



# **Annual Financial Report**

**Reno-Sparks Convention & Visitors Authority  
Fiscal Year Ended June 30, 2024**

**Washoe County, Nevada**

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

**ANNUAL FINANCIAL REPORT**

For the Year Ended  
June 30, 2024

Mayor Hillary Schieve  
Chairman

Mike Larragueta  
President &  
Chief Executive Officer

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  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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August 15, 2025

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

Subject: Annual Financial Report for the Fiscal Year July 1, 2023 to June 30, 2024

The Annual Financial Report of the Reno-Sparks Convention & Visitors Authority ("the Authority" or "RSCVA") with accompanying independent auditor's report for the fiscal year ended June 30, 2024, is submitted herewith. 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's Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A. The MD&A can be found immediately following the "Report of 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 13% in Reno, outside of downtown Reno; 13.5% in downtown Reno; 13.5% in Sparks; and 13% in the unincorporated areas of Washoe County.

The Authority collects these taxes and retains a total of 8 and 5/8% of collections. Distributions to other entities are as follows: 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 remitted to the City of Reno and 1% of the tax collected in the unincorporated areas of Washoe County is remitted to Washoe County; 1.5% collected in downtown Reno is distributed to the City of Reno for the operation of a multi-use facility in downtown Reno; 2.5% of the tax collected in Sparks is remitted to the City of Sparks for Victorian Square capital improvements; the remaining 1% is allocated between: the railroad tracks in downtown Reno; education purposes as imposed in 2009 through the Nevada Legislature; and a multi-use facility in downtown Reno owed by the City of Reno.

The Authority consists of a nine-member board comprised of one member of the Board of County Commissioners of Washoe County, Nevada; one member of the City Council of the City of Reno, Nevada; one member of the City Council of the City of Sparks, Nevada; and six members appointed by the aforementioned elected officials. The six members set forth are selected from nominations made by certain industry associations, the gaming industry, the Incline Village/Crystal Bay Visitors Bureau, or the Reno-Sparks Chamber of Commerce. Furthermore, these members must be actively engaged in the gaming industry (three members), airline industry (one member), Travel North Tahoe Nevada (Incline Village/Crystal Bay Visitors Bureau) (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 2024:** Throughout the period covered by this report, the fiscal year ended June 30, 2024, gaming and tourism continued to be the dominant local industries, making the economic vitality of Washoe County largely dependent on an influx of visitors.

### *Room Statistics*

For fiscal year 2024, cash occupied room nights were 3,156,493, which is a decrease of 80,000, 2.5%, from the fiscal year ended June 30, 2023 (fiscal year 2023). The overall occupancy percentage in Washoe County was 63.5%, which was a decrease from the overall occupancy percentage of 65.6% in the prior fiscal year. Average cash room rates in fiscal year 2024 were \$147.50, a decrease from average cash room rates of \$147.86 in the prior year. Total taxable room revenues in fiscal year 2024 were \$465,580,729, an decrease of \$12,979,678 from total taxable room revenues in the prior fiscal year.

**Outlook For Fiscal Year 2024 and Future:** The Authority has implemented proactive cost savings and long-term financial planning measures to mitigate these circumstances and related economic conditions. The Authority continues to monitor the local and economic climate for signs of recession or decreases in tourism activity.

The Authority continues to be guided by a three-year strategic plan which was developed in 2023 by the management team and was adopted by the Board of Directors. The plan outlines three main pillars: Sales and Marketing, Destination Management, and Destination Alignment, with many

strategic goals, initiatives, and tactics identified within each pillar. Throughout the strategic planning process, a diverse range of industry and community stakeholders were consulted to provide critical insight about opportunities and challenges related to the future of Washoe County's visitor economy. That input was used as a foundation to develop the Plan's strategic road map, which will guide the Authority's evolution as a vibrant destination for leisure, sports, convention and business visitors into the future.

**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, 2024, in relation to the continuing revenue sources and the related expenditure/expense of such sources.

### **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.

**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. It is imperative to recognize their efforts and express appreciation for their assistance. Additionally, we would like to thank our independent external audit firm Baker Tilly US, LLP for providing excellent service.

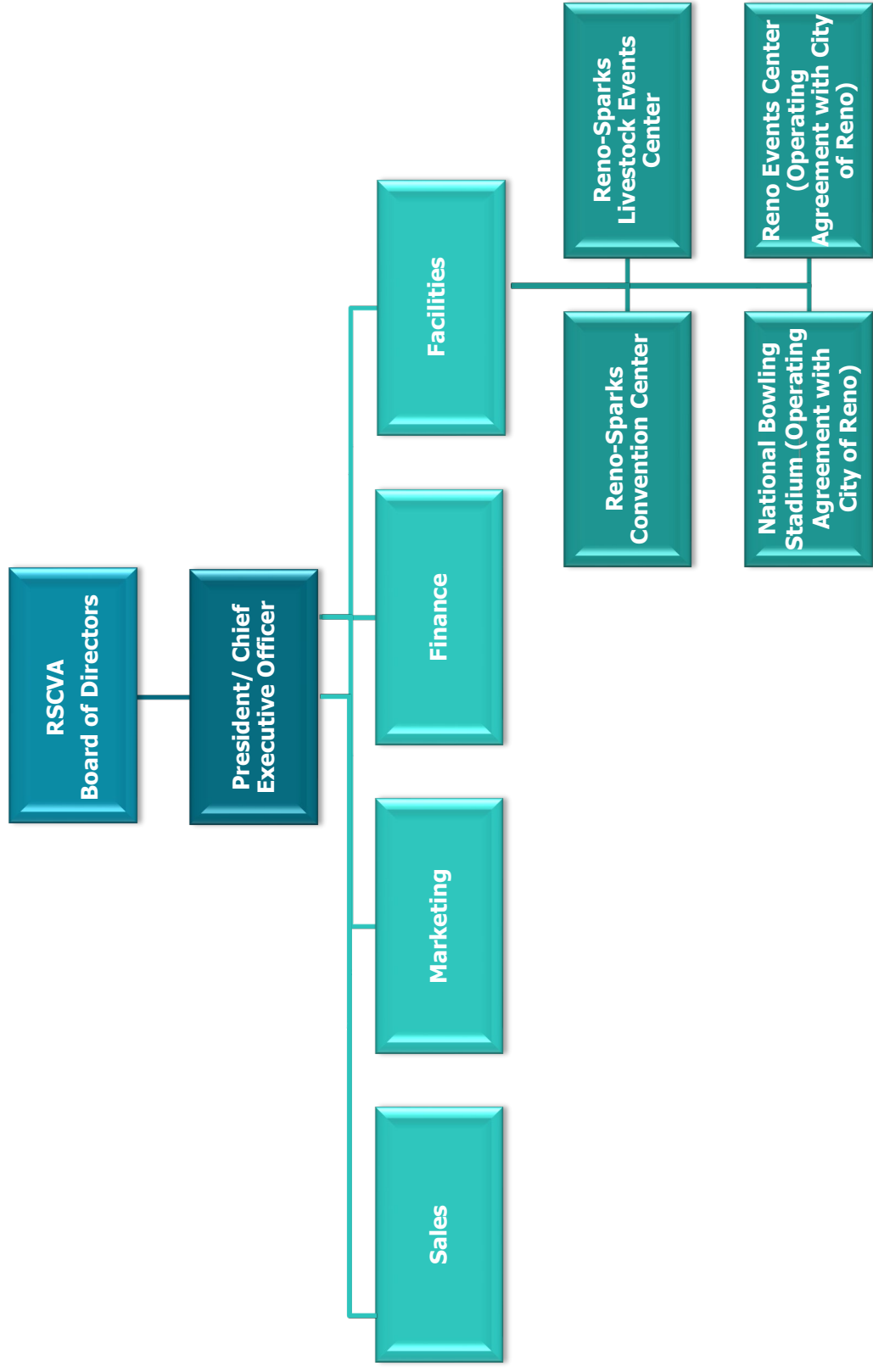
Lastly, we thank the Board of Directors, without whose leadership and support this report would not have been possible.

Respectfully submitted,

Robert Chisel  
Finance-Consultant

# **INTRODUCTORY SECTION**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
ORGANIZATIONAL STRUCTURE  
JUNE 30, 2024**





Reno-Sparks Convention & Visitors Authority  
**Board of Directors**



**Charlene Bybee, Chair**  
City of Sparks



**Mayor Hillary Schieve, Vice Chair**  
City of Reno



**Stephen Ascuaga, Secretary/Treasurer**  
Gaming Industry



**Greg Long**  
Incline Village/Crystal Bay VB



**John East**  
Gaming Industry



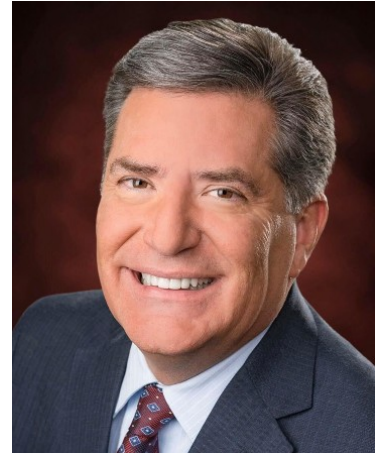
**Alexis Hill**  
Washoe County Commission



**Rick Murdock**  
Gaming Industry



**Eddie Ableser**  
Reno+Sparks Chamber of  
Commerce



**Richard L. Jay**  
Reno-Tahoe International Airport

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



**Mike Larragueta**  
Vice President of Sales /Interim  
President and CEO



**Courtney Jaeger, CPA**  
Vice President of Finance



**Trent LaFerriere**  
Vice President of Facilities



**Christina Erny, CDME**  
Vice President of Marketing



**Art Jimenez**  
Executive Director of Tourism



**Jose Martinez**  
Executive Director of Facilities  
Operations



**Renee McGinnes**  
Executive Director of Venue Sales  
and Events



**Ben McDonald**  
Senior Director of Communications  
and Public Affairs

## **Report of Independent Auditors**

The Board of Directors  
Reno-Sparks Convention & Visitors Authority

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, the budgetary statement for the general fund, and the aggregate remaining fund information of Reno-Sparks Convention & Visitors Authority (the Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 10, the schedule of changes in the Authority's total OPEB liability and related ratios on pages 49 through 50, and the schedules of the Authority's share of the net pension liability and the Authority's contributions on page 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 basic financial statements. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report August 22, 2025, on our consideration of 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Reno-Sparks Convention & Visitors Authority's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Portland, Oregon  
August 22, 2025

# **FINANCIAL SECTION**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

The following is Management’s Discussion and Analysis (MD&A) of the financial performance and activity of the Reno-Sparks Convention & Visitors Authority (“the Authority” or “RSCVA”). The MD&A provides an introduction to and understanding of the financial statements of the Authority for the fiscal year (FYs) ended June 30, 2024 (FY 2024) with selected comparable data for the fiscal year ended June 30, 2023 (FY 2023). This section should be read in conjunction with the transmittal letter, financial statements, and notes to the financial statements to gain a better understanding of the information presented in MD&A.

**Overview of the Financial Statements**

The basic financial statements of the 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 Authority’s financial position in a manner similar to the private sector.

The Statement of Net Position presents information on all assets, liabilities, and deferred inflows/outflows of resources of the 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 which tracks specific sources of funding and spending. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Authority are divided into governmental 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.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

The Authority 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 Authority maintains one internal service proprietary fund, the insurance internal service fund. The internal service fund is used to account for and allocate internal costs to the various departments of the Authority, and primarily benefit governmental activities. The internal service fund has been included within the governmental activities in the government-wide financial statements as appropriate.

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 pension liability and other postemployment benefits (OPEB) liability.

This report also presents certain supplementary information, including individual fund statements and schedules, which are presented immediately following the required supplementary information within this report.



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

**Government-wide Financial Analysis**

Net Position

The following table summarizes assets, liabilities, deferred inflows and outflows of resources, and net position as of June 30:

	Governmental Activities		Change	
	2024	2023		
<b>Assets</b>				
Current and other assets	\$ 54,322,803	\$ 57,428,693	\$ (3,105,890)	(5%)
Capital assets	47,363,328	47,189,586	173,742	0%
Total assets	<u>101,686,131</u>	<u>104,618,279</u>	<u>(2,932,148)</u>	<u>(3%)</u>
Deferred outflows of resources	<u>17,720,263</u>	<u>8,535,012</u>	<u>9,185,251</u>	<u>108%</u>
<b>Liabilities</b>				
Long-term liabilities	90,629,345	85,798,562	4,830,783	6%
Other liabilities	7,740,057	10,749,676	(3,009,619)	(28%)
Total liabilities	<u>98,369,402</u>	<u>96,548,238</u>	<u>1,821,164</u>	<u>2%</u>
Deferred inflows of resources	<u>3,106,808</u>	<u>4,445,721</u>	<u>(1,338,913)</u>	<u>(30%)</u>
<b>Net Position</b>				
Net investment in capital assets	\$ (5,577,434)	\$ (10,197,997)	\$ 4,620,563	45%
Restricted for:				
Debt service	12,506,789	14,485,558	(1,978,769)	(14%)
Strategic Plan Implementation	4,009,254	4,684,969	(675,715)	(14%)
Claims	325,222	479,052	(153,830)	(32%)
Unrestricted	<u>6,666,353</u>	<u>2,707,750</u>	<u>3,958,603</u>	<u>(146%)</u>
Total net position	<u>\$ 17,930,184</u>	<u>\$ 12,159,332</u>	<u>\$ 5,770,852</u>	<u>(47%)</u>

Total net position for the Authority as of June 30, 2024 was \$17,930,184. This is an increase of 47%, \$5,770,852, from June 30, 2023. Significant changes contributing to the overall increase include an increase in deferred outflow of resources largely driven by increases number of staff, and decrease in other liabilities due to the decrease in deposits for events.

The deficit in net investment in capital assets is primarily 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 possess the title to land.

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

**Capital Assets**

The following is a summary of capital assets at June 30, 2024:

	Governmental Activities
Water Rights	\$ 3,445,200
Construction in Progress	3,400,122
Buildings and Improvements	31,678,338
Improvements	4,409,655
Furniture and Equipment	3,295,229
Lease Assets	1,134,784
<b>Total</b>	<b>\$ 47,363,328</b>

The Authority's capital assets for its governmental activities as of June 30, 2024, were \$47,472,928 (net of accumulated depreciation and amortization). Significant capital asset transactions during the fiscal year included: Reno-Sparks Convention Center – remodel of Hall 1, improved security cameras, and digital signage, and additional equipment.

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

**Long-term Debt Activity**

The following is a summary of outstanding general obligation debt at June 30, 2024:

Debt Series	Original Issue Amount	Amount Outstanding as of June 30, 2024
2021 Series Refunding	\$ 65,760,000	\$ 55,610,000
	\$ 65,760,000	\$ 55,610,000

During fiscal year 2024, the Authority made payments of \$5,200,000 in principal and \$2,879,150 in interest on its outstanding bonds.

Additional information regarding the Authority's debt structure and individual debt issuances is presented in Note D in the Notes to Financial Statements section.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

Change in Net Position

The following table summarizes changes in net position for the year ended June 30, 2024:

	Governmental Activities		Change	
	2024	2023		
Revenue				
<i>Program revenues</i>				
Charges for services	\$ 9,474,095	\$ 10,930,203	\$ (1,456,108)	(13%)
Operating grants and contributions	886,290	1,810,158	(923,868)	(51%)
<i>General revenues</i>				
Room taxes, penalties and interest	46,486,837	47,672,993	(1,186,156)	(2%)
Unrestricted investment and interest earnings	1,079,579	532,427	547,152	103%
Miscellaneous	63,132	71,942	(8,810)	(12%)
Total revenues	<u>57,989,933</u>	<u>61,017,723</u>	<u>(3,027,790)</u>	(5%)
Expenses:				
General government	7,075,544	2,984,298	4,091,246	137%
Community support	44,061,950	42,550,722	1,511,228	4%
Debt service	1,081,587	1,011,904	69,683	7%
Total expenses	<u>52,219,081</u>	<u>46,546,924</u>	<u>5,672,157</u>	12%
Change in net position	<u>5,770,852</u>	<u>14,470,799</u>	<u>(8,699,947)</u>	(60%)
Net Position, July 1	<u>12,159,332</u>	<u>(2,311,467)</u>	<u>14,470,799</u>	(626%)
Net Position, June 30	<u>\$ 17,930,184</u>	<u>\$ 12,159,332</u>	<u>\$ 5,770,852</u>	47%

*Revenues*

The Authority's total revenues for fiscal year 2024 decreased by \$3,027,790 compared to the prior fiscal year. The majority of the decrease is related to facility revenues within the charges for services, and the lack of federal grant revenue. Room taxes also saw a decrease as a result of a decrease from a spike from a post COVID-19 pandemic.

*Expenses*

The Authority's total expenses for fiscal year 2024 increased \$5,770,852 compared to the prior fiscal year. This change is primarily attributable to increases in spending related to general government, as a result of increased staffing at the facilities

**Fund Financial Analysis**

At the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$47,632,100. Approximately 28% of this total amount (\$13,428,805) constitutes unassigned fund balance, which is available for spending at the Authority's discretion. The remainder of the fund balance is restricted or assigned to indicate that is not available for new spending because it has already been committed to other purposes (debt, strategic plan implementation, claims, and the use of funds in the FY 2025 budget).

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

General Fund

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, the Authority's General Fund reported ending fund balance of \$25,512,053. As a measure of the General Fund's liquidity, it is useful to compare fund balance with fund expenditures. The ratio of fund balance to expenditures is 57% for the year ended June 30, 2024, which is an increase of 6% from the prior fiscal year.

*Change in Fund Balance - General Fund*

At June 30, 2024, total fund balance in the General Fund was \$25,512,053 which is an increase of \$2,936,100, from the prior year. This increase was largely driven by a decrease in total transfers to other funds (\$4,464,568), offset by a decrease in revenues room tax license revenues and facilities revenues. For the year ended June 30, 2024, total expenditures in the general fund were \$44,716,676, which is a small increase of \$421,359 from the prior year. A total of \$8,073,994 of the ending General Fund balance has been assigned towards expenditures in the fiscal year 2025 budget.

*Budgetary Highlights – General Fund*

General Fund revenues were above final budget by \$3,243,734 for the fiscal year, primarily due to a stronger than predicted leisure-travel and better than anticipated Interest on investments by \$1,088,988. Expenditures were under final budget by \$3,779,758, primarily due to unspent air service allocations, unspent booking incentives, and certain services and supplies costs that were less than anticipated.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$13,881,364, a decrease of \$2,108,769 from the prior year, all of which is restricted for the payment of debt service.

Capital Projects Fund

The Capital Projects Fund is used to track capital expenditures at the Authority's facilities. For the year ended June 30, 2024, total fund balance in the Capital Projects Fund was \$8,238,683. This is a decrease of 10% (\$899,771) from the prior year. The decrease in fund balance is due to expenditures exceeding transfers during the year. Due to timing, certain capital projects that have been funded but not yet completed or started.

**Known Economic Factors**

Casino lodging properties continue to invest capital into their current facilities, including:

- J Resorts (Sands Regency) – During fiscal year 2024, the property completed a large renovation project on third and final tower, bringing the total available rooms back up to over 700. Major renovation of the casino was also completed. J Resorts is looking to add additional convention space.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023**

- The Row (Eldorado, Silver Legacy, Circus Circus) – The complete remodel of all rooms and suites at the Silver Legacy that began in 2019 was completed during July 2024.
- Atlantis Casino Resort – Completed renovations of their towers.
- Grand Sierra Resort – In September 2023, the property announced a \$1 billion private capital investment project including an arena for sporting and concert events including University of Nevada Reno Basketball. Additional improvements will also be made around the exterior of the property, including the Grand Bay and golf facilities. Included in the announcement is the addition of an 800-room tower, one or more parking garages, and 300 affordable riverfront units. This will be a long-term project.
- Peppermill Hotel Casino – Renovations to the Peppermill Tuscan Tower began during mid-2024 with a scheduled completion in 2027.

Notable hotel developments were as follows:

- Hyatt Place at Summit Sierra Mall opened in October 2024 with 132 rooms.
- Hyatt Regency Lake Tahoe is undergoing renovations, which began in March 2025, and will redevelop the existing cottages, restaurants, and ballroom to deliver an elevated luxury experience with modern premier accommodations and meeting and event spaces. The redevelopment is expected to continue through late 2027.
- Echo Suites is planned to open in July 2025 with 125 rooms.
- Residence Inns at Tamarack is planned to open in August 2025 with 128 rooms.
- Holiday Inn Express Sparks is planned to open in February 2026 with 93 rooms.
- Hotel and conference center at the University of Nevada Reno is anticipated to open in 2026, with 50 rooms.

Other Economic Developments:

- The unemployment rate in the Reno-Sparks area was 5.0 percent on June 30, 2024 compared to 4.5 percent as of June 30, 2023. Unemployment held steady in August 2024, reflecting a rate of 4.7 percent.
- The annual job growth rate for the Reno metropolitan area between June 2023 and June 2024 was 2.0% compared to the 3.6% growth rate between June 2022 and June 2023. This percentage reflects a recovery of 5,500 jobs. Statewide, job growth between June 2023 and June 2024 was 3.1%, or 47,100 jobs, with the construction, leisure, and hospitality industries showing the strongest growth.

**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. For questions about this report or for additional information, please contact the Finance Department at PO Box 837, Reno, Nevada 89504.

# **BASIC FINANCIAL STATEMENTS**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 46,396,710
Receivables	
Accounts receivable, net of allowance for doubtful accounts of \$36,861	678,603
Room license taxes receivable	6,721,723
Other receivables	525,767
Capital assets	
Lease assets, net of amortization	1,134,784
Capital assets not being depreciated	6,845,322
Capital assets being depreciated (net of accumulated depreciation)	39,383,222
<b>TOTAL ASSETS</b>	<b>101,686,131</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension	12,844,358
OPEB	2,199,791
Deferred charge on refunding	2,676,114
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>17,720,263</b>
<b>LIABILITIES</b>	
Accounts payable	2,131,988
Accrued liabilities	3,647,342
Accrued interest payable	1,374,575
Event deposits	586,152
Noncurrent liabilities:	
Due within one year	6,590,533
Due in more than one year	
Compensated absences	42,580
Bonds	57,483,412
Lease liabilities	894,251
Net pension liability	19,491,103
Total OPEB liability	6,127,466
<b>TOTAL LIABILITIES</b>	<b>98,369,402</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension	2,317,839
OPEB	788,969
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,106,808</b>
<b>NET POSITION</b>	
Net investment in capital assets	(5,577,434)
Restricted for:	
Debt service	12,506,789
Strategic plan implementation (surcharge revenues)	4,009,254
Claims	325,222
Unrestricted	6,666,353
<b>TOTAL NET POSITION</b>	<b>\$ 17,930,184</b>

**See accompanying notes to financial statements.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024**

					Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
PRIMARY GOVERNMENT FUNCTIONS/PROGRAMS					
Governmental activities:					
General government	\$ 7,075,544	\$ 884,766	\$ 468,504	\$ -	\$ (5,722,274)
Community support	44,061,950	8,589,329	-	-	(35,472,621)
Interest and fiscal charges	1,081,587	-	417,786	-	(663,801)
Total governmental activities	<u>52,219,081</u>	<u>9,474,095</u>	<u>886,290</u>	<u>-</u>	<u>(41,858,696)</u>
GENERAL REVENUES					
Taxes					
Room taxes					46,486,837
Unrestricted investment and interest earnings					1,079,579
Miscellaneous					63,132
TOTAL GENERAL REVENUES					<u>47,629,548</u>
CHANGE IN NET POSITION					5,770,852
NET POSITION, JULY 1					<u>12,159,332</u>
NET POSITION, JUNE 30					<u>\$ 17,930,184</u>

See accompanying notes to financial statements.



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

**JUNE 30, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>				
Cash and investments	\$ 34,462,377	\$ 11,741,285	\$ -	\$ 46,203,662
Receivables				
Accounts receivable	678,603	-	-	678,603
Room license taxes receivable	6,721,723	-	-	6,721,723
Other receivables	518,799	-	-	518,799
Due from other funds	-	2,140,079	8,799,108	10,939,187
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<u>\$ 42,381,502</u>	<u>\$ 13,881,364</u>	<u>\$ 8,799,108</u>	<u>\$ 65,061,974</u>
 <b>LIABILITIES</b>				
Accounts payable	\$ 1,571,563	\$ -	\$ 560,425	\$ 2,131,988
Accrued liabilities	3,647,130	-	-	3,647,130
Event deposits	586,152	-	-	586,152
Due to other funds	11,064,604	-	-	11,064,604
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u>16,869,449</u>	<u>-</u>	<u>560,425</u>	<u>17,429,874</u>
 <b>FUND BALANCES</b>				
Restricted	4,009,254	13,881,364	-	17,890,618
Assigned	8,073,994	-	8,238,683	16,312,677
Unassigned	13,428,805	-	-	13,428,805
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUND BALANCES</b>	<u>25,512,053</u>	<u>13,881,364</u>	<u>8,238,683</u>	<u>47,632,100</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 42,381,502</u>	<u>\$ 13,881,364</u>	<u>\$ 8,799,108</u>	<u>\$ 65,061,974</u>

**See accompanying notes to financial statements.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET	\$	47,632,100
Capital assets used in Governmental Activities are not financial resources, and therefore are not reported in the Governmental Funds.		46,228,544
Lease assets used in Governmental Activities are not financial resources and therefore are not reported in the Governmental Funds.		1,134,784
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds:		
Accrued interest payable		(1,374,575)
Bonds payable		(55,610,000)
Unamortized premium on bonds payable		(7,343,412)
Compensated absences		(922,580)
Total OPEB liability		(6,127,466)
Net pension liability		(19,491,103)
Lease liability		(1,134,784)
Deferred outflow of resources related to pensions		12,844,357
Deferred outflow of resources related to OPEB		2,199,791
Deferred charge on refunding		2,676,114
Deferred inflows of resources related to pensions		(2,317,839)
Deferred inflows of resources related to OPEB		(788,969)
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.		325,222
TOTAL NET POSITION FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET POSITION	\$	17,930,184

**See accompanying notes to financial statements.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Taxes				
Room license taxes	\$ 46,486,837	\$ -	\$ -	\$ 46,486,837
Miscellaneous				
Facilities revenue	8,361,421	-	-	8,361,421
Convention and visitors service revenue	227,908	-	-	227,908
Interest on investments	1,548,083	417,786	-	1,965,869
Other	947,898	-	-	947,898
<b>TOTAL REVENUES</b>	<b>57,572,147</b>	<b>417,786</b>	<b>-</b>	<b>57,989,933</b>
<b>EXPENDITURES</b>				
Current				
General government	5,262,636	-	-	5,262,636
Community support	39,090,161	-	-	39,090,161
Debt Service				
Principal	207,705	5,200,000	-	5,407,705
Interest	41,287	2,879,150	-	2,920,437
Other bond costs	-	6,380	-	6,380
Capital outlay	114,887	-	5,260,167	5,375,054
<b>TOTAL EXPENDITURES</b>	<b>44,716,676</b>	<b>8,085,530</b>	<b>5,260,167</b>	<b>58,062,373</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>12,855,471</b>	<b>(7,667,744)</b>	<b>(5,260,167)</b>	<b>(72,440)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	5,558,975	4,360,396	9,919,371
Transfers to other funds	(9,919,371)	-	-	(9,919,371)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(9,919,371)</b>	<b>5,558,975</b>	<b>4,360,396</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2,936,100</b>	<b>(2,108,769)</b>	<b>(899,771)</b>	<b>(72,440)</b>
<b>FUND BALANCES, JULY 1</b>	<b>22,575,953</b>	<b>15,990,133</b>	<b>9,138,454</b>	<b>47,704,540</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 25,512,053</b>	<b>\$ 13,881,364</b>	<b>\$ 8,238,683</b>	<b>\$ 47,632,100</b>

**See accompanying notes to financial statements.**

**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, 2024**

NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES \$ (72,440)

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 and amortization expense.

Capital outlay recorded in governmental funds	5,375,054	
Amounts not capitalized	(436,659)	
Capitalized expenditures	4,938,395	
Depreciation Expense	(4,556,585)	
Lease asset amortization expense	(207,705)	174,105

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 equals the differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	5,200,000	
Lease asset principal payments	207,705	
Interest expense	130,000	
Amortized bond premium	2,072,044	

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.

Compensated absences	(303,482)	
Amortization of deferred charge on refunding	(356,814)	

Governmental Funds report pension and OPEB contributions as expenditures.

In the Statement of Activities, however, the cost of pension and OPEB benefits earned is reported as pension and OPEB expense.

Authority pension contributions	1,617,992	
Authority pension expense	(2,855,881)	
Authority OPEB contributions	491,992	
Authority OPEB expense	(380,539)	

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.

(153,830)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES \$ 5,770,852

**See accompanying notes to financial statements.**

**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, 2024**  
**(with comparative actual amounts for the year ended June 30, 2023)**  
**Page 1 of 2**

	2024 Budget		2024		2023
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Taxes					
Room license taxes	\$ 43,881,576	\$ 44,621,053	\$ 46,486,837	\$ 1,865,784	\$ 47,672,993
Miscellaneous					
Facilities revenues	7,276,219	8,072,886	8,361,421	288,535	9,806,535
Convention and visitor service revenue	294,200	314,860	227,908	(86,952)	359,247
Interest on investments	200,000	459,095	1,548,083	1,088,988	805,444
Federal grants	-	-	-	-	1,228,159
Other	856,508	860,519	947,898	87,379	1,005,483
<b>TOTAL REVENUES</b>	<b>52,508,503</b>	<b>54,328,413</b>	<b>57,572,147</b>	<b>3,243,734</b>	<b>60,877,861</b>
<b>EXPENDITURES</b>					
Current:					
General government					
Salaries and wages	2,060,889	2,060,889	1,566,049	494,840	1,439,057
Employee benefits	1,367,075	1,367,075	1,048,680	318,395	879,009
Services and supplies	2,917,575	3,141,305	2,896,899	244,406	2,225,938
Capital outlay	152,600	152,600	114,887	37,713	1,423,878
Total general government	6,498,139	6,721,869	5,626,515	1,095,354	5,967,882
Community support					
Facility operations					
Salaries and wages	4,241,848	4,241,848	5,405,353	(1,163,505)	4,491,235
Employee benefits	2,403,088	2,403,088	2,534,688	(131,600)	2,151,454
Services and supplies	6,383,603	7,204,941	8,873,648	(1,668,707)	9,195,320
Total community support	13,028,539	13,849,877	16,813,689	(2,963,812)	15,838,009

See accompanying notes to financial statements.

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, 2024**  
**(with comparative actual amounts for the year ended June 30, 2023)**  
**Page 2 of 2**

	2024 Budget		2024		2023
	Original	Final	Actual	Variance to Final Budget	Actual
EXPENDITURES - continued					
Convention and tourism promotion					
Salaries and wages	\$ 4,163,092	\$ 4,163,092	\$ 3,910,098	\$ 252,994	\$ 3,382,495
Employee benefits	2,639,141	2,639,141	2,432,249	206,892	2,138,470
Services and supplies	15,540,612	18,901,612	13,768,207	5,133,405	14,714,673
Capital outlay	1,500	1,500	-	1,500	-
	<u>22,344,345</u>	<u>25,705,345</u>	<u>20,110,554</u>	<u>5,594,791</u>	<u>20,235,638</u>
Community grants and miscellaneous	<u>2,219,343</u>	<u>2,219,343</u>	<u>2,165,918</u>	<u>53,425</u>	<u>2,253,788</u>
Total community support	<u>37,592,227</u>	<u>41,774,565</u>	<u>39,090,161</u>	<u>2,684,404</u>	<u>38,327,435</u>
TOTAL EXPENDITURES	<u>44,090,366</u>	<u>48,496,434</u>	<u>44,716,676</u>	<u>3,779,758</u>	<u>44,295,317</u>
Excess (deficiency) of revenues over expenditures	<u>8,418,137</u>	<u>5,831,979</u>	<u>12,855,471</u>	<u>7,023,492</u>	<u>16,582,544</u>
OTHER FINANCING SOURCES (USES)					
Lease liability incurred	-	-	-	-	1,288,599
Contingency	(200,000)	(200,000)	-	200,000	-
Transfers to other funds	<u>(12,372,150)</u>	<u>(16,925,767)</u>	<u>(9,919,371)</u>	<u>7,006,396</u>	<u>(14,383,939)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12,572,150)</u>	<u>(17,125,767)</u>	<u>(9,919,371)</u>	<u>7,206,396</u>	<u>(13,095,340)</u>
Net change in fund balances	(4,154,013)	(11,293,788)	2,936,100	14,229,888	3,487,204
FUND BALANCE, JULY 1	<u>15,654,324</u>	<u>22,785,959</u>	<u>22,575,953</u>	<u>(210,006)</u>	<u>19,088,749</u>
FUND BALANCE, JUNE 30	<u>\$ 11,500,311</u>	<u>\$ 11,492,171</u>	<u>25,512,053</u>	<u>\$ 14,019,882</u>	<u>22,575,953</u>

See accompanying notes to financial statements.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**PROPRIETARY FUND  
STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	Governmental Activities Internal Service Fund
ASSETS	
Current assets	
Cash and investments	\$ 193,048
Prepaid expenses	6,969
Due from other funds	<u>125,417</u>
Total current assets	<u>325,434</u>
 TOTAL ASSETS	 <u>325,434</u>
LIABILITIES	
Current liabilities	
Accrued liabilities	<u>212</u>
 TOTAL LIABILITIES	 <u>212</u>
NET POSITION	
Restricted for claims	<u><u>\$ 325,222</u></u>

**See accompanying notes to financial statements.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Charges for benefits	\$ 2,335,280
OPERATING EXPENSES	
Services and supplies	<u>2,489,110</u>
CHANGE IN NET POSITION	(153,830)
NET POSITION, JULY 1	<u>479,052</u>
NET POSITION, JUNE 30	<u><u>\$ 325,222</u></u>

**See accompanying notes to financial statements.**



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**PROPRIETARY FUND  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**Page 1 of 2**

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers or users	\$ 610,023
Cash received from interfund services provided	1,725,257
Cash paid to vendors for services and supplies	<u>(2,489,869)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(154,589)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from (paid to) other funds	<u>155,290</u>
Net increase (decrease) in cash and investments	701
CASH AND INVESTMENTS, JULY 1	<u>192,347</u>
CASH AND INVESTMENTS, JUNE 30	<u><u>\$ 193,048</u></u>

**See accompanying notes to financial statements.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**PROPRIETARY FUND  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**Page 2 of 2**

	Governmental Activities Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	<u>\$ (153,830)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Increase (decrease)	
Accounts payable	<u>(759)</u>
Total adjustments	<u>(759)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (154,589)</u></u>

**See accompanying notes to financial statements.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Reno-Sparks Convention & Visitors Authority (the 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 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. 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 Visitors Convention Bureau (Travel North Tahoe Nevada).

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 Authority 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 Authority includes all funds, functions, and activities over which the Board of Directors has responsibility.

**Government-wide and Fund Financial Statements**

The government-wide financial statements report information on all of the 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.

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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, with the exception of: intergovernmental revenues owed to Authority by the City of Reno for General Services, which are considered to be available if received within 300 days of year end and facilities revenues which are considered to be available if received within 120 days of year end. Expenditures are recorded when the liability is incurred, except for principal and interest on general long-term debt, compensated absences, the net pension liability and postemployment benefit obligations which are recorded as liabilities when due. The Authority first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

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

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

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

**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 Vice President of Finance and the Chief Executive Officer submit to the Authority Board of Directors a proposed operating budget for the fiscal year commencing the following July 1.

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

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

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comments.

3. On or before June 1, the budget is legally enacted through passage of a resolution by a majority vote of the Board of Directors.

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 Board of Directors. 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. Expenses for Community Support exceeded budget by \$2,882,459 due to higher than anticipated new employees and maintenance costs.

**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.

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

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**Receivables**

Accounts receivable are reported net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the potential for losses, taking into account historical experience and currently available information.

**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. The Authority classifies those assets with a unit value of \$10,000 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 using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed during the current period.

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

**Compensated Absences**

All vacation is accrued when earned in the government-wide statements and proprietary fund statements. Potential sick leave payout is accrued in the government-wide statements and proprietary fund, based upon the employee's date of

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employment, accrued 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, for qualifying employees.

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

**Fund Balance**

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

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation and amortization 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.

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 statutes.

Unrestricted Net Position – All other net position that does meet the definition of restricted or net investment in capital assets.

In the governmental fund financial statements, 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



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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. Assigned fund balance is comprised of amounts assigned for use in the budget for the subsequent fiscal year.

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 10%, positive ending fund balances in the Authority's Capital Projects Fund, and positive net position and cash and cash equivalents balances in the Authority's Insurance Internal Service Fund.

Proprietary fund net position is classified in the same manner as the government-wide statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds 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 through 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 13.0% 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

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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 Visitors Bureau.

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

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

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

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

The Authority's share of revenues detailed above is currently pledged to the Authority as part of existing bond resolutions. This will continue through repayment 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, 2024, principal and interest paid and total net pledged

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revenues were \$8,079,150 and \$20,616,144, respectively. Annual principal and interest payments were approximately 39% of net revenues. The total principal and interest remaining on the bonds is \$67,858,525.

**Lease assets**

The Authority records intangible right-to-use assets (lease assets) as required by *GASB Statement No. 87, Leases*.

Lease assets and lease liabilities are reported on the statement of net position.

Lease assets are initially measured at an amount equal to the initial measurement of the related lease liability at the present value of payments expected to be made during the lease term, plus any lease payments made prior to the lease term, less lease incentives (if any), plus ancillary charges necessary to place the lease into service (if any). The lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the related leases.

The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority uses its estimated incremental borrowing rate as the discount rate for leases. The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**Comparability**

Comparative data shown for the year ended June 30, 2023 has been extracted from fiscal year 2023 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for fiscal year 2023. Such information can only be obtained by referring to the financial statements for that year.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual result could differ from some of these estimates.

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**NOTE B - CASH AND INVESTMENTS**

As of June 30, 2024, the Authority had the following cash balances and investments:

	Fair Value	Investment Maturities in Years	
		Less than 1	1-4
Investments			
Money Market Mutual Funds	\$ 11,741,285	\$ 11,741,285	\$ -
Certificates of Deposit	101,611	101,611	-
State of Nevada			
Local Government Investment Pool	30,658,370	30,658,370	-
	<u>42,501,266</u>	<u>\$ 42,501,266</u>	<u>\$ -</u>
Total Cash	3,895,444		
Total Cash and Investments	<u>\$ 46,396,710</u>		

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, 2024, the Authority had the following recurring fair value measurements:

	Fair Value	Fair Value Measurements Using	
		Level 1	Level 2
Investments			
Money Market Mutual Funds	\$ 11,741,285	\$ 11,741,285	\$ -
Certificates of Deposit	101,611	-	101,611
	<u>11,842,896</u>	<u>\$ 11,741,285</u>	<u>\$ 101,611</u>
State of Nevada			
Local Government Investment Pool *	30,658,370		
	<u>\$ 42,501,266</u>		

\* The Local Government Investment Pool is an external investment pool and therefore is not valued according to the hierarchy.

The Authority's Level 2 investments consist of Certificates of Deposit and are valued based upon directly observable inputs.

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At June 30, 2024, the Authority's investments are rated as follows:

	Fair Value	Rating	
		Unrated	AAA
Investments			
Money Market Mutual Funds	\$ 11,741,285	\$ -	\$ 11,741,285
Certificates of Deposit	101,611	101,611	-
State of Nevada Local Government			-
Investment Pool	30,658,370	30,658,370	

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.

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

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

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

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**NOTE C – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2024
Governmental Activities				
Capital assets, not being depreciated				
Water rights	\$ 3,445,200	\$ -	\$ -	\$ 3,445,200
Construction in progress	145,757	3,330,803	(76,438)	3,400,122
<b>Total capital assets, not being depreciated</b>	<b>3,590,957</b>	<b>3,330,803</b>	<b>(76,438)</b>	<b>6,845,322</b>
Capital assets, being depreciated/amortized				
Buildings and improvements	149,526,822	23,432	-	149,550,254
Improvements	8,413,105	894,898	-	9,308,003
Furniture and equipment	8,454,328	765,337	(57,361)	9,162,304
Right of use leased building	1,647,664	-	-	1,647,664
<b>Total capital assets, being depreciated</b>	<b>168,041,919</b>	<b>1,683,667</b>	<b>(57,361)</b>	<b>169,668,225</b>
Less accumulated depreciation and amortization for				
Buildings and improvements	(115,042,056)	(2,829,860)	-	(117,871,916)
Improvements	(3,929,239)	(969,109)	-	(4,898,348)
Furniture and equipment	(5,166,820)	(757,616)	57,361	(5,867,075)
Right of use leased building	(305,175)	(207,705)	-	(512,880)
<b>Total accumulated depreciation</b>	<b>(124,443,290)</b>	<b>(4,764,290)</b>	<b>57,361</b>	<b>(129,150,219)</b>
<b>Total capital assets, being depreciated, net</b>	<b>43,598,629</b>	<b>(3,080,623)</b>	<b>-</b>	<b>40,518,006</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 47,189,586</b>	<b>250,180</b>	<b>\$ (76,438)</b>	<b>47,363,328</b>

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

Government Activities		
General government		\$ 27,935
Community support		4,736,355
<b>Total depreciation and amortization expense-government activities</b>		<b>\$ 4,764,290</b>

**NOTE D – AUTHORITY OBLIGATIONS**

General Obligation Bonds

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 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, 2024.

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The Authority was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2024.

Governmental activities debt is serviced through the Debt Service Fund, except for compensated absences and leases which are funded by the General Fund.

Changes in long term debt obligations for the year ended June 30, 2024, are summarized as follows:

Description	Interest Rate	Maturity Date	Original Issue	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due in within one year
<u>Governmental Activities</u>								
General Obligation Bonds, (Limited Tax) and Refunding Bonds:								
2021A Series Refunding	5.00%	2033	\$ 65,760,000	\$60,810,000	-	\$ 5,200,000	\$ 55,610,000	\$ 5,470,000
Unamortized premium				9,415,456	-	2,072,044	7,343,412	-
				<u>70,225,456</u>	<u>-</u>	<u>7,272,044</u>	<u>62,953,412</u>	<u>5,470,000</u>
Lease Liability	5.00%	2028	1,459,047	1,342,489	-	207,705	1,134,784	240,533
Compensated Absences	N/A	N/A	N/A	619,098	976,357	672,875	922,580	880,000
Total Debt				<u>\$ 72,187,043</u>	<u>\$ 976,357</u>	<u>\$ 8,152,624</u>	<u>\$ 65,010,776</u>	<u>\$ 6,590,533</u>

During the year ended June 30, 2024, interest expense has been recorded in the Debt Service Fund in the amount of \$2,879,150.

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

<u>Governmental Activities</u>		
Year Ending June 30,	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 5,470,000	\$ 2,612,400
2026	5,750,000	2,331,900
2027	6,045,000	2,037,025
2028	6,355,000	1,727,025
2029	6,680,000	1,401,150
2030-2033	<u>25,310,000</u>	<u>2,139,025</u>
	<u>\$ 55,610,000</u>	<u>\$ 12,248,525</u>

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**NOTE E – FUND BALANCES – GOVERNMENTAL FUNDS**

As of June 30, 2024, fund balances are composed of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Restricted:				
Strategic Plan Implementation	\$ 4,009,254	\$ -	\$ -	\$ 4,009,254
Debt Service	-	13,881,364	-	13,881,364
Total Restricted	<u>4,009,254</u>	<u>13,881,364</u>	<u>-</u>	<u>17,890,618</u>
Assigned for Subsequent Fiscal Year Budget				
General Fund	8,073,994	-	-	8,073,994
Capital Projects Fund	-	-	8,238,683	8,238,683
Total Assigned	<u>8,073,994</u>	<u>-</u>	<u>8,238,683</u>	<u>16,312,677</u>
Unassigned	<u>13,510,158</u>	<u>-</u>	<u>-</u>	<u>13,510,158</u>
Total fund balance	<u>\$ 25,593,406</u>	<u>\$ 13,881,364</u>	<u>\$ 8,238,683</u>	<u>\$ 47,713,453</u>

**NOTE F – INTERFUND TRANSACTIONS**

The following schedule details the amounts due from/to other funds at June 30, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Debt Service Fund	General Fund	\$ 2,140,079
Capital Projects Fund	General Fund	8,799,108
Insurance Internal Service Fund	General Fund	125,417
		<u>\$ 11,064,604</u>

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

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	<u>Transfers In</u>		<u>Total</u>
	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
<u>Transfers Out</u>			
General Fund	<u>\$ 5,558,975</u>	<u>\$ 4,360,396</u>	<u>\$ 9,919,371</u>

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.



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**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. 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.

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 ten 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.

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. Members become fully vested as to benefits upon completion of five years of service.

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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 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 actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and results in a relatively level long-term contribution requirement as a percentage of salary.

For the fiscal year ended June 30, 2024 and 2023, the statutory Employer/Employee matching rate was 15.50% and the EPC rate was 29.75%. The Authority's contributions were \$1,617,992 for the year ended June 30, 2024 and \$1,235,816 for the year ended June 30, 2023, and were made from the General Fund.

Summary of Significant Accounting and Reporting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position of PERS and additions to or deductions from the PERS fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, 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.

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.

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The following was the PERS Board adopted policy target asset allocation as of June 30, 2023:

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

As of June 30, 2024, PERS' long-term inflation assumption was 2.50%. Net Pension

Liability

At the June 30, 2024 measurement date, the Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 \$19,491,103 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 June 30, 2023, the Authority's proportion was .10678%, which was an increase of 124% from Authority's proportion measured as of June 30, 2022.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the Authority as of the June 30, 2023 measurement date, calculated using the discount rate of 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current discount rate:

	<u>1% Decrease in Discount Rate (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase in Discount Rate (8.25%)</u>
Authority's proportionate share of net pension liability	\$ 30,331,018	\$ 19,491,103	\$ 10,544,991

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Annual Comprehensive Financial Report, available on the PERS website.

Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2023, 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:

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Inflation rate	2.50%
Productivity pay increase	0.50%
Payroll growth	3.50%, including inflation.
Projected salary increases	4.20% to 9.10%, depending on service; Rates include inflation and productivity increases.
Investment rate of return	7.25%
Other Assumptions	Same as those used in the June 30, 2023 funding actuarial valuation.

Mortality rates for healthy annuitants 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.

Actuarial assumptions used in the June 30, 2023 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2023. 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, 2023, 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 the June 30, 2023 measurement date.

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

For the year ended June 30, 2024, the Authority recognized pension expense of \$(2,855,881). At June 30, 2024, 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	\$ 2,540,546	\$ -
Changes of assumptions and other inputs	1,826,687	-
Net difference between projected and actual earnings on pension plan investments	-	182,437
Changes in the Authority's proportionate share	6,859,133	2,135,402
Authority contributions subsequent to the measurement date	1,617,992	-
	\$ 12,844,358	\$ 2,317,839

The \$1,617,992 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date, made from the General Fund, will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 5.70 years. Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	\$ 1,059,759
2026	1,528,103
2027	3,665,654
2028	1,691,444
2029	963,568
Total	\$ 8,908,527

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

**NOTE H - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

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,

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prescription, and life insurance benefits to eligible Authority retirees and beneficiaries.

*RRHBP*

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*

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.

Benefits Provided

*RRHBP*

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 ended June 30, 2012, the plan was modified for those employees hired after January 1, 2012, and consequently, no employees hired after January 1, 2012 will be eligible to receive subsidized premium payments. In addition, effective for 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 Percentage</u>
10 years	50%
15 years	75%
20 years	100%

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*PEBP*

PEBP provides medical, prescription, vision, life and accident insurance, and dental benefits 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 \$1 to a maximum of \$260 per month. Subsidies for retiree premiums participating in the PEBP are paid directly to the State when due. The Authority's obligation for subsidies is limited to payment of the statutorily required contribution. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former Authority employees and retirees must have retired and joined PEBP by September 1, 2008 to elect PEBP membership. Consequently, no employees retiring from the Authority on or after September 1, 2008 will be eligible to participate in the PEBP plan as a retiree at the Authority's expense.

Employees covered by benefit terms

At June 30, 2024, the following employees were covered by the benefit terms:

	RRHBP	PEBP	Total
Inactive employees or beneficiaries currently receiving benefit payments	45	18	63
Inactive employees entitled to but not yet receiving benefit payments	1	-	1
Active employees	118	-	118
	164	18	182

The Authority's total OPEB liability of \$6,127,466 was measured as of June 30, 2023, and was determined by actuarial valuations as of June 30, 2023.

	RRHBP	PEBP	Total
Total OPEB Liability	\$ 5,930,957	\$ 196,509	\$ \$ 6,127,466

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Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2023 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	2.50%	2.50%
Salary Increases	3.00%, per year	N/A
Discount Rate*	4.09% as of June 30, 2022 3.65% as of June 30, 2023	4.09% as of June 30, 2022 3.65% as of June 30, 2023
Healthcare Cost Trend Rates	5.80% for 2023 decreasing to an ultimate rate of 3.90% for 2076 and later years	5.80% for 2023 decreasing to an ultimate rate of 3.90% for 2076 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 Bond Buyer GO 20 Bond Index.

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 point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	<u>1% Decrease in Discount Rate (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase in Discount Rate (4.65%)</u>
RRHBP OPEB Liability	\$ 6,655,202	\$ 5,930,957	\$ 5,330,109
PEBP OPEB Liability	217,720	196,509	178,497
Total OPEB Liability	<u>\$ 6,872,922</u>	<u>\$ 6,127,466</u>	<u>\$ 5,508,606</u>



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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-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rate *	Healthcare Cost Trend Rate **	1% Increase in Healthcare Cost Trend Rate ***
RRHBP OPEB Liability	\$ 5,431,571	\$ 5,930,957	\$ 6,520,417
PEBP OPEB Liability	179,333	196,509	216,284
Total OPEB Liability	\$ 5,610,904	\$ 6,127,466	\$ 6,736,701
	*5.0%	**6.0%	***7.0%
RHBP	decreasing to 2.9%	decreasing to 3.9%	decreasing to 5.9%
	*5.5%	**6.5%	***7.5%
PEBP	decreasing to 2.9%	decreasing to 3.9%	decreasing to 4.9%

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Authority recognized OPEB expense as follows:

RRHBP	\$ 358,296
PEBP	<u>22,243</u>
	<u>\$ 380,539</u>

At June 30, 2024, 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	\$ 177,964	\$ 720,175	\$ -	\$ -	\$ 177,964	\$ 720,175
Differences between expected and actual experience	1,529,835	68,794	-	-	1,529,835	68,794
Contributions subsequent to the measurement date	478,650	-	13,342	-	491,992	-
	\$ 2,186,449	\$ 788,969	\$ 13,342	\$ -	\$ 2,199,791	\$ 788,969

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

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<u>Year Ending June 30:</u>	<u>RRHBP</u>	<u>PEBP</u>	<u>Total</u>
2025	\$ 146,801	\$ -	\$ 146,801
2026	153,162	-	153,162
2027	(37,023)	-	(37,023)
2028	145,296	-	145,296
2029	170,767	-	170,767
Thereafter	339,827	-	339,827
	<u>\$ 918,830</u>	<u>\$ -</u>	<u>\$ 918,830</u>

**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. Accrued liabilities include an amount for claims (excluding incremental costs) that have been incurred but not reported (IBNR). Changes in the balances of claims liability during the past two years are as follows:

	<u>Workers' Compensation</u> <u>Claims</u>
Claims liability, June 30, 2022	\$ 34,797
Claims and changes in estimates	(6,656)
Claims payments	<u>(27,929)</u>
Claims liability, June 30, 2023	<u>\$ 212</u>
Claims liability, June 30, 2023	\$ 212
Claims and changes in estimates	
Claims payments	<u>(212)</u>
Claims liability, June 30, 2024	<u>\$ -</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.

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**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.

**NOTE K – LEASE ASSETS AND LEASE LIABILITIES**

In January 2018, the Authority entered into a second amendment to an existing lease agreement with Roter Investments, L.P. for commercial real estate. The second amendment extended the term of the original lease from November 1, 2018 to October 31, 2023, and requires monthly payments of \$13,613. During the fiscal year ended June 30, 2023, the decision was made to renew the lease for five additional years, and the fourth amendment was executed during November 2023. The fourth amendment extended the term of the original lease from November 1, 2023 through October 31, 2028, and calls for payments as follows: monthly payments of \$22,176 from November 1, 2023 through October 31, 2024; monthly payments of \$23,706 from November 1, 2024 through October 31, 2025; monthly payments of \$25,235 from November 1, 2025 through October 31, 2028.

This lease agreement qualifies as an other than short-term lease under GASB Statement No. 87 and therefore has been recorded at the present value of the future minimum lease payments at the beginning of the lease term and will be amortized over the term of the lease.

The lease liability was measured at a discount rate of 5.0%, which represents an estimate of the Authority's incremental borrowing rate during the year the Authority implemented GASB Statement No. 87, as no rate was stated in the lease.

Lease asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Governmental Activities				
Lease assets				
Commercial Real Estate	\$ 1,647,664	\$ -	\$ -	\$ 1,647,664
Less accumulated amortization				
Commercial Real Estate	(305,175)	(207,705)	-	(512,880)
Accumulated amortization				
Lease assets, net	\$ 1,342,489	\$ (207,705)	\$ -	\$ 1,134,784

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The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2024 were as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2025	\$ 240,533	\$ 51,277	\$ 291,810
2026	252,839	38,971	291,810
2027	265,775	26,035	291,810
2028	279,372	12,437	291,810
2029	96,265	1,005	97,270
	<u>\$ 1,134,784</u>	<u>\$ 129,724</u>	<u>\$ 1,264,508</u>

The following table illustrates the change in lease liabilities during the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
<u>Governmental Activities</u>					
Lease liability	\$ 1,342,489	-	\$ (207,705)	\$ 1,134,784	\$ 240,533

**NOTE L – COMMITMENTS**

Construction in Progress

As of June 30, 2024, the Authority's management estimates that construction in progress will require additional outlay of approximately \$4,810,000 to bring related projects to completion. The projects include, at the Reno-Sparks Convention Center the indoor track project (approximately \$3,000,000), LED lighting upgrades (approximately \$150,000), and roof replacement (approximately \$700,000), in addition to miscellaneous projects at the Reno-Sparks Convention Center, Reno Events Center, National Bowling Stadium, and the Reno-Sparks Livestock Event Center.

**Reno-Sparks Convention & Visitors Authority  
Required Supplementary Information (RRHBP)**

**June 30, 2024**

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

	2024	2023	2022	2021	2020	2019	2018
Changes in the OPEB Liability - RRHBP							
Service Cost	\$ 6,913	\$ 8,536	\$ 21,145	\$ 20,028	\$ 37,033	\$ 97,112	\$ 104,654
Interest	187,927	131,629	138,075	144,988	157,836	194,351	176,732
Changes in Benefit Terms	1,268,355		1,017,697	-	(375,899)	(1,074,956)	-
Difference between Expected and Actual Experience	96,074	(1,183,311)	4,143	90,985	331,622	140,965	(441,397)
Changes of Assumptions or Other Inputs	(432,375)	(364,603)	(277,799)	(248,246)	(218,572)	(201,745)	(233,531)
Benefit Payments							
Net Change in OPEB Liability - RRHBP	1,126,894	(1,407,749)	903,261	7,755	(67,980)	(844,273)	(393,542)
Total OPEB Liability, July 1	\$ 4,804,063	\$ 6,211,812	5,308,551	5,300,796	5,368,776	6,213,049	6,606,591
Total OPEB Liability, June 30	\$ 5,930,957	\$ 4,804,063	\$ 6,211,812	\$ 5,308,551	\$ 5,300,796	\$ 5,368,776	\$ 6,213,049
Covered-employee Payroll	10,065,703	8,615,337	3,995,759	3,387,825	4,883,962	4,922,982	6,295,011
OPEB Liability - RRHBP as a Percentage of Covered-employee Payroll	58.92%	55.76%	155.46%	156.69%	108.53%	109.06%	98.70%

The following table presents significant assumption changes for the last ten fiscal years\*:

	2024	2023	2022	2021	2020	2019	2018
Discount rate	3.65%	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Mortality assumptions	MacLeod Watts Scale 2022	MacLeod Watts Scale 2022	MacLeod Watts Scale 2022	MacLeod Watts Scale 2020	MacLeod Watts Scale 2020	MacLeod Watts Scale 2017	MacLeod Watts Scale 2018
Salary increase rate	3.00%	3.00%	3.00%	3.00%	3.00%	4.00%	4.00%
General inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%
Healthcare cost trends	6.00% declining to 3.90%	6.00% declining to 3.90%	5.80% declining to 3.90%	5.30% declining to 4.00%	5.30% declining to 4.00%	6.00% declining to 5.00%	6.25% declining to 5.00%
Excise tax	Excluded	Excluded	Excluded	Excluded	Excluded	Included	Included

\* Fiscal year 2018 was the first year of implementation for GASB 75. This schedule is intended to show information over a period of ten years. Information for additional years will be presented as it becomes available.

**Reno-Sparks Convention & Visitors Authority**  
**Required Supplementary Information**  
**June 30, 2024**

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 \*

	2024	2023	2022	2021	2020	2019	2018
Changes in the OPEB Liability - PEBP							
Service Cost	\$ 7,358	\$ 4,912	\$ 5,322	\$ 5,658	\$ 4,321	\$ 4,614	\$ 4,290
Interest	-	-	-	-	-	-	-
Changes in Benefit Terms	14,885	(38,588)	31,924	-	35,306	-	-
Difference between Expected and Actual Experience	(11,287)	(12,223)	(125)	2,981	28,437	2,337	(7,644)
Changes of Assumptions or Other Inputs			(11,510)	(11,156)	(9,407)	(9,349)	(9,259)
Benefit Payments							
Net Change in OPEB Liability - PEBP	10,956	(45,899)	25,611	(2,517)	58,657	(2,398)	(12,613)
Total OPEB Liability, July 1	185,553	231,452	205,841	208,358	149,701	152,099	164,712
Total OPEB Liability, June 30	\$ 196,509	\$ 185,553	\$ 231,452	\$ 205,841	\$ 208,358	\$ 149,701	\$ 152,099
Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OPEB Liability - PEBP as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The following table presents significant assumption changes for the last ten fiscal years\*:

Discount rate	2024 3.65%	2023 4.09%	2022 2.18%	2021 2.66%	2020 2.79%	2019 2.98%	2018 3.13%
Mortality assumptions	NV PERS 2021 Experience Study	NV PERS 2021 Experience Study	NV PERS 2021 Experience Study	NV PERS 2017 Experience Study	NV PERS 2017 Experience Study	RPH 2014 Annuitant, set	RPH 2014 Annuitant, set
General inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	forward 1 year	forward 1 year
Healthcare cost trends	6.5% declining to 3.9%	5.8% declining to 3.9%	5.8% declining to 3.9%	5.30% declining to 4.00%	5.30% declining to 4.00%	5.75% declining to 5.00%	6.00% declining to 5.00%

\* Fiscal year 2018 was the first year of implementation for GASB 75. This schedule is intended to show information over a period of ten years. Information for additional years will be presented as it becomes available.

**Required Supplementary Information**  
**June 30, 2024**

Schedule of the Authority's Share of the Net Pension Liability  
State of Nevada's Public Employees' Retirement System (PERS)  
Last Ten Fiscal Years \*

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%	76.3%
2015	0.10083%	11,554,489	6,044,073	191.17%	75.1%
2016	0.09896%	13,317,765	6,032,160	220.78%	72.2%
2017	0.08944%	11,894,750	5,761,493	206.45%	74.4%
2018	0.09517%	12,979,720	6,319,358	205.40%	75.2%
2019	0.06225%	8,488,629	4,282,211	198.23%	76.5%
2020	0.00584%	8,139,463	4,175,397	194.94%	77.0%
2021	0.04250%	3,875,924	3,045,746	127.26%	86.5%
2022	0.04775%	8,621,903	3,542,370	243.39%	75.1%
2023	0.10678%	19,491,103	8,313,418	234.45%	76.2%

Schedule of the Authority's Contributions  
State of Nevada's Public Employees' Retirement System (PERS)  
Last Ten Fiscal Years \*

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	25.8%
2016	839,072	839,072	-	6,032,160	13.9%
2017	802,299	802,299	-	5,761,493	13.9%
2018	883,137	883,137	-	6,319,358	14.0%
2019	599,634	599,634	-	4,282,211	14.0%
2020	609,422	609,422	-	4,175,397	14.6%
2021	444,858	444,858	-	3,045,746	14.6%
2022	525,335	525,335	-	3,542,370	14.8%
2023	1,235,816	1,235,816	-	8,313,418	14.9%
2024	1,617,992	1,617,992	-	9,659,653	16.8%

\* All contributions for fiscal years 2016-2024 reflect employee-paid contributions only; member contributions are excluded.

## **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, 2024**  
**(with comparative actual amounts for the year ended June 30, 2023)**

	2024 Budget		2024		2023
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 175,000	\$ 175,000	\$ 417,786	\$ 242,786	\$ 308,982
<b>EXPENDITURES</b>					
Debt service					
Principal	5,200,000	5,200,000	5,200,000	-	4,950,000
Interest	2,879,150	2,879,150	2,879,150	-	3,132,900
	8,079,150	8,079,150	8,079,150	-	8,082,900
Other bond costs					
Administrative fees	57,650	57,650	6,380	51,270	4,375
	57,650	57,650	6,380	51,270	4,375
Total expenditures	8,136,800	8,136,800	8,085,530	51,270	8,087,275
Excess (deficiency) of revenues over expenditures	(7,961,800)	(7,961,800)	(7,667,744)	294,056	(7,778,293)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	8,079,150	8,079,150	5,558,975	(2,520,175)	7,939,000
TOTAL OTHER FINANCING SOURCES (USES)	8,079,150	8,079,150	5,558,975	(2,520,175)	7,939,000
Net change in fund balances	117,350	117,350	(2,108,769)	(2,226,119)	160,707
FUND BALANCE, JULY 1	15,905,047	15,905,047	15,990,133	85,086	15,829,426
FUND BALANCE, JUNE 30	\$ 16,022,397	\$ 16,022,397	\$ 13,881,364	\$ (2,141,033)	\$ 15,990,133

# **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, 2024**  
**(with comparative actual amounts for the year ended June 30, 2023)**

	2024 Budget		2024		2023
	Original	Final	Actual	Variance to Final Budget	Actual
EXPENDITURES					
Capital outlay	\$ 4,293,000	\$ 5,663,000	\$ 5,260,167	\$ 402,833	\$ 3,359,538
Excess (deficiency) of revenues over expenditures	(4,293,000)	(5,663,000)	(5,260,167)	402,833	(3,359,538)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	4,293,000	8,846,617	4,360,396	(4,486,221)	6,444,939
Net change in fund balances	-	3,183,617	(899,771)	(4,083,388)	3,085,401
FUND BALANCE, JULY 1	1,263,461	1,263,461	9,138,454	7,874,993	6,053,053
FUND BALANCE, JUNE 30	<u>\$ 1,263,461</u>	<u>\$ 4,447,078</u>	<u>\$ 8,238,683</u>	<u>\$ 3,791,605</u>	<u>\$ 9,138,454</u>

# **INTERNAL SERVICE FUND**

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

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

**JUNE 30, 2024  
(with comparative totals at June 30, 2023)**

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and investments	\$ 193,048	\$ 192,347
Accounts Receivable	6,969	-
Due from other funds	<u>125,417</u>	<u>287,676</u>
TOTAL ASSETS	<u>325,434</u>	<u>480,023</u>
LIABILITIES		
Current liabilities		
Accounts payable	-	759
Accrued liabilities	<u>212</u>	<u>212</u>
TOTAL LIABILITIES	<u>212</u>	<u>974</u>
NET POSITION		
Restricted for claims	<u>\$ 325,222</u>	<u>\$ 479,052</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, 2024**  
**(with comparative actual amounts for the year ended June 30, 2023)**

	2024 Budget		2024		2023
	Original	Final	Actual	Variance to Final Budget	Actual
OPERATING REVENUES					
Charges for benefits	\$ 2,311,514	\$ 2,311,514	\$ 2,335,280	\$ 23,766	\$ 2,391,357
OPERATING EXPENSES					
Insurance and claims	2,617,808	2,617,808	2,443,250	174,558	2,096,906
Administrative expenses	53,760	53,760	45,860	7,900	42,000
TOTAL OPERATING EXPENSES	2,671,568	2,671,568	2,489,110	182,458	2,138,906
OPERATING INCOME (LOSS)	(360,054)	(360,054)	(153,830)	206,224	252,451
CHANGE IN NET POSITION	\$ (360,054)	\$ (360,054)	(153,830)	\$ 206,224	252,451
NET POSITION, JULY 1			479,052		226,601
NET POSITION, JUNE 30			\$ 325,222		\$ 479,052

**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, 2024**  
**(with comparative actual amounts for the year ended June 30, 2023)**  
**Page 1 of 2**

	2024 Budget		2024		2023
	Original	Final	Actual	Variance to Budget	Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from users	\$ 1,977,056	\$ 1,977,056	\$ 610,023	\$ (1,367,033)	\$ 376,591
Cash received from internal services provided	334,459	334,459	1,725,257	1,390,798	2,014,766
Cash paid to vendors for services and supplies	<u>(2,671,568)</u>	<u>(2,671,568)</u>	<u>(2,489,869)</u>	<u>181,699</u>	<u>(2,172,729)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(360,053)</u>	<u>(360,053)</u>	<u>(154,589)</u>	<u>205,464</u>	<u>218,628</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from (paid to) other funds	<u>-</u>	<u>-</u>	<u>155,290</u>	<u>155,290</u>	<u>(199,824)</u>
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>155,290</u>	<u>155,290</u>	<u>(199,824)</u>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<u>(360,053)</u>	<u>(360,053)</u>	<u>701</u>	<u>360,754</u>	<u>18,804</u>
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>544,500</u>	<u>544,500</u>	<u>192,347</u>	<u>(352,153)</u>	<u>173,543</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 184,447</u>	<u>\$ 184,447</u>	<u>\$ 193,048</u>	<u>\$ 8,601</u>	<u>\$ 192,347</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, 2024**  
**(with comparative actual amounts for the year ended June 30, 2023)**  
**Page 2 of 2**

	2024 Budget		2024		2023
	Original	Final	Actual	Variance to Final Budget	Actual
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (360,054)	\$ (360,054)	\$ (153,830)	\$ 206,224	\$ 252,451
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
(Increase) decrease					
Prepaid expenses	-	-	-	-	3,983
Increase (decrease)					
Accounts payable	-	-	(759)	(759)	-
Accrued liabilities	-	-	-	-	(19,678)
Total adjustments	-	-	(759)	(759)	(15,695)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (360,054)	\$ (360,054)	\$ (154,589)	\$ 205,465	\$ 236,756



# **COMPLIANCE SECTION**

## **Report of Independent Auditors 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***

The Board of Directors  
Reno-Sparks Convention & Visitors Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the budgetary statement for the general fund, and the aggregate remaining fund information of Reno-Sparks Convention & Visitors Authority (the Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Reno-Sparks Convention & Visitors Authority's basic financial statements, and have issued our report thereon dated August 22, 2025.

### **Report on 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) as a basis for designing 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 a 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Reno-Sparks Convention & Visitors Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Baker Tilly US, LLP*

Portland, Oregon  
August 22, 2025