



Reno-Sparks Convention & Visitors Authority

**Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019**



RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2019

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, 2019**

CONTENTS	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	i
Certificate of Achievement For Excellence In Financial Reporting	v
Financial Structure	vi
Board of Directors	vii
Executive Staff	viii
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual General Fund	19
Proprietary Fund:	
Statement of Net Position	21
Statement of Revenues, Expenses and Changes in Net Position	22
Statement of Cash Flows	23
Notes to Financial Statements	25
Required Supplementary Information:	
Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios	56
Schedule of the Authority's Share of the Net Pension Liability and Authority Contributions	58
Individual Fund Schedules:	
Major Governmental Funds:	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual	59
Capital Projects Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual	60
Internal Service Fund:	
Schedule of Net Position	61
Schedule of Revenues, Expenses and Changes in Net Position-Budget and Actual	62
Schedule of Cash Flows-Budget and Actual	63



**Reno-Sparks Convention & Visitors Authority
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

CONTENTS	PAGE
STATISTICAL SECTION (Unaudited)	
Financial Trends:	
Net Position by Component	65
Changes in Net Position	66
General Room Tax (6 5/8%) Collections, Last Ten Fiscal Years	67
Fund Balances of Governmental Funds	68
Change in Fund Balances of Governmental Funds and Revenues by Source	69
Revenue Capacity:	
Room Tax Rates by Location	70
Principal Room Taxpayers	71
Debt Capacity:	
Outstanding Debt by Type	72
General Bonded Debt Outstanding	73
Direct and Overlapping Governmental Activities Bonded Debt	74
Legal Debt Margin Information	75
Pledged Revenue Coverage	76
Demographic and Economic Information:	
Demographic and Economic Statistics	77
Principal Employers	78
Operating Information:	
General Room Tax (6 5/8%) Collections, Current Fiscal Year	79
Room Tax And Occupancy Statistics - Occupied Rooms	80
Room Tax And Occupancy Statistics - Available Rooms	81
Room Tax And Occupancy Statistics - Percentage of Occupancy	82
Room Tax And Occupancy Statistics - Taxable Room Revenues	83
Room Tax And Occupancy Statistics - Average Cash Rates	84
Room Tax And Occupancy Statistics - Cash Occupied Rooms Nights	85
Full-time Equivalent Employees by Function	86
Convention Center, Reno-Sparks Livestock Events Center, National Bowling Stadium and Reno Events Center Activity Summary	87
Capital Asset Statistics by Function	88
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 <i>Government Auditing Standards</i>	90
Auditor's Comments	92

INTRODUCTORY SECTION



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

November 25, 2019

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, 2018 to June 30, 2019

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, 2019, 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-

Reno-Sparks Convention & Visitors Authority

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 2018-2019. 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 decreased from 3,727,230 room nights in fiscal year 2017-18 to 3,472,202 room nights in fiscal year 2018-19. Overall occupancy percentages decreased from 71.5% in fiscal year 2017-18 to 67.7% in fiscal year 2018-19. Average cash rates increased from \$104.41 for fiscal year 2017-18 to \$115.53 for fiscal year 2018-19, resulting in total taxable

revenues increasing from \$389,144,926 in fiscal year 2017-18 to \$401,157,233 in fiscal year 2018-19.

Outlook For Fiscal Year 2019-20 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, 2019 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 was sold to Washoe County and the Washoe County School District in fiscal year 2018-19. 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.

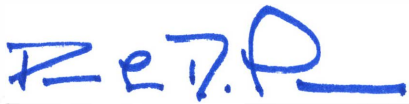
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This was the thirty-second consecutive 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 blue 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**

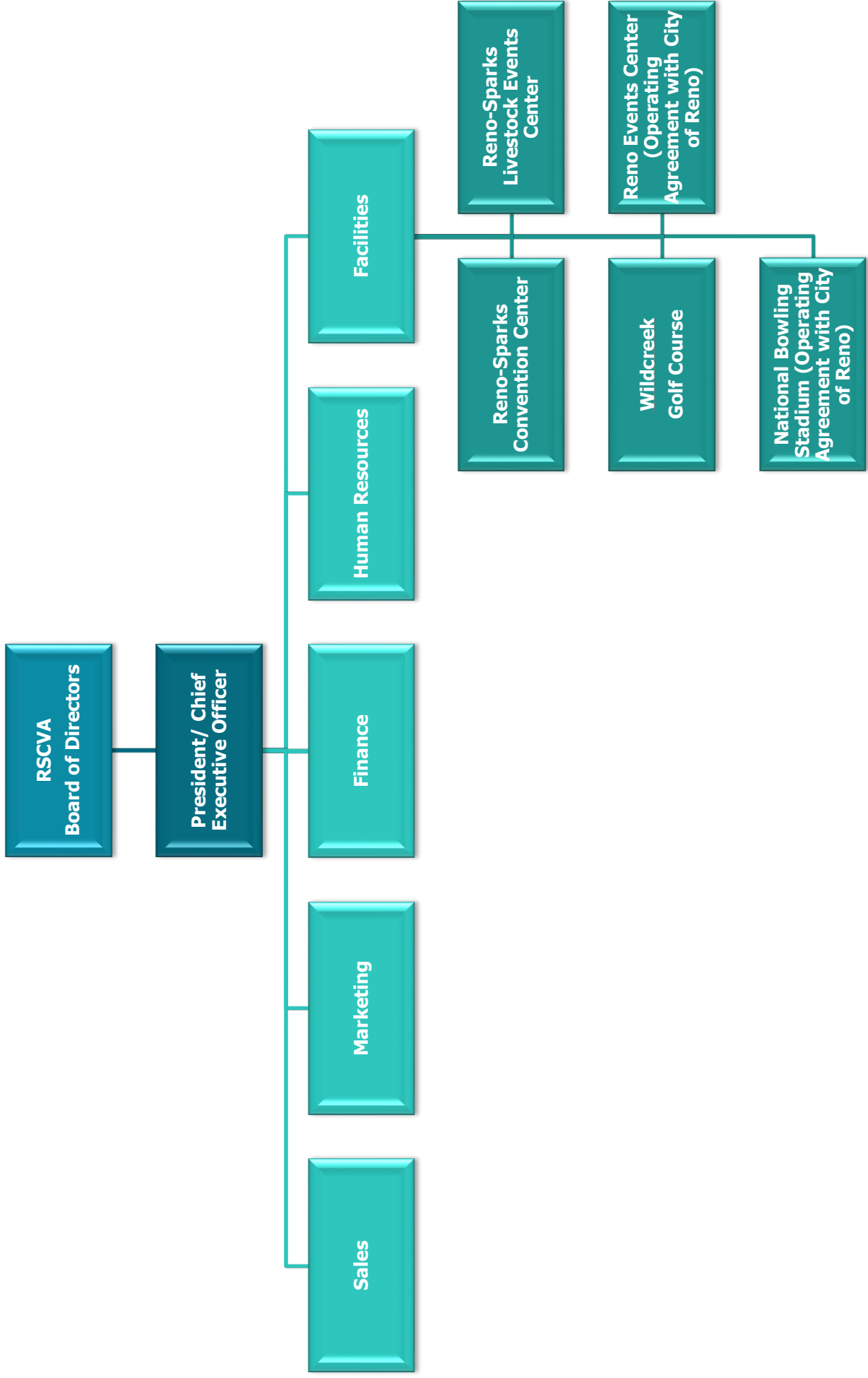
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
FINANCIAL STRUCTURE
JUNE 30, 2019



Reno-Sparks Convention & Visitors Authority
Board of Directors as of June 30, 2019



Bob Lucey, Chairman
Washoe County



Ed Lawson, Vice-Chairman
City of Sparks



Hillary Schieve
City of Reno



Nat Carasali
Business Industry



Lee Dillard
Gaming Industry



Rick Murdock
Gaming Industry



Mark Sterbens
Gaming Industry



Bill Wood
Incline Village/Crystal Bay CVB



Ann Silver
Reno + Sparks Chamber of Commerce

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, 2019, 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12, 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 56 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming 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, 2018 and have issued our report thereon dated November 30, 2018, 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, 2018, is consistent with the audited financial statements from which it has been derived.

The individual fund financial statement and schedules related to the 2018 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 2018 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2018 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 25, 2019, 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
November 25, 2019



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

The following discussion and analysis are 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 and deferred inflows of resources of the Authority exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$32,632,317 (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 \$8,281,100. The principal causes of this increase are reductions in debt and increased room tax collections.
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$27,254,953, an increase of \$47,283 compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,992,779 or 11.0% of total General Fund expenditures.
- The Authority's total debt decreased by \$4,373,535 during the fiscal year, due to principal payments on existing debt exceeding the accretion on capital appreciation bonds, and defeasance of \$1,665,000 of principal.
- The Authority's room license tax/surcharge collections increased \$1,063,052 (2.7%) from the prior year.
- Cash and investments of the Authority decreased by \$966,581 (4.0%) from the prior year, primarily due to expenditure of room surcharge revenues.
- The Authority issued bonds in the amount of \$68,897,000 (the 2019A Series Refunding and 2019B Series Refunding) to refund \$64,970,000 of the 2011 Refunding Bonds for interest rate savings.
- In June 2019, the Authority sold the Wildcreek Golf Course.

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 government, and proprietary 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.

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 (62%) reflects its investment in capital assets (e.g. buildings, improvements, and equipment). The Authority's capital assets consist of two operating facilities – Reno-Sparks Convention Center and Reno-Sparks Livestock Events Center – 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	
	2019	2018
Assets:		
Current and other assets	\$ 33,603,783	\$ 33,329,525
Capital assets	55,277,397	56,696,950
Total assets	88,881,180	90,026,475
Deferred outflows of resources	6,391,081	1,960,565
Liabilities:		
Long-term liabilities	119,174,649	122,226,639
Other liabilities	6,586,946	8,023,509
Total liabilities	125,761,595	130,250,148
Deferred inflows of resources	2,142,983	2,650,309
Net Assets:		
Net investment in capital assets	(16,687,714)	(20,329,530)
Restricted for:		
Debt service	10,696,606	10,647,804
Strategic Plan Implementation	5,109,234	6,341,914
Claims	221,884	179,243
Unrestricted (deficit)	(31,972,327)	(37,752,848)
Total net position	\$ (32,632,317)	\$ (40,913,417)

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 \$1,063,052 (2.7%) from the prior year. This increase was primarily caused by 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.

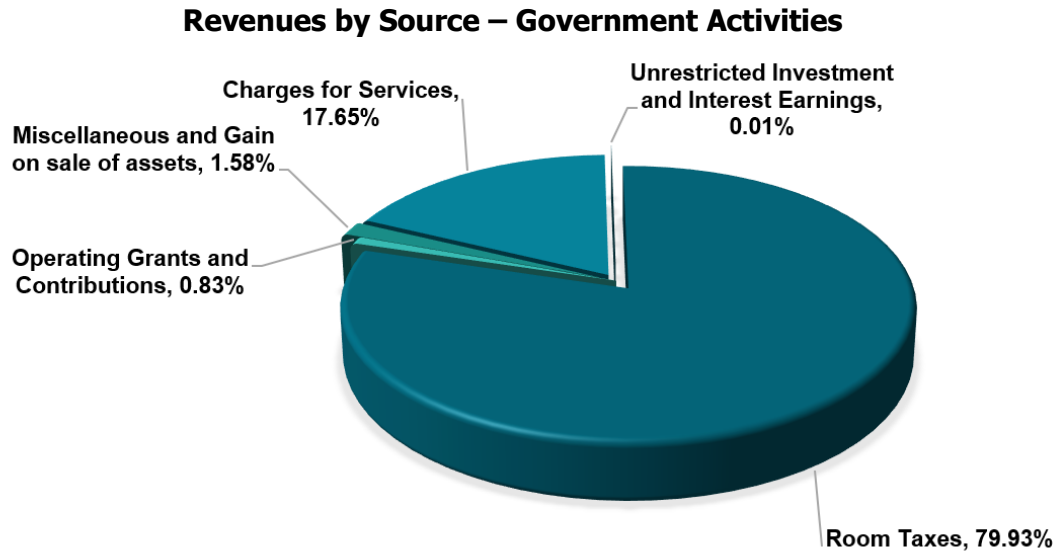
The Authority's total net position increased by \$8,281,100. The principal cause of this charge is surcharge revenues collected but unspent and increased room tax collections.

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

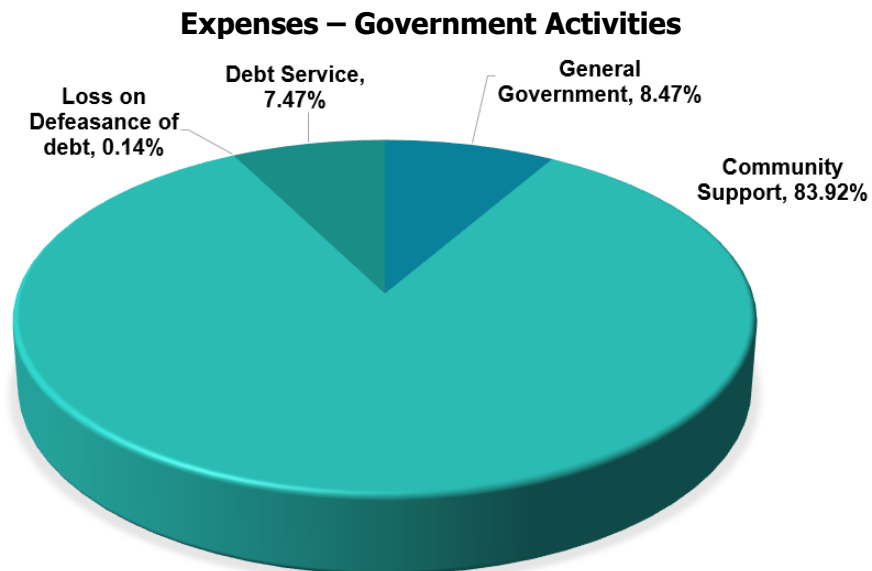
	Governmental Activities	
	2019	2018
Revenue:		
<i>Program revenues:</i>		
Charges for services	\$ 9,027,246	\$ 9,249,831
Operating grants and contributions	425,452	178,754
Capital grants and contributions	-	-
<i>General revenues:</i>		
Room taxes, penalties and interest	40,884,774	39,821,722
Unrestricted investment and interest earnings	6,370	1,764
Gain on sale of capital assets	705,901	-
Miscellaneous	100,414	71,567
Total revenues	51,150,157	49,323,638
Expenses:		
General government	3,632,579	3,203,353
Community support	35,974,848	34,293,703
Loss on defeasance of debt	59,517	120,852
Debt service	3,202,113	4,990,692
Total expenses	42,869,057	42,608,600
Change in net position	8,281,100	6,715,038
Net Position, July 1, as previously reported	(40,913,417)	(44,777,664)
Prior period adjustments	-	(2,850,791)
Net Position, July 1, as restated	(40,913,417)	(47,628,455)
Net Position, June 30	\$ (32,632,317)	\$ (40,913,417)

Governmental activities.

Total program revenues and total general revenues for governmental activities amounted to \$9,452,698 and \$41,697,459, respectively, for the 2018-19 fiscal year. As illustrated on the following chart, room tax collections are the largest revenue source, followed by charges for services.



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.



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 \$27,254,953. Approximately 14.6% of this total amount (\$3,992,779) 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 \$3,992,779 while the total fund balance was \$11,961,892. 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 33.3% for the year just completed.

The fund balance of the RSCVA's General Fund increased by \$191,224 during the fiscal year.

The Debt Service Fund has a total fund balance of \$11,156,606, which is a decrease of \$1,569,495 from prior year, all of which is restricted for the payment of debt service.

The Capital Service Fund is used to track expenditures at the Authority's facilities. Current year projects included roof repairs, lighting, paving, painting, restroom renovations, remodel of interior seating, kitchen renovation and carpeting at the Reno-Sparks Convention Center and lighting, roof repairs, and equipment at the Reno-Sparks Livestock Events Center. The fund has assigned fund balance of \$4,136,455 at year end, an increase of \$1,425,554 as a result of capital projects that have been funded but not yet completed or started. 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 \$350,000, primarily related to all positions being fully staffed, and employee termination leave payouts;
- Expenditures – Facility Operation increased by \$3,515,000, primarily as a result of unanticipated transition costs and changes in food and beverage operations at the facilities;
- Expenditures – Golf Course Operation increased by \$130,000, primarily as a result of a delay in the sale of the Wildcreek Golf Course;
- Expenditures – Convention and tourism promotion increased by \$325,000, largely

- related to booking incentives (Interbike), and related to the fully staffed positions;
- Revenues – Increase of \$2,000,000 in facility revenues to reflect changes in the management of the food and beverage at the facilities.

Overall, revenues were below budget by \$1,895,195 for the year, primarily due to increased room license tax revenues, increased facilities revenues, and increased interest on investments. The sale of Wildcreek Golf Course is presented as an other financing source.

Expenditures were below budget by \$5,652,956, primarily due to lower services and supplies (below that budgeted) in convention and tourism promotion, and no expenditures in air service promotions.

Capital Assets and Long-term Debt Activity

Capital assets. The RSCVA's capital assets for its governmental activities as of June 30, 2019, amount to \$55,277,397 (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, lighting, paving, painting, restroom renovations and remodels, interior seating, kitchen renovation, and carpeting at the Reno-Sparks Convention Center and lighting, roof 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	515,798
Buildings and Improvements	45,442,306
Improvements	3,434,632
Furniture and Equipment	2,439,461
Total	\$ 55,277,397

Long-term debt. During fiscal year 2018-19, the Authority made payments of \$5,435,000 in principal and \$4,161,794 in interest on its outstanding bond. The 2011 Series Refunding Bonds had a principal amount of \$1,665,000 defeased. In June 2019, bonds were issued in the amount of \$68,897,000 (the 2019A Series Refunding and 2019B Series Refunding). The bonds were issued for the purposes of refunding a portion of the 2011 Series Refunding, with interest rates between 3.09% and 3.27%. 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, 2019
RSCC Expansion Bonds (Capital Appreciation)	\$ 19,384,075	\$ 10,522,095
2011 Series Refunding	88,680,000	19,270,000
2019A Series Refunding	20,000,000	20,000,000
2019B Series Refunding	48,897,000	48,897,000
Total	\$ 176,961,075	\$ 98,689,095

Known Economic Factors

Lodging properties continue to invest capital into their current facilities:

- Circus Circus, announced the rental of the west tower to the University of Nevada from August 2019 to May 2020;
- Courtyard by Marriott Reno completed a comprehensive renovation of the 117 room hotel;
- The Nugget – Continuing major renovations, including the main casino floor, rebuilding all the rooms, and opening a new 8,500 seat Event Center for outdoor concerts;
- Sands Regency – Continuing with a remodel of the hotel, to include a remodel of the 225 room West Tower, new elevators, modern gaming machines and overall facility improvements; and
- Silver Legacy – Opened a new 21,000 square foot luxury spa as part of their ongoing master renovation project of over \$100 million.

Increased Sales Efforts and New Business:

- The Department of Education will be holding a convention in December 2019, producing an estimated 15,000 room nights;
- The United States Bowling Congress will hold its Open Championship in Reno from March to July 2020, producing and estimated 80,000 room nights; and
- Safari Club International returns in February 2020, producing an estimated 15,000 room nights.

New Hotel Development:

- Residence Inn by Marriot opened in October 2018 at the Sparks Marina;
- Woodsprings Suites in Sparks opened in December 2018;
- Home2 Suites by Hilton, near Meadowood Mall, opened in March 2019;
- Springfield Suites by Marriott, in South Reno, opened in February 2019;
- The Jesse, a boutique hotel in downtown Reno, opened in July 2019;
- Aloft Hotel which is under construction at the Reno-Tahoe Airport, is scheduled to open in March 2020;
- Various projects have been announced for development, including a Westin Hotel in downtown Reno, a Marriott Element Hotel for Park Lane Reno, a hotel for Summit Sierra Mall, and two additional hotels at the Sparks Marina;
- 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.

Jacobs Development has announced plans for a \$1 billion mixed-use development in downtown Reno. The area encompasses 20 city blocks that will be known as Reno's Neon Line District. Jacobs Entertainment has already invested more than \$100 million in the acquisition of over 50 separate properties. The District stretches from downtown Reno's West Street to Keystone Avenue, and from Interstate 80 South to West Second Street. The centerpiece of the District is the creation of a \$25 million, half-mile-long installation of public art along West Fourth Street, that will be known as Reno's Neon Line. Currently under construction, Reno's Neon Line will host rotating artwork, with the initial artwork of the series to include sculptures formerly exhibited at Burning Man. The vision is a cultural epicenter for the arts, entertainment, hospitality and lodging. According to Jacobs Development, the Reno Neon Line will be a half-mile long ribbon of color, light, sound, art, entertainment and experiences that will focus national attention on a revitalized urban environment.

Eldorado Resorts, Inc., owner of the Eldorado Resorts, Circus Circus, and Silver Legacy, announced a merger with Caesars Entertainment. The \$17.3 billion Eldorado-Caesars deal will create the largest gaming operation in the United States. It's expected to result in roughly 60 casinos and resorts in 16 states under the Caesars name, in order to maintain name recognition and brand value. The deal is targeted to close in the first half of next year if approved by gaming regulators and shareholders.

The Tahoe-Reno Industrial Center, located just east of Reno-Sparks, continues to show promise for 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 \$400,000 up 5% compared to June 2018. The median price is \$265,000 or 196% 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 98.7% of list price down by 0.3% from June 2018. 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.

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, 2019

	Governmental Activities
ASSETS	
Cash and investments	\$ 25,810,594
Receivables	
Accounts receivable	716,167
Room license taxes receivable	5,523,106
Other receivables	1,289,503
Prepaid items	124,200
Inventories	140,213
Capital assets not being depreciated	3,960,998
Capital assets being depreciated (net of accumulated depreciation)	51,316,399
TOTAL ASSETS	88,881,180
DEFERRED OUTFLOWS OF RESOURCES	
Net pension liability-related amounts	2,326,226
Total OPEB liability-related amounts	344,082
Deferred charge on refunding	3,720,773
TOTAL DEFERRED OUTFLOWS	6,391,081
LIABILITIES	
Accounts payable	1,303,805
Accrued liabilities	2,806,779
Accrued interest payable	460,000
Event deposits	2,016,362
Noncurrent liabilities:	
Due within one year	5,835,000
Due in more than one year	
Bonds	93,766,496
Net pension liability	12,979,720
Total OPEB liability	6,593,433
TOTAL LIABILITIES	125,761,595
DEFERRED INFLOWS OF RESOURCES	
Net pension liability-related amounts	1,857,282
Total OPEB liability-related amounts	285,701
TOTAL DEFERRED INFLOWS	2,142,983
NET POSITION	
Net investment in capital assets	(16,687,714)
Restricted for:	
Debt service	10,696,606
Strategic plan implementation (surcharge revenues)	5,109,234
Claims	221,884
Unrestricted (deficit)	(31,972,327)
TOTAL NET POSITION	\$ (32,632,317)

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

		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	\$ 3,632,579	\$ 758,593	\$ 228,742	\$ -	\$ (2,645,244)
Community support	35,974,848	8,268,653	29,372	-	(27,676,823)
Loss on defeasance of debt	59,517	-	-	-	(59,517)
Interest and fiscal charges	3,202,113	-	167,338	-	(3,034,775)
Total governmental activities	<u>\$ 42,869,057</u>	<u>\$ 9,027,246</u>	<u>\$ 425,452</u>	<u>\$ -</u>	<u>(33,416,359)</u>
GENERAL REVENUES					
Taxes:					
Room taxes					40,884,774
Unrestricted investment and interest earnings					6,370
Gain on sale of capital assets					705,901
Miscellaneous					100,414
TOTAL GENERAL REVENUES					<u>41,697,459</u>
CHANGE IN NET POSITION					8,281,100
NET POSITION, JULY 1					<u>(40,913,417)</u>
NET POSITION, JUNE 30					<u>\$ (32,632,317)</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2019

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 13,776,305	\$ 10,773,344	\$ 1,039,367	\$ 25,589,016
Receivables				
Accounts receivable	716,167	-	-	716,167
Room license taxes receivable	5,523,106	-	-	5,523,106
Other receivables	1,235,682	-	53,821	1,289,503
Prepaid items	120,217	-	-	120,217
Inventory	140,213	-	-	140,213
Due from other funds	-	511,275	3,198,050	3,709,325
TOTAL ASSETS	<u>\$ 21,511,690</u>	<u>\$ 11,284,619</u>	<u>\$ 4,291,238</u>	<u>\$ 37,087,547</u>
LIABILITIES				
Accounts payable	\$ 1,024,759	\$ 124,263	\$ 154,783	\$ 1,303,805
Accrued liabilities	2,682,877	3,750	-	2,686,627
Event deposits	2,016,362	-	-	2,016,362
Due to other funds	3,825,800	-	-	3,825,800
TOTAL LIABILITIES	<u>9,549,798</u>	<u>128,013</u>	<u>154,783</u>	<u>9,832,594</u>
FUND BALANCES				
Nonspendable	260,430	-	-	260,430
Restricted	5,109,234	11,156,606	-	16,265,840
Assigned	2,599,449	-	4,136,455	6,735,904
Unassigned	3,992,779	-	-	3,992,779
TOTAL FUND BALANCES	<u>11,961,892</u>	<u>11,156,606</u>	<u>4,136,455</u>	<u>27,254,953</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 21,511,690</u>	<u>\$ 11,284,619</u>	<u>\$ 4,291,238</u>	<u>\$ 37,087,547</u>

See accompanying notes.

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

JUNE 30, 2019

TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET	\$ 27,254,953
 Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds	 55,277,397
 Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:	
Accrued interest payable	(460,000)
Bonds payable	(98,689,095)
Add: Unamortized premium	(489,881)
Compensated absences	(422,520)
Total OPEB liability	(6,593,433)
Net pension liability	(12,979,720)
 Deferred outflow of resources related to pensions	2,326,226
Deferred outflow of resources related to OPEB	344,082
Deferred charge on refunding	3,720,773
 Deferred inflows of resources related to pensions	(1,857,282)
Deferred inflows of resources related to OPEB	(285,701)
 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>221,884</u>
 TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET POSITION	 \$ <u>(32,632,317)</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, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Taxes				
Room license taxes	\$ 40,884,774	\$ -	\$ -	\$ 40,884,774
Miscellaneous				
Facilities revenue	7,907,188	-	-	7,907,188
Convention and visitors service revenue	360,125	-	-	360,125
Golf course operations	1,340	-	-	1,340
Interest on investments	235,112	167,338	29,372	431,822
Other	859,007	-	-	859,007
TOTAL REVENUES	50,247,546	167,338	29,372	50,444,256
EXPENDITURES				
Current				
General government	3,648,825	-	-	3,648,825
Community support	32,275,168	-	-	32,275,168
Debt Service				
Principal	-	5,435,000	-	5,435,000
Interest	-	4,161,794	-	4,161,794
Other bond costs	-	3,513,876	-	3,513,876
Capital outlay	-	-	2,480,818	2,480,818
TOTAL EXPENDITURES	35,923,993	13,110,670	2,480,818	51,515,481
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,323,553	(12,943,332)	(2,451,446)	(1,071,225)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	11,240,002	3,877,000	15,117,002
Transfers to other funds	(15,117,002)	-	-	(15,117,002)
Sale of capital assets	984,673	-	-	984,673
Issuance of refunding bonds	-	68,897,000	-	68,897,000
Payment to refunded debt escrow agent	-	(68,763,165)	-	(68,763,165)
TOTAL OTHER FINANCING SOURCES (USES)	(14,132,329)	11,373,837	3,877,000	1,118,508
NET CHANGE IN FUND BALANCES	191,224	(1,569,495)	1,425,554	47,283
FUND BALANCES, JULY 1	11,770,668	12,726,101	2,710,901	27,207,670
FUND BALANCES, JUNE 30	\$ 11,961,892	\$ 11,156,606	\$ 4,136,455	\$ 27,254,953

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, 2019

NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	\$ 47,283
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	2,559,289
Depreciation expense	(3,700,070)
The net effect of various miscellaneous transactions involving capital assets (sales, trade-in, and donations) is to increase net position.	
Sale of capital assets	(984,673)
Gain on sale of capital assets	705,901
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.	
Issuance of refunding bonds	(68,897,000)
Defeasance by refunding principal payments	64,970,000
Additional payment for defeasance	5,372,437
Accretion on capital appreciation bonds	(662,937)
Principal payments on debt	5,435,000
Mandatory defeasance principal payments	1,665,000
Unamortized premium	43,712
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	1,620,897
Compensated absences	(8,290)
Amortization of premium	168,096
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	599,634
Authority pension expense	(678,371)
Authority OPEB contributions	227,979
Authority OPEB expense	(245,428)
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>42,641</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES	\$ <u>8,281,100</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)
Page 1 of 2

	<u>2019 Budget Amount</u>		<u>2019</u>		<u>2018</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
REVENUES					
Taxes					
Room license taxes	\$ 41,456,710	\$ 41,456,710	\$ 40,884,774	\$ (571,936)	\$ 39,821,722
Miscellaneous					
Facilities revenue	6,627,885	8,627,885	7,907,188	(720,697)	7,175,249
Convention and visitor service revenue	216,900	216,900	360,125	143,225	292,870
Golf course operations	979,707	979,707	1,340	(978,367)	1,056,005
Interest on investments	72,000	72,000	235,112	163,112	88,377
Other	789,503	789,503	859,007	69,504	797,274
TOTAL REVENUES	<u>50,142,705</u>	<u>52,142,705</u>	<u>50,247,546</u>	<u>(1,895,159)</u>	<u>49,231,497</u>
EXPENDITURES					
Current:					
General government					
Salaries and wages	1,319,581	1,519,581	1,426,972	92,609	1,234,733
Employee benefits	901,279	901,279	839,328	61,951	599,636
Services and supplies	1,182,431	1,332,431	1,271,193	61,238	1,327,550
Capital outlay	137,600	137,600	111,332	26,268	74,492
Total general government	<u>3,540,891</u>	<u>3,890,891</u>	<u>3,648,825</u>	<u>242,066</u>	<u>3,236,411</u>
Community support					
Facility operation					
Salaries and wages	-	10,000	6,250	3,750	3,817,169
Employee benefits	-	5,000	1,596	3,404	1,234,206
Services and supplies	10,667,627	14,167,627	12,383,771	1,783,856	5,701,402
	<u>10,667,627</u>	<u>14,182,627</u>	<u>12,391,617</u>	<u>1,791,010</u>	<u>10,752,777</u>
Golf course operations					
Salaries and wages	-	-	-	-	609,103
Employee benefits	-	5,000	2,104	2,896	158,485
Services and supplies	262,000	387,000	384,749	2,251	739,312
	<u>262,000</u>	<u>392,000</u>	<u>386,853</u>	<u>5,147</u>	<u>1,506,900</u>

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)
Page 2 of 2**

	<u>2019 Budget Amount</u>		<u>2019</u>		<u>2018</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
EXPENDITURES - continued					
Convention and tourism promotion					
Salaries and wages	\$ 3,062,022	\$ 3,137,022	\$ 3,070,252	\$ 66,770	\$ 2,874,739
Employee benefits	1,408,004	1,658,004	1,690,161	(32,157)	1,416,443
Services and supplies	16,613,648	16,613,648	13,049,507	3,564,141	13,100,308
	<u>21,083,674</u>	<u>21,408,674</u>	<u>17,809,920</u>	<u>3,598,754</u>	<u>17,391,490</u>
Community grants and miscellaneous	<u>1,602,757</u>	<u>1,702,757</u>	<u>1,686,778</u>	<u>15,979</u>	<u>1,527,865</u>
Total community support	<u>33,616,058</u>	<u>37,686,058</u>	<u>32,275,168</u>	<u>5,410,890</u>	<u>31,179,032</u>
TOTAL EXPENDITURES	<u>37,156,949</u>	<u>41,576,949</u>	<u>35,923,993</u>	<u>5,652,956</u>	<u>34,415,443</u>
Excess (deficiency) of revenues over expenditures	<u>12,985,756</u>	<u>10,565,756</u>	<u>14,323,553</u>	<u>3,757,797</u>	<u>14,816,054</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(400,000)	(50,000)	-	50,000	-
Sale of capital assets	-	-	984,673	984,673	-
Transfers to other funds	<u>(15,530,544)</u>	<u>(15,530,544)</u>	<u>(15,117,002)</u>	<u>413,542</u>	<u>(16,075,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,930,544)</u>	<u>(15,580,544)</u>	<u>(14,132,329)</u>	<u>1,448,215</u>	<u>(16,075,000)</u>
Net change in fund balances	(2,944,788)	(5,014,788)	191,224	5,206,012	(1,258,946)
FUND BALANCE, JULY 1	<u>9,469,495</u>	<u>11,770,668</u>	<u>11,770,668</u>	<u>-</u>	<u>13,029,614</u>
FUND BALANCE, JUNE 30	<u>\$ 6,524,707</u>	<u>\$ 6,755,880</u>	<u>\$ 11,961,892</u>	<u>\$ 5,206,012</u>	<u>\$ 11,770,668</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**PROPRIETARY FUND
STATEMENT OF NET POSITION**

JUNE 30, 2019

	Governmental Activities Internal Service Fund
ASSETS	
Current assets	
Cash and investments	\$ 221,578
Prepaid expenses	3,983
Due from other funds	<u>116,475</u>
Total current assets	<u>342,036</u>
TOTAL ASSETS	<u>342,036</u>
LIABILITIES	
Current liabilities	
Accrued liabilities	<u>120,152</u>
TOTAL LIABILITIES	<u>120,152</u>
NET POSITION	
Restricted for claims	\$ <u><u>221,884</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, 2019

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Charges for benefits	\$ 910,690
OPERATING EXPENSES	
Services and supplies	<u>868,049</u>
CHANGE IN NET POSITION	42,641
NET POSITION, JULY 1	<u>179,243</u>
NET POSITION, JUNE 30	<u>\$ 221,884</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2019

Page 1 of 2

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers or users	\$ 173,923
Cash received from interfund services provided	736,767
Cash paid to vendors for services and supplies	<u>(913,635)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,945)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from (paid to) other funds	<u>(23,680)</u>
Net increase (decrease) in cash and investments	(26,625)
CASH AND INVESTMENTS, JULY 1	<u>248,203</u>
CASH AND INVESTMENTS, JUNE 30	<u><u>\$ 221,578</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2019

Page 2 of 2

	Governmental Activities Internal Service Fund
	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ <u>42,641</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Prepaid expenses	(3,983)
Accrued liabilities	<u>(41,603)</u>
Total adjustments	<u>(45,586)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>(2,945)</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 and the Reno-Sparks Livestock Events Center. The Authority did own and operate the Wildcreek Golf Course up to June 25, 2019. 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, 2019
(Continued)

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. Separate statements for each fund category—governmental and proprietary are presented in 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. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 type:

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

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 arise under accounting for pensions, that qualifies for reporting in this category. The item, net pension liability-related amounts, are reported in the statement of net position. The statement of net position reports differences between expected and actual experience in the Authority's proportionate share, 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 changes of assumptions and other inputs and

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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.

The Authority also has an item, which arises under accounting for the deferred charge on refunding debt, which is reported in the statement of net position. A deferred charge on the refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 items, net pension liability-related amounts, are reported in the statement of net position. The statement of net position reports differences between expected and actual experience, differences between projected and actual earnings on pension plan investments, and changes in the Authority's proportionate share. 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 of assumptions and other inputs. This item is deferred and recognized as an increase of the total OPEB liability in the subsequent periods.

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

2. Public hearings are conducted prior to adoption of the budget 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.
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.

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. Investment in the Local Government Pool is carried at fair value, which is the same as the value of the pool shares.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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:

Inventory consists of food, beverage, and other operating supplies and are stated at the lower of cost (first-in, first-out method) or market.

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.

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 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.

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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.

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, committed or assigned.

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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.

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 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, 2019, principal and interest paid and total net pledged revenues were \$9,596,794 and \$24,976,360 respectively. Annual principal and interest payments are expected to require approximately 38% of net revenues. The total principal and interest remaining on the bonds is \$122,215,455.

Comparability:

Comparative data shown for the year ended June 30, 2018 has been extracted from fiscal year 2017-18 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for 2017-18. Such information can only be obtained by referring to the financial statements for that year.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual result could differ from some of these estimates.

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.

As of June 30, 2019, the Authority had the following recurring fair value measurements:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments				
Money Market Mutual Funds	\$12,060,348	\$12,060,348	\$ -	\$ -
US Treasury Bills	981,590	981,590	-	-
US Government Agencies	2,098,885	2,098,885	-	-
US Government Obligations	3,549,411	3,549,411	-	-
Certificates of Deposit	154,875	-	154,875	-
	<u>18,845,109</u>	<u>\$18,690,234</u>	<u>\$154,875</u>	<u>\$ -</u>
State of Nevada Local Government Investment Pool	<u>3,000,000</u>			
	<u>\$21,845,109</u>			

As the Local Government Investment Pool is an external investment pool, the investment is not valued according to the hierarchy.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

As of June 30, 2019, the Authority had the following investments and maturities:

	Fair Value	Investment Maturities in Years		
		Less Than 1	1 – 4	4 – 6
Investments				
Money Market Mutual Funds	\$12,060,348	\$12,060,348	\$ -	\$ -
US Treasury Bills	981,590	981,590	-	-
US Government Agencies	2,098,885	2,098,885	-	-
US Government Obligations	3,549,411	-	3,549,411	-
Certificates of Deposit	154,875	154,875	-	-
State of Nevada Local Government Investment State Pool LGIP	3,000,000	3,000,000	-	-
	21,845,109	\$18,295,698	\$3,549,411	\$ -
Total Cash	3,965,485			
Total Cash and Investments	\$25,810,594			

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada governments. The Authority has a formal investment policy that further limits its investment choices and exposure to certain risks as set forth below.

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. 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. At June 30, 2019 the following investments exceeded 5% of the Authority's investments: US Government Agencies 9.61%.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

At June 30, 2019 The Authority's investments are rated as follows:

	Fair Value	Rating		
		Unrated	AAA	AA
Investments				
Money Market Mutual Funds	\$12,060,348	\$ -	\$12,060,348	\$ -
US Treasury Bills	981,590	981,590	-	-
US Government Agencies	2,098,885	-	-	2,098,885
US Government Obligations	3,549,411	-	-	3,549,411
Certificates of Deposit	154,875	154,875	-	-
State of Nevada Local Government Investment Pool	3,000,000	3,000,000	-	-

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. At June 30, 2019, cash balances of \$2,701,952 were uncollateralized.

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.

NOTE C – CAPITAL ASSETS

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

Governmental Activities

General government	\$ 42,310
Community Support	<u>3,657,760</u>
Total depreciation expense-governmental activities	<u>\$ 3,700,070</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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

	Balance July 1, 2018	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2019
Governmental Activities				
Capital assets, not being depreciated				
Water rights	\$ 3,445,200	\$ -	\$ -	\$ 3,445,200
Construction in progress	2,151,614	515,798	(2,151,614)	515,798
Total capital assets, not being depreciated	5,596,814	515,798	(2,151,614)	3,960,998
Capital assets, being depreciated				
Buildings and improvements	149,809,348	1,569,194	(163,483)	151,215,059
Improvements	2,445,049	2,057,525	(221,177)	4,281,397
Furniture and equipment	5,697,862	568,386	(574,387)	5,691,861
Total capital assets, being depreciated	157,952,259	4,195,105	(959,047)	161,188,317
Less accumulated depreciation for				
Buildings and improvements	(103,018,313)	(2,790,409)	35,969	(105,772,753)
Improvements	(625,753)	(384,194)	163,182	(846,765)
Furniture and equipment	(3,208,057)	(525,467)	481,124	(3,252,400)
Total accumulated depreciation	(106,852,123)	(3,700,070)	680,275	(109,871,918)
Total capital assets, being depreciated, net	51,100,136	495,035	(278,772)	51,316,399
Governmental Activities Capital Assets, net	\$ 56,696,950	\$ 1,010,833	\$ (2,430,386)	\$ 55,277,397

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 30, 2019.

The Authority was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2019.

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

The 2011 Series 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 Series Refunding Bonds, once the balance exceeds \$1,000,000. For the year ended June 30, 2019, the Authority defeased a principal amount of \$1,665,000 of the 2011 Series Refunding Bonds set to mature in 2033.

In June 2019, bonds were issued in the amount of \$68,897,000 (the 2019A Series Refunding and 2019B Series Refunding). The bonds were issued for the purposes of refunding a portion of the 2011 Refunding, with interest rates of 3.09% and 3.27%. Proceeds of \$68,897,000 were used for the refunding of \$64,970,000 of 2011 Series Refunding bonds. The refunding was undertaken to reduce total debt service payments by \$9,119,081 and resulted in an economic gain (the difference between present values of debt service payments on the old and new debt) of \$7,601,180.

The Authority defeased certain general obligation debt by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the bonds refunded. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. As of June 30, 2019, \$67,880,000 of bonds outstanding are considered defeased.

The 2019B Series Bonds contain a provision that in the event of a payment default lasting longer than 90 days, the rate on the outstanding principal installment is adjusted to a rate of 3% above the current rate until the payment default is cured.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

The Authority had an agreement for the purchase and use of treated effluent for the Wildcreek Golf Course from the City of Sparks. The agreement called for a base rate of \$300,000 annually to be paid in 12 equal monthly installments. The agreement ended with the sale of the Wildcreek Golf Course. During the year ended June 30, 2019, expenditures under the agreement were \$300,000 and are recorded in the General Fund.

The Authority has outstanding commitments related to construction projects at June 30, 2019, at the Reno-Sparks Convention Center, upgraded lighting system for \$499,584, and interior customer furniture for \$280,385; and at the Reno-Sparks Livestock Events Center roof repair of \$35,395 and replacement lighting of \$100,064.

Subsequent to June 30, 2019, the Authority awarded contracts for various projects in the amount of \$1,878,351.

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>	
2020	\$ 163,356
2021	163,356
2022	163,356
2023	<u>54,452</u>
	<u>\$ 544,520</u>

During the year ended June 30, 2019, expenditures under the agreement were \$163,356 and are recorded in the General Fund.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019
(Continued)

Description	Interest Rate	Maturity Date	Original Issue	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due in 2019-2020
Governmental Activities								
General Obligation Bonds Payable								
(Limited Tax) Improvement and Refunding Bonds:								
January 2000 Series								
Capital Appreciation	-	2021	\$ 19,384,075	\$ 15,294,158	\$ 662,937	\$ 5,435,000	\$ 10,522,095	\$ 5,435,000
2011 Series Refunding	2.0 - 5.0%	2032	88,680,000	85,905,000	-	66,635,000	19,270,000	-
Unamortized premium				2,353,353	-	1,863,472	489,881	-
2019A Series Refunding	3.09%	2032	20,000,000	-	20,000,000	-	20,000,000	-
2019B Series Refunding	3.27%	2032	48,897,000	-	48,897,000	-	48,897,000	-
				<u>103,552,511</u>	<u>69,559,937</u>	<u>73,933,472</u>	<u>99,178,976</u>	<u>5,435,000</u>
Compensated Absences	N/A	N/A	N/A	<u>414,230</u>	<u>386,029</u>	<u>377,739</u>	<u>422,520</u>	<u>400,000</u>
Total Debt				<u>\$103,966,741</u>	<u>\$ 69,945,966</u>	<u>\$ 74,311,211</u>	<u>\$ 99,601,496</u>	<u>\$ 5,835,000</u>

During the year ended June 30, 2019, interest expense has been recorded in the Debt Service Fund in the amount of \$4,161,794.

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

Year Ending June 30,	Governmental Activities	
	Bonds	
	Principal	Interest
2020	\$ 5,435,000	\$ 2,053,099
2021	5,367,095	3,475,343
2022	6,135,000	2,992,278
2023	6,540,000	2,700,024
2024	6,855,000	2,379,151
2025-2029	37,547,000	8,047,817
2030-2033	30,810,000	1,878,648
	<u>\$ 98,689,095</u>	<u>\$ 23,526,360</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

NOTE E – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2019, fund balances are composed of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$ 120,217	\$ -	\$ -	\$ 120,217
Inventory	<u>140,213</u>	<u>-</u>	<u>-</u>	<u>140,213</u>
	<u>260,430</u>	<u>-</u>	<u>-</u>	<u>260,430</u>
Restricted:				
Strategic Plan Implementation	5,109,234	-	-	5,109,234
Debt Service	<u>-</u>	<u>11,156,606</u>	<u>-</u>	<u>11,156,606</u>
	<u>5,109,234</u>	<u>11,156,606</u>	<u>-</u>	<u>16,265,840</u>
Assigned:				
General Fund	2,599,449	-	-	2,599,449
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>4,136,455</u>	<u>4,136,455</u>
	<u>2,599,449</u>	<u>-</u>	<u>4,136,455</u>	<u>6,735,904</u>
Unassigned	<u>3,992,779</u>	<u>-</u>	<u>-</u>	<u>3,992,779</u>
Total fund balance	<u>\$ 11,961,892</u>	<u>\$ 11,156,606</u>	<u>\$ 4,136,455</u>	<u>\$ 27,254,953</u>

NOTE F – INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances (amounts paid on behalf of other funds) as of June 30, 2019 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	\$ 511,275
Capital Projects Fund	General Fund	3,198,050
Insurance Internal Service Fund	General Fund	<u>116,475</u>
		<u>\$ 3,825,800</u>

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

Interfund transfers for the year ended June 30, 2019 consisted of the following:

Transfers Out:	Transfers In		
	Debt Service Fund	Capital Projects Fund	Total
General Fund	\$ 11,240,002	\$ 3,877,000	\$ 15,117,002

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 revenues collected or resources in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE G – 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 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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 age 50 with twenty 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.

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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 Actuarial 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, 2018 and June 30, 2019, 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, 2018 and June 30, 2019; the rate was 40.50% for Police/Fire for both years.

The Authority's contributions were \$883,137 for the year ended June 30, 2018 and \$599,634 for the year ended June 30, 2019.

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, 2018:

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

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

Net Pension Liability: At June 30, 2019, the Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability (\$12,979,720) 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, 2018, the Authority's proportion was .09517%, which was an increase of .01151 from its proportion measured as of June 30, 2017.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

Pension Liability Discount Rate Sensitivity: The following presents the net pension liability of the Authority as of June 30, 2019, 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	\$ 19,793,548	\$ 12,979,720	\$ 7,317,826

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, 2018, 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, 2018 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 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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2019, the Authority recognized pension expense of \$678,371. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 406,618	(\$602,482)
Net difference between projected and actual earnings on pension plan investments	-	(61,796)
Changes in the Authority's proportionate share	636,025	(1,193,004)
Changes of assumptions and other inputs	683,949	-
Authority contributions subsequent to the measurement date	599,634	-
Total	<u>\$ 2,326,226</u>	<u>(\$1,857,282)</u>

The \$599,634 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, 2020.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 6.22 years.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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:

<u>Year Ending June 30:</u>	
2020	\$ (336,288)
2021	(34,872)
2022	(126,944)
2023	156,670
2024	168,719
Thereafter	42,025

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.

NOTE H - 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 a single 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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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%

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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

Employees covered by benefit terms. At June 30, 2018, 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 \$6,593,433 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017.

	<u>RRHBP</u>	<u>PEBP</u>	<u>Total</u>
Total OPEB Liability	<u>\$6,443,732</u>	<u>\$149,701</u>	<u>\$6,593,433</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:

	<u>RRHBP</u>	<u>PEBP</u>
General Inflation	2.75%	2.75%
Salary Increases	4.00%, per year	N/A
Discount Rate	2.98 %	2.98%
Healthcare Cost Trend Rates	6.00% for 2020, decreasing 0.25% per year to an ultimate rate of 5.00% for 2024 and later years	5.75% for 2020, 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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 Report 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:

	RRHBP	PEBP	Total
Balance at June 30, 2018	\$6,213,049	\$ 152,099	\$6,365,148
Changes for the Year:			
Service Cost	97,112	-	97,112
Interest	194,351	4,614	198,965
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions or Other Inputs	140,965	2,337	143,302
Benefit Payments	(201,745)	(9,349)	(211,094)
Net Changes	230,683	(2,398)	228,285
Balance at June 30, 2019	\$6,443,732	\$ 149,701	\$6,593,433

Changes in Assumptions: The RRHBP and PEBP Plans reflect a change in the discount rate from 3.13% as of June 30, 2017 to 2.98% as of June 30, 2018.

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 (1.98%) or 1-percentage-point higher (3.98%) than the current discount rate:

	1% Decrease in Discount Rate (1.98%)	Discount Rate (2.98%)	1% Increase in Discount Rate (3.98%)
RRHBP OPEB Liability	\$ 7,517,752	\$ 6,443,732	\$ 5,587,654
PEBP OPEB Liability	166,862	149,701	135,151
Total OPEB Liability	\$ 7,684,614	\$ 6,593,433	\$ 5,722,805

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

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 (5.00% 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%)
RRHBP OPEB Liability	\$ 5,674,651	\$ 6,443,732	\$ 7,441,600
PEBP OPEB Liability	135,531	149,701	166,097
Total OPEB Liability	\$ 5,810,182	\$6,593,433	\$ 7,607,697

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2019, the Authority recognized OPEB expense (income) of \$245,428:

RRHBP	\$ 238,477
PEBP	6,951
	<u>\$ 245,428</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

At June 30, 2019, 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	\$116,103	\$(285,701)	\$ -	\$ -	\$116,103	\$(285,701)
Contributions Subsequent to the Measurement Date	<u>218,572</u>	<u>-</u>	<u>9,407</u>	<u>-</u>	<u>227,979</u>	<u>-</u>
Total	<u>\$ 334,675</u>	<u>\$(285,701)</u>	<u>\$ 9,407</u>	<u>\$ -</u>	<u>\$ 344,082</u>	<u>\$(285,701)</u>

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

	RRHBP	PEBP	Total
<u>Year Ending June 30,</u>			
2020	\$ 52,986	\$ -	\$ 52,986
2021	52,986	-	52,986
2022	52,986	-	52,986
2023	27,295	-	27,295
2024	(16,655)	-	(16,655)
Thereafter	-	-	-

NOTE I – 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 prior to July 1, 2018, 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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

incurred but not reported (IBNR). Changes in the balances of claims liability during the past two years are as follows:

	Workers' Compensation Claims
Claims liability, July 1, 2017	\$ 27,829
Claims and changes in estimates	295,623
Claims payments	<u>(161,697)</u>
Claims liability, June 30, 2018	161,755
Claims and changes in estimates	(12,804)
Claims payments	<u>(32,299)</u>
Claims liability, June 30, 2019	<u>\$ 116,652</u>

The Authority carries workers' compensation (industrial injury) insurance commencing July 1, 2018.

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

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 J – 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 exceptions:

The budget of the General Fund was augmented with anticipated resources; however, additional resources did not actually exceed those estimated in the augmentation, an apparent violation of NRS 354.598005.

NOTE K – CONTINGENCIES

Legal action is presently pending against the Authority. Management estimates that the potential claims against the Authority will not materially affect the financial condition of the Authority.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(Continued)

NOTE L – OTHER AGREEMENTS

The Authority has an agreement for the management and operation of the National Bowling Stadium, Reno Events Center, Reno-Sparks Convention Center and Reno-Sparks Livestock Events Center. All day to day operations of the Authority facilities is by agreement, 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, and building security).

Reno-Sparks Convention & Visitors Authority
Required Supplementary Information (OPEB)
June 30, 2019

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

	2019	2018
Total OPEB Liability		
Service Cost	\$ 197,112	\$ 104,654
Interest	194,351	176,732
Changes in Benefit Terms	-	-
Difference between Expected and Actual Experience	-	-
Changes of Assumptions or Other Inputs	140,965	(441,397)
Benefit Payments	(201,475)	(233,531)
Net Change in Total OPEB Liability	230,683	(393,542)
Total OPEB Liability, July 1	6,213,049	6,606,591
Total OPEB Liability, June 30	<u>\$ 6,443,732</u>	<u>\$ 6,213,049</u>
Covered-employee Payroll	\$ 4,922,982	\$ 6,295,011
Total OPEB Liability as a Percentage of Covered-employee Payroll	130.89%	98.70%

Notes to Schedule:

Changes of Assumptions: The discount rate was changed from 3.13% as of June 30,2017 to 2.98% as of June 30,2018.

*GASB Statement Number 75 requires ten years of information to be presented in this table. However, until a full ten year trend is compiled the Authority will present information for those years which information is available.

Reno-Sparks Convention & Visitors Authority
Required Supplementary Information (OPEB)
June 30, 2019

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

	2019	2018
Total OPEB Liability		
Service Cost	\$ -	\$ -
Interest	4,614	4,290
Changes in Benefit Terms	-	-
Difference between Expected and Actual Experience	-	-
Changes of Assumptions or Other Inputs	2,337	(7,644)
Benefit Payments	(9,349)	(9,259)
Net Change in Total OPEB Liability	(2,398)	(12,613)
Total OPEB Liability, July 1	152,099	164,712
Total OPEB Liability, June 30	\$ 149,701	\$ 152,099
Covered-employee Payroll	N/A	N/A
Total OPEB Liability as a Percentage of Covered-employee Payroll	N/A	N/A

Notes to Schedule:

Changes of Assumptions: The discount rate was changed from 3.13% as of June 30,2017 to 2.98% as of June 30,2018.

*GASB Statement Number 75 requires ten years of information to be presented in this table. However, until a full ten year trend is compiled the Authority will present information for those years which information is available.

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%
2018	0.09517%	12,979,720	6,319,358	205.40%	75.24%

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%
2019	599,634	599,634	-	4,282,211	14.00%

*All contributions for the years 2016-2019 reflect employer-paid contributions only; member contributions are excluded.

**GASB Statement 68 requires ten years of information to be presented in this table. However, until a full ten year trend is compiled the Authority will present information for those years for which information is available.

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)**

	2019 Budget Amount		2019		2018
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Miscellaneous					
Interest on investments	\$ 57,500	\$ 157,500	\$ 167,338	\$ 9,838	\$ 83,014
EXPENDITURES					
Debt service					
Principal	5,435,000	5,435,000	5,435,000	-	5,440,000
Interest	4,224,044	4,224,044	4,161,794	62,250	4,192,919
	9,659,044	9,659,044	9,596,794	62,250	9,632,919
Other bond costs					
Payment to escrow agent	1,702,000	1,702,000	3,347,501	(1,645,501)	1,401,284
Refunding issuance cost	-	150,000	124,264	25,736	-
Administrative fees	42,500	62,500	42,111	20,389	37,495
	1,744,500	1,914,500	3,513,876	(1,599,376)	1,438,779
Total expenditures	11,403,544	11,573,544	13,110,670	(1,537,126)	11,071,698
Excess (deficiency) of revenues over expenditures	(11,346,044)	(11,416,044)	(12,943,332)	(1,527,288)	(10,988,684)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	11,403,544	11,403,544	11,240,002	(163,542)	10,875,000
Issuance of refunding bonds	-	150,000	68,897,000	68,747,000	-
Payment to refunded debt escrow agent	-	-	(68,763,165)	(68,763,165)	-
TOTAL OTHER FINANCING SOURCES (USES)	11,403,544	11,553,544	11,373,837	(179,707)	10,875,000
Net change in fund balances	57,500	137,500	(1,569,495)	(1,706,995)	(113,684)
FUND BALANCE, JULY 1	12,706,476	12,706,476	12,726,101	19,625	12,839,785
FUND BALANCE, JUNE 30	\$ 12,763,976	\$ 12,843,976	\$ 11,156,606	\$ (1,687,370)	\$ 12,726,101

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, 2019
(with comparative actual amounts for the year ended June 30, 2018)**

	2019 Budget Amount		2019		2018
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Miscellaneous					
Interest on investments	\$ 10,800	\$ 10,800	\$ 29,372	\$ 18,572	\$ 9,127
EXPENDITURES					
Capital outlay	4,127,000	4,127,000	2,480,818	1,646,182	3,672,502
Excess (deficiency) of revenues over expenditures	(4,116,200)	(4,116,200)	(2,451,446)	1,664,754	(3,663,375)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	4,127,000	4,127,000	3,877,000	(250,000)	5,200,000
Net change in fund balances	10,800	10,800	1,425,554	1,414,754	1,536,625
FUND BALANCE, JULY 1	1,223,843	1,223,843	2,710,901	1,487,058	1,174,276
FUND BALANCE, JUNE 30	\$ 1,234,643	\$ 1,234,643	\$ 4,136,455	\$ 2,901,812	\$ 2,710,901

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 was self-insured to specific stop-loss limits for workers' compensation (industrial) claims up until June 30, 2018. The Authority is self-insured 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, 2019
(with comparative totals at June 30, 2018)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and investments	\$ 221,578	\$ 248,203
Prepaid expenses	3,983	-
Due from other funds	<u>116,475</u>	<u>92,795</u>
TOTAL ASSETS	<u>342,036</u>	<u>340,998</u>
 LIABILITIES		
Current liabilities		
Accrued liabilities	<u>120,152</u>	<u>161,755</u>
TOTAL LIABILITIES	<u>120,152</u>	<u>161,755</u>
 NET POSITION		
Restricted for claims	<u>\$ 221,884</u>	<u>\$ 179,243</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)

	<u>2019 Budget Amount</u>		<u>2019</u>		<u>2018</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
OPERATING REVENUES					
Charges for benefits	\$ <u>898,244</u>	\$ <u>898,244</u>	\$ <u>910,690</u>	\$ <u>12,446</u>	\$ <u>1,473,552</u>
OPERATING EXPENSES					
Insurance and claims	<u>818,195</u>	<u>868,195</u>	<u>813,798</u>	<u>54,397</u>	<u>1,578,020</u>
Administrative expenses	<u>63,450</u>	<u>63,450</u>	<u>54,251</u>	<u>9,199</u>	<u>53,031</u>
TOTAL OPERATING EXPENSES	<u>881,645</u>	<u>931,645</u>	<u>868,049</u>	<u>63,596</u>	<u>1,631,051</u>
CHANGE IN NET POSITION	\$ <u>16,599</u>	\$ <u>(33,401)</u>	42,641	\$ <u>76,042</u>	(157,499)
NET POSITION, JULY 1			<u>179,243</u>		<u>336,742</u>
NET POSITION, JUNE 30			\$ <u>221,884</u>		\$ <u>179,243</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)
Page 1 of 2

	<u>2019 Budget Amount</u>		<u>2019</u>		<u>2018</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance to Budget</u>	<u>Actual</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from users	\$ 201,600	\$ 201,600	\$ 173,923	\$ (27,677)	\$ 241,579
Cash received from internal services provided	780,000	780,000	736,767	(43,233)	1,231,973
Cash paid to vendors for services and supplies	<u>(881,645)</u>	<u>(931,645)</u>	<u>(913,635)</u>	<u>18,010</u>	<u>(1,502,309)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>99,955</u>	<u>49,955</u>	<u>(2,945)</u>	<u>(52,900)</u>	<u>(28,757)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash received from (paid to) other funds	<u>-</u>	<u>-</u>	<u>(23,680)</u>	<u>(23,680)</u>	<u>107,318</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(23,680)</u>	<u>(23,680)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	<u>99,955</u>	<u>49,955</u>	<u>(26,625)</u>	<u>(76,580)</u>	<u>78,561</u>
CASH AND INVESTMENTS, JULY 1	<u>173,859</u>	<u>173,859</u>	<u>248,203</u>	<u>74,344</u>	<u>169,642</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 273,814</u>	<u>\$ 223,814</u>	<u>\$ 221,578</u>	<u>\$ (2,236)</u>	<u>\$ 248,203</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, 2019
(with comparative actual amounts for the year ended June 30, 2018)
Page 2 of 2**

	<u>2019 Budget Amount</u>		<u>2019</u>		<u>2018</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)	\$ 16,599	\$ (33,401)	\$ 42,641	\$ 76,042	\$ (157,499)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
(Increase) decrease					
Due from other funds	83,356	83,356	-	(83,356)	-
Prepaid expenses	-	-	(3,983)	(3,983)	-
Increase (decrease)					
Accounts payable	-	-	-	-	(1,726)
Accrued liabilities	-	-	(41,603)	(41,603)	130,468
Total adjustments	83,356	83,356	(45,586)	(45,586)	128,742
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 99,955	\$ 49,955	\$ (2,945)	\$ (52,900)	\$ (28,757)

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)

	2010	2011	2012	2013	June 30, 2014	2015	2016	2017	2018	2019
Governmental activities										
Net Investment in capital assets	\$ (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)	\$ (16,687,714)
Restricted	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	16,027,724
Unrestricted (deficit)	<u>(27,113,595)</u>	<u>(27,590,079)</u>	<u>(32,277,129)</u>	<u>(33,126,722)</u>	<u>(33,957,609)</u>	<u>(44,929,237)</u>	<u>(40,975,184)</u>	<u>(38,039,503)</u>	<u>(37,752,848)</u>	<u>(31,972,327)</u>
Total governmental activities net position	<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>	<u>(32,632,317)</u>
GASB 65/68 adjustments	-	-	-	(647,273)	(12,199,123)	-	-	-	-	-
Total governmental activities net position	<u><u>\$ (44,150,797)</u></u>	<u><u>\$ (47,285,515)</u></u>	<u><u>\$ (46,201,650)</u></u>	<u><u>\$ (47,840,230)</u></u>	<u><u>\$ (60,647,404)</u></u>	<u><u>\$ (60,160,631)</u></u>	<u><u>\$ (52,293,188)</u></u>	<u><u>\$ (44,797,664)</u></u>	<u><u>\$ (40,913,417)</u></u>	<u><u>\$ (32,632,317)</u></u>
Business-type activities										
Net Investment in capital assets	\$ 4,274,363	\$ 4,228,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted (deficit)	<u>(289,604)</u>	<u>(517,011)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net position	<u><u>\$ 3,984,759</u></u>	<u><u>\$ 3,711,964</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Primary government										
Net Investment in capital assets	\$ (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)	\$ (16,687,714)
Restricted	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	16,027,724
Unrestricted (deficit)	<u>(27,403,199)</u>	<u>(28,107,090)</u>	<u>(32,277,129)</u>	<u>(33,773,995)</u>	<u>(46,156,732)</u>	<u>(44,929,237)</u>	<u>(40,975,184)</u>	<u>(38,039,503)</u>	<u>(37,752,848)</u>	<u>(31,972,327)</u>
Total primary government net position	<u><u>\$ (40,166,038)</u></u>	<u><u>\$ (43,573,551)</u></u>	<u><u>\$ (46,201,650)</u></u>	<u><u>\$ (47,840,230)</u></u>	<u><u>\$ (60,647,404)</u></u>	<u><u>\$ (60,160,631)</u></u>	<u><u>\$ (52,293,188)</u></u>	<u><u>\$ (44,797,664)</u></u>	<u><u>\$ (40,913,417)</u></u>	<u><u>\$ (32,632,317)</u></u>

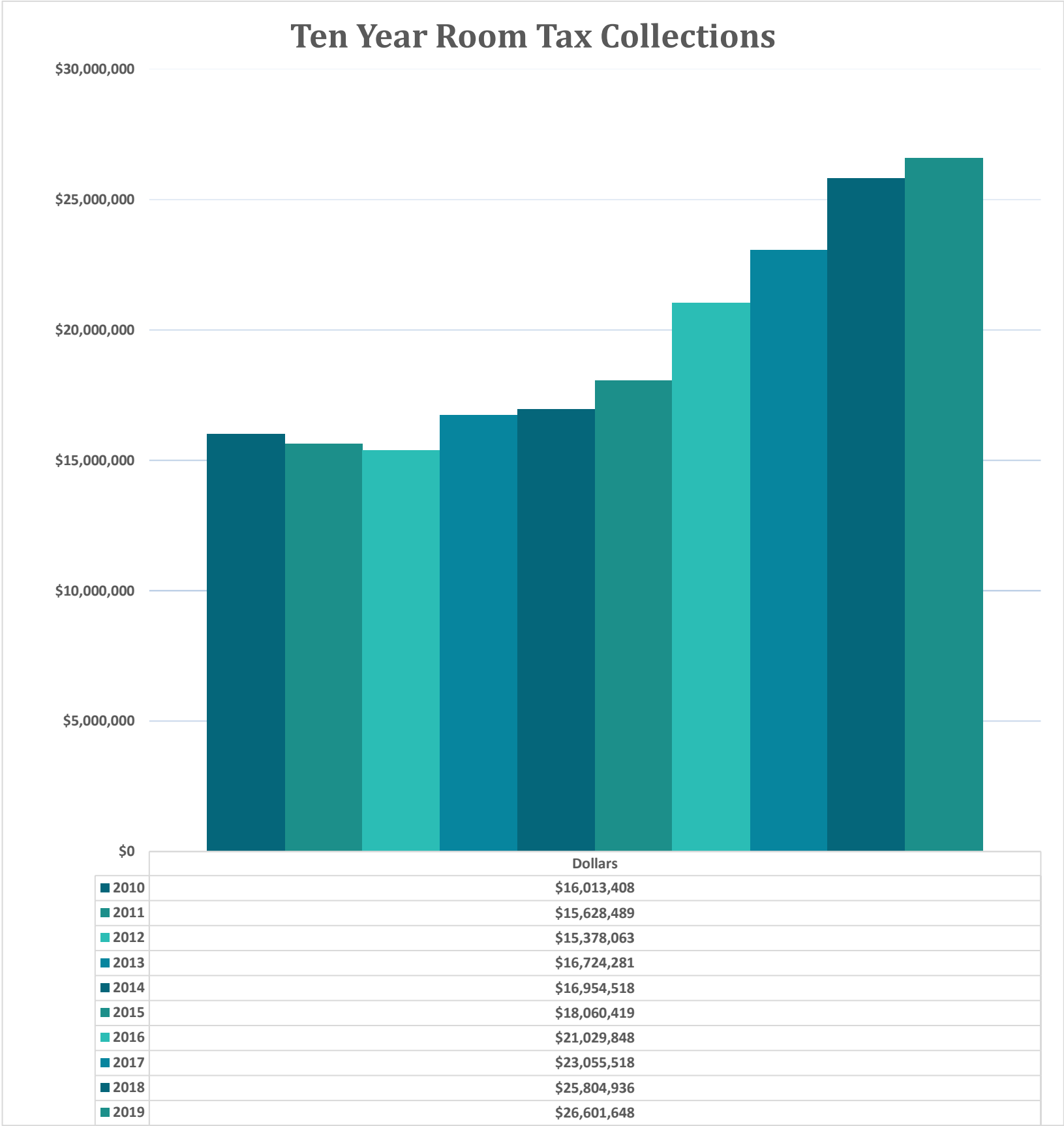
The Golf Courses Enterprise Fund (Business-type activities) was closed into the Governmental activities on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity (as governmental activities); prior year governmental activities balances have not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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Fiscal Year 2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 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	\$ 3,632,579
Community support	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	35,974,848
Debt service - interest and fiscal charges	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	3,202,113
Loss on defeasance	-	-	-	-	-	-	-	-	120,852	59,517
Total governmental activities expenses	<u>33,211,246</u>	<u>31,501,044</u>	<u>32,284,664</u>	<u>34,641,344</u>	<u>32,853,371</u>	<u>31,572,365</u>	<u>33,847,244</u>	<u>36,572,212</u>	<u>42,608,600</u>	<u>42,869,057</u>
Business-type activities:										
Golf courses	2,154,810	2,155,031	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>2,154,810</u>	<u>2,155,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 35,366,056</u>	<u>\$ 33,656,075</u>	<u>\$ 32,284,664</u>	<u>\$ 34,641,344</u>	<u>\$ 32,853,371</u>	<u>\$ 31,572,365</u>	<u>\$ 33,847,244</u>	<u>\$ 36,572,212</u>	<u>\$ 42,608,600</u>	<u>\$ 42,869,057</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 535,379	\$ 564,149	\$ 561,696	\$ 558,120	\$ 611,253	\$ 614,229	\$ 640,390	\$ 673,437	\$ 725,707	\$ 758,593
Community support	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	8,268,653
Operating grants and contributions	383,644	366,428	471,677	2,241,792	1,147	1,139	4,305	31,907	178,754	425,452
Capital grants and contributions	30,000	-	-	63,300	599,265	-	-	69,333	-	-
Total governmental activities program revenues	<u>8,300,609</u>	<u>7,948,659</u>	<u>9,581,920</u>	<u>11,819,474</u>	<u>10,041,949</u>	<u>8,330,301</u>	<u>9,670,810</u>	<u>8,381,409</u>	<u>9,428,585</u>	<u>9,452,698</u>
Business-type activities:										
Charges for services	1,943,546	1,882,236	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>1,943,546</u>	<u>1,882,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>\$ 10,244,155</u>	<u>\$ 9,830,895</u>	<u>\$ 9,581,920</u>	<u>\$ 11,819,474</u>	<u>\$ 10,041,949</u>	<u>\$ 8,330,301</u>	<u>\$ 9,670,810</u>	<u>\$ 8,381,409</u>	<u>\$ 9,428,585</u>	<u>\$ 9,452,698</u>
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (33,416,358)
Business-type activities	(211,264)	(272,795)	-	-	-	-	-	-	-	-
Total primary government net expense	<u>\$ (25,121,901)</u>	<u>\$ (23,825,180)</u>	<u>\$ (22,702,744)</u>	<u>\$ (22,821,870)</u>	<u>\$ (22,811,422)</u>	<u>\$ (23,242,064)</u>	<u>\$ (24,176,434)</u>	<u>\$ (28,190,803)</u>	<u>\$ (33,180,015)</u>	<u>\$ (33,416,358)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Room taxes	\$ 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	\$ 40,884,774
Unrestricted investment and interest earnings	1,013	3,878	2,004	1,281	30	60	1,336	799	1,764	6,370
Miscellaneous	44,545	67,268	52,143	56,162	53,628	53,446	61,220	77,456	71,567	100,414
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	705,901
Total governmental activities	<u>20,893,202</u>	<u>20,417,667</u>	<u>20,074,645</u>	<u>21,830,563</u>	<u>22,203,371</u>	<u>23,728,837</u>	<u>32,043,877</u>	<u>35,706,327</u>	<u>39,895,053</u>	<u>41,697,459</u>
Total primary government	<u>\$ 20,893,202</u>	<u>\$ 20,417,667</u>	<u>\$ 20,074,645</u>	<u>\$ 21,830,563</u>	<u>\$ 22,203,371</u>	<u>\$ 23,728,837</u>	<u>\$ 32,043,877</u>	<u>\$ 35,706,327</u>	<u>\$ 39,895,053</u>	<u>\$ 41,697,459</u>
Change in Net Position										
Governmental activities	\$ (4,017,435)	\$ (3,134,718)	\$ (2,628,099)	\$ (991,307)	\$ (608,051)	\$ 486,773	\$ 7,867,443	\$ 7,515,524	\$ 6,715,038	\$ 8,281,101
Business-type activities	(211,264)	(272,795)	-	-	-	-	-	-	-	-
Total primary government	<u>\$ (4,228,699)</u>	<u>\$ (3,407,513)</u>	<u>\$ (2,628,099)</u>	<u>\$ (991,307)</u>	<u>\$ (608,051)</u>	<u>\$ 486,773</u>	<u>\$ 7,867,443</u>	<u>\$ 7,515,524</u>	<u>\$ 6,715,038</u>	<u>\$ 8,281,101</u>

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
 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)

	2010	2011	2012	2013	June 30 2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 5,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,096,272	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	120,842	188,092	210,101	237,104	227,356	104,766	16,595	260,430
Restricted	-	-	-	-	-	-	4,288,207	6,174,888	6,341,914	5,109,234
Assigned	-	2,239,365	270,814	-	-	-	-	-	2,544,788	2,599,449
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	3,992,779
Total general fund	<u>\$ 6,102,065</u>	<u>\$ 6,724,326</u>	<u>\$ 4,729,708</u>	<u>\$ 4,038,311</u>	<u>\$ 3,865,421</u>	<u>\$ 4,521,273</u>	<u>\$ 9,483,127</u>	<u>\$ 13,029,614</u>	<u>\$ 11,770,668</u>	<u>\$ 11,961,892</u>
All other governmental funds										
Reserved	\$ 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	11,156,606
Assigned	-	52,845	-	-	-	87,760	1,553,549	1,174,276	2,710,901	4,136,455
Unassigned	-	-	-	-	75,941	-	-	-	-	-
Total all other governmental func	<u>\$ 10,379,415</u>	<u>\$ 10,692,273</u>	<u>\$ 12,087,559</u>	<u>\$ 14,199,365</u>	<u>\$ 13,997,871</u>	<u>\$ 13,809,609</u>	<u>\$ 15,075,596</u>	<u>\$ 14,014,061</u>	<u>\$ 15,437,002</u>	<u>\$ 15,293,061</u>

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)

	2010	2011	2012	2013	Fiscal Year		2015	2016	2017	2018	2019
Revenues					2014						
Room tax (Net 6%)	\$ 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	\$ 24,092,059	\$ 24,092,059
Room tax (State 5/8%)	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	2,509,589	2,509,589
Room tax (RSCC 2%)	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	8,030,686	8,030,686
Room tax (City Ctr)	-	-	-	-	76,850	162,710	315,918	579,855	849,158	1,057,615	1,057,615
Room surcharge	-	-	-	-	-	-	4,286,922	5,032,542	5,377,458	5,194,825	5,194,825
Facility use fees	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	7,907,188	7,907,188
Golf course operations	-	-	2,108,588	2,056,701	1,947,910	1,881,123	1,777,997	1,573,382	1,056,005	1,340	1,340
Investment earnings	384,657	370,306	473,681	2,243,073	1,177	1,219	5,641	32,706	180,518	431,822	431,822
Miscellaneous	736,755	823,037	881,737	793,422	1,445,862	840,755	925,762	1,117,399	1,090,144	1,219,132	1,219,132
Total revenues	<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>49,323,638</u>	<u>50,444,256</u>	<u>50,444,256</u>
Expenditures											
General government	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	3,648,825	3,648,825
Community support											
Facility operation	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	12,391,617	12,391,617
Golf course operations	-	-	2,093,472	2,088,409	2,087,126	2,068,060	1,999,683	1,910,240	1,506,900	386,853	386,853
Convention and tourism promotion	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	17,809,920	17,809,920
Community grants and miscellaneous	1,028,913	927,361	951,201	992,213	1,034,822	1,159,160	1,365,321	1,528,438	1,527,865	1,686,778	1,686,778
Debt service											
Principal	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	5,435,000	5,435,000
Interest	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	4,161,794	4,161,794
Other bond costs	11,250	6,900	709,864	25,266	9,025	9,426	9,727	882,286	1,438,779	3,513,876	3,513,876
Capital outlay	504,042	116,066	836,348	746,886	830,787	213,201	1,394,547	3,089,646	3,672,502	2,480,818	2,480,818
Total expenditures	<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>	<u>51,515,481</u>	<u>51,515,481</u>
Excess (deficiency) of revenues over expenditures	1,238,669	935,119	(92,427,402)	1,420,409	(374,384)	467,590	6,227,841	2,484,952	163,995	(1,071,225)	(1,071,225)
Other financing sources (uses)											
Transfers in	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	15,117,002	15,117,002
Transfers out	(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)	(15,117,002)	(15,117,002)
Insurance recovery	30,000	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	984,673	984,673
Issuance of refunding bonds	-	-	88,680,000	-	-	-	-	-	-	68,897,000	68,897,000
Premium on general obligation bonds	-	-	3,510,555	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-	-	-	-	(68,763,165)	(68,763,165)
Total other financing sources (uses)	<u>(270,000)</u>	<u>-</u>	<u>91,828,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,508</u>	<u>1,118,508</u>
Net change in fund balance	\$ <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>163,995</u>	\$ <u>47,283</u>	\$ <u>47,283</u>
Debt Service (principal and interest)	\$ <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>	\$ <u>9,596,794</u>	\$ <u>9,596,794</u>
Noncapital expenditures	\$ <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>	\$ <u>48,956,192</u>	\$ <u>48,956,192</u>
Debt service as a percentage of noncapital expenditures	26.35%	26.37%	82.43%	29.42%	29.85%	30.60%	28.29%	25.09%	21.20%	19.60%	19.60%

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)	
2019	8.625	2.5	1.0	-	1.0	-	-	-	0.375	-	13.5
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

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)	
2019	8.625	-	1.0	1.5	-	1.0	1.0	-	0.375	-	13.5
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

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)	
2019	8.625	-	1.0	-	1.0	-	1.0	-	0.375	1.0	13.0
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

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)	
2019	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
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

Reno-Sparks Convention & Visitors Authority
Principal Room Taxpayers
June 30, 2019 and 2010
(Unaudited)

Taxpayer	2019			2010		
	Number of Rooms	Rank	Percentage of Total Rooms	Number of Rooms	Rank	Percentage of Total Rooms
Grand Sierra Resort	1,990	1	8.47%	1,994	1	7.91%
Silver Legacy Resort Casino	1,685	2	7.17%	1,710	2	6.79%
Peppermill Hotel Casino - Reno	1,623	3	6.90%	1,623	3	6.44%
Circus Circus	1,572	4	6.69%	1,572	4	6.24%
Sparks Nugget, Inc.	1,382	5	5.88%	1,382	5	5.48%
Harrah's	928	6	3.95%	928	7	3.68%
Sands Regency	833	7	3.54%	833	8	3.31%
Atlantis Hotel Casino Resort	818	8	3.48%	974	6	3.87%
Eldorado Hotel & Casino	814	9	3.46%	815	9	3.23%
Hyatt - Lake Tahoe	422	10	1.80%	422	10	1.67%
All Other Hotels	4,203		17.88%	3,318		13.17%
Total All Hotels	16,270		69.22%	15,571		61.79%
Motels	1,353		5.76%	2,165		8.59%
Other Rental Properties	5,882		25.02%	7,461		29.62%
Total Room Inventory	23,505		100.00%	25,197		100.00%

Notes:

- (1) 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.
- (2) Five new hotels were built in the Reno-Sparks area in Fiscal Year 2018-2019.
- (3) Number of motels declined in Fiscal Year 2018-2019 due to closures.
- (4) Rental properties in Fiscal Year 2018-2019 declined due to demolition of properties.

**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			
2019	\$ 99,178,976	\$ -	\$ 99,178,976	\$ 28.56	\$ 3.09
2018	103,552,511	-	103,552,511	27.78	3.32
2017	109,481,540	-	109,481,540	30.34	3.93
2016	113,853,953	-	113,853,953	32.27	4.48
2015	117,972,842	-	117,972,842	35.27	5.41
2014	121,765,749	-	121,765,749	36.34	5.95
2013	125,373,965	-	125,373,965	37.24	6.21
2012	124,675,330	-	124,675,330	38.50	6.71
2011	127,163,789	2,021,000	129,184,789	40.03	6.85
2010	126,685,496	2,700,000	129,385,496	38.65	6.69

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%)
2019	\$ 99,178,976	\$ 10,696,606	\$ 88,482,370	\$ 25.48	\$ 2.75
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

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, 2019
(Unaudited)

Name of Government Unit	General Obligation Debt Outstanding (Thousands)	Present Self-Supporting General Obligation Debt (Thousands)	Percent Applicable to Washoe County	Applicable Net Debt (Thousands)
Debt repaid with taxes:				
Washoe County - Governmental Funds	\$ 131,016	\$ 39,293	100%	\$ 91,723
Washoe County School District	735,198	-	100%	735,198
City of Reno	412,842	378,702	100%	34,140
City of Sparks	32,838	32,838	100%	-
Incline Village General Improvement District	6,107	6,107	100%	-
State of Nevada	1,284,715	311,203	14.14%	137,168
Washoe County (RSCVA)	100,832	100,832	100%	-
Overlapping Bonded Debt				<u>998,229</u>
Direct debt:				
Washoe County (RSCVA)				<u>99,179</u>
Direct and Overlapping Debt				<u><u>\$ 1,097,408</u></u>

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)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 466,097	\$ 409,766	\$ 387,874	\$ 374,749	\$ 374,908	\$ 404,628	\$ 430,281	\$ 471,270	\$ 484,100	\$ 506,598
Total net debt applicable to limit	122,408	121,638	115,503	115,069	111,419	107,604	103,487	98,754	92,905	10,697
Legal debt margin	<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>	<u>\$ 495,901</u>
Total net debt applicable to the limit as a percentage of debt limit	26.26%	29.68%	29.78%	30.71%	29.72%	26.59%	24.05%	20.95%	19.19%	2.11%
										Assessed value
										<u>\$ 16,886,588</u>
										Debt limit (3% of assessed value)
										<u>506,598</u>
										Debt applicable to debt limit
										General obligation bonds
										99,179
										Amounts set aside for repayment of general obligation debt
										<u>(88,482)</u>
										Total net debt applicable to limit
										<u>10,697</u>
										Legal debt margin
										<u>\$ 495,901</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 2019 Assessed Value

**Reno-Sparks Convention & Visitors Authority
Pledged Revenue Coverage
Last Ten Fiscal Years and June 30, 2019 (Budgeted)
(Unaudited)**

	Fiscal Year										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Budgeted)
Net General Room License Taxes (1)	\$ 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	\$ 24,092,059	\$ 25,116,442
Convention Center Room Taxes (2)	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	8,030,686	8,372,146
Other Income (3)	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	7,926,528	6,872,275
Subtotal	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	40,049,273	40,360,863
Less: Operating and Maintenance Expenses (4)	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	15,072,913	16,774,566
Net Pledged Revenues	<u>\$ 14,252,393</u>	<u>\$ 14,019,511</u>	<u>\$ 14,669,275</u>	<u>\$ 15,241,021</u>	<u>\$ 15,921,453</u>	<u>\$ 16,739,291</u>	<u>\$ 19,961,000</u>	<u>\$ 21,639,483</u>	<u>\$ 24,087,186</u>	<u>\$ 24,976,360</u>	<u>\$ 23,586,297</u>
Combined Maximum Annual Debt Service on Pledged Revenue Bonds (5)	<u>\$ 12,576,313</u>	<u>\$ 12,576,313</u>	<u>\$ 9,669,044</u>	<u>\$ 9,669,044</u>	<u>\$ 9,669,044</u>	<u>\$ 9,669,044</u>	<u>\$ 9,669,044</u>	<u>\$ 9,669,044</u>	<u>\$ 9,596,793</u>	<u>\$ 9,240,024</u>	<u>\$ 9,240,024</u>
Coverage Factor (6)	1.13	1.11	1.52	1.58	1.65	1.73	2.06	2.24	2.51	2.70	2.55

(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 (Thousands)	Median Age	School Enrollment	Unemployment Rate (Percent)	Total Personal Income (Thousands)	Taxable Sales (Thousands)	Gross Gaming Win (Thousands)	Total Passenger Air Traffic
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
2019	475,596	\$ 55	38.0	66,960	3.60%	\$ 22,556	\$ 8,829	\$ 785	4,298,555
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

The above estimates were obtained from:

(1) Washoe County Schedule 4.1, 2019.

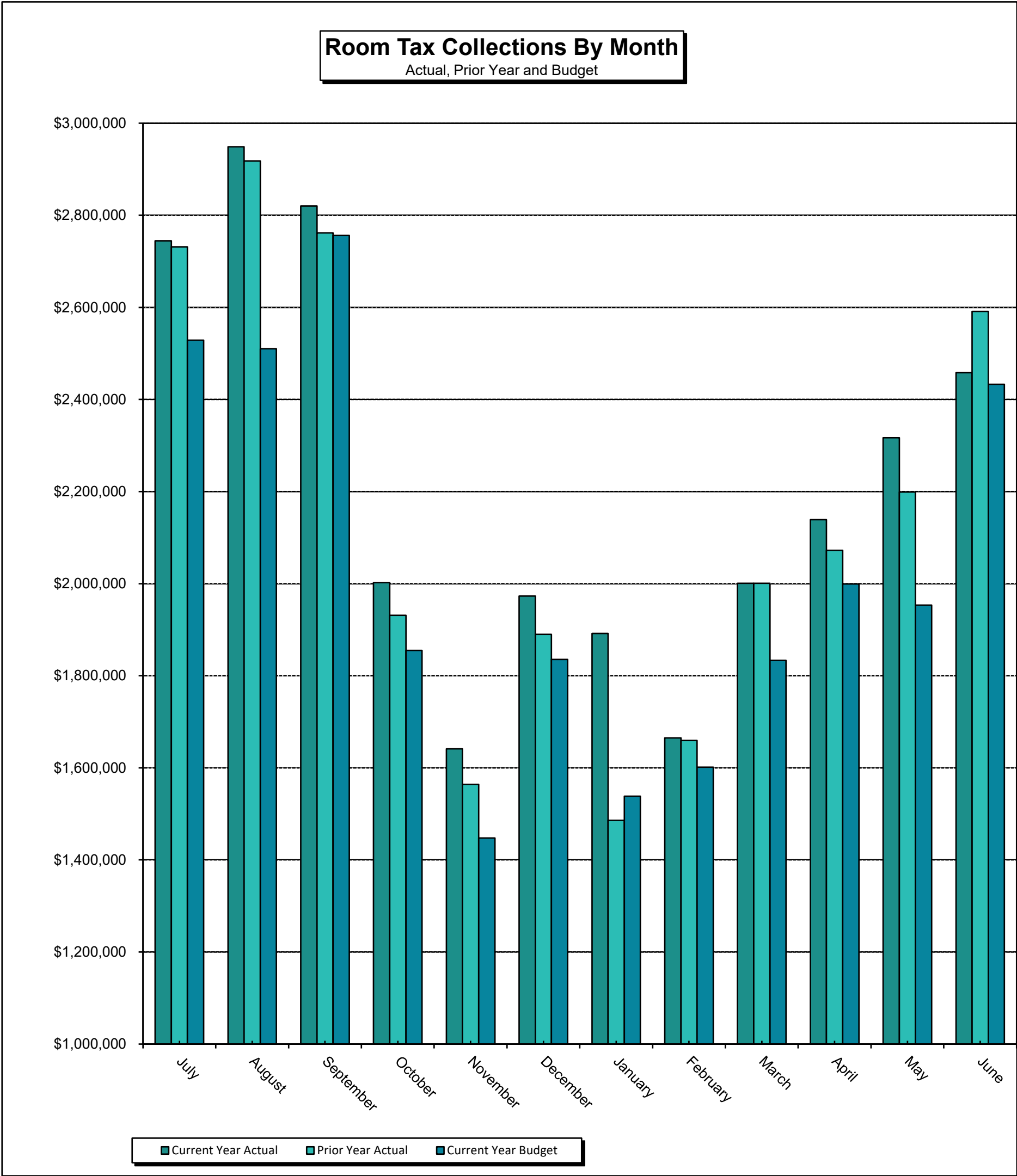
**Reno-Sparks Convention & Visitors Authority
Principal Employers
December 2018 and 2009
(Unaudited)**

Employer	Dec-18			Dec-09		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washoe County School District	8,750	1	3.50%	8,750	1	4.63%
Renown (Washoe) Medical Center	5,000	2	2.00%	3,750	4	1.99%
University of Nevada - Reno	4,750	3	1.90%	2,250	2	1.19%
Washoe County	3,000	4	1.20%	2,750	3	1.46%
Peppermill Hotel Casino - Reno	2,250	5	0.90%	2,250	6	1.19%
Grand Sierra Resort	2,250	6	0.90%	-	-	-
Silver Legacy Resort Casino	2,250	7	0.90%	2,250	7	1.19%
Atlantis Casino Resort	1,750	8	0.70%	1,750	9	0.93%
International Gaming Technology	1,750	9	0.70%	2,250	5	1.19%
St. Mary's	1,750	10	0.70%	-	-	-
El Dorado Hotel & Casino	-	-	-	1,750	8	0.93%
City of Reno	-	-	-	1,750	10	0.93%
Total Washoe County Covered Employment	<u>249,828</u>			<u>188,791</u>		

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.

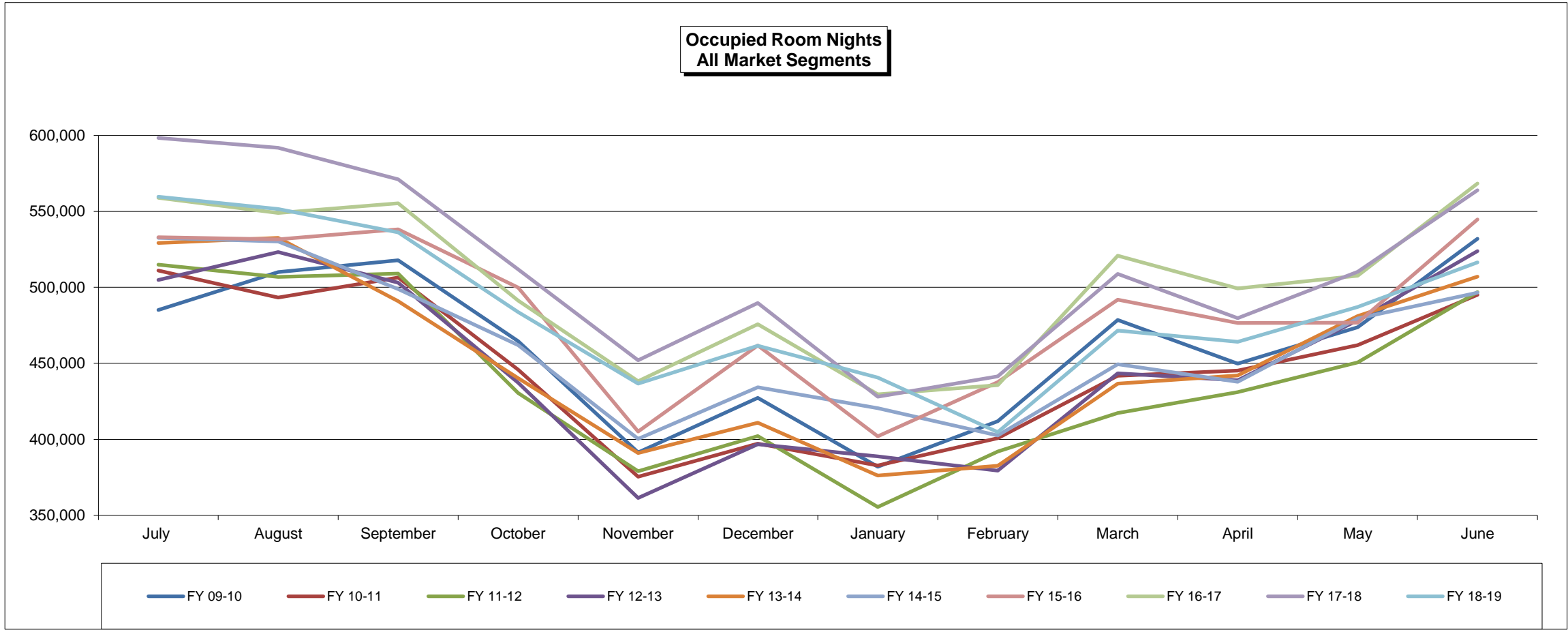
Source: Washoe County Schedule 4.2

Reno-Sparks Convention & Visitors Authority
General Room Tax (6 5/8%) Collections
Fiscal Year 2018-19
(Unaudited)



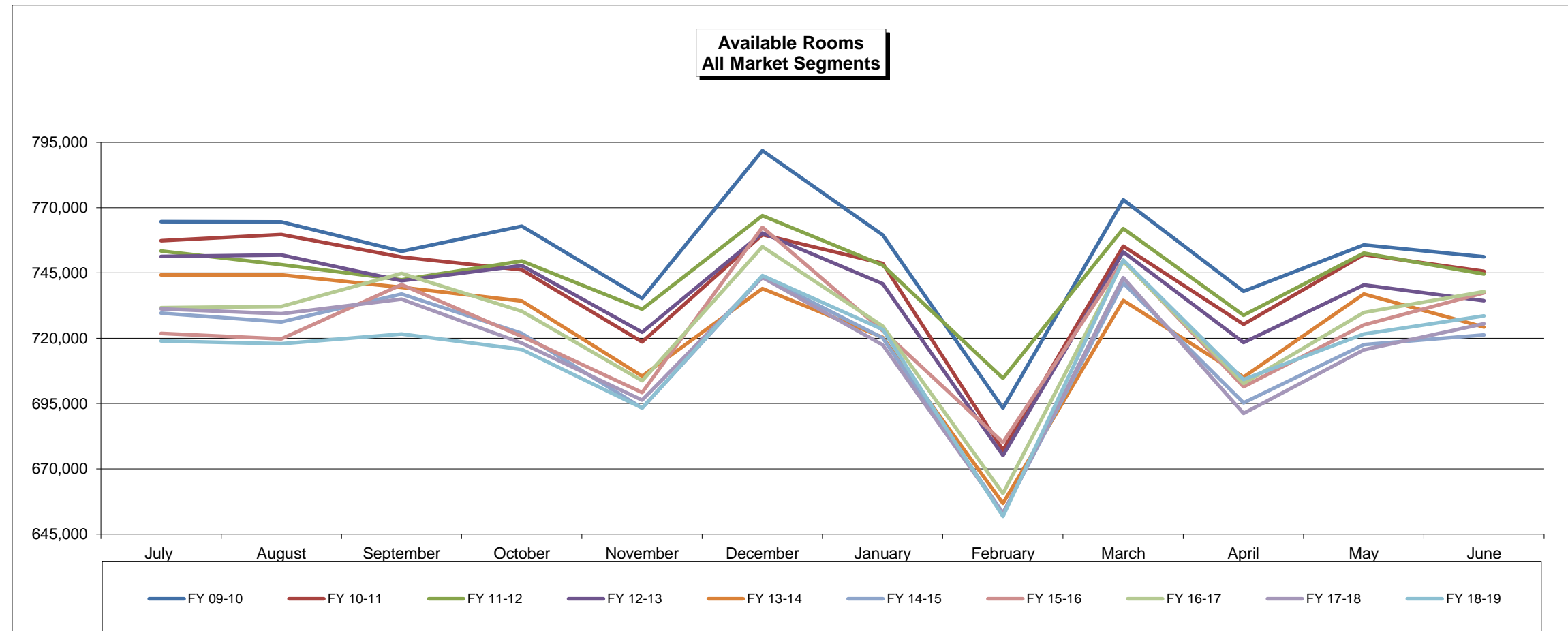
Reno-Sparks Convention and Visitors Authority
Occupied Rooms-Consolidated Summary
Trend

Month	Actual									
	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	FY 18-19
July	485,074	511,070	514,933	504,829	529,220	532,560	533,061	558,932	598,303	559,625
August	510,027	493,240	506,798	523,217	532,551	530,095	531,622	548,907	591,815	551,515
September	517,818	506,409	508,993	503,063	490,994	498,961	538,200	555,329	571,095	536,269
October	464,679	445,898	430,410	437,336	440,343	461,911	499,815	491,289	511,826	483,734
November	391,486	375,430	379,127	361,447	390,984	400,324	405,085	438,248	451,999	436,662
December	427,375	397,109	402,111	396,688	411,024	434,190	461,879	475,810	489,652	461,499
January	382,001	382,758	355,509	388,712	376,196	420,430	402,010	429,629	428,069	440,561
February	411,882	400,769	391,990	379,529	382,620	402,632	437,603	435,728	441,422	404,774
March	478,497	441,895	417,315	443,399	436,577	449,343	491,853	520,869	508,940	471,663
April	449,820	445,322	431,115	438,907	441,992	437,895	476,563	499,243	479,824	464,116
May	473,707	461,995	450,550	478,420	481,152	479,544	476,722	507,723	510,342	487,166
June	531,970	495,145	496,796	523,852	507,148	496,475	544,683	568,328	563,983	516,516
Totals	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	5,814,100



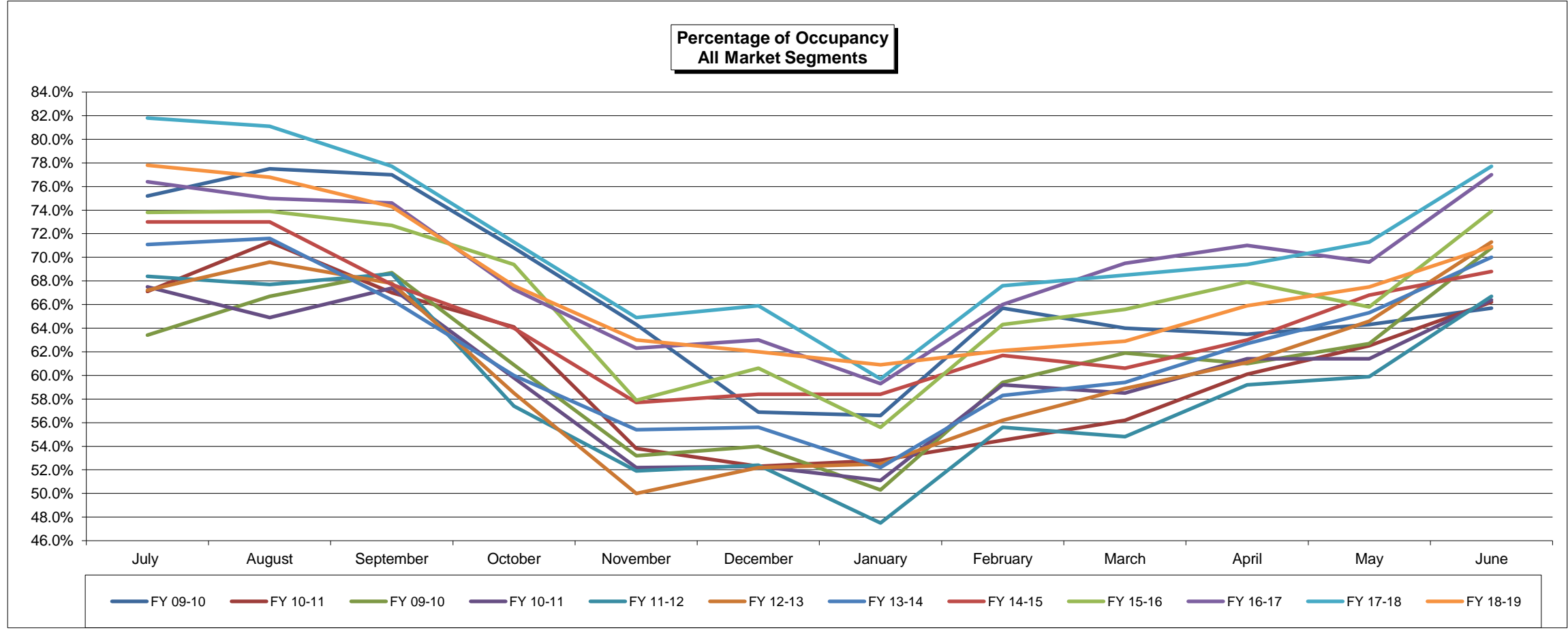
**Reno-Sparks Convention and Visitors Authority
Available Rooms-Consolidated Summary
Trend**

Month	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	FY 18-19
July	764,609	757,360	753,354	751,282	744,241	729,570	721,835	731,702	731,201	718,901
August	764,509	759,705	748,217	751,840	744,264	726,198	719,719	732,118	729,381	717,933
September	753,240	751,046	742,367	742,079	739,470	736,938	740,540	744,788	734,903	721,601
October	762,885	746,175	749,517	747,812	734,229	721,834	720,713	730,300	718,089	715,635
November	735,276	718,569	731,159	722,305	705,433	693,243	699,173	703,727	696,359	693,249
December	791,848	759,685	766,953	760,292	738,961	743,518	762,491	755,047	743,272	743,974
January	759,549	748,589	747,888	740,895	720,369	720,095	722,837	724,611	717,408	723,307
February	693,245	677,153	704,680	675,106	656,764	653,041	680,113	660,509	652,882	651,781
March	772,999	755,304	761,957	753,038	734,466	741,067	749,754	749,479	743,181	749,932
April	737,925	725,351	728,846	718,317	705,176	695,316	701,381	702,683	691,245	704,232
May	755,747	751,958	752,568	740,438	736,949	717,597	725,039	729,877	715,560	721,578
June	751,187	745,647	744,525	734,364	724,331	721,209	737,442	737,904	725,572	728,588
Totals	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	8,590,711



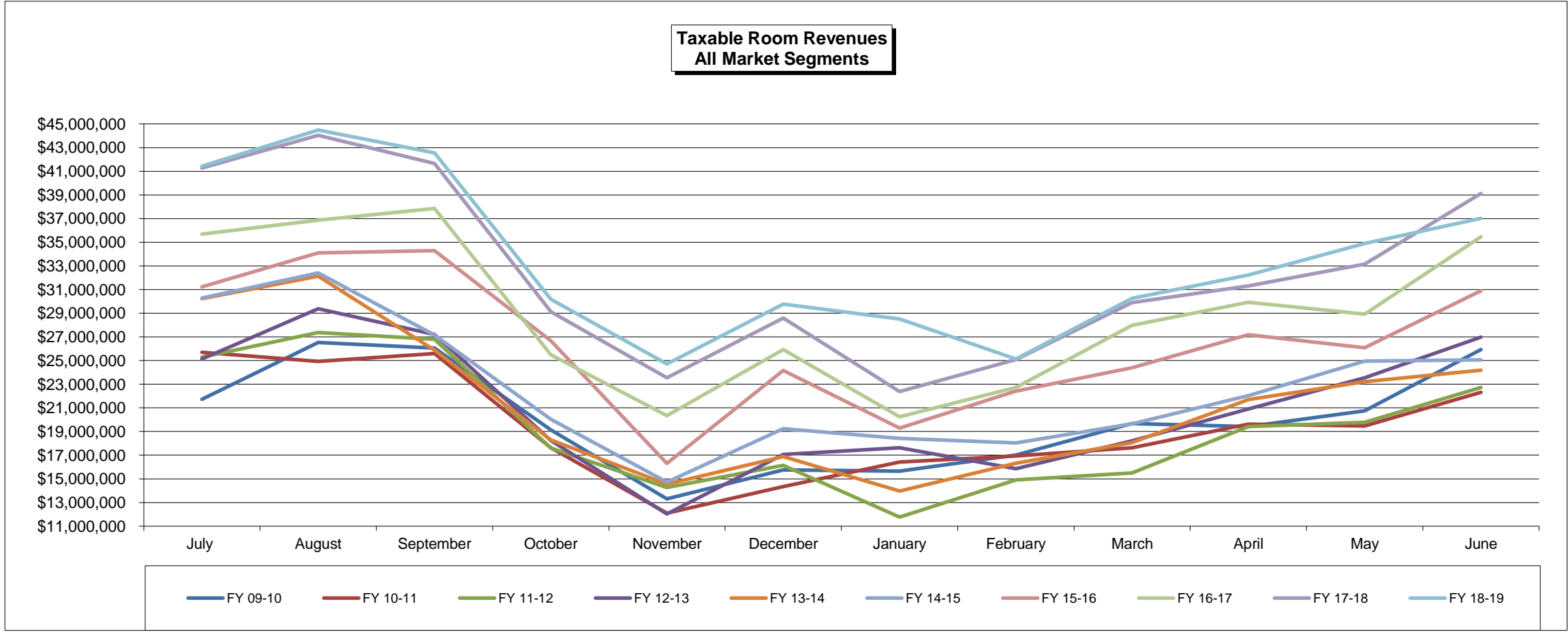
**Reno-Sparks Convention and Visitors Authority
Percentage of Occupancy-Consolidated Summary
Trend**

Month	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	FY 18-19
July	63.4%	67.5%	68.4%	67.2%	71.1%	73.0%	73.8%	76.4%	81.8%	77.8%
August	66.7%	64.9%	67.7%	69.6%	71.6%	73.0%	73.9%	75.0%	81.1%	76.8%
September	68.7%	67.4%	68.6%	67.8%	66.4%	67.7%	72.7%	74.6%	77.7%	74.3%
October	60.9%	59.8%	57.4%	58.5%	60.0%	64.0%	69.4%	67.3%	71.3%	67.6%
November	53.2%	52.2%	51.9%	50.0%	55.4%	57.7%	57.9%	62.3%	64.9%	63.0%
December	54.0%	52.3%	52.4%	52.2%	55.6%	58.4%	60.6%	63.0%	65.9%	62.0%
January	50.3%	51.1%	47.5%	52.5%	52.2%	58.4%	55.6%	59.3%	59.7%	60.9%
February	59.4%	59.2%	55.6%	56.2%	58.3%	61.7%	64.3%	66.0%	67.6%	62.1%
March	61.9%	58.5%	54.8%	58.9%	59.4%	60.6%	65.6%	69.5%	68.5%	62.9%
April	61.0%	61.4%	59.2%	61.1%	62.7%	63.0%	67.9%	71.0%	69.4%	65.9%
May	62.7%	61.4%	59.9%	64.6%	65.3%	66.8%	65.8%	69.6%	71.3%	67.5%
June	70.8%	66.4%	66.7%	71.3%	70.0%	68.8%	73.9%	77.0%	77.7%	70.9%
Totals	61.1%	60.2%	59.2%	60.9%	62.4%	64.5%	66.8%	69.3%	71.5%	67.7%



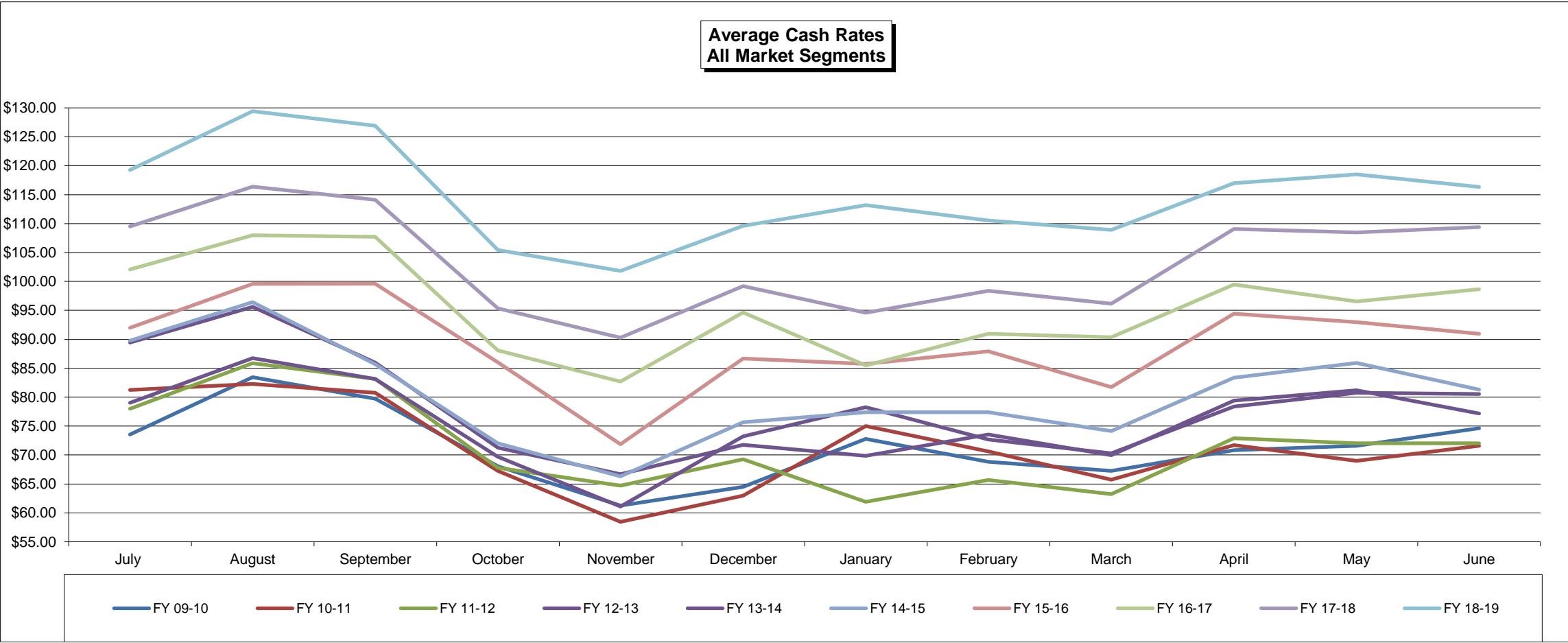
Reno-Sparks Convention and Visitors Authority
Taxable Room Revenues-Consolidated Summary
Trend

Month	Actual									
	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	FY 18-19
July	\$ 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	\$ 41,424,217
August	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	44,483,946
September	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	42,554,492
October	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	30,171,237
November	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	24,707,237
December	15,753,867	14,352,271	16,130,427	17,067,070	16,879,494	19,246,588	24,164,711	25,936,180	28,595,173	29,774,489
January	15,649,588	16,425,797	11,769,999	17,614,224	13,970,116	18,425,487	19,286,992	20,242,930	22,378,105	28,502,864
February	17,003,033	16,931,637	14,903,511	15,868,966	16,313,115	18,040,839	22,422,874	22,714,040	25,079,380	25,140,512
March	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	30,258,098
April	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	32,226,425
May	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	34,884,475
June	25,938,570	22,316,655	22,732,452	26,982,253	24,191,921	25,062,328	30,892,727	35,458,717	39,122,428	37,029,240
Totals	\$ 240,931,911	\$ 232,678,979	\$ 231,526,531	\$ 252,193,754	\$ 255,428,365	\$ 272,041,067	\$ 317,014,070	\$ 347,426,006	\$ 389,144,926	\$ 401,157,233



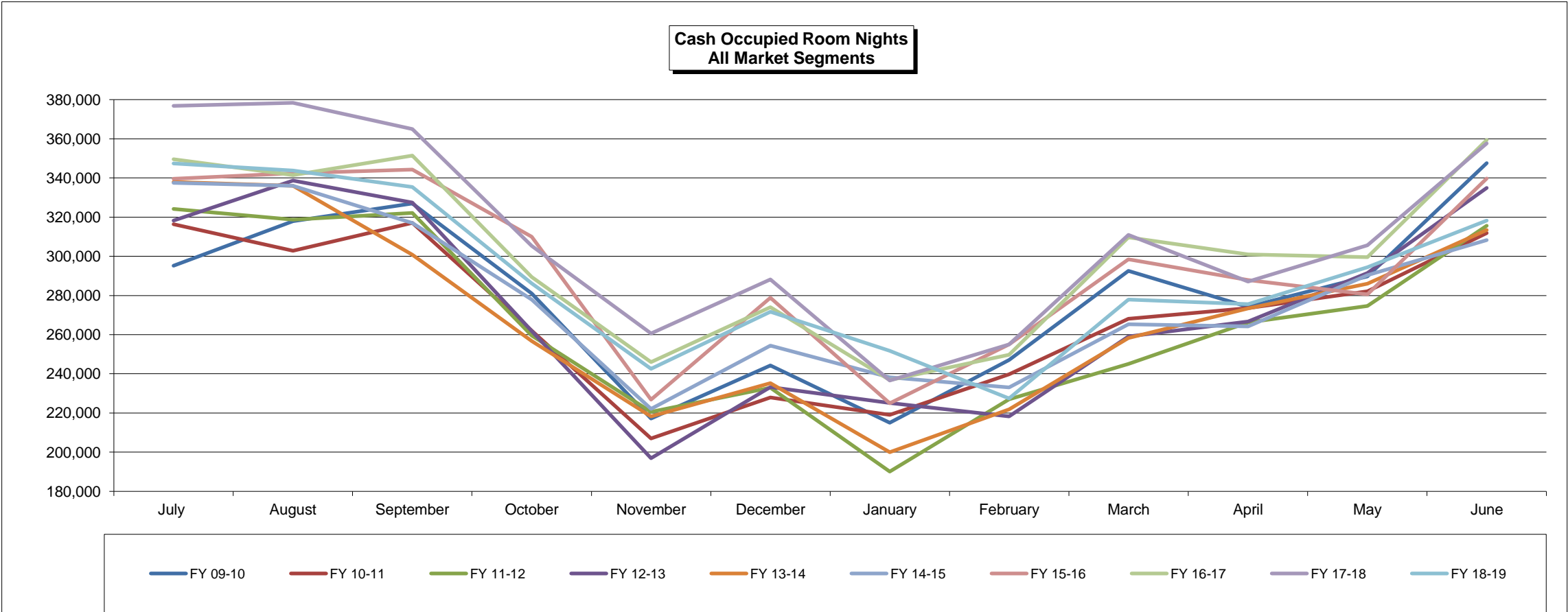
Reno-Sparks Convention and Visitors Authority
Average Cash Rates-Consolidated Summary
Trend

Month	Actual									
	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	FY 18-19
July	\$ 73.56	\$ 81.24	\$ 77.99	\$ 79.00	\$ 89.43	\$ 89.75	\$ 91.97	\$ 102.05	\$ 109.51	\$ 119.24
August	83.45	82.28	85.87	86.74	95.61	96.42	99.59	107.98	116.38	129.42
September	79.72	80.75	83.16	83.12	85.98	85.68	99.60	107.72	114.13	126.90
October	68.07	67.28	67.78	69.67	71.25	72.04	86.04	88.09	95.37	105.41
November	61.26	58.45	64.69	61.10	66.69	66.31	71.86	82.70	90.28	101.82
December	64.49	62.96	69.27	73.20	71.77	75.65	86.68	94.63	99.22	109.61
January	72.77	75.01	61.91	78.24	69.85	77.37	85.73	85.48	94.59	113.19
February	68.84	70.64	65.67	72.70	73.52	77.41	87.90	90.93	98.36	110.54
March	67.24	65.74	63.26	70.27	69.96	74.12	81.71	90.35	96.14	108.90
April	70.85	71.72	72.90	78.35	79.41	83.37	94.41	99.45	109.06	116.97
May	71.61	68.98	72.00	80.78	81.17	85.93	92.98	96.54	108.47	118.50
June	74.63	71.58	72.02	80.55	77.20	81.31	90.93	98.65	109.40	116.35
Totals	\$ 71.95	\$ 72.09	\$ 72.43	\$ 77.08	\$ 78.88	\$ 81.34	\$ 89.84	\$ 96.29	\$ 104.41	\$ 115.53



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

Month	Actual									
	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	FY 18-19
July	295,170	316,313	324,182	318,179	337,964	337,506	339,576	349,602	376,823	347,401
August	317,877	302,815	318,733	338,661	336,075	336,070	342,310	341,443	378,365	343,719
September	326,988	317,067	322,157	327,404	300,877	317,039	344,280	351,394	365,040	335,338
October	281,109	261,977	259,480	261,889	256,714	277,970	310,005	289,432	305,381	286,215
November	217,229	207,013	220,632	196,927	218,319	222,114	226,892	245,978	260,669	242,645
December	244,297	227,942	232,863	233,159	235,178	254,403	278,784	274,069	288,203	271,632
January	215,043	218,984	190,101	225,127	200,001	238,144	224,971	236,825	236,592	251,817
February	247,010	239,690	226,933	218,290	221,878	233,050	255,092	249,799	254,967	227,442
March	292,508	268,092	245,083	259,120	258,279	265,273	298,449	309,745	310,967	277,855
April	274,194	273,572	266,197	266,776	273,333	264,284	287,960	301,000	287,038	275,513
May	289,698	282,148	274,670	291,465	286,043	290,428	280,547	299,539	305,590	294,377
June	347,574	311,790	315,619	334,967	313,347	308,247	339,755	359,361	357,595	318,248
Totals	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	3,472,202



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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General Government	14.0	14.0	11.5	11.5	11.5	11.5	11.5	11.5	14.5	15.25
Culture and Recreation	26.0	26.0	-	-	-	-	-	-	-	-
Community Support	161.0	161.0	180.0	181.0	181.0	173.0	165.0	106.5	40.0	35.5
Total	201.0	201.0	191.5	192.5	192.5	184.5	176.5	118.0	54.5	50.75

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 RSCVA sold the Wildcreek Golf Course in 2019.

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

	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
Fiscal Year	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
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
2024	210	395,000	114	395,000	125	155,000	70	219,000

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).

Historical Usage and Attendance

	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
Fiscal Year	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
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
2019	185	287,614	88	101,889	72	17,686	45	115,517

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, 2019
(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 more than 600,000 square feet of single-level exhibition and meeting space. The space features 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 50 to 3,000 persons. 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, 2019
(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 2021. The National Bowling Stadium is currently undergoing a \$4.5 million remodel of the main tournament floor.

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. 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, currently is composed of 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. The Authority contracted the services of the management and operations of the Wildcreek Golf Course to Duncan Golf Management beginning on May 1, 2018. On June 24, 2019, the facility sold to the Washoe County School District and Washoe County for the development of a new high school on approximately 75 acres and the continuation of a golf course and park.

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, 2019, 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 25, 2019.

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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
November 25, 2019



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, 2019, 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 J 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, 2019 in which anticipated resources were not received.

Prior Year Recommendations

There were no specific recommendations made in the audit report for the year ended June 30, 2018.

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 25, 2019