

# Reno-Tahoe™

AMERICA'S ADVENTURE PLACE  
[VisitRenoTahoe.com](http://VisitRenoTahoe.com)



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

Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2008

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Year Ended  
June 30, 2008

Sharon Zadra  
Chairwoman

Ellen Oppenheim  
President and CEO

Tim D. Smith  
Vice-President of Finance

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

Reno-Sparks Convention & Visitors Authority  
Phone: (775) 827-7600

Post Office Box 837 Reno, Nevada 89504  
Internet: <http://www.visitrenotahoe.com>



**Reno-Sparks Convention & Visitors Authority**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

<b>C O N T E N T S</b>		<b>Page</b>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal		i
Certificate of Achievement For Excellence In Financial Reporting		vi
Financial Structure		vii
Board of Directors		viii
Management Officials		x
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		1
Management's Discussion and Analysis		2
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets		13
Statement of Activities		14
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet		15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets		16
Statement of Revenues, Expenditures and Changes in Fund Balances		17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		18
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual:		
General Fund		19
Proprietary Funds:		
Statement of Net Assets		21
Statement of Revenues, Expenses and Changes in Net Assets		22
Statement of Cash Flows		23
Fiduciary Fund:		
Statement of Fiduciary Net Assets		25
Notes to Financial Statements		26
Individual Fund Schedules:		
Major Governmental Funds:		
Debt Service Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual		47
Capital Projects Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual		48
Major Enterprise Fund:		
Golf Courses Fund:		
Schedule of Revenues, Expenses and Changes in Net Assets-Budget and Actual		49
Schedule of Cash Flows-Budget and Actual		50
Internal Service Fund:		
Schedule of Net Assets		52
Schedule of Revenues, Expenses and Changes in Net Assets-Budget and Actual		53
Schedule of Cash Flows-Budget and Actual		54
Fiduciary Fund:		
Schedule of Changes in Agency Fund Assets and Liabilities		56



**Reno-Sparks Convention & Visitors Authority**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

<b>C O N T E N T S</b>		<b>Page</b>
<b>STATISTICAL SECTION (Unaudited)</b>		
Financial Trends:		
Net Assets by Component		57
Changes in Net Assets		58
General Room Tax (6 5/8%) Collections, Last Ten Fiscal Years		59
Fund Balances of Governmental Funds		60
Changes in Fund Balances of Governmental Funds and Revenues by Source		61
Revenue Capacity:		
Room Tax Rates by Location		62
Principal Room Taxpayers		63
Debt Capacity:		
Outstanding Debt by Type		64
General Bonded Debt Outstanding		65
Direct and Overlapping Governmental Activities Bonded Debt		66
Legal Debt Margin Information		67
Pledged Revenue Coverage		68
Demographic and Economic Information:		
Demographic and Economic Statistics		69
Principal Employers		70
Operating Information:		
General Room Tax (6 5/8%) Collections, Current Fiscal Year		71
Room Tax And Occupancy Statistics - Occupied Rooms		72
Room Tax And Occupancy Statistics - Available Rooms		73
Room Tax And Occupancy Statistics - Percentage of Occupancy		74
Room Tax And Occupancy Statistics - Taxable Room Revenues		75
Room Tax And Occupancy Statistics - Average Cash Rates		76
Room Tax And Occupancy Statistics - Cash Occupied Rooms Nights		77
Full-time Equivalent Employees by Function		78
Convention Center, Reno-Sparks Livestock Events Center, National Bowling Stadium and Reno Events Center Activity Summary		79
Capital Asset Statistics by Function		80
<b>COMPLIANCE SECTION</b>		
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		83
Independent Accountant's Report on Nevada Revised Statute 354.6241		84
Auditor's Comments		85

# **INTRODUCTORY SECTION**



AMERICA'S ADVENTURE PLACE  
Reno-Sparks Convention and Visitors Authority

October 28, 2008

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, 2007 to June 30, 2008

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, 2008, 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.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

### **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

[visitrenotahoe.com](http://visitrenotahoe.com)

- 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
- 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 2007-2008.** 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 4,092,489 room nights in 2006-07 to 3,782,121 room nights in 2007-08. Overall occupancy percentages decreased from 71.5% in 2006-07 to 66.8% in 2007-08. While occupancy percentages declined, cash room rates increased from \$74.12 for fiscal year 2006-07 to \$78.24 for fiscal year 2007-08, resulting in total taxable revenues decreasing from \$303,333,318 in fiscal year 2006-07 to \$295,896,605 in fiscal year 2007-08 (2.5% decrease).

**Outlook For Fiscal Year 2008-09 and The Future.** During the 2006-2007 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
- Hot August Nights
- National Council of Teachers of Mathematics
- Entomological Society of America
- International Erosion Control Association
- Safari Club International
- Hearth Patio and Barbeque Association
- Lockett & Sullivan Boat, Sport & RV Show
- International Science and Engineering Fair

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 2007-08 was \$878,918.

**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, 2008 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, 2007. This was the twenty-first 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.

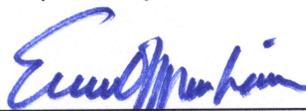
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Reno-Sparks Convention & Visitors Authority, Nevada for its annual budget for the fiscal year beginning July 1, 2007. This was the seventh consecutive year the Authority 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,



---

Ellen Oppenheim  
Chief Executive Officer



---

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, 2007

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.



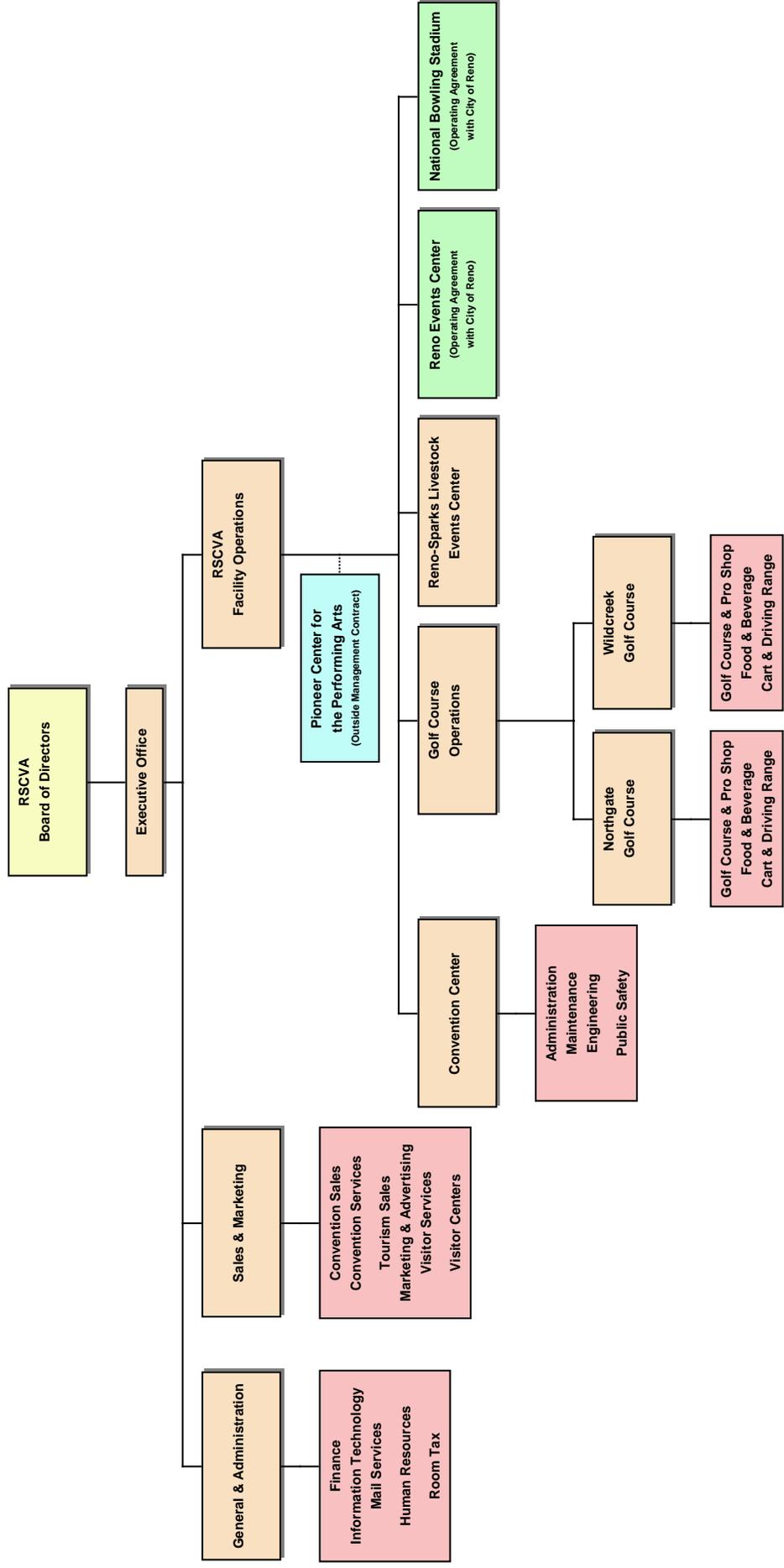
*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# Reno-Sparks Convention & Visitors Authority Financial Structure June 2008



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**BOARD OF DIRECTORS**



**Sharon Zadra**  
**Chairwoman**  
**City of Reno**  
**Term is Coterminous**



**Mark Pardue**  
**Vice-Chairman**  
**Incline Village/Crystal Bay**  
**Term Expires January 2010**



**Jim DeVold**  
**Secretary/Treasurer**  
**Banking Industry**  
**Term Expires July 2009**

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**BOARD OF DIRECTORS - CONTINUED**



**Roberta Ross**  
Motel Industry  
Term Expires June 2010



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



**Frank Baldwin**  
Gaming Industry  
Term Expires December 2008



**Dwight Dortch**  
City of Reno  
Term is coterminous



**Lynn Atcheson**  
Air Service Industry  
Term Expires June 2010



**Bonnie Weber**  
Washoe County  
Term is coterminous



**Howard A. "Hal" Lenox, Jr.**  
Business Industry  
Term Expires March 2010



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



**John Farahi**  
Gaming Industry  
Term Expires December 2009



**David Humke**  
Washoe County  
Term is coterminous

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**EXECUTIVE STAFF**



**Ellen Oppenheim**  
President  
Chief Executive Officer



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



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



**Joe Kelley**  
Vice-President  
Facilities



**Philip D'Amico**  
Vice-President  
Convention Sales



**Ralph Witsell**  
Executive Director  
Tourism Sales



**Michael Thomas**  
Executive Director  
Marketing



**Steve Casper**  
Executive Director  
Human Resources



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



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



**Rick Odynski**  
Internal Auditor

# **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, 2008, 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, 2008, 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  
October 28, 2008

## **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 \$32,605,091 (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 \$4,293,304. 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 usage of funds carried over from prior years to fund current year and capital programs (West Plaza expansion at the Reno-Sparks Convention Center).
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$20,885,021, a decrease of \$2,946,153 compared to the prior year. This change is a result of spending proceeds of a previously issued \$3,000,000 medium term loan for Convention Center site improvements, as well as expending funds carried over from previous years to fund operations (as a result of lacking a major bowling tournament during the fiscal year, the budget assumed using these funds to smooth the revenue shortfall).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,072,080, or 18.1% of total General Fund expenditures.
- The Authority's total debt decreased by \$3,105,948 during the fiscal year, as a result of principal payments on existing debt and accretion on capital appreciation bonds.
- The Authority's room license tax collections decreased \$702,066 (-2.6%) from the prior year. This decrease was primarily caused by the lack of a major bowling tournament, which occurs every third year, as well as decreased travel as a result of weakened economic conditions.
- Cash and investments of the Authority increased by \$643,998 (3.2%), as a result of expenditure of funds remaining from the medium term loan being spent and decreased funds required to be held with fiscal agent for annual debt service requirements.

### **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. Consequently the internal service fund has 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 (76%) 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 primarily consisting of the Pioneer Center for the Performing Arts and Incline Village Visitors Center.

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	
	2008	2007	2008	2007	2008	2007
<b>Assets:</b>						
Current and other assets	\$ 26,915,056	\$ 30,071,022	\$ 25,279	\$ 126,573	\$ 26,940,335	\$ 30,197,595
Capital assets	82,100,747	86,225,254	2,311,832	2,564,804	84,412,579	88,790,058
<b>Total assets</b>	<b>109,015,803</b>	<b>116,296,276</b>	<b>2,337,111</b>	<b>2,691,377</b>	<b>111,352,914</b>	<b>118,987,653</b>
<b>Liabilities:</b>						
Long-term liabilities	135,721,656	138,831,176	61,273	7,701	135,782,929	138,838,877
Other liabilities	8,005,714	8,224,970	169,362	235,593	8,175,076	8,460,563
<b>Total liabilities</b>	<b>143,727,370</b>	<b>147,056,146</b>	<b>230,635</b>	<b>243,294</b>	<b>143,958,005</b>	<b>147,299,440</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	(35,530,135)	(32,648,256)	2,311,832	2,564,804	(33,218,303)	(30,083,452)
Restricted for:						
Debt service	8,481,707	8,997,773	-	-	8,481,707	8,997,773
Claims	568,404	570,639	-	-	568,404	570,639
Unrestricted / deficit	(8,231,543)	(7,680,026)	(205,356)	(116,721)	(8,436,899)	(7,796,747)
<b>Total net assets</b>	<b>\$ (34,711,567)</b>	<b>\$ (30,759,870)</b>	<b>\$ 2,106,476</b>	<b>\$ 2,448,083</b>	<b>\$ (32,605,091)</b>	<b>\$ (28,311,787)</b>

The majority of the 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 \$4,293,304. 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
- 3) expenditure of medium term loan proceeds on the West Plaza/Reno-Sparks Convention Center site and,
- 4) expenditure of funds carried over from prior years on current year programs.

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

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 10,777,774	\$ 11,637,500	\$ 2,928,958	\$ 3,027,747	\$ 13,706,732	\$ 14,665,247
Operating grants and contributions	624,755	691,315	-	-	624,755	691,315
Capital grants and contributions	-	-	-	-	-	-
<i>General revenues:</i>						
Room taxes, penalties and interest	25,970,255	26,672,321	-	-	25,970,255	26,672,321
Unrestricted investment and interest earnings	254,163	303,691	-	-	254,163	303,691
Miscellaneous	22,615	6,808	-	-	22,615	6,808
<i>Transfers</i>	(400,000)	(400,000)	400,000	400,000	-	-
<b>Total revenues and transfers</b>	<b>37,249,562</b>	<b>38,911,635</b>	<b>3,328,958</b>	<b>3,427,747</b>	<b>40,578,520</b>	<b>42,339,382</b>
Expenses:						
General government	3,729,349	3,514,851	-	-	3,729,349	3,514,851
Community support	30,203,964	29,461,499	-	-	30,203,964	29,461,499
Debt service	7,267,946	7,366,517	-	-	7,267,946	7,366,517
Golf courses	-	-	3,670,565	3,504,610	3,670,565	3,504,610
<b>Total expenses</b>	<b>41,201,259</b>	<b>40,342,867</b>	<b>3,670,565</b>	<b>3,504,610</b>	<b>44,871,824</b>	<b>43,847,477</b>
<b>Change in net assets</b>	<b>(3,951,697)</b>	<b>(1,431,232)</b>	<b>(341,607)</b>	<b>(76,863)</b>	<b>(4,293,304)</b>	<b>(1,508,095)</b>
<b>Net Assets, July 1</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>
<b>Net Assets, June 30</b>	<b>\$ (34,711,567)</b>	<b>\$ (30,759,870)</b>	<b>\$ 2,106,476</b>	<b>\$ 2,448,083</b>	<b>\$ (32,605,091)</b>	<b>\$ (28,311,787)</b>

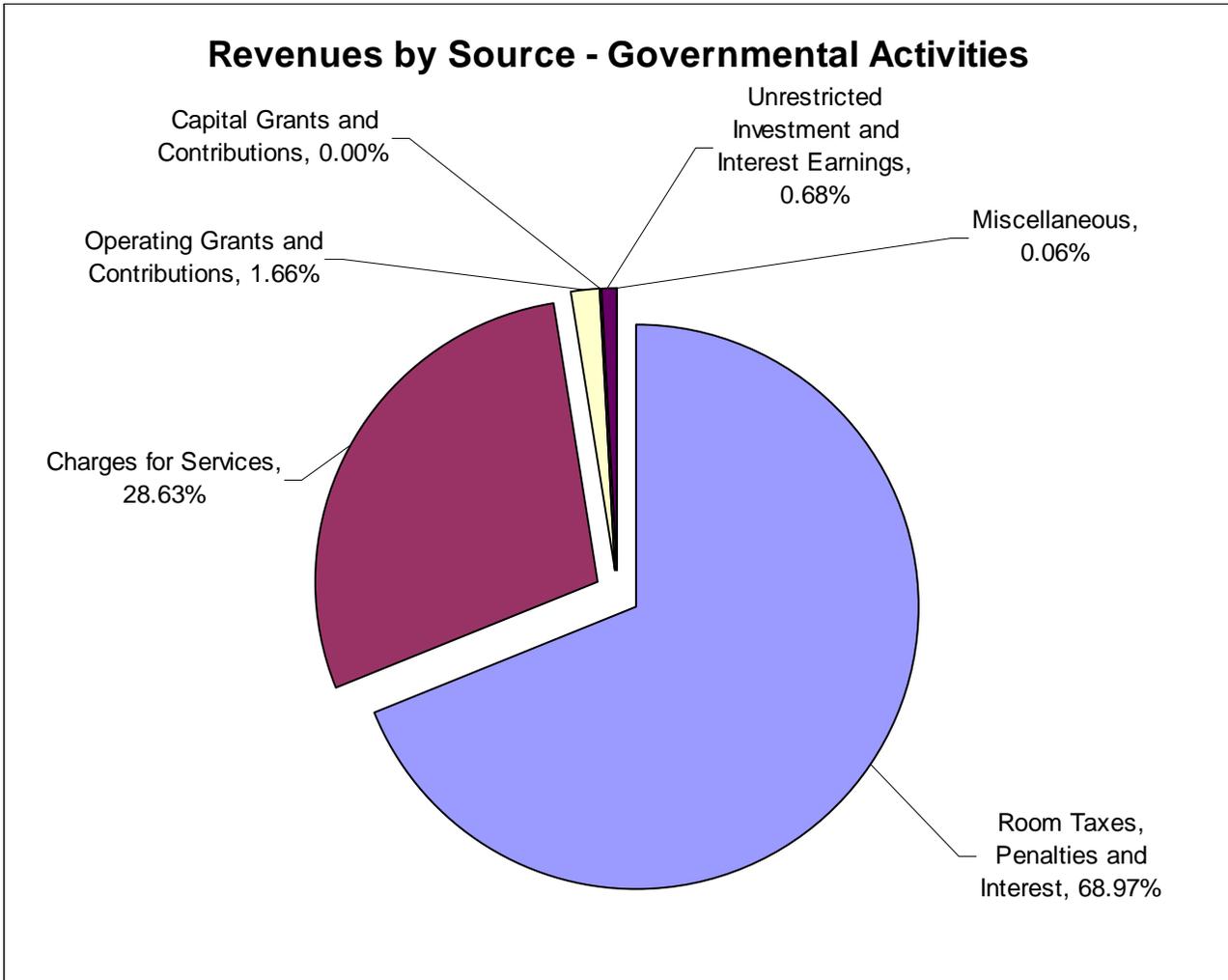
The primary revenue streams collected by the Authority are room license tax collections and charges for services (usage fees from facilities).

The Authority's room license tax collections decreased \$702,066 (-2.6%) from the prior year. This decrease was primarily caused by the lack of a major bowling tournament, which occurs every third year.

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

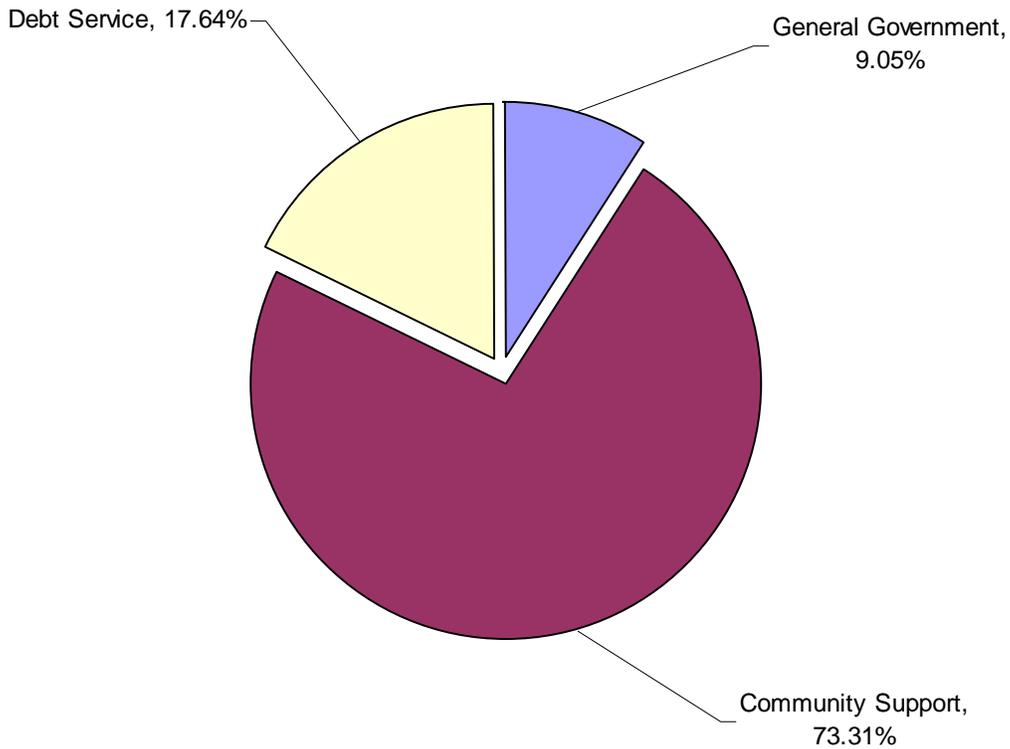
**Governmental activities.**

Total program revenues and expenses for governmental activities amounted to \$11,402,529 and \$41,201,259, respectively, for the 2007-08 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 2007-08, the golf courses had revenues and transfers of \$3,328,958 and expenses of \$3,670,565 resulting in an operating loss of \$341,607.

Rounds played have decreased from the prior year (primarily as the result of poor golfing weather in the early spring/late fall months) resulting in decreased revenues at the courses, increasing 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 the 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.

At the end of the current fiscal year, the RSCVA's governmental funds reported combined ending fund balances of \$20,885,021. Approximately 24% of this total amount (\$5,072,080) 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 \$5,072,080, while the total fund balance was \$5,342,360. 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 18.8% for the year just completed.

The fund balance of the RSCVA's General Fund decreased by \$1,776,993 during the current fiscal year. Key factors in this decrease include:

- Decreased room tax collections and facility revenues as a result of the lack of a major bowling tournament.
- Increased expenditures from funds carried over from previous years, as detailed earlier.

The Debt Service Fund has a total fund balance of \$13,932,925, all of which is reserved for the payment of debt service. The fund balance decrease of \$367,126 over the prior year is the result of funding requirements and payment schedules on outstanding debt.

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. The fund balance decrease of \$802,034 is the result of expenditures related to the West Plaza Expansion and related site work.

**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 \$(142,024). Rounds played and revenues at the courses decreased over prior year, resulting in a reduction of net assets in the fund after including a \$400,000 transfer from the General Fund.

## **Budgetary Highlights for the General Fund**

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

- Increase facility revenues by \$400,000, to reflect ancillary revenues received from conventions/trade shows
- Increase general government expenditures by \$120,000
- Increase facility operation expenditures by \$500,000, to reflect increased costs of providing services to clients
- Increased convention and tourism promotion expenditures by \$500,000, to reflect additional staffing and promotional efforts
- Increase transfers to other funds by \$500,000

The funds for these adjustments were obtained from beginning fund balance, which ended the year prior significantly higher than anticipated.

## **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, 2008, amounts to \$84,412,579 (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 meeting room project at the Convention Center. In addition, a contract was executed in fiscal year 2006-07 for site work at the former Liberty Belle restaurant adjacent to the Convention Center. Work was performed in 2007-08 and is expected to be completed in fiscal year 2008-09.

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	\$ 81,229,130	\$ 422,342
Improvements	92,516	1,058,349
Machinery and Equipment	779,101	831,141
Total	\$ 82,100,747	\$ 2,311,832

**Long-term debt.** During fiscal year 2007-08 the Authority made payments of \$4,975,000 in principal and \$5,395,119 in interest on its outstanding debt. 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, 2008
1995 Series	\$ 12,495,000	\$ 5,345,000
1999 Refunding Series	5,950,000	3,675,000
RSCC Expansion Bonds (Current Interest)	85,615,000	1,220,000
RSCC Expansion Bonds (Capital Appreciation)	19,384,075	29,613,466
2001 Refunding	92,995,000	92,630,000
2007 Bank Loan	3,000,000	2,900,000
Total	\$ 219,439,075	\$ 135,383,466

### Known Economic Factors

- Lodging properties continue to invest capital into their current facilities:
  - Peppermill Resort completed a \$400 million expansion including a 60,000 square foot ballroom, 600 new all suite rooms, a new three story spa, nightclub and restaurants
  - Hilton Garden Inn in South Reno opened in March 2008 with 132 rooms

- Homewood Suites near the Convention Center, opened in October 2008 with 97 all suite rooms
- Holiday Inn Express near Reno-Tahoe International Airport, opened in October 2008 with 98 rooms and 8,000 square feet of meeting space
- Staybridge Suites in South Reno, currently under construction (to open November 2008) with 94 rooms
- Hyatt Place at the Reno-Tahoe International Airport, currently under construction (to open in May 2009) with 127 all suite rooms
- Hyatt Summerfield Suites in Downtown Reno, to open in Spring 2009 with 148 rooms
- Legends Casino-Resort-Spa is expected to open in 2010, with the potential for 1,000 rooms and 50,000 square feet of meeting space at completion
- Fitzgerald's Reno – Property is closing in November of 2008 to undergo conversion/renovation to a boutique hotel
- Station Casinos has plans to construct 2 hotel-casino properties
  - South Reno - entertainment destination with hotel/casino, meeting space, dining, entertainment and a Bass Pro Shops Outdoor World Superstore
  - Central Reno - across from the Convention Center with between 200-500 rooms, casino, parking garage and meeting space
- Continued marketing and promotion directed towards bringing special events to the region that have a significant base of room nights
- Major new retail amenities including Cabela's, in north Reno, and Scheels at the Legends site in Sparks
- Triple A baseball ballpark and related retail and hotel in downtown Reno
- \$1.2 billion Legends at the Sparks Marina destination retail and entertainment complex and Legends Casino-Resort-Spa first phase in Sparks

## **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, 2008

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 19,923,076	\$ 45,520	\$ 19,968,596
Cash with fiscal agent	3,077,787	-	3,077,787
Receivables			
Accounts receivable	434,552	10,483	445,035
Room license taxes receivable	2,881,124	-	2,881,124
Other receivables	370,048	-	370,048
Internal balances	165,657	(165,657)	-
Inventories	-	132,502	132,502
Prepaid items	23,500	2,431	25,931
Deferred charges	39,312	-	39,312
Capital assets not being depreciated	1,305,068	-	1,305,068
Capital assets being depreciated (net of accumulated depreciation)	<u>80,795,679</u>	<u>2,311,832</u>	<u>83,107,511</u>
<b>TOTAL ASSETS</b>	<u><b>109,015,803</b></u>	<u><b>2,337,111</b></u>	<u><b>111,352,914</b></u>
<b>LIABILITIES</b>			
Accounts payable	710,228	87,676	797,904
Accrued liabilities	4,247,507	68,053	4,315,560
Accrued construction retention	57,370	-	57,370
Accrued interest payable	2,646,727	-	2,646,727
Unearned revenue	343,882	13,633	357,515
Noncurrent liabilities:			
Due within one year	4,385,000	50,000	4,435,000
Due in more than one year	<u>131,336,656</u>	<u>11,273</u>	<u>131,347,929</u>
<b>TOTAL LIABILITIES</b>	<u><b>143,727,370</b></u>	<u><b>230,635</b></u>	<u><b>143,958,005</b></u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	(35,530,135)	2,311,832	(33,218,303)
Restricted for:			
Debt service	8,481,707	-	8,481,707
Claims	568,404	-	568,404
Unrestricted (deficit)	<u>(8,231,543)</u>	<u>(205,356)</u>	<u>(8,436,899)</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$ (34,711,567)</b></u>	<u><b>\$ 2,106,476</b></u>	<u><b>\$ (32,605,091)</b></u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	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	\$ 3,729,349	\$ -	\$ -	\$ (3,339,849)	\$ -	\$ (3,339,849)
Community support	30,203,964	112,662	-	(19,703,028)	-	(19,703,028)
Debt service:						
Interest and fiscal charges	7,267,946	512,093	-	(6,755,853)	-	(6,755,853)
Total governmental activities	<u>41,201,259</u>	<u>624,755</u>	<u>-</u>	<u>(29,798,730)</u>	<u>-</u>	<u>(29,798,730)</u>
Business-type activities:						
Golf courses	3,670,565	2,928,958	-	-	(741,607)	(741,607)
TOTAL PRIMARY GOVERNMENT	<u>\$ 44,871,824</u>	<u>\$ 13,706,732</u>	<u>\$ -</u>	<u>(29,798,730)</u>	<u>(741,607)</u>	<u>(30,540,337)</u>
<b>GENERAL REVENUES</b>						
Taxes:						
Room taxes, penalties and interest				25,970,255	-	25,970,255
Unrestricted investment and interest earnings				254,163	-	254,163
Miscellaneous				22,615	-	22,615
TRANSFERS				(400,000)	400,000	-
TOTAL GENERAL REVENUES AND TRANSFERS				<u>25,847,033</u>	<u>400,000</u>	<u>26,247,033</u>
<b>CHANGE IN NET ASSETS</b>				(3,951,697)	(341,607)	(4,293,304)
<b>NET ASSETS, JULY 1</b>				(30,759,870)	2,448,083	(28,311,787)
<b>NET ASSETS, JUNE 30</b>				<u>\$ (34,711,567)</u>	<u>\$ 2,106,476</u>	<u>\$ (32,605,091)</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOVERNMENTAL FUNDS  
BALANCE SHEET

JUNE 30, 2008

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 7,349,225	\$ 10,873,625	\$ 1,682,467	\$ 19,905,317
Cash with fiscal agent	-	3,077,787	-	3,077,787
Receivables				
Accounts receivable	434,552	-	-	434,552
Room license taxes receivable	2,881,124	-	-	2,881,124
Other receivables	370,048	-	-	370,048
Prepaid expenditures	23,500	-	-	23,500
<b>TOTAL ASSETS</b>	<b>\$ 11,058,449</b>	<b>\$ 13,951,412</b>	<b>\$ 1,682,467</b>	<b>\$ 26,692,328</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 707,800	\$ -	\$ 750	\$ 708,550
Accrued liabilities	4,244,505	-	-	4,244,505
Accrued construction retention	-	-	57,370	57,370
Deferred revenue	343,882	-	-	343,882
Due to other funds	419,902	18,487	14,611	453,000
<b>TOTAL LIABILITIES</b>	<b>5,716,089</b>	<b>18,487</b>	<b>72,731</b>	<b>5,807,307</b>
<b>FUND BALANCES</b>				
Reserved for				
Prepaid expenditures	23,500	-	-	23,500
Encumbrances	246,780	-	67,380	314,160
Debt service	-	13,932,925	-	13,932,925
Capital projects	-	-	1,542,356	1,542,356
Unreserved	5,072,080	-	-	5,072,080
<b>TOTAL FUND BALANCES</b>	<b>5,342,360</b>	<b>13,932,925</b>	<b>1,609,736</b>	<b>20,885,021</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,058,449</b>	<b>\$ 13,951,412</b>	<b>\$ 1,682,467</b>	<b>\$ 26,692,328</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, 2008

---

<b>TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET</b>	<b>\$</b>	<b>20,885,021</b>
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds		82,100,747
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:		
Accrued interest payable		(2,646,727)
Bonds and bank loan		(135,383,466)
Less: Deferred charge on funding escrow		142,777
Less: Deferred charge for issuance costs (to be amortized over life of debt)		39,312
Compensated absences		(480,967)
Internal balances are receivable from business-type activities		63,332
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>568,404</u>
<b>TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET ASSETS</b>	<b>\$</b>	<b><u><u>(34,711,567)</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, 2008**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
<b>Taxes</b>				
Room license taxes, penalties and interest	\$ 25,970,255	\$ -	\$ -	\$ 25,970,255
<b>Miscellaneous</b>				
Facilities revenue	10,089,266	-	-	10,089,266
Convention and visitors service revenue	299,008	-	-	299,008
Interest on investments	254,163	512,093	112,662	878,918
Other	412,115	-	-	412,115
<b>TOTAL REVENUES</b>	<b>37,024,807</b>	<b>512,093</b>	<b>112,662</b>	<b>37,649,562</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	3,679,385	-	-	3,679,385
Community support	24,722,415	-	-	24,722,415
<b>Debt Service</b>				
Principal	-	4,975,000	-	4,975,000
Interest	-	5,395,119	-	5,395,119
Other bond costs	-	9,100	-	9,100
<b>Capital outlay</b>	-	-	1,414,696	1,414,696
<b>TOTAL EXPENDITURES</b>	<b>28,401,800</b>	<b>10,379,219</b>	<b>1,414,696</b>	<b>40,195,715</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,623,007</b>	<b>(9,867,126)</b>	<b>(1,302,034)</b>	<b>(2,546,153)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	9,500,000	500,000	10,000,000
Transfers to other funds	(10,400,000)	-	-	(10,400,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(10,400,000)</b>	<b>9,500,000</b>	<b>500,000</b>	<b>(400,000)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,776,993)</b>	<b>(367,126)</b>	<b>(802,034)</b>	<b>(2,946,153)</b>
<b>FUND BALANCES, JULY 1</b>	<b>7,119,353</b>	<b>14,300,051</b>	<b>2,411,770</b>	<b>23,831,174</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 5,342,360</b>	<b>\$ 13,932,925</b>	<b>\$ 1,609,736</b>	<b>\$ 20,885,021</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, 2008**

<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>(2,946,153)</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		1,292,479
Depreciation expense		(5,416,986)
<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		(1,804,277)
Principal payments on debt		5,015,808
<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		21,664
Compensated absences		(20,897)
Amortization on deferred charge on funding escrow		(81,114)
Amortization of issuance costs		(10,255)
<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>		
		<u>(1,966)</u>
<b>CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES</b>	<b>\$</b>	<b><u>(3,951,697)</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, 2008  
(with comparative actual amounts for the year ended June 30, 2007)  
Page 1 of 2

	2008 Budget Amount		2008		2007
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
<b>Taxes</b>					
Room license taxes, penalties and interest	\$ 26,519,107	\$ 26,519,107	\$ 25,970,255	\$ (548,852)	\$ 26,672,321
<b>Miscellaneous</b>					
Facilities revenue	9,709,866	10,109,866	10,089,266	(20,600)	10,840,245
Convention and visitor service revenue	343,132	343,132	299,008	(44,124)	401,519
Interest on investments	246,879	246,879	254,163	7,284	303,691
Other	400,962	400,962	412,115	11,153	402,544
<b>TOTAL REVENUES</b>	<b>37,219,946</b>	<b>37,619,946</b>	<b>37,024,807</b>	<b>(595,139)</b>	<b>38,620,320</b>
<b>EXPENDITURES</b>					
<b>General government</b>					
Salaries and wages	1,744,387	1,794,387	1,699,281	95,106	1,636,243
Employee benefits	688,207	688,207	689,481	(1,274)	623,787
Services and supplies	1,175,365	1,225,365	1,173,660	51,705	1,107,724
Capital outlay	105,000	130,000	116,963	13,037	108,058
<b>Total general government</b>	<b>3,712,959</b>	<b>3,837,959</b>	<b>3,679,385</b>	<b>158,574</b>	<b>3,475,812</b>
<b>Community support</b>					
<b>Facility operation</b>					
Salaries and wages	4,999,664	5,249,664	4,828,775	420,889	5,311,587
Employee benefits	1,790,846	1,840,846	2,219,370	(378,524)	1,641,322
Services and supplies	5,799,828	5,999,828	6,120,836	(121,008)	5,839,798
Capital outlay	-	-	5,480	(5,480)	37,330
	<b>12,590,338</b>	<b>13,090,338</b>	<b>13,174,461</b>	<b>(84,123)</b>	<b>12,830,037</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, 2008  
(with comparative actual amounts for the year ended June 30, 2007)  
Page 2 of 2

	2008 Budget Amount		2008		2007
	Original	Final	Actual	Variance to Final Budget	Actual
EXPENDITURES - continued					
Convention and tourism promotion					
Salaries and wages	\$ 2,768,093	\$ 2,768,093	\$ 2,670,305	\$ 97,788	\$ 2,388,028
Employee benefits	1,073,473	1,073,473	937,990	135,483	847,998
Services and supplies	6,296,286	6,796,286	6,577,209	219,077	5,636,954
Capital outlay	35,000	35,000	49,825	(14,825)	37,756
	<u>10,172,852</u>	<u>10,672,852</u>	<u>10,235,329</u>	<u>437,523</u>	<u>8,910,736</u>
Community grants and miscellaneous	<u>1,325,387</u>	<u>1,325,387</u>	<u>1,312,625</u>	<u>12,762</u>	<u>1,425,526</u>
Total community support	<u>24,088,577</u>	<u>25,088,577</u>	<u>24,722,415</u>	<u>366,162</u>	<u>23,166,299</u>
TOTAL EXPENDITURES	<u>27,801,536</u>	<u>28,926,536</u>	<u>28,401,800</u>	<u>524,736</u>	<u>26,642,111</u>
Excess (deficiency) of revenues over expenditures	<u>9,418,410</u>	<u>8,693,410</u>	<u>8,623,007</u>	<u>(70,403)</u>	<u>11,978,209</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(200,000)	(600,000)	-	600,000	-
Transfers to other funds	<u>(9,900,000)</u>	<u>(10,400,000)</u>	<u>(10,400,000)</u>	<u>-</u>	<u>(10,100,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(10,100,000)</u>	<u>(11,000,000)</u>	<u>(10,400,000)</u>	<u>600,000</u>	<u>(10,100,000)</u>
Net change in fund balances	(681,590)	(2,306,590)	(1,776,993)	529,597	1,878,209
FUND BALANCE, JULY 1	<u>5,379,770</u>	<u>7,119,353</u>	<u>7,119,353</u>	<u>-</u>	<u>5,241,144</u>
FUND BALANCE, JUNE 30	<u>\$ 4,698,180</u>	<u>\$ 4,812,763</u>	<u>\$ 5,342,360</u>	<u>\$ 529,597</u>	<u>\$ 7,119,353</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS

JUNE 30, 2008

	Business-type Activities Enterprise Fund		Governmental Activities Internal Service Fund
	Golf Courses Fund		
<b>ASSETS</b>			
Current assets			
Cash and investments	\$ 45,520	\$	17,759
Accounts receivable	10,483		-
Prepaid expenses	2,431		-
Inventory	132,502		-
Due from other funds	-		555,325
<b>Total current assets</b>	<b>190,936</b>		<b>573,084</b>
Noncurrent assets			
Capital assets:			
Buildings and improvements	2,686,871		-
Improvements	8,645,225		-
Furniture and equipment	2,221,252		-
	13,553,348		-
Accumulated depreciation	(11,241,516)		-
<b>Net capital assets</b>	<b>2,311,832</b>		<b>-</b>
<b>TOTAL ASSETS</b>	<b>2,502,768</b>		<b>573,084</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	87,676		1,678
Accrued liabilities	68,053		3,002
Deferred revenue	13,633		-
Due to other funds	102,325		-
Compensated absences	50,000		-
<b>Total current liabilities</b>	<b>321,687</b>		<b>4,680</b>
Noncurrent liabilities			
Compensated absences	11,273		-
<b>TOTAL LIABILITIES</b>	<b>332,960</b>		<b>4,680</b>
<b>NET ASSETS</b>			
Invested in capital assets	2,311,832		-
Restricted for claims	-		568,404
Unrestricted (deficit)	(142,024)		-
<b>TOTAL NET ASSETS</b>	<b>2,169,808</b>	\$	<b>568,404</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(63,332)		
<b>Net Assets of Business-type Activities</b>	<b>\$ 2,106,476</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, 2008**

	<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	\$ 2,928,958	\$ -
Charges for benefits	-	1,868,778
<b>TOTAL OPERATING REVENUES</b>	<b>2,928,958</b>	<b>1,868,778</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	1,259,035	-
Employee benefits	414,655	-
Services and supplies	1,481,701	1,871,013
Depreciation	514,905	-
<b>TOTAL OPERATING EXPENSES</b>	<b>3,670,296</b>	<b>1,871,013</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(741,338)</b>	<b>(2,235)</b>
<b>TRANSFERS IN (OUT)</b>	<b>400,000</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>(341,338)</b>	<b>(2,235)</b>
<b>NET ASSETS, JULY 1</b>		<b>570,639</b>
<b>NET ASSETS, JUNE 30</b>		<b>\$ 568,404</b>
<b>Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds</b>	<b>(269)</b>	
<b>Change in Net Assets of Business-type Activities</b>	<b>\$ (341,607)</b>	

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008  
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	\$ 2,931,569	\$ 386,560
Cash received from interfund services provided	-	1,482,218
Cash paid to employees for services	(1,499,947)	-
Cash payments for internal services used	(163,698)	-
Cash paid to vendors for services and supplies	(1,502,123)	(1,913,188)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(234,199)</b>	<b>(44,410)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	400,000	-
Cash received from other funds	92,958	47,152
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>492,958</b>	<b>47,152</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(261,933)	-
<b>Net increase (decrease) in cash and investments</b>	<b>(3,174)</b>	<b>2,742</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>48,694</b>	<b>15,017</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 45,520</b>	<b>\$ 17,759</b>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

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)	\$ (741,338)	\$ (2,235)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>		
Depreciation	514,905	-
(Increase) decrease		
Accounts receivable	13,040	-
Prepaid expenses	(2,431)	-
Inventory	(5,716)	-
Increase (decrease)		
Accounts payable	(12,275)	(1,285)
Accrued liabilities	6,473	(40,890)
Deferred revenue	(10,429)	-
Compensated absences payable	3,572	-
<b>Total adjustments</b>	<u>507,139</u>	<u>(42,175)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (234,199)</u>	<u>\$ (44,410)</u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

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

**JUNE 30, 2008**

---

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	
Flexible compensation plan	\$ <u>18,557</u>
<b>LIABILITIES</b>	
Benefits payable	
Flexible compensation plan	<u>18,557</u>
<b>NET ASSETS</b>	\$ <u><u>-</u></u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**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, 2008**  
**(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 financial statements. The fiduciary fund (agency fund) is reported using the accrual basis of accounting.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**  
**(Continued)**

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, 2008**  
**(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, 2008**  
**(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. 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, 2008**  
**(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, 2008 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, 2008**  
**(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 employees in accordance with state statute.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**  
**(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, 2008**  
**(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.

For the year ended June 30, 2008, principal and interest paid and total net pledged revenues were \$10,156,068 and \$18,294,289, respectively.

**Comparability:**

Comparative data shown for the year ended June 30, 2007 has been extracted from the 2006-07 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for 2006-07. Such information can only be obtained by referring to the financial statements for that year.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE B - CASH AND INVESTMENTS**

As of June 30, 2008 the Authority had the following investments and maturities:

	<u>Average Maturity</u>	<u>Fair Value</u>
<b>Investments:</b>		
<b>Money Market Mutual Funds</b>		
AIM Trust Treasury Portfolio	47 days	\$ 3,237,322
Columbia Government Reserves Fund	42 days	5,630,034
Guaranteed Investment Contracts	Currently available	<u>5,733,355</u>
<b>Total Investments</b>		<b>14,600,711</b>
<b>Total Cash</b>		<u><b>5,386,442</b></u>
<b>Total Cash and Investments</b>		<u><b>\$ 19,987,153</b></u>

***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. The ratings of the money market mutual fund investments are:

	<u>Standard &amp; Poor's</u>	<u>Moody's</u>
AIM Trust Treasury Portfolio	AAAm	Aaa
Columbia Government Reserves Fund	AAAm	Aaa

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**  
**(Continued)**

***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 39% 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 \$3,077,787 is the payment due on bonds on July 1, 2008 (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.

**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, 2008, commitments on the construction contracts were \$67,380. 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	\$ 71,711
Community support	<u>5,345,275</u>
<b>Total depreciation expense-governmental activities</b>	<u>\$ 5,416,986</u>
<b>Business-Type Activities</b>	
Golf Courses Fund	<u>\$ 514,905</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)

Capital asset activity for the year ended June 30, 2008 was as follows:

	Balance July 1, 2007	Additions and Transfers In	Deletions and Transfers Out	Completed Construction	Balance June 30, 2008
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Construction in progress	\$ 416,497	\$ 1,169,276	\$ -	\$ (280,705)	\$ 1,305,068
Capital assets, being depreciated					
Buildings and improvements	148,885,701	13,808	(245,375)	280,705	148,934,839
Improvements	638,873	-	-	-	638,873
Furniture and equipment	2,440,559	109,395	(154,657)	-	2,395,297
<b>Total capital assets, being depreciated</b>	<b>151,965,133</b>	<b>123,203</b>	<b>(400,032)</b>	<b>280,705</b>	<b>151,969,009</b>
Less accumulated depreciation for					
Buildings and improvements	(64,069,079)	(5,187,073)	245,375	-	(69,010,777)
Improvements	(514,375)	(31,982)	-	-	(546,357)
Furniture and equipment	(1,572,922)	(197,931)	154,657	-	(1,616,196)
<b>Total accumulated depreciation</b>	<b>(66,156,376)</b>	<b>(5,416,986)</b>	<b>400,032</b>	<b>-</b>	<b>(71,173,330)</b>
<b>Total capital assets, being depreciated, net</b>	<b>85,808,757</b>	<b>(5,293,783)</b>	<b>-</b>	<b>280,705</b>	<b>80,795,679</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 86,225,254</b>	<b>\$ (4,124,507)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 82,100,747</b>
<b>Business-Type Activities</b>					
Capital assets, being depreciated					
Buildings and improvements	2,686,871	-	-	-	2,686,871
Improvements	8,608,478	36,747	-	-	8,645,225
Furniture and equipment	2,047,444	225,186	(51,378)	-	2,221,252
<b>Total capital assets, being depreciated</b>	<b>13,342,793</b>	<b>261,933</b>	<b>(51,378)</b>	<b>-</b>	<b>13,553,348</b>
Less accumulated depreciation for					
Buildings and improvements	(2,196,004)	(68,525)	-	-	(2,264,529)
Improvements	(7,335,288)	(251,588)	-	-	(7,586,876)
Furniture and equipment	(1,246,697)	(194,792)	51,378	-	(1,390,111)
<b>Total accumulated depreciation</b>	<b>(10,777,989)</b>	<b>(514,905)</b>	<b>51,378</b>	<b>-</b>	<b>(11,241,516)</b>
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 2,564,804</b>	<b>\$ (252,972)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,311,832</b>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**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, 2008.

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, 2008, \$108,907,251 of bonds considered defeased are still outstanding.

Governmental activities debt is serviced through the Debt Service Fund, except for 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, 2008  
(Continued)**

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

<u>Year ending June 30,</u>	
2009	\$ 300,000
2010	300,000
2011	300,000
2012	300,000
2013	300,000
Thereafter	<u>2,675,000</u>
	<u>\$ 4,175,000</u>

During the year ended June 30, 2008, 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. The following is a schedule of minimum payments currently required under the agreement described above:

<u>Year ending June 30,</u>	
2009	\$ 347,040
2010	347,040
2011	347,040
2012	347,040
2013	347,040
Thereafter	<u>115,680</u>
	<u>\$ 1,850,880</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**  
**(Continued)**

Description	Interest Rate	Maturity Date	Original Issue
<b>Governmental Activities</b>			
<b>General Obligation Bonds Payable</b>			
<b>(Limited Tax) Improvement 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,	Governmental	
	Bonds	
	Principal	Interest
2009	\$ 3,835,000	\$ 5,160,278
2010	4,015,000	4,964,248
2011	3,585,000	4,772,275
2012	2,056,332	4,990,384
2013	4,072,808	5,638,428
2014-2018	19,000,700	32,028,425
2019-2023	22,438,626	29,883,527
2024-2028	49,800,000	12,899,118
2029-2030	23,680,000	1,258,950
	<u>\$ 132,483,466</u>	<u>\$ 101,595,633</u>

<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due in</u> <u>2008-2009</u>
\$ 3,720,000	\$ -	\$ 3,720,000	\$ -	\$ -
5,720,000	-	375,000	5,345,000	1,680,000
4,090,000	-	415,000	3,675,000	1,170,000
1,220,000	-	-	1,220,000	605,000
27,809,189	1,804,277	-	29,613,466	-
92,995,000	-	365,000	92,630,000	380,000
(223,891)	-	(81,114)	(142,777)	-
40,808	-	40,808	-	-
3,000,000	-	100,000	2,900,000	100,000
<u>138,371,106</u>	<u>1,804,277</u>	<u>4,934,694</u>	<u>135,240,689</u>	<u>3,935,000</u>
<u>460,070</u>	<u>481,282</u>	<u>460,385</u>	<u>480,967</u>	<u>450,000</u>
<u>138,831,176</u>	<u>2,285,559</u>	<u>5,395,079</u>	<u>135,721,656</u>	<u>4,385,000</u>
<u>57,701</u>	<u>58,538</u>	<u>54,966</u>	<u>61,273</u>	<u>50,000</u>
<u>57,701</u>	<u>58,538</u>	<u>54,966</u>	<u>61,273</u>	<u>50,000</u>
<u>\$ 138,888,877</u>	<u>\$ 2,344,097</u>	<u>\$ 5,450,045</u>	<u>\$ 135,782,929</u>	<u>\$ 4,435,000</u>

**Activities**

<u>Medium Term</u>	
<u>Principal</u>	<u>Interest</u>
\$ 100,000	\$ 115,043
100,000	111,076
679,000	107,109
2,021,000	80,173
-	-
-	-
-	-
-	-
-	-
<u>\$ 2,900,000</u>	<u>\$ 413,401</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**  
**(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, 2008 is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Insurance Internal Service Fund	General Fund	\$ 419,902
Insurance Internal Service Fund	Debt Service Fund	18,487
Insurance Internal Service Fund	Capital Projects Fund	14,611
Insurance Internal Service Fund	Golf Courses Enterprise Fund	<u>102,325</u>
		<u><u>\$ 555,325</u></u>

**Internal Balances**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Golf Courses Enterprise Fund	\$ (102,325)
Effects of Internal Service Fund activity		<u>(63,332)</u>
		<u><u>\$ (165,657)</u></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, 2008**  
**(Continued)**

Interfund transfers for the year ended June 30, 2008 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>\$9,500,000</b>	<b>\$500,000</b>	<b>\$400,000</b>	<b>\$10,400,000</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 amended through legislation. The Authority's contribution rates

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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>
2007-08	20.50%	\$1,827,409
2006-07	19.75%	1,680,874
2005-06	19.75%	1,519,567

**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, 2008, 26 retirees and 3 retiree survivors and eligible dependents were participating in the Authority's health insurance program. Of the \$182,512 total premium costs for these participants, the Authority funded \$66,828 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, 2008**  
**(Continued)**

As of June 30, 2008, 7 retirees were participating in the Public Employees' Benefits Program. The Authority funded \$6,701 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:

- \$135,000 per claim in the first year
- \$90,000 in the second year
- \$75,000 in the third year, 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, 2006	\$ 55,545
Claims and changes in estimates	21,267
Claims payments	<u>(50,721)</u>
Claims liability, June 30, 2007	26,091
Claims and changes in estimates	4,170
Claims payments	<u>(27,259)</u>
Claims liability, June 30, 2008	<u>\$ 3,002</u>

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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, 2008**  
(with comparative actual amounts for the year ended June 30, 2007)

	2008 Budget Amount		2008		2007
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 656,613	\$ 656,613	\$ 512,093	\$ (144,520)	\$ 623,014
<b>EXPENDITURES</b>					
Debt service					
Principal	4,975,000	4,975,000	4,975,000	-	4,475,000
Interest	5,405,068	5,405,068	5,395,119	9,949	5,324,422
	<u>10,380,068</u>	<u>10,380,068</u>	<u>10,370,119</u>	<u>9,949</u>	<u>9,799,422</u>
Other bond costs					
Issuance costs	-	-	-	-	50,849
Administrative fees	8,350	8,350	9,100	(750)	8,350
	<u>8,350</u>	<u>8,350</u>	<u>9,100</u>	<u>(750)</u>	<u>59,199</u>
Total expenditures	<u>10,388,418</u>	<u>10,388,418</u>	<u>10,379,219</u>	<u>9,199</u>	<u>9,858,621</u>
Excess (deficiency) of revenues over expenditures	<u>(9,731,805)</u>	<u>(9,731,805)</u>	<u>(9,867,126)</u>	<u>(135,321)</u>	<u>(9,235,607)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	9,500,000	9,500,000	9,500,000	-	6,500,000
Issuance of medium term financing	-	-	-	-	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>9,500,000</u>
Net change in fund balances	(231,805)	(231,805)	(367,126)	(135,321)	264,393
<b>FUND BALANCE, JULY 1</b>	<u>14,267,712</u>	<u>14,267,712</u>	<u>14,300,051</u>	<u>32,339</u>	<u>14,035,658</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 14,035,907</u>	<u>\$ 14,035,907</u>	<u>\$ 13,932,925</u>	<u>\$ (102,982)</u>	<u>\$ 14,300,051</u>

**THIS PAGE INTENTIONALLY BLANK**

# **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, 2008**  
**(with comparative actual amounts for the year ended June 30, 2007)**

	<u>2008 Budget Amount</u>		<u>2008</u>		<u>2007</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	\$ 51,000	\$ 51,000	\$ 112,662	\$ 61,662	\$ 68,301
<b>EXPENDITURES</b>					
Capital outlay	1,450,000	1,950,000	1,414,696	535,304	1,445,676
Excess (deficiency) of revenues over expenditures	(1,399,000)	(1,899,000)	(1,302,034)	596,966	(1,377,375)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	500,000	500,000	-	3,200,000
Net change in fund balances	(1,399,000)	(1,399,000)	(802,034)	596,966	1,822,625
<b>FUND BALANCE, JULY 1</b>	<u>2,430,063</u>	<u>2,430,063</u>	<u>2,411,770</u>	<u>(18,293)</u>	<u>589,145</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 1,031,063</u>	<u>\$ 1,031,063</u>	<u>\$ 1,609,736</u>	<u>\$ 578,673</u>	<u>\$ 2,411,770</u>

**THIS PAGE INTENTIONALLY BLANK**

## **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, 2008**  
(with comparative actual amounts for the year ended June 30, 2007)

	2008 Budget Amount		2008		2007
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Golf course operations	\$ 3,044,879	\$ 3,044,879	\$ 2,928,958	\$ (115,921)	\$ 3,027,747
<b>OPERATING EXPENSES</b>					
Salaries and wages	1,338,420	1,368,420	1,259,035	109,385	1,225,338
Employee benefits	446,244	446,244	414,655	31,589	378,288
Services and supplies	1,364,130	1,394,130	1,481,701	(87,571)	1,402,201
Depreciation	535,200	550,200	514,905	35,295	502,030
<b>TOTAL OPERATING EXPENSES</b>	<u>3,683,994</u>	<u>3,758,994</u>	<u>3,670,296</u>	<u>88,698</u>	<u>3,507,857</u>
Income (loss) before transfers	(639,115)	(714,115)	(741,338)	(27,223)	(480,110)
<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>\$ (239,115)</u>	<u>\$ (314,115)</u>	<u>(341,338)</u>	<u>\$ (27,223)</u>	<u>(80,110)</u>
<b>NET ASSETS, JULY 1</b>			<u>2,511,146</u>		<u>2,591,256</u>
<b>NET ASSETS, JUNE 30</b>			<u>\$ 2,169,808</u>		<u>\$ 2,511,146</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, 2008  
(with comparative actual amounts for the year ended June 30, 2007)  
Page 1 of 2

	2008 Budget Amount		2008		2007
	Original	Final	Actual	Variance to Final Budget	Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 3,044,879	\$ 3,044,879	\$ 2,931,569	\$ (113,310)	\$ 3,023,708
Cash paid to employees for services	(1,338,420)	(1,368,420)	(1,499,947)	(131,527)	(1,453,479)
Cash payments for internal services used	(150,000)	(150,000)	(163,698)	(13,698)	(154,822)
Cash paid to vendors for services and supplies	(1,660,374)	(1,690,374)	(1,502,123)	188,251	(1,561,796)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(103,915)</b>	<b>(163,915)</b>	<b>(234,199)</b>	<b>(70,284)</b>	<b>(146,389)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	400,000	400,000	400,000	-	400,000
Cash received from other funds	300,000	300,000	92,958	(207,042)	117,039
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>700,000</b>	<b>700,000</b>	<b>492,958</b>	<b>(207,042)</b>	<b>517,039</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(400,000)	(400,000)	(261,933)	138,067	(349,794)
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>196,085</b>	<b>136,085</b>	<b>(3,174)</b>	<b>(139,259)</b>	<b>20,856</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>185,991</b>	<b>185,991</b>	<b>48,694</b>	<b>(137,297)</b>	<b>27,838</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 382,076</b>	<b>\$ 322,076</b>	<b>\$ 45,520</b>	<b>\$ (276,556)</b>	<b>\$ 48,694</b>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>					
Acquisition of capital assets through trades			\$ -		\$ 52,028

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, 2008  
 (with comparative actual amounts for the year ended June 30, 2007)  
 Page 2 of 2

	2008 Budget Amount		2008		2007
	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)	\$ (639,115)	\$ (714,115)	\$ (741,338)	\$ (27,223)	\$ (480,110)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	535,200	550,200	514,905	(35,295)	502,030
(Increase) decrease					
Accounts receivable	-	-	13,040	13,040	(7,313)
Prepaid expenses	-	-	(2,431)	(2,431)	-
Inventory	-	-	(5,716)	(5,716)	(23,995)
Increase (decrease)					
Accounts payable	-	-	(12,275)	(12,275)	(135,600)
Accrued liabilities	-	-	6,473	6,473	(5,749)
Deferred revenue	-	-	(10,429)	(10,429)	3,274
Compensated absences payable	-	-	3,572	3,572	1,074
Total adjustments	535,200	550,200	507,139	(43,061)	333,721
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ (103,915)	\$ (163,915)	\$ (234,199)	\$ (70,284)	\$ (146,389)

**THIS PAGE INTENTIONALLY BLANK**

# **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, 2008  
(with comparative totals at June 30, 2007)

---

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 17,759	\$ 15,017
Due from other funds	<u>555,325</u>	<u>602,477</u>
<b>TOTAL ASSETS</b>	<u>573,084</u>	<u>617,494</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	1,678	2,963
Accrued liabilities	<u>3,002</u>	<u>43,892</u>
<b>TOTAL LIABILITIES</b>	<u>4,680</u>	<u>46,855</u>
<b>NET ASSETS</b>		
Restricted for claims	<u>\$ 568,404</u>	<u>\$ 570,639</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, 2008**  
(with comparative actual amounts for the year ended June 30, 2007)

	2008 Budget Amount		2008		2007
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Charges for benefits	\$ 1,782,905	\$ 1,882,905	\$ 1,868,778	\$ (14,127)	\$ 1,646,923
<b>OPERATING EXPENSES</b>					
Insurance and claims	1,807,200	1,957,200	1,854,579	102,621	1,598,342
Administrative expenses	20,820	20,820	16,434	4,386	20,596
<b>TOTAL OPERATING EXPENSES</b>	<u>1,828,020</u>	<u>1,978,020</u>	<u>1,871,013</u>	<u>107,007</u>	<u>1,618,938</u>
<b>CHANGE IN NET ASSETS</b>	\$ <u>(45,115)</u>	\$ <u>(95,115)</u>	(2,235)	\$ <u>92,880</u>	27,985
<b>NET ASSETS, JULY 1</b>			<u>570,639</u>		<u>542,654</u>
<b>NET ASSETS, JUNE 30</b>			\$ <u>568,404</u>		\$ <u>570,639</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, 2008  
 (with comparative actual amounts for the year ended June 30, 2007)  
 Page 1 of 2

	2008 Budget Amount		2008		2007
	Original	Final	Actual	Variance to Budget	Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from users	\$ 382,905	\$ 382,905	\$ 386,560	\$ 3,655	\$ 311,707
Cash received from internal services provided	1,400,000	1,500,000	1,482,218	(17,782)	1,335,216
Cash paid to vendors for services and supplies	(1,828,020)	(1,978,020)	(1,913,188)	64,832	(1,636,574)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(45,115)</b>	<b>(95,115)</b>	<b>(44,410)</b>	<b>50,705</b>	<b>10,349</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from (advanced to) other funds	50,000	50,000	47,152	(2,848)	(21,076)
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>4,885</b>	<b>(45,115)</b>	<b>2,742</b>	<b>47,857</b>	<b>(10,727)</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>134,757</b>	<b>134,757</b>	<b>15,017</b>	<b>(119,740)</b>	<b>25,744</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 139,642</b>	<b>\$ 89,642</b>	<b>\$ 17,759</b>	<b>\$ (71,883)</b>	<b>\$ 15,017</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, 2008  
 (with comparative actual amounts for the year ended June 30, 2007)  
 Page 2 of 2

	2008 Budget Amount		2008		2007
	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)	\$ (45,115)	\$ (95,115)	\$ (2,235)	\$ 92,880	\$ 27,985
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
(Increase) decrease					
Prepaid expenses	-	-	-	-	10,523
Increase (decrease)					
Accounts payable	-	-	(1,285)	(1,285)	1,322
Accrued liabilities	-	-	(40,890)	(40,890)	(29,481)
Total adjustments	-	-	(42,175)	(42,175)	(17,636)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ (45,115)</b>	<b>\$ (95,115)</b>	<b>\$ (44,410)</b>	<b>\$ 50,705</b>	<b>\$ 10,349</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, 2008**

---

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
<b>ASSETS</b>				
Cash and investments				
Flexible compensation plan	\$ <u>20,058</u>	\$ <u>92,342</u>	\$ <u>93,843</u>	\$ <u>18,557</u>
 <b>LIABILITIES</b>				
Benefits payable				
Flexible compensation plan	\$ <u>20,058</u>	\$ <u>92,342</u>	\$ <u>93,843</u>	\$ <u>18,557</u>

**THIS PAGE INTENTIONALLY BLANK**

# 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.

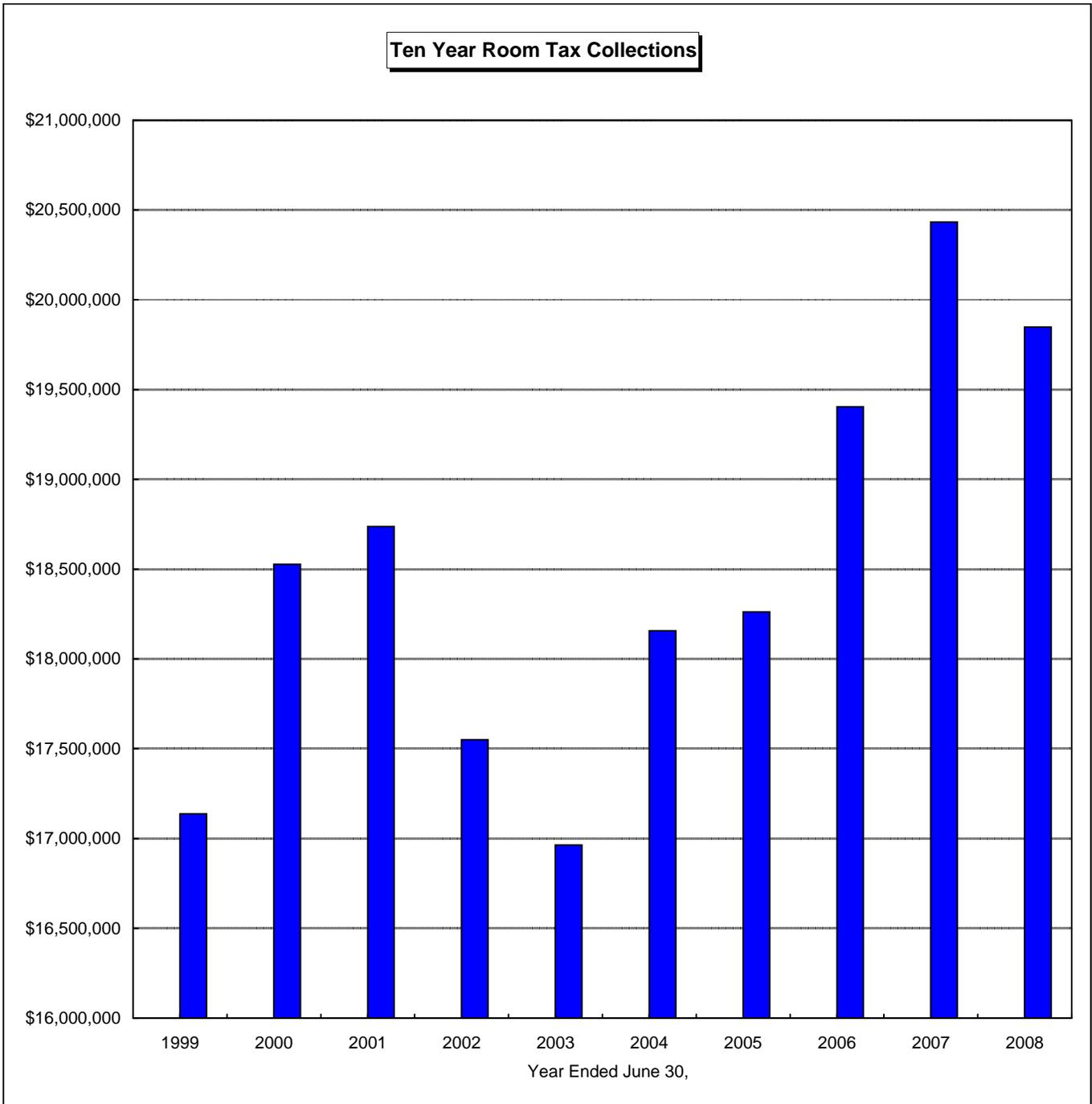
**Reno-Sparks Convention & Visitors Authority**  
**Net Assets by Component**  
**For The Years Ended June 30, 2003 through 2008**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<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)	\$ (35,530,135)
Restricted	19,802,495	9,715,694	9,185,562	9,217,909	9,568,412	9,050,111
Unrestricted (deficit)	(24,834,518)	(11,540,411)	(11,249,613)	(9,116,450)	(7,680,026)	(8,231,543)
<b>Total governmental activities net assets</b>	<b>\$ (21,618,537)</b>	<b>\$ (22,692,520)</b>	<b>\$ (26,481,371)</b>	<b>\$ (29,328,638)</b>	<b>\$ (30,759,870)</b>	<b>\$ (34,711,567)</b>
<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	\$ 2,311,832
Unrestricted (deficit)	157,152	337,157	(59,546)	(192,094)	(116,721)	(205,356)
<b>Total business-type activities net assets</b>	<b>\$ 3,600,699</b>	<b>\$ 3,339,839</b>	<b>\$ 2,673,412</b>	<b>\$ 2,524,946</b>	<b>\$ 2,448,083</b>	<b>\$ 2,106,476</b>
<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)	\$ (33,218,303)
Restricted	19,802,495	9,715,694	9,185,562	9,217,909	9,568,412	9,050,111
Unrestricted (deficit)	(24,677,366)	(11,203,254)	(11,309,159)	(9,308,544)	(7,796,747)	(8,436,899)
<b>Total primary government net assets</b>	<b>\$ (18,017,838)</b>	<b>\$ (19,352,681)</b>	<b>\$ (23,807,959)</b>	<b>\$ (26,803,692)</b>	<b>\$ (28,311,787)</b>	<b>\$ (32,605,091)</b>

**Reno-Sparks Convention & Visitors Authority**  
**Changes in Net Assets**  
**For The Years Ended June 30, 2003 through 2008**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities:						
General government	\$ 2,791,974	\$ 2,920,705	\$ 3,297,097	\$ 3,528,656	\$ 3,514,851	\$ 3,729,349
Community support	23,818,639	22,739,585	25,307,919	26,957,431	29,461,499	30,203,964
Debt service - interest and fiscal charges	7,391,061	7,843,794	7,683,781	7,530,910	7,366,517	7,267,946
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>	<u>41,201,259</u>
Business-type activities:						
Golf courses	3,799,637	3,304,888	3,311,425	3,424,086	3,504,610	3,670,565
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>	<u>3,670,565</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>	<u>\$ 44,871,824</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	\$ 10,388,274
General government	239,332	212,179	340,563	376,406	395,736	389,500
Operating grants and contributions	862,083	598,126	544,580	619,997	691,315	624,755
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>	<u>11,402,529</u>
Business-type activities:						
Charges for services:						
Golf courses	3,267,235	3,044,028	2,644,998	2,875,620	3,027,747	2,928,958
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>	<u>2,928,958</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>	<u>\$ 14,331,487</u>
Net (expense)/revenue						
Governmental activities	\$ (26,856,834)	\$ (24,739,519)	\$ (27,662,245)	\$ (27,911,855)	\$ (28,014,052)	\$ (29,798,730)
Business-type activities	(532,402)	(260,860)	(666,427)	(548,466)	(476,863)	(741,607)
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>	<u>\$ (30,540,337)</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	\$ 25,970,255
Unrestricted investment and interest earnings	26,095	18,227	86,933	201,189	303,691	254,163
Miscellaneous	10,698	8,884	11,390	1,308	6,808	22,615
Transfers	-	-	-	(400,000)	(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>	<u>25,847,033</u>
Business-type activities:						
Transfers	-	-	-	400,000	400,000	400,000
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,000</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>	<u>\$ 26,247,033</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ (4,735,350)	\$ (1,073,983)	\$ (3,788,851)	\$ (2,847,267)	\$ (1,431,232)	\$ (3,951,697)
Business-type activities	(532,402)	(260,860)	(666,427)	(148,466)	(76,863)	(341,607)
<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>	<u>\$ (4,293,304)</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.

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
2003		16,963,290	2008		19,848,794

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 150,325	\$ 42,471	\$ 31,508	\$ 19,698	\$ 21,005	\$ 157,030	\$ 266,788	\$ 141,851	\$ 303,923	\$ 270,280
Unreserved	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	5,072,080
Total general fund	<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>	<u>\$ 5,342,360</u>
All other governmental funds										
Reserved	\$ 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	\$ 15,542,661
Unreserved, reported in:										
Capital projects fund	8,106	96,146,739	25,157,884	17,554,431	-	-	-	-	-	-
Special revenue funds	280,332	1,086,935	1,195,166	806,997	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 15,542,661</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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Room tax (Net 6%)	\$ 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	\$ 17,976,266
Room tax (State 5/8%)	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	1,872,528
Room tax (NBS 1%)	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	5,992,088
Room tax (City Ctr)	144,983	1,586,183	738,006	-	-	-	-	-	69,568	129,373
Facility use fees	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	10,089,266
Investment earnings	250,299	3,276,472	6,914,582	4,371,330	888,178	616,353	631,513	821,186	995,006	878,918
Miscellaneous	555,523	320,061	349,891	265,526	471,551	527,218	642,760	711,721	804,063	804,123
Total revenues	<u>25,257,902</u>	<u>37,450,745</u>	<u>40,381,080</u>	<u>33,075,694</u>	<u>29,266,324</u>	<u>32,430,101</u>	<u>32,044,814</u>	<u>35,569,730</u>	<u>39,311,635</u>	<u>37,649,562</u>
<b>Expenditures</b>										
General government	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	3,679,385
Community support	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	13,174,461
Facility operation	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	10,235,329
Convention and tourism promotion	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	1,312,625
Community grants and miscellaneous										
Debt service	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	4,975,000
Principal	4,274,685	3,786,383	10,844,621	5,828,945	5,549,804	5,433,620	5,391,921	5,351,611	5,324,422	5,395,119
Interest	145,369	1,681,357	813,288	2,668,271	673,971	5,255	13,164	12,701	59,199	9,100
Other bond costs	886,495	5,675,942	27,398,418	54,531,780	9,736,953	5,597,207	2,089,017	678,337	1,445,676	1,414,696
Capital outlay	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	40,195,715
Total expenditures	<u>(274,360)</u>	<u>2,177,413</u>	<u>(22,479,989)</u>	<u>(52,523,784)</u>	<u>(13,171,695)</u>	<u>(3,112,235)</u>	<u>(3,212,101)</u>	<u>548,453</u>	<u>1,365,227</u>	<u>(2,546,153)</u>
Excess of revenues over expenditures										
<b>Other financing sources (uses)</b>										
Transfers in	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	10,000,000
Transfers out	(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)	(10,400,000)
Sale of capital assets	382	-	-	39,324,874	-	-	-	-	-	-
Issuance of medium term financing	1,500,000	-	-	-	-	-	-	-	3,000,000	-
Issuance of refunding bonds	5,918,334	-	89,523,283	-	-	-	-	-	-	-
Issuance of bonds	-	104,251,481	-	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	(5,877,582)	-	(88,641,257)	(39,324,874)	-	-	125,896	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,803,640</u>	<u>104,251,481</u>	<u>882,026</u>	<u>(52,523,784)</u>	<u>(500,000)</u>	<u>(200,000)</u>	<u>(124,104)</u>	<u>(400,000)</u>	<u>2,600,000</u>	<u>(400,000)</u>
Net change in fund balance	<u>\$ 1,529,280</u>	<u>\$ 106,428,894</u>	<u>\$ (21,597,962)</u>	<u>\$ (52,523,784)</u>	<u>\$ (13,671,695)</u>	<u>\$ (3,312,235)</u>	<u>\$ (3,336,205)</u>	<u>\$ 148,453</u>	<u>\$ 3,965,227</u>	<u>\$ (2,946,153)</u>
Debt Service	<u>\$ 9,142,126</u>	<u>\$ 11,830,465</u>	<u>\$ 17,077,909</u>	<u>\$ 14,322,216</u>	<u>\$ 14,532,093</u>	<u>\$ 9,953,875</u>	<u>\$ 10,115,085</u>	<u>\$ 9,479,312</u>	<u>\$ 9,858,621</u>	<u>\$ 10,379,219</u>
Noncapital expenditures	<u>\$ 24,645,767</u>	<u>\$ 29,597,390</u>	<u>\$ 35,462,650</u>	<u>\$ 31,067,698</u>	<u>\$ 33,564,997</u>	<u>\$ 30,151,371</u>	<u>\$ 33,156,732</u>	<u>\$ 34,332,843</u>	<u>\$ 36,461,029</u>	<u>\$ 38,903,236</u>
Debt service as a percentage of noncapital expenditures	37.09%	39.97%	48.16%	46.10%	43.30%	33.01%	30.51%	27.61%	27.04%	26.68%

**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	
2008	8,625	2.5	1.0	-	1.0	-	-	13.5
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	6,625	-	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	
2008	8,625	-	1.0	1.5	-	1.0	1.0	13.5
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	1.5	-	1.0	1.0	13.5
2000	8,625	-	1.0	-	-	1.0	1.0	12.0
1999	6,625	-	1.0	-	-	1.0	1.0	10.0

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	
2008	8,625	-	1.0	-	1.0	-	1.0	12.0
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	6,625	-	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	
2008	8,625	-	1.0	-	1.0	-	-	12.0
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	6,625	-	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, 2008 and 1999**  
**(Unaudited)**

Taxpayer	Fiscal Year					
	2008		1999			
	Number of Rooms	Rank	Percentage of Total Rooms	Number of Rooms	Rank	Percentage of Total Rooms
Grand Sierra Resort/Reno Hilton	1,994	1	7.89%	2,003	1	7.12%
Silver Legacy	1,710	2	6.76%	1,712	2	6.09%
Peppermill Hotel/Casino	1,623	3	6.42%	1,070	5	3.81%
Circus Circus	1,572	4	6.22%	1,572	3	5.59%
Nugget	1,382	5	5.47%	1,412	4	5.02%
Atlantis Hotel/Casino	974	6	3.85%	984	6	3.50%
Harrah's	928	7	3.67%	958	7	3.41%
Sands Regency	833	8	3.30%	836	8	2.97%
Eldorado Hotel/Casino	815	9	3.22%	816	9	2.90%
Hyatt - Lake Tahoe	422	10	1.67%	-	-	-
Flamingo Hilton	-	-	-	604	10	2.15%
All Other Hotels	3,337	-	13.20%	4,738	-	16.85%
<b>Total All Hotels</b>	<b>15,590</b>		<b>61.67%</b>	<b>16,705</b>		<b>59.41%</b>
Motels	2,276		9.00%	4,582		16.30%
Other Rental Properties	7,413		29.33%	6,827		24.29%
<b>Total Room Inventory</b>	<b>25,279</b>		<b>100.00%</b>	<b>28,114</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 above represent the largest properties in this area and accordingly, represent the group which generates the largest volume of room license tax revenues.

**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		
2008	\$ 132,483,466	\$ 2,900,000	\$ -	\$ -	\$	135,383,466
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

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>
2008	\$ 132,483,466	\$ 13,932,925	\$ 118,550,541
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

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, 2008**  
**(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	\$ 301,324	\$ 213,911	100%	\$ 87,413
Washoe County School District	507,366	-	100%	507,366
City of Reno	122,346	82,846	100%	39,500
City of Reno - Special Assessments	25,125	-	100%	25,125
City of Sparks	8,855	-	100%	8,855
Sparks - Sewer/Utility	45,486	45,486	100%	-
Washoe County (RSCVA)	132,483	132,483	100%	-
<b>Total Overlapping Bonded Debt</b>				<b>\$ 668,259</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>\$ 132,483</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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 226,291	\$ 238,287	\$ 251,736	\$ 250,255	\$ 255,914	\$ 280,764	\$ 309,508	\$ 393,232	\$ 412,360	\$ 453,165
Total net debt applicable to limit	83,262	175,547	182,177	139,135	127,973	126,242	125,638	124,040	121,254	118,550
Legal debt margin	<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>	<u>\$ 334,615</u>
Total net debt applicable to the limit as a percentage of debt limit	36.79%	73.67%	72.37%	55.60%	50.01%	44.96%	40.59%	31.54%	29.40%	26.16%
					Assessed value					<u>\$ 15,105,492</u>
					Debt limit (3% of assessed value)					<u>453,165</u>
					Debt applicable to debt limit					
					General obligation bonds					132,483
					Amounts set aside for repayment of general obligation debt					<u>(13,933)</u>
					Total net debt applicable to limit					<u>118,550</u>
					Legal debt margin					<u>\$ 334,615</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, 2009 (Budgeted)**  
**(Unaudited)**

	Fiscal Year										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 (Budgeted)
Net General Room License Taxes (1)	\$ 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	\$ 17,976,266	\$ 18,972,252
Convention Center Room Taxes (2)	478,943	5,593,265	5,656,676	5,288,363	5,120,993	5,481,374	5,513,060	5,857,876	6,168,754	5,992,088	6,324,083
Other Income (3)	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	14,705,295	15,152,302
Subtotal	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	38,673,649	40,448,637
Less: Operating and Maintenance Expenses (4)	10,873,846	12,829,553	14,063,172	14,303,629	16,063,788	16,375,523	17,798,474	18,889,019	20,774,303	21,467,562	22,154,348
Net Pledged Revenues	\$ 11,993,760	\$ 19,578,587	\$ 22,051,298	\$ 17,736,766	\$ 14,849,461	\$ 17,385,677	\$ 15,168,507	\$ 17,725,744	\$ 19,619,951	\$ 17,206,087	\$ 18,294,289
Combined Maximum Annual Debt Service on Pledged Revenue Bonds (5)	\$ 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	\$ 12,576,313
Coverage Factor (6)	2.32	3.81	1.75	1.41	1.18	1.38	1.21	1.41	1.56	1.37	1.45

- (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 - 2009) and Interest Revenues.
- (4) Includes General Government Expenditures, 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 (Thousands) (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)
2008	425,554	\$ 43	36.5	63,635	5.40%	\$ 17,803,397	\$ 6,823,701	\$ 996,614	4,841,257
2007	415,775	47	34.5	63,044	4.20%	19,173,828	7,202,641	1,069,608	5,014,382
2006	409,085	44	36.5	62,390	4.00%	17,685,503	7,268,593	1,072,937	5,149,700
2005	396,844	41	36.1	62,098	3.80%	16,007,090	6,687,447	1,016,864	5,097,170
2004	383,453	40	35.1	60,411	3.80%	15,071,220	6,023,437	1,011,658	4,918,829
2003	373,233	37	35.8	58,908	4.50%	13,917,120	5,481,583	1,032,988	4,514,225
2002	359,423	37	35.6	57,404	4.70%	13,323,522	5,292,179	1,049,152	4,485,369
2001	353,271	37	35.6	55,673	3.90%	13,035,713	5,194,146	1,113,289	5,332,507
2000	341,935	36	37.3	54,121	2.90%	12,322,546	4,957,235	1,111,327	5,951,344
1999	334,601	34	36.9	54,088	4.00%	11,288,186	4,679,516	1,032,381	6,318,665

The above estimates were obtained from:

- (1) Washoe County Department of Community Development 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 and Washoe County, 2005-2008.
- (2) Bureau of Economic and Business Research, University of Nevada - Reno, 1999 - 2004.  
 CB Richard Ellis Demographic Report 2005-2007.  
 Washoe County 2008.
- (3) Washoe County School District enrollments.
- (4) Nevada Department of Employment Security.
- (5) State Department of Taxation 1999-2008.
- (6) State of Nevada, Gaming Control Board.
- (7) Bureau of Economic and Business Research, University of Nevada - Reno, 1999-2002.  
 Reno-Tahoe International Airport, 2003-2008.

**Reno-Sparks Convention & Visitors Authority**  
**Principal Employers**  
**June 30, 2008 and 1999**  
**(Unaudited)**

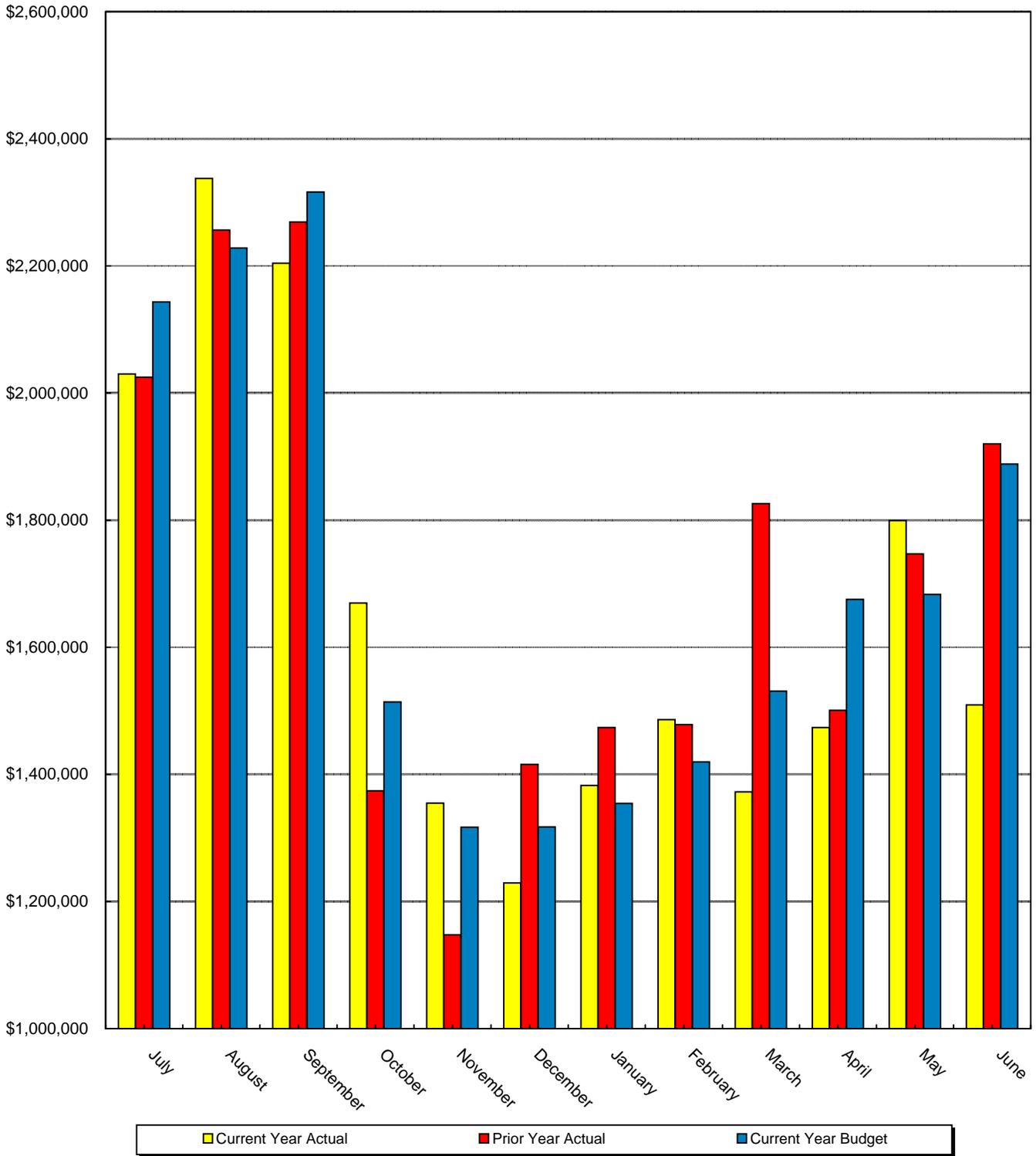
Employer	Fiscal Year					
	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Washoe County School District	7,000 - 7,499	1	3.3%	5,500 - 5,999	1	3.1%
University of Nevada - Reno	4,000 - 4,499	2	1.9%	2,500 - 2,999	3	1.5%
Washoe County	3,000 - 3,499	3	1.5%	2,500 - 2,999	4	1.4%
International Gaming Technology	2,500 - 2,999	4	1.3%	-	-	-
Renown Regional Medical Center	2,000 - 2,499	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	5	1.4%
Peppermill Hotel Casino - Reno	2,000 - 2,499	7	0.9%	-	-	-
City of Reno	2,000 - 2,499	8	0.9%	-	-	-
Atlantis Casino Resort	1,500 - 1,999	9	0.9%	-	-	-
Sparks Nugget, Inc.	1,500 - 1,999	10	0.8%	2,000 - 2,499	9	1.1%
Grand Sierra Resort (Reno Hilton)	-	-	-	2,500 - 2,999	2	1.6%
Eldorado Hotel & Casino	-	-	-	2,000 - 2,499	6	1.4%
Circus Circus Casinos, Inc. - Reno	-	-	-	2,000 - 2,499	8	1.2%
Harrah's Reno	-	-	-	1,500 - 1,999	10	1.1%
<b>Total County Covered Employment</b>	<b>223,590</b>			<b>187,490</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

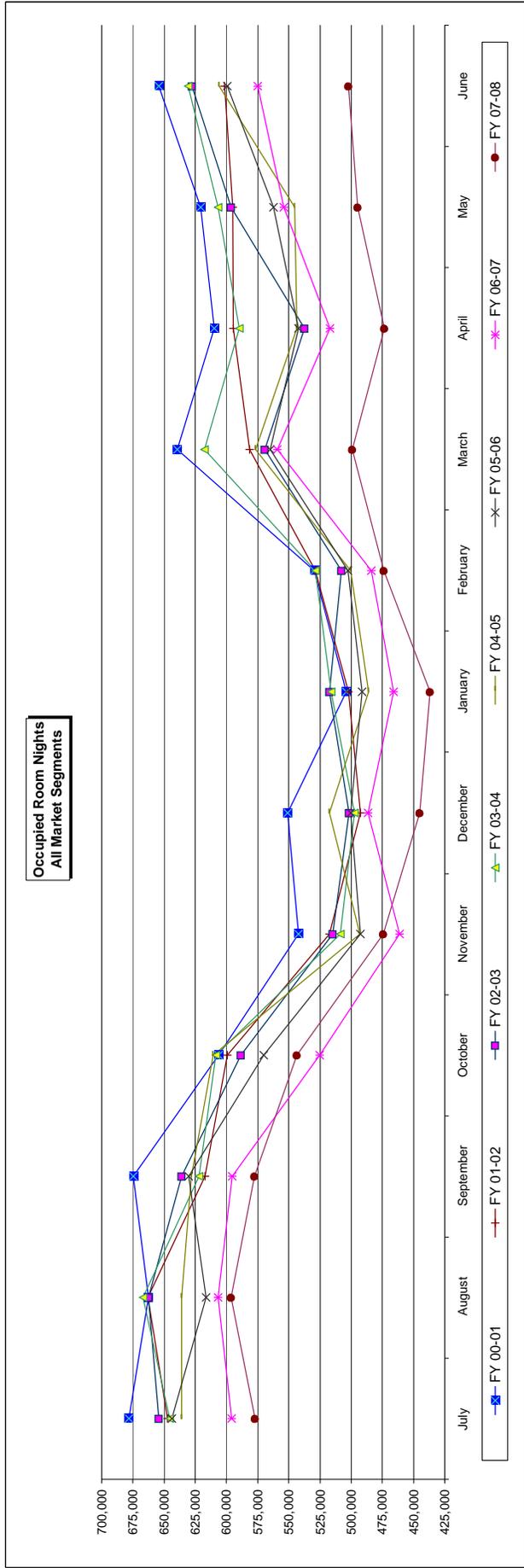
**Reno-Sparks Convention & Visitors Authority**  
**General Room Tax (6 5/8%) Collections**  
**Fiscal Year 2007-08**  
**(Unaudited)**

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



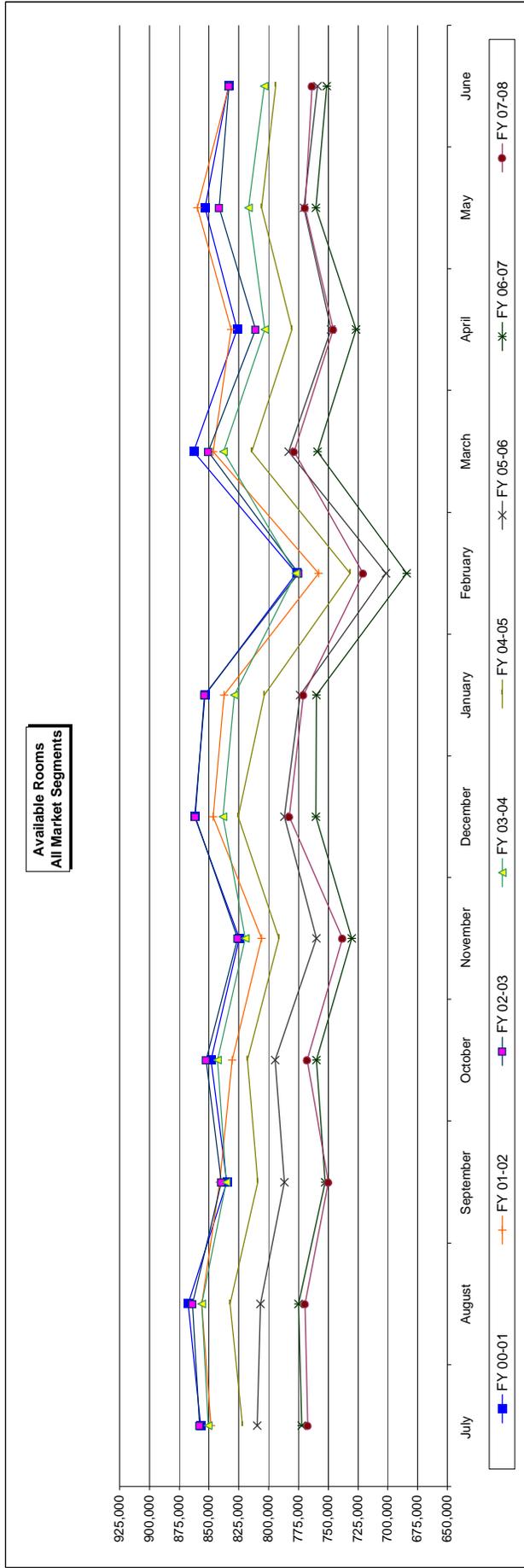
**Reno - Sparks Convention & Visitors Authority**  
**Occupied Rooms-Consolidated Summary**  
 Trend  
 (Unaudited)

Month	Actual											
	FY 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	FY 07-08		
July	615,139	666,705	678,116	647,469	654,082	645,356	635,871	643,844	596,020	577,156		
August	624,574	652,872	662,324	663,046	662,720	666,824	635,749	616,416	606,682	596,220		
September	610,314	661,285	674,714	617,401	635,938	622,136	628,046	630,400	595,348	577,555		
October	605,763	634,548	606,087	599,134	588,566	608,564	610,859	569,925	525,369	543,719		
November	516,933	519,851	542,095	517,439	514,780	508,549	493,197	492,740	461,022	474,294		
December	513,750	506,212	551,106	492,622	501,804	497,134	517,452	500,500	486,464	445,120		
January	500,365	495,903	503,759	502,079	517,270	516,097	485,814	491,446	436,636	436,636		
February	507,426	563,747	529,483	528,746	507,742	528,816	500,415	502,738	483,795	473,654		
March	589,819	629,600	639,544	581,245	569,152	617,587	576,868	564,924	559,015	486,942		
April	566,986	610,423	609,865	594,461	537,441	589,667	543,363	542,283	516,868	473,588		
May	596,460	622,067	620,532	594,912	596,165	606,632	545,296	562,098	553,881	494,641		
June	613,972	669,637	654,100	601,652	627,628	630,548	606,071	599,328	574,737	501,954		
<b>Totals</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>6,425,292</b>	<b>6,083,479</b>		



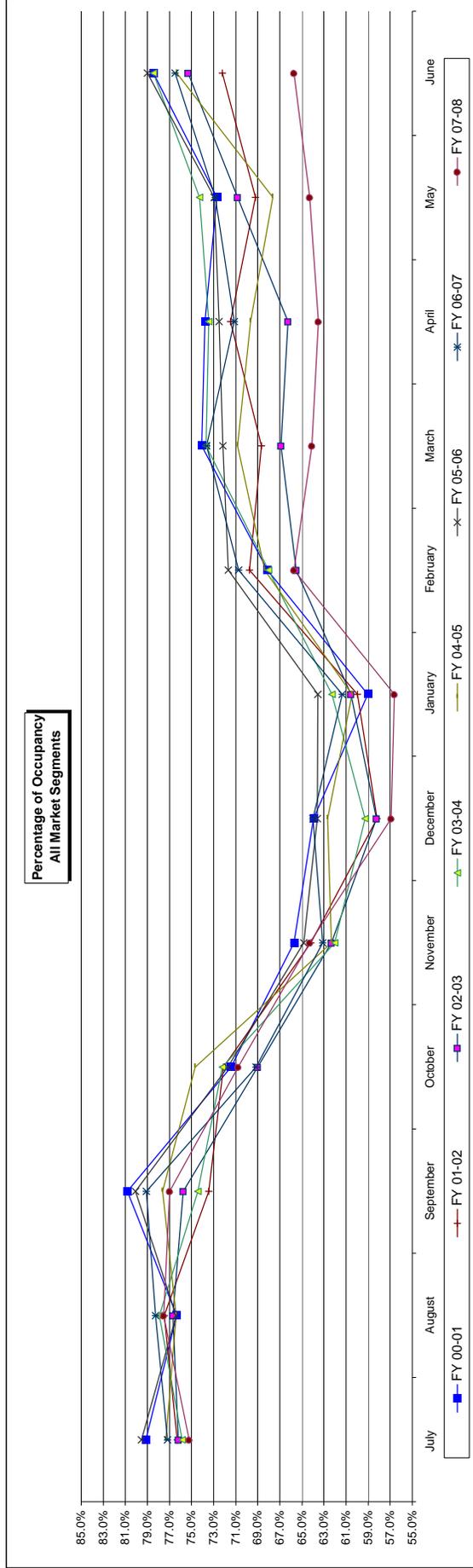
**Reno - Sparks Convention & Visitors Authority**  
**Available Rooms-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	Actual											
	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	FY 07-08		
July	851,849	860,478	857,006	848,404	858,140	850,855	822,072	809,432	772,362	767,095		
August	857,336	868,228	867,732	856,017	864,085	855,987	832,442	806,798	775,069	769,316		
September	827,730	848,930	835,070	840,900	839,520	835,780	809,063	787,023	752,809	749,768		
October	853,864	866,058	848,326	830,687	852,653	843,012	817,934	794,639	759,714	767,730		
November	816,660	835,960	824,590	806,130	825,991	819,672	791,342	759,824	730,385	737,915		
December	841,216	871,788	861,930	846,547	861,565	839,377	825,396	786,979	760,281	782,484		
January	841,526	859,951	853,534	837,383	853,959	828,752	803,748	773,441	760,033	771,058		
February	760,144	809,586	776,916	758,128	775,012	777,422	731,675	701,665	684,069	720,629		
March	841,495	870,951	863,077	846,461	850,746	837,881	814,175	782,987	759,150	778,733		
April	814,530	833,110	826,380	831,732	810,882	803,052	780,341	747,777	726,767	745,805		
May	850,175	861,563	853,627	859,659	841,648	816,848	805,999	770,625	760,525	769,470		
June	832,740	847,640	833,760	833,250	833,400	803,746	794,080	758,870	751,048	763,543		
<b>Totals</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>8,992,212</b>	<b>9,123,546</b>		



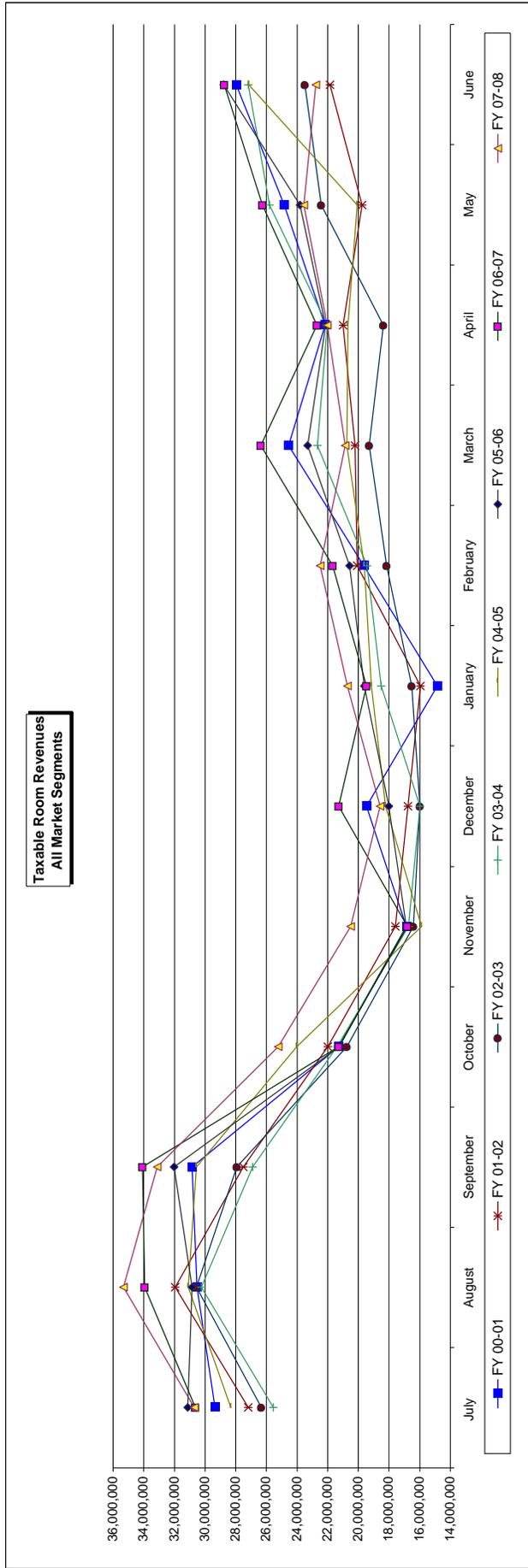
**Reno - Sparks Convention & Visitors Authority**  
**Percentage of Occupancy-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	Actual											
	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	FY 07-08		
July	72.2%	77.5%	79.1%	76.3%	76.2%	75.8%	77.3%	79.5%	77.2%	75.2%		
August	72.9%	75.2%	76.3%	77.5%	76.7%	77.9%	76.4%	76.4%	78.3%	77.5%		
September	73.7%	77.9%	80.8%	73.4%	75.8%	74.4%	77.6%	80.1%	79.1%	77.0%		
October	70.9%	73.3%	71.4%	72.1%	69.0%	72.2%	74.7%	71.7%	69.2%	70.8%		
November	63.3%	62.2%	65.7%	64.2%	62.3%	62.0%	62.3%	64.8%	63.1%	64.3%		
December	61.1%	58.1%	63.9%	58.2%	58.2%	59.3%	62.7%	63.6%	64.0%	56.9%		
January	59.5%	57.7%	59.0%	60.0%	60.6%	62.3%	60.4%	63.5%	61.3%	56.6%		
February	66.8%	69.6%	68.2%	69.7%	65.5%	68.0%	68.4%	71.6%	70.7%	65.7%		
March	70.1%	72.3%	74.1%	68.7%	66.9%	73.7%	70.9%	72.1%	73.6%	64.1%		
April	69.6%	73.3%	73.8%	71.5%	66.3%	73.4%	69.6%	72.5%	71.1%	63.5%		
May	70.2%	72.2%	72.7%	69.2%	70.8%	74.3%	67.7%	72.9%	72.8%	64.3%		
June	73.7%	79.0%	78.5%	72.2%	75.3%	78.5%	76.3%	79.0%	76.5%	65.7%		
<b>Totals</b>	<b>68.7%</b>	<b>70.7%</b>	<b>72.0%</b>	<b>69.4%</b>	<b>68.7%</b>	<b>71.0%</b>	<b>70.4%</b>	<b>72.4%</b>	<b>71.5%</b>	<b>66.8%</b>		



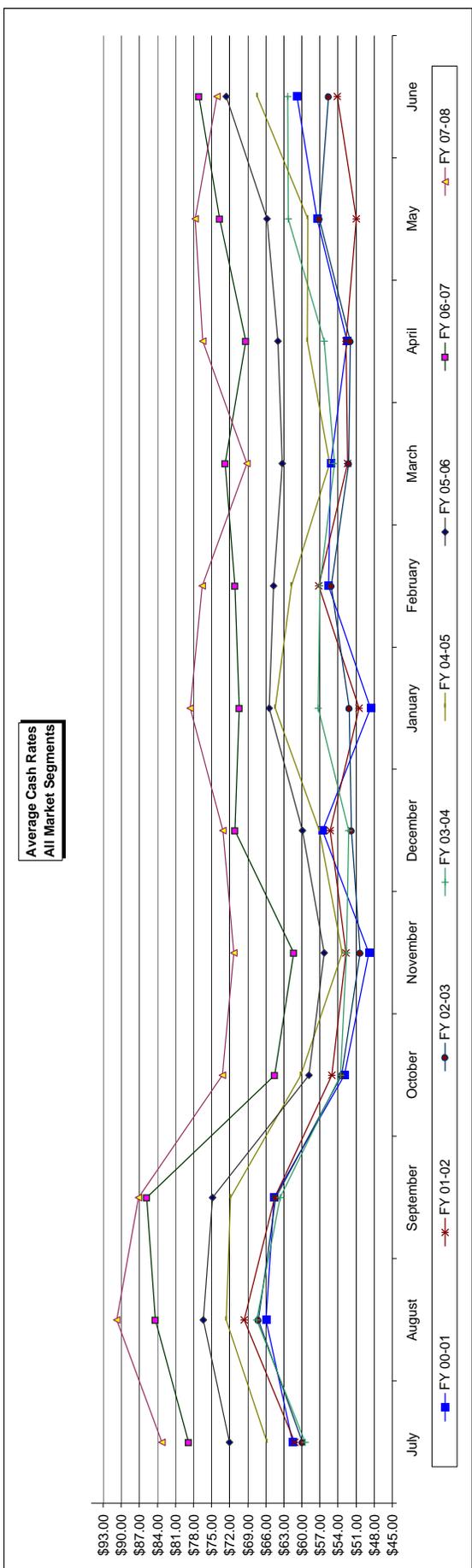
**Reno - Sparks Convention & Visitors Authority**  
**Taxable Room Revenues-Consolidated Summary**  
**Trend**  
**(Unaudited)**

Month	Actual											
	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	FY 07-08		
July	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	30,700,843		
August	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	35,322,265		
September	26,259,561	29,493,614	30,837,031	27,509,020	27,921,062	26,917,915	30,566,205	32,016,233	33,131,690	33,131,690		
October	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	25,218,367		
November	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	20,487,609		
December	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	18,592,622		
January	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	20,713,242		
February	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	22,477,801		
March	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	20,856,852		
April	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	22,049,441		
May	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	23,564,842		
June	24,106,857	27,019,264	27,979,520	21,869,306	23,489,456	27,169,315	27,161,338	28,780,721	28,766,939	22,781,031		
Totals	259,152,710	278,885,741	282,432,859	261,966,526	256,216,294	272,451,686	275,567,203	288,393,206	303,333,318	295,896,605		



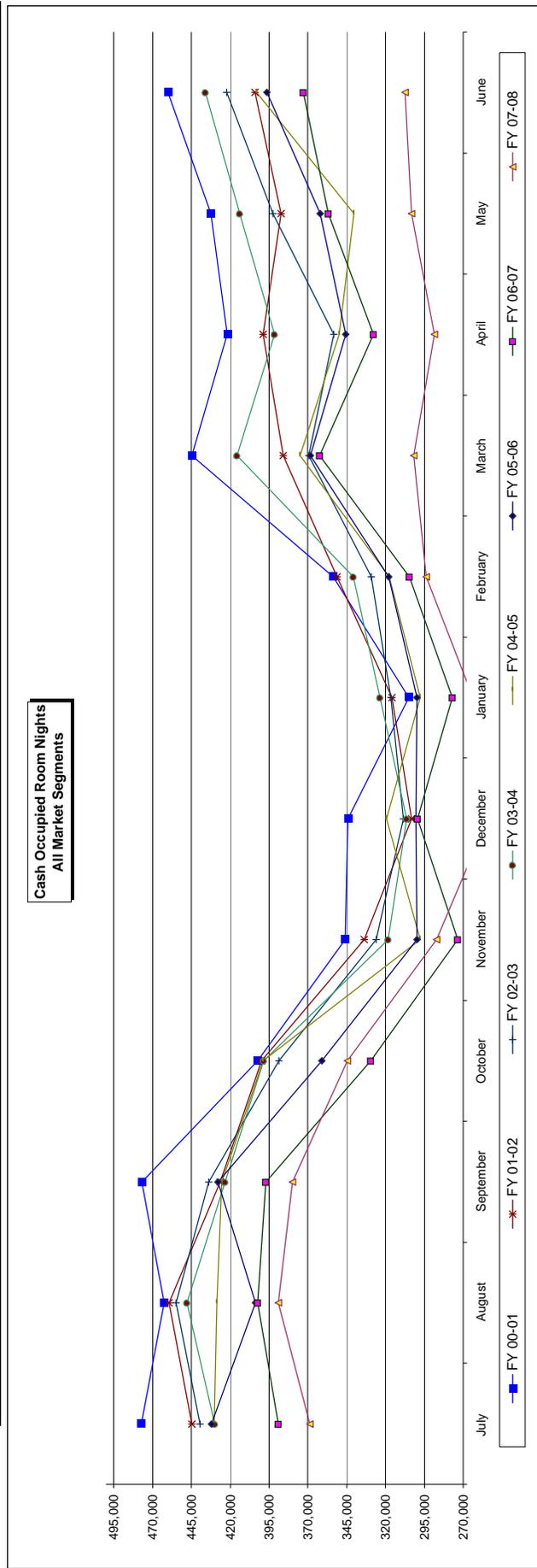
**Reno - Sparks Convention & Visitors Authority**  
**Average Cash Rates-Consolidated Summary**  
 Trend  
 (Unaudited)

Month	Actual											
	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	FY 07-08		
July	\$ 58.14	\$ 60.77	\$ 61.53	\$ 61.14	\$ 59.92	\$ 59.43	\$ 65.83	\$ 72.06	\$ 78.77	\$ 83.27		
August	\$ 63.96	\$ 66.21	\$ 65.98	\$ 69.56	\$ 67.21	\$ 67.49	\$ 72.58	\$ 76.39	\$ 84.37	\$ 90.78		
September	\$ 58.79	\$ 61.17	\$ 64.66	\$ 64.51	\$ 64.36	\$ 63.59	\$ 71.82	\$ 74.82	\$ 85.81	\$ 87.17		
October	\$ 51.62	\$ 54.44	\$ 52.94	\$ 55.06	\$ 53.44	\$ 53.63	\$ 60.21	\$ 58.86	\$ 64.54	\$ 73.20		
November	\$ 46.39	\$ 46.94	\$ 48.86	\$ 52.73	\$ 50.29	\$ 52.64	\$ 57.11	\$ 59.34	\$ 61.39	\$ 71.35		
December	\$ 53.09	\$ 53.15	\$ 56.60	\$ 55.34	\$ 51.82	\$ 52.22	\$ 57.11	\$ 59.95	\$ 71.14	\$ 73.12		
January	\$ 52.09	\$ 49.54	\$ 48.65	\$ 50.55	\$ 52.17	\$ 57.26	\$ 64.41	\$ 65.46	\$ 70.37	\$ 78.54		
February	\$ 51.85	\$ 52.04	\$ 55.61	\$ 57.24	\$ 55.10	\$ 57.06	\$ 61.75	\$ 64.74	\$ 71.14	\$ 76.51		
March	\$ 49.76	\$ 49.76	\$ 55.18	\$ 52.43	\$ 52.26	\$ 54.55	\$ 55.36	\$ 63.28	\$ 72.80	\$ 69.13		
April	\$ 51.93	\$ 52.41	\$ 52.53	\$ 52.67	\$ 51.97	\$ 56.30	\$ 59.11	\$ 64.02	\$ 69.32	\$ 76.43		
May	\$ 53.97	\$ 54.74	\$ 57.47	\$ 50.99	\$ 57.16	\$ 62.29	\$ 59.05	\$ 65.78	\$ 73.64	\$ 77.71		
June	\$ 55.87	\$ 57.01	\$ 60.80	\$ 54.14	\$ 55.62	\$ 62.32	\$ 67.38	\$ 72.62	\$ 77.12	\$ 74.11		
Totals	\$ 54.29	\$ 55.58	\$ 57.32	\$ 56.82	\$ 56.50	\$ 58.65	\$ 62.87	\$ 66.83	\$ 74.12	\$ 78.24		



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

Month	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	FY 07-08
July	435,478	475,813	477,320	444,827	439,281	429,933	430,227	432,236	388,972	368,708
August	457,404	467,845	462,420	459,288	454,962	447,815	428,414	403,601	402,269	389,098
September	446,656	482,168	476,884	426,423	433,840	423,286	425,583	427,932	397,251	380,061
October	430,182	451,046	402,174	399,728	388,565	398,591	398,934	360,958	329,644	344,490
November	347,481	342,956	345,835	333,637	326,143	318,209	297,721	299,799	273,546	287,135
December	337,290	331,155	344,181	303,238	308,448	306,264	319,218	300,413	299,286	254,279
January	327,745	312,206	305,154	315,951	316,539	323,615	297,524	299,857	276,915	263,728
February	349,672	395,702	353,596	351,056	329,247	340,711	317,577	317,830	304,750	293,779
March	409,801	431,302	444,827	385,940	369,414	415,522	375,062	368,516	362,331	301,683
April	392,965	424,348	421,887	398,934	353,208	391,651	349,746	345,684	327,670	288,489
May	407,246	429,607	432,433	387,403	392,547	413,939	340,239	362,051	356,849	303,257
June	431,491	473,961	460,188	403,910	422,321	435,968	403,083	396,311	373,006	307,414
<b>Totals</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>4,092,489</b>	<b>3,782,121</b>



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

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government	20	20	26	28	27	25	25	25	27	26
Culture and Recreation	50	50	50	50	55	55	55	55	55	55
Community Support	148	155	160	160	160	165	170	200	200	180
<b>Total</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>	<b>261</b>

Notes:  
(1) Information provided on budgeted employees.  
(2) Culture and 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
2009	110	366,141	156	563,412	130	175,000	106	131,629
2010	31	437,100	145	573,412	140	275,000	104	128,996
2011	20	405,700	140	575,550	170	100,000	102	126,416
2012	26	318,700	140	593,967	150	200,000	100	130,000
2013	20	547,800	140	613,270	140	300,000	103	133,900

**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
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
2008	263	575,372	131	517,225	185	73,738	125	213,550

**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, 2008**  
**(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 53 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.

**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, 2008**  
**(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 2010 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 downtown arts district, 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 fourteenth season, The Reno Philharmonic, The Nevada Opera and A.V.A. Ballet Theatre. With its unique geodesic dome design, the Pioneer Center has been northern Nevada’s only performing arts center for the past forty years. The Pioneer Center is a Nevada State and National historic site. 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, 2008**  
**(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, 2008, and have issued our report thereon dated October 28, 2008.

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  
October 28, 2008



**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, 2008 (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, 2008 (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  
October 28, 2008

## **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, 2007.

### **PRIOR YEAR RECOMMENDATIONS**

There were no specific recommendations made in the audit report for the year ended June 30, 2007.

### **CURRENT YEAR RECOMMENDATIONS**

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