City of Las Vegas

REDEVELOPMENT AGENCY ANNUAL FINANCIAL REPORT

A COMPONENT UNIT OF THE CITY OF LAS VEGAS

For the Fiscal Year Ended **June 30, 2023**

City of Las Vegas Redevelopment Agency

ANNUAL FINANCIAL REPORT

A Component Unit of the City of Las Vegas

For the Fiscal Year Ended **June 30, 2023**

Prepared By
City of Las Vegas
Department of Finance
Susan Heltsley, Director

INTRODUCTORY SECTION

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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LAS VEGAS
CITY COUNCIL

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January 8, 2024

To the Board of Directors, Residents and Stakeholders of the City of Las Vegas Redevelopment Agency:

State law requires that local governments provide a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants at the close of each fiscal year. Pursuant to that requirement, we hereby issue the annual financial report of the City of Las Vegas Redevelopment Agency (Agency) for the fiscal year ended June 30, 2023.

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 it has 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.

Crowe, LLP, a certified public accounting firm licensed and qualified to perform audits of state and local governments, have issued an unmodified opinion on the Agency's financial statements for the fiscal year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Agency

The Agency was established November 6, 1985, by the City Council of the City of Las Vegas, Nevada (the City). The mission of the Agency is to stimulate economic growth in decaying areas of the city. A seven-member Board comprised of the seven City Council members governs the Agency. On March 5, 1986, the Agency Board members adopted the Redevelopment Plan that specified the boundaries of the Redevelopment Area. Redevelopoment Area 1 encompasses 3,948 acres, and Redevelopment Area 2 spans almost 1,050 acres. The use of eminent domain and tax increment financing are the primary tools made available to the Agency to carry out the Redevelopment Plan.

The Agency is a blended component unit of the City's financial reporting entity and is included with the annual comprehensive financial report of the City. The purpose of a separate Agency annual financial report is to fulfill bond trust indenture requirements and the requirements of Nevada law.

The annual budget serves as the foundation for the Agency's financial planning and control. Annual appropriated budgets are adopted for the general and debt service funds. The Agency is required to submit requests for appropriation to the City of Las Vegas Finance Department on or before the first Tuesday in February each year for an Agency budget to be effective the following July 1. These requests are used as the starting point for developing a proposed budget. The tentative budget is submitted to the Department of Taxation by April 15. A public hearing is required by the third Tuesday of May and the final budget must be adopted by the Agency Board and filed with the Department of Taxation by June 1. The appropriated budget is prepared by fund, function (e.g., economic development) and department. The Agency Board may amend or augment the annual budget following the public hearing. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted on page 22 in the Basic Financial Statements and page 39 of the Other Supplementary Information.

Local Economy and Economic Factors. Fiscal year 2023 marked another step forward in the Las Vegas economy's recovery from the COVID-19 pandemic. Although the virus was still present, life and business had largely returned to normal. The City's revenue streams returned to pre-pandemic levels, and consolidated tax revenues reached an all-time high.

An all-time high unemployment rate of 31.7% for Las Vegas was reached in April 2020 as a result of the shutdown due to COVID-19. The April rate was much higher than the U.S. rate of 14.4% which reflected the dependence of the City on travel and entertainment, an industry shut down at the beginning of the pandemic. As of June 2023, the unemployment rate in Las Vegas had declined to 6.0% but continues to lag behind the U.S. rate of 3.6%.

The visitor volume to the Las Vegas area was 38.8 million for calendar year 2022 which was a 20.5% increase compared to 2021. It was down from the record high 42.5 million in calendar year 2019 (9.3%). Convention attendance more than doubled in 2022, from 2.2 million in 2021 to 5 million, as more conventions offered "in-person" experiences. Visitor volume continues to improve. From January to June 2023, 20.3 million people visited the Las Vegas area, which was a 4.1% decline from the same time period in 2019, and an increase of 9.4% from the same time period in 2022.

The City's office space vacancy rate stabilized through 2021 and improved to 15.3 percent by the end of 2022. In early 2023, the vacancy rate has declined further to 15.1 percent, suggesting that the work-from-home trend has peaked in Southern Nevada. The retail vacancy rate declined through 2022 and closed the year at 6.3 percent, the lowest level since 2008. Much of that momentum has continued into 2023 as vacancy sits at 6.1 percent with nearly 450,000 square feet of new space under construction. In 2019, the industrial market's vacancy rate stood at 6.6 percent, and it spiked to 7.6 percent at the end of 2020. That spike was short-lived, and in 2021 vacancy fell rapidly to 4.6 percent. In 2022, the vacancy rate continued to fall to 3.8 percent, the lowest rate since the mid-2000s. In early 2023, the industrial vacancy sits at 3.9 percent.

The City's population currently is estimated at 660,987. The entire Las Vegas valley currently houses close to 2.33 million residents.

The housing market saw housing prices fall during 2023 as the cost of borrowing increased. According to the Zillow Home Values Index, Las Vegas home values have fallen 5.2% from the prior year. Also per Zillow, the median monthly rent for an apartment in Las Vegas has decreased 4.4% over the past year. Assessed property values in the City rose 13.9% to $27.9 billion in fiscal year 2023. Additionally, assessed values in the city's redevelopment areas increased 11.2% to $1.95 billion. Given the aforementioned statistics, a 10.1% increase in tax increment property tax revenue is expected in fiscal year 2024.

Major Initiatives Completed by the Redevelopment Agency in Fiscal Year 2023

- This past year saw continued multifamily development in the Redevelopment project areas. Southern Land Company started construction on a high-rise mixed-use development in Symphony Park. The project features a 22 story high-rise building on Parcel C featuring 265 apartments, office space and retail space, and a five-story 275 apartment building on parcel D. The project will yield 540 new Class A apartment units, and 16,255 square feet of new commercial/retail space.

- Jackson Shaw purchased a 2.6 acre site in Symphony Park and will be developing two hotels. One of the hotels will be an AC by Marriott which will have 322 rooms. Additionally, Jackson Shaw will also develop an Element Hotel which features 119 rooms and meeting room space. Construction started November 27, 2023, with a planned opening of October 2025.

- In 2022, the City of Las Vegas entered into a lease agreement on 6,500 square feet of retail in the Promenade Garage in Symphony Park for Vic's, an Italian restaurant featuring live jazz, and a 20 foot replica of Vegas Vic on the building. Vic's opened February, 2023, and is a supper club with an Italian menu and a separate sports bar.

- An EPA Brownsfield grant for $2 million dollars was awarded to remediate parcels J/K, L North and M4 in Symphony Park.

- The new Library Branch in Enterprise Park will consist of approximately 35,000 square-feet and will be designed to seek LEED certification, using sustainable design and construction practices. Services and programing will focus on 21st century skill sets, including Critical Thinking and Problem Solving, Creativity and Innovation, Communication and Collaboration, Visual Literacy, Media Literacy, Entrepreneurial Literacy and Global Awareness. Ground breaking is scheduled for December 10, 2023 with the Ward 5 Council office.

Acknowledgements

The preparation of this report was made possible by the dedicated service of the staff of the City of Las Vegas Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report.

It is the goal of the Agency to stimulate economic growth by participating in and supporting major development in the redevelopment areas. The commitment and leadership of the Agency Board will ensure a bright future for those areas in need of revitalization.

Respectfully submitted,

Mike Janssen
Executive Director

Gary Ameling
Finance Officer

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Chairperson, Board Members and Executive Director
City of Las Vegas Redevelopment Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the City of Las Vegas Redevelopment Agency (the Agency), a component unit of the City of Las Vegas, Nevada as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency'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 and each major fund of the Agency, as of June 30, 2023, and the respective changes in financial position and the respective 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 Agency, 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.

Emphasis of Matters

As discussed in Note 13 to the financial statements, during the year ended June 30, 2023 the Agency adopted new accounting guidance, GASB Statement No. 96, *Subscription Based IT Arrangements*. The adoption resulted in recording right-to-use subscription assets and subscription liability. There was no impact to fund balance or net position as of July 1, 2022, as a result of adoption.

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.

(Continued)

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 Agency'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 Agency'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 Agency'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 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.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The debt service fund schedule of revenues, expenditures, and changes in fund balance-budget to actual 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, the debt service fund schedule of revenues, expenditures, and changes in fund balance-budget to actual 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 transmittal letter 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 dated January 8, 2024 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Costa Mesa, California
January 8, 2024

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The information presented in the "Management's Discussion and Analysis" is intended to be a narrative overview of the City of Las Vegas Redevelopment Agency (Agency) financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the accompanying basic financial statements.

The Agency is a blended component unit of the City of Las Vegas, Nevada (City). Separate financial information for the Agency is required to fulfill a bond trust indenture requirement and requirements of Nevada State law.

Financial Highlights

The Agency implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, effective July 1, 2022. This statement requires SBITA to be recognized and measured using facts and circumstances that existed at the beginning of the period of implementation. The implementation had no impact to beginning net position or fund balances, as such fiscal year 2022 balances have not been restated.

The liabilities on the Statement of Net Position of the Agency exceeded its assets at the close of fiscal year ended June 30, 2023, by $55,114,615 (*net position deficit*). The major amounts that make up the unrestricted deficit resulted from the Agency contributing in fiscal year ended June 30, 2009, $74,739,000 to the City of Las Vegas Capital Projects Fund for construction costs on the City's Performing Arts Center located within the Redevelopment Agency area, and $15,472,192 in fiscal year ended June 30, 2011, to the City of Las Vegas Capital Projects Fund for construction of the Mob Museum and Symphony Park. Additionally, on July 1, 2014, the Agency contributed net capital assets of $43,173,271 to the City of Las Vegas Municipal Parking Enterprise Fund.

- The Agency's total net position increased by $171,728 in fiscal year ended June 30, 2023.
- As of the close of the current fiscal year, the Agency's governmental funds reported combined ending fund balances of $29,296,988, a decrease of $3,333,849. Sixty-three (62.5%) percent of the ending fund balance, $18,297,950, is available for spending at the government's discretion (*unassigned*).
- As of June 30, 2023, the General Fund had total fund balance of $18,297,950. The full amount was unassigned. The debt service fund had $5,730,632 in restricted fund balance and $5,268,406 assigned for future debt service payments, for a total of $10,999,038.
- The Agency's total bonded debt decreased by $5,642,219 (5.7%) (net of unamortized premiums) during the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental financial information and the Auditors' Compliance Section in addition to the basic financial statements themselves.

Agency-wide financial statements. The *Agency-wide financial statements* are designed to provide readers with a broad overview of the Agency's finances. These statements include all assets, liabilities and deferred inflows/outflows of resources, using the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the fiscal year's revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, liabilities, revenues, and expenses are reported in these statements for some items that will result in cash flows in future periods.

The *statement of net position* presents information on all of the Agency's assets, liabilities and deferred inflows/outflows of resources with the net difference between the two reported as *net position* or *net deficit.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how the Agency's net position, revenues, and expenses have 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 fiscal periods (e.g., uncollected taxes).

The governmental activities of the Agency include economic development and assistance. The Agency does not have any business-type activities.

The Agency-wide financial statements can be found on pages 17 and 18 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency has only governmental fund types.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the agency-wide financial statements. However, unlike the Agency-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating an agency's near-term financing requirements.

As the focus of governmental funds is narrower than that of the Agency-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Agency-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provides a reconciliation on pages 19 and 21 to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Also presented for the General Fund is the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.

These governmental fund financial statements can be found on pages 19 through 23 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to have a full understanding of the data provided in the agency-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24 through 38 of this report.

Other information. In addition to the basic financial statements and accompanying notes, the report also presents certain Other Supplemental Financial Information relating to the Agency's budget for the debt service fund. The individual schedule provides budget-versus-actual comparisons and can be found in the Other Supplementary Information section on page 39 of this report.

Agency-wide Financial Analysis

Our Agency-wide analysis focuses on the net position and changes in net position for the Agency's governmental activities. A summary of the Agency's net position is as follows:

City of Las Vegas Redevelopment Agency
Summary of Net Position

	Governmental Activities	
	June 30, 2023	June 30, 2022
Current and other assets	$ 37,737,253	$ 42,571,207
Capital assets and right to use assets	5,002,507	6,171,457
Total assets	42,739,760	48,742,664
Deferred outflows:		
Deferred charges on refunding	7,909,939	9,039,929
Long-term liabilities	98,462,922	105,807,753
Other liabilities	7,301,392	7,228,771
	105,764,314	113,036,524
Deferred inflows:		
Deferred amounts related to leases	-	32,412
Net position:		
Net investment in capital assets	(202,695)	(103,937)
Restricted	5,386,058	5,234,123
Unrestricted (deficit)	(60,297,978)	(60,416,529)
Total net position (deficit)	$ (55,114,615)	$ (55,286,343)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At June 30, 2023, the Agency's liabilities and deferred inflows exceeded assets and deferred outflows by $55,114,615, of which $60,297,978 is unrestricted deficit.

Additionally, $5,386,058 represents resources that are subject to external restrictions on how they may be used and is, therefore, reported as *restricted*. The deficit in net position was brought about by the Agency issuing Redevelopment Tax Increment Bonds for $85,000,000 in 2009, and then contributing proceeds of $74,739,000 to the City of Las Vegas for construction costs on the City's Performing Arts Center. The remainder is due to the contributions for the construction of the Mob Museum, Symphony Park and other capital assets to the City of Las Vegas in prior years.

At the end of the fiscal year, the Agency is able to report a positive balance in the restricted category of net position for the Agency as a whole.

Governmental activities: Governmental activities increased the Agency's ending net position by $171,728. Key elements of this increase are as follows:

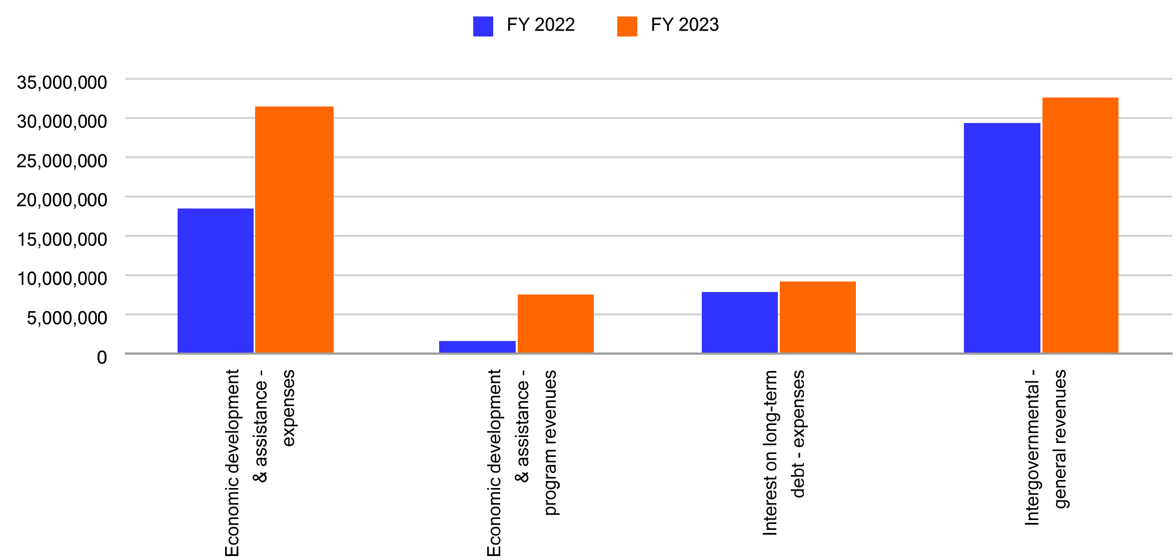
Summary of Activities
For the Years Ended

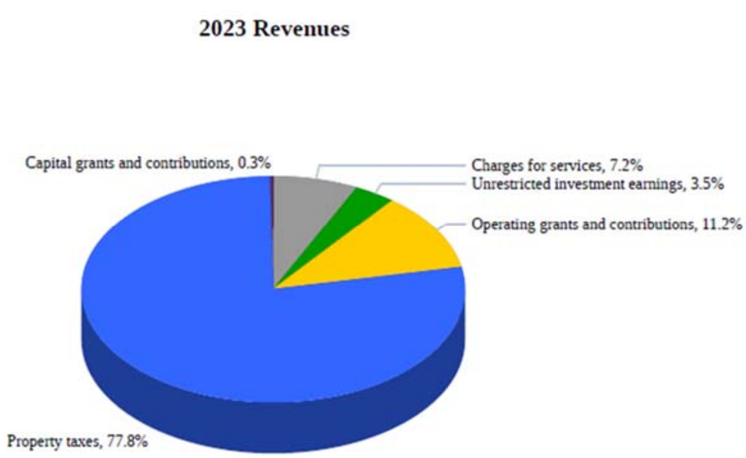
	Governmental Activities	
	June 30, 2023	June 30, 2022
Revenues:		
Program revenues:		
Charges for services	$ 1,995,328	$ 1,815,909
Operating grants and contributions	4,500,000	-
Capital grants and contributions	129,713	-
General revenues:		
Property Taxes	31,208,835	28,903,316
Unrestricted investment earnings	1,395,153	452,694
Gain on disposal of assets	585,228	-
Total revenues	39,814,257	31,171,919
Expenses:		
Economic development and assistance	31,555,194	18,611,272
Interest on long-term debt	8,087,335	7,803,321
Total expenses	39,642,529	26,414,593
Change in net position (deficit)	171,728	4,757,326
Net position (deficit) - July 1	(55,286,343)	(60,043,669)
Net position (deficit) - June 30	$ (55,114,615)	$ (55,286,343)

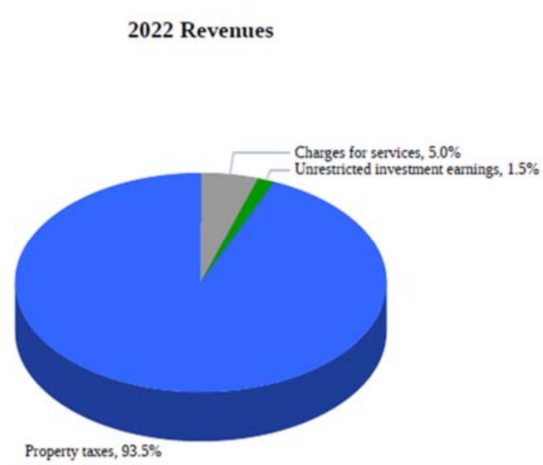
Property tax revenues increased by $2,305,519 or 8.0% as compared to the prior fiscal year, due to an increase in property values.

The Agency had Economic development and assistance expenses of $31,555,194. The larger expenses consisted of the following: $5,576,167 was contributed to the City of Las Vegas for housing and education set-aside; $5,640,000 to the City of Las Vegas for payroll related expenses and allocation of indirect costs for the Agency; $3,500,000 to the City of Las Vegas for Fremont Street Marshal Patrols and Downtown Ranger Support and operations and maintenance on Fremont Street; $9,880,562 to the City of Las Vegas CIP funds for various construction projects of Las Vegas.

Economic development and assistance expenses increased by $12,943,922. The change was mainly due to a contribution to Las Vegas CIP funds of $9,880,562. Indirect costs are those costs incurred by City of Las Vegas' divisions that benefit the Agency such as finance, human resources, and city attorney. In prior years, indirect costs were calculated as a percentage of payroll expenditures. In fiscal year 2020, the City engaged a consulting firm to prepare an indirect cost allocation plan that better identified (1) the City divisions that provide support to other divisions and (2) the allowable actual expenditures of those supporting divisions. This new allocation plan became effective for fiscal year 2022. The Agency's contribution to the City for housing and education set-aside increased by approximately $900,000 driven by an increase in property tax revenues.







Financial Analysis of Agency's Funds

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

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

At June 30, 2023, the Agency's governmental funds reported combined ending fund balances of $29,296,988, a net a decrease of $3,333,849 in comparison with the prior year. Approximately 18.0% of the fund balance, or $5,268,406 has been assigned for future debt service payments and 62.5%, or $18,297,950 constitutes *unassigned fund balance*, which is available for spending at the Agency's discretion. The remaining fund balance of $5,730,632, is *restricted* to indicate it is not available for new spending because it has already been restricted for debt service reserves.

The General Fund is the chief operating fund of the Agency. At the end of the current fiscal year, total fund balance of the general fund was $18,297,950, all of which was unassigned.

During the fiscal year, the fund balance of the Agency's general fund had a net decrease from current year activity of $8,243,422 compared to a $1,292,198 increase in the prior year. The key factors contributing to the change include an increase in property tax collections, which resulted from an increase in the assessed values of the Agency and a CIP contribution of $9,880,562.

The Debt Service Fund has an ending fund balance of $10,999,038, which included $5,730,632 restricted for debt service reserves and $5,268,406 assigned for future debt service payments.

General Fund Budgetary Highlights

There were no amendments to the budget for the year ended June 30, 2023. The General Fund had a final budget for economic development and assistance expenditures of $64,703,165 for the fiscal year. The fund's actual expenditures were less than budgeted expenditures by $34,831,116.

Capital Assets

At June 30, 2023 and 2022, the Agency had $4,994,092 and $6,425,913 in intangible right to use assets, net of amortization, respectively. At June 30, 2023 and 2022, the Agency also had $8,415 and $10,251 in equipment, net of depreciation, respectively, which comprised of fences acquired to protect land parcels held for sale from vandalism and homeless encampments. Additional information on the Agency's capital assets can be found in Note 7 on page 32 of this report.

Debt Administration

Long-term debt: At the end of the current fiscal year, the Agency had total bonded debt, lease subscriptions and loans payable of $105,286,884 including unamortized premiums. The Agency's long-term debt is payable from ad valorem tax levied against the incremental assessed value for all taxable property within the redevelopment area.

City of Las Vegas Redevelopment Agency
Outstanding Debt Obligations

	June 30, 2023	June 30, 2022
Debt obligations (including unamortized original issue premiums)	$ 105,286,884	$ 112,812,667

The Agency's total net debt decreased by $7,525,783 or 6.7% (debt obligations including unamortized premiums) during the fiscal year. The decrease is due to current year debt payments.

The Agency's overall bond credit rating with Standard & Poor's was BBB+.

Additional information on the Agency's long-term debt can be found in Note 10 on pages 34-36 of this report.

Economic Factors

For fiscal year 2023, the incremental valuation (assessed value) of the Agency is $1,752,478,622, with a tax rate of $2.4298 apportioned to the Agency per $100 of assessed value. The incremental valuation increased $217,503,822 from 2022.

Requests for Information

The financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Department of Finance, Director of Finance, 495 South Main Street, Las Vegas, Nevada, 89101.

BASIC FINANCIAL STATEMENTS

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2023

		GOVERNMENTAL ACTIVITIES
ASSETS		
Cash and investments	$	22,681,041
Receivables:		
Accounts		9,394
Interest		122,148
Property taxes		933,073
Loans		7,382,661
Land held for resale		878,304
Restricted investments		5,730,632
Capital assets:		
Equipment, net of depreciation		8,415
Right to use assets, net of amortization		4,994,092
Total assets		42,739,760
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding		7,909,939
LIABILITIES		
Current portion on bonds and loans payable		6,317,260
Current portion on lease liability		481,561
Current portion on software subscription liability		25,141
Accounts payable		80,902
Interest payable		344,574
Due to other governments		51,954
Due in more than one year - bonds, leases, software subscriptions and loans payable		98,462,922
Total liabilities		105,764,314
Net position:		
Net investment in capital assets		(202,695)
Restricted for:		
Debt service		5,386,058
Unrestricted (deficit)		(60,297,978)
Total net position (deficit)	$	(55,114,615)

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Functions/Programs					
Governmental activities:					
Economic development and assistance	$ 31,555,194	$ 1,995,328	$ 4,500,000	$ 129,713	$ (24,930,153)
Interest	8,087,335	-	-	-	(8,087,335)
Total governmental activities	$ 39,642,529	$ 1,995,328	$ 4,500,000	$ 129,713	$ (33,017,488)
General revenues:					
Property taxes					31,208,835
Unrestricted investment earnings					1,395,153
Gain on disposal of assets					585,228
Total general revenues					33,189,216
Change in net position					171,728
Net position (deficit) - July 1					(55,286,343)
Net position (deficit) - June 30					$ (55,114,615)

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash, cash equivalents and investments	$ 17,435,875	$ 5,245,166	$ 22,681,041
Restricted investments	-	5,730,632	5,730,632
Receivables:			
Accounts	9,394	-	9,394
Interest	98,908	23,240	122,148
Property taxes	933,073	-	933,073
Loans	7,382,661	-	7,382,661
Land held for resale	878,304	-	878,304
Total assets	$ 26,738,215	$ 10,999,038	$ 37,737,253
LIABILITIES, DEFERRED INFLOWS OF RESOURCES			
Liabilities:			
Accounts payable	$ 80,902	$ -	$ 80,902
Due to other governments	51,954	-	51,954
Total liabilities	132,856	-	132,856
Deferred inflows of resources:			
Unavailable revenue - property tax	924,748	-	924,748
Unavailable revenue - loans	7,382,661	-	7,382,661
Total deferred inflow of resources	8,307,409	-	8,307,409
Total liabilities and deferred inflows of resources	8,440,265	-	8,440,265
FUND BALANCES			
Restricted for:			
Debt service	-	5,730,632	5,730,632
Assigned for:			
Debt Service	-	5,268,406	5,268,406
Unassigned	18,297,950	-	18,297,950
Total fund balances	18,297,950	10,999,038	29,296,988
Total liabilities, deferred inflows of resources and fund balances	$ 26,738,215	$ 10,999,038	$ 37,737,253

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - total governmental funds.	$	29,296,988
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		5,002,507
Long-term liabilities, including bonds payable and leases, are not due and payable in the current period and, therefore, are not reported in the funds.		(97,721,519)
Delinquent property taxes receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		924,748
Loans receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		7,382,661
Net position (deficit) of governmental activities.	$	(55,114,615)

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	GENERAL FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property taxes	$ 30,978,703	$ -	$ 30,978,703
Interest earnings	1,060,050	335,103	1,395,153
Intergovernmental	188,192	4,500,000	4,688,192
Other reimbursements	-	1,150,000	1,150,000
Miscellaneous	786,849	-	786,849
Total revenues	33,013,794	5,985,103	38,998,897
EXPENDITURES			
Current:			
Economic development and assistance	29,205,770	-	29,205,770
Debt Service:			
Principal retirement	550,520	5,642,219	6,192,739
Interest and fiscal charges	86,154	7,433,311	7,519,465
Capital Outlay:			
Economic development and assistance	29,605	-	29,605
Total expenditures	29,872,049	13,075,530	42,947,579
Excess (deficiency) of revenues over (under) expenditures	3,141,745	(7,090,427)	(3,948,682)
Other financing sources (uses):			
Transfers out	(12,000,000)	-	(12,000,000)
Transfers in	-	12,000,000	12,000,000
Software subscriptions issued	29,605	-	29,605
Gain on disposal of assets	585,228	-	585,228
Total other financing sources (uses)	(11,385,167)	12,000,000	614,833
Net change in fund balance	(8,243,422)	4,909,573	(3,333,849)
Fund balance, July 1	26,541,372	6,089,465	32,630,837
Fund balance, June 30	$ 18,297,950	$ 10,999,038	$ 29,296,988

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds.	$ (3,333,849)
Deferred loan proceeds in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund.	(1,700,146)
Certain property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the fund.	230,132
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation and amortization expense.	(649,278)
Repayment of the principal of long-term debt, leases and software subscriptions consumes the current financial resources of government funds, but does not have any affect on net position.	6,192,739
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.	(567,870)
Change in net position of governmental activities.	$ 171,728

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Property taxes	$ 34,000,000	$ 34,000,000	$ 30,978,703	$ (3,021,297)
Interest earnings	199,965	199,965	1,060,050	860,085
Intergovernmental	362,456	362,456	188,192	(174,264)
Miscellaneous	792,664	792,664	786,849	(5,815)
Total revenues	35,355,085	35,355,085	33,013,794	(2,341,291)
Expenditures:				
Current:				
Economic development and assistance	52,703,165	52,703,165	29,205,770	23,497,395
Debt service:				
Principal retirement	-	-	550,520	(550,520)
Interest and fiscal charges	-	-	86,154	(86,154)
Capital outlay:				
Economic development and assistance	12,000,000	12,000,000	29,605	11,970,395
Total expenditures	64,703,165	64,703,165	29,872,049	34,831,116
Excess of revenues over expenditures	(29,348,080)	(29,348,080)	3,141,745	32,489,825
Other financing sources (uses):				
Transfers out	(12,000,000)	(12,000,000)	(12,000,000)	-
Bond proceeds	20,000,000	20,000,000	-	(20,000,000)
Software subscriptions issued	-	-	29,605	29,605
Gain on disposal of assets	-	-	585,228	585,228
Total other financing uses	8,000,000	8,000,000	(11,385,167)	(19,385,167)
Net change in fund balance	(21,348,080)	(21,348,080)	(8,243,422)	13,104,658
Fund balance, July 1	26,468,601	26,468,601	26,541,372	72,771
Fund balance, June 30	$ 5,120,521	$ 5,120,521	$ 18,297,950	$ 13,177,429

1. Summary of significant accounting policies

The basic financial statements of the City of Las Vegas Redevelopment Agency (hereafter referred to as the Agency) have been prepared in conformity with generally accepted accounting principles in the United States as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. Reporting entity

The Agency is a blended component unit of the City of Las Vegas, Nevada's financial reporting entity and is included in the comprehensive annual financial report of the City of Las Vegas, Nevada (City). The purpose of a legally separate Agency component unit financial report is to fulfill a bond trust indenture requirement and the requirements of the Nevada Revised Statutes (NRS). The financial statements of the Agency are not intended to present fairly the financial position and results of operations of the City of Las Vegas. Only the accounts of the Agency are included in the reporting entity.

On November 6, 1985, the City Council of the City of Las Vegas, acting pursuant to the provisions of the Nevada Community Redevelopment Law (NRS 279.382 to 279.680, inclusive), created the Agency by resolution. City Council members also serve as members of the Board of Directors for the Agency.

On March 5, 1986, the official Redevelopment Plan was adopted to facilitate redevelopment efforts for the downtown Las Vegas area.

B. Agency-wide and fund financial statements

The Agency-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Agency. The effect of interfund activity has been removed from these statements. The Agency engages only in governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The Agency has no proprietary funds or fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

The Agency-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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 Agency considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, are recorded only when payment is due.

Property taxes, intergovernmental revenues and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Capital grants and contributions are recognized when earned and billable. All other revenue items are considered measurable and available only when cash is received by the Agency.

1. Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting and financial statement presentation (continued)

The Agency reports the following major governmental funds:

The *General Fund* is the Agency's operating fund. It accounts for financial resources of the Agency that are not required to be reported in other funds.

The *Debt Service Fund* accounts for the resources (ad valorem property tax) accumulated and payments made for principal and interest on long-term tax increment revenue debt of governmental funds.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources, as they are needed**.**

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash, cash equivalents and investments

Cash equivalents include currency on hand, demand deposits with banks and other highly liquid investments with original maturities of three months or less from the date of acquisition, which are readily convertible to cash. Investments include short-term investments that are easily converted to cash and long-term investments with a maturity of more than three months when purchased. All investments are recorded at estimated fair value.

The Nevada Revised Statutes (NRS) authorize the Agency to invest in obligations of the U.S. Government and its agencies, local government investment pool, commercial paper, corporate bonds, mutual funds, repurchase agreements or other securities in which commercial banks may legally invest money.

2. Property taxes receivable

The Agency's primary source of revenue is ad valorem property tax. The Nevada Tax Commission must certify all tax rates on June 25, the levy date, and property is liened on July 1. Property taxes are levied in July and are payable to the County Treasurer in four equal installments during August, October, January and March. Apportionment of taxes by Clark County to the Agency is made in the calendar quarters of September, December, March and June.

The Agency receives that portion of ad valorem tax, which is produced by the rate at which the tax is levied each year by all taxing entities in the redevelopment area. This tax is applied to that portion of the assessed valuation of all taxable property in the redevelopment area, which is in excess of the amount of the assessed valuation as certified by the Clark County Tax Assessor for the 1986 fiscal year. For fiscal year 2023, the incremental valuation (assessed value) was $1,752,478,622 with a tax rate of $2.4298 apportioned to the Agency per $100 of assessed value.

3. Loans receivable

Loans receivable represent amounts due from Fremont Street Experience, LLC.

4. Intergovernmental receivables/payables

Intergovernmental receivables and payables represent current amounts due from or payable to the City and other governmental agencies.

1. Summary of significant accounting policies (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

5. Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two resources: property taxes and loans receivable. These amounts are recognized as an inflow of resources in the period that the amounts become available. In addition, the Agency reports deferred inflows of resources related to lease agreements entered into as a lessor. These amounts are deferred and recognized as an inflow of resources in a systematic manner over the term of the lease.

6. Restricted assets

Resources set aside for repayment of debt are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and are required by bond covenants to make up potential future deficiencies in debt service payments.

7. Land held for resale

Land held for resale is recorded at fair value.

8. Capital assets

Capital assets, which include equipment, buildings, and other intangible assets are reported in the applicable governmental activities column in the Agency-wide financial statements. Capital assets are defined by the Agency as assets with an initial individual cost of more than $5,000 for tangible assets and $10,000 for intangible assets and an estimated useful life in excess of one year. As the Agency acquires assets each period, they are capitalized and reported at historical cost (except for intangible right to use leased assets, the measurement of which is discussed in Note 1.D.10). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Agency are depreciated using the straight-line method over the estimated useful life:

Asset	Years
Equipment	7-10
Intangible right to use asset – Buildings	2-16
Intangible right to use asset – Software	6-12

9. Long-term Obligations

In the Agency-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Initial-issue bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the unamortized portion of applicable premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1. Summary of significant accounting policies (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

10. Leases

Lessee: The Agency is a lessee for three noncancellable leases of buildings. The Agency recognizes a lease liability and an intangible right to use leased asset in the Agency-wide financial statements. The Agency recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

• The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.

• The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Agency is reasonably certain to exercise.

The Agency 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.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

11. Software subscriptions

The Agency has entered into two noncancellable software subscriptions. The Agency recognizes a subscription liability and an intangible right to use subscription asset in the Agency-wide financial statements. The Agency recognizes subscription liabilities with an initial, individual value of $10,000 or more.

At the commencement of the software subscription, the Agency initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of payments made. The intangible asset is initially measured as the sum of the initial amount of the subscription liability, payments made at or before the subscription commencement date, and capitalizable implementation costs, less any incentives received from the vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the lesser of its useful life or the subscription term.

Key estimates and judgments related to software subscriptions include how the Agency determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments

- The Agency uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for software subscriptions

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the liability are composed of fixed payments.

Summary of significant accounting policies (continued)

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

11. Subscription payable (continued)

The Agency monitors changes in circumstances that would require a remeasurement of its software subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

12. Net position

In the Agency-wide financial statements, net position is reported in three categories: net investment in capital assets, restricted and unrestricted. Restricted net position represents net position restricted by parties outside of the Agency (such as creditors, grantors, contributors, laws and regulations of other governments). All other net position is considered unrestricted.

13. Fund balance policies

In the fund financial statements, fund balance is reported in classifications in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

Nonspendable fund balance includes amounts that cannot be spent because, either it is 1) not in a spendable form, such as inventory and prepaid items, or 2) legally or contractually required to be maintained intact.

Restricted fund balance is externally (outside the Agency) enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.

Committed fund balance is self-imposed limitations imposed at the highest level of decision-making authority, namely, Mayor and Council. Mayor and Council approval is required to commit resources or to rescind the commitment.

Assigned fund balance represents limitations imposed by management. Assigned fund balance requests are submitted to the Chief Financial Officer for approval/non-approval.

Unassigned fund balance represents the residual net resources in excess of the other classifications.

The General fund is the only fund that can report a positive unassigned fund balance and any governmental fund can report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for specific resources, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

14. Estimates

The preparation of financial statements in conformance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. Reconciliation of agency-wide and fund financial statements

A. Explanation of certain differences between Governmental Funds Balance Sheet and the Agency-wide Statement of Net Position

The Governmental Funds Balance Sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the Agency-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The detail of this $97,721,519 difference is as follows:

Debt obligations	$	93,783,878
Lease liability		4,936,349
Subscription liability		268,853
Unamortized original issue premiums (amortized over the life of the bonds to interest expense)		6,297,804
Accrued interest payable		344,574
Deferred charges on refunding (to be amortized as interest expense and fiscal charges)		(7,909,939)
Net adjustment to decrease fund balance total governmental funds to arrive at net position - governmental activities	$	97,721,519

B. Explanation of certain differences between Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balance and the Agency-wide Statement of Activities

The Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the Agency-wide Statement of Activities.

One element of that reconciliation states "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." The detail of this $567,870 difference is as follows:

Amortization of bond premium	$	548,665
Amortization of the deferred charge on refunding		(1,129,990)
Change in accrued interest		13,455
Net Adjustment to decrease fund balance total governmental Funds to arrive at net position - governmental activities	$	(567,870)

3. Stewardship and legal compliance

A. Budgetary information

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the general and debt service funds. The budget is filed with the Nevada Department of Taxation, a branch of the state government charged with the responsibility to oversee local government finances. The Agency Board of Directors approves annual appropriated budgets by expenditure categories; however, expenditures for all governmental fund types are controlled at the function level as prescribed by law.

By the first Tuesday in February of each year, Agency staff submits appropriation requests to the City's Financial Services Division for the preparation of an Agency budget to be effective the following July 1. The budget is prepared by fund, function and activity and includes information on the prior year, current year estimates and requested appropriations for the next fiscal year.

A tentative budget is submitted to the Nevada Department of Taxation by April 15. A public hearing is required on the third Tuesday of May and the final budget must be adopted by the Agency Board and filed with the Department of Taxation by June 1.

The Agency Board may amend or augment the annual budget following a public hearing. In any legislative year the State of Nevada Legislature increases the revenues of any local government, and such increase was not anticipated and included in the final budget, the local government may amend the final budget before August 15 and file such amended budget with the Department of Taxation increasing budgeted revenues and expenditures (NRS 354.599). An augmented budget is approved and filed when the total revenues and corresponding expenditures change. All budget appropriations lapse at the end of each fiscal year.

The General fund debt service function exceeded appropriations by $636,674. The excess was for expenditures associated with the implementation of GASB Statement No. 96, *Subscription Based IT arrangements*, effective for fiscal years beginning after June 15, 2022. Subscription expenditures such as capital outlay, and principal and interest payments were unknown at the time of budget preparation.

The Debt Service Fund expenditures exceeded appropriations by $156,464. The excess was associated with debt service expenditures. However, Nevada Revised Statute 354.626(1) states that expenditures over appropriations for debt repayment does not constitute a violation of law.

B. Legal compliance

The Agency complied with all statutory, administrative code and bond covenants requirements during the year.

4. Cash, cash equivalents and investments

Reconciliation of cash, cash equivalents and investments for government-wide financial statements:

	Unrestricted	Restricted	Total
Cash on deposit	$ 811,123	$ -	$ 811,123
Money market fund	21,789,295	5,730,632	27,519,927
Local government investment pool	80,623	-	80,623
Total cash, cash equivalents and investments	$ 22,681,041	$ 5,730,632	$ 28,411,673

As of June 30, 2023, the Agency has the following cash, cash equivalents and investments:

Investment Type	Market Value	Weighted-Average Maturity Years	Investment Maturity 1 - 30 Days
Money market fund	$ 27,519,927	0.003	$ 27,519,927
Local government investment pool	80,623	0.003	80,623
Total	$ 27,600,550		$ 27,600,550

5. Cash, cash equivalents and investments (continued)

Interest rate risk: In accordance with the City of Las Vegas investment policy, which applies to assets held for, or on behalf of the Agency, the Agency manages its exposure to declines in fair value by limiting the weighted-average maturity of its investment portfolio to less than 3.5 years.

Credit risk: Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies (i.e., FNMA, FHLB, etc.), corporate bonds rated "A" or better by a nationally recognized rating service, commercial paper rated "A-1", "P-1" by a nationally recognized rating services, repurchase agreements, certificates of deposit, money market mutual funds rated "AAA" by a nationally recognized rating services or other securities in which banking institutions may legally invest, State of Nevada Local Government Pooled Funds or collateralized investment contracts. The Agency has adopted the state statutes for its investing policies to minimize its credit risk.

Investment Type	Market Value	Minimum Legal Rating	Year End Rating
Money market fund	$ 27,519,927	AAA	AAA
Local government investment pool	80,623	N/A	N/A
	$ 27,600,550		

Concentration of credit risk: The investment policy allows for investments as follows (1) U.S. Treasury, money market funds and agencies, no limit; (2) Repurchase agreements, 20% of portfolio; (3) commercial paper, 25% of portfolio with a 10% per issue limit; (4) corporate notes, 25% of portfolio with a 10% per issue limit; and (5) certificates of deposit, 25% of portfolio with a 10% per issue limit. To reduce the overall portfolio risks, the Agency will diversify its investments by security type and institution. As of June 30, 2023, more than 5% of the Agency's investments are in the Morgan Stanley Institutional Liquidity Funds Treasury Portfolio. This investment is 99.7% of total investments.

Custodial credit risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency's investments are registered and the securities are held by the Agency's agent in the Agency's name, minimizing the Agency's custodial credit risk.

Custodial credit risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency has a deposit policy for custodial credit risk requiring all money deposited with a bank, savings and loan, savings bank or credit union in excess of the amount of federal insurance to be fully collateralized. As of June 30, 2023, the Agency had a cash balance per books of $811,123 and a bank balance of $886,123. The bank balances were not exposed to custodial credit risk because they were collateralized with securities held in the name of the Agency at a third party depository on behalf of the Agency.

Fair Value – Investments: The State of Nevada Local Government Investment Pool (LGIP) is an external investment pool administered by the Treasurer of the State of Nevada with oversight provided by the Board of Finance. The LGIP operates in accordance with all applicable NRS. The reported fair value of the Agency's investment pool is based upon the Agency's pro-rata share of the fair value provided by LGIP. As of June 30, 2023, the Agency held $80,623 in the LGIP. The LGIP fair value factor of 0.997200445 was used to calculate the fair value of the investments in the LGIP.

The Agency categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles.

- Level 1 – Inputs are quoted prices in active markets for identical assets;
- Level 2 – Inputs are significant other observable inputs, except for land held for resale, which is valued using Clark County assessed values; and
- Level 3 – Inputs are significant unobservable inputs.

5. Cash, cash equivalents and investments (continued)

The Agency has the following recurring fair value measurements as of June 30, 2023:

Investment Type	Market Value	Level 1 Inputs	Level 2 Inputs
Money market fund	$ 27,519,927	$ 27,519,927	$ -
Local government investment pool	80,623	31,846	48,777
Land held for resale	878,304	-	878,304
	$ 28,478,854	$ 27,551,773	$ 927,081

The Agency does not have any investments that are measured using Level 3 inputs.

6. Loans receivable

The Agency has loans receivable as follows:

- Fremont Street Experience, LLC for $2,270,504. The note bears interest at 7.62%, with monthly payments of principal and interest of $57,950 that started on June 30, 2017, and matures January 31, 2026. The annual total payments received for the year were $695,400, with principal of $550,146 and interest of $142,254. The note carried a balance of $1,603,929 at June 30, 2023.

- Fremont Street Experience, LLC for $11,218,732. The note bears interest ranging between 2.50% and 3.60%. Principal and interest payments commenced on December 1, 2018. The note matures June 1, 2028. The annual total payments received for the year were $1,409,428, with principal of $1,150,000 and interest of $259,428. The note carried a balance of $5,778,732 at June 30, 2023.

7. Capital assets and right to use assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Beginning Balance*	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets being depreciated:				
Equipment	$ 18,360	$ -	$ -	$ 18,360
Intangible right to use assets - buildings	6,711,178	-	(813,984)	5,897,194
Intangible right to use assets - software	264,707	29,605	-	294,312
Total capital assets being depreciated/amortized	6,994,245	29,605	(813,984)	6,209,866
Less accumulated depreciation for:				
Equipment	(8,109)	(1,836)	-	(9,945)
Less accumulated amortization for:				
Intangible right to use assets - buildings	(549,972)	(622,423)	-	(1,172,395)
Intangible right to use assets - software	-	(25,019)	-	(25,019)
Total depreciation and amortization	(558,081)	(649,278)	-	(1,207,359)
Governmental activities capital assets, net	$ 6,436,164	$ (619,673)	$ (813,984)	$ 5,002,507

Depreciation and amortization expense is recorded in the Statement of Activities as follows:

Governmental activities:	
Economic development and assistance	$ 649,278

* Beginning balances as of July 1, 2022, have been adjusted to reflect the implementation of GASB 96. The changes are restricted to the right to use assets - software.

8. Lease commitments

Lease Payables

The Agency has entered into three lease arrangements involving real property. One of the leases ended January 2023. The remaining two leases have interest rates of 0.2180 percent and 1.5120 percent, and a remaining estimated life of seven and fourteen years, respectively. The Agency made principal and interest payments of $525,061 and $79,192, respectively.

One of the real property leases was remeasured during fiscal year 2023, resulting in a decrease of liability and right-to-use asset of $813,984.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Principal and interest requirements to maturity

	Governmental Activities		
Year Ending	Principal Payments	Interest Payments	Total Payments
2024	$ 481,561	$ 79,471	$ 561,032
2025	507,945	69,685	577,630
2026	535,626	59,363	594,989
2027	480,231	48,641	528,872
2028	249,877	42,605	292,482
2029-2033	1,448,353	151,060	1,599,413
2034-2037	1,232,756	34,236	1,266,992
	$ 4,936,349	$ 485,061	$ 5,421,410

9. Subscriptions Payable

For the year ended June 30, 2023, the financial statements include adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosure below.

The Agency has two software subscriptions. The subscriptions have interest rates of 2.33 and 2.99 percent, and an estimated remaining life of five and eleven years. The total principal and interest payments were $25,459 and $6,961, respectively.

The future principal and interest subscription payments as of June 30, 2023, were as follows:

Principal and interest requirements to maturity

Year Ending	Principal Payments	Interest Payments	Total Payments
2024	$ 25,141	$ 7,587	$ 32,728
2025	26,204	6,854	33,058
2026	27,319	6,091	33,410
2027	28,490	5,298	33,788
2028	29,718	4,473	34,191
2029-2033	129,654	10,446	140,100
2034	2,327	8	2,335
	$ 268,853	$ 40,757	$ 309,610

10. Long-term debt

A. Reserve

The Agency bonds (Tax Increment Revenue Bonds) do not constitute a debt or indebtedness of the Agency within the meaning of any constitutional or statutory provision or limitation and are not a general obligation of the Agency. The Agency has no taxing power. The Agency's long-term debt is payable from ad valorem property tax levied against the incremental assessed value for all taxable property within the redevelopment area. The debt is designated as Tax Increment Revenue Bonds. As security, $5,730,632 has been deposited in a reserve account with the Agency's trustee.

B. Changes in long-term debt

The following schedule summarizes the changes in general long-term debt:

	Original Issue	Balance July 1, 2022*	Additions	Deletions	Balance June 30,2023	Due Within One Year
3.0% to 5.0% Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2016, due 06/15/2045	$ 83,400,000	$ 77,930,000	$ -	$ (1,985,000)	$ 75,945,000	$ 2,080,000
Direct Borrowings:						
Average earning rate of the City's Sanitation Fund, due 06/01/2027	15,472,192	7,736,097	-	(1,547,219)	6,188,878	1,547,219
2.5% to 3.6% Loan Payable to the City's Debt Service Fund, due 06/01/2028	21,615,000	13,760,000	-	(2,110,000)	11,650,000	2,175,000
	120,487,192	99,426,097	-	(5,642,219)	93,783,878	5,802,219
Add: Issuance Premiums		6,846,469	-	(548,665)	6,297,804	515,041
		106,272,566	-	(6,190,884)	100,081,682	6,317,260
Lease liability		6,275,394	-	(1,339,045)	4,936,349	481,561
Software subscription liability		264,707	29,605	(25,459)	268,853	25,141
Total leases and long term debt		$ 112,812,667	$ 29,605	$ (7,555,388)	$ 105,286,884	$ 6,823,962

The $1,339,045 reduction in lease liability is a combination of the $525,061 in principal payments and the $813,984 remeasurement on one of the real property leases.

* Beginning balances as of July 1, 2022, have been adjusted to reflect implementation of GASB 96. The changes are restricted to the software subscription liability.

10. Long-term debt (continued)

C. Annual debt service requirements to maturity

Annual debt service requirements to maturity for the Agency's bonds and loans at June 30, 2023, are as follows:

	Government Activities						
	Direct Borrowing Loans		Tax Increment Revenue Bonds		Total Bonds and Loans		
Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Total
2024	$ 3,722,219	$ 504,849	$ 2,080,000	$ 3,503,481	$ 5,802,219	$ 4,008,330	$ 9,810,549
2025	3,792,219	407,541	2,185,000	3,399,481	5,977,219	3,807,022	9,784,241
2026	3,872,219	305,642	2,295,000	3,290,231	6,167,219	3,595,873	9,763,092
2027	3,957,221	199,821	2,410,000	3,175,481	6,367,221	3,375,302	9,742,523
2028	2,495,000	89,820	2,530,000	3,054,981	5,025,000	3,144,801	8,169,801
2029 - 2033	-	-	14,620,000	13,307,655	14,620,000	13,307,655	27,927,655
2034 - 2038	-	-	17,505,000	10,423,344	17,505,000	10,423,344	27,928,344
2039 - 2043	-	-	21,935,000	5,993,250	21,935,000	5,993,250	27,928,250
2044 - 2045	-	-	10,385,000	785,250	10,385,000	785,250	11,170,250
	$ 17,838,878	$ 1,507,673	$ 75,945,000	$ 46,933,154	$ 93,783,878	$ 48,440,827	$ 142,224,705

D. Pledged revenues - tax increment revenue supported bonds and loans payable

The Agency's bonds and loan payables are supported by incremental increases in property tax revenues to be generated by all property located within the Redevelopment Agency area over the remaining term of the outstanding bonds, less the aggregate amount of incremental taxes to be set aside (18%) for low-income housing and education. For fiscal year ended June 30, 2023, the Agency collected $30,978,703 incremental property tax revenue and contributed $5,576,167 to low income housing and education. This leaves a remaining balance of $25,399,536 to retire $5,642,219 and $4,216,847 in current year bonds and loans payable principal and interest payments, respectively. The total principal and interest remaining to be paid on the bonds and loans payable is $93,783,878 and $48,440,827, respectively.

Bonds Issued	Maturity (Length of Pledge)
Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2016	06/15/2045
Redevelopment Agency Loan Payable to the City's Sanitation Fund 2017	06/01/2027
Redevelopment Agency Loan Payable to the City's Debt Service Fund 2018	06/01/2028

E. Direct borrowings

The Redevelopment Agency Tax Increment Revenue Subordinate Lien Bonds, Series 2017, due June 1, 2027 were sold directly to the City. Pursuant to state statutes, this Bond is to be treated as a loan, resulting in a loan payable to the City's Sanitation Enterprise Fund. A payment from the Agency to the City is made annually for the principal and interest related to the loan payable.

The Agency's Tax Increment Revenue Subordinate Lien Bonds, Series 2018, due June 1, 2028, were purchased by the City. In accordance with state statutes, the City cancelled the Bond and entered into an agreement with the Agency, which set forth the terms and conditions of repayment of the Bond and provided that such agreement constitutes a loan by the City to the Agency. The repayment terms of the loan payable to the City mirror the City's debt service requirements on the Various Purpose General Obligation Medium-Term Bonds Series 2018B. This means that as principal and interest come due on the City's 2018B Bonds, the Agency is required to make those payments to the City.

The Agency does not have any unused line of credit or assets pledged as collateral related to these direct borrowings. The Agency does not have terms specified in its debt agreements related to (1) significant events of default with finance-related consequences, (2) termination events with finance related consequences, or (3) subjective acceleration clauses.

11. Interfund transactions

A. Interfund transfers

Interfund transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. During the year ended June 30, 2023, a total of $12,000,000 was transferred from the General Fund to the Debt Service Fund to fund current year debt service principal and interest payments.

12. Commitments and contingent liabilities

A. Litigation

The Agency is currently involved in litigation arising in the ordinary course of business. The City Attorney is vigorously contesting the case. Since the minimum probable loss, if any, cannot be reasonably estimated, no provision for loss has been recorded in the accompanying basic financial statements.

B. Tax increment financing and related tax abatements

The Agency has entered into three tax increment subordinate lien notes as part of various owner participation agreements.

The indebtedness represented by the notes is payable solely and exclusively from a predetermined percentage of the Site Tax Increment received by the Agency on the parcels, and shall not be payable from any other source.

As the requirements to repay the notes are contingent on the Agency receiving sufficient site tax increment on the specific parcels and subordinate to the lien of the Agency's preexisting debt and future debt, the potential future obligation of the Agency has not been reflected in the basic financial statements. The following summarizes the unique terms of various notes:

- WMCV Phase 3 SPE, LLC, WMC Garage SPE, LLC, & WMC Land SPE, LLC Note - Taxable tax increment subordinate Lien Note entered into December 28th, 2020, in the amount of $30,000,000. Payments started June 30, 2021 and continue until March, 5th, 2046. Interest accrues at 5.24% per annum, beginning June 30, 2021. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of $2,848,226 in principal and interest to WMCV, WMC Garage, and WMC Land. The outstanding balance was $27,692,308 at June 30, 2023, which includes $1,822,817 of accrued interest.

- SP Sahara Development, LLC Note - Taxable tax increment subordinate Lien Note entered into June 30, 2008, in the amount of $20,912,094. Payments started June 30, 2008 and continue for nineteen years until June 30, 2027. Interest accrues at 7.90% beginning June 30, 2008. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of $368,557 in interest to SP Sahara Development, LLC. The outstanding balance at June 30, 2023 was $49,577,256 which includes $32,882,180 in accrued interest.

- PH GSA, LLC Note - Taxable tax increment subordinate Lien Note entered into April 24, 2006, in the amount of $995,510. Payments started June 30, 2006 and continue until June 30, 2026. Interest accrues at 7% per annum, beginning April 24, 2006. The percentage of site tax increment from which the note is paid is 41%. All unpaid principal and interest that remains due on the maturity date will cease to be owed and the City will owe no additional money after the maturity date. During the year, the City received site tax increment revenue and paid tax abatement of $39,702 in interest to PH GSA, LLC. The outstanding balance at June 30, 2023 was $1,875,830, which includes $1,011,628 of accrued interest.

12. Commitments and contingent liabilities (continued)

C. Future car rental fee distribution

On March 26, 2009, the City issued $101,220,000 of City of Las Vegas Nevada General Obligation Performing Arts Center Bonds, Series 2009, to be paid from a fee associated with rental cars.

On May 6, 2009, the City and the Agency entered into the Interlocal Agreement regarding the distribution of funds for a performing arts center. On May 26, 2009, the Agency issued $85,000,000 of Tax Increment Revenue Bonds, which were used for the construction of the Performing Arts Center project in the City of Las Vegas and carried interest rates ranging from 6.0% to 8.0%. In April 2016, the Series 2009 bonds were refunded with proceeds from the issuance of Series 2016 Tax Increment Revenue Refunding Bonds in the amount of $83,400,000 and bearing interest rates ranging from 3.0% to 5.0%.

On February 15, 2012, the City (Landlord) and the Smith Center for the Performing Arts (Tenant) entered into a Lease and Operating Agreement for the Performing Arts Center. Under the terms of the agreement, the Landlord agrees that any Rental Car Fees received by the Landlord in excess of what is determined by the Landlord to be needed to pay annual debt service on the performing arts center bonds for the then current year, and a reserve for the next succeeding year, shall be used only as permitted by NRS 244A.860(3) and the Interlocal Agreement.

The Landlord shall pay Tenant any excess Rental Car Fees on a quarterly basis. Tenant agrees that excess Rental Car Fees in the amount of $20,000,000, may be retained by Landlord as a reimbursement for funds that have been contributed.

Under the terms of the Interlocal Agreement between the City and the Agency, the $20,000,000 of excess Rental Car Fees will be refunded to the Agency plus $141,433 in Agency Contingency Funds paid. This refund is contingent solely upon excess Rental Car Fees and shall be completed no later than September 6, 2030, if funds are available. The Agency received $4,500,000 in refunding fees from the City in fiscal year 2023. At June 30, 2023, refunded fees totaled $16,400,000, leaving a balance of $3,600,000.

13. Recently issued accounting pronouncements

GASB Statement No. 96, *Subscription-Based IT Arrangements* (SBITAs), establishes a single model for subscription accounting based on the foundational principle that subscriptions are financings of the right to use an underlying asset. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Agency adopted this standard for fiscal year ended June 30, 2023. This statement requires SBITAs to be recognized and measured using facts and circumstances that existed at the beginning of the period of implementation. The implementation had no impact to beginning net position or fund balance. As a result of implementing this statement, the Agency recorded $264,707 as right to use subscription assets along with the equivalent subscription liability as of July 1, 2022 related to SBITA agreements entered into as an end user. SBITAs where the maximum possible subscription term is one year or less continue to be reported as operating subscriptions and recognized as outflows of resources based upon the payment provisions of the contract.

14. Subsequent events

Management has made an evaluation for subsequent events requiring recognition or disclosure in these financial statements through January 8, 2024 which is the date these financial statements were available to be issued. None were identified.

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OTHER SUPPLEMENTARY INFORMATION

CITY OF LAS VEGAS REDEVELOPMENT AGENCY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	$ 4,500,000	$ 4,500,000	$ 4,500,000	$ -
Investment and other interest earnings	259,428	259,428	335,103	75,675
Other reimbursements	1,115,000	1,115,000	1,150,000	35,000
Total revenues	5,874,428	5,874,428	5,985,103	110,675
Expenditures:				
Debt service:				
Principal retirement	5,642,219	5,642,219	5,642,219	-
Interest and fiscal charges	7,276,847	7,276,847	7,433,311	(156,464)
Total expenditures	12,919,066	12,919,066	13,075,530	(156,464)
Excess (deficiency) of revenues over (under) expenditures	(7,044,638)	(7,044,638)	(7,090,427)	(45,789)
Other financing sources:				
Transfers in	12,000,000	12,000,000	12,000,000	-
Net change in fund balance	4,955,362	4,955,362	4,909,573	(45,789)
Fund balance, July 1	6,221,530	6,221,530	6,089,465	(132,065)
Fund balance, June 30	$ 11,176,892	$ 11,176,892	$ 10,999,038	$ (177,854)

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COMPLIANCE SECTION

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Chairperson, Board Members and Executive Director
City of Las Vegas Redevelopment Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Las Vegas Redevelopment Agency (the Agency), a component unit of the City of Las Vegas, Nevada as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated January 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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.

Crowe LLP

Crowe LLP

Costa Mesa, California
January 8, 2024

FB-8649-09-23