection Allowance.
- (2) Proceeds of 2% Convention Center Tax.
- (3) Includes RSCC, RSLEC, Special Events, Golf Course and Interest Revenues (excluding termination of investment contract in 2013).
- (4) Includes General Government Expenditures (excluding capital expenditures), Community Support - Facility Operations Expenditures (excluding National Bowling Stadium/Reno Events Center), Certain Community Support - Convention and Tourism Promotion Expenditures, and Golf Courses Expenses. Community Support - Convention and Tourism Promotion Expenditures relating to promotion and advertising have been excluded. Budget for 2019 has minimal Wildcreek revenues and expenses as facility is pending sale.
- (5) Total of Maximum Annual Debt Service Requirements on the General License Tax Bonds per the bond requirements.
- (6) Pledged revenues divided by combined maximum annual debt service on pledged revenue bonds.

Note: Details regarding outstanding debt can be found in the notes to the financial statements.

**Reno-Sparks Convention & Visitors Authority
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)**

(DOLLARS EXPRESSED IN THOUSANDS)

Fiscal Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate	Total Personal Income	Taxable Sales	Gross Gaming Win	Total Passenger Air Traffic
	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
2018	467,417	\$ 48	37.9	66,989	4.20%	\$ 22,550	\$ 8,531	\$ 779	4,128,476
2017	459,142	48	37.5	63,919	4.00%	21,265	7,989	738	3,819,896
2016	451,248	51	37.5	63,670	5.90%	20,165	7,550	789	3,563,818
2015	444,008	48	37.4	63,108	6.40%	19,077	6,818	765	3,297,642
2014	436,647	48	37.6	62,986	7.20%	18,833	6,371	745	3,312,839
2013	434,120	47	37.6	62,424	9.80%	18,284	5,825	741	3,514,421
2012	427,704	45	37.4	62,220	12.30%	18,656	5,523	738	3,561,557
2011	421,593	49	37.2	62,324	13.20%	17,945	5,283	751	3,795,421
2010	417,379	47	37.0	62,452	13.60%	17,421	5,177	789	3,777,701
2009	416,632	45	36.4	63,310	11.60%	18,550	5,708	867	3,979,015

The above estimates were obtained from:(1)

Washoe County CAFR Schedule 4.1, 2018.

Reno-Sparks Convention & Visitors Authority
Principal Employers
June 30, 2018 and 2009
(Unaudited)

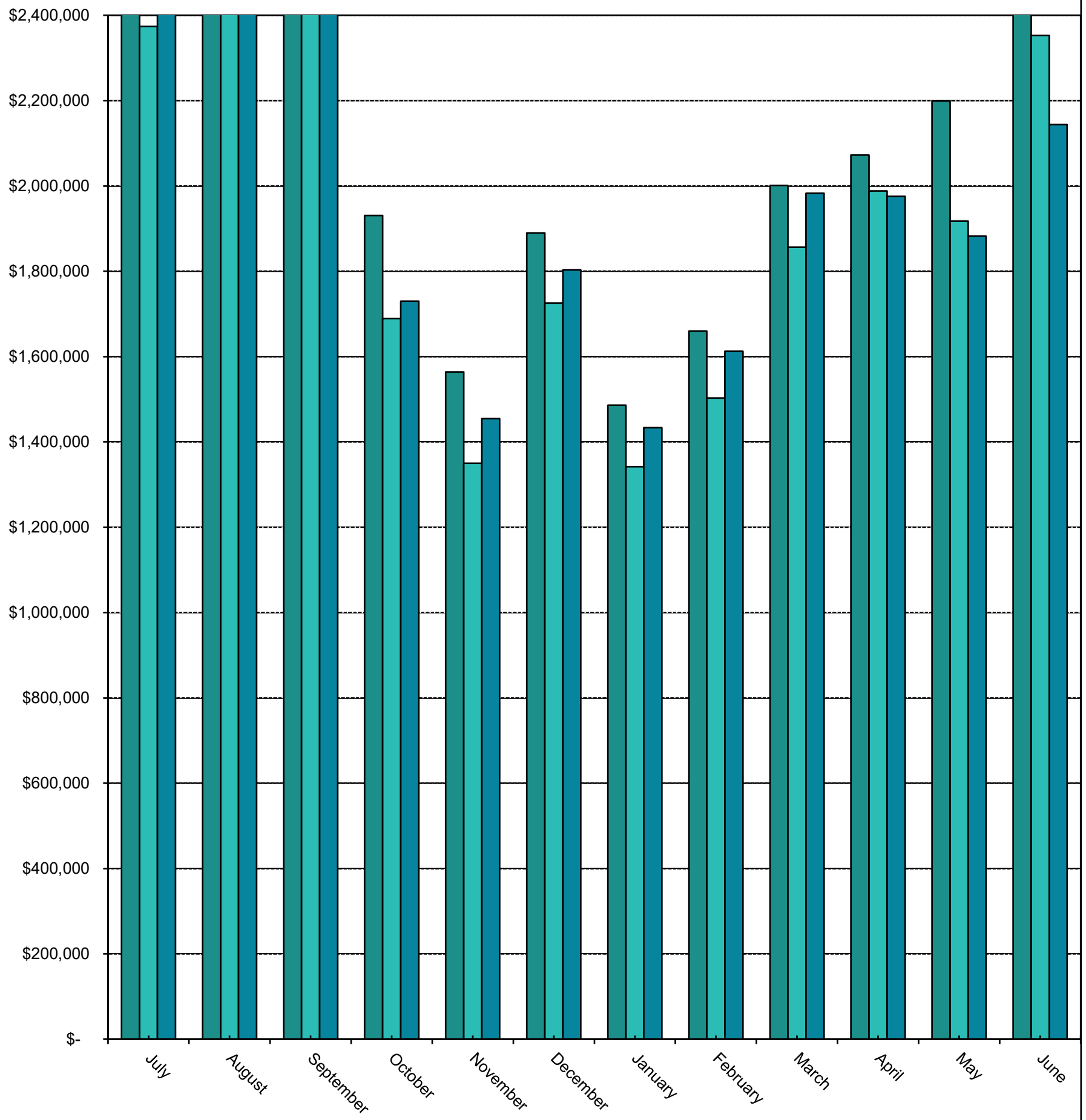
Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washoe County School District	7,750	1	3.31%	8,750	1	4.17%
University of Nevada - Reno	4,750	2	2.03%	4,250	2	2.02%
Renown (Washoe) Medical Center	3,250	3	1.39%	2,250	5	1.07%
Washoe County	2,750	4	1.17%	3,250	3	1.55%
Peppermill Hotel Casino - Reno	2,250	5	0.96%	2,250	6	1.07%
Grand Sierra Resort	2,250	6	0.96%	-	-	-
Silver Legacy Resort Casino	2,250	7	0.96%	1,750	7	0.83%
Atlantis Casino Resort	1,750	8	0.75%	1,750	9	0.83%
International Gaming Technology	1,750	9	0.75%	2,750	4	1.31%
St. Mary's	1,750	10	0.75%	1,750	10	-
City of Reno	-	-	-	1,750	8	0.83%
Total Washoe County Covered Employment	234,378			210,082		

Note: Each of the years reflect respective 4th quarter (December) information. Nevada Revised Statute Chapter 612 stipulates that actual employment for individual employers may not be published. The number of employees are estimated using the midpoint.

Source: Nevada workforce.com
 Nevada Employment and Unemployment Data (CES and Laus)
 Washoe County CAFR Schedule 4.2

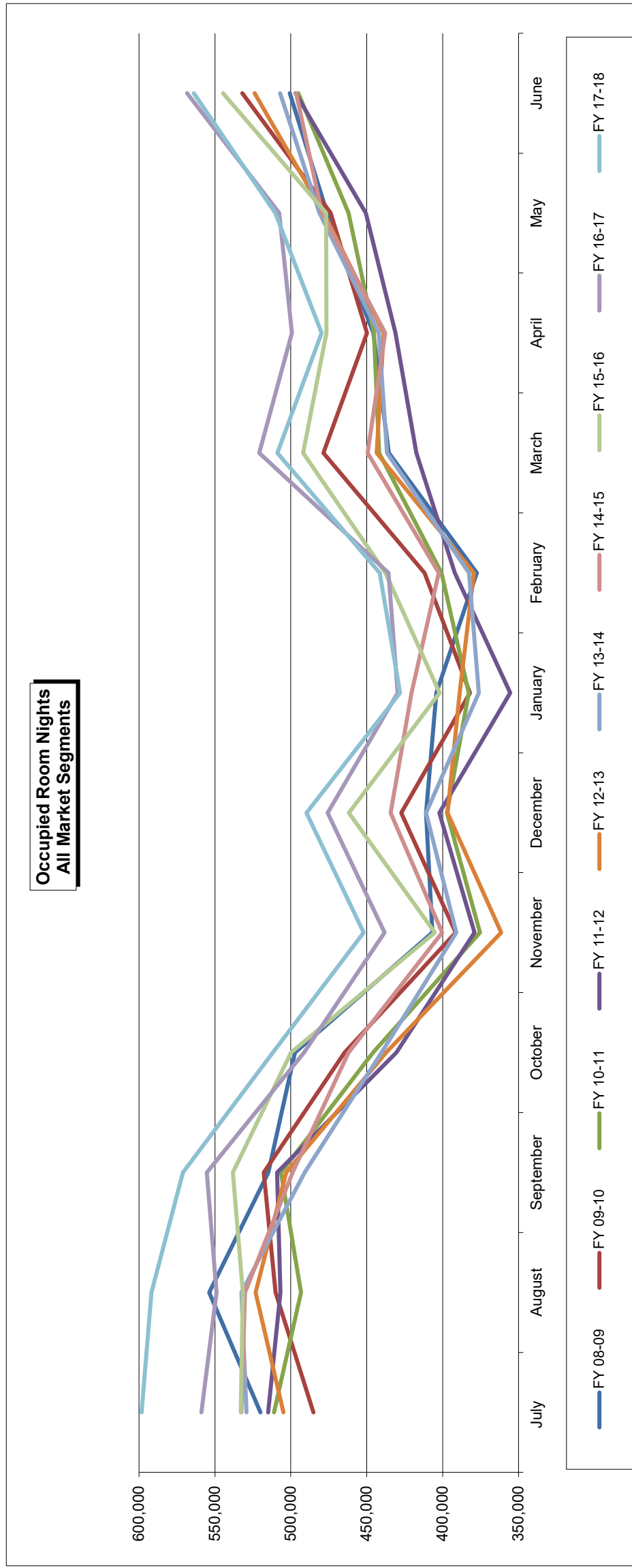
**Reno-Sparks Convention & Visitors Authority
 General Room Tax (6 5/8%) Collections
 Fiscal Year 2017-18
 (Unaudited)**

Room Tax Collections By Month
 Actual, Prior Year and Budget



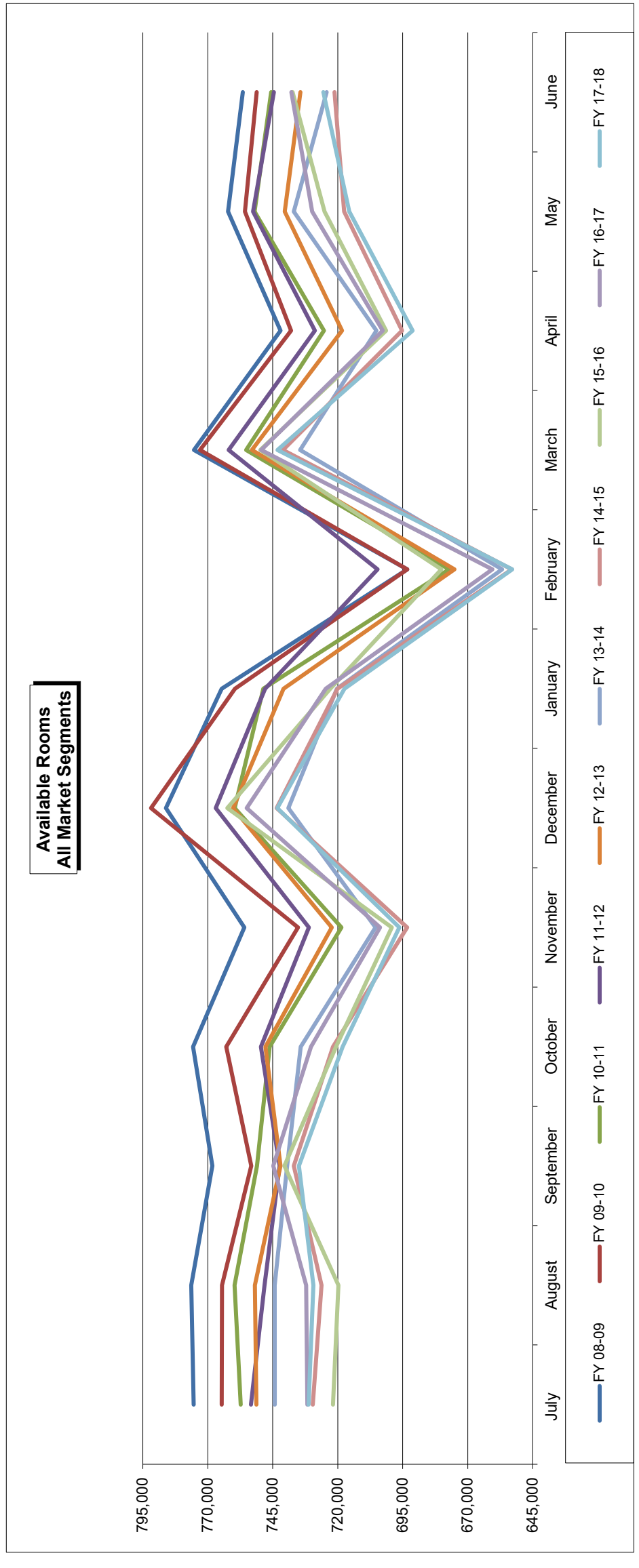
**Reno-Sparks Convention and Visitors Authority
Occupied Rooms-Consolidated Summary
Trend**

Month	Actual											
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18		
July	520,007	485,074	511,070	514,933	504,829	529,220	532,560	533,061	558,932	598,303		
August	553,766	510,027	493,240	506,798	523,217	532,551	530,095	531,622	548,907	591,815		
September	514,878	517,818	506,409	508,993	503,063	490,994	498,961	538,200	555,329	571,095		
October	497,277	464,679	445,898	430,410	437,336	440,343	461,911	499,815	491,289	511,826		
November	406,796	391,486	375,430	379,127	361,447	390,984	400,324	405,085	438,248	451,999		
December	410,860	427,375	397,109	402,111	396,688	411,024	434,190	461,879	475,810	489,652		
January	404,089	382,001	382,758	355,509	388,712	376,196	420,430	402,010	429,629	428,069		
February	377,511	411,882	400,769	391,990	379,529	382,620	402,632	437,603	435,728	441,422		
March	435,453	478,497	441,895	417,315	443,399	436,577	449,343	491,853	520,869	508,940		
April	445,716	449,820	445,322	431,115	438,907	441,992	437,895	476,563	499,243	479,824		
May	476,219	473,707	461,995	450,550	478,420	481,152	479,544	476,722	507,723	510,342		
June	500,777	531,970	495,145	496,796	523,852	507,148	496,475	544,683	568,328	563,983		
Totals	5,543,349	5,524,336	5,357,040	5,285,647	5,379,399	5,420,801	5,544,360	5,799,096	6,030,035	6,147,270		



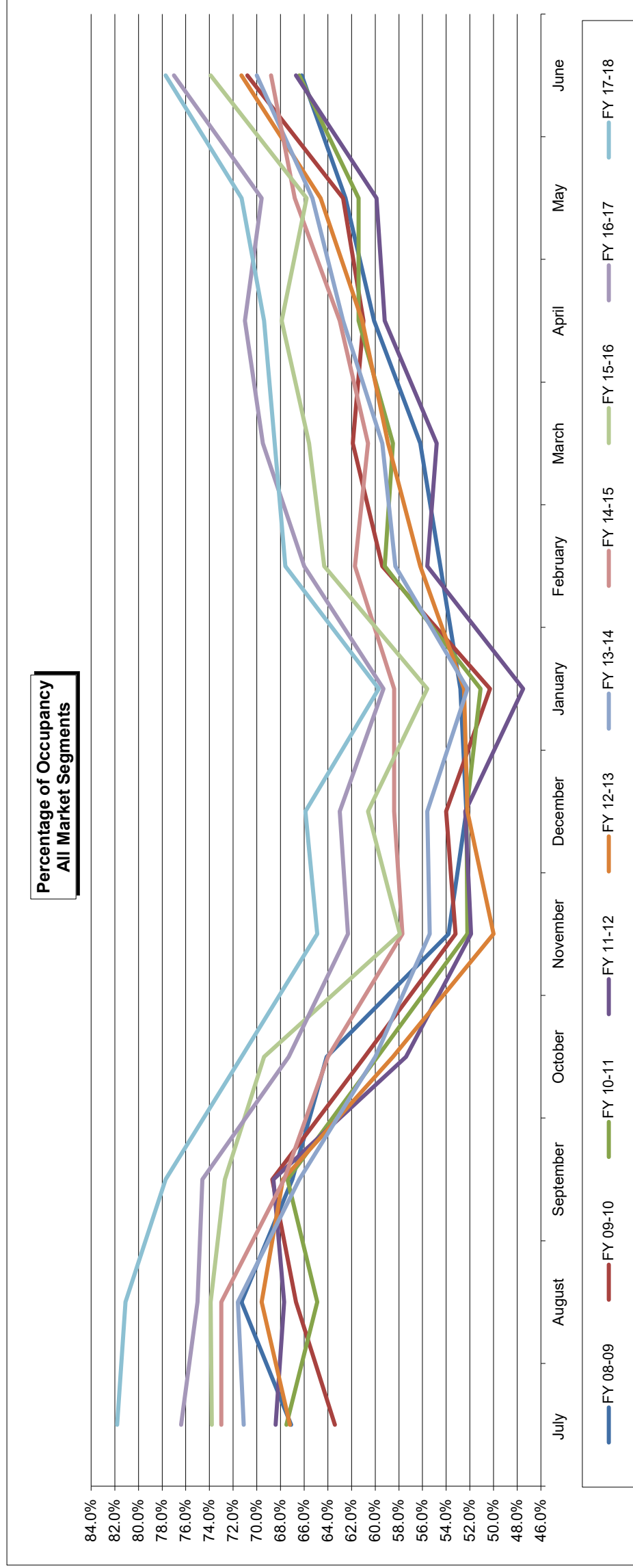
Reno-Sparks Convention and Visitors Authority
Available Rooms-Consolidated Summary
Trend

Month	Actual											
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18		
July	775,491	764,609	757,360	753,354	751,282	744,241	729,570	721,835	731,702	731,201		
August	776,351	764,509	759,705	748,217	751,840	744,264	726,198	719,719	732,118	729,381		
September	768,250	753,240	751,046	742,367	742,079	739,470	736,938	740,540	744,788	734,903		
October	775,684	762,885	746,175	749,517	747,812	734,229	721,834	720,713	730,300	718,089		
November	755,912	735,276	718,569	731,159	722,305	705,433	693,243	699,173	703,727	696,359		
December	786,122	791,848	759,685	766,953	760,292	738,961	743,518	762,491	755,047	743,272		
January	764,704	759,549	748,589	747,888	740,895	720,369	720,095	722,837	724,611	717,408		
February	693,272	693,245	677,153	704,680	675,106	656,764	653,041	680,113	660,509	652,882		
March	775,375	772,999	755,304	761,957	753,038	734,466	741,067	749,754	749,479	743,181		
April	741,988	737,925	725,351	728,846	718,317	705,176	695,316	701,381	702,683	691,245		
May	762,173	755,747	751,958	752,568	740,438	736,949	717,597	725,039	729,877	715,560		
June	756,502	751,187	745,647	744,525	734,364	724,331	721,209	737,442	737,904	725,572		
Totals	9,131,824	9,043,019	8,896,542	8,932,031	8,837,768	8,684,653	8,599,626	8,681,037	8,702,745	8,599,053		



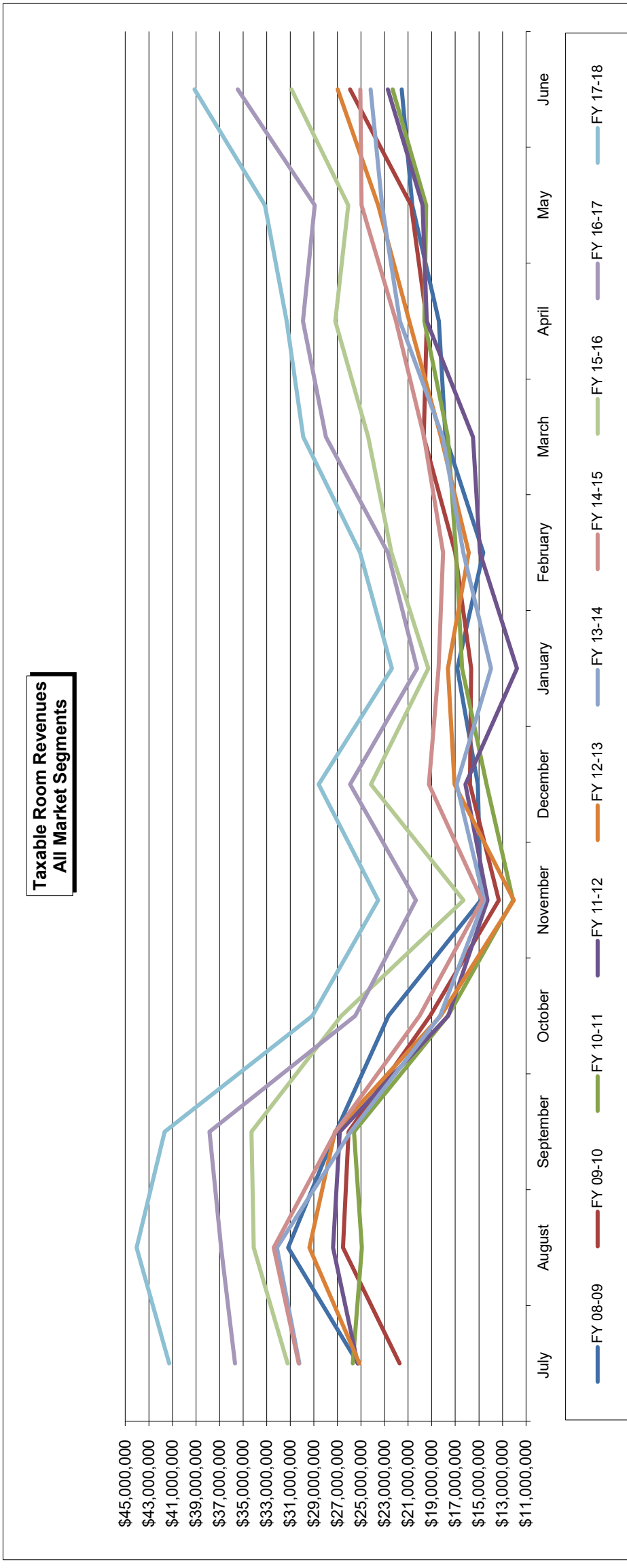
**Reno-Sparks Convention and Visitors Authority
Percentage of Occupancy-Consolidated Summary
Trend**

Month	Actual											
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18		
July	67.1%	63.4%	67.5%	68.4%	67.2%	71.1%	73.0%	73.8%	76.4%	81.8%		
August	71.3%	66.7%	64.9%	67.7%	69.6%	71.6%	73.0%	73.9%	75.0%	81.1%		
September	67.0%	68.7%	67.4%	68.6%	67.8%	66.4%	67.7%	72.7%	74.6%	77.7%		
October	64.1%	60.9%	59.8%	57.4%	58.5%	60.0%	64.0%	69.4%	67.3%	71.3%		
November	53.8%	53.2%	52.2%	51.9%	50.0%	55.4%	57.7%	57.9%	62.3%	64.9%		
December	52.3%	54.0%	52.3%	52.4%	52.2%	55.6%	58.4%	60.6%	63.0%	65.9%		
January	52.8%	50.3%	51.1%	47.5%	52.5%	52.2%	58.4%	55.6%	59.3%	59.7%		
February	54.5%	59.4%	59.2%	55.6%	56.2%	58.3%	61.7%	64.3%	66.0%	67.6%		
March	56.2%	61.9%	58.5%	54.8%	58.9%	59.4%	60.6%	65.6%	69.5%	68.5%		
April	60.1%	61.0%	61.4%	59.2%	61.1%	62.7%	63.0%	67.9%	71.0%	69.4%		
May	62.5%	62.7%	61.4%	59.9%	64.6%	65.3%	66.8%	65.8%	69.6%	71.3%		
June	66.2%	70.8%	66.4%	66.7%	71.3%	70.0%	68.8%	73.9%	77.0%	77.7%		
Totals	60.7%	61.1%	60.2%	59.2%	60.9%	62.4%	64.5%	66.8%	69.3%	71.5%		



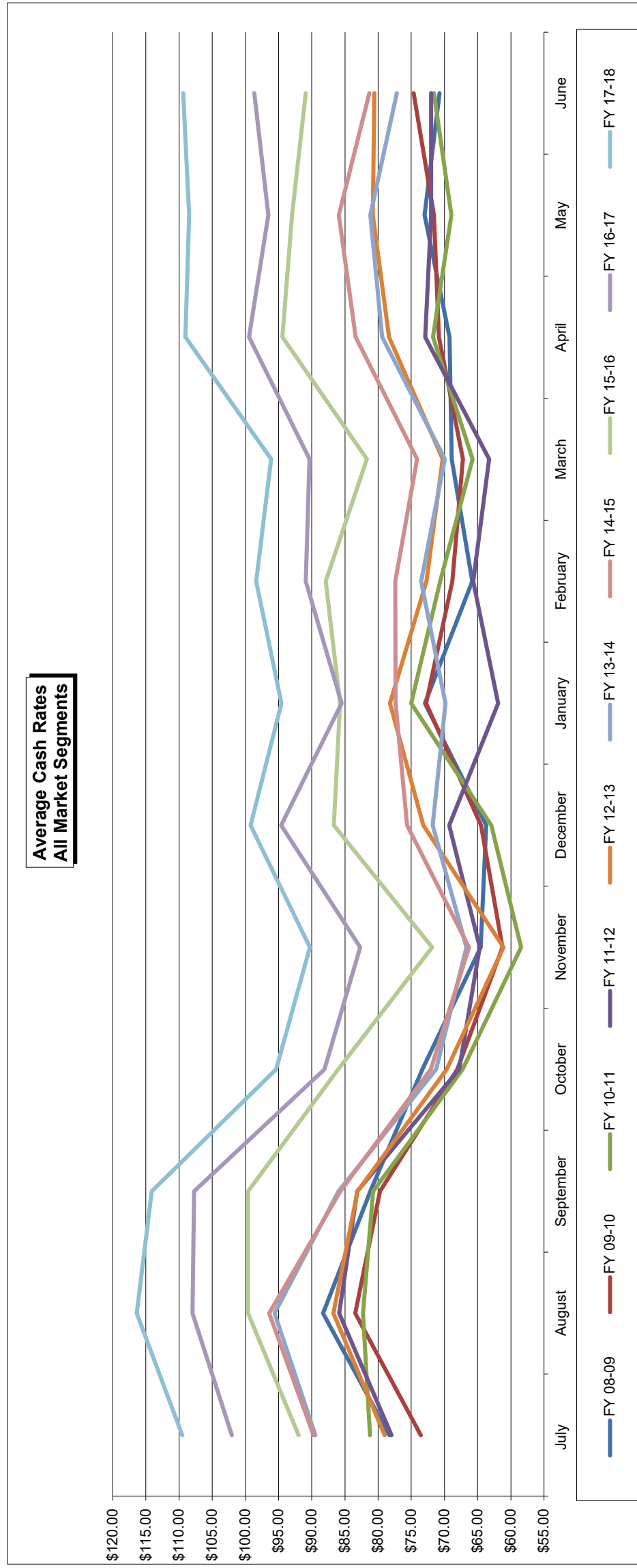
**Reno-Sparks Convention and Visitors Authority
Taxable Room Revenues-Consolidated Summary
Trend**

Month	Actual											
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18		
July	\$ 25,269,465	\$ 21,714,099	\$ 25,696,516	\$ 25,281,560	\$ 25,137,500	\$ 30,224,159	\$ 30,292,027	\$ 31,230,612	\$ 35,677,262	\$ 41,265,679		
August	31,179,827	26,525,475	24,916,307	27,369,572	29,376,209	32,130,756	32,403,508	34,091,992	36,868,031	44,034,254		
September	27,125,605	26,066,624	25,603,229	26,789,879	27,213,720	25,870,198	27,164,225	34,288,906	37,851,442	41,663,504		
October	22,666,405	19,134,875	17,625,635	17,588,547	18,247,114	18,292,143	20,025,803	26,673,296	25,496,440	29,124,783		
November	14,823,109	13,307,921	12,100,762	14,273,785	12,032,690	14,560,736	14,727,649	16,304,190	20,342,704	23,533,775		
December	15,090,955	15,753,867	14,352,271	16,130,427	17,067,070	16,879,494	19,246,588	24,164,711	25,936,179	28,595,173		
January	16,836,019	15,649,588	16,425,797	11,769,999	17,614,224	13,970,116	18,425,487	19,286,992	20,242,931	22,378,105		
February	14,627,430	17,003,033	16,931,637	14,903,511	15,868,966	16,313,115	18,040,839	22,422,874	22,714,041	25,079,380		
March	17,828,479	19,667,325	17,625,363	15,504,003	18,208,897	18,069,943	19,662,419	24,386,491	27,985,952	29,897,187		
April	18,392,572	19,425,355	19,621,418	19,406,879	20,900,615	21,706,493	22,032,831	27,186,846	29,934,593	31,304,806		
May	20,638,629	20,745,179	19,463,389	19,775,919	23,544,500	23,219,292	24,957,366	26,084,433	28,917,716	33,145,852		
June	21,536,396	25,938,570	22,316,655	22,732,452	26,982,253	24,191,921	25,062,328	30,892,727	35,458,714	39,122,428		
Totals	\$ 246,014,891	\$ 240,931,911	\$ 232,678,979	\$ 231,526,531	\$ 252,193,754	\$ 255,428,365	\$ 272,041,067	\$ 317,014,071	\$ 347,426,005	\$ 389,144,926		



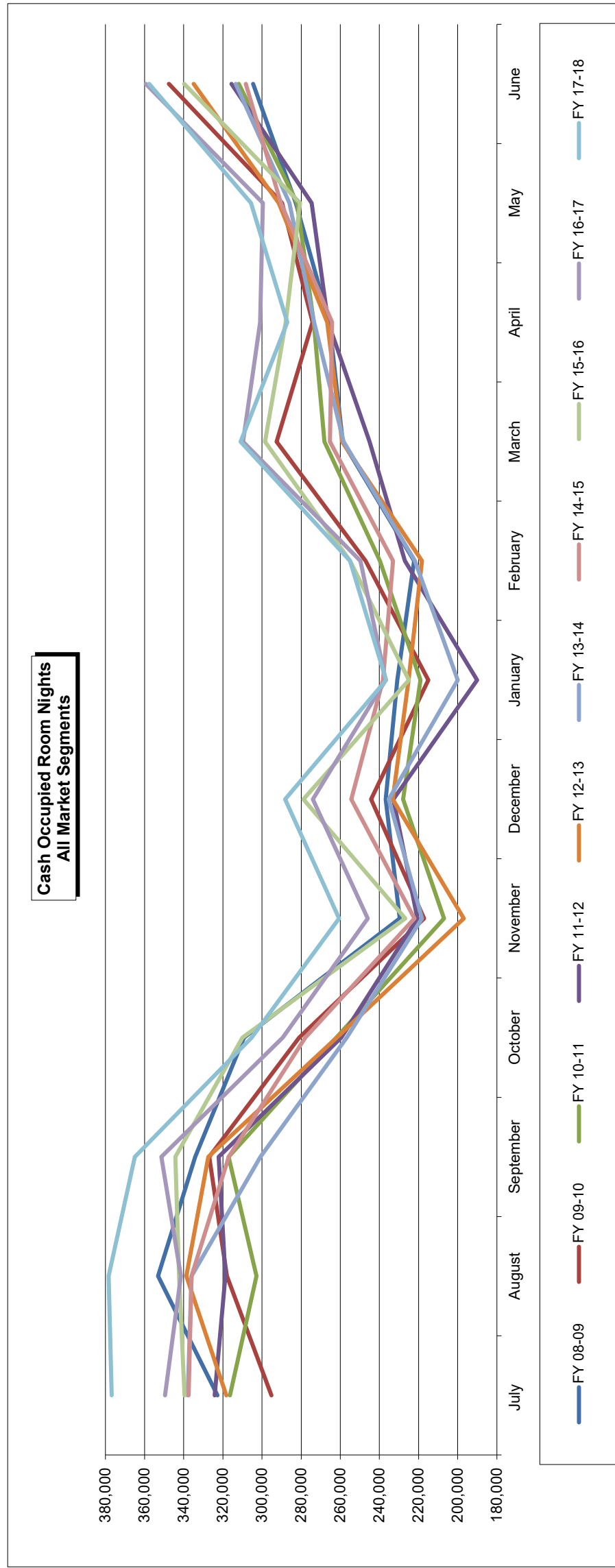
**Reno-Sparks Convention and Visitors Authority
Average Cash Rates-Consolidated Summary
Trend**

Month	Actual											
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18		
July	\$ 78.30	\$ 73.56	\$ 81.24	\$ 77.99	\$ 79.00	\$ 89.43	\$ 89.75	\$ 91.97	\$ 102.05	\$ 109.51		
August	88.30	83.45	82.28	85.87	86.74	95.61	96.42	99.59	107.98	116.38		
September	81.17	79.72	80.75	83.16	83.12	85.98	85.68	99.60	107.72	114.13		
October	73.31	68.07	67.28	67.78	69.67	71.25	72.04	86.04	88.09	95.37		
November	64.56	61.26	58.45	64.69	61.10	66.69	66.31	71.86	82.70	90.28		
December	63.71	64.49	62.96	69.27	73.20	71.77	75.65	86.68	94.63	99.22		
January	72.93	72.77	75.01	61.91	78.24	69.85	77.37	85.73	85.48	94.59		
February	65.80	68.84	70.64	65.67	72.70	73.52	77.41	87.90	90.93	98.36		
March	68.89	67.24	65.74	63.26	70.27	69.96	74.12	81.71	90.35	96.14		
April	69.25	70.85	71.72	72.90	78.35	79.41	83.37	94.41	99.45	109.06		
May	72.99	71.61	68.98	72.00	80.78	81.17	85.93	92.98	96.54	108.47		
June	70.73	74.63	71.58	72.02	80.55	77.20	81.31	90.93	98.65	109.40		
Totals	\$ 73.43	\$ 71.95	\$ 72.09	\$ 72.43	\$ 77.08	\$ 78.88	\$ 81.34	\$ 89.84	\$ 96.29	\$ 104.41		



**Reno-Sparks Convention and Visitors Authority
Cash Occupied Room Nights-Consolidated Summary
Trend**

Month	Actual											
	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18		
July	322,743	295,170	316,313	324,182	318,179	337,964	337,506	339,576	349,602	376,823		
August	353,119	317,877	302,815	318,733	338,661	336,075	336,070	342,310	341,443	378,365		
September	334,189	326,988	317,067	322,157	327,404	300,877	317,039	344,280	351,394	365,040		
October	309,192	281,109	261,977	259,480	261,889	256,714	277,970	310,005	289,432	305,381		
November	229,591	217,229	207,013	220,632	196,927	218,319	222,114	226,892	245,978	260,669		
December	236,875	244,297	227,942	232,863	233,159	235,178	254,403	278,784	274,069	288,203		
January	230,867	215,043	218,984	190,101	225,127	200,001	238,144	224,971	236,825	236,592		
February	222,298	247,010	239,690	226,933	218,290	221,878	233,050	255,092	249,799	254,967		
March	258,793	292,508	268,092	245,083	259,120	258,279	265,273	298,449	309,745	310,967		
April	265,579	274,194	273,572	266,197	266,776	273,333	264,284	287,960	301,000	287,038		
May	282,767	289,698	282,148	274,670	291,465	286,043	290,428	280,547	299,539	305,590		
June	304,479	347,574	311,790	315,619	334,967	313,347	308,247	339,755	359,361	357,595		
Totals	3,350,492	3,348,697	3,227,403	3,196,650	3,271,964	3,238,008	3,344,528	3,528,621	3,608,187	3,727,230		



Reno-Sparks Convention & Visitors Authority
Full-time Equivalent Employees by Function
Last Ten Fiscal Years
(Unaudited)

Fiscal Year										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
General Government	18.0	14.0	14.0	11.5	11.5	11.5	11.5	11.5	11.5	14.5
Culture and Recreation	27.0	26.0	26.0	-	-	-	-	-	-	-
Community Support	169.0	161.0	161.0	180.0	181.0	181.0	173.0	165.0	106.5	40.0
Total	214.0	201.0	201.0	191.5	192.5	192.5	184.5	176.5	118.0	54.5

Notes:

- (1) Information provided on budgeted employees.
- (2) Culture and Recreation represents business-type activities (Golf Course).
- (3) The Golf Courses Enterprise Fund (Culture and Recreation) was closed into the General Fund (Community Support) on June 30, 2012.
- (4) The RSCVA transitioned to a third party agent to handle site facilities for Reno - Sparks Convention Center, National Bowling Stadium, Reno Events Center, and Reno Lovestock Events Center.
- (5) The sale of Wildcreek Golf Course is pending. Duncan Golf Management is managing the course.

**Reno-Sparks Convention & Visitors Authority
Convention Center, Reno-Sparks Livestock Events Center, National Bowling Stadium
and Reno Events Center Activity Summary
(Unaudited)**

Future Bookings and Projected Attendance

Fiscal Year	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
2019	20	171,840	73	305,000	50	20,000	60	189,000
2020	18	196,650	75	307,000	85	170,000	60	189,000
2021	15	224,000	76	310,000	90	50,000	60	189,000
2022	13	132,800	100	350,000	100	120,000	60	189,000
2023	14	134,125	105	355,000	50	25,000	60	189,000

Notes:

1) Number of events includes conventions and trade shows currently scheduled on a tentative basis. (Note: Firm contracted dates are issued only one year in advance). In Fiscal Year 2019, NBS is scheduled for major renovation of the fourth floor bowling area and will have limited availability for events.

Historical Usage and Attendance

Fiscal Year	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
2009	173	339,772	192	436,878	115	133,709	56	191,477
2010	139	421,179	186	430,273	70	216,130	52	171,085
2011	121	310,824	168	444,553	73	204,177	49	150,748
2012	128	275,837	148	321,875	56	98,158	53	163,018
2013	102	422,042	100	282,357	80	190,791	56	147,489
2014	94	311,235	80	300,000	78	172,717	52	126,979
2015	97	278,213	70	302,413	93	75,684	49	100,015
2016	102	190,007	71	283,174	83	156,932	55	176,402
2017	110	277,959	75	315,350	112	40,313	54	157,800
2018	112	294,637	76	334,271	94	77,955	56	167,268

Notes:

1) Number of events includes all show activity (conventions, trade shows, public consumer shows, concerts and meetings).

Reno-Sparks Convention & Visitors Authority
Capital Asset Statistics by Function
June 30, 2018
(Unaudited)

Community Support

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).

Reno-Sparks Convention Center

The Reno-Sparks Convention Center (RSCC) complex hosts national and regional conventions and trade shows. The RSCC, located south of the downtown area, 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 stalls.

The Convention Center also features a 30,000 square foot ballroom – sub divisible into seven smaller rooms. 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. A central Food Court offers attendees the ability to select from three themed cafes. 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. The Convention Center is connected via sky bridge to an adjacent hotel.

Reno-Sparks Livestock Events Center

The Reno-Sparks Livestock Events Center is a large multi-purpose public assembly facility located on the northern edge of downtown Reno. The Center is a 43 acre complex that includes two indoor and two outdoor arenas, 660 animal stalls, 19 barns, a 20,000 square foot exhibition hall and 3,100 paved and lighted parking spaces.

Home of the world famous Reno Rodeo, the facility hosts a myriad of special events ranging from annual USA BMX bicycle races to premier equine competitions, including the Snaffle Bit Futurity, Regional International Arabian Horse Association competitions, and the ACTRA team roping finals.

Reno Events Center

The Reno Events Center is owned by the City of Reno and operated by 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

Reno-Sparks Convention & Visitors Authority
Capital Asset Statistics by Function
June 30, 2018
(Continued)
(Unaudited)

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.

National Bowling Stadium

The Authority transferred ownership of the Stadium to the City of Reno in May 2002, but continues to operate the facility through a management agreement.

The National Bowling Stadium is an 88-lane tournament bowling facility situated within the central business/gaming/entertainment district of downtown Reno. Home to the prestigious United States Bowling Congress Open Championships, returning in 2020 and the United States Bowling Congress Women's Championships, returning in 2018. Additional USBC Open and Women's Championship tournaments will be held beginning 2021 through 2026. The National Bowling Stadium hosts tournament play for a wide variety of national and international bowling competitions including the Professional Bowlers Tour and the United States Amateur Championships.

The National Bowling Stadium facility provides a wealth of visitor amenities including 300 covered parking spaces, a 10,000 square foot bowling pro shop which includes an instructional bowling lane, and a visitor information center. A special feature of this facility is a 172-seat, 70mm IWERKS-projection movie theater, which was incorporated in the roof design and situated within a large spherical dome atop the building. The theater features films and movies specifically formatted and produced to enhance the unique character of the IWERKS experience. 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 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.

Wildcreek Golf Course

Wildcreek Golf Course, located three miles from the City of Reno, provides Washoe County with an 18-hole championship course as well as a 9-hole executive course. The Wildcreek Golf Course facilities also provide a 25-tee practice driving range, two practice putting greens and a 20,000 square foot clubhouse. 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 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.

COMPLIANCE SECTION



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

To the Board of Directors
Reno-Sparks Convention & Visitors Authority, Nevada
Reno, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Reno-Sparks Convention & Visitors Authority's basic financial statements and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Reno-Sparks Convention & Visitors Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Reno-Sparks Convention & Visitors Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Reno-Sparks Convention & Visitors Authority's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Reno-Sparks Convention & Visitors Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
November 30, 2018



Auditor's Comments

To the Board of Directors
Reno-Sparks Convention & Visitors Authority, Nevada
Reno, Nevada

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Reno-Sparks Convention & Visitors Authority (the Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Authority failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The Authority conformed to all significant statutory constraints on its financial administration during the year, except for the item in Note L of the accompanying financial statements.

Progress on Prior Year Statute Compliance

Budget augmentations were monitored to avoid use of anticipated resources, not actually received; however, augmentations were made during the year ended June 30, 2018 in which anticipated resources were not received.

Budget augmentations were monitored to avoid use of ending funding balance as an anticipated resource for augmentation procedures.

Prior Year Recommendations

Closing procedures were reviewed and revised over year-end close to appropriately identify accounts payable for the reporting period.

Current Year Recommendations

We did not find any financial weaknesses of a magnitude to justify inclusion within our audit report.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
November 30, 2018

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To: RSCVA Board of Directors

From: Esther Isaac, Director of Marketing

Cc: Phil DeLone, President & CEO
Jennifer Cunningham, Executive Vice President
Bob Lucey, Board Chair

Date: December 6, 2018

Subject: **Review, Discussion and Possible Action regarding a new contract for EMC Research, the RSCVA's research vendor of record.**

Executive Summary

EMC Research, Inc. has been the contracted vendor for RSCVA research projects since 2008. Their professional services include the Visitor Profile Study in 2009, 2011, 2013 and 2015. In addition, to the Visitor Profile Study, they have also conducted regular Bay Area Brand Awareness Studies, Focus Groups on Millennials and most recently a series of Reno Tahoe Brand Tracking Surveys prior to launch of the new Reno Tahoe brand and continuing semi-annually since the launch.

Background/Analysis

EMC Research, Inc. has been a valuable partner in RSCVA's research for over 10 years. They have been awarded the research contract through formal RFQ bid twice and the contracts have been extended according to the terms. The current extension expires on December 31, 2018. EMC has been selected to develop and execute visitor surveys, compile data and provide thorough written and verbal reports of the data. They are responsible for existing, ongoing research, including the Visitor Profile Study along with other specialized surveys including, but not limited to, Advertising Awareness Studies. In the course of working on RSCVA research projects, they work closely with BVK, Inc., the RSCVA's integrated marketing agency, to assure data collected will benefit the decision making process. Since the Visitor Profile Study has not been completed since 2015 and we have launched a new brand and targeted new audiences, the continuity in mythology, research and analysis is particularly important to get an accurate comparison of change during the last four years. We are scheduled to repeat the Visitor Profile Study in 2019.

In order to keep the continuity of the data and projects, we have elected to sole source the research based on NRS 332.115 stating that professional services are exempt from the competitive bidding process.



Fiscal Impact

Funds for the research projects under this contract are budgeted in the fiscal year 2018/2019 marketing budget. In 2019, the projects are quoted at \$150,000 for the Visitor Profile Study and \$92,900 for the Brand Awareness Study. Any additional research will be quoted separately and added to future budget requests.

Recommendation

Staff is recommending the RSCVA Board of Directors authorize the President/CEO to renew a contract with EMC Research, Inc. for research services for the next two years (January 2019 through December 2020).

MAINTENANCE AGREEMENT

THIS MAINTENANCE AGREEMENT (the “Agreement”) is entered into effective as of the last date set forth by the signatures below (the “Effective Date”), by and between the **RENO SPARKS CONVENTION AND VISITORS AUTHORITY** (the “RSCVA”), and **INCLINE VILLAGE CRYSTAL BAY VISITOR AND CONVENTION BUREAU, INC.** (“North Lake Tahoe”), and is as follows:

RECITALS

A. The RSCVA is a party to that certain Lease Agreement dated July 17, 1984 (the “Lease”), by and between the RSCVA, as “lessee,” and the Incline Village General Improvement District (“IVGID”), as lessor, for that certain real property identified therein (the “Leased Property”).

B. The RSCVA, at its sole cost and expense and as contemplated by the Lease, has constructed a building and related systems and improvements on the Leased Property (such building and related systems and improvements are collectively referred to herein as the “Improvements”).

C. As further contemplated by the Lease, the RSCVA has permitted North Lake Tahoe to occupy and utilize the Improvements for the furtherance of North Lake Tahoe’s mission as it relates to the promotion of recreation, tourism and other related interests.

D. The Lease currently expires on July 16, 2019. The Lease contains an option allowing the RSCVA to extend the term of the Lease for an additional thirty-five (35) years (the “Renewal Option”).

E. North Lake Tahoe has requested that the RSCVA exercise the Renewal Option for the purpose of allowing North Lake Tahoe to continue its existing use and occupation of the Leased Property.

F. As between IVGID and the RSCVA, the RSCVA is obligated to maintain the Leased Property and Improvements. The RSCVA has conditioned its willingness to exercise its Renewal Option on North Lake Tahoe’s willingness to assume responsibility for any and all maintenance obligations of the Leased Property and Improvements, and to indemnify the RSCVA for any cost, claim or expense related thereto.

G. The parties, intending to be legally bound thereby, are entering into this Agreement for the purposes of memorializing the foregoing agreement and understanding.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, it is agreed among the parties as follows

AGREEMENT

Section 1. Exercise of Renewal Option. Conditioned upon receipt of: (i) a copy of this Agreement duly executed by North Lake Tahoe; and (ii) any necessary approvals from Washoe County, the RSCVA shall exercise the Renewal Option by delivering notice thereof to IVGID, in the manner and for the purpose all as set forth in the Lease.

Section 2. Maintenance Obligations. Effective upon the Effective Date, North Lake Tahoe shall be solely responsible, at its sole cost and expense, for any and all maintenance and repair obligations for the Leased Property and Improvements. The foregoing includes, but is not limited to, the obligation to fully maintain the Leased Property and Improvements in good condition and to not allow the Leased Property or Improvements to deteriorate or waste. The landscaping and outside areas of the Leased Property and Improvements shall at all times be kept in a clean and orderly manner, and North Lake Tahoe shall at all times abide by all Tahoe Regional Planning Agency, County, Federal and State rules, laws, ordinances and regulations. The parties hereby acknowledge that this Section 2 is intended to allocate maintenance responsibilities as between the parties to this agreement only. Nothing contained herein is intended, nor shall it be deemed in any way to alter or amend the obligation of IVGID to maintain a portion of the Leased Property as such obligation is set forth in that certain agreement dated July 11, 1988, between IVGID and Washoe County whereby IVGID has agreed, at its sole cost and expense, to operate and maintain the park grounds on the Leased Property.

Section 3. Waiver and Indemnity. North Lake Tahoe hereby waives all claims, causes of action, damages or any other loss claimed by any person or entity against the RSCVA or Washoe County and expressly releases the RSCVA and Washoe County and their officers, directors, employees and agents (collectively, the “RSCVA/Washoe County Related Parties”) from any and all claims in any way related to the Lease, the Leased Property and/or Improvements and the maintenance and operation thereof. North Lake Tahoe shall indemnify, defend and hold harmless the RSCVA and Washoe County and the RSCVA/Washoe County Related Parties against any and all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys’ fees (collectively, the “Claims”), which may be imposed upon, incurred or asserted against the RSCVA, Washoe County and/or any RSCVA/Washoe County Related Parties by any third party and arising out of or in connection with the Lease, the Leased Property and/or Improvements, including, but not limited to Claims related to the failure of North Lake Tahoe to maintain the Leased Property and Improvements as set forth in this Agreement.

Section 4. The term of this Agreement shall run simultaneously with the term of the Lease, as may hereinafter from time to time be extended.

Section 5. Amendment. Any amendment to this Agreement must be in writing and signed by the parties hereto.

Section 6. Notices. Any notice given from one party to the other hereunder shall be in writing and shall be given by personal delivery, overnight courier service or by e-mail transmission (so long as receipt for such transmission is requested and received) to the following addresses:

If to the RSCVA:

Reno-Sparks Convention and Visitors Authority
PO Box 837
Reno, NV 89504
Attention: President/CEO

If North Lake Tahoe:
Incline Village Crystal Bay Visitor and Convention Bureau
969 Tahoe Boulevard
Incline Village, NV 89451
Attention: President/CEO

or such other address as a party may specify by notice to the other party.

Section 7. Counterparts. This Agreement may be executed in counterparts each of which is deemed an original, but all of which together is deemed to be one and the same agreement.

Section 8. Signed Copy of Agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the RSCVA and North Lake Tahoe have caused this Agreement to be executed effective as of the Effective Date.

Reno-Sparks Convention and Visitors Authority

By: _____
Its: _____
Date Executed: _____

Incline Village Crystal Bay Visitor and Convention Bureau

By: _____
Its: _____
Date Executed: _____