

GREATER RICHMOND CONVENTION CENTER AUTHORITY

Richmond, Virginia



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

**GREATER RICHMOND
CONVENTION CENTER AUTHORITY**

Richmond, Virginia



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**Prepared by
The County of Chesterfield, Virginia's Accounting Department
Fiscal Agent for the Greater Richmond Convention Center Authority
Deborah D. Baicy, Fiscal Services Coordinator**



**GREATER RICHMOND CONVENTION CENTER AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2024**

Table of Contents

INTRODUCTORY SECTION (Unaudited)

	<u>Page</u>
Letter of Transmittal	1-4
Certificate of Achievement	5
Directory of Officials	6
Authority Structure	7

FINANCIAL SECTION

Report of Independent Auditor	11-13
Management's Discussion and Analysis (unaudited)	14-17
Financial Statements:	
Statement of Net Position	18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20
Notes to the Financial Statements	21-30

STATISTICAL SECTION (Unaudited)

Table

I	Net Position – Last Ten Fiscal Years	33
II	Statement of Revenues, Expenses and Changes in Net Position – Last Ten Fiscal Years	34
III	Transient Occupancy Tax Collections – Last Ten Fiscal Years	35
IV	Hotel Room Information – Last Ten Calendar Years	36
V	Ratios of Outstanding Debt – Last Ten Fiscal Years	37
VI	Pledged Revenue Coverage – Last Ten Fiscal Years	38
VII	Demographic and Economic Statistics for Each Participating Jurisdiction – Last Ten Fiscal Years	39
VIII	Principal Private Employers in the Richmond Area – Current Year and Nine Years Ago	40
IX	Events at the Greater Richmond Convention Center – Last Ten Fiscal Years	41
X	Capital Assets Statistics – Last Ten Fiscal Years	42

COMPLIANCE SECTION

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	45-46
--	-------



INTRODUCTORY SECTION (unaudited)



Greater Richmond Convention Center Authority



Greater Richmond Convention Center Authority Members

Lincoln Saunders
City of Richmond

John A. Vithoukas
Henrico County

Joseph P. Casey
Chesterfield County

John A. Budesky
Hanover County

Nancy C. Thomas
InUnison

Mailing Address

Richmond Region Tourism
401 North 3rd Street
Richmond, VA 23219

804/782-2777
FAX 804/780-2577

visitrichmondva.com
richmondcenter.com

November 7, 2024

The Honorable Members of the Commission of the
Greater Richmond Convention Center Authority
Richmond, Virginia

Members of the Commission:

We are pleased to submit to you the Annual Comprehensive Financial Report (the "ACFR") of the Greater Richmond Convention Center Authority (the "Authority") for the fiscal year ended June 30, 2024. State law requires that all authorities have their financial activity audited annually as of June 30 by an independent certified public accountant and that an audited financial report be submitted within five months after the end of the fiscal year to the Auditor of Public Accounts of the Commonwealth of Virginia. This report has been prepared by the County of Chesterfield, Virginia's (the "County") Accounting Department, fiscal agent for the Authority, in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (the "GASB").

The fiscal affairs of the Authority are managed by the staff of the Accounting Department of the County pursuant to a resolution adopted by the Authority's Commission on April 17, 1998, designating the County to act as its fiscal agent effective July 1, 1998. Responsibility for both the completeness and the reliability of the contents of the ACFR rests with County management. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with U.S. generally accepted accounting principles (the "GAAP"). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Cherry Bekaert LLP, a firm of licensed certified public accountants, audited the Authority's financial statements. The independent auditors' responsibility is to express an opinion on the Authority's financial statements based on their audit. The auditors conducted the audit in accordance with professional auditing standards, which require that the auditors plan and perform the audit to obtain reasonable assurance about

whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. The independent auditors concluded based upon the audit, that there was a reasonable basis for forming and expressing an unmodified opinion that the Authority's financial statements as of and for the fiscal year ended June 30, 2024 are fairly presented in conformity with GAAP, in all material respects. The report of independent auditor is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (the "MD&A"). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the report of the independent auditors.

Profile of the Authority

The Authority was created on January 9, 1998 for the purpose of acquiring, constructing, equipping, maintaining, and operating a regional convention center facility. The political subdivisions participating in the incorporation of the Authority are the City of Richmond and the Counties of Chesterfield, Hanover and Henrico (the "participating jurisdictions"). The Authority is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President/CEO of InUnison.

The Greater Richmond Convention Center (the "Center") located in downtown Richmond, is a modern multi-purpose facility that attracts significant numbers of people to the region. At 700,000 gross square feet, the Center is the largest meeting and exhibition facility in the Commonwealth of Virginia. Since the Center opened in 2003, over one billion dollars of infrastructure and improvements have been invested in the surrounding area.

The Center is managed by Global Spectrum, L.P., doing business as OVG360 (the "Manager"), pursuant to a Convention Center Operating Agreement. The Manager promotes, operates, supervises, maintains and manages the Center. The Manager works closely with the Authority to establish an annual operating budget and operating plan for the Center and to monitor operating performance against the budget and plan throughout the year. The Manager is responsible for sales, marketing, promotion and advertising of the Center for events to be held within 18 months of the booking date.

The catering, concessions and other food services at the Center are provided by ARAMARK Corporation (the "Food Services Manager") through the Food Service Management Agreement. The Food Services Manager works closely with the Authority to establish an annual food service budget and operating plan for the Center and to monitor performance against the budget and plan throughout the year.

The President/CEO of Richmond Region Tourism (the "RRT") provides all necessary services to monitor the performance of the Manager and the Food Services Manager, pursuant to an Operations Contract Supervision Agreement. In addition, the RRT has been acting as the agent for sales, marketing, promotion and advertising for the Center for events to be held more than 18 months after the booking date.

An annual budget is prepared and approved by the Authority. The Authority's budget incorporates the operating budgets prepared by the Manager and Food Services Manager. The budget also includes the projected transient occupancy tax (the "hotel tax") collections for each participating jurisdiction. Each participating jurisdiction has levied an 8% hotel tax on accommodations rented for fewer than 30 consecutive days which is remitted to the Authority monthly. Prior to the beginning of each fiscal year, each participating jurisdiction delivers a projection to the Authority of the hotel tax payments expected to be made in the coming fiscal year.

The Authority seeks financial advice from its Finance Committee, which includes a member from the financial leadership of each of the participating jurisdictions. The Finance Committee meets on a regular basis to monitor the Authority's financial and operational performance. The Authority's Finance Committee evaluates its budget and long-term financial needs annually. The Manager and Food Services Manager have prepared long-term Capital Needs Plans to identify future capital needs and costs to replace or refurbish major systems. This plan has been incorporated into a 10-year forecast of revenues and expenses, which is updated annually during the budget process.

Factors Affecting Economic Condition

The primary source of revenues for the Authority is the transient occupancy tax payments made by the participating jurisdictions. Hotels in the Richmond Region have set a new collective record for annual transient occupancy tax revenue. Total transient occupancy tax revenue reached \$36,768,244, surpassing the previous high in 2023 of \$35,378,789. The Richmond Region's momentum as a tourist destination continues to accelerate as we have seen three consecutive record years when it comes to hotel occupancy and revenues.

Tourism has proven to be a formidable economic engine for the Richmond Region, which in 2023, welcomed 6.8 million visitors and broke hotel sales records for the third consecutive year, with a 5% increase year over year. The region's tourism vitality is underpinned by four key pillars:

1. The region's ability to successfully compete with similarly sized destinations in attracting conventions, meetings, and sports tourism business.
2. The presence of major companies generating a steady influx of business travelers.
3. The region's strategic location within a day's drive of half the nation's population, making it an accessible and appealing destination for weekend travelers.
4. A higher-than-average rate of visits from friends and family, contributing significantly to tourism strength.

Central to the region's allure is the Center. Recent trends show a shift towards fewer but larger events at the Center. In FY 2024, the facility hosted 200 events with 370,413 attendees, compared to 294 events with 357,046 attendees in FY 2018. This trend of hosting fewer events with higher attendance is anticipated to continue, with projections for FY 2025 including approximately 215 events and more than 436,000 attendees, surpassing the record-setting year of 2019. This is desirable because it demonstrates increased economic impact by the Center year over year. Key events such as Galaxy Con, the 74th Jalsa Salana, and the National Council on Education for the Ceramic Arts Annual Convention significantly boosted attendance figures.

Additionally, the region hosted numerous collegiate, amateur, and youth tournaments, including the Atlantic 10 Conference Men's and Women's Cross-Country Championship, Atlantic 10 Women's Basketball Championship, the Jefferson Cup Soccer Tournament, and USA Fencing events. Recent investments in sports tourism infrastructure, including new playing fields, sports complexes, courts, biking trails, and parks, have bolstered the region's competitiveness in attracting sports tourism dollars.

Richmond's recognition as the top spot in CNN Travel's Best Towns to Visit list, due to its vibrant culinary scene, arts and culture, outdoor activities, and rich history, further enhances its profile as a premier destination.

The establishment of the Tourism Improvement District (the "TID") has been instrumental in enhancing the region's competitiveness. This 2% self-assessment among area hotels generated over \$7.5 million in

the first year, supporting year-round advertising and incentives for conventions and tournaments, thereby promoting the region as a top destination for visitors, conferences, and sports tourism.

The Authority's fiscally responsible financial policies, solid financial results and sound management were reaffirmed in fiscal year 2024. Fitch Ratings performed a routine review of the Authority's credit rating and determined that the credit profile was stable and affirmed their rating of 'AA-' and their stable rating outlook. All three rating agencies (Fitch Ratings, Moody's Investors Service, and Standard & Poor's) continue to monitor the Authority's financial performance. Credit ratings are the rating agency's opinion on the relative ability of an entity to meet financial commitments.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (the "GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, the Authority must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In response to the COVID-19 outbreak, the Global Biorisk Advisory Council ("GBAC") unveiled its GBAC Star facility accreditation program on cleaning, disinfection and infectious disease prevention. The Center is certified under the program and intends to continue to recertify its accreditation annually.

The Center has received the VisitAble Advocate Certification, which is a trailblazing, inter-industry affirmation that the Center is engaged with and committed to making the world a better place for people with disabilities. The Center's staff are prepared to serve, welcome, and accommodate any and all disabled visitors, employees and stakeholders.

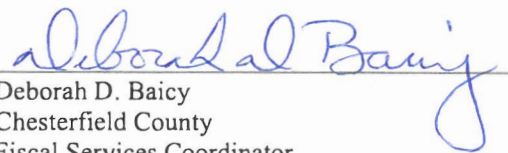
The Center has received the Virginia Green Travel Leader Award by the Virginia Department of Environmental Quality as a Virginia Green Convention Center. Virginia Green is the Commonwealth of Virginia's campaign to promote environmentally friendly practices in all aspects of Virginia's tourism industry. Virginia Green consists of a network of tourism-related organizations that are committed to protecting the environment while promoting responsible tourism. The statewide program works to reduce the environmental impacts of the Commonwealth's tourism industry and raises awareness about green tourism. The Center's staff is dedicated to environmental responsibility and the Virginia Green program. This environmental commitment is actively communicated to meeting and event planners as well as visitors who are encouraged to participate in the facility's green practices.

We would like to thank the members of the Authority for your interest and support in planning and conducting the financial operations of the Authority in a responsible manner.

Respectfully submitted,



Brandon Hinton
Greater Richmond Convention Center Authority
Finance Committee Chairman



Deborah D. Baicy
Chesterfield County
Fiscal Services Coordinator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Greater Richmond Convention Center Authority
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

**GREATER RICHMOND CONVENTION CENTER AUTHORITY
DIRECTORY OF OFFICIALS
JUNE 30, 2024**

Commission Members

John A. Vithoukas, Chairman
County of Henrico

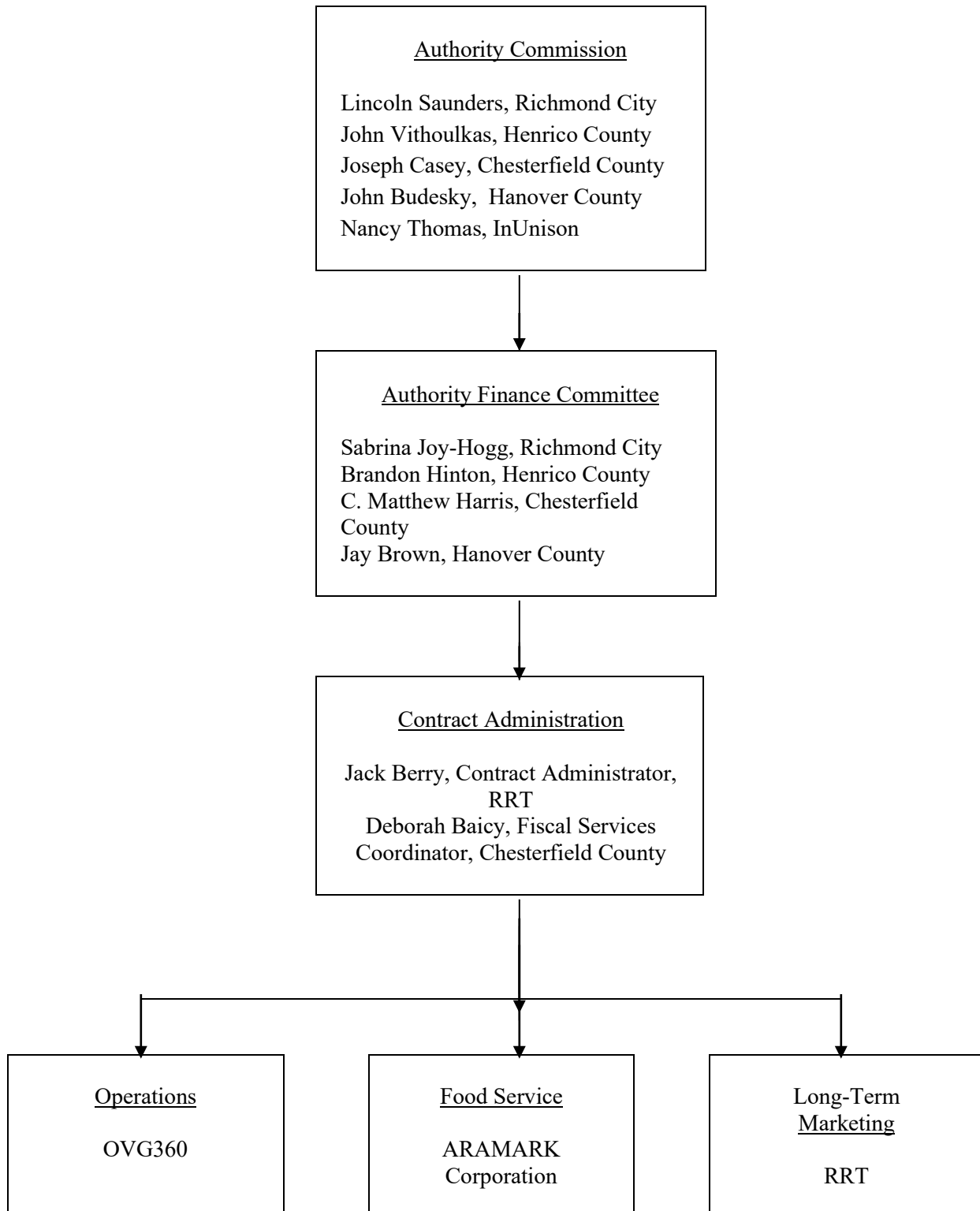
Nancy C. Thomas, Vice Chair
InUnison

Joseph P. Casey, Secretary/Treasurer
County of Chesterfield

John A. Budesky
County of Hanover

J.E. Lincoln Saunders
City of Richmond

**GREATER RICHMOND CONVENTION CENTER AUTHORITY
AUTHORITY STRUCTURE
JUNE 30, 2024**





FINANCIAL SECTION



Report of Independent Auditor

To the Members of the Commission
Greater Richmond Convention Center Authority
Chesterfield, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Greater Richmond Convention Center Authority (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the "Specifications"). Our responsibilities under those standards and Specifications 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 opinion.

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 opinion. 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, *Government Auditing Standards*, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* and the Specifications, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 to 17 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2024, 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 Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Richmond, Virginia
November 7, 2024

GREATER RICHMOND CONVENTION CENTER AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
(unaudited)

This section of the Greater Richmond Convention Center Authority’s (the “Authority”) Annual Comprehensive Financial Report presents our discussion and analysis of the Authority’s financial performance as of and during the fiscal year ended June 30, 2024. Please read it in conjunction with the Authority’s financial statements and notes, which follow this section.

FY 2024 FINANCIAL HIGHLIGHTS

- Total net position increased \$7,221,495 (7.7%) to \$100,698,748.
- Capital assets net of accumulated depreciation decreased by \$3,070,931 (2.2%) to \$134,296,743.
- Long-term debt outstanding decreased \$8,232,686 (10.4%) to \$71,134,815.
- Revenues increased \$2,948,275 (7.9%) to \$40,223,027.
- Expenses increased \$1,734,629 (5.5%) to \$33,001,532.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority’s annual financial report consists of four sections: introductory, financial, statistical, and compliance. The financial section consists of three components – the report of the independent auditor, management’s discussion and analysis (this component), and the financial statements. The financial statements offer financial information about the Authority’s financial position, activities and additional information about its cash flows. The notes to the financial statements provide additional details for understanding the information presented in the financial statements. The activities of the Authority are accounted for as an enterprise fund. Accordingly, the Authority’s financial statements are presented in accordance with the economic resources measurement focus and the accrual basis of accounting.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net position. The Authority’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,698,748 at the close of the most recent fiscal year. This represents a \$7,221,495 (7.7%) increase from last year (see Table 1).

**Table 1
Condensed Summary of Net Position
As of June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets:		
Current and other assets	\$ 57,311,248	\$ 52,829,165
Capital assets, net	<u>134,296,743</u>	<u>137,367,674</u>
Total assets	<u>191,607,991</u>	<u>190,196,839</u>
Deferred outflows of resources:		
Deferred amount on refunding, net	<u>4,892,313</u>	<u>6,076,245</u>
Liabilities:		
Long-term debt outstanding	71,134,815	79,367,501
Other liabilities	<u>22,421,312</u>	<u>20,902,157</u>
Total liabilities	<u>93,556,127</u>	<u>100,269,658</u>
Deferred inflows of resources:		
Deferred inflows related to leases	<u>2,245,429</u>	<u>2,526,173</u>
Net position:		
Net investment in capital assets	77,707,825	73,730,002
Restricted	25,954,716	22,445,587
Unrestricted	<u>(2,963,793)</u>	<u>(2,698,336)</u>
Total net position	<u>\$100,698,748</u>	<u>\$ 93,477,253</u>

GREATER RICHMOND CONVENTION CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

The largest portion of the Authority's net position reflects its investment in capital assets (e.g., land, buildings, improvements other than buildings, and equipment), less any related debt used to acquire those assets that is still outstanding (77.2% at June 30, 2024). The Authority uses these capital assets to provide services; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Authority's net position (25.7% at June 30, 2024) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance (negative 2.9% at June 30, 2024) is unrestricted net position. Unrestricted net position is negative since the excess tax rebate payment is calculated in accordance with the Interlocal Agreement using total fiscal year hotel tax; however, the Indenture restricts the June and July hotel tax remittances for debt service based on the flow of funds. Therefore, at June 30, 2024, \$6,861,551 of fiscal year 2024 hotel tax remittances are reported as restricted net position, which are equally offset by related liabilities.

Changes in net position. The Authority's total revenues increased from the prior year by \$2,948,275 (7.9%) to \$40,223,027. Approximately 91.4% of the Authority's revenues came from transient occupancy taxes in fiscal year 2024. The remaining revenues are net food and beverage revenues, lessor interest revenue, lease revenue, investment earnings and miscellaneous revenue. The Authority's total expenses increased from the prior year by \$1,734,629 (5.5%) to \$33,001,532. In fiscal year 2024, approximately 66.7% of the Authority's expenses relate to transient occupancy tax rebates to the participating localities, 13.0% of expenses relate to facility costs, 7.3% of expenses relate to bond amortization and interest, 10.4% of expenses relate to depreciation expense, and 2.6% of expenses relate to professional fees, insurance premiums, and miscellaneous expenses (see Table 2).

Table 2
Condensed Summary of Changes in Net Position
Years ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues:		
Operating revenues:		
Net food and beverage revenues	\$ 597,524	\$ 457,561
Non-operating revenues:		
Transient occupancy tax	36,768,244	35,378,789
Lease revenues	280,744	280,745
Net investment earnings and other income	<u>2,576,515</u>	<u>1,157,657</u>
Total revenues	<u>40,223,027</u>	<u>37,274,752</u>
Expenses:		
Operating expenses:		
Depreciation expense	3,433,626	3,455,639
Facility operating expenses	4,348,807	3,489,118
Other expenses	847,377	795,950
Non-operating expenses:		
Transient occupancy tax rebate	22,021,455	20,774,716
Bond amortization and interest expense	2,417,125	2,692,433
Other expenses	-	59,047
Total expenses	<u>33,001,532</u>	<u>31,266,903</u>
Change in net position	7,221,495	6,007,849
Total net position, beginning of year	<u>93,477,253</u>	<u>87,469,404</u>
Total net position, end of year	<u>\$100,698,748</u>	<u>\$93,477,253</u>

GREATER RICHMOND CONVENTION CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

The Authority's revenues increased by \$2,948,275 (7.9%) and total expenses increased by \$1,734,629 (5.5%) compared to prior year financial activity. Key elements contributing to these results are as follows:

- The transfer of transient occupancy tax from participating jurisdictions increased by \$1,389,455 (3.9%) due to increased hotel occupancy and the average daily hotel rate during the year.
- Net investment earnings and other income increased by \$1,418,858 (122.6%) due to rising interest rates and increased cash balances due to the increase in the transient occupancy tax.
- Transient occupancy tax rebate increased by \$1,246,739 (6.0%) due to a \$1,389,455 increase in transient occupancy taxes less a \$44,621 increase in the Authority's annual costs and \$98,095 tax levy restrictions deposited into the residual account. See Notes 8 and 9 to the financial statements for more detailed information related to the transient occupancy tax and rebate payments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024, the Authority had invested \$134,296,743 for land, buildings, improvements other than buildings, equipment and construction in progress. This amount represents a net decrease of \$3,070,931 (2.2%) from fiscal year 2023 (see Table 3).

Table 3
Summary of Capital Assets
As of June 30, 2024 and 2023
(net of accumulated depreciation)

	<u>2024</u>	<u>2023</u>
Land	\$ 20,202,899	\$ 20,202,899
Construction in progress	87,316	-
Buildings	111,485,060	114,373,473
Improvements other than buildings	335,615	425,042
Equipment	<u>2,185,853</u>	<u>2,366,260</u>
Total capital assets	<u>\$134,296,743</u>	<u>\$137,367,674</u>

The \$3,070,931 decrease in capital assets is attributed to annual depreciation expense of \$3,433,626, which was offset by the capitalization of additional capital costs incurred during the year in the amount of \$362,695. More detailed information about the Authority's capital assets is presented in Note 4 of the notes to the financial statements.

Long-term Debt

At year-end, the Authority had \$71,134,815 in bonds outstanding, net of bond premium, a decrease of \$8,232,686 (10.4%) compared to fiscal year 2023. The reduction in long-term debt is primarily due to payments of bond principal during the fiscal year. More detailed information about the Authority's Hotel Tax Revenue Bonds liability is presented in Note 6 of the notes to the financial statements.

GREATER RICHMOND CONVENTION CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chesterfield County Accounting Department, 9901 Lori Road, Chesterfield, Virginia 23832.

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Statement of Net Position
June 30, 2024

ASSETS:	
Current assets:	
Cash and cash equivalents with fiscal agent (Note 3)	\$ 18,441,118
Accounts receivable (Note 7)	273,851
Lease receivable (Note 5)	250,006
Prepaid item	191,805
Restricted:	
Cash equivalents with trustee (Note 3)	3,653,693
Cash and cash equivalents with fiscal agent (Note 3)	9,552,020
Investments with trustee (Note 3)	9,479,565
Investments with fiscal agent (Note 3)	4,412,262
Due from participating jurisdictions (Note 9)	3,285,713
Interest receivable	125,538
Total restricted assets	30,508,791
Total current assets	49,665,571
Noncurrent assets:	
Lease receivable (Note 5)	2,146,311
Restricted:	
Investments with fiscal agent (Note 3)	5,499,366
Capital assets (Note 4):	
Land	20,202,899
Construction in progress	87,316
Buildings	172,761,937
Improvements other than buildings	2,231,780
Equipment	6,331,704
Accumulated depreciation	(67,318,893)
Net capital assets	134,296,743
Total noncurrent assets	141,942,420
Total assets	191,607,991
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amount on refunding, net of amortization (Note 6)	4,892,313
LIABILITIES:	
Current liabilities:	
Liabilities payable from restricted assets:	
Accounts payable	323,956
Accrued interest on bonds payable (Note 6)	75,901
Total liabilities payable from restricted assets	399,857
Due to participating jurisdictions (Note 9)	22,021,455
Bonds payable, net (Note 6)	8,470,694
Total current liabilities	30,892,006
Noncurrent liabilities:	
Bonds payable, net (Note 6)	62,664,121
Total liabilities	93,556,127
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows related to leases (Note 5)	2,245,429
NET POSITION:	
Net investment in capital assets	77,707,825
Restricted for:	
Debt service	6,719,898
Operations	6,424,543
Renewal and replacement	12,810,275
Unrestricted	(2,963,793)
Total net position	\$ 100,698,748

See accompanying notes to the financial statements.

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

Operating revenues:	
Net food and beverage revenues (Note 7)	\$ <u>597,524</u>
Operating expenses:	
Operator expenses, net (Note 5 and 7)	3,414,629
Depreciation expense (Note 4)	3,433,626
Marketing	590,300
Professional services	629,218
Insurance	215,137
Facility expenses	277,020
Miscellaneous	<u>3,022</u>
Total operating expenses, net	<u>8,562,952</u>
Operating loss	<u>(7,965,428)</u>
Non-operating revenues (expenses):	
Transient occupancy tax (Notes 8 and 9)	36,768,244
Interest income	1,909,747
Miscellaneous revenues	36
Lease revenues (Note 5)	280,744
Net increase in fair value of investments	666,732
Transient occupancy tax rebate (Note 9)	(22,021,455)
Bond amortization and interest expense (Note 6)	<u>(2,417,125)</u>
Net non-operating revenues	<u>15,186,923</u>
Change in net position	7,221,495
Total net position, beginning of year	<u>93,477,253</u>
Total net position, end of year	<u>\$ <u>100,698,748</u></u>

See accompanying notes to the financial statements.

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Statement of Cash Flows
For the Year Ended June 30, 2024

Cash flows from operating activities:	
Payments to the Operator	\$ (3,193,519)
Payments for Authority operating expenses	(1,555,353)
Payments for facility operating expenses	(199,921)
Receipts from food service operations	444,303
Net cash used in operating activities	<u>(4,504,490)</u>
Cash flows from non-capital financing activities:	
Receipt of transient occupancy tax	36,731,172
Receipt of lease revenue by Operator	281,976
Payment of transient occupancy tax rebate	(20,774,716)
Net cash provided by non-capital financing activities	<u>16,238,432</u>
Cash flows from capital and related financing activities:	
Payments for principal on bonds	(7,290,000)
Payments for interest on bonds	(2,189,721)
Purchase of capital assets	(223,913)
Receipt of miscellaneous revenues	36
Net cash used in capital and related financing activities	<u>(9,703,598)</u>
Cash flows from investing activities:	
Proceeds used for purchase of investments	(5,498,980)
Proceeds from investment activities	4,055,000
Proceeds used for investment activities	(56,964)
Interest received	1,763,400
Net cash provided by investing activities	<u>262,456</u>
Net increase in cash and cash equivalents	2,292,800
Cash and cash equivalents with fiscal agent and trustee, beginning of year	<u>29,354,031</u>
Cash and cash equivalents with fiscal agent and trustee, end of year	<u>\$ 31,646,831</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (7,965,428)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	3,433,626
Change in assets and liabilities:	
Increase in accounts receivable	(153,221)
Decrease in advance for operations	158,000
Increase in accounts payable	147,476
Increase in prepaid items	(124,943)
Net cash used in operating activities	<u>\$ (4,504,490)</u>
Noncash transactions related to capital and related financing activities are as follows:	
Amortization of bond premium and deferred amount on refunding	\$ (241,245)
Amortization of lease revenue	\$ (280,744)

See accompanying notes to the financial statements.

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Notes to the Financial Statements
June 30, 2024

1. DESCRIPTION OF THE AUTHORITY AND ITS ACTIVITIES

The Greater Richmond Convention Center Authority (the “Authority”), a political subdivision of the Commonwealth of Virginia, was created on January 9, 1998 pursuant to the Public Recreational Facilities Authorities Act, Chapter 56 of Title 15.2, Code of Virginia. The political subdivisions participating in the incorporation of the Authority are the City of Richmond (the “City”) and the Counties of Chesterfield, Hanover and Henrico (the “Counties”). The Authority is governed by a five-member commission comprised of the chief administrative officer of each of the four incorporating political subdivisions and the President/CEO of InUnison.

The Authority was created to acquire, finance, expand, renovate, construct, lease, operate and maintain the facility and grounds of a visitors and convention center or centers. The facility was completed in February 2003 and is referred to as the Greater Richmond Convention Center. The Authority has responsibility for the operation and maintenance of the facility.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Model - The financial statements presented for the Authority are prepared in accordance with accounting principles generally accepted in the United States of America (the “GAAP”) applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (the “GASB”). GAAP sets the reporting model requirements for the annual financial reports of state and local governments. For entities like the Authority that are engaged solely in business-type activities, the annual financial report includes:

- Statement of Net Position – The Statement of Net Position is designed to display the financial position of the Authority. The net position of the Authority is broken down into three categories – (1) net investment in capital assets, (2) restricted for debt service, operations, and renewal and replacement, and (3) unrestricted.
- Statement of Revenues, Expenses and Changes in Net Position – The Statement of Revenues, Expenses and Changes in Net Position is designed to display the financial activities of the Authority for the period under audit.
- Statement of Cash Flows – The Statement of Cash Flows is designed to display the cash inflows and outflows for the operating, financing and investing activities of the Authority.

B. Basis of Accounting

The Authority uses the accrual basis of accounting and the economic resources measurement focus. Under this method of accounting, revenues are recognized when earned or in the case of transient occupancy tax, when the underlying transaction has occurred, and expenses are recognized when incurred. Operating revenues consist of net food and beverage revenues. Operating expenses include the net cost of services incurred for operations, administrative expenses, contractual services, and depreciation on capital assets. All revenues and expenses not meeting this definition of “operating” are reported as non-operating revenues and expenses.

C. Investment Policy

The Authority follows a deposit and investment policy in accordance with the Commonwealth of Virginia statutes. Investments with a maturity date of greater than one year from the date of purchase are stated at fair value and money market investments with a maturity date of one year or less from the date of purchase are stated at amortized

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Notes to the Financial Statements
June 30, 2024

cost, which approximates fair value, in accordance with GAAP. Deposit and investment instruments include money market funds, Commonwealth of Virginia Local Government Investment Pool (the “LGIP”), Virginia Investment Pool Fund (the “VIP”), U.S. Government Securities and Corporate Notes. Investments are generally on deposit with banks and savings and loan institutions and are collateralized under the provisions of the Virginia Security for Public Deposits Act, Section 2.1 - 359 et seq.

D. Cash Equivalents

For the purpose of the Statement of Cash Flows, all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased are considered to be cash equivalents.

E. Restricted Assets

Certain cash, cash equivalents, investments and amounts due from participating jurisdictions are classified as restricted on the Statement of Net Position. The trust indenture requires the Authority to maintain a debt service reserve fund, an operating reserve fund, and a renewal and replacement account. In addition, funds held by the Trustee in the bond principal and interest accounts are also restricted. The Trustee maintains funds reserved for debt service in the amount of \$13,133,258, the fiscal agent maintains the operating reserve fund in the amount of \$6,400,000, and the renewal and replacement account in the amount of \$13,063,648. At June 30, 2024, the localities had collected \$3,285,713 (Note 9) of transient occupancy tax that was remitted to the Authority for debt service subsequent to year-end. When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, and then unrestricted resources, as they are needed.

F. Deferred Outflows/Inflows of Resources

The Statement of Net Position reports a separate section for deferred outflows of resources in addition to assets. This amount reflects the difference in the carrying value of refunded debt and its reacquisition price, which is amortized over the life of the refunding debt.

The Statement of Net Position reports a separate section for deferred inflows of resources in addition to liabilities, which reflects lease revenues that relate to future periods. The lease revenue is recognized over the term of the lease on a straight-line basis.

G. Lease Receivable

The Authority is a lessor for facility space that is leased. The Authority recognizes a lease receivable and a deferred inflows of resources. At the commencement of the leases, the Authority measured the lease receivable at the present value of payments expected to be received during the lease terms. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

H. Capital Assets

Capital assets include land, buildings, improvements other than buildings, construction in progress and equipment. Capital assets acquired are stated at cost. The standard threshold for capitalization of tangible property is \$5,000 or more per unit with an expected useful life greater than one year. The standard threshold for capitalization of computer software is \$50,000 with an expected useful life greater than 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. When capital assets are sold or retired,

GREATER RICHMOND CONVENTION CENTER AUTHORITY

Notes to the Financial Statements

June 30, 2024

their cost and related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in the results of operations.

Depreciation has been provided over estimated useful lives using the straight-line method. The estimated useful lives for capital assets are as follows: buildings range from 40 to 60 years, improvements other than buildings range from 8 to 25 years, and equipment ranges from 8 to 10 years.

I. Risk Management

The Authority maintains all-risk property insurance on the building and contents at replacement cost. The property policy also provides coverage for boiler and machinery risks. In addition, the Authority obtains general liability insurance to cover the premises liability and public officials' liability insurance through the Virginia Municipal League program. Global Spectrum, L.P., now doing business as OVG360 (the "Operator") assumes responsibility for the operational insurance coverages. There has not been any reduction in insurance coverage from the prior year and the amount of settlements in each of the past three years did not exceed the amount of insurance coverage.

3. DEPOSIT AND INVESTMENTS WITH FISCAL AGENT AND TRUSTEE

As of June 30, 2024, the fair value of the Authority's deposits and investments, with their respective credit ratings, was as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Demand deposits	\$ 4,001,432	N/A
LGIP	14,380,765	AAAm
VIP – Stable NAV Liquidity Pool	13,264,634	AAAm
Federal Home Loan Bank	12,316,168	AA+
Federal Farm Credit Bank	4,999,803	AA+
Corporate notes	<u>2,075,222</u>	AA+
Total deposits and investments	<u>\$51,038,024</u>	

A. Credit Risk

The County of Chesterfield, Virginia (the "County") acts as fiscal agent for the Authority and, per agreement, invests the Authority's cash balance. Accordingly, the Authority is subject to the County's investment policy. In accordance with the Code of Virginia and other applicable law, including regulations, the County's investment policy (the "Policy") permits investments in U.S. Government obligations; obligations of the Commonwealth of Virginia or political subdivisions thereof; certain obligations of other states; bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development by the Asian Development Bank and the African Development Bank; certain prime quality commercial paper; bankers' acceptances; repurchase agreements; negotiable certificates of deposit; high quality corporate notes; and qualified investment pools including the LGIP, VIP and SNAP.

The Virginia Security for Public Deposits Act (the "Act") requires financial institutions holding public deposits in excess of amounts covered by federal insurance to pledge collateral to a pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the requirements of the Act and for notifying local governments of compliance by banks and savings and loans. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Notes to the Financial Statements
June 30, 2024

pro rata basis to the members of the pool. Accordingly, all deposits in banks and savings and loans are considered to be insured.

The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission but is managed in accordance with GAAP. Pursuant to the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a weekly basis this valuation is compared to current market to monitor any variance. The fair value of the Authority’s position in the pool is the same as the value of the pool shares. Redemptions from the LGIP can be made on any banking day.

The VIP is a Section 115 governmental trust fund created under the Joint Exercise of Powers statute of the Commonwealth of Virginia to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP is governed by a Board of Trustees. The VIP is committed to managing certain risk limiting provisions of the VIP Stable NAV Liquidity Pool to maintain a stable net asset value (NAV) at \$1 per share, daily liquidity and a competitive yield. The VIP reports the fair value of investments, which approximates amortized costs, to its participants. The Authority reports the VIP at amortized cost.

The Policy establishes limitations by type of instrument. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

Certificates of deposit – commercial banks	100% maximum
Commercial paper	35% maximum
Corporate bonds	100% maximum
Municipal bonds	100% maximum
LGIP	100% maximum
Money market funds	75% maximum
Repurchase agreements	100% maximum
VIP	100% maximum
U.S. Treasury obligations	100% maximum
U.S. Government agency securities and instruments of government sponsored organizations	100% maximum

As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than “A-1” (or its equivalent) from at least two of the following: Moody’s Investors Service, Standard & Poor’s, Fitch Investor’s Service, and Duff and Phelps, Inc. Negotiable certificates of deposit and bank deposit notes must have a short-term debt rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service for maturities of one year or less, and a rating of at least “AA” by Standard & Poor’s and “Aa” by Moody’s Investor Service for maturities over one year and not exceeding five years. High quality corporate notes must be rated at least “AA” by Standard & Poor’s and “Aa” by Moody’s Investors Service with maturities of no more than five years. All credit ratings in the table on page 23 are ratings by Standard and Poor’s. Deposits and investments not exposed to credit quality risk, as defined by GAAP, are designated as “N/A” in the credit rating column in the above table.

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Notes to the Financial Statements
June 30, 2024

B. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of outside party. As of June 30, 2024, all of the Authority's investments and demand deposits were insured and collateralized and not subject to custodial credit risk.

C. Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk as follows:

Certificates of deposit – commercial banks	45% maximum
Commercial paper	25% maximum
Commercial paper issue	5% maximum
Corporate bonds	15% maximum
LGIP	100% maximum
Money market funds	10% maximum
Repurchase agreements	15% maximum
VIP	100% maximum
U.S. Treasuries and agencies	100% maximum

As of June 30, 2024, excluding the demand deposits, the Authority's investment portfolio is as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
LGIP	30.6%
VIP	28.2%
Federal Home Loan Bank	26.2%
Federal Farm Credit Bank	10.6%
Corporate Bonds	4.4%

D. Interest Rate Risk

As a means of limiting exposure to fair value losses from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than 5 years from the date of purchase. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

As of June 30, 2024, the Authority had the following investments, maturities, and call dates:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Date</u>	<u>Call Date</u>
LGIP	\$14,380,765	July 1, 2024	N/A
VIP – Stable NAV Liquidity Pool	13,264,634	July 1, 2024	N/A
Federal Home Loan Bank	2,337,040	August 16, 2024	N/A
Federal Home Loan Bank	9,479,565	December 13, 2024	N/A
Federal Home Loan Bank	499,563	September 16, 2027	September 16, 2024
Federal Farm Credit Bank	4,999,803	March 25, 2027	July 1, 2024
Corporate Bonds	<u>2,075,222</u>	October 29, 2024	N/A
Total investments	<u>\$47,036,592</u>		

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Notes to the Financial Statements
June 30, 2024

E. Fair Value Hierarchy

The Authority's portfolio categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of investments with Level 1 inputs being quoted prices in active markets for identical assets; Level 2 inputs being significant other observable inputs; and Level 3 inputs being significant unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Authority's assets at fair value as of June 30, 2024:

Investments by fair value – Level 2	<u>Fair Value</u>
Federal Home Loan Bank	\$12,316,168
Federal Farm Credit Bank	4,999,803
Corporate Bonds	<u>2,075,222</u>
Total investments by fair value – Level 2	<u>\$19,391,193</u>

Government agencies classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique to value securities based on the securities' relationship to benchmark quoted prices.

4. CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital assets not being depreciated:				
Land	\$ 20,202,899	\$ -	\$ -	\$ 20,202,899
Construction in progress	<u>-</u>	<u>87,316</u>	<u>-</u>	<u>87,316</u>
Total capital assets not being depreciated	<u>20,202,899</u>	<u>87,316</u>	<u>-</u>	<u>20,290,215</u>
Capital assets being depreciated:				
Buildings	172,761,937	-	-	172,761,937
Improvements other than buildings	2,231,780	-	-	2,231,780
Equipment	<u>6,331,563</u>	<u>275,379</u>	<u>275,238</u>	<u>6,331,704</u>
Total capital assets being depreciated	<u>181,325,280</u>	<u>275,379</u>	<u>275,238</u>	<u>181,325,421</u>
Less accumulated depreciation for:				
Buildings	58,388,464	2,888,413	-	61,276,877
Improvements other than buildings	1,806,738	89,427	-	1,896,165
Equipment	<u>3,965,303</u>	<u>455,786</u>	<u>275,238</u>	<u>4,145,851</u>
Total accumulated depreciation	<u>64,160,505</u>	<u>3,433,626</u>	<u>275,238</u>	<u>67,318,893</u>
Total capital assets being depreciated, net	<u>117,164,775</u>	<u>(3,158,247)</u>	<u>-</u>	<u>114,006,528</u>
Capital assets, net	<u>\$137,367,674</u>	<u>\$(3,070,931)</u>	<u>\$-</u>	<u>\$134,296,743</u>

5. LEASE RECEIVABLE

The Authority leases office space and rooftop space for antenna equipment at the facility to third parties, which are presented as lease receivable on the financial statements. As of June 30, 2024, the Authority's lease receivables were valued at \$2,396,317 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases was \$2,245,429. During the current year, the lease activity was as follows:

GREATER RICHMOND CONVENTION CENTER AUTHORITY

Notes to the Financial Statements

June 30, 2024

	Lease Receivable at <u>June 30, 2024</u>	Interest <u>Income</u>	Principal <u>Payment</u>	Deferred Inflows at <u>June 30, 2024</u>	Lease Revenue
Office space	\$1,867,700	\$31,865	\$218,949	\$1,747,263	\$250,814
Rooftop space	<u>528,617</u>	<u>12,585</u>	<u>18,577</u>	<u>498,166</u>	<u>31,162</u>
Total	<u>\$2,396,317</u>	<u>\$44,450</u>	<u>\$237,526</u>	<u>\$2,245,429</u>	<u>\$281,976</u>

The payments for the lease receivable are expected to be received in subsequent years as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 250,006	\$ 40,430	\$ 290,436
2026	262,953	36,196	299,149
2027	276,381	31,742	308,123
2028	290,307	27,059	317,366
2029	304,749	22,139	326,888
2030-2034	754,554	50,952	805,506
2035-2039	208,484	20,533	229,017
2040	<u>48,883</u>	<u>1,124</u>	<u>50,007</u>
Total	<u>\$2,396,317</u>	<u>\$230,175</u>	<u>\$2,626,492</u>

6. HOTEL TAX REVENUE BONDS

On March 19, 2015, the Authority issued \$111,245,000 in Hotel Tax Revenue Refunding Bonds, the proceeds of which, together with other available funds, were used to defease and refund the entire outstanding Series 2005 Bonds in the aggregate principal amount of \$124,815,000 and pay the costs of issuing the refunding bonds.

On September 29, 2021, the Authority issued \$57,645,000 in Hotel Tax Revenue Refunding Bonds, the proceeds of which, together with other available funds, were used to advance refund the Series 2015 bonds having stated maturities on June 15 in the years 2027 through 2032 in the aggregate principal amount of \$50,000,000 and pay the costs of issuing the refunding bonds. The Series 2021 refunding resulted in cash flow savings of \$2,880,385 with a net present value savings of \$2,660,047 or 5.3% of refunded bonds.

Revenue bonds outstanding at June 30, 2024 are as follows:

	Original <u>Issue Amount</u>	Interest <u>Rates</u>	Future Annual Principal <u>Requirements</u>	Amount <u>Outstanding</u>
2015 Hotel Tax, Due 2026	\$111,245,000	5.00%	\$6,685,000 - \$7,020,000	\$13,705,000
2021 Hotel Tax, Due 2032	\$57,645,000	2.09%	\$935,000-\$9,375,000	55,825,000
Add: Premium				<u>1,604,815</u>
Net revenue bonds				<u>\$71,134,815</u>

Debt service requirements to maturity for the revenue bonds are as follows:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,620,000	\$1,851,992	\$ 9,471,992
2026	8,150,000	1,498,201	9,648,201
2027	8,530,000	1,123,584	9,653,584
2028	8,705,000	945,307	9,650,307
2029	8,885,000	763,373	9,648,373
2030-2032	<u>27,640,000</u>	<u>1,161,622</u>	<u>28,801,622</u>
Total	<u>\$69,530,000</u>	<u>\$7,344,079</u>	<u>\$76,874,079</u>

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Notes to the Financial Statements
June 30, 2024

A summary of long-term debt transactions for the year ended June 30, 2024 is as follows:

	Balance		Balance	Amounts
	<u>July 1, 2023</u>	<u>Decrease</u>	<u>June 30, 2024</u>	<u>Due Within</u>
				<u>One Year</u>
Bonds payable	\$76,820,000	\$7,290,000	\$69,530,000	\$7,620,000
Add: Premium	<u>2,547,501</u>	<u>942,686</u>	<u>1,604,815</u>	<u>850,694</u>
Net bonds payable	<u>\$79,367,501</u>	<u>\$8,232,686</u>	<u>\$71,134,815</u>	<u>\$8,470,694</u>

For the year ended June 30, 2024, the Authority reported total bond amortization and interest expense in the amount of \$2,417,125. This includes \$1,003,750 of interest paid on the Series 2015 Bonds, \$1,185,971 of interest paid on the Series 2021 Bonds, \$1,183,932 of deferred amount on refunding costs amortization and \$75,901 of interest accrued for the Bonds, less \$942,686 of bond premium amortization and \$89,743 of interest accrued in the prior year.

The Authority, as security for payment of any outstanding principal and interest on the Bonds, pledged and assigned without recourse to the Trustee the following property: (1) all rights, title and interest in the pledged revenues, which includes the transient occupancy tax collections and earnings on the debt service reserve fund; (2) all land, buildings, improvements and equipment; and (3) funds held by the Trustee in the bond accounts. The outstanding Series 2015 bonds contain a provision that in an event of default, the timing of repayment of the outstanding amounts may become immediately due if the Authority is unable to make payment.

The following table shows the pledged revenues, debt service requirement and the debt coverage for the year ended June 30, 2024.

<u>Pledged Revenue</u>			<u>Debt Service Requirement</u>			<u>Debt Service</u>
<u>Hotel Tax</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
\$36,768,244	\$76,568	\$36,844,812	\$7,290,000	\$2,189,721	\$9,479,721	3.9X

7. OPERATING AGREEMENTS

A. Operations

On July 1, 2012, the Authority entered into an operating agreement with the Operator, to manage and operate the Greater Richmond Convention Center. The agreement requires the Authority to provide the Operator with all funds necessary to pay operating expenses incurred to the extent that operating revenues are insufficient. For the year ended June 30, 2024, the Operator had a deficit of \$3,132,653, which includes payments made to the Operator by the Authority in the amount of \$2,911,543 plus prior year's accrued advance of \$158,000 and current year's accrued liability of \$63,110.

The Authority reimburses the Operator for capital expenditures made in accordance with the approved capital expense budget. Total payments to the Operator in fiscal year 2024 for capital expenditures were \$139,970. The Authority reimbursed the Operator \$37,492 for expenses accrued in the previous year and accrued a liability in the amount of \$250,802 at year-end for reimbursement of capital expenses.

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Notes to the Financial Statements
June 30, 2024

The Operator’s financial activity for the year ended June 30, 2024 is reported below:

Operating revenues	\$ 3,853,948
Operating expenses	<u>(7,281,022)</u>
Operating loss	(3,427,074)
Non-operating revenues	<u>294,421</u>
Net operating loss	(3,132,653)
Lease offset	<u>(281,976)</u>
Operator deficit, net	<u><u>\$(3,414,629)</u></u>

B. Food Service

On July 1, 2008, the Authority entered into a food service management agreement with ARAMARK Corporation (the “Aramark”) to provide food services at the Greater Richmond Convention Center. For the year ended June 30, 2024, Aramark reported Authority-related net operating profit of \$597,524. This includes \$444,303 received from Aramark plus current year’s receivable in the amount of \$273,851 less prior year’s receivable in the amount of \$120,630. The food service financial activity for the year ended June 30, 2024 is reported as follows:

Operating revenues	\$ 4,178,756
Operating expenses	<u>(3,381,232)</u>
Operating profit	797,524
Non-operating expenses	<u>(200,000)</u>
Net food and beverage profit	<u><u>\$ 597,524</u></u>

8. TRANSIENT OCCUPANCY TAX COLLECTIONS

Section 58.1-3819 of the Code of Virginia authorizes the Counties to levy a 2% transient occupancy tax and the City to levy a 5% transient occupancy tax on accommodations rented for fewer than 30 consecutive days. In accordance with Section 58.1-3823 of the Code of Virginia, the Counties and the City levied additional taxes designated to be spent for tourism and the expansion of the convention center. Effective August 1, 1996, the Counties levied an additional 4% and the City levied an additional 1% tax, bringing all localities to a 6% tax. Effective August 1, 1998, an additional 2% tax was levied by all localities which, for the Counties, is restricted for the convention center project.

Each locality collects, administers and enforces the transient occupancy tax. All hotels are required to report its liability for the occupancy tax to the locality and remit the full amount of such taxes on or before the 20th day of the month following the month in which the liability occurred. On the 15th of the following month, the localities electronically transmit the tax collected to the Authority in accordance with the Hotel Tax Payment Agreement.

9. RELATED-PARTY TRANSACTIONS

Fiscal Agent Agreement: On April 17, 1998, the Commission of the Authority adopted a resolution designating Chesterfield County to act as its fiscal agent effective July 1, 1998 and the County accepted such designation. On May 19, 1999, the Authority entered into a fiscal services agreement with the County. The agreement specifies that the County provide services to the Authority to (1) direct and monitor the investment and disbursement of funds held by the trustee from future revenue bonds; (2) receive and manage revenues transferred on behalf of the Authority to the Treasurer of Chesterfield County; (3) maintain accounting records in accordance with GAAP and coordinate with outside independent auditors; (4) monitor and control the

GREATER RICHMOND CONVENTION CENTER AUTHORITY

Notes to the Financial Statements

June 30, 2024

Authority’s budget, and (5) secure arbitrage reporting and financial advisory services. In accordance with the terms of the fiscal agent agreement, during the current year, the Authority made payments of \$138,262 to the County. The agreement is effective until the Authority or the County gives written notice to the other of its desire to terminate the agreement.

Interlocal Agreement: Each locality intends that its respective tax payment will be sufficient to fund its allocated share of operating costs. If a locality’s annual tax payment is not sufficient to meet its allocated share, each locality has agreed to appropriate and pay the amount of such deficiency in excess of \$1.5 million to the Authority (the “Due To payment”). The Authority will deposit these funds into the Residual Account and distribute the funds to the other localities for tax remitted in excess of their allocated share. Any monies on deposit in the Authority’s Residual Account at the end of each fiscal year will be distributed, subject to the approval of the Authority, to the participating jurisdictions as set forth in the Agreement.

The first distribution of Residual Account monies is to rebate an amount equal to 25% percent of the aggregate tax payments made, provided that the participating jurisdiction’s tax payment exceeded its allocated share. The total rebate for fiscal year 2024 is \$6,605,727.

The second distribution of Residual Account monies is to rebate the amount of tax remitted in excess of the participating jurisdictions’ respective allocated share. The total excess tax rebate for fiscal year 2024 is \$15,415,728.

For the year ended June 30, 2024, the amount of transient occupancy tax revenue, the rebate and the excess tax owed at year-end are noted as follows:

	<u>Occupancy Tax</u>	<u>Rebate</u>	<u>Excess Tax Rebate</u>	<u>Total Rebate</u>
City of Richmond	\$10,345,336	\$ -	\$ 3,020,989	\$ 3,020,989
Henrico County	17,419,737	4,354,934	7,937,760	12,292,694
Chesterfield County	7,438,894	1,859,724	3,674,840	5,534,564
Hanover County	<u>1,564,277</u>	<u>391,069</u>	<u>782,139</u>	<u>1,173,208</u>
Total	<u>\$36,768,244</u>	<u>\$6,605,727</u>	<u>\$15,415,728</u>	<u>\$22,021,455</u>

At June 30, 2024, the localities had collected \$3,285,713 of transient occupancy tax that was remitted to the Authority subsequent to year-end.

STATISTICAL SECTION (unaudited)

This part of the Greater Richmond Convention Center Authority’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes to the financial statements and required supplementary information says about the Authority’s overall financial health.

	<u>Pages</u>
<p>Financial Trends</p> <p style="margin-left: 40px;"><i>These schedules contain trend information to help the reader understand how the Authority’s financial performance and well-being have changed over time.</i></p>	33-34
<p>Revenue Capacity</p> <p style="margin-left: 40px;"><i>These schedules contain information to help the reader assess the Authority’s significant revenue source, and transient occupancy tax collections.</i></p>	35-36
<p>Debt Capacity</p> <p style="margin-left: 40px;"><i>These schedules present information to help the reader assess the affordability of the Authority’s current level of outstanding debt.</i></p>	37-38
<p>Demographic and Economic Information.....</p> <p style="margin-left: 40px;"><i>These schedules offer demographic and economic indicators to help the reader understand the environment of the Greater Richmond region.</i></p>	39-40
<p>Operating Information.....</p> <p style="margin-left: 40px;"><i>These schedules present information related to the level of activity at the facility and infrastructure data to help the reader understand the operating activities at the Greater Richmond Convention Center.</i></p>	41-42



Table I

GREATER RICHMOND CONVENTION CENTER AUTHORITY

Net Position

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 77,707,825	\$ 73,730,002	\$ 70,229,402	\$ 66,548,897	\$ 62,950,805	\$ 59,686,277	\$ 55,361,494	\$ 52,093,425	\$ 48,613,620	\$ 45,281,550
Restricted for:										
Debt Service	6,719,898	5,793,671	5,214,058	3,769,205	2,007,027	5,372,905	5,086,326	4,861,566	4,794,050	4,521,806
Operations	6,424,543	6,331,756	6,111,993	5,895,461	6,034,054	6,398,713	6,357,525	6,395,964	6,386,862	6,371,568
Renewal and Replacement	12,810,275	10,320,160	7,922,047	8,821,900	10,438,483	11,860,289	11,006,906	9,067,940	7,590,643	5,898,059
Unrestricted	(2,963,793)	(2,698,336)	(2,008,096)	154,652	1,767,213	(1,952,919)	(1,744,165)	(1,558,882)	(1,460,749)	(1,134,430)
Total net position	\$ 100,698,748	\$ 93,477,253	\$ 87,469,404	\$ 85,190,115	\$ 83,197,582	\$ 81,365,265	\$ 76,068,086	\$ 70,860,013	\$ 65,924,426	\$ 60,938,553

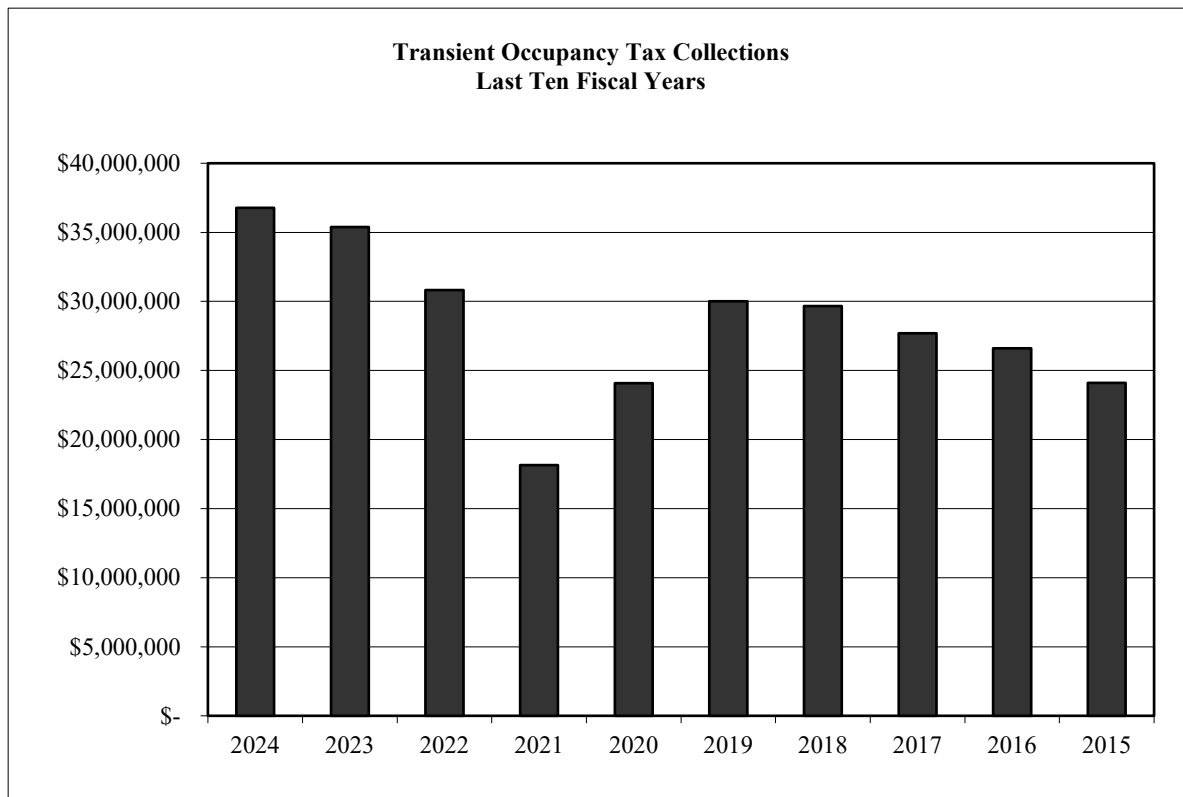
GREATER RICHMOND CONVENTION CENTER AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Last Ten Fiscal Years

	2024	2023	2022*	2021	2020	2019	2018	2017	2016	2015
Operating revenues:										
Net food and beverage revenues	\$ 597,524	\$ 457,561	\$ 270,324	\$ (797,897)	\$ 156,441	\$ 797,971	\$ 722,839	\$ 1,077,036	\$ 633,446	\$ 857,785
Operating expenses:										
Operator expenses	3,414,629	2,507,038	2,327,655	2,734,278	2,641,052	2,046,939	1,883,976	1,677,367	1,742,899	1,858,183
Depreciation expense	3,433,626	3,455,639	3,416,821	3,358,756	3,328,236	3,254,368	3,216,093	3,196,618	3,123,387	3,090,019
Marketing	590,300	689,621	834,914	525,000	665,200	650,000	456,848	550,000	600,000	350,000
Professional services	629,218	567,001	500,409	415,157	449,685	425,887	534,153	473,448	543,987	485,276
Insurance	215,137	224,254	264,091	242,851	202,944	195,957	192,931	192,396	192,395	203,536
Facility expenses	277,020	292,459	233,947	1,010,347	1,063,284	607,591	177,883	161,031	234,499	56,721
Miscellaneous	3,022	4,695	1,596	270,443	3,132	4,081	4,131	4,630	3,490	5,330
Total operating expenses	8,562,952	7,740,707	7,579,433	8,556,832	8,353,533	7,184,823	6,466,015	6,255,490	6,440,657	6,049,065
Operating loss	(7,965,428)	(7,283,146)	(7,309,109)	(9,354,729)	(8,197,092)	(6,386,852)	(5,743,176)	(5,178,454)	(5,807,211)	(5,191,280)
Non-operating revenues (expenses):										
Transient occupancy tax	36,768,244	35,378,789	30,817,871	18,148,192	24,073,302	30,014,047	29,661,267	27,686,324	26,594,206	24,103,596
Reimbursement from participating jurisdictions	-	-	-	1,948,079	-	-	-	-	5,369	704,572
Interest income	1,909,747	1,157,582	130,379	51,938	730,984	807,974	440,490	215,945	150,288	104,211
Lease revenue	280,744	280,745	280,744	-	-	-	-	-	-	-
Operator revenues, net	-	-	1,767	-	-	-	-	-	-	-
Net increase (decrease) in fair value of investments	666,732	(59,047)	(711,544)	(257)	(8,366)	171,969	(92,840)	(34,656)	16,985	4,711
Transfer from Aramark for capital	-	-	-	-	100,000	-	100,000	-	100,000	100,000
Transient occupancy tax rebate	(22,021,455)	(20,774,716)	(18,037,263)	(5,556,933)	(11,143,481)	(15,481,571)	(15,033,795)	(13,438,385)	(11,598,910)	(10,159,228)
Bond amortization and interest expense	(2,417,125)	(2,692,433)	(2,529,781)	(3,514,357)	(3,723,030)	(3,923,388)	(4,123,873)	(4,315,187)	(4,474,854)	(8,165,793)
Bond issuance costs	-	-	(363,775)	-	-	-	-	-	-	(1,138,893)
Miscellaneous revenues	36	75	-	270,600	-	95,000	-	-	-	15,000
Net non-operating revenues	15,186,923	13,290,995	9,588,398	11,347,262	10,029,409	11,684,031	10,951,249	10,114,041	10,793,084	5,568,176
Change in net position	\$ 7,221,495	\$ 6,007,849	\$ 2,279,289	\$ 1,992,533	\$ 1,832,317	\$ 5,297,179	\$ 5,208,073	\$ 4,935,587	\$ 4,985,873	\$ 376,896

* In fiscal year 2022, the Authority implemented GASB Statement No. 87, *Leases*, which requires the Authority as lessor to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term.

**GREATER RICHMOND CONVENTION CENTER AUTHORITY
 Transient Occupancy Tax Collections
 Last Ten Fiscal Years**

The *Code of Virginia* authorizes the Counties of Chesterfield, Hanover, and Henrico (the Counties) to levy a two-percent and the City of Richmond to levy a five-percent transient occupancy tax. On August 1, 1996, the Counties levied an additional four-percent and the City levied an additional one-percent tax designated to be spent for the expansion of the convention center. On August 1, 1998, an additional two-percent tax was levied by all localities bringing the total tax to eight-percent. Beginning with the August 1999 transfer, all localities began remitting the entire eight-percent occupancy tax collected to the Authority.



**GREATER RICHMOND CONVENTION CENTER AUTHORITY
Hotel Room Information
Last Ten Calendar Years**

The following tables show the average occupancy rates and the average daily room rates for the current inventory of hotels, motels and other facilities offering guest rooms rented out for continuous occupancy for fewer than thirty days.

Occupancy Rates by Participating Jurisdiction*								
Calendar Year	City of Richmond		Henrico County		Chesterfield County		Hanover County	
	Occupancy	% Change	Occupancy	% Change	Occupancy	% Change	Occupancy	% Change
2023	59.0%	2.3%	64.6%	0.3%	67.8%	-0.3%	54.1%	-7.5%
2022	57.7%	8.5%	64.4%	1.4%	68.0%	-1.2%	58.5%	-2.3%
2021	53.2%	47.0%	63.5%	34.5%	68.8%	29.1%	59.9%	55.2%
2020	36.2%	-45.9%	47.2%	-31.5%	53.3%	-22.3%	38.6%	-26.3%
2019	66.9%	5.2%	68.9%	0.9%	68.6%	3.9%	52.4%	-14.0%
2018	63.6%	2.4%	68.3%	0.6%	66.0%	3.1%	60.9%	-0.2%
2017	62.1%	-2.4%	67.9%	1.0%	64.0%	-1.5%	61.0%	29.0%
2016	63.6%	0.6%	67.2%	1.8%	65.0%	2.2%	47.3%	-0.2%
2015	63.2%	-3.7%	66.0%	13.8%	63.6%	3.1%	47.4%	
2014	65.6%	1.3%	58.0%	3.2%	61.7%	9.0%	*	

* Information is not available for Hanover County.

Average Daily Room Rates (ADR) by Participating Jurisdiction*								
Calendar Year	City of Richmond		Henrico County		Chesterfield County		Hanover County	
	ADR	% Change	ADR	% Change	ADR	% Change	ADR	% Change
2023	\$161.56	3.0%	\$108.91	5.9%	\$101.89	4.9%	\$119.24	5.6%
2022	156.84	20.0%	102.82	16.9%	97.15	13.0%	112.88	9.0%
2021	130.73	15.1%	87.94	97.0%	85.96	15.7%	103.60	27.2%
2020	113.62	-17.0%	44.64	-53.4%	74.27	-11.9%	81.44	-15.2%
2019	136.91	1.6%	95.83	-2.5%	84.32	-1.6%	96.07	1.3%
2018	134.69	2.2%	98.25	3.2%	85.69	2.4%	94.85	0.3%
2017	131.84	5.9%	95.17	1.4%	83.66	3.0%	94.52	7.9%
2016	124.52	3.2%	93.90	2.8%	81.21	4.2%	87.56	-1.3%
2015	120.69	24.6%	91.32	10.7%	77.94	7.1%	88.72	
2014	96.85	2.6%	82.49	3.0%	72.79	2.5%	*	

* Information is not available for Hanover County.

Hotel Room Inventory			
Calendar		Calendar	
Year	Inventory	Year	Inventory
2023	17,894	2018	17,131
2022	18,122	2017	16,566
2021	17,302	2016	16,500
2020	17,172	2015	16,646
2019	17,027	2014	16,568

Source: Richmond Region Tourism

Table V

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Ratios of Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Transient Occupancy Tax	Hotel Room Inventory	Transient Occupancy Tax Per Hotel Room	Debt as Percentage of Transient Occupancy Tax	Debt per Hotel Room
2024	\$ 71,134,815	\$36,768,244	17,894	\$ 2,055	193.47%	\$ 3,975
2023	79,367,501	35,378,789	18,122	1,952	224.34%	4,380
2022	87,362,811	30,817,871	17,302	1,781	283.48%	5,049
2021	88,821,665	18,148,192	17,172	1,057	489.42%	5,172
2020	95,519,962	24,073,302	17,027	1,414	396.79%	5,610
2019	102,023,938	30,014,047	17,131	1,752	339.92%	5,956
2018	108,879,965	29,661,267	16,566	1,790	367.08%	6,572
2017	115,544,626	27,686,324	16,500	1,678	417.33%	7,003
2016	122,034,678	26,594,206	16,646	1,598	458.88%	7,331
2015	128,352,057	24,103,596	16,568	1,455	532.50%	7,747

Transient occupancy tax is deemed to be a more appropriate economic base and calculating total debt per hotel room is more relevant for the Authority's operations.

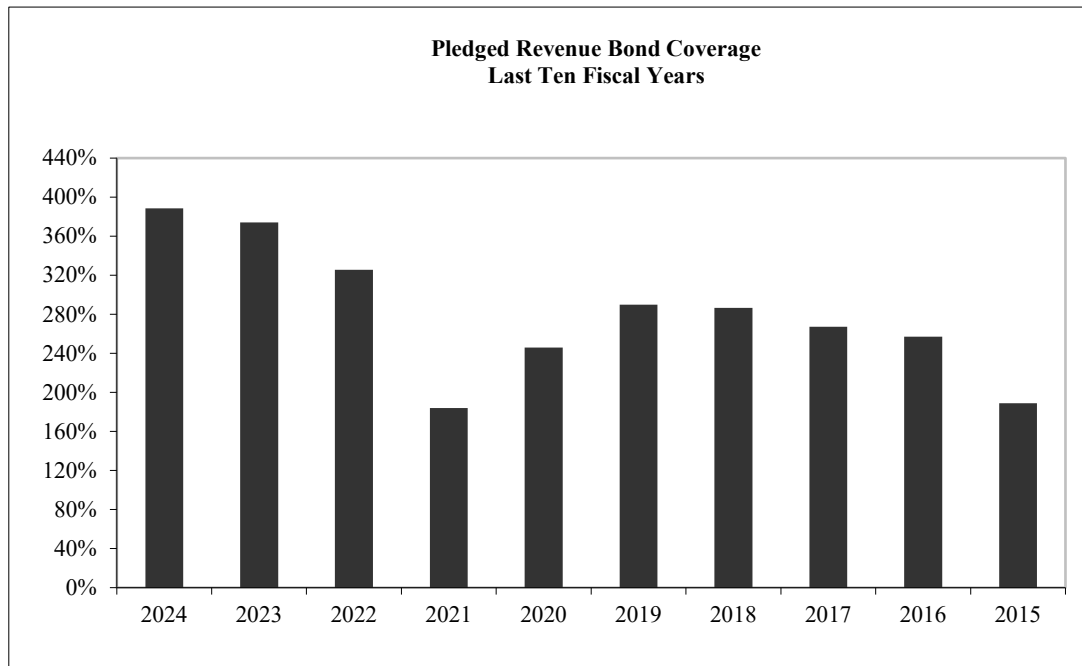
GREATER RICHMOND CONVENTION CENTER AUTHORITY
Pledged-Revenue Coverage
Last Ten Fiscal Years

In February 2000 and August 2003, the Authority issued hotel tax revenue bonds to finance the expansion of the facility and fund other debt related costs. In March 2005, the Authority issued hotel tax revenue refunding bonds to refund a portion of the outstanding Series 2000 bonds principal and fund other debt related costs. In March 2015, the Authority issued hotel tax revenue refunding bonds to refund the outstanding Series 2005 bonds principal and fund other debt related costs. In September 2021, the Authority issued hotel tax revenue refunding bonds to advance refund a portion of the outstanding Series 2015 bond principal and fund other debt related costs. The primary source of funds for the payment of the outstanding hotel tax revenue bonds is the pledged revenues, which include the transient occupancy tax and interest income on the debt service reserve fund (DSRF).

The following table shows the pledged revenues (transient occupancy tax plus interest earned on the DSRF), other revenues (other interest income and net increase/decrease in fair value of investments), operating expenses (excluding depreciation and facility expenses), the annual debt service requirement on the Bonds and the resulting debt service coverage ratio for pledged revenues and net revenues, for each of the ten fiscal years shown. More detailed information about the Authority's Hotel Tax Revenue Bonds liability is presented in Note 5 of the notes to the financial statements.

Hotel Tax Revenue Bonds

Fiscal Year	Pledged Revenues	Other Revenues	Less Operating Expenses	Net Revenues Available for Debt Service	Debt Service Requirements			Pledged Debt Service Coverage	Net Debt Service Coverage
					Principal	Interest	Total		
					2024	\$ 36,844,812	\$ 3,378,215		
2023	35,453,785	1,432,909	3,535,048	33,351,646	6,965,000	2,511,780	9,476,780	374.11%	351.93%
2022	30,862,024	363,233	3,661,108	27,564,149	5,780,000	3,702,733	9,482,733	325.45%	290.68%
2021	18,167,933	302,540	4,985,626	13,484,847	5,505,000	4,371,250	9,876,250	183.96%	136.54%
2020	24,284,833	667,528	3,962,013	20,990,348	5,235,000	4,633,000	9,868,000	246.10%	212.71%
2019	30,155,228	1,731,733	3,322,864	28,564,097	5,515,000	4,888,091	10,403,091	289.87%	274.57%
2018	29,774,671	957,084	3,072,039	27,659,716	5,255,000	5,136,561	10,391,561	286.53%	266.17%
2017	27,753,689	1,190,960	2,897,841	26,046,808	5,015,000	5,373,604	10,388,604	267.16%	250.72%
2016	26,694,067	800,858	3,082,771	24,412,154	4,780,000	5,599,472	10,379,472	257.18%	235.20%
2015	24,173,579	1,011,724	2,902,325	22,282,978	5,075,000	7,712,810	12,787,810	189.04%	174.25%



GREATER RICHMOND CONVENTION CENTER AUTHORITY
Demographic and Economic Statistics for each Participating Jurisdiction
Last Ten Fiscal Years

Fiscal Year	Chesterfield County ⁽¹⁾				Hanover County ⁽²⁾			
	Population	Personal Income (\$000)	Per Capita Personal Income	Unemployment Rate	Population	Personal Income (\$000)	Per Capita Personal Income	Unemployment Rate
2014	328,000	15,032,924	45,886	5.2%	102,895	5,327,129	51,772	4.5%
2015	332,000	15,610,023	47,005	4.5%	103,925	5,724,499	55,083	3.8%
2016	335,000	16,536,584	49,375	4.0%	105,088	5,962,742	56,740	3.4%
2017	339,000	17,105,523	50,536	3.7%	106,290	6,182,409	58,165	3.3%
2018	344,000	17,927,605	52,225	3.1%	107,411	6,399,936	59,584	2.6%
2019	349,000	18,703,417	53,702	2.7%	108,611	6,730,416	61,968	2.4%
2020	353,000	19,428,723	55,070	8.5%	110,164	7,226,633	65,599	5.0%
2021	365,000	20,524,361	56,231	4.3%	110,903	7,693,263	69,369	3.0%
2022	371,000	21,341,503	57,524	2.9%	112,409	7,797,733	69,369	2.4%
2023	378,000	22,232,980	58,817	2.8%	115,526	8,013,957	69,369	2.6%

Fiscal Year	Henrico County ⁽³⁾				Richmond City ⁽⁴⁾			
	Population	Personal Income (\$000)	Per Capita Personal Income	Unemployment Rate	Population	Personal Income (\$000)	Per Capita Personal Income	Unemployment Rate
2014	321,374	18,279,888	56,880	5.3%	217,853	10,638,553	48,834	6.0%
2015	325,283	19,226,939	59,108	4.5%	220,289	11,322,825	51,400	5.1%
2016	329,227	19,861,551	60,328	3.7%	223,170	11,707,912	52,462	4.6%
2017	332,368	20,818,763	62,638	3.7%	227,032	12,376,504	54,514	4.3%
2018	335,283	21,526,316	64,203	3.2%	228,783	12,669,576	55,378	3.5%
2019	339,191	22,927,990	67,596	2.9%	230,436	13,033,423	56,560	3.2%
2020	343,258	23,380,013	68,112	8.7%	226,610	13,735,773	60,614	8.8%
2021	338,620	24,899,824	73,533	4.6%	226,604	15,420,009	68,048	6.1%
2022	341,365	26,055,248	76,327	3.0%	229,395	N/A	N/A	3.8%
2023	345,734	27,264,288	78,859	2.8%	N/A	N/A	N/A	3.4%

Sources:

(1) Chesterfield County, Virginia, Annual Comprehensive Financial Report for the year ended June 30, 2023

(2) Hanover County, Virginia, Annual Comprehensive Financial Report for the year ended June 30, 2023

(3) Henrico County, Virginia, Annual Comprehensive Financial Report for the year ended June 30, 2023

(4) Richmond City, Virginia, Annual Comprehensive Annual Financial Report for the year ended June 30, 2023

N/A = not available

Table VIII

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Principal Private Employers in the Richmond Area
Current Year and Nine Years Ago

Employer	2024			2015 ⁽²⁾		
	Estimated Number of Employees	Rank	Percentage of Principal Employment	Employees	Rank	Percentage of Principal Employment
Virginia Commonwealth University Health System	13,500	1	11.1%	9,054	2	8.4%
Capital One Financial Corporation	13,000	2	10.6%	11,491	1	10.7%
HCA Virginia Health System	11,200	3	9.2%	7,325	3	6.8%
Bon Secours Richmond Health System	8,516	4	7.0%	6,852	4	6.4%
Virginia Commonwealth University	7,832	5	6.4%		n/a	-
Dominion Energy / Dominion Resources	5,433	6	4.4%	5,317	6	4.9%
Amazon	5,100	7	4.2%	3,300	10	3.1%
Truist / SunTrust Banks, Incorporated	4,549	8	3.7%	4,010	7	-
Altria Group, Incorporated	3,850	9	3.2%	3,900	9	3.6%
Federal Reserve Bank Richmond	2,700	10	2.2%		n/a	-
Wal-Mart Stores, Incorporated	-	n/a	-	5,526	5	5.1%
Food Lion	-	n/a	-	3,966	8	3.7%
Totals	75,680		61.9%	60,741		56.3%
Other Principal Private Employers ⁽³⁾	46,484		38.1%	47,154		43.7%
Total Employees in the Richmond Area	122,164		100.0%	107,895		100.0%

Notes:

- (1) Source of data for FY 2024: Greater Richmond Partnership, Top Private Employers, September 2023 (current version available).
- (2) Source of data for FY 2013: Richmond Times-Dispatch and Greater Richmond Partnership, Incorporated, chart of the Top 50 Richmond Area Employers.
- (3) The Other Principal Private Employers number represents the amount and percentage of the remaining top 50 private employers within the Richmond Metropolitan Statistical Area.

n/a = not applicable

Table IX

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Events at the Greater Richmond Convention Center
Last Ten Fiscal Years

Conventions event type noted below represents events marketed and booked by the RRT and all other events were marketed and booked by the Manager. The Center is marketed by the RRT for events more than 18 months in the future and by the Manager for events less than 18 months in the future. The Authority has budgeted adequate funds to market a modern attractive convention, exhibit hall and ballroom facility. The following table provides information on the number and types of events held at the Center.

41

Events at the Greater Richmond Convention Center															
Event Type	FY 2024			FY 2023			FY 2022			FY 2021*			FY 2020*		
	Events	Attendance	Average Attendance	Events	Attendance	Average Attendance	Events	Attendance	Average Attendance	Events	Attendance	Average Attendance	Events	Attendance	Average Attendance
Conventions	15	62,512	4,167	17	61,585	3,623	14	46,193	3,300	1	1,170	1,170	7	30,250	4,321
Trade Shows	5	5,278	1,056	8	9,134	1,142	3	3,385	1,128	0	0	-	4	4,596	1,149
Consumer Shows	28	131,874	4,710	29	131,395	4,531	13	63,337	4,872	1	525	525	16	71,534	4,471
Meetings	52	20,577	396	53	18,259	345	57	12,096	212	14	1,009	72	67	27,619	412
Special Events	55	47,240	859	68	41,113	605	57	32,053	562	17	4,731	278	51	18,871	370
Banquets	21	8,961	427	23	8,639	376	17	7,125	419	3	104	35	22	7,280	331
Sporting Events	24	93,971	3,915	20	110,228	5,511	19	105,711	5,564	19	94,722	-	9	49,679	5,520
Total	200	370,413	1,852	218	380,353	1,745	180	269,900	1,499	55	102,261	1,859	176	209,829	1,192

Event Type	FY 2019			FY 2018			FY 2017			FY 2016			FY 2015		
	Events	Attendance	Attendance	Events	Attendance	Attendance	Events	Attendance	Attendance	Events	Attendance	Attendance	Events	Attendance	Attendance
Conventions	19	157,197	8,274	18	95,467	5,304	10	61,955	6,196	13	55,358	4,258	21	78,426	3,735
Trade Shows	6	6,595	1,099	7	5,272	753	9	6,100	678	8	10,413	1,302	10	12,619	1,262
Consumer Shows	18	68,549	3,808	18	59,859	3,326	20	85,221	4,261	15	57,159	3,811	17	85,735	5,043
Meetings	93	37,948	408	104	38,518	370	122	45,813	376	114	43,094	378	90	22,845	254
Special Events	88	55,460	630	97	58,271	601	115	51,879	451	137	55,915	408	121	58,950	487
Banquets	37	16,587	448	37	17,013	460	48	20,222	421	46	19,347	421	48	18,042	376
Sporting Events	10	636,971	63,697	13	82,646	6,357	13	92,310	7,101	17	148,915	8,760	17	84,066	4,945
Total	271	979,307	3,614	294	357,046	1,214	337	363,500	1,079	350	390,201	1,115	324	360,683	1,113

Source: Global Spectrum, L.P. (doing business as OVG360), Manager of the Center.

* Due to the COVID-19 pandemic, the Commonwealth of Virginia declared a state of emergency and ordered a statewide ban on public and private gatherings to 10 or fewer people. As a result, the facility closed its doors to the public in March 2020 and did not host any events the remainder of the fiscal year. The pandemic continued to impact event activity in fiscal year 2021 as the Commonwealth's restrictions were still in place.

Table X

GREATER RICHMOND CONVENTION CENTER AUTHORITY
Capital Assets Statistics
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Convention Center (square feet)	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Grand ballroom (square feet)	30,550	30,550	30,550	30,550	30,550	30,550	30,550	30,550	30,550	30,550
Seating - theatre style	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Seating - banquet style	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Seating - classroom style	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Rooms divisible into	3	3	3	3	3	3	3	3	3	3
Meeting rooms (square feet)	49,825	49,825	49,825	49,825	49,825	49,825	49,825	49,825	49,825	49,825
Number of flexible rooms	34	34	34	34	34	34	34	34	34	34
Lecture Hall (258 fixed seats)	1	1	1	1	1	1	1	1	1	1
Exhibit Hall (square feet)	178,159	178,159	178,159	178,159	178,159	178,159	178,159	178,159	178,159	178,159
Rooms divisible into	4	4	4	4	4	4	4	4	4	4
Parking deck	1	1	1	1	1	1	1	1	1	1
Number of parking spaces	440	440	440	440	440	440	440	440	440	440

Source: Global Spectrum, L.P. (doing business as Oak View Group), Manager of the Center

COMPLIANCE SECTION



**Report of Independent Auditor 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 Members of the Commission
Greater Richmond Convention Center Authority
Chesterfield, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the Greater Richmond Convention Center Authority (the “Authority”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated November 7, 2024.

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 opinion 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 were not identified.

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* or the *Specifications for Audits of Authorities, Boards, and Commissions*.

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.

Cherry Bekaert LLP

Richmond, Virginia
November 7, 2024