Carson City Culture & Tourism Authority
Agenda Report

Date Submitted: 11/03/26

Agenda Date Requested: 11/09/26

Time Requested: 10 Minutes

To: Carson City Culture & Tourism Authority ("CTA") - Board of Directors ("CTA Board")

From: Chris Kipp, Operations & Finance Manager (ckipp@visitcarsoncity.com)

Subject Title: Discussion and possible action regarding approval of the CTA fiscal year ("FY") 2026 Annual Audit Report & Financial Statement.

Background: Sorren will present the CTA FY 2026 Audit Report and CTA Financial Statements as of June 30, 2026.

Type of Action Requested:

(_____) Resolution (_____) Ordinance
(_xx_) Formal Action/Motion (____) Other (Specify) Presentation Only

Recommended Board Action: **I move to approve the Carson City Culture & Tourism Authority's audit report and Financial Statements for FY26.**

Applicable Statute, Code, Policy, Rule or Regulation: n/a

Fiscal Impact:

Explanation of Impact:

Funding Source:

Supporting Material/Attachments: FY26 CCCTA Independent Audit Report (Sorren)

Prepared By: Chris Kipp, Operations & Finance Manager

Date Pending

To the Board of Directors
Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Carson City, Nevada

We have audited the financial statements of the governmental activities and each major fund of the Carson City Culture and Tourism Authority, a Component Unit of the City of Carson City ("the Authority") for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 11, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Authority adopted two new Statements of Governmental Accounting Standards in fiscal year 2026, including GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets.* The implementation of these Statements did not have material effects on the Authority's financial position or changes in net position, but have affected certain financial statement presentation and disclosure requirements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

> Management's estimates of the liabilities for pension and post-employment benefits were based on actuarial report provided by the State of Nevada and actuarial valuation performed by MacLeod Watts. We evaluated the methods, assumptions, and data used to develop the liabilities for pension and post-employment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The disclosure of transient lodging tax revenues and commitments and contingencies in Note 4 and 7 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following adjustments were made to report activity in the correct funds or correct classification:

- Reclassify State of Nevada receivables to departmental receivables - $64,222
- Adjusting fund balance for prior year adjustment of federal grant revenue to deferred revenue - $237,146
- Adjusting federal grant revenue to deferred revenue - $93,503

Adjustments were proposed to report the changes for the government-wide Statement of Activities as detailed on page 13 of the audited financial statements.

Adjustments were proposed to report changes for the government-wide Statement of Net position as reported on page 11 of the audited financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated Date Pending.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, general fund budgetary comparison information, other post-employment benefit information and pension information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report capital projects funds budget to actual statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation

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to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Sorren CPAs, P.C.

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sorren CPAs P.C.

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Financial Statements

Carson City Culture and Tourism Authority (A Component Unit of the City of Carson City)

For the year ended June 30, 2026

Carson City Culture and Tourism Authority

(A Component Unit of the City of Carson City)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Carson City, Nevada

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Carson City Culture and Tourism Authority, a Component Unit of the City of Carson City (fka Carson City Visitors Bureau) ("the Authority") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the 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 Authority, as of June 30, 2026, and the respective changes in financial position, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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,

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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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund budgetary comparison information, other postemployment benefit information and pension information on pages 4-7, 34-35, and 36-38, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying capital project funds budget to actual statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We have not audited or performed any procedures on the supplementary information. Accordingly, we do not express an opinion or provide any assurance on such information.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated Date Pending, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Carson City, Nevada
Date Pending

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The Carson City Culture and Tourism Authority, dba Visit Carson City (VCC), a county fair and recreation board of the City of Carson City (fka Carson City Visitors Bureau) ("the Authority") provides this discussion and analysis of the Authority's Component Unit Financial Report for readers of the Authority's financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2026.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Carson City Culture and Tourism Authority, 716 North Carson Street Suite A, Carson City, Nevada 89701.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Carson City Culture and Tourism Authority's financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue 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 and earned but unused vacation leave).

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 Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. They 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 a government's near-term financing requirement.

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

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The Authority maintains three 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 two capital project funds. The Capital Projects Fund is restricted to redeem general obligation bonds issued for any recreational facilities in Carson City. The V&T Capital Project Fund is restricted to the Virginia and Truckee Railroad project. 2% of the transient lodging tax goes into each of these funds.

The Authority adopts annual appropriated budgets for its funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Summary

The Authority's overall financial position and operations for the past are summarized as follows based on the information included in the government-wide financial statements:

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	June 30, 2026	June 30, 2025
Assets		
Current and other assets	$ 4,507,330	$ 4,051,795
Noncurrent assets	1,453,931	1,238,516
Capital assets, net	192,634	242,063
Total assets	6,153,895	5,532,374
Deferred outflows	541,135	568,493
Total assets and deferred outflows	6,695,030	6,100,867
Liabilities		
Current liabilities	443,054	191,175
Long-term liabilities	1,826,296	2,225,185
Total liabilities	2,269,350	2,416,360
Deferred inflows	522,596	452,199
Total liabilities and deferred inflows	2,791,946	2,868,559
Net Position		
Net investment in capital assets	39,587	46,321
Restricted	1,649,236	1,366,780
Unrestricted	2,214,261	1,819,207
Total net position	$ 3,903,084	$ 3,232,308

Note Regarding Comparative Information. The June 30, 2025 amounts presented in the Financial Summary have been revised from those reported in the prior year's MD&A to conform to the current year's presentation of restricted cash. Amounts maintained in the Capital Projects Fund for future debt service payments related to Carson City's General Obligation (Limited Tax) Park Bonds, Series 2024 are presented as restricted cash and classified as a noncurrent asset. The revision affects only the presentation of assets and had no impact on total assets, net position, or changes in net position.

	June 30, 2026	June 30, 2025
Revenue		
Operating grants and contributions	$ 492,834	$ 125,136
General revenue		
Transient lodging taxes	3,337,410	3,253,195
Investment income	177,266	249,000
Total revenue	4,007,510	3,627,331
Expenses		
General government	641,952	716,123
Culture and recreation	1,818,695	1,342,661
Intergovernmental	867,609	858,117
Debt service	8,478	10,174
Total expenses	3,336,734	2,927,075
Changes in net position	$ 670,776	$ 700,256

The Authority's financial position improved during fiscal year 2026, with total net position increasing by $670,776, or 20.8%, to $3,903,084. This increase was primarily driven by a $395,054, or 21.72%, increase in unrestricted net position. The growth in net position was a result of multiple factors, including increased investment income, lodging tax revenue, donations, and grants.

Detailed Analysis

General Fund

Transient lodging taxes are the General Fund's primary source of revenue. During the current year, room tax revenue including the transfer from the V&T Capital Project Fund of 2% for marketing, increased by $68,905, or 2.59%. The Authority's General Fund balance increased by $377,800 or 10.68%. This increase was primarily attributable to higher investment income, lodging tax revenue, donations, and grants.

Capital Project Fund

The Authority's Capital Project Fund balance increased by $278,571 or 21.85% during the year. The increase was primarily attributable to additional investment income and lodging tax revenue.

V&T Capital Project Fund

The fund balance of V&T Capital Project Fund increased by $3,885 or 4.24% during the year. This increase was primarily attributable to additional investment income.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets. At year-end, the Authority's net investment in capital assets from its governmental activities totaled $39,587. Capital assets consist of the revamped web site, tenant improvements, office equipment, penny press machine, signs, and right-of-use asset.

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Long Term Financing Activities. Although the Authority does not reflect any bond debt on its financial statements, it is committed to utilize 2% of the transient lodging taxes it collects to pay Carson City to service the debt that was incurred for the City's General Obligation (Limited Tax) Park Bonds, Series 2024. These payments are made from the Capital Projects fund.

Currently Known Facts, Decisions, or Conditions

Fiscal year 2026 saw a record $30.3M in transient occupancy tax (TOT) collections, representing a 2.6% increase over the prior fiscal year. Some key inputs that drive taxable lodging revenue saw increases, from room nights occupied to average daily rate. These increases were in spite of rooms being out of service due to continued room renovations by multiple properties. It should be noted that a new lodging property came online in February 2026, adding additional supply to the Carson City inventory.

When you factor in visitor spending on gaming, food and beverage, transportation, recreation and retail, visitors were still fully invested in Carson City, with record direct visitor spending just north of $246M during calendar year 2025. While consumers continue to spend their discretionary dollars on travel, inflation continues to play a part in the spending numbers for Carson City's tourism industry.

Staffing challenges, including turnover, persist for local tourism businesses from lodging properties and casinos to restaurants and bars as well as museums and galleries. This is reflected in Carson City's calendar year 2025 total tourism employment figure of just over 3,700 workers, which was a slight increase of 0.4% over 2024, but down from 2019's 4,000 plus high point.

VCC continued to invest in the visitor experience during fiscal year 2026 by working with our regional tourism partners through familiarization (FAM) tours and continuing participation in domestic and international trades shows, marketplaces and sales missions. Via its Reno-Tahoe Territory membership, VCC participated in a multi-territory (Las Vegas Territory), Jackpot Jamboree tour operator FAM.

VCC was the destination sponsor for three new special events: Dark Prison Haunted House (17 nights), Cards and More Tour and Caballo Bailador.

VCC also pushed for the expansion of the following events during FY26, including Watercolor Carson City Plein Air Festival, Nevada Pride (A Capital Celebration) and Kaboom-Con.

The real growth for Carson City was in the sports world. Seven new sporting events came to Carson City during FY26 including the following: Arena Wars Fighting Series, Battle of the Sierras, Parkinson Warriors Never Give Up 2, NV State Sporting Clays Championship, California Youth Shooting Sports Association State Jr. Tournament, Legacy Sports Adult Slow Pitch tournaments and Legacy Sports Youth Fast Pitch tournaments.

The organization's Strategic Visitor Experience Outline and Guidance document continues to drive programming and subsequent marketing, public relations and sales efforts, guided through the lens of the visitor.

FY27 will see enhancements to Visit Carson City's brand as well the development of seasonal campaign efforts to allow for year-round marketing efforts with a new concept to be developed accordingly.

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Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Cash and investments	$ 3,902,875
Lodging taxes receivable	549,982
Grants receivable	25,141
Prepaid expenses	29,332
Restricted cash and investments	1,453,931
Capital assets:	
Nondepreciable capital asset	41,028
Depreciable capital assets, net	151,606
Total assets	6,153,895
Deferred Outflows of Resources	
Pension requirement	410,154
Other postemployment benefits	130,981
Total deferred outflows of resources	541,135
Liabilities	
Accounts payable	166,050
Intergovernmental payable	38,963
Accrued expenses	47,661
Unearned revenue	143,643
Long-term liabilities:	
Amount due within one year	
Lease liability	46,737
Amount due in more than one year	
Accrued compensated absences	181,977
Lease liability	106,310
Net pension liability	1,017,235
Other postemployment benefits obligation	520,774
Total liabilities	2,269,350
Deferred Inflows of Resources	
Pension requirement	187,001
Other postemployment benefits	335,595
Total deferred inflows of resources	522,596
Net Position	
Net investment in capital assets	39,587
Restricted for:	
Bond payments	1,553,664
V&T Railroad	95,572
Unrestricted	2,214,261
Total Net Position	$ 3,903,084

See accompanying notes

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Functions/Programs	Expenses	Program Revenue Operating Grants and Contributions	Total Governmental Activities
Primary government:			
Governmental activities:			
General government	$ 641,952	$ -	$ (641,952)
Culture and recreation	1,818,695	21,265	(1,797,430)
Intergovernmental	867,609	471,569	(396,040)
Debt service			
Lease financing interest	8,478	-	(8,478)
Total governmental activities	$ 3,336,734	$ 492,834	(2,843,900)
General revenue			
Room tax			3,337,410
Investment income			177,266
Total general revenue			3,514,676
Change in Net Position			670,776
Net Position, Beginning of Year			3,232,308
Net Position, End of Year			$ 3,903,084

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See accompanying notes

Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Balance Sheet - Governmental Funds
June 30, 2026

	General Fund	Capital Projects Fund	V&T Capital Projects Fund	Total Governmental Funds
Assets				
Cash and investments	$ 3,902,875	$ -	$ -	$ 3,902,875
Grants receivable	25,141	-	-	25,141
Interfund receivable	4,161	-	-	4,161
Lodging taxes receivable	350,516	99,733	99,733	549,982
Prepaid expenses	29,332	-	-	29,332
Restricted cash and investments	-	1,453,931	-	1,453,931
Total assets	$ 4,312,025	$ 1,553,664	$ 99,733	$ 5,965,422
Liabilities				
Accounts payable	$ 166,050	$ -	$ -	$ 166,050
Interfund payable	-	-	4,161	4,161
Accrued expenses	47,661	-	-	47,661
Unearned revenue	143,643	-	-	143,643
Intergovernmental Payable	38,963	-	-	38,963
Total liabilities	396,317	-	4,161	400,478
Fund Balance and Other Credits				
Nonspendable				
Prepaid expenses	29,332	-	-	29,332
Restricted for:				
V & T project	-	-	95,572	95,572
Bond payments	-	1,553,664	-	1,553,664
Unassigned	3,886,376	-	-	3,886,376
Total fund balance and other credits	3,915,708	1,553,664	95,572	5,564,944
Total Liabilities, Fund Balance and Other Credits	$ 4,312,025	$ 1,553,664	$ 99,733	$ 5,965,422

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See accompanying notes

Fund balance and other credits - governmental funds	$	5,564,944
Amounts reported for governmental activities in the statement of net assets are different because capital assets used in governmental activities are not financial resources and, therefore, are not in the governmental funds		
Governmental capital assets		71,460
Less accumulated depreciation		(19,773)
Right-to-use lease asset		234,913
Less accumulated amortization		(93,966)
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds as they are applicable to future periods		
Pension requirement		410,154
Other postemployment benefits obligation		130,981
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Accrued compensated absences		(181,977)
Lease liabilities		(153,047)
Net pension liability		(1,017,235)
Other postemployment benefits obligation		(520,774)
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds as they are applicable to future periods		
Pension requirement		(187,001)
Other postemployment benefits obligation		(335,595)
Net Position of Governmental Activities	$	3,903,084

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See accompanying notes

Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2026

	General Fund	Capital Projects Fund	V&T Capital Projects Fund	Total Governmental Funds
Revenue				
Room taxes	$ 2,123,928	$ 606,741	$ 606,741	$ 3,337,410
Intergovernmental revenue	471,569	-	-	471,569
Miscellaneous	21,265	-	-	21,265
Investment income	119,351	54,030	3,885	177,266
Total revenue	2,736,113	660,771	610,626	4,007,510
Expenditures				
General government	643,413	-	-	643,413
Culture and recreation	1,836,232	-	-	1,836,232
Intergovernmental	485,409	382,200	-	867,609
Total expenditures	2,965,054	382,200	-	3,347,254
Excess (deficiency) of revenue over expenditures	(228,941)	278,571	610,626	660,256
Other Financing Sources (Uses)				
Transfer in (out)	606,741	-	(606,741)	-
Net Change in Fund Balances	377,800	278,571	3,885	660,256
Fund Balance, Beginning of Year	3,537,908	1,275,093	91,687	4,904,688
Fund Balance, End of Year	$ 3,915,708	$ 1,553,664	$ 95,572	$ 5,564,944

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See accompanying notes

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	
Net change in fund balance and other credits - governmental funds	$ 660,256
Amounts reported for governmental activities in the statement of activities are different because governmental funds report capital outlays as expenditures however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives	
Less current year depreciation	(2,446)
Amounts reported for governmental activities in the statement of activities are different because governmental funds report rent expenditures however, the lease activities are capitalized and the asset is amortized and the liability is reduced by principal and interest	(4,288)
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	
Change in long-term accrued compensated absences	(11,735)
Pension expense - change in pension liability	8,570
Other postemployment benefits expense	20,419
Change in Net Position of Governmental Activities	$ 670,776

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See accompanying notes

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Note 1 - Summary of Significant Accounting Policies

The Carson City Culture and Tourism Authority's ("the Authority") financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity

The financial statements present the financial position and results of operations of those funds under the direct jurisdiction of the Board of Directors of the Authority. The Authority is not considered to be financially accountable for any other governmental entity since no other entities are considered to be controlled by or dependent on the Authority. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board. The Authority's financial statements are included in the general-purpose financial statements of Carson City. The Authority is independent in its management and operations but significantly influenced by Carson City through its funding. Therefore, the Authority is considered a discretely presented component unit of Carson City for financial reporting purposes.

Basic Financial Statements - Government-Wide Statements

The basic financial statements include both government-wide and fund financial information. The government-wide financial statements are reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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.

Basic Financial Statements - Fund Accounting

The financial transactions of the Authority are reported in the general fund and capital projects funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. The Authority's funds are governmental funds. Governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. The recorded fund balance (net current assets) is considered a measure of "available spendable resources". Operating statements for governmental funds present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The government-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 the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority maintains its accounting records for its governmental fund types on the modified accrual basis of accounting. This method provides for recognizing expenditures at the time liabilities are incurred, while revenue is recorded when measurable and available to finance expenditures of the fiscal period. Available is defined as being due and collected within the current period or within 60 days after fiscal year end. When revenue is due, but will not be collected within 60 days, the receivable is recorded and an offsetting deferred revenue account is established.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires the state and local governments to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the Authority has not applied FASB pronouncements issued after that date.

Budgets and Budgetary Accounting

The Authority adheres to the Local Government Act incorporated within the Statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data that is reflected in these financial statements:

- On or before April 15, the members of the Board of the Carson City Culture and Tourism Authority file a tentative budget with the Nevada Department of Taxation for all funds.
- Public hearings on the tentative budget are held not sooner than the third Monday in May and not later than the last day in May.
- Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board.
- Formal budgetary integration in the financial records for all funds is employed to enhance management control during the year.
- Budgets for all funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). Appropriations lapse at year end.
- Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the amounts originally budgeted. Such transfers are to be approved by the Board, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without public notice and the prior approval of the Board.

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Note 1 - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting (Continued)

In accordance with State Statute, actual expenditures may not exceed budgeted appropriations in the government function categories of the General Fund, except as specifically permitted in NRS 354.626.

An encumbrance system is not utilized by the Authority.

Cash and Investments

Cash balances are invested as permitted by law. Pursuant to NRS 355.170 and 355.167, the Authority may only invest in the following types of securities:

- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association maturing within ten years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada.
- Certain securities issued by local governments of the State of Nevada.

All cash and investments of the Authority are invested in the Carson City Investment Pool, which is administered by Carson City. Investments are recorded at fair value, which is the same as the value of the pool shares. The investment pool is an unrated internal investment pool that does not provide information on realized or unrealized gain or loss activity. Accordingly, changes in the investment pool are reflected as net investment income in the accompanying financial statements.

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Grants and Lodging Taxes Receivable

No allowances for doubtful accounts have been established since management does not anticipate any material collection loss with respect to the balances shown as receivables.

Leases

The Authority is a lessee for a noncancellable leased asset. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the Authority 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. The Authority has elected to use the risk free rate for discounting the liability as there is no interest rate specified in the lease.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date of donation. The Authority defines capital assets as assets with a unit cost of $5,000 or more and an estimated useful life in excess of one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

For purposes of the government-wide financial statements, depreciation of capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets useful lives using the straight-line method of depreciation, with one-half of a year's depreciation taken in the year of acquisition and one-half in the final year. The Authority's capital assets consist of improvements, furniture and equipment which have useful lives ranging from 5 to 15 years.

In the fund financial statements, capital assets used in operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Compensated absences are accounted for in accordance with GASB Statement No. 101, *Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be accounted for in the period those services are rendered or those events take place. GASB Statement No. 101 requires a more likely than not approach to reporting a liability for compensated absences. Governmental funds report compensated absences only if they have matured as a result of employee resignations, terminations and retirements. The fund liability is defined as those benefits actually paid or accrued as a result of employees who have terminated employment by June 30, 2026. The total accrued compensated absences are reported on the Statement of Net Position. The Authority's policy provides for payment of accrued vacation time upon termination of employment if employed for six months or more. Accrued vacation time is limited to a maximum of 300 hours. Accrued sick leave is limited to 1,080 hours and is paid out on termination based on a percentage relative to credited service years.

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and the proportionate share of contributions as well as contributions made after the measurement period for pensions and other postemployment benefits qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future

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Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows and Inflows of Resources (Continued)

period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments and other postemployment benefits qualify for reporting in this category.

Equity Classifications

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

- Net investment in capital assets - consists of capital assets, net of accumulated depreciation and any related debt.
- Restricted net position - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - net position that is neither classified as "net investment in capital assets" nor as "restricted."

The Authority has not established a policy specifying whether restricted or unrestricted net position is used first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. The Authority includes fund balances that have been prepaid for expenses in this category.
- Restricted - represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. Restricted funds include amounts legally restricted for expenditure in connection with the V&T project and capital improvement funds and debt service bond payments.
- Committed - represents amounts which can be used only for specific purposes determined by the members of the governing Board's formal action through a resolution or action. The Authority had no committed fund balance as of fiscal year end.
- Assigned - represents amounts that are intended by the Authority for specific purposes but do not require action by the governing Board. The Authority had no assigned fund balance as of fiscal year end.
- Unassigned - represents all amounts not included in spendable classifications.

The Authority's policy is to first apply expenditures against non-spendable fund balances and then unassigned balances. On an annual basis assigned fund balances are determined based upon available resources.

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Note 1 - Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

The Authority recognizes a long-term liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense based upon an actuarial determination and information provided by the plan fiduciary.

Compliance with Laws and Regulations

The Authority conformed to all significant statutory constraints on its financial administration.

Comparative Data

Comparative data shown for the prior year has been extracted from the 2024-2025 financial statements. It has been provided to add comparability but is not considered a full disclosure of transactions for 2024-2025. Such information can only be obtained by referring to the audit report for that year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through Date Pending, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Adoption of New Accounting Pronouncements

During the year ended June 30, 2026, the Authority implemented the following GASB pronouncements:

Statement No. 103, *Financial Reporting Model Improvements*. Issued April 2024, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a governments' accountability. The implementation of this Statement did not have a material effect on the Authority's financial position or changes in net position, but have affected certain financial statement presentation and disclosure requirements.

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Note 1 - Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncements (Continued)

Statement No. 104, *Disclosure of Certain Capital Assets*. Issued September 2024, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The implementation of this Statement did not have a material effect on the Authority's financial position or changes in net position, but have affected certain financial statement presentation and disclosure requirements.

New Accounting Pronouncement (not yet adopted)

The following GASB pronouncements have been issued, but are not effective as of June 30, 2026:

Statement No. 105, *Subsequent Events*. Issued December 2025, the objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. Statement No. 105 will be effective for the Authority for fiscal year ending June 30, 2027.

The Authority will implement new GASB pronouncements no later than the required effective date. The Authority is currently evaluating whether or not the above listed new GASB pronouncement will have a significant impact on the Authority's financial statements.

Interfund transfer

Transfers reported in the fund financial statements represent movements of resources between individual funds of the Authority and are not external transactions. Accordingly, such transfers, including the $606,741 transferred between the General Fund and the V&T Capital Projects Fund during fiscal year 2026, are eliminated in the preparation of the government-wide financial statements. The V&T Capital Projects Fund reported a negative cash balance of $4,161 at June 30, 2026. To eliminate the overdraft position, an interfund payable was recorded in the V&T Capital Projects Fund and a corresponding interfund receivable was recorded in the General Fund.

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Note 2 - Compliance with Nevada Revised Statutes (NRS) and the Nevada Administrative Code

The Authority conformed to all significant statutory constraints on its financial administration during the year ended June 30, 2026.

Note 3 - Cash and Investments

At June 30, 2026, cash and investments were held in as follows:

	Non Restricted	Restricted	Total
Held by Carson City on behalf of the Authority	$ 3,902,575	$ 1,453,931	$ 5,356,506
Cash on hand	300	-	300
	$ 3,902,875	$ 1,453,931	$ 5,356,806

Cash and investments totaling $1,453,931 were restricted for payment to Carson City for debt service related to the City's General Obligation (Limited Tax) Park Bonds, Series 2024, as discussed in Note 7.

Note 3 - Cash and Investments (Continued)

As detailed in Note 1, the Authority participates in the Carson City Investment Pool. The City has a formal investment policy to establish guidelines for the prudent investment of funds. Funds are be invested in compliance with the provisions of Nevada Revised Statutes, Chapters 355.167 through 355.200, and other applicable statutes.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of investments. The Authority does not have a formal policy regarding interest rate risk. However, the investment pool does have policies to limit exposure to interest rate risk. Carson City issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information regarding the investment pool. That report may be obtained at https://www.carson.org/government/budget-financial-information.

The Authority categorizes the fair value measurements of its investments in the investment pool based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value:

Level 1 – Inputs are quoted prices in active markets for identical assets;
Level 2 – Inputs are significant other observable inputs; and
Level 3 – Inputs are significant unobservable inputs.

The Authority does not have any investments that are measured using Level 3 inputs. At June 30, 2026, the investment pool reported Level 1 investments of 24.29% and Level 2 investments at 75.71% with weighted average maturity of 46 days. The Authority does not have a formal policy regarding credit risk or concentration of credit risk.

Note 4 - Transient Lodging Tax Revenue

Transient lodging tax revenues (room taxes) of 11% are collected by the Authority; however, 3/16 of one percent that is included in the 11% is remitted to Carson City and 3/8 of one percent is remitted to the State of Nevada. As part of the 11% collected, the Authority collects a 1% tax to be used to promote arts and culture in the area. This 1% tax was collected and remitted to Carson City who took over the expenditures relating to the services provided until December 2020. Thereafter, the 1% tax remained in possession of the Authority.

The following is a reconciliation of gross collections and remittances to the City and State:

Gross transient lodging tax	$ 3,337,410
State remittance	(125,153)
Carson City remittance	(56,887)
	$ 3,155,370

The amounts due at June 30, 2026 to Carson City and the State of Nevada are shown as intergovernmental payable. Out of the total lodging tax retained by the Authority, 2% is pledged to the servicing of bonds issued by Carson City and is accounted for in the capital projects funds. The Authority remits the amounts needed to service the debt when it is due to Carson City.

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Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2026 consists of the following:

	Balance June 30, 2025	Additions	Deletions	Balance June 30, 2026
Governmental activities				
Capital assets, not being depreciated				
Website	$ 41,028	$ -	$ -	$ 41,028
Capital assets, being depreciated				
Furniture and equipment	22,044	-	-	22,044
Tenant improvements	8,388	-	-	8,388
Total capital assets being depreciated	30,432	-	-	30,432
Capital assets, being amortized				
Right-of-use asset, office space	234,913	-	-	234,913
Total depreciable capital assets	265,345	-	-	265,345
Less accumulated depreciation and amortization for:				
Furniture and equipment	(10,308)	(1,887)	-	(12,195)
Tenant improvements	(7,019)	(559)	-	(7,578)
Right-of-use asset, office space	(46,983)	(46,983)	-	(93,966)
Total accumulated depreciation and amortization	(64,310)	(49,429)	-	(113,739)
Capital assets, being depreciated	201,035	(49,429)	-	151,606
Governmental activities capital assets, net	$ 242,063	$ (49,429)	$ -	$ 192,634

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Included in capital assets is a website with a carrying value of $41,028 as of June 30, 2026. Management has determined that the website has an indefinite useful life, as it is expected to provide ongoing service potential to the Authority. Accordingly, the website is not amortized but is evaluated periodically for impairment and changes in circumstances that may indicate its useful life is no longer indefinite.

Current year depreciation expense of $2,446 and amortization expense of $46,983 were charged to the general government function and reduced the net carrying amount of depreciable capital assets reported in the Statement of Net Position.

Note 6 - Leases

During the year ended June 30, 2025, the Authority entered into a leasing arrangement for office space. The lease commenced on July 1, 2024 through June 30, 2029 and includes initial monthly lease payments of $4,112 with annual increases. At the time of initial measurement there was no interest rate specified in the original lease agreement. Accordingly, the Authority has used an incremental borrowing rate equal to the five year treasury rate as reported by the Wall Street Journal to discount the annual lease payments to recognize the intangible right-to-use this asset and the lease liability as of June 30, 2026.

The lease assets consists of the following at June 30, 2026:

	Balance June 30, 2025	Additions	Deletions	Balance June 30, 2026
Governmental activities				
Right-of-use asset, office space	$ 234,913	$ -	$ -	$ 234,913
Less: accumulated amortization	(46,983)	(46,983)	-	(93,966)
	$ 187,930	$ (46,983)	$ -	$ 140,947

Lease liability activity is as follows:

	Balance June 30, 2025	Additions	Deletions	Balance June 30, 2026	Amount due in one year
Lease liabilities:					
Office space	$ 195,742	$ -	$ (42,695)	$ 153,047	$ 46,737

Future maturities due on the above leases are as follows:

Years Ending June 30,	Principal	Interest	Total
2027	$ 46,737	$ 6,628	$ 53,365
2028	50,955	4,604	55,559
2029	55,355	2,398	57,753
	$ 153,047	$ 13,630	$ 166,677

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Note 7- Commitments and Contingencies

In March 2024, Carson City contractually issued $5,000,000 in General Obligation (Limited Tax) bonds for improvements at Centennial Park. The Authority is committed to funding the debt service on this bond, from the Capital Projects Fund through an interlocal agreement. This commitment is funded entirely through a pledge of the Authority's 2% lodging tax. During the year ended June 30, 2026, The Authority received $606,741 in pledged transient lodging tax revenues and remitted $382,200 to Carson City to fund the bond payment. Payments on this bond will continue through June 1, 2044.

Future maturities due on the above bond are as follows:

Years Ending June 30,	Principal	Interest	Total
2027	$ 170,000	$ 214,200	$ 384,200
2028	175,000	205,700	380,700
2029	185,000	196,950	381,950
2030	195,000	187,700	382,700
2031	205,000	177,950	382,950
Thereafter	3,755,000	1,219,300	4,974,300
	$ 4,685,000	$ 2,201,800	$ 6,886,800

The Capital Projects Fund receives the 2% transient lodging taxes and utilizes these funds to pay the bond discussed above. The V&T Capital Project Fund balance, plus annual interest, is being maintained to be utilized as necessary for future bond payments.

The Authority has entered into a cooperative agreement with Carson City to pay 3/4% of the annual tax revenue to support the sports tournament program, and for accounting, human resources, and IT services. During the year ended June 30, 2017, the payment increased to 1% with legal services being added as an administrative expense. For the year ended June 30, 2026, the Authority incurred expenditures to Carson City of $303,369 for administrative services and the cooperative agreement.

The Authority is self-insured under the reimbursement method for unemployment insurance. This requires that the Authority pay any liability for unemployment insurance as it is incurred rather than at a set annual rate. The Authority's policy regarding unemployment liability is to expense any liability incurred when the amount is received as a bill from the State of Nevada. The potential liability is not able to be determined as there are multiple factors, some of which would be unknown. The Authority has not set aside any funds for any future potential liability. During the year ended June 30, 2026, the Authority did not incur unemployment expenses.

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Note 8 - Long-Term Liabilities

The following is a summary of changes in the Authority's long-term liabilities:

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026	Amount due in one year
Accrued compensated absences	170,242	$ 11,735	$ -	$ 181,977	$ -
Net pension liability	1,120,488	-	(103,253)	1,017,235	-
Net OPEB	544,265	-	(23,491)	520,774	-
Leases	195,742	-	(42,695)	153,047	46,737
Governmental activities	$ 2,030,737	$ 11,735	$ (169,439)	$ 1,873,033	$ 46,737

The amount of compensated absences which will be due within one year has not been determined and is not considered material. All compensated absences are considered as due in more than one year.

Note 9 - Pensions

General Information About the Pension Plan

Plan Description

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

- For members entering the System on or after July 1, 2015, benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Benefits Provided

- Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010.

- Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

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

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Note 9 - Pensions (Continued)

General Information About the Pension Plan (Continued)

Vesting

- Regular members entering the System prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or at age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service, or at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

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

Contributions

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

- The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

- The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

- The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level, long-term contributions requirement as a percentage of salary.

- For the fiscal years ended June 30, 2025 and 2026, the statutory Employer/Employee matching rate were 17.50% and 19.25% for Regular employees. The Employer-pay contribution (EPC) rate were 33.50% and 36.75% for each of the fiscal years ended June 30, 2025 and 2026, for Regular employees.

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Note 9 - Pensions (Continued)

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

At June 30, 2026, the Authority reported a liability of $1,017,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2025. At June 30, 2025, the Authority's proportion was .00582%.

For the year ended June 30, 2026, the Authority recognized pension expense of $104,703. Amounts totaling $113,273 resulting from the Authority's contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the subsequent year. At June 30, 2026, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	$ 240,565	$ -
Changes of assumptions	36,149	-
Net difference between projected and actual earnings on pension plan investments	-	145,325
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,167	41,676
Contributions subsequent to the measurement date	113,273	-
	$ 410,154	$ 187,001

Note 9 - Pensions (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflow for contributions made subsequent to the measurement date are recognized in the following year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, without regard to the contributions subsequent to the measurement date, will be recognized in pension expense as follows:

Years Ending June 30,	
2027	$ 125,575
2028	(839)
2029	(18,953)
2030	(4,416)
2031	8,513
	$ 109,880

The net difference between projected and actual investment earnings on pension plan investments will be recognized over five years, all the other above deferred outflows and deferred inflows will be recognized over the average expected remaining services lives, which was 5.68 years for the measurement period ending June 30, 2025.

Reconciliation of the net pension liability at June 30, 2026:

Beginning net pension liability	$ 1,120,488
Pension expense	104,703
Employer contributions	(96,503)
Current year net deferred (inflows) and outflows	(111,453)
Ending net pension liability	$ 1,017,235

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Note 9 - Pensions (Continued)

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Investment rate of return	7.25%
Productivity pay increase	0.50%
Projected salary increase	4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Other assumptions	Same as those used in the June 30, 2025 funding actuarial valuation

Actuarial assumptions used in the June 30, 2025 valuation were based on the results of the experience study for the period July 1, 2016 through June 30, 2020.

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. Based on that assumption, the pension plan's fiduciary net position at June 30, 2025, was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025.

Investment Policy

The System's policies which determine the investment portfolio target asset allocation are established by the PERS Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the PERS Retirement Board adopted policy target asset allocation as of June 30, 2025:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
U.S. Stocks	34%	5.50%
International Stocks	14%	5.50%
U.S. Bonds	28%	2.25%
Private Markets	12%	6.65%
Short-term investments	12%	0.50%

*As of June 30, 2025, PERS' long-term inflation assumption was 2.50%.

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Note 9 - Pensions (Continued)

Discount Rate and Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the PERS as of June 30, 2025, calculated using the discount rate of 7.25%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Net Pension Liability	$ 1,711,500	$ 1,017,235	$ 444,514

Pension Plan Fiduciary Net Position

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

Note 10 - Other Postemployment Benefit Obligations (OPEB)

Plan Description and Benefits Provided

The Authority's personnel policy provides medical, dental, vision, and life insurance for retirees. Eligibility and subsidy requirements are governed by the policy which was revised effective July 1, 2017. Since this change in policy has an impact on the liabilities as reflected in the accompanying government-wide financial statements. The policy requires the Authority to pay the insurance premiums at varying percentages for the retiree, spouse and dependents based upon the number of years of service at time of retirement. Subsidies are paid at a reduced rate once the retiree, spouse or dependent reaches the Medicare age.

Employees Covered by Benefit Terms

At June 30, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active plan members	7
	9

Total OPEB Liability

The Authority's total OPEB liability of $520,774 was measured as of June 30, 2026 and was determined based on a roll-forward of the valuation as of June 30, 2025.

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Note 10 - Other Postemployment Benefits Obligation (OPEB) (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2026 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Salary increases	3.00%
Discount rate	4.67% as of June 30, 2026
Healthcare cost trend rates	6.50% for 2027, fluctuating down to 3.90% by 2075 and later

The discount rate was based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The demographic actuarial assumptions used in the valuation were based on the most recently published report of the Nevada Public Employees Retirement System, except for a different basis to project future mortality improvements. Mortality improvements are based on the MacLeod Watts Scale 2022 applied generationally from 2010.

Changes in the Total OPEB Liability:

Balance, June 30, 2025	$	544,265
Changes for the year		
Service cost		20,522
Interest cost		28,684
Differences between expected and actual experience		(89,786)
Changes in assumptions		43,447
Benefit payments		(26,358)
Net changes		(23,491)
Balance, June 30, 2026	$	520,774

Changes of assumptions and other inputs reflect a change in the discount rate from 5.20% as of June 30, 2025 to 4.67% as of June 30, 2026, based on the published changes in return for the applicable municipal bond index. The base healthcare trend scale is updated from Getzen Model 2023 to Getzen Model 2025, as published by the Society of Actuaries.

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Note 10 - Other Postemployment Benefits Obligation (OPEB) (Continued)

Sensitivity of the Total OPEB Liability if No Trust Exists to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.67%) or 1-percentage-point higher (5.67%) than the current discount rate:

	1% Decrease 3.67%	Discount Rate 4.67%	1% Increase 5.67%
Net OPEB Liability	$ 603,216	$ 520,774	$ 454,748

Sensitivity of the Total OPEB Liability if No Trust Exists to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50% decreasing to 2.9%) or 1-percentage-point higher (7.50 % decreasing to 4.9%) than the current healthcare cost trend rates:

	Healthcare Cost Trend		
	1% Decrease (5.50% decreasing to 2.90%)	Rates (6.50% decreasing to 3.90%)	1% Increase (7.50% decreasing to 4.90%)
Net OPEB Liability	$ 449,583	$ 520,774	$ 612,425

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

For the year ended June 30, 2026, the Authority recognized OPEB expense of $5,939. At June 30, 2026, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	$ 36,819	$ 178,172
Changes of assumptions	94,162	157,423
	$ 130,981	$ 335,595

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Note 10 - Other Postemployment Benefits Obligation (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Years Ending June 30,		
2027	$	(43,814)
2028		(45,123)
2029		(50,686)
2030		(25,433)
2031		(12,672)
Thereafter		(26,886)
	$	(204,614)

Note 11 - Concentrations

The Authority received approximately 60% of its transient lodging tax revenue from six properties in Carson City. Should these properties experience a significant decrease in occupancy, it could have a material effect on the Authority.

Note 12 – Related Party Transaction

During fiscal year 2026, Carson City contributed $9,999 to the Authority for the purpose of supporting the Small Spikes Program. The funds were utilized for project-related activities in accordance with the purpose of the contribution. In addition, the Authority remitted $56,887 to Carson City, representing 3/16 of one percent of transient lodging tax revenue collected by the Authority, and made bond-related payments totaling $382,200 in accordance with the interlocal agreement with Carson City.

Note 13 - Risk Management

The Authority, like all government entities, is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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Required Supplementary Information
June 30, 2026

Carson City Culture and Tourism Authority (A Component Unit of the City of Carson City)

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Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Department of Taxation Format
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget- over (under)		Variance with Actual Amounts- over (under)
	Original	Final	Original Budget	Actual	Final Budget
Revenue					
Room taxes	$ 2,146,052	$ 2,146,052	$ -	2,123,928	$ (22,124)
Intergovernmental revenue	383,175	378,066	(5,109)	471,569	93,503
Miscellaneous	-	9,875	9,875	21,265	11,390
Investment income	11,550	113,964	102,414	119,351	5,387
Total revenue	2,540,777	2,647,957	107,180	2,736,113	88,156
Expenditures					
General government					
Salaries	336,778	352,983	16,205	346,645	(6,338)
Benefits	187,486	182,711	(4,775)	153,541	(29,170)
Services and supplies	160,859	149,429	(11,430)	143,227	(6,202)
	685,123	685,123	-	643,413	(41,710)
Culture and recreation					
Salaries	267,880	278,729	10,849	273,091	(5,638)
Benefits	175,446	168,850	(6,596)	155,788	(13,062)
Services and supplies	1,628,181	1,454,662	(173,519)	1,407,353	(47,309)
	2,071,507	1,902,241	(169,266)	1,836,232	(66,009)
Intergovernmental	539,514	539,514	-	485,409	(54,105)
Total expenditures	3,296,144	3,126,878	(169,266)	2,965,054	(161,824)
Excess (Deficiency) of revenue over (under) expenditures	(755,367)	(478,921)	276,446	(228,941)	249,980
Other financing sources					
Transfer in	613,062	613,062	-	606,741	(6,321)
Change in Fund Balance	(142,305)	134,141	276,446	377,800	243,659
Fund Balance, Beginning of Year	3,399,738	3,537,908	138,170	3,537,908	-
Fund Balance, End of Year	$ 3,257,433	$ 3,672,049	$ 414,616	$ 3,915,708	$ 243,659

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	General Fund over (under)
Budgetary Revenues	
Differences - final budget to original budget	
The original budget for investment income was increased to reflect amounts received when the Budget Augmentation was made.	$ 102,414
Differences - actual to final budget	
Actual intergovernmental revenues exceeded the final budget because the actual amount accounted for grant funds received in FY2025 and FY2026 that were recognized as revenue in FY2026.	$ 93,503
Budgetary Expenditures	
Differences - final budget to original budget	
The original budget for services and supplies was reduced in the final budget to reflect Dust & Wonder Trail expenses that will not occur until FY27.	$ (173,519)
Differences - actual to final budget	
Actual intergovernmental expenditures were below the final budget as they were budgeted as a percentage of projected room tax revenue, and actual room tax revenue was lower than projected.	$ (54,105)

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Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Schedule of Changes in the Authority's Total OPEB Liability
Last Ten Fiscal Years*

	2026	2025	2024	2023	2022
Service cost	$ 20,522	$ 25,402	$ 22,748	$ 22,310	$ 56,411
Interest	28,684	25,719	24,166	22,891	20,389
Differences between expected and actual experience	(89,786)	-	(11,220)	-	(174,397)
Changes in assumptions	43,447	(81,007)	7,671	(3,346)	(229,128)
Benefit payments	(26,358)	(22,715)	(17,778)	(15,886)	(13,677)
Net Change in Total OPEB Liability	(23,491)	(52,601)	25,587	25,969	(340,402)
Total OPEB Liability - Beginning	544,265	596,866	571,279	545,310	885,712
Total OPEB Liability - Ending	$ 520,774	$ 544,265	$ 596,866	$ 571,279	$ 545,310
Authority's covered payroll	610,490	570,352	536,342	525,012	470,776
Total OPEB Liability as a percentage of covered payroll	85.30%	95.43%	111.28%	108.81%	115.83%

	2021	2020	2019	2018
Service cost	$ 43,394	$ 20,447	$ 19,131	$ 18,672
Interest	18,159	22,031	21,387	20,170
Differences between expected and actual experience	88,917	(99,724)	-	-
Changes in assumptions	43,630	160,263	10,389	(5,495)
Benefit payments	(12,371)	(12,504)	(18,232)	(887)
Net Change in Total OPEB Liability	181,729	90,513	32,675	32,460
Total OPEB Liability - Beginning	703,983	613,470	580,795	548,335
Total OPEB Liability - Ending	$ 885,712	$ 703,983	$ 613,470	$ 580,795
Authority's covered payroll	401,887	386,051	302,925	292,182
Total OPEB Liability as a percentage of covered payroll	220.39%	182.35%	202.52%	198.78%

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.
Discount rate changed from 5.20% as of June 30, 2025 to 4.67% as of June 30, 2026

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Carson City Culture and Tourism Authority

(A Component Unit of the City of Carson City)

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

Last Ten Fiscal Years

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	2025	2024	2023	2022	2021
Authority's proportion of the net pension liability	0.00582%	0.00625%	0.00675%	0.00637%	0.00562%
Authority's proportionate share of the net pension liability	$ 1,017,235	$ 1,120,488	$ 1,171,410	$ 1,124,397	$ 550,623
Authority's covered payroll	$ 610,490	$ 570,352	$ 536,342	$ 525,012	$ 470,776
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	166.63%	196.46%	218.41%	214.17%	116.96%
Plan fiduciary net position as a percentage of total pension liability	80.47%	78.11%	76.16%	75.12%	86.51%

	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.00542%	0.00441%	0.00441%	0.00585%	0.00404%
Authority's proportionate share of the net pension liability	$ 789,195	$ 772,532	$ 774,771	$ 784,823	$ 537,706
Authority's covered payroll	$ 401,887	$ 386,051	$ 302,925	$ 292,182	$ 374,957
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	196.37%	200.11%	255.76%	268.61%	143.40%
Plan fiduciary net position as a percentage of total pension liability	77.04%	76.46%	75.24%	74.40%	72.20%

Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Schedule of Authority's Contributions
Last Ten Fiscal Years

	2026	2025	2024	2023	2022
Statutorily required contribution	$ 226,547	$ 193,006	$ 179,674	$ 156,191	$ 140,056
Contributions in relation to the statutorily required contribution	(226,547)	(193,006)	(179,674)	(156,191)	(140,056)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll	610,490	$ 570,352	$ 536,342	$ 525,012	$ 470,776
Contributions as a percentage of covered payroll	37.11%	33.84%	33.50%	29.75%	29.75%

	2021	2020	2019	2018	2017
Statutorily required contribution	$ 117,552	$ 112,920	$ 84,819	$ 81,811	$ 104,988
Contributions in relation to the statutorily required contribution	(117,552)	(112,920)	(84,819)	(81,811)	(104,988)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll	$ 401,887	$ 386,051	$ 302,925	$ 292,182	$ 374,957
Contributions as a percentage of covered payroll	29.25%	29.25%	28.00%	28.00%	28.00%

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Supplementary Information
June 30, 2026

Carson City Culture and Tourism Authority (A Component Unit of the City of Carson City)

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	Budgeted Amounts		Variance with Final Budget- over (under)		Variance with Actual Amounts- over (under)
	Original	Final	Original Budget	Actual	Final Budget
Revenue					
Room taxes	$ 613,062	$ 613,062	$ -	$ 606,741	$ (6,321)
Investment income	3,150	30,936	27,786	54,030	23,094
Total revenue	616,212	643,998	27,786	660,771	16,773
Expenditures					
Intergovernmental	382,200	382,200	-	382,200	-
Total expenditures	382,200	382,200	-	382,200	-
Excess of revenue over expenditures	234,012	261,798	27,786	278,571	16,773
Fund Balance, Beginning of Year	1,237,052	1,275,093	38,041	1,275,093	-
Fund Balance, End of Year	$ 1,471,064	$ 1,536,891	$ 65,827	$ 1,553,664	$ 16,773

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Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
V&T Capital Projects Fund
For the Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget- over (under)		Variance with Actual Amounts- over (under)
	Original	Final	Original Budget	Actual	Final Budget
Revenue					
Room taxes	$ 613,062	$ 613,062	$ -	$ 606,741	$ (6,321)
Investment income	150	2,206	2,056	3,885	1,679
Total revenue	613,212	615,268	2,056	610,626	(4,642)
Expenditures					
Intergovernmental	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenue over (under) expenditures	613,212	615,268	2,056	610,626	(4,642)
Other financing sources					
Transfer out	(613,062)	(613,062)	-	(606,741)	6,321
Change in Fund Balance	150	2,206	2,056	3,885	1,679
Fund Balance, Beginning of Year	88,008	91,687	3,679	91,687	-
Fund Balance, End of Year	$ 88,158	$ 93,893	$ 5,735	$ 95,572	$ 1,679

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Compliance Section
June 30, 2026

Carson City Culture and Tourism Authority (A Component Unit of the City of Carson City)

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

To the Board of Directors
Carson City Culture and Tourism Authority
(A Component Unit Of the City of Carson City)
Carson City, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Carson City Culture and Tourism Authority, a Component Unit of the City of Carson City ("the Authority"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated Date Pending.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Carson City, Nevada
Date Pending

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Auditor's Comments

To the Board of Directors
Carson City Culture and Tourism Authority
(A Component Unit of the City of Carson City)
Carson City, Nevada

In connection with our audit of the financial statements of the Carson City Culture and Tourism Authority, a Component Unit of the City of Carson City ("the Authority") as of and for the year ended June 30, 2026, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Authority failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance
The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance
The Authority monitored all significant constraints on its financial administration during the year ended June 30, 2026.

Current Year Recommendations
No material weaknesses or significant deficiencies reported.

Progress on Prior Year Recommendations
No material weaknesses or significant deficiencies reported.

Nevada Revised Statute 354.6241
In connection with our audit, nothing came to our attention that caused us to believe that the Authority had not complied in all material respects with NRS 354.6241, including:

a. Use of funds established
b. Use of generally accepted accounting principles
c. Limitations on reserves
d. Recording sources of revenue and transfers available
e. Statutory and regulatory requirements applicable to the fund
f. Ending fund balance amounts

Carson City, Nevada
Date Pending

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