

BALLROOM CAPITAL FUND CALCULATION		ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	ACTUAL 2023	FORECASTED 2024
a	Beginning Balance (Capital Fund)	192,773	310,254	347,611	427,373	466,002	500,000
b	Interest Earned	17,481	8,689	(2,573)	(15,934)	9,614	1,000
c	Partner Payment (City Portion of Net Profit (see line "m"))	50,000	-	-	-	10,386	50,000
d	Partner Payment (Downtown Management Portion of Net Profit(see line "m"))	50,000	-	-	-	10,386	50,000
	Additional Payment by Downtown Management Co. for \$100k Capital Contribution						
e	Per Section 2.3.3 (see line "l" below)	-	100,000	100,000	100,000	3,612	-
f	City Net Profit 2019 (excess profit retained in Capital Fund)	-	-	70,180	-	-	-
g	Capital Spend for Year	-	(71,332)	(87,845)	(45,437)	-	(75,000)
h	Capital Sub Account Ending Balance	310,254	347,611	427,373	466,002	500,000	526,000
	City Net Profit 2019 (excess profit to be transferred out)	-	70,180	-	-	-	-
	Due to City from Management Company	-	-	(28,668)	-	(54,563)	-
h	Capital Paid for by Downtown Management (to be reimbursed by Capital Subaccount)	-	71,332	87,845	45,437	-	-
i	Ending Balance	310,254	489,123	486,550	511,439	445,437	526,000
							(1)
BALLROOM NET PROFIT CALCULATION		ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	ACTUAL 2023	FORECASTED 2023
j	Reno Ballroom Loss Carryforward (Per Section 2.3.2)	-	-	(313,143)	(474,422)	(183,267)	(3,612)
k	Reno Ballroom Net Profit	240,361	(213,143)	(61,279)	391,155	204,038	216,092
	Downtown Management Company (Operator Portion of Contribution for \$100k Subaccount Deposit Annually that can become Part of Annual Operating Loss. Per Section 2.3.3)	-	(100,000)	(100,000)	(100,000)	-	-
m	Total Ballroom Net Profit (City and Downtown Management)	240,361	(313,143)	(474,422)	(183,267)	20,771	212,480
		***	****	*****	*****	*****	
	City Portion of Net Profit (1/2 Total)	120,180	(156,572)	(237,211)	(91,633)	10,386	106,240
	Downtown Management Company Portion of Net Profit (1/2 Total)	120,180	(156,572)	(237,211)	(91,633)	10,386	106,240
	Total to Pay City for Net Profit (City Portion of net Profit plus DMO Capital Account Payment)	170,180	28,668	12,155	54,563	24,383	
		Paid	Paid	Paid			(2)

* In 2017, the Council agreed to use the Net Profit for Capital Improvements. The Net Profit was \$96k and when added to the Capital Account the balance was over \$500k and Downtown Management Company did not have to increase the payment to \$100k for that annual period.

** In 2018, our net profit at the Reno Ballroom was \$114k. Per the agreement, \$100k will be used for the Capital Account required deposit (as the balance in the account, after capital purchases, is less than \$500k).

*** In 2019, our net profit at the Reno Ballroom was \$240k. Per the agreement, \$100k will be used for the Capital Account required deposit (as the balance in the account, after capital purchases, is less than \$500k).

**** In 2020, our net loss at the Reno Ballroom was \$213k. Per the agreement, \$100k will be used for the Capital Account required deposit (as the balance in the account, after capital purchases, is less than \$500k).

***** In 2021, our net loss at the Reno Ballroom was \$61k. Per the agreement, \$100k will be used for the Capital Account required deposit (as the balance in the account, after capital purchases, is less than \$500k).

***** In 2022, our net profit at the Reno Ballroom was \$391k. Per the agreement, \$100k will be used for the Capital Account required deposit (as the balance in the account, after capital purchases, is less than \$500k).

*In 2023, our net profit at the Reno Ballroom was \$204k. Per the agreement, \$24,383 will be used for the Capital Account required deposit (this will bring the balance in
***** the account to \$500k).*

(1) Ties to Capital Account Bank Rollforward from City for the period ending 12/31/23

(2) Total amount payable to the City of Reno for 2023 (includes payment to Capital Account of \$50k from each The City and Downtown Management Company).

2.3.2 Except as provided in Section 2.3.3 of this Agreement, Operator shall expend Gross Revenues and funds in the Account in the following order of priority: first to pay all Operating Expenses and reimburse Operator for funds advanced to pay Operating Expenses pursuant to this Section 2.3.2; second, to deposit funds into the Subaccount as required by Section 2.3.3 of this Agreement; third to pay any Operating Loss Carryforward for the preceding Fiscal Year; and fourth, to pay Net Profit, if any, to the City and Operator pursuant to Section 4.1 of this Agreement. All Operating Expenses shall be paid by check or other written instrument (including direct deposit) and the purpose of the payment shall be clearly identified on the written instrument. Operator is responsible for advancing funds to pay any Operating Expenses for a specific booked event which are required to be paid prior to the receipt of any Gross Revenues associated with such booked event.

2.3.3 As of the date of this Agreement, City has on deposit the sum of \$500,000 in the Subaccount. Operator and City shall each deposit an equal amount not to exceed \$50,000 per year, to the extent funds are available under Section 2.3.2, into the Subaccount during the term of this Agreement. However, neither Operator nor City is required to deposit funds into the Subaccount if the balance of the Subaccount is greater than \$500,000. If at any time the Gross Revenues are insufficient to meet the foregoing \$100,000 annual Gross Revenue deposit to the Subaccount, Operator shall contribute the difference, which contribution shall increase and become part of the annual Operating Loss.