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Reno-Sparks Convention & Visitors Authority  
State of Nevada ♦ Washoe County

Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2007

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Year Ended  
June 30, 2007

John Breternitz  
Chairman

Ellen Oppenheim  
Chief Executive Officer

Tim D. Smith  
Vice-President-Finance

Prepared by the Reno-Sparks Convention & Visitors Authority  
Finance Department

Reno-Sparks Convention & Visitors Authority  
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**Reno-Sparks Convention & Visitors Authority**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2007**

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**Reno-Sparks Convention & Visitors Authority**

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# **INTRODUCTORY SECTION**



AMERICA'S ADVENTURE PLACE

Reno-Sparks Convention and Visitors Authority

September 26, 2007

Board of Directors  
Reno-Sparks Convention & Visitors Authority  
and The Citizens of Washoe County, Nevada

Subject: Comprehensive Annual Financial Report for the Fiscal Year  
July 1, 2006 to June 30, 2007

The Comprehensive Annual Financial Report of the Reno-Sparks Convention & Visitors Authority (referred to as RSCVA or Authority) with accompanying auditor's report for the fiscal year ended June 30, 2007, is submitted herewith. This annual report was prepared in conjunction with our outside auditing firm, Kafoury, Armstrong & Co. Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the Authority. We believe that the data, as presented, is accurate and complete in all material aspects and fairly sets forth the net assets, activities and cash flows of the Authority. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Authority's financial affairs have been included. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **THE REPORTING ENTITY**

The Reno-Sparks Convention & Visitors Authority, an independent governmental entity, was established in February 1959 as the Washoe County Fair and Recreation Board. The Authority is the operating instrumentality in the Washoe County area for promoting conventions, tourism, and outdoor recreation. To provide revenue for such purposes, pursuant to the Fair and Recreation Board statute and related provisions of the Nevada Revised Statutes, a tax on the income from room charges of transient rental facilities is imposed by the state, county, and the incorporated cities of Reno and Sparks. The tax rates as of July 1, 2006 are twelve percent (12%) in non-downtown Reno and, thirteen and one half percent (13.5%) in downtown Reno, thirteen and one half percent (13.5%) in Sparks, and twelve percent (12%) in the unincorporated areas of Washoe County.

- The Authority collects these taxes and retains a total of 8 5/8%
- 1% is remitted to the City of Reno for the National Bowling Stadium
- 3/8% is remitted to the State of Nevada Department of Taxation
- 1% of the tax collected in Reno is returned to the City of Reno and 1% of the tax collected in the unincorporated areas of Washoe County is returned to Washoe County

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- 1.5% collected in downtown Reno is returned to the City for the construction of a multi-use facility in downtown Reno
- 2.5% of the tax collected in Sparks is returned to the City of Sparks for Victorian Square capital improvements
- The remaining one percent is allocated between:
  1. Lowering the railroad tracks in downtown Reno, which 42 properties in downtown Reno pay towards, and
  2. The remaining tax collected is used by the Truckee Meadows Tourism Facility and Revitalization Steering Committee (TMTFRSC) for a multi-use facility in downtown Reno

The Authority consists of a thirteen member board comprised of (a) two members of the Board of County Commissioners of Washoe County; (b) two members of the City Council of the City of Reno, Nevada; (c) one member of the City Council of the City of Sparks, Nevada; and (d) eight members appointed by the aforementioned elected officials. The eight members set forth are selected from nominations made by gaming, motel and other industry associations, Incline Village/Crystal Bay Visitors Bureau, or the Greater Reno-Sparks Chamber of Commerce. Furthermore, these members must be actively engaged in the gaming industry (three members), the motel industry (one member), the finance industry (one member), the airline industry (one member), the Incline Village/Crystal Bay Board (one member), and general business or commerce (one member). Private sector members serve two-year terms, and are limited to a maximum of two consecutive terms. Representatives of the various governmental entities serve until the expiration of their respective terms of office.

## **ECONOMIC CONDITIONS AND OUTLOOK**

**Fiscal Year 2006-2007.** Throughout the period covered by this report, gaming and tourism continued to be the dominant local industries, making the economic vitality of Washoe County largely dependent on a constant influx of visitors.

Total cash occupied room nights decreased from 4,315,188 room nights in 2005-06 to 4,092,349 room nights in 2006-07. Overall occupancy percentages decreased from 72.4% in 2005-06 to 71.5% in 2006-07. While occupancy percentages declined, cash room rates increased from \$66.83 for fiscal year 2005-06 to \$74.12 for fiscal year 2006-07.

**Outlook For Fiscal Year 2007-08 And The Future.** During the recently ended fiscal year the Board of Directors adopted a Strategic Plan, estimated to be utilized for five to seven years, for the Organization. The plan was made up of six components:

- Increase Convention Sales and Marketing – Sell the destination as a place for conventions, tradeshows and meetings, while leveraging the group facility assets to book maximum lodging rooms.
- Increase Tourism Sales and Marketing – Increase individual traveler and group traveler business for Reno-Tahoe by marketing regionally, nationally and internationally.

- Special Events Philosophy and Funding – Develop and implement a reasonable special events philosophy and funding system that ties to increasing room nights, average daily rate and/or measurable increased brand awareness and propensity to visit Reno-Tahoe.
- Efficiently Manage Assets – Manage the RSCVA assets (primarily the public assembly facilities and golf courses) at maximum efficiency to free up additional funds to support RSCVA key priorities.
- Develop Capital Improvement Program – Create a reasonably phased capital improvement plan for RSCVA-owned facilities to ensure they remain safe and competitive with industry standards.
- Address Average Daily Rate – Act as a catalyst to create and foster a destination-wide revenue management culture through providing our stakeholders with tools, education and incentives that promote growth in average daily rate, revenue per available room and RSCVA resources.

The Convention Center is set for the arrival of a number of new events, along with the return engagement of other major trade and sports shows, namely Safari Club International. Among the year's larger convention/special event/trade shows are:

- Volleyball Festival
- Jam On It Basketball Tournaments
- Safari Club International
- Boat, Sport & RV Show
- National Cattlemen's Beef Association
- Rocky Mountain Elk Foundation
- Hot August Nights
- American Legion
- AMRA Autovation
- Solid Waste Management/Waste Con
- Jem Communications SBE West Show
- American Association of Scholl Librarians
- Supercomputing 2007
- National Agricultural Aviation
- AMS Users Group
- Northern California Volleyball Association Far Westerns
- National Art Materials Trade Association

Many of these organizations are currently booked to return to Reno in future years.

**Continued emphasis on marketing the Reno, Sparks, and North Lake Tahoe Areas.**

Continued heavy emphasis will be placed on marketing the region as a whole, including the brand of "Reno-Tahoe, America's Adventure Place". Our advertising will continue to focus on the area's many unique attractions, facilities, and amenities irrespective of geopolitical subdivisions.

**Cash Management.** Cash temporarily idle during the course of the year was invested in various short-term securities. Maturity dates of such investments are determined by anticipated cash needs. Remaining cash was deposited in interest bearing and non-interest bearing checking accounts. Total interest earned during fiscal year 2006-07 was \$995,006.

**Risk Management.** One of the principle charges of the Human Resources Department has been the reduction of on-the-job accidents. To date, efforts in this area have been successful; both the numbers of accidents and resulting on-the-job lost times have been reduced. The Authority is self-insured for industrial insurance claims. Medical, prescription drugs, dental, life, and vision benefits are currently being offered through a number of purchased insurance plans. The Authority also self-insures for unemployment insurance, which continues to be successful in controlling unemployment benefit costs.

**Financial Policies.** The financial policies of the Authority address the various activities of the Authority. Policies have remained consistent for the year ended June 30, 2007 in relation to the continuing revenue sources and related expenditure/expense of such sources.

### **OTHER INFORMATION**

**Independent Audit.** Nevada Revised Statutes 354.624 requires that an annual audit of all funds be performed by an independent certified public accountant. The Authority has complied with this requirement. A copy of the auditor's opinion has been included in this report.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. This was the twentieth consecutive year the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Reno-Sparks Convention & Visitors Authority, Nevada for its annual budget for the fiscal year beginning July 1, 2006. This was the sixth consecutive year the Authority has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**Acknowledgments.** The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire staff of the Finance Department and the certified public accounting firm of Kafoury, Armstrong & Co. We would like to recognize their efforts and express our appreciation for their assistance.

We would also like to thank the Board of Directors, without whose leadership and support this report would not have been possible.

Respectfully submitted,



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Ellen Oppenheim  
Chief Executive Officer



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Tim D. Smith  
Vice-President of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Reno-Sparks

Convention & Visitors Authority  
Nevada

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2006

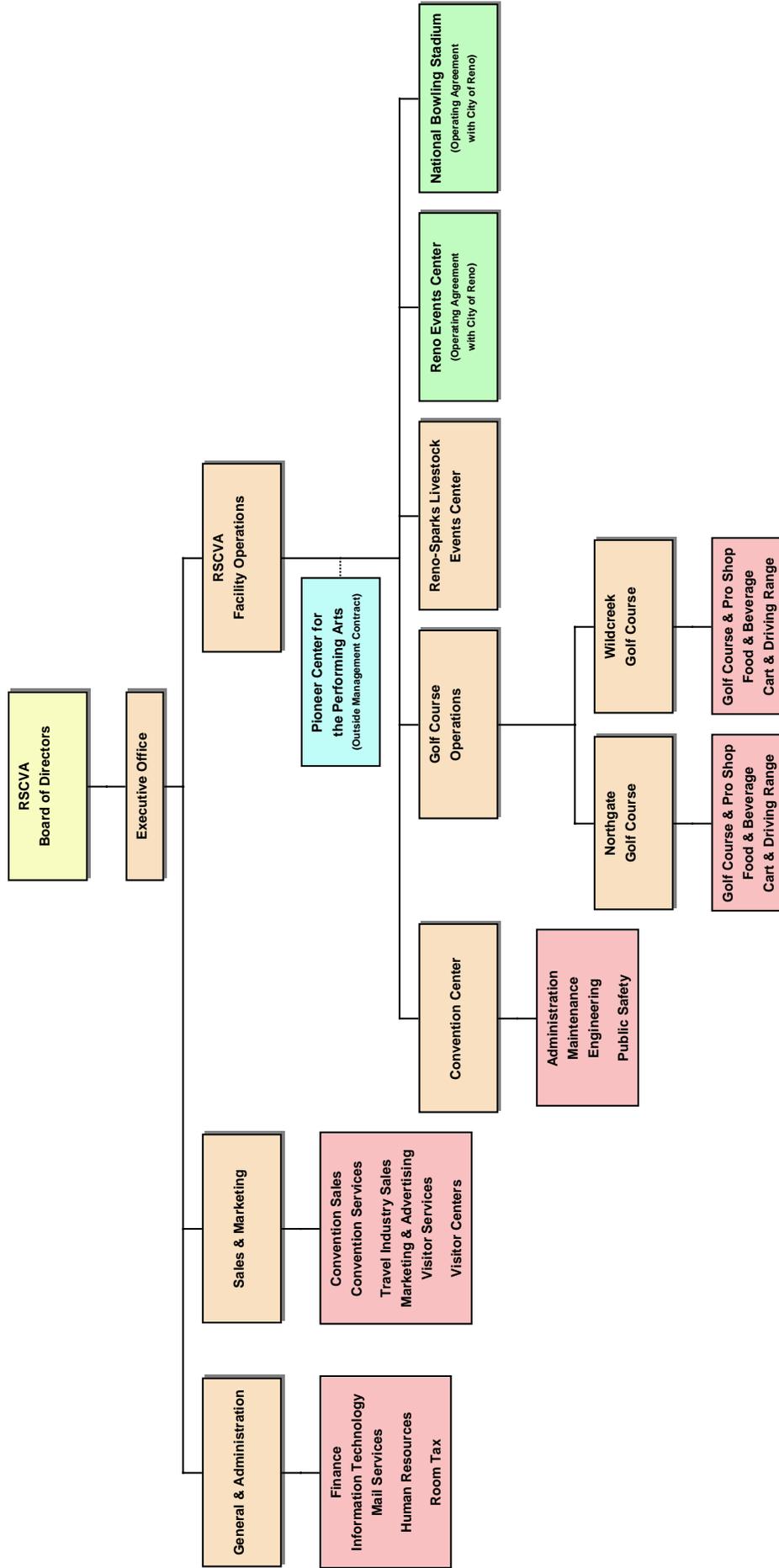
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# Reno-Sparks Convention & Visitors Authority Organization Chart June 2007



# RENO-SPARKS CONVENTION & VISITORS AUTHORITY

## RSCVA BOARD OF DIRECTORS

The RSCVA Board of Directors consists of a thirteen member board comprised of (a) two members of the Board of County Commissioners of Washoe County; (b) two members of the City Council of the City of Reno, Nevada; (c) one member of the City Council of the City of Sparks, Nevada; and (d) eight members appointed by the aforementioned elected officials. The eight members set forth in the item are selected from nominations made by gaming, motel and other industry associations, Incline Village/Crystal Bay Visitors Bureau, or the Greater Reno-Sparks Chamber of Commerce. Furthermore, these members must be actively engaged in the gaming industry (three members), the motel industry (one member), the finance industry (one member), the airline industry (one member), the Incline Village/Crystal Bay Board (one member), and general business or commerce (one member). Private sector members serve two-year terms, and are limited to a maximum of two consecutive terms. Representatives of the various governmental entities serve until the expiration of their respective terms of office.



**John Breternitz**  
**Chairman**  
**General Business**  
**Term Expires March 2008**



**Dwight Dortch**  
**Vice-Chairman**  
**City of Reno**  
**Term is coterminous**



**Jim Devold**  
**Secretary/Treasurer**  
**Finance Industry**  
**Term Expires July 2009**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**RSCVA BOARD OF DIRECTORS - CONTINUED**



**Roberta Ross**  
Motel Industry  
Term Expires June 2008



**Phillip Salerno**  
City of Sparks  
Term is coterminous



**Frank Baldwin**  
Gaming Industry  
Term Expires December 2007



**Liza Cartlidge**  
Gaming Industry  
Term Expires June 2009



**Lynn Atcheson**  
Air Service Industry  
Term Expires June 2008



**Mark Pardue**  
Incline Village/Crystal Bay  
Term Expires February 2009



**Bonnie Weber**  
Washoe County  
Term is coterminous



**Sharon Zadra**  
City of Reno  
Term is coterminous



**John Farahi**  
Gaming Industry  
Term Expires December 2007



**David Humke**  
Washoe County  
Term is coterminous

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**EXECUTIVE STAFF**



**Tim D. Smith**  
Vice-President  
Finance



**Ellen Oppenheim**  
President  
Chief Executive Officer



**Joe Kelley**  
Vice-President  
Facilities



**John House**  
General Manager  
Reno-Sparks Livestock  
Events Center



**Steve Casper**  
Executive Director  
Human Resources



**Knud Svendsen**  
Vice-President  
Sales & Marketing



**Philip D'Amico**  
Executive Director  
Convention Sales



**Charlton Northington**  
General Manager  
Reno-Sparks Convention  
Center



**Ralph Witsell**  
Executive Director  
Travel Industry Sales

# **FINANCIAL SECTION**



**KAFOURY, ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Reno-Sparks Convention & Visitors Authority, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority, Nevada as of and for the year ended June 30, 2007, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the management of the Reno-Sparks Convention & Visitors Authority. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Reno-Sparks Convention & Visitors Authority's basic financial statements. The Introductory Section, individual fund schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
September 17, 2007

## **Reno-Sparks Convention & Visitors Authority Management's Discussion and Analysis**

The following discussion and analysis is presented to provide the reader with an overview of the financial activity and overall financial condition of the Reno-Sparks Convention & Visitors Authority (referred to as RSCVA or Authority). The following document should be read in conjunction with the transmittal letter presented in the introductory section of this report to enhance the understanding of the financial information presented.

### **Financial Highlights**

- The liabilities of the Authority exceeded its assets at the close of the most recent fiscal year by \$28,311,787 (net deficit). The primary reason for this deficit is that the assets included as a result of GASB 34 are exceeded by the debt included.
- The Authority's total net assets decreased by \$1,508,095. The principal causes of this decrease are 1) the payment of debt service, for which funds had been provided in a prior year, 2) depreciation on capital assets during the fiscal year and 3) the acquisition of the former site of the Liberty Belle restaurant (the Authority is unable to hold title to land and as such transferred the value of such assets to Washoe County).
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$23,831,174, an increase of \$3,965,227 compared to the prior year. This change is a result of a \$3,000,000 medium term loan for the purpose of acquisition/site work at the former Liberty Belle restaurant site (located on the Convention Center site), less \$1,363,341 in expenditures related to Convention Center Expansion projects, with the balance a result of increased revenues in the General Fund.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,815,430, or 25.6% of total General Fund expenditures.
- The Authority's total debt increased by \$527,786 during the fiscal year, as a result of principal payments on existing debt along with the issuance of medium term debt as discussed above.
- The Authority's room license tax collections increased \$1,410,230 (5.6%) from the prior year. This increase was primarily caused by the return of the USBC-Men's bowling tournament, which occurs every third year, as well as increased convention activity and increases in average daily lodging rates.
- Cash and investments of the Authority increased by \$4,256,635 (21.5%), as a result of funds remaining from the medium term loan and funds being carried over to fund a budgeted deficit in fiscal year 2007-08.

### **Overview of the Financial Statements**

The basic financial statements of the Reno-Sparks Convention & Visitors Authority are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. Additionally, supplemental information to the financial statements is contained in this report.

**Government-wide financial statements.** The government-wide financial statements are presented to provide readers with a broad overview of the Reno-Sparks Convention & Visitors Authority in a manner that is similar to that of the private sector.

The Statement of Net Assets presents information on all assets and liabilities of the Reno-Sparks Convention & Visitors Authority. The difference between the total assets and total liabilities is reported as “net assets”. Over time, increases and decreases in net assets may serve as an indicator of improvement or deterioration of financial condition.

The Statement of Activities presents information showing how the government’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Governmental activities, which are supported primarily by room license taxes and facility usage fees, are distinguished from activities which are intended to recover all or a significant portion of costs through user fees and charges, as is the case with business-type functions, in the government-wide financial statements. Governmental activities include general government and community support, which includes operational costs of the facilities as well as costs associated with selling and marketing the Reno-Tahoe region. Business-type activities include the golf course operations of the RSCVA.

**Fund financial statements.** A fund is a legal and accounting entity with a self balancing set of accounts to track specific sources of funding and spending. The Reno-Sparks Convention & Visitors Authority, as with other governmental agencies, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the RSCVA are divided into governmental, proprietary, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike government-wide financial statements, governmental funds focus on the current inflows and outflows of resources. This information is useful in determining current financial requirements.

The RSCVA maintains three separate funds that make up the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance for the General Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds.

A separate budget is prepared annually for each fund reflecting anticipated resources and uses of the collected resources. A budgetary comparison statement or schedule has been provided for the funds to demonstrate compliance with the budget.

**Proprietary funds.** The RSCVA maintains enterprise and internal service proprietary fund types. Enterprise funds are used to account for functions presented in the business-type section of the government-wide financial statements. Internal service funds are used to account for and allocate internal costs to the various departments of the RSCVA, and primarily benefit governmental rather than business-type activities and consequently they have been included within the governmental activities in the government-wide financial statements. The RSCVA maintains one enterprise fund (Golf Courses) and one internal service fund (Insurance).

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the Authority. These funds are not reflected in the government-wide financial statements because the resources are not available to support RSCVA programs. The Authority has established an Agency Fund to account for its Flexible Compensation (Internal Revenue Service Code Section 125 – “Cafeteria”) Plan. This Plan is available to all regular full-time employees.

**Notes to the financial statements.** Notes to the financial statements are included to provide information that is crucial to the full and complete understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements, this report also presents certain supplementary information. Individual fund statements and schedules are presented immediately following the notes to the financial statements within this report.

## **Government-wide Financial Analysis**

By far the largest portion of the Authority’s assets (75%) reflects its investment in capital assets (e.g. buildings, machinery, and equipment). The Authority’s capital assets consist of four operating facilities – Reno-Sparks Convention Center, Reno-Sparks Livestock Events Center, and Northgate and Wildcreek Golf Courses - and other capital assets.

The only component of net assets with a positive balance is those that are restricted for use, primarily for debt service. Both the net assets invested in capital assets, net of related debt and the unrestricted net asset classes have deficits.

## Reno-Sparks Convention & Visitors Authority's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Assets:</b>						
Current and other assets	\$ 30,071,022	\$ 26,444,603	\$ 126,573	\$ 188,201	\$ 30,197,595	\$ 26,632,804
Capital assets	86,225,254	91,171,822	2,564,804	2,717,040	88,790,058	93,888,862
<b>Total assets</b>	<b>116,296,276</b>	<b>117,616,425</b>	<b>2,691,377</b>	<b>2,905,241</b>	<b>118,987,653</b>	<b>120,521,666</b>
<b>Liabilities:</b>						
Long-term liabilities	138,831,176	138,304,464	7,701	56,627	138,838,877	138,361,091
Other liabilities	8,224,970	8,640,599	235,593	323,668	8,460,563	8,964,267
<b>Total liabilities</b>	<b>147,056,146</b>	<b>146,945,063</b>	<b>243,294</b>	<b>380,295</b>	<b>147,299,440</b>	<b>147,325,358</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	(32,648,256)	(29,430,097)	2,564,804	2,717,040	(30,083,452)	(26,713,057)
Restricted for:						
Debt service	8,997,773	8,675,255	-	-	8,997,773	8,675,255
Claims	570,639	542,654	-	-	570,639	542,654
Unrestricted / deficit	(7,680,026)	(9,116,450)	(116,721)	(192,094)	(7,796,747)	(9,308,544)
<b>Total net assets</b>	<b>\$ (30,759,870)</b>	<b>\$ (29,328,638)</b>	<b>\$ 2,448,083</b>	<b>\$ 2,524,946</b>	<b>\$ (28,311,787)</b>	<b>\$ (26,803,692)</b>

The majority of deficit in net assets invested in capital assets, net of related debt, is the result of 1) the Authority being unable to hold title to land and 2) debt outstanding exceeds the net book value of capital assets the funds were used to construct.

The portions of the Authority's net assets that are subject to restrictions are debt service and insurance reserves.

The Authority's total net assets decreased by \$1,508,095. The principal causes of this decrease are 1) the payment of debt service, for which funds had been provided in a prior year, 2) depreciation on capital assets during the fiscal year and 3) the acquisition of the former site of the Liberty Belle restaurant (the Authority is unable to hold title to land and as such transferred the value of such assets to Washoe County).

## Reno-Sparks Convention & Visitors Authority's Change in Net Assets

	Governmental Activities		Business Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 11,637,500	\$ 9,485,145	\$ 3,027,747	\$ 2,875,620	\$ 14,665,247	\$ 12,360,765
Operating grants and contributions	691,315	619,997	-	-	691,315	619,997
Capital grants and contributions	-	-	-	-	-	-
<i>General revenues:</i>						
Room taxes, penalties and interest	26,672,321	25,262,091	-	-	26,672,321	25,262,091
Unrestricted investment and interest earnings	303,691	201,189	-	-	303,691	201,189
Miscellaneous	6,808	1,308	-	-	6,808	1,308
<i>Transfers</i>	(400,000)	(400,000)	400,000	400,000	-	-
<b>Total revenues and transfers</b>	<b>38,911,635</b>	<b>35,169,730</b>	<b>3,427,747</b>	<b>3,275,620</b>	<b>42,339,382</b>	<b>38,445,350</b>
Expenses:						
General government	3,514,851	3,528,656	-	-	3,514,851	3,528,656
Community support	29,461,499	26,957,432	-	-	29,461,499	26,957,432
Debt service	7,366,517	7,530,909	-	-	7,366,517	7,530,909
Golf courses	-	-	3,504,610	3,424,086	3,504,610	3,424,086
<b>Total expenses</b>	<b>40,342,867</b>	<b>38,016,997</b>	<b>3,504,610</b>	<b>3,424,086</b>	<b>43,847,477</b>	<b>41,441,083</b>
<b>Change in net assets</b>	<b>(1,431,232)</b>	<b>(2,847,267)</b>	<b>(76,863)</b>	<b>(148,466)</b>	<b>(1,508,095)</b>	<b>(2,995,733)</b>
Net Assets, July 1	(29,328,638)	(26,481,371)	2,524,946	2,673,412	(26,803,692)	(23,807,959)
<b>Total Net Assets, June 30</b>	<b>\$ (30,759,870)</b>	<b>\$ (29,328,638)</b>	<b>\$ 2,448,083</b>	<b>\$ 2,524,946</b>	<b>\$ (28,311,787)</b>	<b>\$ (26,803,692)</b>

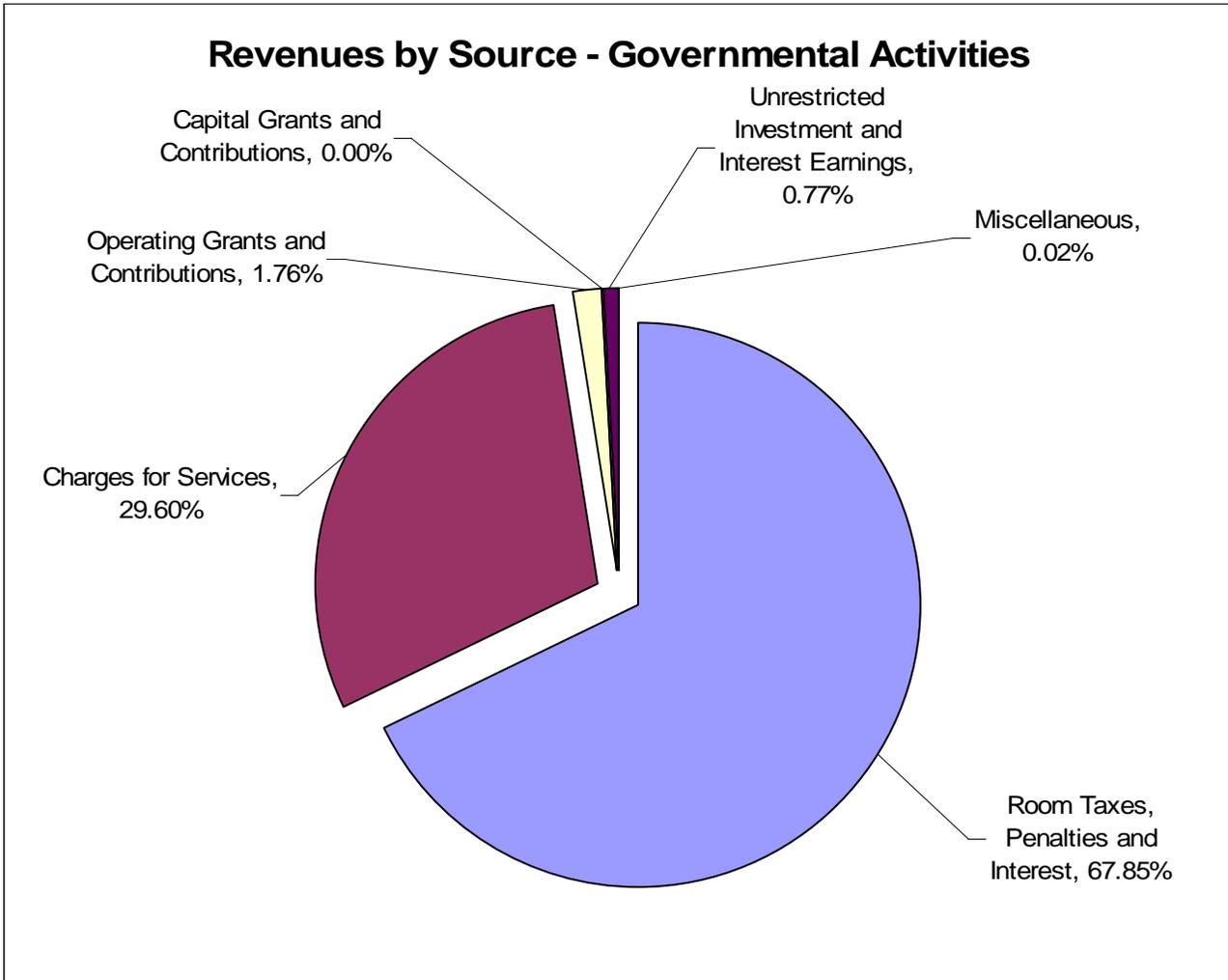
The primary revenue streams collected by the Authority are room license tax collections and charges for services (usage fees from facilities).

The Authority's room license tax collections increased \$1,410,230 (5.6%) from the prior year. This increase was primarily caused by the return of the USBC-Men's bowling tournament, which occurs every third year, as well as increased convention activity and increases in average daily lodging rates.

Expenses in Community support increased over the prior year as a result of the reallocation of resources to the Sales and Marketing Departments (staffing increases) as well as expenses associated with servicing events that occurred during the year at Authority facilities.

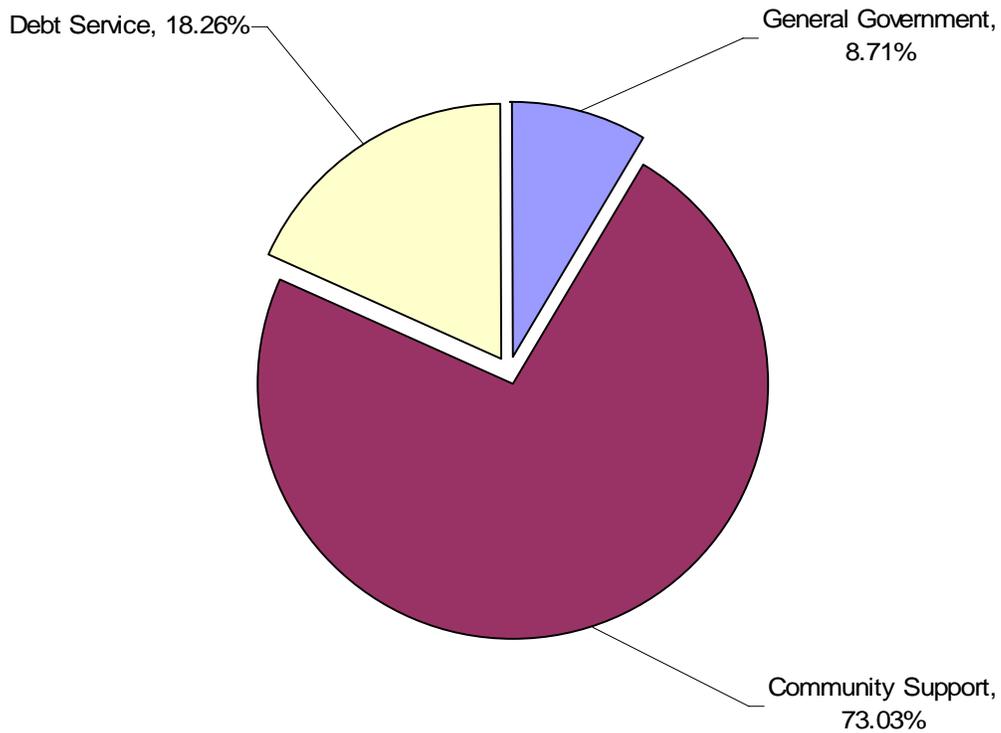
**Governmental activities.**

Total program revenues and expenses for governmental activities amounted to \$12,328,815 and \$40,342,867, respectively, for the 2006-07 fiscal year. As illustrated on the following chart, room tax collections are the largest revenue source, followed by charges for services.



As can be seen on the following chart, the majority of expenses are classified as community support. This category includes operation and maintenance costs for the facilities, as well as costs associated with selling and marketing the Reno-Tahoe region.

## Expenses - Governmental Activities



### **Business-type activities.**

Business-type activities are comprised of one enterprise fund including Wildcreek and Northgate Golf Courses. For the fiscal year 2006-07, the golf courses had revenues of \$3,027,747 and expenses of \$3,504,610 resulting in an operating loss of \$476,863. Rounds played have rebounded over prior year (primarily as the result of better than average weather in the early spring/late fall months) resulting in increased revenues at the courses, reducing their net loss to the Organization. As it relates to the golf courses, the Organization's strategic plan addresses the following:

### **Northgate Golf Course**

- Re-analyze self operation potential by increasing use and/or prices, decreasing expenses and/or making an investment that would allow a change in financial dynamics
- Examine alternative golf operations
- Evaluate alternative uses

### **Wildcreek Golf Course**

- Increase rounds on executive course
- Evaluate improvements necessary to allow revenue improvements and greater competitiveness with newer public golf courses
- Fine-tune to ensure continued break-even status

## **Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the RSCVA's governmental funds reported combined ending fund balances of \$23,831,174. Approximately 29% of this total amount (\$6,815,430) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to other purposes (debt, capital, encumbrances).

The General Fund is the chief operating fund of the RSCVA. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$6,815,430, while the total fund balance was \$7,119,353. As a measure of the General Fund's liquidity, it may be useful to compare fund balance with fund expenditures. The ratio of fund balance to expenditures is 26.7% for the year just completed.

The fund balance of the RSCVA's General Fund increased by \$1,878,209 during the current fiscal year. Key factors in this increase include:

- Increased room tax collections as a result of increased average daily rate.
- Increased facilities revenues as a result of revenues from the USBC-Men's bowling tournament at the National Bowling Stadium, and increased Concession and Audio/Visual revenues at the Reno-Sparks Convention Center.

The Debt Service Fund has a total fund balance of \$14,300,051, all of which is reserved for the payment of debt service. The amount shown as prepaid expenditures in the Debt Service Fund represents interest on outstanding bonds that has been transferred to an irrevocable escrow for payment of interest costs in future years. This amount is legally obligated to be paid, but as it represents interest in future years, it does not have an effect on the principal amount of debt shown in the financial statements.

The Capital Projects Fund is being used primarily to track expenditures related to the expansion of the Reno-Sparks Convention Center and associated site work. The original construction project has been completed and the facility is operational. The remaining amounts in the fund are reserved for ongoing projects related to the facility.

**Proprietary funds.** The RSCVA's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Golf Course Enterprise Fund at the end of the year amounted to \$(53,658). While rounds played and revenues at the courses increased over prior year, net assets in the fund decreased by \$80,110 during the year after including a \$400,000 transfer from the General Fund.

## **Budgetary Highlights for General Fund**

During the year, there were budgetary adjustments to the following categories in the General Fund:

- Increased convention and tourism salaries and wages expenditures from contingency funds.

These adjustments were made to reflect additional staffing expenditures realized throughout the fiscal year.

## **Capital Assets and Long-term Debt Activity**

**Capital assets.** The RSCVA's investment in capital assets for its governmental and business type activities as of June 30, 2007, amounts to \$88,790,058 (net of accumulated depreciation). This investment in capital assets includes buildings, improvements and machinery and equipment. Major capital asset transactions during the fiscal year included the completion of a project at the Convention Center required for a client who has booked five events at the facility, as well as improvements to existing meeting rooms. A contract was executed for site work at the former Liberty Belle restaurant that is expected to be completed in fiscal year 2007-08. The Organization has purchased the site (\$1,004,327) during the year and transferred the land to Washoe County as required by Nevada Revised Statutes.

Additional information on capital assets is presented in Note C in the Notes to Financial Statements section of this report.

## Reno-Sparks Convention & Visitors Authority's Capital Assets

	Governmental Activities	Business-type Activities
Buildings and Improvements and Construction in Progress	\$ 85,233,119	\$ 490,867
Improvements	124,498	1,273,190
Machinery and Equipment	867,637	800,747
Total	\$ 86,225,254	\$ 2,564,804

**Long-term debt.** During fiscal year 2006-07 the Authority made payments of \$4,475,000 in principal and \$5,324,422 in interest on its outstanding debt. The Authority also issued a medium term obligation in the principal amount of \$3,000,000. The chart below summarizes the Authority's outstanding bonds and loan. Additional information regarding the Authority's debt structure is presented in Note D in the Notes to Financial Statements section of this report.

## Reno-Sparks Convention & Visitors Authority's Outstanding General Obligation Debt

Debt Series	Original Issue Amount	Amount Outstanding as of June 30, 2007
1989 Capital Appreciation	\$ 7,555,657	\$ 3,720,000
1995 Series	12,495,000	5,720,000
1999 Refunding Series	5,950,000	4,090,000
RSCC Expansion Bonds (Current Interest)	85,615,000	1,220,000
RSCC Expansion Bonds (Capital Appreciation)	19,384,075	27,809,189
2001 Refunding	92,995,000	92,995,000
2007 Bank Loan	3,000,000	3,000,000
Total	\$ 226,994,732	\$ 138,554,189

## Known Economic Factors

- Lodging properties continue to invest capital into their current facilities:
  - Peppermill Hotel-Casino construction on a new 17-story, 600 room all suite tower, new pools, shops, restaurants, sports book and 62,000 square feet of convention space is nearing completion.
  - Atlantis Casino Resort is investing \$50 million in an expansion to include room renovations, new restaurants and a larger casino area. Another project is a sky walk that will connect the property to the Reno-Sparks Convention Center.

- Boomtown Reno is planning to invest \$80 million in upgrades associated with its truck stop, rooms and casino.
- Circus Circus is planning \$5 million in upgrades to hotel rooms and suites.
- Grand Sierra Resort has nearly completed reconstruction of the former Reno Hilton rooms and casino areas, adding additional restaurants and shops. The next phase of the project includes the addition of one of the world's largest indoor water parks.
- Lazy 8 Casino is planned in Spanish Springs in Sparks.
- Legends at Sparks Marina is beginning construction to bring 1,000 rooms, casino, restaurants and shopping to Sparks and is estimated to be complete in 2010.
- There are also plans for two Station's Casinos in south Reno, one near the Reno-Sparks Convention Center and the other at the intersection of Highway 395 and Mount Rose Highway, to be completed in the next four years.
- Continued marketing and promotion directed towards bringing special events to the region that have a significant base of room nights.
- Groups are continuing to book and hold their conventions at the newly renovated Reno-Sparks Convention Center – including Safari Club International and the Volleyball Festival.
- Cabela's, World's Foremost Outfitter, is in the final stages of completing a 125,000 square foot retail store in Western Nevada on the I-80 corridor that is anticipated to bring large numbers of visitors to the area.

## **Requests for Information**

This financial report is designed to provide a general overview of the financial activity and condition of the Reno-Sparks Convention & Visitors Authority to all having such an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the RSCVA Finance Department, PO Box 837, Reno, Nevada 89504.

# **BASIC FINANCIAL STATEMENTS**

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF NET ASSETS

JUNE 30, 2007

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 19,274,403	\$ 48,694	\$ 19,323,097
Cash with fiscal agent	4,756,450	-	4,756,450
Receivables			
Accounts receivable	744,902	23,523	768,425
Room license taxes receivable	3,713,360	-	3,713,360
Other receivables	384,410	-	384,410
Internal balances	72,430	(72,430)	-
Inventories	-	126,786	126,786
Prepaid items	1,075,500	-	1,075,500
Deferred charges	49,567	-	49,567
Capital assets not being depreciated	416,497	-	416,497
Capital assets being depreciated (net of accumulated depreciation)	<u>85,808,757</u>	<u>2,564,804</u>	<u>88,373,561</u>
<b>TOTAL ASSETS</b>	<u><u>116,296,276</u></u>	<u><u>2,691,377</u></u>	<u><u>118,987,653</u></u>
<b>LIABILITIES</b>			
Accounts payable	909,649	99,951	1,009,600
Accrued liabilities	4,045,999	61,580	4,107,579
Accrued construction retention	25,284	-	25,284
Accrued interest payable	2,668,391	-	2,668,391
Unearned revenue	575,647	24,062	599,709
Noncurrent liabilities:			
Due within one year	5,415,808	50,000	5,465,808
Due in more than one year	<u>133,415,368</u>	<u>7,701</u>	<u>133,423,069</u>
<b>TOTAL LIABILITIES</b>	<u><u>147,056,146</u></u>	<u><u>243,294</u></u>	<u><u>147,299,440</u></u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	(32,648,256)	2,564,804	(30,083,452)
Restricted for:			
Debt service	8,997,773	-	8,997,773
Claims	570,639	-	570,639
Unrestricted (deficit)	<u>(7,680,026)</u>	<u>(116,721)</u>	<u>(7,796,747)</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ (30,759,870)</u></u>	<u><u>\$ 2,448,083</u></u>	<u><u>\$ (28,311,787)</u></u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT FUNCTIONS/PROGRAMS</b>						
Governmental activities:						
General government	\$ 3,514,851	\$ -	\$ -	\$ (3,119,115)	\$ -	\$ (3,119,115)
Community support	29,461,499	68,301	-	(18,151,434)	-	(18,151,434)
Debt service:						
Interest and fiscal charges	7,366,517	623,014	-	(6,743,503)	-	(6,743,503)
Total governmental activities	<u>40,342,867</u>	<u>691,315</u>	<u>-</u>	<u>(28,014,052)</u>	<u>-</u>	<u>(28,014,052)</u>
Business-type activities:						
Golf courses	3,504,610	3,027,747	-	-	(476,863)	(476,863)
TOTAL PRIMARY GOVERNMENT	<u>\$ 43,847,477</u>	<u>\$ 691,315</u>	<u>\$ -</u>	<u>(28,014,052)</u>	<u>(476,863)</u>	<u>(28,490,915)</u>
<b>GENERAL REVENUES</b>						
Taxes:						
Room taxes, penalties and interest				26,672,321	-	26,672,321
Unrestricted investment and interest earnings				303,691	-	303,691
Miscellaneous				6,808	-	6,808
TRANSFERS				(400,000)	400,000	-
TOTAL GENERAL REVENUES				<u>26,582,820</u>	<u>400,000</u>	<u>26,982,820</u>
CHANGE IN NET ASSETS				(1,431,232)	(76,863)	(1,508,095)
NET ASSETS, JULY 1				(29,328,638)	2,524,946	(26,803,692)
NET ASSETS, JUNE 30				<u>\$ (30,759,870)</u>	<u>\$ 2,448,083</u>	<u>\$ (28,311,787)</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOVERNMENTAL FUNDS  
BALANCE SHEET

JUNE 30, 2007

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 7,561,689	\$ 8,942,233	\$ 2,755,464	\$ 19,259,386
Cash with fiscal agent	-	4,756,450	-	4,756,450
Receivables				
Accounts receivable	744,902	-	-	744,902
Room license taxes receivable	3,713,360	-	-	3,713,360
Other receivables	384,410	-	-	384,410
Prepaid expenditures	-	1,075,500	-	1,075,500
Due from other funds	151,490	-	-	151,490
<b>TOTAL ASSETS</b>	<b>\$ 12,555,851</b>	<b>\$ 14,774,183</b>	<b>\$ 2,755,464</b>	<b>\$ 30,085,498</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 858,744	\$ -	\$ 47,942	\$ 906,686
Accrued liabilities	4,002,107	-	-	4,002,107
Accrued construction retention	-	-	25,284	25,284
Deferred revenue	575,647	-	-	575,647
Due to other funds	-	474,132	270,468	744,600
<b>TOTAL LIABILITIES</b>	<b>5,436,498</b>	<b>474,132</b>	<b>343,694</b>	<b>6,254,324</b>
<b>FUND BALANCES</b>				
Reserved for				
Encumbrances	303,923	-	1,108,169	1,412,092
Debt service	-	14,300,051	-	14,300,051
Capital projects	-	-	1,303,601	1,303,601
Unreserved	6,815,430	-	-	6,815,430
<b>TOTAL FUND BALANCES</b>	<b>7,119,353</b>	<b>14,300,051</b>	<b>2,411,770</b>	<b>23,831,174</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,555,851</b>	<b>\$ 14,774,183</b>	<b>\$ 2,755,464</b>	<b>\$ 30,085,498</b>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2007

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<b>TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET</b>	<b>\$</b>	<b>23,831,174</b>
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds		86,225,254
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:		
Accrued interest payable		(2,668,391)
Bonds, capital lease payable, and bank loan		(138,594,997)
Less: Deferred charge on funding escrow		223,891
Less: Deferred charge for issuance costs (to be amortized over life of debt)		49,567
Compensated absences		(460,070)
Internal balances are receivable from business-type activities		63,063
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in Governmental Activities in the Statement of Net Assets.		<u>570,639</u>
<b>TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET ASSETS</b>	<b>\$</b>	<b><u><u>(30,759,870)</u></u></b>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
<b>Taxes</b>				
Room license taxes, penalties and interest	\$ 26,672,321	\$ -	\$ -	\$ 26,672,321
<b>Miscellaneous</b>				
Facilities revenue	10,840,245	-	-	10,840,245
Convention and visitors service revenue	401,519	-	-	401,519
Interest on investments	303,691	623,014	68,301	995,006
Other	402,544	-	-	402,544
<b>TOTAL REVENUES</b>	<b>38,620,320</b>	<b>623,014</b>	<b>68,301</b>	<b>39,311,635</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	3,475,812	-	-	3,475,812
Community support	23,166,299	-	-	23,166,299
<b>Debt Service</b>				
Principal	-	4,475,000	-	4,475,000
Interest	-	5,324,422	-	5,324,422
Other bond costs	-	59,199	-	59,199
<b>Capital outlay</b>	-	-	1,445,676	1,445,676
<b>TOTAL EXPENDITURES</b>	<b>26,642,111</b>	<b>9,858,621</b>	<b>1,445,676</b>	<b>37,946,408</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>11,978,209</b>	<b>(9,235,607)</b>	<b>(1,377,375)</b>	<b>1,365,227</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	6,500,000	3,200,000	9,700,000
Transfers to other funds	(10,100,000)	-	-	(10,100,000)
Issuance of medium term financing	-	3,000,000	-	3,000,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(10,100,000)</b>	<b>9,500,000</b>	<b>3,200,000</b>	<b>2,600,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,878,209</b>	<b>264,393</b>	<b>1,822,625</b>	<b>3,965,227</b>
<b>FUND BALANCES, JULY 1</b>	<b>5,241,144</b>	<b>14,035,658</b>	<b>589,145</b>	<b>19,865,947</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 7,119,353</b>	<b>\$ 14,300,051</b>	<b>\$ 2,411,770</b>	<b>\$ 23,831,174</b>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2007**

<b>NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES</b>	<b>\$</b>	<b>3,965,227</b>
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		1,485,379
Depreciation expense		(5,427,620)
<p>Miscellaneous transactions involving capital assets.</p>		
Loss on disposition (contribution of capital assets to others)		(1,004,327)
<p>The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on Net Assets. Also, Governmental Funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Accretion on capital appreciation bonds		(1,953,345)
Issuance of medium term financing		(3,000,000)
Issuance costs on medium term financing		50,849
Principal payments on debt		4,517,121
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.</p>		
Accrued interest		2,516
Compensated absences		(7,572)
Amortization on deferred charge on funding escrow		(82,916)
Amortization of issuance costs		(1,282)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) revenue of certain activities of the internal service fund is reported with Governmental Activities.</p>		
		24,738
<b>CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES</b>	<b>\$</b>	<b><u>(1,431,232)</u></b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007  
(with comparative actual amounts for the year ended June 30, 2006)  
Page 1 of 2

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
<b>Taxes</b>					
Room license taxes, penalties and interest	\$ 25,450,986	\$ 25,450,986	\$ 26,672,321	\$ 1,221,335	\$ 25,262,091
<b>Miscellaneous</b>					
Facilities revenue	10,280,991	10,280,991	10,840,245	559,254	8,774,732
Convention and visitor service revenue	276,899	276,899	401,519	124,620	334,007
Interest on investments	182,277	182,277	303,691	121,414	201,189
Other	372,623	372,623	402,544	29,921	377,714
<b>TOTAL REVENUES</b>	<b>36,563,776</b>	<b>36,563,776</b>	<b>38,620,320</b>	<b>2,056,544</b>	<b>34,949,733</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
Salaries and wages	1,633,981	1,633,981	1,636,243	(2,262)	1,553,938
Employee benefits	655,280	655,280	623,787	31,493	584,340
Services and supplies	1,079,720	1,079,720	1,107,724	(28,004)	1,219,539
Capital outlay	135,500	135,500	108,058	27,442	119,758
<b>Total general government</b>	<b>3,504,481</b>	<b>3,504,481</b>	<b>3,475,812</b>	<b>28,669</b>	<b>3,477,575</b>
<b>Community support</b>					
<b>Facility operation</b>					
Salaries and wages	4,999,023	4,999,023	5,311,587	(312,564)	4,768,591
Employee benefits	1,845,357	1,845,357	1,641,322	204,035	1,593,594
Services and supplies	6,233,465	6,233,465	5,839,798	393,667	5,294,730
Capital outlay	37,000	37,000	37,330	(330)	49,292
	<b>13,114,845</b>	<b>13,114,845</b>	<b>12,830,037</b>	<b>284,808</b>	<b>11,706,207</b>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007  
(with comparative actual amounts for the year ended June 30, 2006)  
Page 2 of 2

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>EXPENDITURES - continued</b>					
<b>Convention and tourism promotion</b>					
Salaries and wages	\$ 2,168,273	\$ 2,238,273	\$ 2,388,028	\$ (149,755)	\$ 1,998,639
Employee benefits	728,958	728,958	847,998	(119,040)	674,625
Services and supplies	5,731,260	5,731,260	5,636,954	94,306	5,670,970
Capital outlay	17,309	17,309	37,756	(20,447)	10,397
	<u>8,645,800</u>	<u>8,715,800</u>	<u>8,910,736</u>	<u>(194,936)</u>	<u>8,354,631</u>
Community grants and miscellaneous	<u>1,351,730</u>	<u>1,351,730</u>	<u>1,425,526</u>	<u>(73,796)</u>	<u>1,325,215</u>
<b>Total community support</b>	<u>23,112,375</u>	<u>23,182,375</u>	<u>23,166,299</u>	<u>16,076</u>	<u>21,386,053</u>
<b>TOTAL EXPENDITURES</b>	<u>26,616,856</u>	<u>26,686,856</u>	<u>26,642,111</u>	<u>44,745</u>	<u>24,863,628</u>
Excess (deficiency) of revenues over expenditures	<u>9,946,920</u>	<u>9,876,920</u>	<u>11,978,209</u>	<u>2,101,289</u>	<u>10,086,105</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Contingency	(70,000)	-	-	-	-
Transfers to other funds	<u>(10,100,000)</u>	<u>(10,100,000)</u>	<u>(10,100,000)</u>	<u>-</u>	<u>(9,050,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(10,170,000)</u>	<u>(10,100,000)</u>	<u>(10,100,000)</u>	<u>-</u>	<u>(9,050,000)</u>
Net change in fund balances	(223,080)	(223,080)	1,878,209	2,101,289	1,036,105
<b>FUND BALANCE, JULY 1</b>	<u>4,567,275</u>	<u>4,567,275</u>	<u>5,241,144</u>	<u>673,869</u>	<u>4,205,039</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 4,344,195</u>	<u>\$ 4,344,195</u>	<u>\$ 7,119,353</u>	<u>\$ 2,775,158</u>	<u>\$ 5,241,144</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS

JUNE 30, 2007

	Business-type Activities Enterprise Fund	
	Golf Courses Fund	Governmental Activities Internal Service Fund
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 48,694	\$ 15,017
Accounts receivable	23,523	-
Inventory	126,786	-
Due from other funds	-	602,477
Total current assets	199,003	617,494
Noncurrent assets		
Capital assets:		
Buildings and improvements	2,686,871	-
Improvements	8,608,478	-
Furniture and equipment	2,047,444	-
	13,342,793	-
Accumulated depreciation	(10,777,989)	-
Net capital assets	2,564,804	-
<b>TOTAL ASSETS</b>	<b>2,763,807</b>	<b>617,494</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	99,951	2,963
Accrued liabilities	61,580	43,892
Deferred revenue	24,062	-
Due to other funds	9,367	-
Compensated absences	50,000	-
Total current liabilities	244,960	46,855
Noncurrent liabilities		
Compensated absences	7,701	-
<b>TOTAL LIABILITIES</b>	<b>252,661</b>	<b>46,855</b>
<b>NET ASSETS</b>		
Invested in capital assets	2,564,804	-
Restricted for claims	-	570,639
Unrestricted (deficit)	(53,658)	-
<b>TOTAL NET ASSETS</b>	<b>2,511,146</b>	<b>\$ 570,639</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(63,063)	
<b>Net Assets of Business-type Activities</b>	<b>\$ 2,448,083</b>	

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
	<b>Golf Courses Fund</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Golf course operations	\$ 3,027,747	\$ -
Charges for benefits	-	1,646,923
<b>TOTAL OPERATING REVENUES</b>	<b>3,027,747</b>	<b>1,646,923</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	1,225,338	-
Employee benefits	378,288	-
Services and supplies	1,402,201	1,618,938
Depreciation	502,030	-
<b>TOTAL OPERATING EXPENSES</b>	<b>3,507,857</b>	<b>1,618,938</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(480,110)</b>	<b>27,985</b>
<b>TRANSFERS IN (OUT)</b>	<b>400,000</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>(80,110)</b>	<b>27,985</b>
<b>NET ASSETS, JULY 1</b>		<b>542,654</b>
<b>NET ASSETS, JUNE 30</b>		<b>\$ 570,639</b>
<b>Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds</b>	<b>3,247</b>	
<b>Change in Net Assets of Business-type Activities</b>	<b>\$ (76,863)</b>	

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007  
Page 1 of 2

	Business-type Activities	
	Enterprise Fund	Governmental Activities Internal Service Fund
	Golf Courses Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers or users	\$ 3,023,708	\$ 311,707
Cash received from interfund services provided	-	1,335,216
Cash paid for employees' services	(1,453,479)	-
Cash payments for internal services used	(154,822)	-
Cash paid to vendors for services and supplies	(1,561,796)	(1,636,574)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(146,389)</b>	<b>10,349</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	400,000	-
Cash received from (advanced to) other funds	117,039	(21,076)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>517,039</b>	<b>(21,076)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(349,794)	-
<b>Net increase (decrease) in cash and investments</b>	<b>20,856</b>	<b>(10,727)</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>27,838</b>	<b>25,744</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 48,694</b>	<b>\$ 15,017</b>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition of capital assets through trades	\$ 52,028	-

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007

Page 2 of 2

	Business-type Activities	
	<u>Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
	<u>Golf Courses Fund</u>	<u>Internal Service Fund</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ <u>(480,110)</u>	\$ <u>27,985</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	502,030	-
(Increase) decrease		
Accounts receivable	(7,313)	-
Prepaid expenses	-	10,523
Inventory	(23,995)	-
Increase (decrease)		
Accounts payable	(135,600)	1,322
Accrued liabilities	(5,749)	(29,481)
Deferred revenue	3,274	-
Compensated absences payable	1,074	-
Total adjustments	<u>333,721</u>	<u>(17,636)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ <u><u>(146,389)</u></u>	\$ <u><u>10,349</u></u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**FLEXIBLE COMPENSATION PLAN AGENCY FUND  
STATEMENT OF FIDUCIARY NET ASSETS**

**JUNE 30, 2007**

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	
Flexible compensation plan	\$ <u>20,058</u>
<b>LIABILITIES</b>	
Benefits payable	
Flexible compensation plan	<u>20,058</u>
<b>NET ASSETS</b>	\$ <u><u>-</u></u>

**See accompanying notes.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Reno-Sparks Convention & Visitors Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. Financial statements are prepared in accordance with GAAP in conformity with reporting guidelines established by the Governmental Accounting Standards Board (GASB). The following is a summary of consistently applied significant accounting policies:

**Reporting Entity:**

The Reno-Sparks Convention & Visitors Authority (the Authority) was originally established in February 1959 as the Washoe County Fair and Recreation Board. The Authority is the operating instrumentality in Washoe County, Nevada for promoting conventions, tourism, and recreation, and is empowered to establish, acquire, and operate facilities appropriately related thereto.

The Authority owns and operates the Reno-Sparks Convention Center, Wildcreek Golf Course, Northgate Golf Club, and the Reno-Sparks Livestock Events Center. The Authority also owns the Pioneer Center for the Performing Arts, which is operated by the Reno Performing Arts Council Association under contract with the Authority. Additionally, the Authority owns a building and various improvements at Incline Village (North Lake Tahoe), Nevada, which is operated by the Incline Village/Crystal Bay Visitor and Convention Bureau, a non-profit organization.

The Authority also manages the National Bowling Stadium and Reno Events Center which are owned by the City of Reno. The agreement provides possible subsidies to fund operating deficits and administrative expenditures. Net income, as defined by the agreement, will be allocated to the City of Reno (60%) and the Authority (40%).

Pursuant to Nevada Revised Statute 244A, the Authority is an instrumentality of Washoe County. Statutes provide for the independence of the Authority in specifying the powers and duties of the Board of Directors, including the Board's composition, selection, and terms of office. The Authority is subject to state laws governing local governments, including the Local Government Budget and Finance Act.

The Board of Directors is responsible for establishing policy and procedures for the Organization and is not significantly influenced in any way by Washoe County or the incorporated cities of Reno and Sparks, nor are any of these entities financially accountable for the Authority as defined by Statement No. 14, The Financial Reporting Entity, issued by the

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

Governmental Accounting Standards Board. Accordingly, there is no basis for inclusion of the Authority as a component unit of any of these entities.

For financial reporting purposes, the Reno-Sparks Convention & Visitors Authority includes all funds, functions, and activities over which the Board of Directors has responsibility.

**Government-wide and Fund Financial Statements:**

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Eliminations have been made to minimize the effect of interfund activity. Interfund activity does not include amounts related to services provided and used between functions. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are associated with a specific function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, if any, result from nonexchange transactions or ancillary activities.

The fund financial statements provide information about the Authority's funds, including its fiduciary fund. Separate statements for each fund category—governmental, proprietary and fiduciary—are presented even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

statements. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

The Authority applies all applicable GASB pronouncements, as well as, FASB Statements and Interpretations, APB Opinions and ARB's issued on or before November 30, 1989, except for those pronouncements that conflict with or contradict GASB pronouncements.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recorded as liabilities when due. The Authority first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

Room license taxes, penalties and interest; facilities revenue; convention and visitors service revenue; and interest on investments associated with the fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenues are normally not susceptible to accrual because they are generally not measurable until received in cash.

The Authority reports deferred revenues on its balance sheets. Deferred revenues arise in governmental fund types when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Authority before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the liability for deferred revenues is removed from the balance sheet and revenue is recognized. The majority of the deferred/(unearned) revenue reported by the Authority is as a result of money's received from customers for events at Authority facilities in future years.

The Authority reports the following major governmental funds:

The General Fund is the primary operating fund of the Authority. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

The Debt Service Fund is used to account for the accumulation of resources required for, and the payment of, general long-term debt principal, interest and related costs.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction and significant repair of major facilities.

The Authority reports the following major enterprise fund:

The Golf Courses Enterprise Fund is used to account for operations of the golf courses.

Additionally, the Authority reports the following fund types:

The Internal Service Fund accounts for the insurance activities provided to other departments of the Authority, on a cost reimbursement basis.

The Agency Fund, which is custodial in nature, accounts for the assets and liabilities of the flexible compensation program offered as benefits to the employees of the Authority.

**Budgets and Budgetary Accounting:**

The Authority follows the procedures outlined below in establishing the budgetary data reflected in the financial statements:

1. Prior to April 15, the Chief Executive Officer submits to the Authority Board of Directors a proposed operating budget for the fiscal year commencing the following July 1.

The operating budget includes proposed expenditures and expenses and the means of financing them for all governmental and proprietary funds. Budgets for governmental funds are prepared on the modified accrual basis of accounting. Those for proprietary funds are prepared on the accrual basis of accounting.

2. Public hearings are conducted on the third Thursday or Friday in May to obtain public comments.
3. On or before June 1, the budget is legally enacted through passage of a resolution by a majority vote of the Authority Board.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

4. Department heads are authorized to transfer appropriations between accounts within their respective departments subject to approval of the Chief Executive Officer. The Chief Executive Officer is authorized to transfer appropriations between departments within the various functional levels of the General Fund. Any revisions that alter or augment total appropriations or transfer appropriations between functional levels must be approved by the Authority Board. Formal budgetary integration is employed as a management control device during the year for all funds of the Authority, except the Agency Fund which is not required to be budgeted.
5. Budgeted appropriations may not be exceeded by actual expenditures of the various governmental functions in the General Fund. State statutes do not require that debt service payments (Debt Service Fund) or programs of insurance (Insurance Internal Service Fund) be limited by the budget. Also, state statutes generally do not require that capital payments (Capital Projects Fund) be limited by the budget. At year-end, any unencumbered appropriations lapse and outstanding encumbrances are reappropriated in the following year's budget. Actual expenses may not exceed the sum of budgeted operating and nonoperating expenses in proprietary funds.

The budget amounts reflected in the financial statements have been amended from the original amounts in accordance with state statute.

**Cash and Investments:**

Cash and investments include amounts in demand deposit accounts as well as all investments of the Authority. Investments are stated at fair value.

All interest earned on cash and investments is recognized in the General Fund in accordance with NRS 355.175, except for separate accounts established for the Debt Service Fund and Capital Projects Fund in accordance with bond resolutions.

Pursuant to Nevada Revised Statutes, the Authority may invest in United States securities, bond and indentures, negotiable certificates of deposit, certain bankers' acceptances, commercial paper, and AAA rated money market mutual funds that invest in securities issued by, or agencies of the U.S. government. The Authority, by statute, also may invest the proceeds from the Convention Center expansion bond issue in an investment contract.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

Cash and investments held by the proprietary funds meet liquidity requirements for classification as cash equivalents (original maturities three months or less).

**Receivables:**

The Authority considers receivables to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

**Inventories:**

Merchandise inventories for Northgate Golf Club and Wildcreek Golf Course Pro Shops (Golf Courses Enterprise Fund) are valued at the lower of cost or market on a first-in, first-out (FIFO) basis. Charges are made to the operations at the time merchandise is sold. Miscellaneous supply purchases are expensed as incurred. Such inventories on hand at June 30, 2007 are not material and are not reflected in these financial statements.

**Due To and Due From Other Funds:**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as internal balances.

**Capital Assets:**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. As a matter of policy, the Authority classifies those assets with a unit value of \$5,000 or more and a useful life of more than one year as capital assets. The Authority has no public domain (infrastructure) capital assets. Purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation is computed over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

Buildings and improvements	5-30 years
Improvements	3-25 years
Furniture and equipment	3-10 years

**Long-Term Liabilities:**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Issuance costs are deferred and amortized over the life of the debt. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method. Bonds payable are reported net of these applicable deferred amounts.

In the governmental fund financial statements, bond costs are recognized during the current period.

**Compensated Absences:**

All vacation is accrued when earned in the government-wide and proprietary fund statements.

**Fund Equity:**

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

**Invested in Capital Assets, Net of Related Debt** – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Assets** – Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, contributors, or laws or regulations of other governments; (2) law through constitutional provisions or enabling legislation.

**Unrestricted Net Assets** – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

Restricted Net Assets consist of amounts restricted for debt service in accordance with bond indentures and claims for insurance for the benefit of its employees in accordance with state statute.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

In the governmental fund financial statements, fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reservations of fund balance consist of amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Proprietary fund equity is classified the same as in the government-wide statements.

**Revenues:**

By statute and through interlocal agreement, the Authority is administrator and collection agent for all transient lodging license taxes imposed within Washoe County. Tax rates are 13.5% of gross transient lodging revenues within the City of Sparks, 13.5% of gross transient lodging revenues within the downtown of the City of Reno, and 12% of gross transient lodging revenues of properties not located in the downtown of the City of Reno and all unincorporated areas of Washoe County.

One percent of the effective tax rates in all jurisdictions represents a State of Nevada Lodging Tax, which is divided between the Authority and the State of Nevada on the basis of 5/8% and 3/8%, respectively. The 5/8% retained by the Authority is restricted by statute to be used for promotion and special events; the 3/8% retained by the State is designated for use in funding operations of the Nevada Department of Tourism.

One percent of the effective tax rate in all jurisdictions was imposed by the Nevada Legislature on July 1, 1991 as The National Bowling Stadium Lodging Tax. Proceeds of this tax are transferred to the City of Reno.

Effective June 1, 1999, transient lodging taxes increased 3%, except in the Railroad Improvement District where the increase was 2%. A 1% transient lodging tax was previously imposed on the Railroad Improvement District effective January 1, 1999. The Authority collects and remits the 1% transient lodging tax to the Railroad Improvement District. The increase in transient lodging taxes retained by the Authority is imposed by statute to be used for expansion of the Convention Center (2%). The increase in transient lodging taxes not retained by the Authority (1% collected outside of the Railroad Improvement District) is remitted to the City of Reno for the Reno Events Center/National Bowling Stadium. In addition, the legislation requires one-half of the proceeds received from transient lodging taxes (previously imposed taxes) collected in Incline Village, Nevada and Crystal Bay, Nevada to be granted to the Incline Village/Crystal Bay Visitor and Convention Bureau.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(Continued)**

Effective December 1, 2001 transient lodging taxes increased 1.5% within the Railroad Improvement District. This increase is remitted to the City of Reno Redevelopment Agency for the Reno Events Center/National Bowling Stadium.

Effective July 1, 2003 transient lodging taxes increased 2.5% within the City of Sparks. This increase is remitted to the City of Sparks for construction/renovation of Downtown Sparks.

The remaining 7% tax revenues from within Washoe County and the City of Reno are divided between the Authority and these entities on the basis of 6% and 1%, respectively. The remaining 6% tax from within the City of Sparks is retained by the Authority.

The Authority's share of revenues detailed above is currently pledged to the Authority as part of existing bond resolutions. This will continue through repayment of outstanding bonds. All other revenues of the Authority result from fees imposed on users of Authority facilities, convention and visitors service revenue and interest on investments.

**Comparability:**

Comparative data shown for the year ended June 30, 2006 has been extracted from the 2005-06 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for 2005-06. Such information can only be obtained by referring to the financial statements for that year.

**NOTE B - CASH AND INVESTMENTS**

As of June 30, 2007 the Authority had the following investments and maturities:

	<u>Maturities</u>	<u>Fair Value</u>
<b>Investments:</b>		
Money Market Mutual Funds	Currently available	\$8,429,202
Guaranteed Investment Contracts	Currently available	<u>5,673,179</u>
<b>Total Investments</b>		<b>14,102,381</b>
<b>Total Cash</b>		<u><b>5,240,774</b></u>
<b>Total Cash and Investments</b>		<u><b>\$19,343,155</b></u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

***Interest Rate Risk.*** Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by diversifying the durations of fixed income investments that are held at a given time. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in statute.

***Credit Risk.*** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of investments. The Guaranteed Investment Contracts are unrated. As noted above, the Authority does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in statute.

***Concentration of Credit Risk.*** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Securities held by the Authority or by the Authority's custodians are diversified to eliminate risk of loss from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. The investment in the Guaranteed Investment Contracts issued by Bayerische Hypo represent 40% of investments.

***Custodial Credit Risk on Deposits.*** Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's bank deposits are covered by Federal Deposit Insurance Corporation (FDIC) insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Cash held by fiscal agent of \$4,756,450 is the payment due on bonds on July 1, 2007 (principal and interest). The amount is transferred from the collateralized account shortly before the payment is due. For that limited amount of time, the amount is uncollateralized.

An account has been established in accordance with the bond covenants to be used if there are insufficient monies to pay the principal and interest on the Convention Center bond issue. The account is maintained in the Debt Service Fund and is reserved for Convention Center debt service.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

**NOTE C - CAPITAL ASSETS**

The Authority has entered into contracts for the expansion/renovation of the Reno-Sparks Convention Center to be paid from debt proceeds. At June 30, 2007, commitments on the construction contracts were \$1,108,169. These commitments are reserved in the Capital Projects Fund.

Depreciation expense was charged to functions/programs of the Authority as follows:

<b>Governmental Activities</b>	
General government	\$ 71,114
Community support	<u>5,356,506</u>
<b>Total depreciation expense-governmental activities</b>	<u>\$ 5,427,620</u>
<b>Business-Type Activities</b>	
Golf Courses Fund	<u>\$ 502,030</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(Continued)

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Additions and Transfers In	Deletions and Transfers Out	Completed Construction	Balance June 30, 2007
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Construction in progress	\$ 419,111	\$ 1,366,554	\$ (1,004,327)	\$ (364,841)	\$ 416,497
Capital assets, being depreciated					
Buildings and improvements	148,475,630	45,230	-	364,841	148,885,701
Improvements	638,873	-	-	-	638,873
Furniture and equipment	2,366,964	73,595	-	-	2,440,559
<b>Total capital assets, being depreciated</b>	<b>151,481,467</b>	<b>118,825</b>	<b>-</b>	<b>364,841</b>	<b>151,965,133</b>
Less accumulated depreciation for					
Buildings and improvements	(58,865,410)	(5,203,669)	-	-	(64,069,079)
Improvements	(482,118)	(32,257)	-	-	(514,375)
Furniture and equipment	(1,381,228)	(191,694)	-	-	(1,572,922)
<b>Total accumulated depreciation</b>	<b>(60,728,756)</b>	<b>(5,427,620)</b>	<b>-</b>	<b>-</b>	<b>(66,156,376)</b>
<b>Total capital assets, being depreciated, net</b>	<b>90,752,711</b>	<b>(5,308,795)</b>	<b>-</b>	<b>364,841</b>	<b>85,808,757</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 91,171,822</b>	<b>\$ (3,942,241)</b>	<b>\$ (1,004,327)</b>	<b>\$ -</b>	<b>\$ 86,225,254</b>
<b>Business-Type Activities</b>					
Capital assets, being depreciated					
Buildings and improvements	2,686,871	-	-	-	2,686,871
Improvements	8,540,458	78,886	(10,866)	-	8,608,478
Furniture and equipment	1,903,628	322,936	(179,120)	-	2,047,444
<b>Total capital assets, being depreciated</b>	<b>13,130,957</b>	<b>401,822</b>	<b>(189,986)</b>	<b>-</b>	<b>13,342,793</b>
Less accumulated depreciation for					
Buildings and improvements	(2,115,499)	(80,505)	-	-	(2,196,004)
Improvements	(7,088,550)	(257,605)	10,867	-	(7,335,288)
Furniture and equipment	(1,209,868)	(163,920)	127,091	-	(1,246,697)
<b>Total accumulated depreciation</b>	<b>(10,413,917)</b>	<b>(502,030)</b>	<b>137,958</b>	<b>-</b>	<b>(10,777,989)</b>
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 2,717,040</b>	<b>\$ (100,208)</b>	<b>\$ (52,028)</b>	<b>\$ -</b>	<b>\$ 2,564,804</b>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

**NOTE D – AUTHORITY OBLIGATIONS**

The Authority issues general obligation bonds to finance the purchase of major capital items and the acquisition or construction of major capital facilities. Bonded indebtedness has also been issued to advance refund several general obligation bonds. Medium term financing (bank loans) is also used for capital improvements.

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The Authority is in compliance with all significant limitations and restrictions at June 30, 2007.

The Authority entered into a lease agreement to finance the acquisition of a telephone system for the Reno Events Center/National Bowling Stadium. The assets under capital lease are recorded at the present value of the future minimum lease payments. At June 30, 2007, equipment held under capital lease in the Governmental Activities is recorded at \$125,896 with accumulated depreciation of \$26,228.

As noted, the Authority defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the Authority's financial statements. On June 30, 2007, \$109,892,251 of bonds considered defeased are still outstanding.

Governmental activities debt is serviced through the Debt Service Fund, except for the capital lease (Community Support Function) and compensated absences which are funded by the General Fund. Business-type debt is serviced through the Golf Courses Enterprise Fund.

The Authority has entered into an agreement for the purchase and use of treated effluent for the Wildcreek Golf Course from the City of Sparks. The agreement calls for a base rate of \$300,000 annually to be paid in 12 equal monthly installments. The base rate may be adjusted every five years based on activity of the City of Sparks system.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

The following is a schedule of minimum payments currently required under the agreement described above:

<u>Year ending June 30,</u>	
2008	\$ 300,000
2009	300,000
2010	300,000
2011	300,000
2012	300,000
Thereafter	<u>2,975,000</u>
	<u>\$ 4,475,000</u>

During the year ended June 30, 2007, expense under the agreement was \$300,000 and is recorded in the Golf Courses Enterprise Fund.

The Authority has entered into a lease for its office facilities. The lease began during the June 30, 2004 fiscal year with \$28,920 as the monthly rent. The lease provides for fixed monthly rent plus additional rent for increases in expenses occurring during the lease term. The initial lease shall be for ten years with two options for extension of the lease for successive periods of five years each.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**(Continued)**

Description	Interest Rate	Maturity Date	Original Issue
<b>Governmental Activities</b>			
<b>General Obligation Bonds Payable</b>			
<b>(Limited Tax) Improvement</b>			
<b>and Refunding Bonds:</b>			
<b>October 1, 1989 Series</b>			
Capital Appreciation	-	2008	\$ 7,555,657
August 1, 1995 Series	4.0 - 5.6%	2011	12,495,000
April 1, 1999 Series	4.0 - 4.5%	2010	5,950,000
<b>January 2000 Series</b>			
Current Interest	5.0 - 5.5%	2010	85,615,000
Capital Appreciation	-	2021	19,384,075
June 1, 2001 Refunding	4.0 - 5.25%	2030	92,995,000
<b>Deferred amounts on funding</b>			
Capital Lease Payable	5.79%	2008	125,896
2007 Bank Loan	3.97%	2012	3,000,000
Compensated Absences	N/A	N/A	N/A
<b>Total Governmental Activities</b>			
<b>Business-Type Activities</b>			
Compensated Absences	N/A	N/A	N/A
<b>Total Business-Type Activities</b>			
 <b>Total Debt</b>			

Presented below is a summary of debt service requirements to maturity of  
the Authority's obligations, excluding compensated absences:

Year Ending June 30,	Bonds	
	Principal	Interest
2008	\$ 4,875,000	\$ 5,281,068
2009	3,835,000	5,160,278
2010	4,015,000	4,964,248
2011	3,585,000	4,772,275
2012	1,962,199	5,084,517
2013-2017	18,413,027	31,782,228
2018-2022	18,993,963	33,531,734
2023-2027	45,230,000	15,314,649
2028-2030	34,645,000	2,789,981
	<u>\$ 135,554,189</u>	<u>\$ 108,680,978</u>

<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Due in</u> <u>2007-2008</u>
\$ 7,185,939	\$ 259,061	\$ 3,725,000	\$ 3,720,000	\$ 3,720,000
6,075,000	-	355,000	5,720,000	375,000
4,485,000	-	395,000	4,090,000	415,000
1,220,000	-	-	1,220,000	-
26,114,905	1,694,284	-	27,809,189	-
92,995,000	-	-	92,995,000	365,000
(306,807)	-	(82,916)	(223,891)	-
82,929	-	42,121	40,808	40,808
-	3,000,000	-	3,000,000	100,000
<u>137,851,966</u>	<u>4,953,345</u>	<u>4,434,205</u>	<u>138,371,106</u>	<u>5,015,808</u>
<u>452,498</u>	<u>439,431</u>	<u>431,859</u>	<u>460,070</u>	<u>400,000</u>
<u>138,304,464</u>	<u>5,392,776</u>	<u>4,866,064</u>	<u>138,831,176</u>	<u>5,415,808</u>
<u>56,627</u>	<u>55,084</u>	<u>54,010</u>	<u>57,701</u>	<u>50,000</u>
<u>56,627</u>	<u>55,084</u>	<u>54,010</u>	<u>57,701</u>	<u>50,000</u>
<u>\$ 138,361,091</u>	<u>\$ 5,447,860</u>	<u>\$ 4,920,074</u>	<u>\$ 138,888,877</u>	<u>\$ 5,465,808</u>

<u>Governmental Activities</u>				
<u>Medium Term</u>		<u>Lease</u>		
<u>Principal</u>	<u>Interest</u>	<u>Future Minimum</u> <u>Lease Payments</u>	<u>Principal</u>	<u>Interest</u>
\$ 100,000	\$ 114,051	\$ 41,999	\$ 40,808	\$ 1,191
100,000	115,043	-	-	-
100,000	111,076	-	-	-
679,000	107,109	-	-	-
2,021,000	80,173	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 3,000,000</u>	<u>\$ 527,452</u>	<u>\$ 41,999</u>	<u>\$ 40,808</u>	<u>\$ 1,191</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

**NOTE E - FLEXIBLE COMPENSATION PLAN**

The Authority provides a Flexible Compensation (Internal Revenue Code Section 125) Plan for its employees. Under this Plan, employees may elect to contribute a portion of their compensation into the Plan for current and subsequent reimbursement of qualified expenses. An independent administrative firm has been retained to act as custodian of the Plan, maintain Plan records, and account for receipt and disbursement of Plan funds.

**NOTE F - INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances (amounts paid on behalf of other funds) as of June 30, 2007 is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 151,490
Insurance Internal Service Fund	Golf Courses Enterprise Fund	9,367
Insurance Internal Service Fund	Debt Service Fund	474,132
Insurance Internal Service Fund	Capital Projects Fund	118,978
		<u>\$ 753,967</u>

**Internal Balances**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Courses Enterprise Fund	\$ ( 9,367)
Effects of Internal Service Fund activity		<u>(63,063)</u>
		<u>\$ (72,430)</u>

Balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

Interfund transfers for the year ended June 30, 2007 consisted of the following:

	Transfers In			
	Debt Service Fund	Capital Projects Fund	Golf Courses Enterprise Fund	Total
<b>Transfers Out:</b>				
<b>General Fund</b>	<b>\$6,500,000</b>	<b>\$3,200,000</b>	<b>\$400,000</b>	<b>\$10,100,000</b>

Transfers are used to 1) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them, (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE G - RETIREMENT PLAN**

**Plan Description:** The Authority contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 Nye Lane, Carson City, NV 89703-1599, or by calling (775) 687-4200.

**Funding Policy:** All of the employees of the Authority are under the employer pay contribution plan, where the Authority is required to contribute all amounts due under the plan. The contribution requirements of the Authority are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2007  
 (Continued)**

amended through legislation. The Authority's contribution rates based on employee members covered payroll and amounts contributed (equal to the required contributions) for the last three years are as follows:

<u>Fiscal Year</u>	<u>Contribution Rates</u>	<u>Total Contributions</u>
2006-07	19.75%	\$1,680,874
2005-06	19.75%	1,519,567
2004-05	20.25%	1,440,646

**NOTE H - POST EMPLOYMENT HEALTH INSURANCE BENEFITS**

Employees retiring from the Authority under PERS with a minimum of ten years service are allowed continued participation (for retiree and eligible dependents) in the Authority's group health insurance program. Retirees are responsible for payment of unsubsidized premiums as well as premiums for eligible dependents.

The retiree insurance premiums are subsidized by the Authority based upon length of service as follows:

<u>Length of Service</u>	<u>% Retiree Premium Subsidy</u>
10 years	50%
15 years	75%
20 years	100%

As of June 30, 2007, 22 retirees and 3 retiree survivors and eligible dependents were participating in the Authority's health insurance program. Of the \$154,436 total premium costs for these participants, the Authority funded \$60,456 in the current fiscal year. Premium payments are funded by operating resources as incurred and no provision has been made to permanently fund future liabilities.

In addition, post employment benefits are available as established by Nevada Revised Statutes, based on date of retirement and years of service. A portion of the cost of coverage under the Public Employees' Benefits Program is paid by the Authority for those employees joining the Public Employees' Benefits Program.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**  
**(Continued)**

As of June 30, 2007, 2 retirees were participating in the Public Employees' Benefits Program. The Authority funded \$3,593 in the current year. Premium payments are funded by operating resources as incurred and no provision has been made to permanently fund future liabilities.

**NOTE I – INSURANCE**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters, as are all entities.

The Authority is self-insured for workers' compensation (industrial injury) claims to a maximum of:

- \$125,000 per claim in the first year
- \$100,000 in the second year
- \$80,000 in the third year
- \$80,000 each other retention period, and
- \$300,000 self-insured aggregate retention

Commercial insurance is carried for claims in excess of these amounts and performance of the Authority's financial obligation is guaranteed by a letter of credit issued by Bank of America in favor of the Nevada Insurance Commission. Liabilities include an amount for claims (excluding incremental costs) that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Workers'</u> <u>Compensation Claims</u>
Claims liability, July 1, 2005	\$ 135,818
Claims and changes in estimates	2,022
Claims payments	<u>(82,295)</u>
Claims liability, June 30, 2006	55,545
Claims and changes in estimates	21,267
Claims payments	<u>(50,721)</u>
Claims liability, June 30, 2007	<u>\$ 26,091</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(Continued)**

The Authority is also self-insured for unemployment claims. Risk for unemployment claims incurred are assumed by the Authority without limitation.

The Authority continues to carry commercial insurance for other risks of loss including liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE J – COMPLIANCE WITH NEVADA REVISED STATUTES AND NEVADA  
ADMINISTRATIVE CODE**

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

## **DEBT SERVICE FUND**

**The Debt Service Fund is used to account for the accumulation of resources required for the repayment of debt principal and interest. The chief resources are transfers of room license tax revenue from the General Fund and interest earned on investments.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2007  
(with comparative actual amounts for the year ended June 30, 2006)

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 470,978	\$ 470,978	\$ 623,014	\$ 152,036	\$ 553,954
<b>EXPENDITURES</b>					
Debt service					
Principal	4,475,000	4,475,000	4,475,000	-	4,115,000
Interest	5,324,422	5,324,422	5,324,422	-	5,351,611
	<u>9,799,422</u>	<u>9,799,422</u>	<u>9,799,422</u>	<u>-</u>	<u>9,466,611</u>
Other bond costs					
Issuance costs	-	-	50,849	(50,849)	-
Administrative fees	9,950	9,950	8,350	1,600	12,701
	<u>9,809,372</u>	<u>9,809,372</u>	<u>9,858,621</u>	<u>(49,249)</u>	<u>9,479,312</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	(9,338,394)	(9,338,394)	(9,235,607)	102,787	(8,925,358)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	9,500,000	9,500,000	6,500,000	(3,000,000)	8,500,000
Issuance of medium term financing	-	-	3,000,000	3,000,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>9,500,000</u>	<u>9,500,000</u>	<u>9,500,000</u>	<u>-</u>	<u>8,500,000</u>
Net change in fund balances	161,606	161,606	264,393	102,787	(425,358)
<b>FUND BALANCE, JULY 1</b>	<u>13,862,292</u>	<u>13,862,292</u>	<u>14,035,658</u>	<u>173,366</u>	<u>14,461,016</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 14,023,898</u>	<u>\$ 14,023,898</u>	<u>\$ 14,300,051</u>	<u>\$ 276,153</u>	<u>\$ 14,035,658</u>

# **CAPITAL PROJECTS FUND**

**To account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2007**  
**(with comparative actual amounts for the year ended June 30, 2006)**

	<u>2007 Budget Amount</u>		<u>2007</u>		<u>2006</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance to Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 36,000	\$ 36,000	\$ 68,301	\$ 32,301	\$ 66,043
<b>EXPENDITURES</b>					
Capital outlay	450,000	450,000	1,445,676	(995,676)	678,337
Excess (deficiency) of revenues over expenditures	(414,000)	(414,000)	(1,377,375)	(963,375)	(612,294)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	200,000	200,000	3,200,000	3,000,000	150,000
Net change in fund balances	(214,000)	(214,000)	1,822,625	2,036,625	(462,294)
<b>FUND BALANCE, JULY 1</b>	<u>732,040</u>	<u>732,040</u>	<u>589,145</u>	<u>(142,895)</u>	<u>1,051,439</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 518,040</u>	<u>\$ 518,040</u>	<u>\$ 2,411,770</u>	<u>\$ 1,893,730</u>	<u>\$ 589,145</u>

## **ENTERPRISE FUND**

**The Enterprise Fund is established to account for operations of the golf courses, which are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**GOLF COURSES ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2007**  
(with comparative actual amounts for the year ended June 30, 2006)

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Golf course operations	\$ 2,927,322	\$ 2,927,322	\$ 3,027,747	\$ 100,425	\$ 2,875,620
<b>OPERATING EXPENSES</b>					
Salaries and wages	1,344,552	1,344,552	1,225,338	119,214	1,191,138
Employee benefits	440,580	440,580	378,288	62,292	395,015
Services and supplies	1,386,049	1,386,049	1,402,201	(16,152)	1,331,024
Depreciation	489,000	489,000	502,030	(13,030)	506,322
<b>TOTAL OPERATING EXPENSES</b>	<u>3,660,181</u>	<u>3,660,181</u>	<u>3,507,857</u>	<u>152,324</u>	<u>3,423,499</u>
<b>OPERATING INCOME (LOSS)</b>	(732,859)	(732,859)	(480,110)	252,749	(547,879)
<b>NONOPERATING REVENUE (EXPENSES)</b>					
Interest expense	-	-	-	-	(3,411)
Income (loss) before transfers	(732,859)	(732,859)	(480,110)	252,749	(551,290)
<b>TRANSFERS IN (OUT)</b>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
<b>CHANGE IN NET ASSETS</b>	\$ <u>(332,859)</u>	\$ <u>(332,859)</u>	(80,110)	\$ <u>252,749</u>	(151,290)
<b>NET ASSETS, JULY 1</b>			<u>2,591,256</u>		<u>2,742,546</u>
<b>NET ASSETS, JUNE 30</b>			\$ <u>2,511,146</u>		\$ <u>2,591,256</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOLF COURSES ENTERPRISE FUND  
 SCHEDULE OF CASH FLOWS  
 INCREASE (DECREASE) IN CASH AND INVESTMENTS  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007  
 (with comparative actual amounts for the year ended June 30, 2006)  
 Page 1 of 2

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>CASH FLOWS FROM</b>					
<b>OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 2,927,322	\$ 2,927,322	\$ 3,023,708	\$ 96,386	\$ 2,856,954
Cash paid for employees services	(1,344,552)	(1,344,552)	(1,453,479)	(108,927)	(1,394,124)
Cash payments for internal services used	(150,000)	(150,000)	(154,822)	(4,822)	(170,287)
Cash paid to vendors for services and supplies	(1,676,629)	(1,676,629)	(1,561,796)	114,833	(1,174,012)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(243,859)</b>	<b>(243,859)</b>	<b>(146,389)</b>	<b>97,470</b>	<b>118,531</b>
<b>CASH FLOWS FROM NONCAPITAL</b>					
<b>FINANCING ACTIVITIES</b>					
Transfers in	400,000	400,000	400,000	-	400,000
Cash received from (advanced to) other funds	300,000	300,000	117,039	(182,961)	(25,355)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>700,000</b>	<b>700,000</b>	<b>517,039</b>	<b>(182,961)</b>	<b>374,645</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of capital assets	-	-	-	-	500
Purchase of capital assets	(400,000)	(400,000)	(349,794)	50,206	(392,504)
Payment of interest	-	-	-	-	(3,411)
Principal payments on capital lease	-	-	-	-	(98,400)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>(349,794)</b>	<b>50,206</b>	<b>(493,815)</b>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>56,141</b>	<b>56,141</b>	<b>20,856</b>	<b>(35,285)</b>	<b>(639)</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>20,541</b>	<b>20,541</b>	<b>27,838</b>	<b>7,297</b>	<b>28,477</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 76,682</b>	<b>\$ 76,682</b>	<b>\$ 48,694</b>	<b>\$ (27,988)</b>	<b>\$ 27,838</b>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>					
Acquisition of capital assets through trades			\$ 52,028		\$ 13,333

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOLF COURSES ENTERPRISE FUND  
 SCHEDULE OF CASH FLOWS  
 INCREASE (DECREASE) IN CASH AND INVESTMENTS  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007  
 (with comparative actual amounts for the year ended June 30, 2006)  
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	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (732,859)	\$ (732,859)	\$ (480,110)	\$ 252,749	\$ (547,879)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	489,000	489,000	502,030	13,030	506,322
(Increase) decrease					
Accounts receivable	-	-	(7,313)	(7,313)	1,753
Inventory	-	-	(23,995)	(23,995)	272
Increase (decrease)					
Accounts payable	-	-	(135,600)	(135,600)	156,740
Accrued liabilities	-	-	(5,749)	(5,749)	15,988
Deferred revenue	-	-	3,274	3,274	(20,419)
Compensated absences payable	-	-	1,074	1,074	5,754
Total adjustments	489,000	489,000	333,721	(155,279)	666,410
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ (243,859)	\$ (243,859)	\$ (146,389)	\$ 97,470	\$ 118,531

# **INTERNAL SERVICE FUND**

**Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments of the government on a cost reimbursement basis.**

**Financial activities of insurance programs are accounted for in the Internal Service Fund. The Authority is self-insured to aggregate and specific stop-loss limits for workers' compensation (industrial) claims and without limitation for unemployment claims. Employee health (medical, dental and vision) insurance is provided through several purchased coverage (fixed premium) plans at no financial risk to the Authority.**

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

INSURANCE INTERNAL SERVICE FUND  
SCHEDULE OF NET ASSETS

JUNE 30, 2007  
(with comparative totals at June 30, 2006)

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	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 15,017	\$ 25,744
Prepaid expenses	-	10,523
Due from other funds	<u>602,477</u>	<u>581,401</u>
<b>TOTAL ASSETS</b>	<u>617,494</u>	<u>617,668</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	2,963	1,641
Accrued liabilities	<u>43,892</u>	<u>73,373</u>
<b>TOTAL LIABILITIES</b>	<u>46,855</u>	<u>75,014</u>
<b>NET ASSETS</b>		
Restricted for claims	<u>\$ 570,639</u>	<u>\$ 542,654</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**INSURANCE INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2007**  
(with comparative actual amounts for the year ended June 30, 2006)

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Charges for benefits	\$ 1,778,508	\$ 1,778,508	\$ 1,646,923	\$ (131,585)	\$ 1,640,391
<b>OPERATING EXPENSES</b>					
Insurance and claims	1,834,200	1,834,200	1,598,342	235,858	1,598,065
Administrative expenses	20,320	20,320	20,596	(276)	19,776
<b>TOTAL OPERATING EXPENSES</b>	<u>1,854,520</u>	<u>1,854,520</u>	<u>1,618,938</u>	<u>235,582</u>	<u>1,617,841</u>
<b>CHANGE IN NET ASSETS</b>	\$ <u>(76,012)</u>	\$ <u>(76,012)</u>	27,985	\$ <u>103,997</u>	22,550
<b>NET ASSETS, JULY 1</b>			<u>542,654</u>		<u>520,104</u>
<b>NET ASSETS, JUNE 30</b>			\$ <u>570,639</u>		\$ <u>542,654</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

INSURANCE INTERNAL SERVICE FUND  
 SCHEDULE OF CASH FLOWS  
 INCREASE (DECREASE) IN CASH AND INVESTMENTS  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007  
 (with comparative actual amounts for the year ended June 30, 2006)  
 Page 1 of 2

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Budget	Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from users	\$ 728,508	\$ 728,508	\$ 311,707	\$ (416,801)	\$ 324,318
Cash received from internal services provided	1,050,000	1,050,000	1,335,216	285,216	1,316,073
Cash paid to vendors for services and supplies	(1,854,520)	(1,854,520)	(1,636,574)	217,946	(1,597,853)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(76,012)</b>	<b>(76,012)</b>	<b>10,349</b>	<b>86,361</b>	<b>42,538</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash advanced to other funds	200,000	200,000	(21,076)	(221,076)	(74,725)
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>123,988</b>	<b>123,988</b>	<b>(10,727)</b>	<b>(134,715)</b>	<b>(32,187)</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>5,942</b>	<b>5,942</b>	<b>25,744</b>	<b>19,802</b>	<b>57,931</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 129,930</b>	<b>\$ 129,930</b>	<b>\$ 15,017</b>	<b>\$ (114,913)</b>	<b>\$ 25,744</b>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

INSURANCE INTERNAL SERVICE FUND  
 SCHEDULE OF CASH FLOWS  
 INCREASE (DECREASE) IN CASH AND INVESTMENTS  
 BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2007  
 (with comparative actual amounts for the year ended June 30, 2006)  
 Page 2 of 2

	2007 Budget Amount		2007		2006
	Original	Final	Actual	Variance to Final Budget	Actual
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (76,012)	\$ (76,012)	\$ 27,985	\$ 103,997	\$ 22,550
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
(Increase) decrease					
Prepaid expenses	-	-	10,523	10,523	105,435
Increase (decrease)					
Accounts payable	-	-	1,322	1,322	(2,144)
Accrued liabilities	-	-	(29,481)	(29,481)	(83,303)
Total adjustments	-	-	(17,636)	(17,636)	19,988
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (76,012)</b>	<b>\$ (76,012)</b>	<b>\$ 10,349</b>	<b>\$ 86,361</b>	<b>\$ 42,538</b>

# **FIDUCIARY FUND**

**Agency funds are used to account for assets held by the government as an agent.**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**FLEXIBLE COMPENSATION PLAN AGENCY FUND**  
**SCHEDULE OF CHANGES IN AGENCY FUND ASSETS AND LIABILITIES**

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>ASSETS</b>				
Cash and investments				
Flexible compensation plan	\$ <u>24,943</u>	\$ <u>221,532</u>	\$ <u>226,417</u>	\$ <u>20,058</u>
 <b>LIABILITIES</b>				
Benefits payable				
Flexible compensation plan	\$ <u>24,943</u>	\$ <u>221,532</u>	\$ <u>226,417</u>	\$ <u>20,058</u>

# STATISTICAL SECTION

This part of the RSCVA's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

## Contents

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

### **Revenue Capacity**

*These schedules contain information to help the reader assess the government's most significant local revenue source, the room tax.*

### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

### **Operating Information**

*These schedules contain service data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

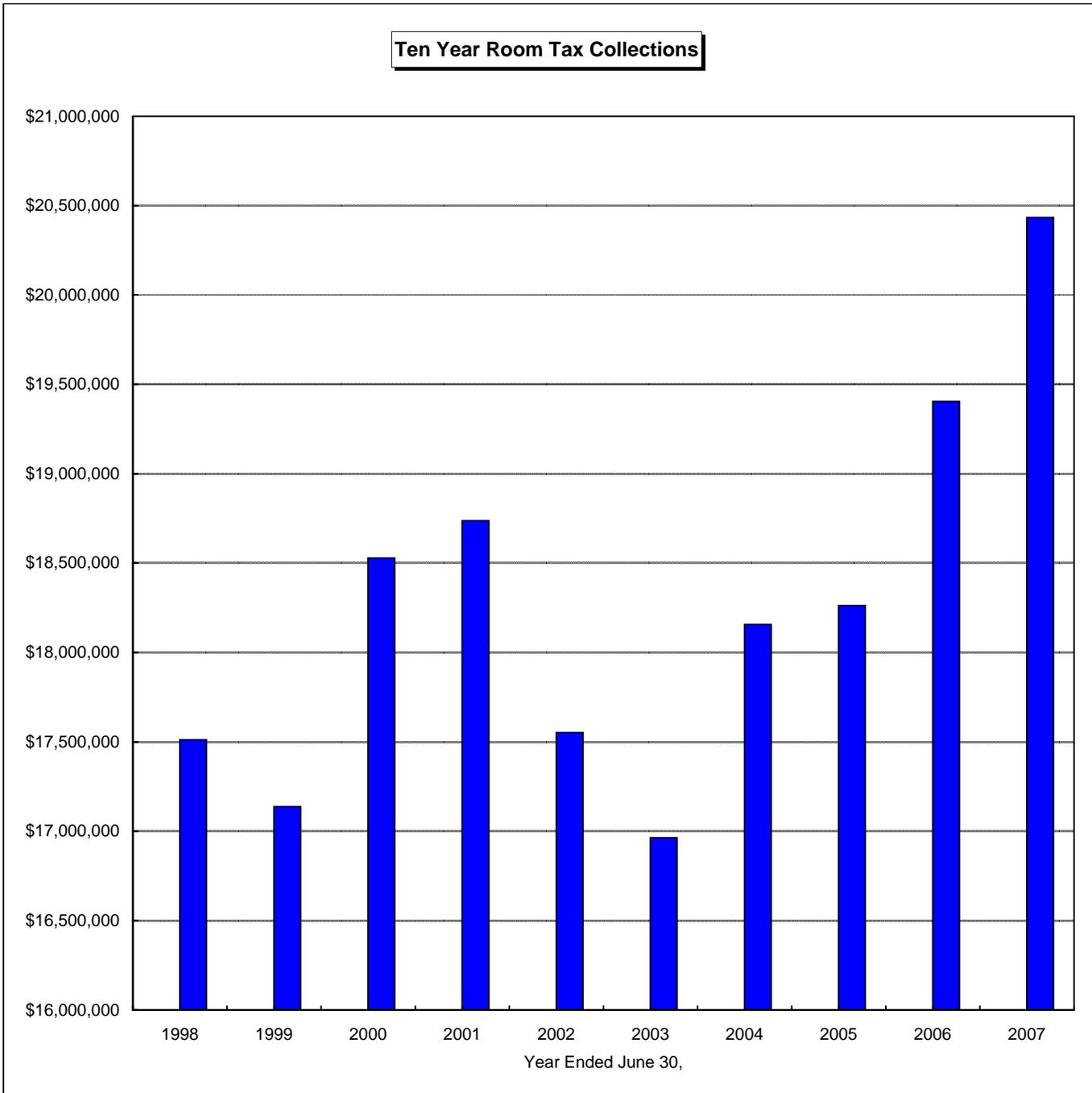
**Reno-Sparks Convention & Visitors Authority**  
**Net Assets by Component**  
**For The Years Ended June 30, 2003 through 2007**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ (16,586,514)	\$ (20,867,803)	\$ (24,417,320)	\$ (29,430,097)	\$ (32,648,256)
Restricted	19,802,495	9,715,694	9,185,562	9,217,909	9,568,412
Unrestricted (deficit)	(24,834,518)	(11,540,411)	(11,249,613)	(9,116,450)	(7,680,026)
Total governmental activities net assets	<u>\$ (21,618,537)</u>	<u>\$ (22,692,520)</u>	<u>\$ (26,481,371)</u>	<u>\$ (29,328,638)</u>	<u>\$ (30,759,870)</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 3,443,547	\$ 3,002,682	\$ 2,732,958	\$ 2,717,040	\$ 2,564,804
Unrestricted (deficit)	157,152	337,157	(59,546)	(192,094)	(116,721)
Total business-type activities net assets	<u>\$ 3,600,699</u>	<u>\$ 3,339,839</u>	<u>\$ 2,673,412</u>	<u>\$ 2,524,946</u>	<u>\$ 2,448,083</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ (13,142,967)	\$ (17,865,121)	\$ (21,684,362)	\$ (26,713,057)	\$ (30,083,452)
Restricted	19,802,495	9,715,694	9,185,562	9,217,909	9,568,412
Unrestricted (deficit)	(24,677,366)	(11,203,254)	(11,309,159)	(9,308,544)	(7,796,747)
Total primary government net assets	<u>\$ (18,017,838)</u>	<u>\$ (19,352,681)</u>	<u>\$ (23,807,959)</u>	<u>\$ (26,803,692)</u>	<u>\$ (28,311,787)</u>

**Reno-Sparks Convention & Visitors Authority**  
**Changes in Net Assets**  
**For The Years Ended June 30, 2003 through 2007**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,791,974	\$ 2,920,705	\$ 3,297,097	\$ 3,528,656	\$ 3,514,851
Community support	23,818,639	22,739,585	25,307,919	26,957,431	29,461,499
Debt service - interest and fiscal charges	7,391,061	7,843,794	7,683,781	7,530,910	7,366,517
Total governmental activities expenses	<u>34,001,674</u>	<u>33,504,084</u>	<u>36,288,797</u>	<u>38,016,997</u>	<u>40,342,867</u>
Business-type activities:					
Golf courses	3,799,637	3,304,888	3,311,425	3,424,086	3,504,610
Total business-type activities expenses	<u>3,799,637</u>	<u>3,304,888</u>	<u>3,311,425</u>	<u>3,424,086</u>	<u>3,504,610</u>
<b>Total primary government expenses</b>	<u>\$ 37,801,311</u>	<u>\$ 36,808,972</u>	<u>\$ 39,600,222</u>	<u>\$ 41,441,083</u>	<u>\$ 43,847,477</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Community support	\$ 6,043,425	\$ 7,954,260	\$ 7,286,277	\$ 9,108,739	\$ 11,241,764
General government	239,332	212,179	340,563	376,406	395,736
Operating grants and contributions	862,083	598,126	544,580	619,997	691,315
Capital grants and contributions	-	-	455,132	-	-
Total governmental activities program revenues	<u>7,144,840</u>	<u>8,764,565</u>	<u>8,626,552</u>	<u>10,105,142</u>	<u>12,328,815</u>
Business-type activities:					
Charges for services:					
Golf courses	3,267,235	3,044,028	2,644,998	2,875,620	3,027,747
Total business-type activities program revenues	<u>3,267,235</u>	<u>3,044,028</u>	<u>2,644,998</u>	<u>2,875,620</u>	<u>3,027,747</u>
<b>Total primary government program revenues</b>	<u>\$ 10,412,075</u>	<u>\$ 11,808,593</u>	<u>\$ 11,271,550</u>	<u>\$ 12,980,762</u>	<u>\$ 15,356,562</u>
Net (expense)/revenue					
Governmental activities	\$ (26,856,834)	\$ (24,739,519)	\$ (27,662,245)	\$ (27,911,855)	\$ (28,014,052)
Business-type activities	(532,402)	(260,860)	(666,427)	(548,466)	(476,863)
Total primary government net expense	<u>\$ (27,389,236)</u>	<u>\$ (25,000,379)</u>	<u>\$ (28,328,672)</u>	<u>\$ (28,460,321)</u>	<u>\$ (28,490,915)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Room taxes, penalties and interest	\$ 22,084,691	\$ 23,638,425	\$ 23,775,071	\$ 25,262,091	\$ 26,672,321
Unrestricted investment and interest earnings	26,095	18,227	86,933	201,189	303,691
Miscellaneous	10,698	8,884	11,390	1,308	6,808
Transfers	-	-	-	(400,000)	(400,000)
Total governmental activities	<u>22,121,484</u>	<u>23,665,536</u>	<u>23,873,394</u>	<u>25,064,588</u>	<u>26,582,820</u>
Business-type activities:					
Transfers	-	-	-	400,000	400,000
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
<b>Total primary government</b>	<u>\$ 22,121,484</u>	<u>\$ 23,665,536</u>	<u>\$ 23,873,394</u>	<u>\$ 25,464,588</u>	<u>\$ 26,982,820</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ (4,735,350)	\$ (1,073,983)	\$ (3,788,851)	\$ (2,847,267)	\$ (1,431,232)
Business-type activities	(532,402)	(260,860)	(666,427)	(148,466)	(76,863)
<b>Total primary government</b>	<u>\$ (5,267,752)</u>	<u>\$ (1,334,843)</u>	<u>\$ (4,455,278)</u>	<u>\$ (2,995,733)</u>	<u>\$ (1,508,095)</u>

**Reno-Sparks Convention & Visitors Authority  
 Governmental Activities Tax Revenues  
 General Room Tax (6 5/8%) Collections  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)**



General Room Tax is the combination of a 6% tax imposed by the local political subdivisions of Washoe County, Reno and Sparks, and the 5/8% imposed by the State of Nevada Department of Taxation that is retained by the Authority. It is the principal source of operating revenues.

1998	\$	17,511,450	2003	\$	16,963,290
1999		17,137,668	2004		18,157,051
2000		18,527,709	2005		18,262,011
2001		18,737,762	2006		19,404,215
2002		17,550,841	2007		20,433,999

**Reno-Sparks Convention & Visitors Authority**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 176,994	\$ 150,325	\$ 42,471	\$ 31,508	\$ 19,698	\$ 21,005	\$ 157,030	\$ 266,788	\$ 141,851	\$ 303,923
Unreserved	3,086,232	5,969,930	5,831,419	4,938,929	3,227,620	4,095,892	4,600,588	3,938,251	5,099,293	6,815,430
Total general fund	<u>\$ 3,263,226</u>	<u>\$ 6,120,255</u>	<u>\$ 5,873,890</u>	<u>\$ 4,970,437</u>	<u>\$ 3,247,318</u>	<u>\$ 4,116,897</u>	<u>\$ 4,757,618</u>	<u>\$ 4,205,039</u>	<u>\$ 5,241,144</u>	<u>\$ 7,119,353</u>
All other governmental funds										
Reserved	\$ 2,277,923	\$ 1,321,788	\$ 11,051,811	\$ 61,237,926	\$ 18,428,883	\$ 22,249,037	\$ 18,296,081	\$ 15,512,455	\$ 14,624,803	\$ 16,711,821
Unreserved, reported in:										
Capital projects fund	452,018	8,106	96,146,739	25,157,884	17,554,431	-	-	-	-	-
Special revenue funds	208,034	280,332	1,086,935	1,195,166	806,997	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,937,975</u>	<u>\$ 1,610,226</u>	<u>\$ 108,285,485</u>	<u>\$ 87,590,976</u>	<u>\$ 36,790,311</u>	<u>\$ 22,249,037</u>	<u>\$ 18,296,081</u>	<u>\$ 15,512,455</u>	<u>\$ 14,624,803</u>	<u>\$ 16,711,821</u>

**Reno-Sparks Convention & Visitors Authority**  
**Change in Fund Balances of Governmental Funds and Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>										
Room tax (Net 6%)	\$ 15,859,819	\$ 15,520,907	\$ 16,779,812	\$ 16,970,049	\$ 15,895,105	\$ 15,362,980	\$ 16,444,122	\$ 16,539,180	\$ 17,573,628	\$ 18,506,263
Room tax (State 5/8%)	1,651,631	1,616,761	1,747,897	1,767,713	1,655,736	1,600,310	1,712,929	1,722,831	1,830,587	1,927,736
Room tax (NBS 1%)	2,650,367	2,595,468	2,805,008	2,840,479	2,238,112	-	-	-	-	-
Room tax (RSCC 2%)	-	478,943	5,593,265	5,656,676	5,298,363	5,121,401	5,481,374	5,513,060	5,857,876	6,168,754
Room tax (City Ctr)	-	144,983	1,586,183	738,006	-	-	-	-	-	69,568
Facility use fees	5,176,942	4,095,018	5,342,047	5,143,684	3,351,522	5,821,904	7,648,105	6,995,470	8,774,732	10,840,245
Investment earnings	254,765	250,299	3,276,472	6,914,582	4,371,330	888,178	616,353	631,513	821,186	995,006
Miscellaneous	1,069,999	555,523	320,061	349,891	285,526	471,551	527,218	642,760	711,721	804,063
Total revenues	26,663,523	25,257,902	37,450,745	40,381,080	33,075,694	29,266,324	32,430,101	32,044,814	35,569,730	39,311,635
<b>Expenditures</b>										
General government	1,566,359	1,852,072	2,513,586	2,532,852	2,621,490	2,694,641	2,844,480	3,249,985	3,477,575	3,475,812
Community support	-	-	-	-	-	-	-	-	-	-
Facility operation	7,071,028	7,021,377	7,341,937	8,080,085	6,814,860	8,650,507	9,621,002	10,443,924	11,706,207	12,830,037
Convention and tourism promotion	5,845,305	5,472,269	6,704,786	6,509,031	6,123,590	5,812,516	6,451,333	8,054,384	8,354,631	8,910,736
Community grants and miscellaneous	1,123,383	1,157,923	1,206,616	1,262,773	1,185,542	1,011,309	1,074,439	1,304,520	1,325,215	1,425,526
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	4,423,661	4,722,072	6,362,725	5,420,000	5,825,000	8,308,318	4,515,000	4,710,000	4,115,000	4,475,000
Interest	4,752,297	4,274,685	3,786,383	10,844,621	5,828,945	5,391,921	5,433,620	5,391,921	5,351,611	5,324,422
Other bond costs	28,064	145,369	1,681,357	813,288	2,668,271	673,971	5,255	13,164	12,701	59,199
Capital outlay	788,664	886,495	5,675,942	27,398,418	54,531,760	9,736,953	5,597,207	2,089,017	678,337	1,445,676
Total expenditures	25,598,761	25,532,262	35,273,332	62,861,068	85,599,478	42,438,019	35,542,336	35,256,915	35,021,277	37,946,408
Excess of revenues over expenditures	1,064,762	(274,360)	2,177,413	(22,479,988)	(52,523,784)	(13,171,695)	(3,112,235)	(3,212,101)	548,453	1,365,227
<b>Other financing sources (uses)</b>										
Transfers in	13,704,846	13,969,967	24,304,704	24,901,136	21,400,000	19,530,205	11,000,000	8,750,000	8,650,000	9,700,000
Transfers out	(13,129,846)	(13,707,461)	(24,304,704)	(24,901,136)	(21,400,000)	(20,030,205)	(11,200,000)	(9,000,000)	(9,050,000)	(10,100,000)
Sale of capital assets	43,119	382	-	-	39,324,874	-	-	-	-	-
Issuance of medium term financing	-	1,500,000	-	89,523,283	-	-	-	-	-	3,000,000
Issuance of refunding bonds	-	5,918,334	-	-	-	-	-	-	-	-
Issuance of bonds	-	-	104,251,481	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	(5,877,582)	-	(88,641,257)	(39,324,874)	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	125,896	-	-
Total other financing sources (uses)	618,119	1,803,640	104,251,481	882,026	-	(500,000)	(200,000)	(124,104)	(400,000)	2,600,000
Net change in fund balance	\$ 1,682,881	\$ 1,529,280	\$ 106,428,894	\$ (21,597,962)	\$ (52,523,784)	\$ (13,671,695)	\$ (3,312,235)	\$ (3,336,205)	\$ 148,453	\$ 3,965,227
Debt service as a percentage of noncapital expenditures	37.10%	37.09%	39.97%	48.16%	46.10%	44.44%	33.24%	30.50%	27.60%	27.01%

**Reno-Sparks Convention & Visitors Authority**  
**Room Tax Rates by Location**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Rate for properties within the City of Sparks and related allocation of those taxes:

Fiscal Year	City of Reno							Total
	RSCVA	Sparks	National Bowling (2)	Events Center	City Center (1)	Railroad	Park and Recreation	
2007	8.625	2.5	1.0	-	1.0	-	-	13.5
2006	8.625	2.5	1.0	-	1.0	-	-	13.5
2005	8.625	2.5	1.0	-	1.0	-	-	13.5
2004	8.625	2.5	1.0	-	1.0	-	-	13.5
2003	8.625	-	1.0	-	1.0	-	-	11.0
2002	8.625	-	1.0	-	1.0	-	-	11.0
2001	8.625	-	1.0	-	1.0	-	-	11.0
2000	8.625	-	1.0	-	1.0	-	-	11.0
1999	8.625	-	1.0	-	1.0	-	-	8.0
1998	8.625	-	1.0	-	1.0	-	-	8.0

Rate for properties within the Downtown Reno and related allocation of those taxes:

Fiscal Year	City of Reno							Total
	RSCVA	Sparks	National Bowling (2)	Events Center	City Center (1)	Railroad	Park and Recreation	
2007	8.625	-	1.0	1.5	-	1.0	1.0	13.5
2006	8.625	-	1.0	1.5	-	1.0	1.0	13.5
2005	8.625	-	1.0	1.5	-	1.0	1.0	13.5
2004	8.625	-	1.0	1.5	-	1.0	1.0	13.5
2003	8.625	-	1.0	1.5	-	1.0	1.0	13.5
2002	8.625	-	1.0	1.5	-	1.0	1.0	13.5
2001	8.625	-	1.0	-	-	1.0	1.0	12.0
2000	8.625	-	1.0	-	-	1.0	1.0	12.0
1999	8.625	-	1.0	-	-	1.0	1.0	10.0
1998	8.625	-	1.0	-	-	1.0	1.0	9.0

Rate for properties within the City of Reno (properties not located in the Downtown Center) and related allocation of those taxes:

Fiscal Year	City of Reno							Total
	RSCVA	Sparks	National Bowling (2)	Events Center	City Center (1)	Railroad	Park and Recreation	
2007	8.625	-	1.0	-	1.0	-	1.0	12.0
2006	8.625	-	1.0	-	1.0	-	1.0	12.0
2005	8.625	-	1.0	-	1.0	-	1.0	12.0
2004	8.625	-	1.0	-	1.0	-	1.0	12.0
2003	8.625	-	1.0	-	1.0	-	1.0	12.0
2002	8.625	-	1.0	-	1.0	-	1.0	12.0
2001	8.625	-	1.0	-	1.0	-	1.0	12.0
2000	8.625	-	1.0	-	1.0	-	1.0	12.0
1999	8.625	-	1.0	-	1.0	-	1.0	9.0
1998	8.625	-	1.0	-	1.0	-	1.0	9.0

Rate for properties within unincorporated Washoe County and related allocation of those taxes:

Fiscal Year	City of Reno							Total
	RSCVA	Sparks	National Bowling (2)	Events Center	City Center (1)	Railroad	Park and Recreation	
2007	8.625	-	1.0	-	1.0	-	-	12.0
2006	8.625	-	1.0	-	1.0	-	-	12.0
2005	8.625	-	1.0	-	1.0	-	-	12.0
2004	8.625	-	1.0	-	1.0	-	-	12.0
2003	8.625	-	1.0	-	1.0	-	-	12.0
2002	8.625	-	1.0	-	1.0	-	-	12.0
2001	8.625	-	1.0	-	1.0	-	-	12.0
2000	8.625	-	1.0	-	1.0	-	-	12.0
1999	8.625	-	1.0	-	1.0	-	-	9.0
1998	8.625	-	1.0	-	1.0	-	-	9.0

(1) This is a tax imposed for the purpose of building a multi-purpose facility in downtown Reno. The Authority retained the funds until a capital improvement plan was agreed upon and the methods in which the project will be funded had been identified. (Imposed June 1999; Retained through October 2000)

(2) This is a 1% tax imposed by the State of Nevada. The entire amount is collected and administered by the Authority. The proceeds are restricted and can only be used for the operations or payment of debt service associated with the National Bowling Stadium. Taxes transferred upon sale of the Stadium during 2002.

**Reno-Sparks Convention & Visitors Authority**  
**Principal Room Taxpayers**  
**June 30, 2007 and 1998**  
**(Unaudited)**

Taxpayer	Fiscal Year					
	2007		1998			
	Number of Rooms	Rank	Percentage of Total Rooms	Number of Rooms	Rank	Percentage of Total Rooms
Grand Sierra Resort/Reno Hilton	1,995	1	7.94%	2,001	1	7.20%
Silver Legacy	1,710	2	6.81%	1,720	2	6.19%
Circus Circus	1,572	3	6.26%	1,572	3	5.66%
Nugget	1,407	4	5.60%	1,407	4	5.06%
Peppermill Hotel/Casino	1,070	5	4.26%	1,075	5	3.87%
Atlantis Hotel/Casino	975	6	3.88%	592	9	2.13%
Harrah's	928	7	3.69%	-	-	-
Sands Regency	833	8	3.32%	938	6	3.38%
Eldorado Hotel/Casino	815	9	3.24%	818	7	2.94%
Hyatt - Lake Tahoe	422	10	1.68%	-	-	-
Flamingo Hilton	-	-	-	604	8	2.17%
Sundowner Hotel/Casino	-	-	-	583	10	2.10%
All Other Hotels <sup>1</sup>	3,150		12.54%	9,790		35.23%
<b>Total All Hotels</b>	<b>14,877</b>		<b>59.22%</b>	<b>21,100</b>		<b>75.92%</b>
Motels	3,634		14.47%	-		0.00%
Other Rental Properties	6,610		26.31%	6,692		24.08%
<b>Total Room Inventory</b>	<b>25,121</b>		<b>100.00%</b>	<b>27,792</b>		<b>100.00%</b>

The chief revenue source of the Authority is from room license taxes imposed on transient rental facilities located in Washoe County. The properties listed above represent the largest properties in this area and accordingly, represent the group which generates the largest volume of room license tax revenues.

<sup>1</sup>For June 30, 1998 All Other Hotels includes Motels

**Reno-Sparks Convention & Visitors Authority**  
**Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**  
**(Unaudited)**

Fiscal Year	Governmental Activities			Business Type-Activities		Total Primary Government
	General Obligation Bonds	Medium Term Obligations	Capital Leases	Capital Leases		
2007	\$ 135,554,189	3,000,000	40,808	\$ -	\$	138,594,997
2006	138,075,844	-	82,929	-	-	138,158,773
2005	140,099,440	-	122,686	98,400	98,400	140,320,526
2004	142,592,488	-	-	156,204	156,204	142,748,692
2003	144,774,769	-	-	208,272	208,272	144,983,041
2002	150,578,651	-	-	-	-	150,578,651
2001	193,497,043	-	-	-	-	193,497,043
2000	186,393,491	-	-	-	-	186,393,491
1999	84,268,905	1,748,699	-	-	-	86,017,604
1998	86,971,402	811,451	-	-	-	87,782,853

Note: Details regarding the outstanding debt can be found in the notes to the financial statements.

Note: Payment of general obligation bonds and medium term obligations is provided by transient lodging taxes (governmental activities), payment of capital leases is provided by facility charges (governmental activities), payment of capital leases is provided by golf course operations (business-type activities).

**Reno-Sparks Convention & Visitors Authority  
General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>
2007	\$ 135,554,189	\$ 14,300,051	\$ 121,254,138
2006	138,075,844	14,035,658	124,040,186
2005	140,099,440	14,461,016	125,638,424
2004	142,592,488	16,350,560	126,241,928
2003	144,774,769	16,801,315	127,973,454
2002	150,578,651	11,443,589	139,135,062
2001	193,497,043	11,319,665	182,177,378
2000	186,393,491	10,846,124	175,547,367
1999	84,268,905	1,006,688	83,262,217
1998	86,971,402	1,754,542	85,216,860

Note: Details regarding the outstanding debt can be found in the notes to the financial statements.

Note: Payment of general obligation bonds is provided by transient lodging taxes.

**Reno-Sparks Convention & Visitors Authority**  
**Direct and Overlapping Governmental Activities Bonded Debt**  
**June 30, 2007**  
**(Unaudited)**

<b>Name of Government Unit</b>	<b>General Obligation Debt Outstanding (Thousands)</b>	<b>Present Self-Supporting General Obligation Debt (Thousands)</b>	<b>Percent Applicable to Washoe County</b>	<b>Applicable Net Debt (Thousands)</b>
Debt repaid with property taxes:				
Washoe County - Governmental Funds	\$ 262,497	\$ 193,417	100%	\$ 69,080
Washoe County - Special Assessments	4,052	4,052	100%	-
Washoe County School District	480,405	-	100%	480,405
City of Reno	90,865	-	100%	90,865
City of Sparks	9,955	-	100%	9,955
Sparks - Sewer/Utility	49,489	49,489	100%	-
Washoe County (RSCVA)	135,554	135,554	100%	-
<b>Total Overlapping Bonded Debt</b>				<b>\$ 650,305</b>

Note: The Authority's schedule of overlapping bonding debt is the same as Washoe County, Nevada's. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. The outstanding debt of those overlapping governments is borne by the residents and businesses of Washoe County. When considering the ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, every taxpayer is not responsible for repaying the debt of each overlapping government.

Direct debt:	
Washoe County (RSCVA)	<u>\$ 135,554</u>

Note: Payment of general obligation bonds is provided by transient lodging taxes.

Source: JNA Consulting Group

**Reno-Sparks Convention & Visitors Authority**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**  
**(Unaudited)**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 243,108	\$ 226,291	\$ 238,287	\$ 251,736	\$ 250,255	\$ 255,914	\$ 280,764	\$ 309,508	\$ 393,232	\$ 412,360
Total net debt applicable to limit	85,217	83,262	175,547	182,177	139,135	127,973	126,242	125,638	124,040	121,254
Legal debt margin	<u>\$ 157,891</u>	<u>\$ 143,029</u>	<u>\$ 62,740</u>	<u>\$ 69,559</u>	<u>\$ 111,120</u>	<u>\$ 127,941</u>	<u>\$ 154,522</u>	<u>\$ 183,870</u>	<u>\$ 269,192</u>	<u>\$ 291,106</u>
Total net debt applicable to the limit as a percentage of debt limit	35.05%	36.79%	73.67%	72.37%	55.60%	50.01%	44.96%	40.59%	31.54%	29.40%
					Assessed value					<u>\$ 13,745,319</u>
					Debt limit (3% of assessed value)					<u>412,360</u>
					Debt applicable to debt limit					
					General obligation bonds					135,554
					Amounts set aside for repayment of general obligation debt					<u>(14,300)</u>
					Total net debt applicable to limit					<u>121,254</u>
					Legal debt margin					<u>\$ 291,106</u>

Note: The general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligations bonds.

Source: JNA Consulting Group

**Reno-Sparks Convention & Visitors Authority**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years and June 30, 2008 (Budgeted)**  
**(Unaudited)**

	Fiscal Year										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 (Budgeted)
Net General Room License Taxes (1)	\$ 15,859,861	\$ 15,520,907	\$ 16,779,812	\$ 16,970,049	\$ 15,895,104	\$ 15,362,980	\$ 16,444,122	\$ 16,539,180	\$ 17,573,628	\$ 18,506,263	\$ 18,471,400
Convention Center Room Taxes (2)	-	478,943	5,593,265	5,656,676	5,298,363	5,120,993	5,481,374	5,513,060	5,857,876	6,168,754	6,131,586
Other Income (3)	7,732,592	6,867,756	10,035,063	13,487,745	10,846,928	10,449,276	11,835,704	10,914,741	13,183,259	15,719,237	14,453,333
Subtotal	23,592,453	22,867,606	32,408,140	36,114,470	32,040,395	30,933,249	33,761,200	32,966,981	36,614,763	40,394,254	39,056,319
Less: Operating and Maintenance Expenses (4)	11,120,859	10,873,846	12,629,553	14,063,172	14,303,629	16,083,788	16,375,623	17,798,474	18,689,019	20,774,303	21,274,808
Net Pledged Revenues	\$ 12,471,594	\$ 11,993,760	\$ 19,778,587	\$ 22,051,298	\$ 17,736,766	\$ 14,849,461	\$ 17,385,677	\$ 15,168,507	\$ 17,925,744	\$ 19,619,951	\$ 17,781,511
Combined Maximum Annual Debt Service on Pledged Revenue Bonds (5)	\$ 5,164,541	\$ 5,164,541	\$ 5,134,491	\$ 12,576,313	\$ 12,576,313	\$ 12,576,313	\$ 12,576,313	\$ 12,576,313	\$ 12,576,313	\$ 12,576,313	\$ 12,576,313
Coverage Factor (6)	2.41	2.32	3.81	1.75	1.41	1.18	1.38	1.21	1.41	1.56	1.41

- (1) Pledged Room License Taxes levied at a rate of 6%, Net of Collection Allowance.
- (2) Proceeds of 2% Convention Center Tax.
- (3) Includes RSCC, RSLEC, REC, Special Events, Golf Course, NBS (Fiscal Years 2003 - 2008) and Interest Revenues.
- (4) Includes General Government Expenditures, Community Support - Facility Operations Expenditures, and Certain Community Support - Convention and Tourism Promotion Expenditures. Community Support - Convention and Tourism Promotion Expenditures relating to promotion and advertising have been excluded.
- (5) Total of Maximum Annual Debt Service Requirements on the General License Tax Bonds per the bond requirements (\$12,576,313 in 2024).
- (6) Pledged revenues divided by combined maximum annual debt service on pledged revenue bonds.

Note: Details regarding outstanding debt can be found in the notes to the financial statements.

**Reno-Sparks Convention & Visitors Authority**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Population (1)	Per Capita Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (Percent) (4)	Total Personal Income (Thousands) (1)	Taxable Sales (Thousands) (5)	Gross Gaming Win (Thousands) (6)	Total Passenger Air Traffic (7)
2007	409,085	\$ 45,711	36.2	63,046	4.40%	\$ 18,883,203	\$ 7,202,641	\$ 1,069,608	5,014,382
2006	396,844	43,492	36.0	62,390	4.00%	17,452,129	7,268,593	1,072,937	5,149,700
2005	383,453	41,382	35.9	62,098	3.70%	16,129,509	6,687,447	1,016,864	5,097,170
2004	373,233	40,146	36.7	60,411	4.00%	15,039,256	6,003,368	1,011,658	4,918,829
2003	359,423	37,465	39.1	58,908	4.60%	14,195,266	5,481,583	1,032,988	4,514,225
2002	353,271	36,679	35.8	57,592	4.60%	13,420,229	5,280,706	1,049,152	4,485,369
2001	341,935	37,356	35.0	55,673	4.10%	13,139,838	5,213,742	1,113,315	5,332,435
2000	334,601	36,095	37.3	54,121	3.00%	12,322,546	4,966,613	1,121,396	5,947,055
1999	327,899	33,915	37.2	54,088	3.60%	11,288,186	4,679,516	1,038,805	6,318,665
1998	320,828	32,265	36.5	52,675	3.80%	10,475,446	4,377,548	1,009,353	7,047,660

The above estimates were obtained from:

- (1) Washoe County Department of Community Development 1998, 2000-2002.  
 Bureau of Economic and Business Research, University of Nevada - Reno, 1999.  
 Nevada Department of Employment, Training and Rehabilitation, 2003-2004.  
 Bureau of Economic Analysis, 2005-2007.
- (2) Bureau of Economic and Business Research, University of Nevada - Reno, 1998 - 2004.  
 CB Richard Ellis Demographic Report 2005-2007.
- (3) Washoe County School District enrollments.
- (4) Nevada Department of Employment Security.
- (5) Bureau of Economic and Business Research, University of Nevada - Reno 1998.  
 State Department of Taxation 1999-2007.
- (6) Bureau of Economic and Business Research, University of Nevada - Reno 1998.  
 State of Nevada, Gaming Control Board, 1999-2007.
- (7) Bureau of Economic and Business Research, University of Nevada - Reno, 1998-2002.  
 Reno-Tahoe International Airport, 2003-2007.

**Reno-Sparks Convention & Visitors Authority**  
**Principal Employers**  
**June 30, 2007 and 1998**  
**(Unaudited)**

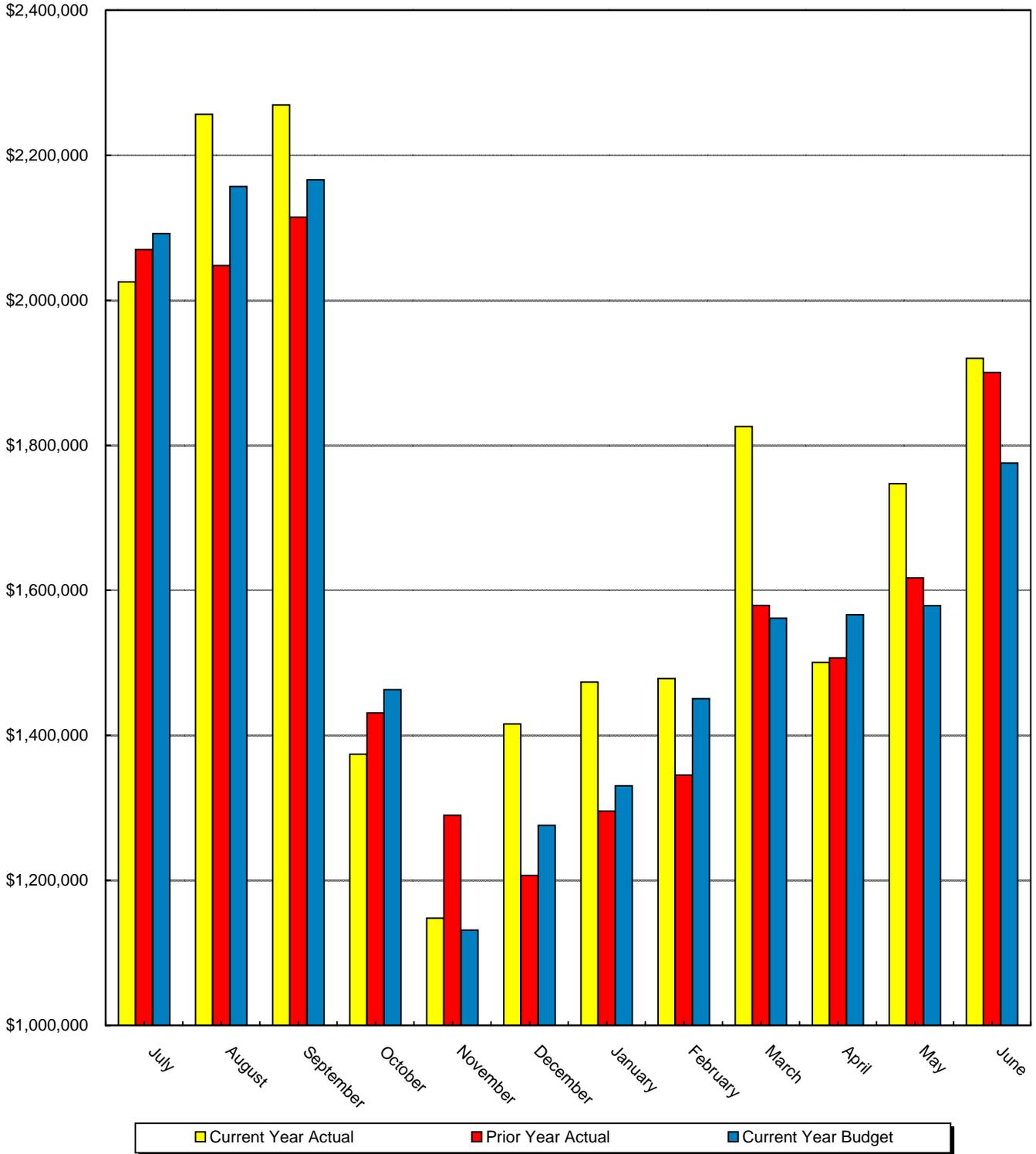
Employer	Fiscal Year					
	2007			1998		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washoe County School District	7,000 - 7,499	1	3.3%	5,500 - 5,999	1	3.1%
University of Nevada - Reno	4,000 - 4,499	2	1.8%	2,500 - 2,999	2	1.6%
Washoe County	3,000 - 3,499	3	1.4%	2,500 - 2,999	3	1.6%
International Gaming Technology	2,500 - 2,999	4	1.2%	-	-	-
Renown Regional Medical Center	2,500 - 2,999	5	1.1%	2,000 - 2,499	7	1.3%
Silver Legacy Resort Casino	2,000 - 2,499	6	1.0%	2,500 - 2,999	4	1.4%
Peppermill Hotel Casino - Reno	2,000 - 2,499	7	0.9%	-	-	-
City of Reno	1,500 - 1,999	8	0.9%	-	-	-
Atlantis Casino Resort	1,500 - 1,999	9	0.9%	-	-	-
Eldorado Hotel & Casino	1,500 - 1,999	10	0.8%	2,500 - 2,999	5	1.4%
Grand Sierra Resort (Reno Hilton)	-	-	-	2,500 - 2,999	6	1.3%
Sparks Nugget, Inc.	-	-	-	2,000 - 2,499	8	1.3%
Circus Circus Casinos, Inc. - Reno	-	-	-	2,000 - 2,499	9	1.2%
Harrah's Reno	-	-	-	2,000 - 2,499	10	1.1%
<b>Total County Covered Employment</b>	<b>223,582</b>			<b>179,786</b>		

Note: Each of the years reflect respective 4th quarter (December) information. Nevada Revised Statute Chapter 612 stipulate that actual employment for individual employers may not be published.

Source: Nevada Department of Employment, Training and Rehabilitation, Division of Labor Marketing

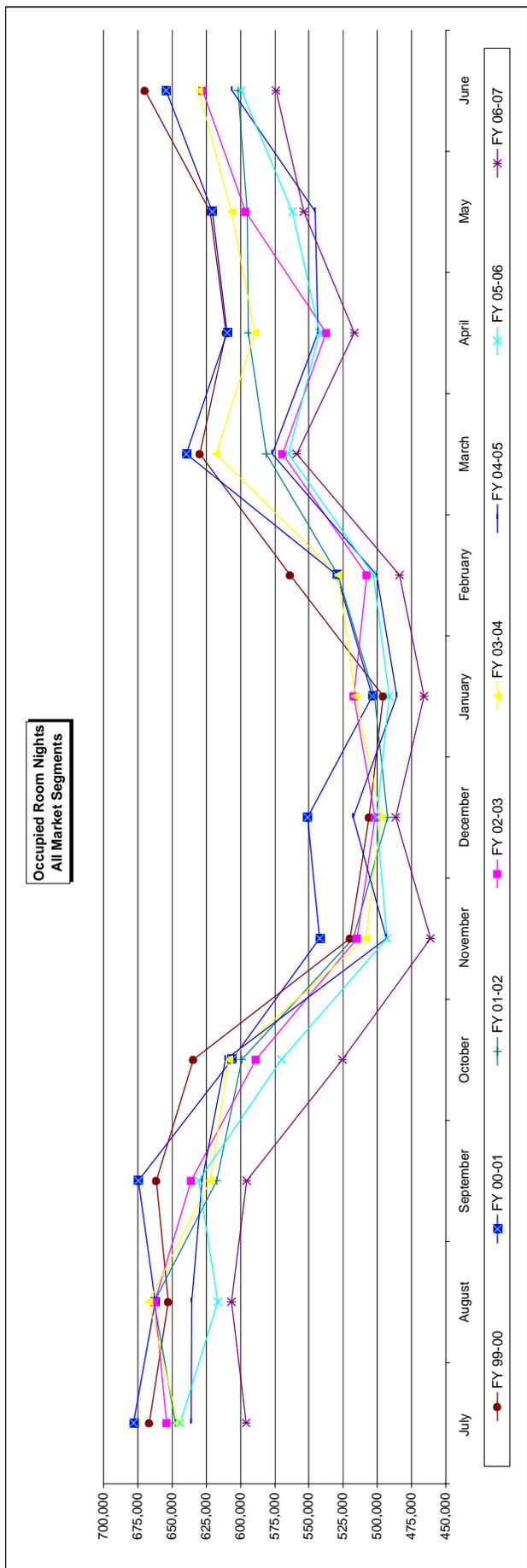
**Reno-Sparks Convention & Visitors Authority**  
**General Room Tax (6 5/8%) Collections**  
**Fiscal Year 2006-07**  
**(Unaudited)**

**Room Tax Collections By Month**  
 Actual, Prior Year and Budget



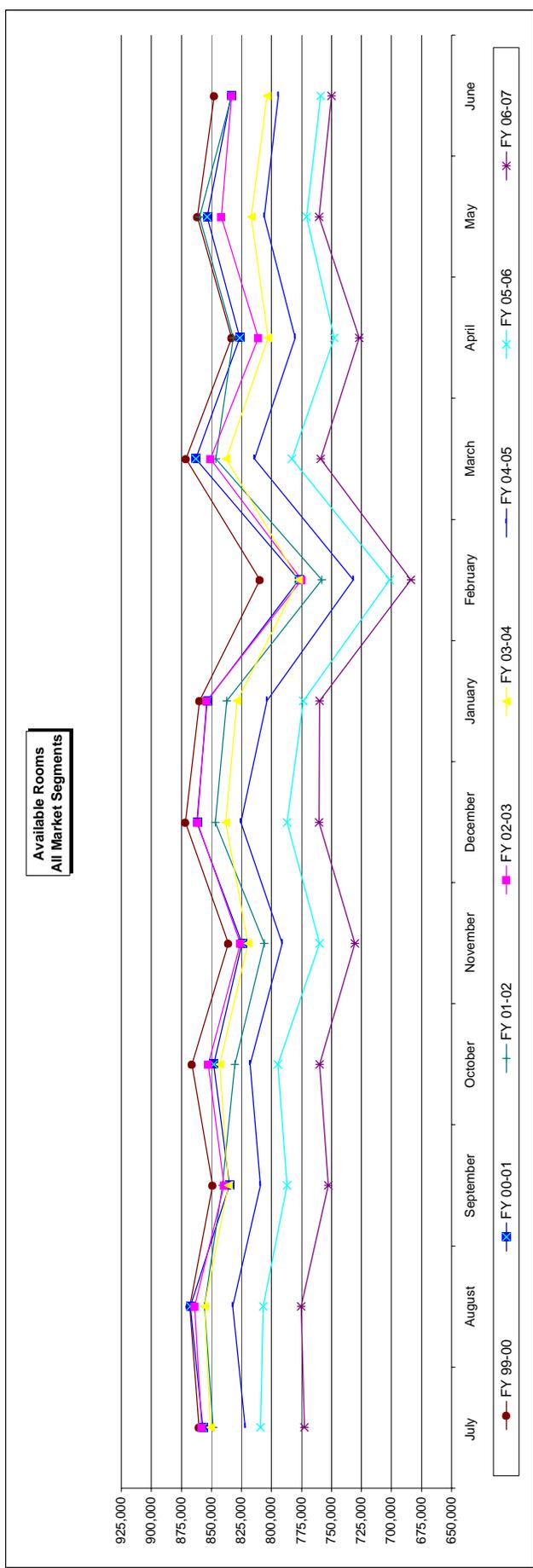
**Reno - Sparks Convention & Visitors Authority**  
**Occupied Rooms-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	Actual											
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07		
July	605,022	615,139	666,705	678,116	647,469	654,082	645,356	635,871	643,844	596,020		
August	620,446	624,574	652,872	662,324	663,046	662,720	666,824	635,749	616,416	606,682		
September	596,252	610,314	661,285	674,714	617,401	635,938	622,136	628,046	630,400	595,348		
October	583,777	605,763	634,548	606,087	599,134	588,566	608,564	610,859	569,925	525,369		
November	485,783	516,933	519,851	542,095	517,439	514,780	508,549	493,197	492,740	461,022		
December	460,789	513,750	506,212	551,106	492,622	501,804	497,134	517,452	500,500	486,464		
January	476,502	500,365	495,903	503,759	502,079	517,270	516,097	485,814	491,446	466,091		
February	474,575	507,426	563,747	529,483	528,746	507,742	528,816	500,415	502,738	483,795		
March	600,881	589,819	629,600	639,544	581,245	569,152	617,587	576,868	564,924	559,015		
April	577,634	566,986	610,423	609,865	594,461	537,441	589,667	543,363	542,283	516,868		
May	593,710	596,460	622,067	620,532	594,912	596,165	606,632	545,296	562,098	553,881		
June	606,897	613,972	669,637	654,100	601,652	627,628	630,548	606,071	599,328	573,843		
<b>Totals</b>	<b>6,682,268</b>	<b>6,861,501</b>	<b>7,232,850</b>	<b>7,271,725</b>	<b>6,940,205</b>	<b>6,913,288</b>	<b>7,037,910</b>	<b>6,779,001</b>	<b>6,716,642</b>	<b>6,424,398</b>		



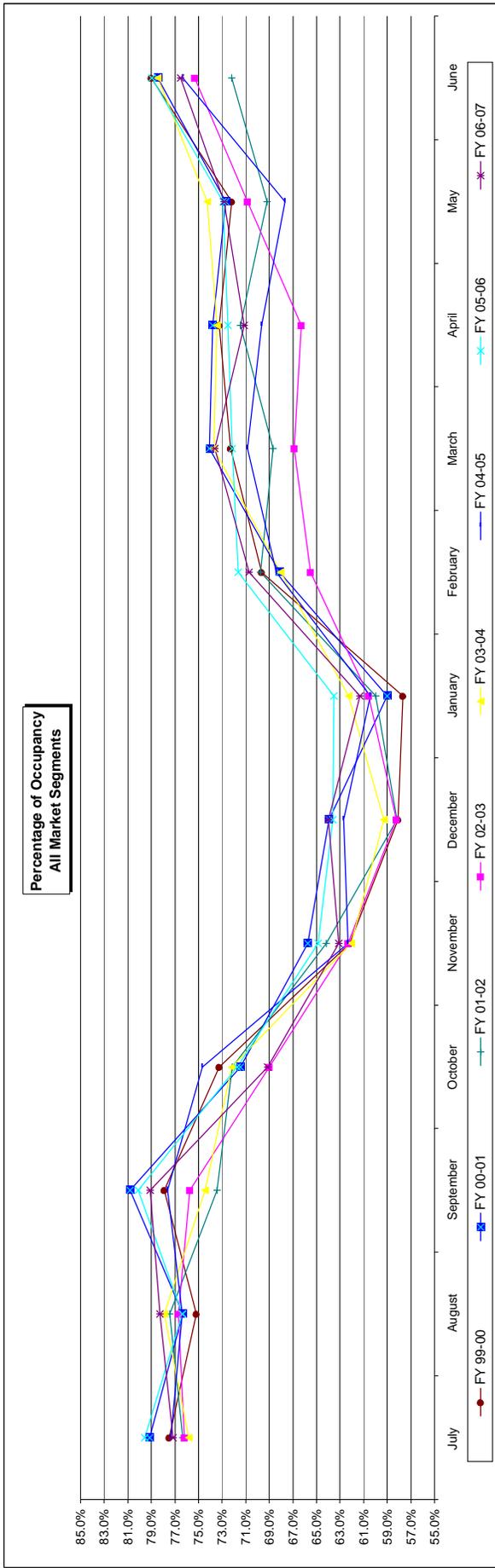
**Reno - Sparks Convention & Visitors Authority**  
**Available Rooms-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	Actual											
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07		
July	791,147	851,849	860,478	857,006	848,404	858,140	850,855	822,072	809,432	772,362		
August	791,489	857,336	868,228	867,732	856,017	864,085	855,987	832,442	806,798	775,069		
September	783,104	827,730	848,930	835,070	840,900	839,520	835,780	809,063	787,023	752,809		
October	793,619	853,864	866,058	848,326	830,687	852,653	843,012	817,934	794,639	759,714		
November	763,986	816,660	835,960	824,590	806,130	825,991	819,672	791,342	759,824	730,385		
December	800,285	841,216	871,788	861,930	846,547	861,565	838,377	825,396	786,979	760,281		
January	788,008	841,526	859,951	853,534	837,383	853,959	828,752	803,748	773,441	760,033		
February	710,633	760,144	809,586	776,916	758,128	775,012	777,422	731,675	701,665	684,069		
March	797,066	841,495	870,951	863,077	846,461	850,746	837,881	814,175	782,987	759,150		
April	761,865	814,530	833,110	826,380	831,732	810,882	803,052	780,341	747,777	726,767		
May	791,550	850,175	861,563	853,627	859,659	841,648	816,848	805,999	770,625	760,525		
June	791,656	832,740	847,640	833,760	833,250	833,400	803,746	794,080	758,870	749,968		
<b>Totals</b>	<b>9,364,408</b>	<b>9,989,265</b>	<b>10,234,243</b>	<b>10,101,948</b>	<b>9,995,298</b>	<b>10,067,601</b>	<b>9,911,384</b>	<b>9,628,267</b>	<b>9,280,060</b>	<b>8,991,132</b>		



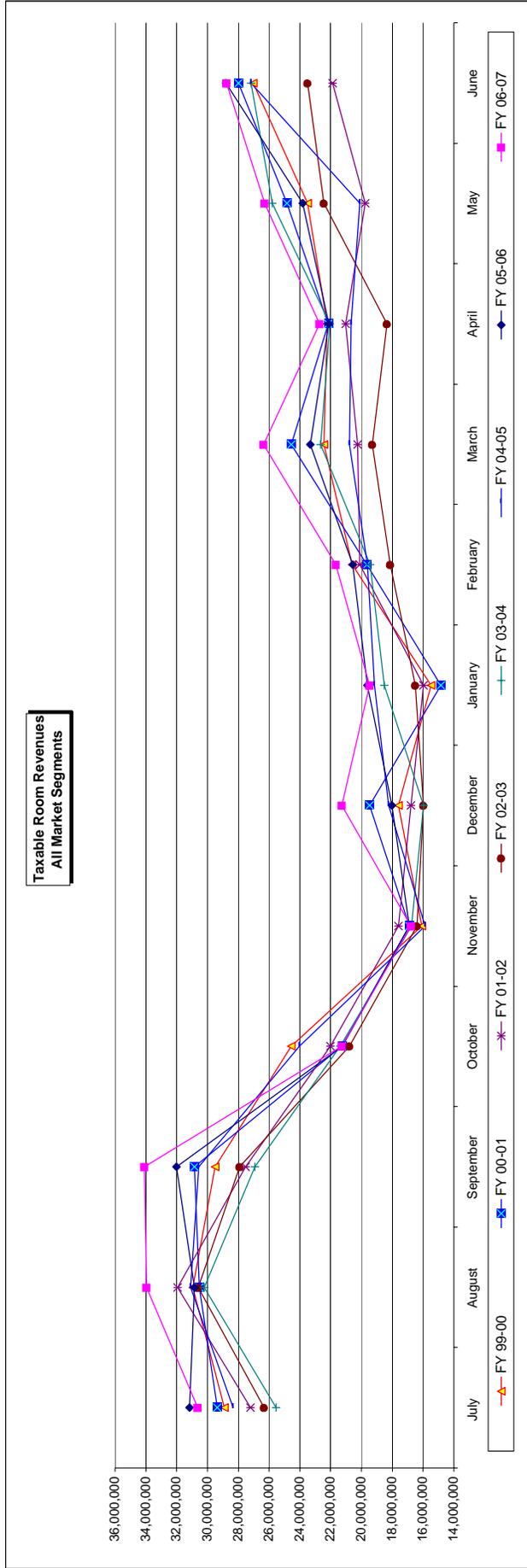
**Reno - Sparks Convention & Visitors Authority**  
**Percentage of Occupancy-Consolidated Summary**  
 Trend  
 (Unaudited)

Month	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
July	76.5%	72.2%	77.5%	79.1%	76.3%	76.2%	75.8%	77.3%	79.5%	77.2%
August	78.4%	72.9%	75.2%	76.3%	77.5%	76.7%	77.9%	76.4%	76.4%	78.3%
September	76.1%	73.7%	77.9%	80.8%	73.4%	75.8%	74.4%	77.6%	80.1%	79.1%
October	73.6%	70.9%	73.3%	71.4%	72.1%	69.0%	72.2%	74.7%	71.7%	69.2%
November	63.6%	63.3%	62.2%	65.7%	64.2%	62.3%	64.0%	62.3%	64.8%	63.1%
December	57.6%	61.1%	58.1%	63.9%	58.2%	58.2%	59.3%	62.7%	63.6%	64.0%
January	60.5%	59.5%	57.7%	59.0%	60.0%	60.6%	62.3%	60.4%	63.5%	61.3%
February	66.8%	66.8%	69.6%	68.2%	68.7%	65.5%	66.0%	68.4%	71.6%	70.7%
March	75.4%	70.1%	72.3%	74.1%	68.7%	66.9%	73.7%	70.9%	72.1%	73.6%
April	75.8%	69.6%	73.3%	73.8%	71.5%	66.3%	74.4%	69.6%	72.5%	71.1%
May	75.0%	70.2%	72.2%	72.7%	69.2%	70.8%	73.4%	67.7%	72.9%	72.8%
June	76.7%	73.7%	79.0%	78.5%	72.2%	75.3%	78.5%	76.3%	79.0%	76.5%
Totals	71.4%	68.7%	70.7%	72.0%	69.4%	68.7%	71.0%	70.4%	72.4%	71.5%



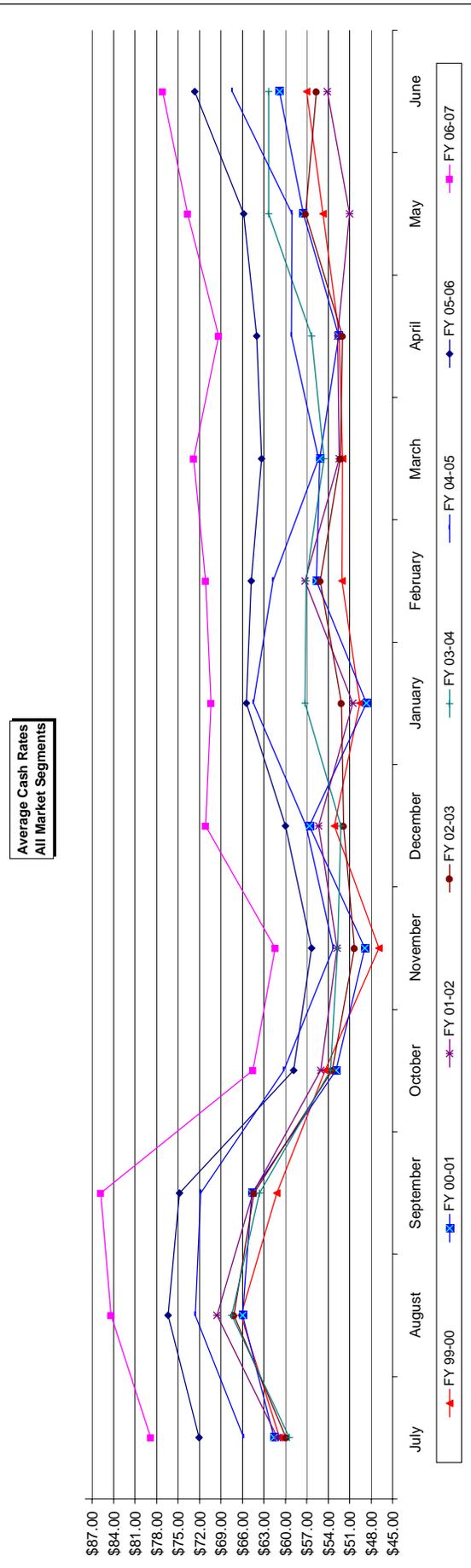
**Reno - Sparks Convention & Visitors Authority**  
**Taxable Room Revenues-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	Actual											
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07		
July	25,984,082	25,317,235	28,913,842	29,368,277	27,197,718	26,321,282	25,550,405	28,322,549	31,147,952	30,641,193		
August	29,529,519	29,254,782	30,964,904	30,508,983	31,946,929	30,579,847	30,224,591	31,094,101	30,832,073	33,940,996		
September	25,055,706	26,259,561	29,493,614	30,837,031	27,509,020	27,921,062	26,917,915	30,566,205	32,016,233	34,088,596		
October	21,281,060	22,206,236	24,553,134	21,290,223	22,008,322	20,763,428	21,375,489	24,019,415	21,244,385	21,275,712		
November	15,451,288	16,120,750	16,096,885	16,896,113	17,591,649	16,402,250	16,750,461	15,872,900	16,891,339	16,793,374		
December	14,886,059	17,905,923	17,599,327	19,480,961	16,780,581	15,982,368	15,994,229	18,228,992	18,008,851	21,290,237		
January	15,938,332	17,070,823	15,465,829	14,847,196	15,969,883	16,515,210	18,529,113	19,164,504	19,629,308	19,487,809		
February	16,983,531	18,129,689	20,590,876	19,664,723	20,094,403	18,141,737	19,440,882	19,609,057	20,575,251	21,679,078		
March	22,170,228	20,393,059	22,432,440	24,545,795	20,235,335	19,304,814	22,667,030	20,764,200	23,318,905	26,376,498		
April	21,643,484	20,406,750	22,239,581	22,161,140	21,010,014	18,356,812	22,048,320	20,672,288	22,132,337	22,713,994		
May	23,260,274	21,981,044	23,516,047	24,852,896	19,753,366	22,438,029	25,783,936	20,091,654	23,815,851	26,278,892		
June	23,753,242	24,106,857	27,019,264	27,979,520	21,869,306	23,489,456	27,169,315	27,161,338	28,780,721	28,763,924		
<b>Totals</b>	<b>255,936,807</b>	<b>259,152,710</b>	<b>278,885,741</b>	<b>282,432,859</b>	<b>261,966,526</b>	<b>256,216,294</b>	<b>272,451,686</b>	<b>275,567,203</b>	<b>288,393,206</b>	<b>303,330,304</b>		



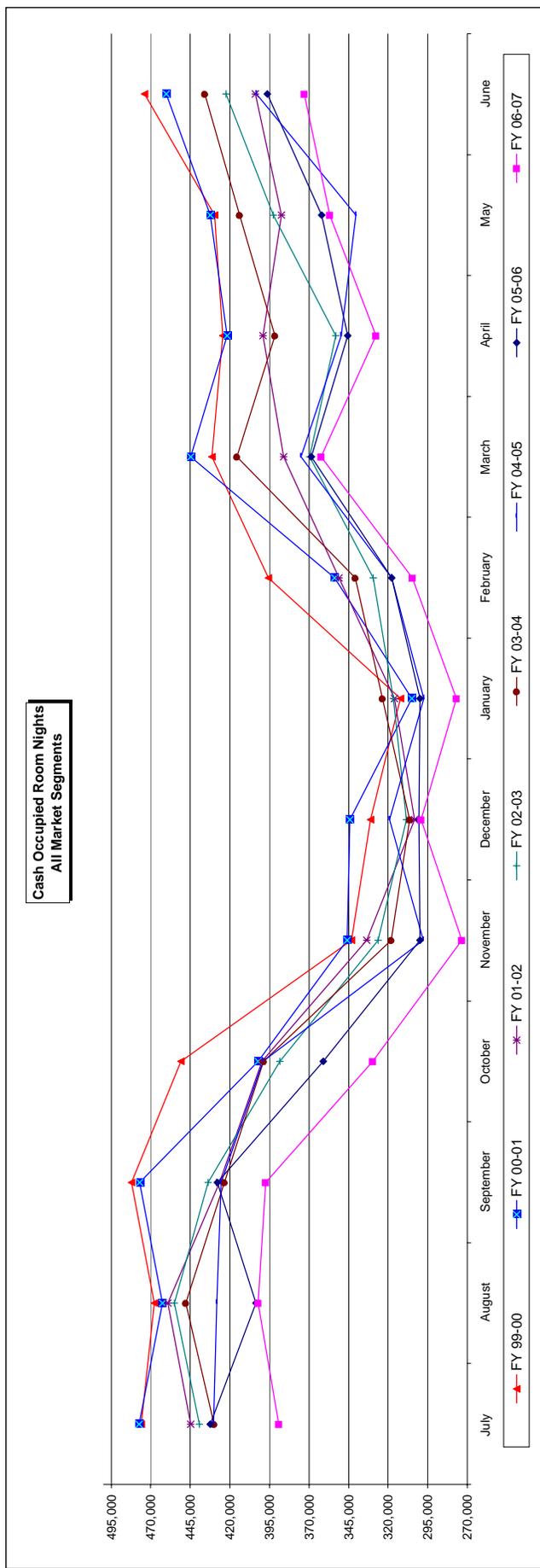
**Reno - Sparks Convention & Visitors Authority**  
**Average Cash Rates-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07
July	\$ 57.56	\$ 58.14	\$ 60.77	\$ 61.53	\$ 61.14	\$ 59.92	\$ 59.43	\$ 65.83	\$ 72.06	\$ 78.77
August	\$ 63.83	\$ 63.96	\$ 66.21	\$ 65.98	\$ 69.56	\$ 67.21	\$ 67.49	\$ 72.58	\$ 76.39	\$ 84.37
September	\$ 56.38	\$ 58.79	\$ 61.17	\$ 64.66	\$ 64.51	\$ 64.36	\$ 63.59	\$ 71.82	\$ 74.82	\$ 85.81
October	\$ 50.51	\$ 51.62	\$ 54.44	\$ 52.94	\$ 55.06	\$ 53.44	\$ 53.63	\$ 60.21	\$ 58.86	\$ 64.54
November	\$ 46.44	\$ 46.39	\$ 46.94	\$ 48.86	\$ 52.73	\$ 50.29	\$ 52.64	\$ 53.31	\$ 56.34	\$ 61.39
December	\$ 51.20	\$ 53.09	\$ 53.15	\$ 56.60	\$ 55.34	\$ 51.82	\$ 52.22	\$ 57.11	\$ 59.95	\$ 71.14
January	\$ 50.87	\$ 52.09	\$ 49.54	\$ 48.65	\$ 50.55	\$ 52.17	\$ 57.26	\$ 64.41	\$ 65.46	\$ 70.37
February	\$ 50.52	\$ 51.85	\$ 52.04	\$ 55.61	\$ 57.24	\$ 55.10	\$ 57.06	\$ 61.75	\$ 64.74	\$ 71.14
March	\$ 50.94	\$ 49.76	\$ 52.01	\$ 55.18	\$ 52.43	\$ 52.26	\$ 54.55	\$ 55.36	\$ 63.28	\$ 72.80
April	\$ 51.76	\$ 51.93	\$ 52.41	\$ 52.53	\$ 52.67	\$ 51.97	\$ 56.30	\$ 59.11	\$ 64.02	\$ 69.82
May	\$ 54.44	\$ 53.97	\$ 54.74	\$ 57.47	\$ 50.99	\$ 57.16	\$ 62.29	\$ 59.05	\$ 65.78	\$ 73.64
June	\$ 54.02	\$ 55.87	\$ 57.01	\$ 60.80	\$ 54.14	\$ 55.62	\$ 62.32	\$ 67.38	\$ 72.62	\$ 77.14
Totals	\$ 53.62	\$ 54.29	\$ 55.58	\$ 57.32	\$ 56.82	\$ 56.50	\$ 58.65	\$ 62.87	\$ 66.83	\$ 74.12



**Reno - Sparks Convention & Visitors Authority**  
**Cash Occupied Room Nights-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	Actual											
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07		
July	451,432	435,478	475,813	477,320	444,827	439,281	429,933	430,227	432,236	389,972		
August	462,643	457,404	467,645	462,420	459,288	454,962	447,815	428,414	403,601	402,269		
September	444,422	446,656	482,168	476,884	426,423	433,840	423,286	425,583	427,932	397,251		
October	421,322	430,182	451,046	402,174	399,728	388,565	398,934	398,934	360,958	329,644		
November	332,708	347,481	342,956	345,835	333,637	326,143	318,209	297,721	299,799	273,546		
December	290,721	337,290	331,155	344,181	303,238	308,448	306,264	319,218	300,413	299,286		
January	313,304	327,745	312,206	305,154	315,951	316,539	323,615	297,524	299,857	276,915		
February	336,181	349,672	395,702	353,596	351,056	329,247	340,711	317,577	317,830	304,750		
March	435,223	409,801	431,302	444,827	385,940	369,414	415,522	375,062	368,516	362,331		
April	418,175	392,965	424,348	421,887	398,934	353,208	391,651	349,746	345,684	327,670		
May	427,283	407,246	429,607	432,433	387,403	392,547	413,939	340,239	362,051	356,849		
June	439,691	431,491	473,961	460,188	403,910	422,321	435,968	403,083	396,311	372,866		
<b>Totals</b>	<b>4,773,105</b>	<b>4,773,411</b>	<b>5,017,909</b>	<b>4,926,899</b>	<b>4,610,335</b>	<b>4,534,515</b>	<b>4,645,504</b>	<b>4,383,328</b>	<b>4,315,188</b>	<b>4,092,349</b>		



**Reno-Sparks Convention & Visitors Authority**  
**Full-time Equivalent Employees by Function**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	15	20	20	26	28	27	25	25	25	27
Culture and Recreation	50	50	50	50	50	55	55	55	55	55
Community Support	140	148	155	160	160	160	165	170	200	200
<b>Total</b>	<b>205</b>	<b>218</b>	<b>225</b>	<b>236</b>	<b>238</b>	<b>242</b>	<b>245</b>	<b>250</b>	<b>280</b>	<b>282</b>

Notes:  
(1) Information provided on budgeted employees.  
(2) Culture & Recreation represents business-type activities (Golf Courses)

**Reno-Sparks Convention & Visitors Authority  
Convention Center, Reno-Sparks Livestock Events Center, National Bowling Stadium  
and Reno Events Center Activity Summary  
(Unaudited)**

**Future Bookings and Projected Attendance**

Fiscal Year	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
2008	27	568,957	156	552,365	150	75,000	112	138,557
2009	38	363,260	156	563,412	130	175,000	106	131,629
2010	28	325,000	145	573,412	140	275,000	104	128,996
2011	22	285,000	140	575,550	170	100,000	102	126,416
2012	21	275,360	140	593,967	150	200,000	100	130,000

**Notes:**

- 1) Due to emphasis on hosting larger events, the number of events at certain facilities is estimated to decrease.
- 2) Number of events includes conventions and trade shows currently scheduled on a tentative basis. (Note: Firm contracted dates are issued only one year in advance.)

**Historical Usage and Attendance**

Fiscal Year	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
1998	17	51,865	176	823,914	60	165,590	n/a	n/a
1999	215	299,360	185	876,225	110	70,000	n/a	n/a
2000	242	344,929	180	902,511	77	110,000	n/a	n/a
2001	82	201,095	180	902,511	135	150,000	n/a	n/a
2002	159	358,075	165	902,511	64	66,851	n/a	n/a
2003	157	354,377	142	885,225	108	97,166	n/a	n/a
2004	236	539,857	150	510,300	52	134,500	n/a	n/a
2005	229	504,628	145	511,125	127	47,500	61	72,925
2006	257	552,881	135	515,125	50	119,700	48	160,339
2007	285	576,161	133	522,125	89	239,268	83	169,014

**Notes:**

- 1) Due to emphasis on hosting larger events, the number of events at certain facilities has fallen slightly in recent years. However, the emphasis on fewer but larger events may result in increased attendance.
- 2) Number of events includes all show activity (conventions, trade shows, public consumer shows, concerts and meetings).
- 3) The Reno Events Center opened January 2005

**Reno-Sparks Convention & Visitors Authority  
Capital Asset Statistics by Function  
June 30, 2007  
(Unaudited)**

**Community Support**

**Reno-Sparks Convention Center**

The Reno-Sparks Convention Center (RSCC) complex hosts national and regional conventions and trade shows. The RSCC, located south of the downtown area, offers 381,000 square feet of contiguous exhibit space in five adjoining halls. More than 75,000 square feet of meeting room space in 47 meeting rooms with seating capacities ranging from 125 to 3,000 persons is available for breakout sessions. The facility is on ground level with unlimited floor load capacity. On-site parking capacity totals 1,900 stalls.

The Convention Center also features a 30,000 square foot ballroom – sub divisible into seven smaller rooms. A full range of food service capabilities are available ranging from concession stands, portable food stations, cocktail lounges to catered banquet arrangements for more formal dining. A central Food Court offers attendees the ability to select from three themed cafes. In addition, the RSCC furnishes 17,000 square feet of public concourse/registration space and improved show load-in/out capabilities, enabling concurrent major events.

**Reno-Sparks Livestock Events Center**

The Reno-Sparks Livestock Events Center is a large multi-purpose public assembly facility located on the northern edge of downtown Reno. The Center has a convenient exhibit hall that is most popular with the local community, hosting numerous public and consumer shows.

Home of the world famous Reno Rodeo and Nevada State Fair, the facility hosts a myriad of special events ranging from circus performances to premier equine competitions, including the Snaffle Bit Futurity and Regional International Arabian Horse Association competitions.

The number of events and operating performance, as well as room night generation, continues to improve each year, boding a bright future for the Livestock Events Center.

**Reno Events Center**

The Reno Events Center is owned by the City of Reno and operated by the RSCVA. The 118,000 square foot facility opened in January 2005. The Center consists of 56,000 square feet of free span exhibit space (which is utilized for both convention and meeting space, as well as concerts), 4,954 square feet of dedicated meeting space with nine rooms varying in size from 400 to 850 square feet, two loading docks, six dressing rooms and two event and promoter offices. When utilized for concerts, the facility can accommodate up to 7,500 patrons.

**Reno-Sparks Convention & Visitors Authority**  
**Capital Asset Statistics by Function**  
**June 30, 2007**  
**(Continued)**  
**(Unaudited)**

**Community Support – Continued**

**National Bowling Stadium**

The Authority transferred ownership of the Stadium to the City of Reno in May 2002, but continues to operate the facility through a management agreement.

The National Bowling Stadium is a 78-lane tournament bowling facility situated within the central business/gaming/entertainment district of downtown Reno. Home to the prestigious United States Bowling Congress Open Championships, returning in 2007 every three years through 2016, and the United States Bowling Congress Women’s Championships, returning in 2009 every three years through 2018. The National Bowling Stadium hosts tournament play for a wide variety of national and international bowling competitions including the Professional Bowlers Tour and the United States Amateur Championships. Completed in 1995, this project not only revitalized an older, distressed section of the downtown corridor, but also served as a catalyst to an unprecedented surge of economic investment, construction, and expansion in the gaming-tourism industry throughout the area.

The National Bowling Stadium facility provides a wealth of visitor amenities including 300 covered parking spaces, a 10,000 square foot bowling pro shop which includes an instructional bowling lane, and a fully staffed visitor information center during major tournaments. A special feature of this facility is a 172-seat, 70mm IWERKS-projection movie theater, which was incorporated in the roof design and situated within a large spherical dome atop the building. The theater features films and movies specifically formatted and produced to enhance the unique character of the IWERKS experience.

**Pioneer Center for the Performing Arts**

The Pioneer Center for the Performing Arts, located in the City of Reno’s entertainment center, has a seating capacity of 1,500 in the main theater. A 4,000 square foot exhibit hall is also available for meetings and special events. The Pioneer Center is home for the popular “Broadway Comes To Reno” series in its thirteenth season, The Reno Philharmonic, Washoe County Concerts Association, The Nevada Opera and the MasterWorks Chorale. With its unique geodesic dome design, the Pioneer Center has been northern Nevada’s only performing arts center for the past thirty seven years. The facility is operated by the Pioneer Center for the Performing Arts, a 501(c)(3) Not for Profit Organization, under an agreement with the RSCVA.

**Reno-Sparks Convention & Visitors Authority**  
**Capital Asset Statistics by Function**  
**June 30, 2007**  
**(Continued)**  
**(Unaudited)**

**Business-type Activities - Golf Courses**

**Wildcreek Golf Course**

Wildcreek Golf Course, located three miles from the City of Reno, provides tourists and Washoe County residents with an 18-hole championship course as well as a 9-hole executive course. The Wildcreek Golf Course facilities also provide a 25-tee practice driving range, 2 practice putting greens and a 20,000 square foot clubhouse.

**Northgate Golf Club**

Northgate Golf Club, an 18-hole course, located in northwest Reno, is utilized for both tournament play, to support the area's rapidly growing convention business, and for individual play to both local and visiting individuals and groups. Construction of this course was completed and the course opened for play in May 1988. The course provides the same amenities as Wildcreek.

# **COMPLIANCE SECTION**



**KAFOURY, ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH AUDITING STANDARDS GENERALLY ACCEPTED  
IN THE UNITED STATES OF AMERICA**

To the Board of Directors of the  
Reno-Sparks Convention & Visitors Authority, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority, Nevada, as of and for the year ended June 30, 2007, and have issued our report thereon dated September 17, 2007.

In connection with our audit, nothing came to our attention that caused us to believe that the Reno-Sparks Convention & Visitors Authority failed to comply with laws, regulations and bond indentures insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
September 17, 2007



**KAFOURY, ARMSTRONG & CO.**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT ON  
NEVADA REVISED STATUTE 354.6241**

To the Board of Directors of the  
Reno-Sparks Convention & Visitors Authority, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2007 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2007 (as previously noted under statute compliance),
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the Reno-Sparks Convention & Visitors Authority.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management, referred to above, is not fairly stated in all material respects.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
September 17, 2007

## **AUDITOR'S COMMENTS**

### STATUTE COMPLIANCE

The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note J to the financial statements.

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Authority conformed to all significant statutory constraints on its financial administration during the year ended June 30, 2006.

### PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2006.

### CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our audit report.