

BALLROOM CAPITAL FUND CALCULATION					FORECASTED
	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	2023
a Beginning Balance (Capital Fund)	192,773	310,254	347,611	427,373	465,625
b Interest Earned	17,481	8,689	(2,573)	(15,934)	1,000
c Partner Payment (City Portion of Net Profit (see line "m"))	50,000	-	-	-	50,000
d Partner Payment (Downtown Management Portion of Net Profit(see line "m"))	50,000	-	-	-	50,000
e Additional Payment by Downtown Management Co. for \$100k Capital Contribution Per Section 2.3.3 (see line "l" below)	-	100,000	100,000	100,000	-
f City Net Profit 2019 (excess profit retained in Capital Fund)	-	-	70,180	-	-
g Capital Spend for Year	-	(71,332)	(87,845)	(45,437)	(105,000)
h Capital Sub Account Ending Balance	310,254	347,611	427,373	466,002	461,625
City Net Profit 2019 (excess profit to be transferred out)	-	70,180	-	-	-
Due to City from Management Company for 2020	-	-	(28,668)	-	-
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	461,625
					(1)
BALLROOM NET PROFIT CALCULATION					FORECASTED
	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	ACTUAL 2022	2023
j Reno Ballroom Loss Carryforward (Per Section 2.3.2)	-	-	(313,143)	(474,422)	(183,267)
k Reno Ballroom Net Profit	240,361	(213,143)	(61,279)	391,155	368,202
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)	184,935

City Portion of Net Profit (1/2 Total)	120,180	(156,572)	(237,211)	(91,633)	92,468
Downtown Management Company Portion of Net Profit (1/2 Total)	120,180	(156,572)	(237,211)	(91,633)	92,468
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	
					(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).

(1) Ties to Capital Account Bank Rollforward from City for the period ending 12/31/22

(2) Total amount payable to the City of Reno for 2022 (includes payment to Capital Account of \$50k from each The City and Downtown Management Company).

2.3.2 Except as provided expend Gross Revenues and funds in the A all Operating Expenses and reimburse Ope pursuant to this Section 2.3.2; second, to Section 2.3.3 of this Agreement; third to pa Fiscal Year; and fourth, to pay Net Profit, if of this Agreement. All Operating Expense (including direct deposit) and the purpose written instrument. Operator is responsible for a specific booked event which are rec Revenues associated with such booked ever

2.3.3 As of the date of thi in the Subaccount. Operator and City sha per year, to the extent funds are available term of this Agreement. However, neither Subaccount if the balance of the Subaccou Revenues are insufficient to meet the fore Subaccount, Operator shall contribute th become part of the annual Operating Loss.

in Section 2.3.3 of this Agreement, Operator shall account in the following order of priority: first to pay Operator for funds advanced to pay Operating Expense; deposit funds into the Subaccount as required by any Operating Loss Carryforward for the preceding year; to the City and Operator pursuant to Section 4.1.2. Payments shall be paid by check or other written instrument and the purpose of the payment shall be clearly identified on the instrument. Operator shall be responsible for advancing funds to pay any Operating Expense required to be paid prior to the receipt of any Gross Revenue.

Under this Agreement, City has on deposit the sum of \$500,000. Each year, each party shall deposit an equal amount not to exceed \$50,000 per year under Section 2.3.2, into the Subaccount during the year. Neither Operator nor City is required to deposit funds into the Subaccount if the balance is greater than \$500,000. If at any time the Gross Revenue is less than the going \$100,000 annual Gross Revenue deposit to the Subaccount, the difference, which contribution shall increase as

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