



Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2013

**RENO-SPARKS CONVENTION AND VISITORS AUTHORITY
WASHOE COUNTY, STATE OF NEVADA**

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
STATE OF NEVADA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended
June 30, 2013

David Humke
Chairman

Christopher Baum
President and CEO

Brian Rivers
Director 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, 2013**

CONTENTS		Page
INTRODUCTORY SECTION		
Letter of Transmittal		i
Certificate of Achievement For Excellence In Financial Reporting		v
Financial Structure		vi
Board of Directors		vii
Executive Staff		ix
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis		3
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position		12
Statement of Activities		13
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet		14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position		15
Statement of Revenues, Expenditures and Changes in Fund Balances		16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		17
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual:		
General Fund		18
Proprietary Fund:		
Statement of Net Position		20
Statement of Revenues, Expenses and Changes in Net Position		21
Statement of Cash Flows		22
Fiduciary Fund:		
Statement of Fiduciary Net Position		24
Notes to Financial Statements		25
Required Supplementary Information:		
Schedule of Funding Progress - Other Postemployment Benefits		51
Individual Fund Schedules:		
Major Governmental Funds:		
Debt Service Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual		52
Capital Projects Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual		53
Internal Service Fund:		
Schedule of Net Position		54
Schedule of Revenues, Expenses and Changes in Net Position-Budget and Actual		55
Schedule of Cash Flows-Budget and Actual		56
Fiduciary Fund:		
Statement of Changes in Agency Fund Assets and Liabilities		58



Reno-Sparks Convention & Visitors Authority

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

C O N T E N T S		Page
STATISTICAL SECTION (Unaudited)		
Financial Trends:		
Net Position by Component		59
Changes in Net Position		60
General Room Tax (6 5/8%) Collections, Last Ten Fiscal Years		61
Fund Balances of Governmental Funds		62
Change in Fund Balances of Governmental Funds and Revenues by Source		63
Revenue Capacity:		
Room Tax Rates by Location		64
Principal Room Taxpayers		65
Debt Capacity:		
Outstanding Debt by Type		66
General Bonded Debt Outstanding		67
Direct and Overlapping Governmental Activities Bonded Debt		68
Legal Debt Margin Information		69
Pledged Revenue Coverage		70
Demographic and Economic Information:		
Demographic and Economic Statistics		71
Principal Employers		72
Operating Information:		
General Room Tax (6 5/8%) Collections, Current Fiscal Year		73
Room Tax And Occupancy Statistics - Occupied Rooms		74
Room Tax And Occupancy Statistics - Available Rooms		75
Room Tax And Occupancy Statistics - Percentage of Occupancy		76
Room Tax And Occupancy Statistics - Taxable Room Revenues		77
Room Tax And Occupancy Statistics - Average Cash Rates		78
Room Tax And Occupancy Statistics - Cash Occupied Rooms Nights		79
Full-time Equivalent Employees by Function		80
Convention Center, Reno-Sparks Livestock Events Center, National Bowling Stadium and Reno Events Center Activity Summary		81
Capital Asset Statistics by Function		82
COMPLIANCE SECTION		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		
		84
Auditor's Comments		86

INTRODUCTORY SECTION



September 25, 2013

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, 2012 to June 30, 2013

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, 2013, is submitted herewith. This annual report was prepared in conjunction with the 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 position, 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 has been 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 statutes 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, 2009 are thirteen percent (13%) 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 thirteen percent (13%) in the unincorporated areas of Washoe County.

- The Authority collects these taxes and retains a total of 8 5/8%
- 1% is remitted to the City of Reno for the National Bowling Stadium
- 3/8% is remitted to the State of Nevada Department of Taxation
- 1% of the tax collected in Reno is returned to the City of Reno and 1% of the tax collected in the unincorporated areas of Washoe County is returned to Washoe County
- 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 39 properties in downtown Reno pay towards, and
 2. Properties not within downtown Reno and unincorporated Washoe County is utilized for education (imposed in 2009 through Nevada Legislature Initiation Petition 1)
 3. The remaining tax collected is used by the City of Reno 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 Nevada; (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 Visitors Bureau 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 2012-2013. 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 increased from 3,238,727 room nights in fiscal year 2011-12 to 3,366,686 room nights in fiscal year 2012-13. Overall occupancy percentages increased from 59.6% in fiscal year 2011-12 to 61.9% in fiscal year 2012-13. Average cash

rates increased from \$71.49 for fiscal year 2011-12 to \$74.91 for fiscal year 2012-13, resulting in total taxable revenues increasing from \$231,511,464 in fiscal year 2011-12 to \$252,193,758 in fiscal year 2012-13.

Outlook For Fiscal Year 2013-14 and The Future. During the 2011-2012 fiscal year, the Board of Directors adopted a Strategic Plan, estimated to be utilized for three to five years, for the Organization. The plan was made up of five components:

- Shift position from gaming destination to a friendly, four season destination.
- Make the region a “player” in the meetings and conventions industry by creating high profile partnerships and sponsorships.
- Use aggressive and creative marketing programs to educate our target audiences on Reno Tahoe USA in the 21st century and generate new customers nationwide.
- Close gaps in our urban environment for visitors, working closely with the cities of Reno and Sparks to improve our streetscapes.
- Determine capital needs at RSCVA facilities and sources of funding to maintain facilities at high level.

Major events/shows at the Convention Center include:

- Benevolent & Protective Order of the Elks
- Nevada Mining Association – Mine Rescue Competition
- Barrett-Jackson Auction/ Hot August Nights
- Worldwide Distributors Fall Show
- Builders Association of Northern Nevada Home Show
- Fire Shows Reno
- Lockett Incorporated Fall Home Show & Pet Expo
- Trade Show News Network Top 50 Awards
- National Agricultural Aviation Association
- Wild Sheep Foundation
- Worldwide Distributors Spring Show
- National Archery Buyers Association
- Auto Show 2014
- Soaring Society
- USBC Women’s Bowling Tournament
- Lockett Incorporated Motorsports Show and Spring Home Show
- National Collegiate Volleyball Association National Tournament
- Northern California Volleyball Association, Far Western Tournament
- Jam on It Basketball District Championships
- USA Team Handball
- Northern California Volleyball Association, Power League
- Jam on It Basketball Memorial Day Tournament

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 USA". Advertising will continue to focus on the area's many unique attractions, facilities, and amenities, irrespective of geopolitical subdivisions.

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, 2013 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, 2012. This was the twenty-sixth 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 the 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.

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,



Christopher Baum
President & CEO



Brian Rivers
Director of Finance



Government Finance Officers Association

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

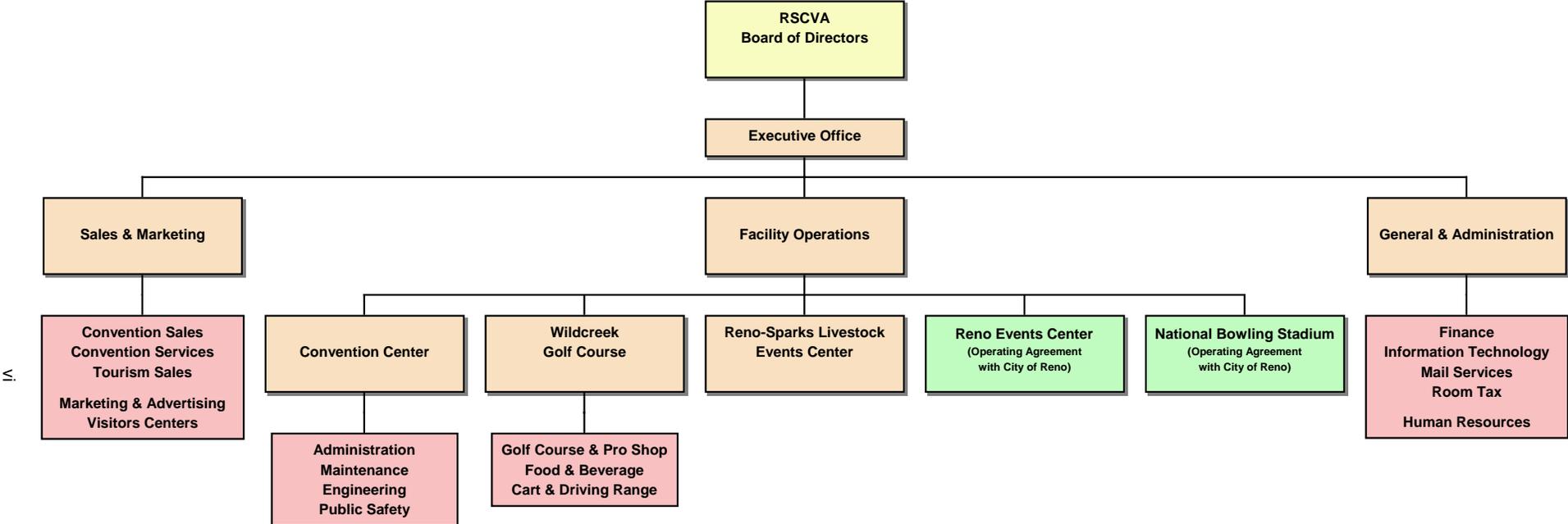
June 30, 2012

Executive Director/CEO

Reno-Sparks Convention & Visitors Authority

Financial Structure

June 2013

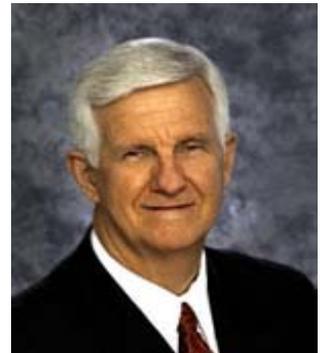


RENO-SPARKS CONVENTION & VISITORS AUTHORITY

BOARD OF DIRECTORS



David Humke
Chairman
Washoe County
Term is Coterminous



Jerry Hall
Vice-Chairman
Air Service Industry
Term Expires June 2014



Kevin Sullivan
Secretary/Treasurer
Banking Industry
Term Expires July 2015

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

BOARD OF DIRECTORS - CONTINUED



Jerry Hawkins
Motel Industry
Term Expires December 2014

Mike Carrigan
City of Sparks
Term is coterminous



Cindy Carano
Gaming Industry
Term Expires November 2014

Sharon Zadra
City of Reno
Term is coterminous



Dwight Dortch
City of Reno
Term is coterminous

Bonnie Weber
Washoe County
Term is coterminous



Paul Curtis
Business Industry
Term Expires March 2014

Pat Flynn
Gaming Industry
Term Expires July 2015



Beth Cooney
Gaming Industry
Term Expires December 2013

Fred Findlen
Incline Village/Crystal Bay
Term Expires January 2014



RENO-SPARKS CONVENTION & VISITORS AUTHORITY

EXECUTIVE STAFF



Christopher Baum

President/CEO



John Leinen
Vice-President
Convention and Tourism Sales



Joe Kelley
Vice President of Facilities



Jennifer Cunningham
Executive Director
Marketing



Brian Rivers
Director of Finance



Charlotte Anderson
Executive Assistant
to the CEO

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental 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, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Funding Progress-Other Postemployment Benefits on pages 3 through 11 and page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic

financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 statement and schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund statement and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statement and schedules 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 do not express an opinion or provide any assurance on them.

Prior Year Partial Comparative Information

The prior year partial comparative information has been derived from the Authority's 2012 financial statements and, in our report dated October 5, 2012, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2013, on our consideration of the Reno-Sparks Convention & Visitors Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Reno-Sparks Convention & Visitors Authority's internal control over financial reporting and compliance.

Reno, Nevada
September 25, 2013



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 \$47,192,957 (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, because the Authority is not allowed to hold land it has purchased.
- The Authority's total net assets decreased by \$991,307. The principal causes of this decrease are 1) the payment of debt service, for which funds had been provided in a prior year and 2) depreciation on capital assets during the fiscal year.
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$18,237,676, an increase of \$1,420,409 compared to the prior year. This change is a result of increased interest revenues received from the termination of the Authority's Guaranteed Investment Contract.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,850,219, or 17.4% of total General Fund expenditures.
- The Authority's total debt decreased by \$1,097,378 during the fiscal year, as a result of principal payments on existing debt exceeding the accretion on capital appreciation bonds.
- The Authority's room license tax collections increased \$1,752,622 (8.8%) from the prior year.
- Cash and investments of the Authority increased by \$1,088,218 (7.0%) from the prior year.

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 Position 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 position". Over time, increases and decreases in net position may serve as an indicator of improvement or deterioration of financial condition.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 presented 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.

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 fund. The RSCVA maintains one internal service (Insurance) proprietary fund. Internal service funds are used to account for and allocate internal costs to the various departments of the RSCVA, and primarily benefit governmental activities. Consequently the internal service fund has been included within the governmental activities in the government-wide financial statements. The Golf Courses Fund (enterprise fund) was closed to the General Fund as of June 30, 2012.

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, and accompanying notes, this report also presents certain required supplementary information concerning the Authority’s progress in funding its obligation to provide other postemployment benefits.

This report also presents certain supplementary information. Individual fund statements and schedules are presented immediately following the required supplementary information within this report.

Government-wide Financial Analysis

By far the largest portion of the Authority’s assets (74.4%) reflects its investment in capital assets (e.g. buildings, machinery, and equipment). The Authority’s capital assets consist of three operating facilities – Reno-Sparks Convention Center, Reno-Sparks Livestock Events Center and Wildcreek Golf Course – and other capital assets primarily consisting of the Incline Village/Crystal Bay Visitors Center.

The only components of net position with a positive balance are those that are restricted for use, primarily for debt service. Both the net investment in capital assets and the unrestricted net position classes have deficits.

Reno-Sparks Convention & Visitors Authority’s Net Position

	Governmental Activities	
	2013	2012
Assets:		
Current and other assets	\$ 22,561,061	\$ 21,043,427
Capital assets	65,537,987	68,809,879
Total assets	88,099,048	89,853,306
Liabilities:		
Long-term liabilities	129,839,427	130,269,844
Other liabilities	5,452,578	5,785,112
Total liabilities	135,292,005	136,054,956
Net Position:		
Net Investment in capital assets	(24,718,329)	(23,362,078)
Restricted for:		
Debt service	10,304,712	9,172,338
Claims	347,382	265,219
Unrestricted (deficit)	(33,126,722)	(32,277,129)
Total net position	\$ (47,192,957)	\$ (46,201,650)

The deficit in net position (net investment in capital assets) is the result of 1) debt outstanding exceeding the net book value of capital assets the funds were used to construct or acquire and 2) the Authority being unable to hold title to land.

The portions of the Authority's net position that are subject to restrictions are debt service and insurance reserves (claims).

The deficit in unrestricted net position is primarily the result of the accreted interest on the capital appreciation bonds.

The Authority's total net assets decreased by \$991,307. The principal cause of this change is depreciation on capital assets during the fiscal year.

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

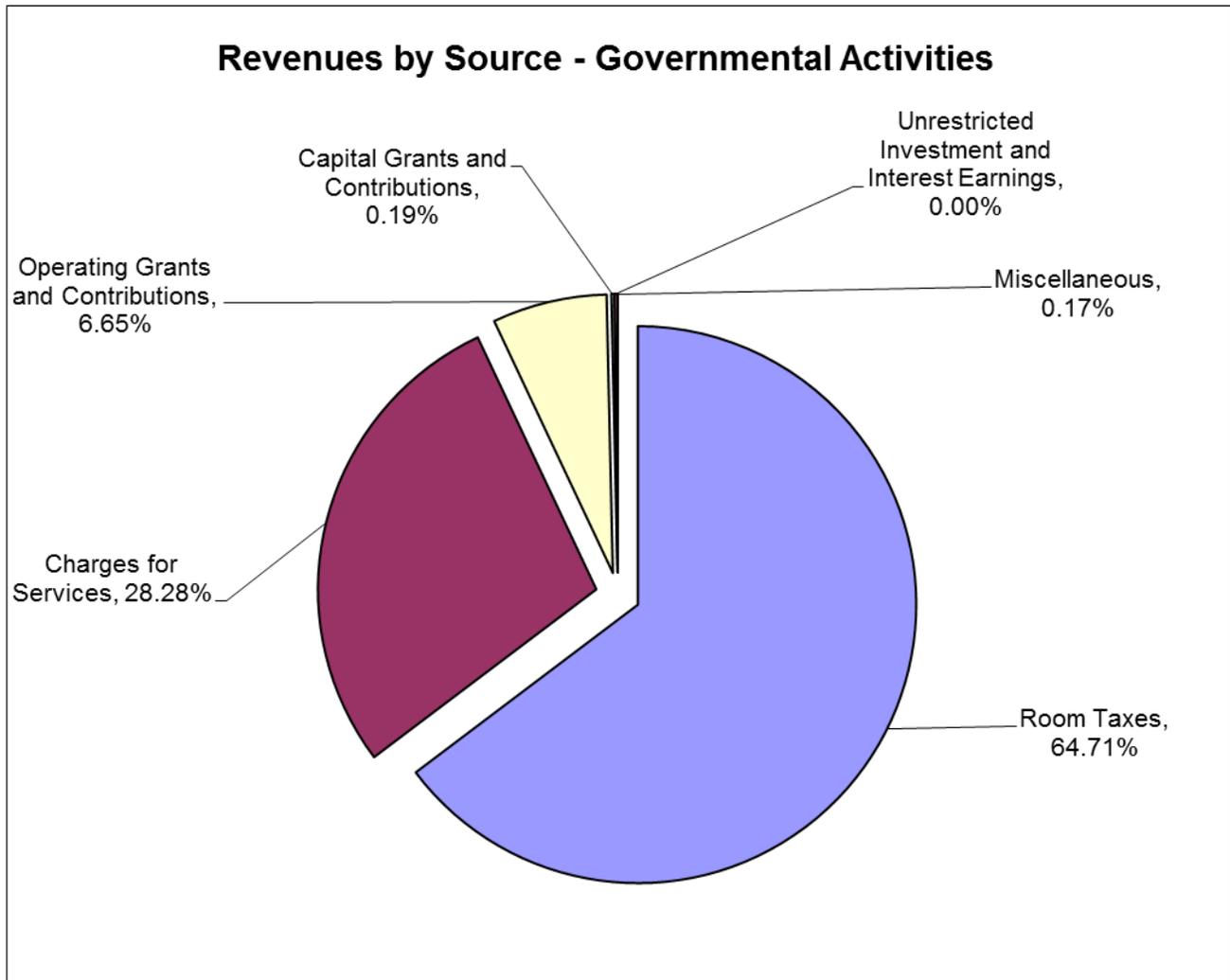
	Governmental Activities	
	2013	2012
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 9,514,382	\$ 9,110,243
Operating grants and contributions	2,241,792	471,677
Capital grants and contributions	63,300	-
<i>General revenues:</i>		
Room taxes	21,773,120	20,020,498
Unrestricted investment and interest earnings	1,281	2,004
Miscellaneous	56,162	52,143
Total revenues	33,650,037	29,656,565
Expenses:		
General government	2,330,130	2,226,809
Community support	24,517,642	23,295,763
Debt service	7,793,572	6,762,092
Total expenses	34,641,344	32,284,664
Change in net position	(991,307)	(2,628,099)
Net Position, July 1	(46,201,650)	(43,573,551)
Net Position, June 30	\$ (47,192,957)	\$ (46,201,650)

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

The Authority's room license tax collections increased \$1,752,622 (8.8%) from the prior year. This increase was primarily caused by visitation to the area from convention, group and bowling events occurring during the fiscal year.

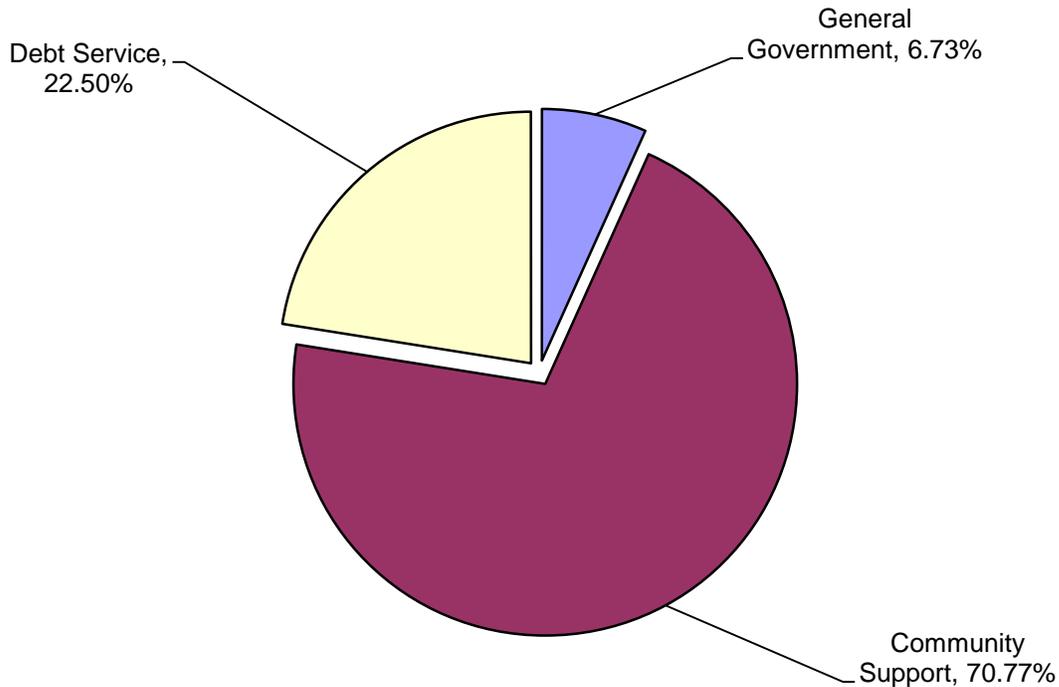
Governmental activities.

Total program revenues and total revenues for governmental activities amounted to \$11,819,474 and \$33,650,037, respectively, for the 2012-13 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



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, unassigned 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 \$18,237,676. Approximately 21.1% of this total amount (\$3,850,219) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is nonspendable or restricted

to indicate that it is not available for new spending because it has already been committed to other purposes (inventory, debt, capital).

The General Fund is the chief operating fund of the RSCVA. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,850,219, while the total fund balance was \$4,038,311. 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 18.2% for the year just completed.

The fund balance of the RSCVA's General Fund decreased by \$691,397 during the fiscal year. The primary factor for this decrease is budgeted utilization of fund balance during the fiscal year.

The Debt Service Fund has a total fund balance of \$14,121,913, all of which is restricted for the payment of debt service. The fund balance increase of \$2,375,275 over the prior year is increased interest revenues received from the termination of the Authority's Guaranteed Investment Contract.

The Capital Projects Fund is used to track expenditures at the Authority's facilities. Current year projects included purchasing a golf cart fleet for Wildcreek Golf Course, partial roof replacement at the Reno-Sparks Convention Center and a new marquee and tractor at the Reno-Sparks Livestock Events Center. The fund balance decrease of \$263,469 is the result of expenditures for which funds had been set aside in prior years and transfers from the General Fund in the current year.

Budgetary Highlights for the General Fund

During the year, there were budgetary adjustments made by the Authority including:

- Room tax revenue increases of \$290,000 as a result of additional business,
- Expenditures – General Government increasing by \$200,000, as a result of additional legal, legislative representation and payroll costs,
- Expenditures – Facility Operation decreasing by \$150,000, as a result of decreased costs to service the additional business in facilities,
- Expenditures – Golf Course Operations increasing by \$30,000, as a result of increased payroll costs,
- Expenditures – Convention and Tourism Promotion increasing by \$185,000, to utilize additional funds to sell and market the region.

Overall, revenues were below budget by \$178,059 for the year, primarily as a result of increased room license tax revenues and decreased (below that budgeted) facility revenues. Room taxes increased from the prior year, more significantly than had been anticipated in the budget.

Expenditures were below budget by \$237,476, with golf course operations and community grants and miscellaneous slightly exceeding budget.

Capital Assets and Long-term Debt Activity

Capital assets. The RSCVA's capital assets for its governmental activities as of June 30, 2013, amount to \$65,537,987 (net of accumulated depreciation). These capital assets include water rights, buildings, improvements and machinery and equipment. Major capital asset transactions during the fiscal year included a roofing project at the Convention Center, marquee at the Reno-Sparks Livestock Events Center and a golf cart fleet purchase at Wildcreek Golf Course.

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
Water Rights	\$ 3,445,200
Buildings and Improvements	60,306,583
Improvements	861,179
Furniture and Equipment	925,025
Total	\$ 65,537,987

Long-term debt. During fiscal year 2012-13, the Authority made payments of \$4,605,000 in principal and \$4,632,834 in interest on its outstanding debt. The chart below summarizes the Authority's outstanding bonds. 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, 2013
RSCC Expansion Bonds (Capital Appreciation)	\$ 19,384,075	\$ 33,453,457
2011 Refunding	88,680,000	88,680,000
Total	\$ 108,064,075	\$ 122,133,457

Known Economic Factors

- Lodging properties continue to invest capital into their current facilities:
 - Legends at the Sparks Marina hotel (special use permit) was approved by the City of Sparks, and is pending development.
 - Whitney Peak hotel in Downtown Reno, planned to re-open in Spring 2014 with 150 rooms.
 - Eldorado Hotel & Casino renovations of 217 rooms at a cost of \$1.3 million.
- Continued marketing and promotion directed towards bringing special events to the region that have a significant base of room nights.
- New Marketing Campaign/American Society of Association Executives Strategic Partnership initiative began in the Spring of 2012 and will continue to be a focus.
- United States Bowling Congress (USBC) to host both Open and Women's Championship in region in 2014.

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 POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 16,698,718
Receivables	
Accounts receivable	916,966
Room license taxes receivable	3,818,552
Other receivables	287,986
Prepaid items	10,000
Inventories	178,092
Deferred charges	647,273
Other postemployment benefits	3,474
Capital assets not being depreciated	3,445,200
Capital assets being depreciated (net of accumulated depreciation)	<u>62,092,787</u>
TOTAL ASSETS	<u>88,099,048</u>
LIABILITIES	
Accounts payable	348,902
Accrued liabilities	2,813,664
Accrued interest payable	2,127,322
Unearned revenue	162,690
Noncurrent liabilities:	
Due within one year	5,695,000
Due in more than one year	121,829,067
Other postemployment benefits	<u>2,315,360</u>
TOTAL LIABILITIES	<u>135,292,005</u>
NET POSITION	
Net investment in capital assets	(24,718,329)
Restricted for:	
Debt service	10,304,712
Claims	347,382
Unrestricted (deficit)	<u>(33,126,722)</u>
TOTAL NET POSITION	<u>\$ (47,192,957)</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT FUNCTIONS/PROGRAMS					
Governmental activities:					
General government	\$ 2,330,130	\$ 558,120	\$ -	\$ -	\$ (1,772,010)
Community support	24,517,642	8,956,262	3,417	63,300	(15,494,663)
Interest and fiscal charges	7,793,572	-	2,238,375	-	(5,555,197)
Total governmental activities	\$ 34,641,344	\$ 9,514,382	\$ 2,241,792	\$ 63,300	(22,821,870)
GENERAL REVENUES					
Taxes:					
Room taxes					21,773,120
Unrestricted investment and interest earnings					1,281
Miscellaneous					56,162
TOTAL GENERAL REVENUES					21,830,563
CHANGE IN NET POSITION					(991,307)
NET POSITION, JULY 1					(46,201,650)
NET POSITION, JUNE 30					\$ (47,192,957)

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2013

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 2,276,062	\$ 14,222,208	\$ 77,795	\$ 16,576,065
Receivables				
Accounts receivable	916,966	-	-	916,966
Room license taxes receivable	3,818,552	-	-	3,818,552
Other receivables	287,986	-	-	287,986
Prepaid expenditures	10,000	-	-	10,000
Inventory	178,092	-	-	178,092
TOTAL ASSETS	\$ 7,487,658	\$ 14,222,208	\$ 77,795	\$ 21,787,661
LIABILITIES				
Accounts payable	\$ 325,888	\$ -	\$ -	\$ 325,888
Accrued liabilities	2,780,137	-	-	2,780,137
Deferred revenue	162,690	-	-	162,690
Due to other funds	180,632	100,295	343	281,270
TOTAL LIABILITIES	3,449,347	100,295	343	3,549,985
FUND BALANCES				
Nonspendable	188,092	-	-	188,092
Restricted	-	14,121,913	77,452	14,199,365
Unassigned	3,850,219	-	-	3,850,219
TOTAL FUND BALANCES	4,038,311	14,121,913	77,452	18,237,676
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,487,658	\$ 14,222,208	\$ 77,795	\$ 21,787,661

See accompanying notes.

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

JUNE 30, 2013

TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET	\$	18,237,676
Other postemployment benefits (assets) are not financial resources and, therefore, are not reported in the Governmental Funds		3,474
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds		65,537,987
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:		
Accrued interest payable		(2,127,322)
Bonds payable		(122,133,457)
Add: Unamortized premium		(3,240,508)
Deferred charges for issuance costs (to be amortized over life of debt)		647,273
Arbitrage payable		(1,689,879)
Compensated absences		(460,223)
Other postemployment benefits (obligation)		(2,315,360)
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 Position.		347,382
TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET POSITION	\$	<u>(47,192,957)</u>

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, 2013

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Taxes				
Room license taxes	\$ 21,773,120	\$ -	\$ -	\$ 21,773,120
Miscellaneous				
Facilities revenue	6,720,421	-	-	6,720,421
Convention and visitors service revenue	179,140	-	-	179,140
Golf course operations	2,056,701	-	-	2,056,701
Interest on investments	1,281	2,238,375	3,417	2,243,073
Other	614,282	-	-	614,282
TOTAL REVENUES	31,344,945	2,238,375	3,417	33,586,737
EXPENDITURES				
Current				
General government	2,225,338	-	-	2,225,338
Community support	19,931,004	-	-	19,931,004
Debt Service				
Principal	-	4,605,000	-	4,605,000
Interest	-	4,632,834	-	4,632,834
Other bond costs	-	25,266	-	25,266
Capital outlay	-	-	746,886	746,886
TOTAL EXPENDITURES	22,156,342	9,263,100	746,886	32,166,328
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,188,603	(7,024,725)	(743,469)	1,420,409
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	9,400,000	480,000	9,880,000
Transfers to other funds	(9,880,000)	-	-	(9,880,000)
TOTAL OTHER FINANCING SOURCES (USES)	(9,880,000)	9,400,000	480,000	-
NET CHANGE IN FUND BALANCES	(691,397)	2,375,275	(263,469)	1,420,409
FUND BALANCES, JULY 1	4,729,708	11,746,638	340,921	16,817,267
FUND BALANCES, JUNE 30	\$ 4,038,311	\$ 14,121,913	\$ 77,452	\$ 18,237,676

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, 2013

NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	\$	1,420,409
<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		770,234
Depreciation expense		(4,022,126)
<p>Miscellaneous transactions involving capital assets.</p>		
Capital assets donated by others		63,300
Trade-ins		(83,300)
<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 Position. 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 effect of these differences in the treatment of long-term debt and related items.</p>		
Accretion on capital appreciation bonds		(2,063,127)
Principal payments on debt		4,605,000
<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		378,190
Change in arbitrage payable		(1,621,091)
Compensated absences		6,040
Change in other postemployment benefits		(663,487)
Amortization of premium		170,556
Amortization of issuance costs		(34,068)
<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>		
		82,163
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES	\$	<u>(991,307)</u>

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, 2013
(with comparative actual amounts for the year ended June 30, 2012)
Page 1 of 2

	2013 Budget Amount		2013		2012
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Taxes					
Room license taxes	\$ 21,402,468	\$ 21,692,468	\$ 21,773,120	\$ 80,652	\$ 20,020,498
Miscellaneous					
Facilities revenue	6,832,796	6,832,796	6,720,421	(112,375)	6,172,061
Convention and visitor service revenue	215,200	215,200	179,140	(36,060)	267,898
Golf course operations	2,164,584	2,164,584	2,056,701	(107,883)	2,108,588
Interest on investments	2,700	2,700	1,281	(1,419)	2,004
Other	615,256	615,256	614,282	(974)	613,839
TOTAL REVENUES	31,233,004	31,523,004	31,344,945	(178,059)	29,184,888
EXPENDITURES					
Current:					
General government					
Salaries and wages	830,750	870,750	882,055	(11,305)	776,705
Employee benefits	420,468	420,468	409,038	11,430	369,827
Services and supplies	771,297	921,297	870,472	50,825	882,416
Capital outlay	60,000	70,000	63,773	6,227	71,338
Total general government	2,082,515	2,282,515	2,225,338	57,177	2,100,286
Community support					
Facility operation					
Salaries and wages	3,493,880	3,643,880	3,759,319	(115,439)	3,466,879
Employee benefits	1,838,169	1,838,169	1,881,817	(43,648)	1,621,688
Services and supplies	5,785,383	5,485,383	5,210,822	274,561	4,478,105
	11,117,432	10,967,432	10,851,958	115,474	9,566,672
Golf course operations					
Salaries and wages	737,967	767,967	758,946	9,021	722,257
Employee benefits	302,367	302,367	311,482	(9,115)	347,382
Services and supplies	1,009,959	1,009,959	1,017,981	(8,022)	1,023,833
	2,050,293	2,080,293	2,088,409	(8,116)	2,093,472

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, 2013
(with comparative actual amounts for the year ended June 30, 2012)
Page 2 of 2

	2013 Budget Amount		2013		2012
	Original	Final	Actual	Variance to Final Budget	Actual
EXPENDITURES - continued					
Convention and tourism promotion					
Salaries and wages	\$ 1,721,948	\$ 1,721,948	\$ 1,739,487	\$ (17,539)	\$ 1,702,119
Employee benefits	768,061	768,061	726,871	41,190	692,272
Services and supplies	3,399,897	3,574,897	3,522,010	52,887	3,485,999
Capital outlay	-	10,000	10,056	(56)	-
	<u>5,889,906</u>	<u>6,074,906</u>	<u>5,998,424</u>	<u>76,482</u>	<u>5,880,390</u>
Community grants and miscellaneous	<u>963,672</u>	<u>988,672</u>	<u>992,213</u>	<u>(3,541)</u>	<u>951,201</u>
Total community support	<u>20,021,303</u>	<u>20,111,303</u>	<u>19,931,004</u>	<u>180,299</u>	<u>18,491,735</u>
TOTAL EXPENDITURES	<u>22,103,818</u>	<u>22,393,818</u>	<u>22,156,342</u>	<u>237,476</u>	<u>20,592,021</u>
Excess (deficiency) of revenues over expenditures	9,129,186	9,129,186	9,188,603	59,417	8,592,867
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	<u>(9,780,000)</u>	<u>(9,780,000)</u>	<u>(9,880,000)</u>	<u>(100,000)</u>	<u>(10,587,485)</u>
Net change in fund balances	(650,814)	(650,814)	(691,397)	(40,583)	(1,994,618)
FUND BALANCE, JULY 1	<u>5,095,439</u>	<u>5,095,439</u>	<u>4,729,708</u>	<u>(365,731)</u>	<u>6,724,326</u>
FUND BALANCE, JUNE 30	<u>\$ 4,444,625</u>	<u>\$ 4,444,625</u>	<u>\$ 4,038,311</u>	<u>\$ (406,314)</u>	<u>\$ 4,729,708</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND
STATEMENT OF NET POSITION

JUNE 30, 2013

	Governmental Activities Internal Service Fund
ASSETS	
Current assets	
Cash and investments	\$ 122,653
Due from other funds	<u>281,270</u>
TOTAL ASSETS	<u>403,923</u>
LIABILITIES	
Current liabilities	
Accounts payable	23,014
Accrued liabilities	<u>33,527</u>
TOTAL LIABILITIES	<u>56,541</u>
NET POSITION	
Restricted for claims	<u><u>\$ 347,382</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Charges for benefits	\$ 1,576,502
OPERATING EXPENSES	
Services and supplies	<u>1,494,339</u>
CHANGE IN NET POSITION	82,163
NET POSITION, JULY 1	<u>265,219</u>
NET POSITION, JUNE 30	\$ <u><u>347,382</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

Page 1 of 2

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers or users	\$ 291,413
Cash received from interfund services provided	1,285,089
Cash paid to vendors for services and supplies	<u>(1,469,286)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>107,216</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from (paid to) other funds	<u>(118,307)</u>
Net increase (decrease) in cash and investments	(11,091)
CASH AND INVESTMENTS, JULY 1	<u>133,744</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ <u>122,653</u></u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

Page 2 of 2

	Governmental Activities Internal Service Fund
	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ <u>82,163</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Increase (decrease)	
Accounts payable	22,189
Accrued liabilities	<u>2,864</u>
Total adjustments	<u>25,053</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>107,216</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

FLEXIBLE COMPENSATION PLAN AGENCY FUND
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	<u>Agency Fund</u>
ASSETS	
Cash and investments	
Flexible compensation plan	\$ <u>25,871</u>
LIABILITIES	
Benefits payable	
Flexible compensation plan	\$ <u>25,871</u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

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, and the Reno-Sparks Livestock Events Center. 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. 61, The Financial Reporting

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34, issued by the 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are associated with a specific function. 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 and 2) grants, contributions and interest income that are restricted to meeting the operational or capital requirements of a particular function. 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 funds.

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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

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, compensated absences and postemployment benefit obligations 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 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.

The Debt Service Fund is used to account for the accumulation of resources required for, and the payment

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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.

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.
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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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 (excluding depreciation) in the proprietary fund.

The budget amounts reflected in the financial statements have been amended from 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.

In addition, the Authority may invest in the Local Government Investment Pool administered by the State Treasurer with oversight by the Board of Finance of the State of Nevada.

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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Receivables:

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

Inventory:

Merchandise inventory for the Golf Course Pro Shop is valued at the lower of average cost or market. 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, 2013 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 are eliminated in the government-wide statements.

Capital Assets:

Capital assets are reported in the applicable governmental activities column 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:

Buildings and improvements	5 - 40 years
Improvements	3 - 25 years
Furniture and equipment	3 - 10 years

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Long-Term Liabilities:

In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. 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 necessary, 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.

In the General Fund, the costs involved in vacation leave benefits are not accrued as earned, but are recorded as payroll costs only when the time is actually used or accumulated benefits are paid as a result of employee resignations and retirements.

Fund Equity:

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

Net Investment in Capital Assets – 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 Position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, contributors, or laws or regulations; (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net positions that do not meet the definition of restricted or net investment in capital assets.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Restricted Net Position consists 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.

In the governmental fund financial statements, fund equity is classified as fund balance. Fund balance is further classified in the following components, as applicable:

Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – Amounts that can only be used for specific purposes. Committed fund balance is established pursuant to action taken by the Board of Directors, which is the Authority's highest level of decision making authority. A similar action of the Board would be required to modify or rescind a fund balance commitment.

Assigned – Amounts the Authority intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. By action taken by the Board of Directors in adopting the Fund Balance Policy, amounts may be assigned by the Board of Directors or the Finance Department.

Unassigned – all other spendable amounts.

In accordance with the Cooperative Agreement Regarding General Obligation Backing of Bonds with Washoe County, the Authority shall budget and maintain ending fund balance in relation to expenditures in the Authority's General Fund of ten percent (10%) and positive ending fund balances in the Authority's Capital Projects Fund.

In accordance with the Authority's Fund Balance Policy, the Authority has determined a minimum fund balance of 10% of expenditures and other uses.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Proprietary fund equity is classified the same as in the government-wide statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors have provided otherwise in its commitment or assignment actions.

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 13% 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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Improvement District) is remitted to the City of Reno for the Reno Events Center/National Bowling Stadium. Amounts, determined by the Special Acts of the State of Nevada, may be distributed to the City of Sparks or retained by the Authority based on allocations mandated in the Special Act. 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.

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.

Effective July 1, 2009 transient lodging taxes increased 1% for properties not located in the downtown of the City of Reno and all unincorporated areas of Washoe County. This increase is remitted to the State of Nevada for educational purposes (Initiative Petition 1).

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.

Effective July 13, 2011, the City of Reno approved an ordinance to collect a surcharge of \$2 on the per night charge for the rental of a room in a hotel that holds a non-restricted gaming license located in downtown Reno. Amounts collected are remitted to the City of Reno.

For the year ended June 30, 2013, principal and interest paid and total net pledged revenues were \$9,237,834 and \$15,241,021, respectively. Annual principal and interest payments are expected to

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

require approximately 63% of net revenues. The total principal and interest remaining on the bonds is \$192,280,641.

Comparability:

Comparative data shown for the year ended June 30, 2012 has been extracted from fiscal year 2011-12 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for 2011-12. Such information can only be obtained by referring to the financial statements for that year.

NOTE B - CASH AND INVESTMENTS

As of June 30, 2013 the Authority had the following investments and maturities:

	<u>Average Maturity/Maturity</u>	<u>Fair Value</u>
Investments:		
Fidelity Government Portfolio (Money Market Fund)	56 days	\$ 12,126,945
Invesco Treasury Portfolio (Money Market Fund)	35 days	2,173,058
Certificate of Deposit	March 26, 2014	<u>100,200</u>
Total Investments		14,400,203
Total Cash		<u>2,324,386</u>
Total Cash and Investments		<u>\$ 16,724,589</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 Fidelity Government Portfolio and Invesco Treasury Portfolio are rated AAA-mf by Moody's and AAAm by Standard and Poor's. As noted above, the

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Authority does not have a formal investment policy that specifies minimum acceptable credit ratings beyond those specified in statute.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

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.

The certificate of deposit is carried for performance of the Authority's obligation for self-insured worker's compensation; security deposit for the Nevada Division of Insurance.

An account has also 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 restricted for Convention Center debt service.

NOTE C - CAPITAL ASSETS

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

Governmental Activities	
General government	\$ 41,837
Community support	<u>3,980,289</u>
Total depreciation expense-governmental activities	<u>\$ 4,022,126</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions and Transfers In</u>	<u>Deletions and Transfers Out</u>	<u>Balance June 30, 2013</u>
Governmental Activities				
Capital assets, not being depreciated				
Water rights	<u>\$ 3,445,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,445,200</u>
Capital assets, being depreciated				
Buildings and improvements	147,305,598	447,934	(289,405)	147,464,127
Improvements	1,544,988	-	(13,219)	1,531,769
Furniture and equipment	<u>2,882,874</u>	<u>402,300</u>	<u>(199,197)</u>	<u>3,085,977</u>
Total capital assets, being depreciated	<u>151,733,460</u>	<u>850,234</u>	<u>(501,821)</u>	<u>152,081,873</u>
Less accumulated depreciation for				
Buildings and improvements	(83,679,014)	(3,767,935)	289,405	(87,157,544)
Improvements	(617,070)	(66,739)	13,219	(670,590)
Furniture and equipment	<u>(2,072,697)</u>	<u>(187,452)</u>	<u>99,197</u>	<u>(2,160,952)</u>
Total accumulated depreciation	<u>(86,368,781)</u>	<u>(4,022,126)</u>	<u>401,821</u>	<u>(89,989,086)</u>
Total capital assets, being depreciated, net	<u>65,364,679</u>	<u>(3,171,892)</u>	<u>(100,000)</u>	<u>62,092,787</u>
Governmental Activities Capital Assets, net	<u>\$ 68,809,879</u>	<u>\$ (3,171,892)</u>	<u>\$ (100,000)</u>	<u>\$ 65,537,987</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

NOTE D – AUTHORITY OBLIGATIONS

The Authority issues general obligation bonds to finance the purchase of major capital items and the acquisition or construction of major capital facilities.

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, 2013.

Governmental activities debt is serviced through the Debt Service Fund, except for compensated absences (funded by the General Fund) and postemployment benefits (funded by the Insurance Internal Service 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.

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

<u>Year ending June 30,</u>	
2014	\$ 300,000
2015	300,000
2016	300,000
2017	300,000
2018	300,000
Thereafter	<u>1,175,000</u>
	<u>\$ 2,675,000</u>

During the year ended June 30, 2013, expenditures under the agreement were \$300,000 and are recorded in the General 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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

rent for increases in expenses occurring during the lease term. The initial lease was for ten years with two options for extension of the lease for successive periods of five years each. The term of the lease was extended for a period of 5 years, expiring 2019. The following is a schedule of minimum payments currently required under the agreement described above:

Year ending June 30,

2014	\$ 224,584
2015	163,356
2016	163,356
2017	163,356
2018	163,356
Thereafter	<u>54,452</u>
	<u>\$ 932,460</u>

The Authority has subleased a portion of the leased office facilities as of October 6, 2009. Monthly rent under the cancellable sublease was \$7,456 at the end of the year ended June 30, 2013.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013
(Continued)

Description	Interest Rate	Maturity Date	Original Issue	Balance July 1, 2012	Additions and Transfers	Deletions and Transfers	Balance June 30, 2013	Due in 2013-2014
General Obligation Bonds Payable								
(Limited Tax) Improvement								
and Refunding Bonds:								
January 2000 Series								
Capital Appreciation	-	2021	\$ 19,384,075	\$ 35,995,330	\$ 2,063,127	\$ 4,605,000	\$ 33,453,457	\$ 4,590,000
2011 Refunding	2.0 - 5.0%	2032	88,680,000	88,680,000	-	-	88,680,000	755,000
Unamortized premium				3,411,064	-	170,556	3,240,508	-
				<u>128,086,394</u>	<u>2,063,127</u>	<u>4,775,556</u>	<u>125,373,965</u>	<u>5,345,000</u>
Arbitrage Payable	N/A	N/A	N/A	68,788	1,621,091	-	1,689,879	-
Compensated Absences	N/A	N/A	N/A	466,263	345,126	351,166	460,223	350,000
Total Debt				<u>\$ 128,621,445</u>	<u>\$ 4,029,344</u>	<u>\$ 5,126,722</u>	<u>\$ 127,524,067</u>	<u>\$ 5,695,000</u>

40 During the year ended June 30, 2013, interest expense has been recorded in the Debt Service Fund in the amount of \$4,632,834.

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

Governmental Activities		
Year Ending June 30,	Bonds	
	Principal	Interest
2014	\$ 5,345,000	\$ 4,247,094
2015	5,082,149	4,509,645
2016	4,796,664	4,872,380
2017	4,492,733	5,171,311
2018	4,210,234	5,453,810
2019-2023	22,316,677	25,843,292
2024-2028	33,410,000	14,557,215
2029-2033	42,480,000	5,492,437
	<u>\$ 122,133,457</u>	<u>\$ 70,147,184</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

NOTE E – FUND BALANCES – GOVERNMENTAL FUNDS

As of June 30, 2013, fund balances are composed of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid Expenditures	\$ 10,000	\$ -	\$ -	\$ 10,000
Inventory	178,092	-	-	178,092
Total Nonspendable	<u>188,092</u>	<u>-</u>	<u>-</u>	<u>188,092</u>
Restricted:				
Debt Service	-	14,121,913	-	14,121,913
Capital Projects	-	-	77,452	77,452
Total Restricted	<u>-</u>	<u>14,121,913</u>	<u>77,452</u>	<u>14,199,365</u>
Unassigned	<u>3,850,219</u>	<u>-</u>	<u>-</u>	<u>3,850,219</u>
Total fund balances	<u><u>\$ 4,038,311</u></u>	<u><u>\$ 14,121,913</u></u>	<u><u>\$ 77,452</u></u>	<u><u>\$ 18,237,676</u></u>

NOTE F - 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 G - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances (amounts paid on behalf of other funds) as of June 30, 2013 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	\$ 180,632
Insurance Internal Service Fund	Debt Service Fund	100,295
Insurance Internal Service Fund	Capital Projects Fund	<u>343</u>
		<u><u>\$ 281,270</u></u>

Balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2013 consisted of the following:

	Transfers In		
	Debt Service Fund	Capital Projects Fund	Total
Transfers Out:			
General Fund	\$9,400,000	\$480,000	\$9,880,000

Transfers are used to 1) move revenues from the fund that the budget requires to collect them to the fund that the 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 or resources in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE H - 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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

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

2012-13	23.75%	\$1,444,086
2011-12	23.75%	1,399,668
2010-11	21.50%	1,290,926

NOTE I - POSTEMPLOYMENT HEALTH INSURANCE BENEFITS

RSCVA Retiree Health Benefit Program:

Plan Description: In accordance with Nevada Revised Statutes 287.010, the Authority adopted the RSCVA Retiree Health Benefit Program to provide postemployment benefits to eligible employees on retirement. The plan is a single employer defined benefit plan. GASB Statement No. 45, *Accounting and Financial Reporting For Postemployment Benefits Other than Pensions*, was implemented prospectively for the plan. Employees retiring from the Authority under PERS with a minimum of five years service are allowed continued participation (for retiree and eligible dependents) in the Authority's group health insurance program (medical, prescription, vision, dental and life insurance). Employees retiring from the Authority under PERS with a minimum of ten years of service receive subsidized premiums from the Authority based on the years of service, as noted below. Retirees are responsible for payment of unsubsidized premiums as well as premiums for eligible dependents. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan; all required disclosures are included in these financial statements; no separate reports are issued.

During the year end June 30, 2012 , the plan was modified for those employees hired after January 1, 2012. Consequently, no employees hired after January 1, 2012 will be eligible to receive subsidized premium payments.

Eligibility requirements, benefit levels, employee contributions, and employer contributions are governed by the Authority and can only be amended through the Authority.

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

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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

The Authority finances the plan on a pay-as-you-go basis through charges to the General Fund from the Insurance Internal Service Fund.

The Authority's obligation for subsidies is limited to payment of the required premium. The current year contribution was \$170,170 for 32 retirees and one retiree survivor and eligible dependents, which equaled the required contribution.

Annual OPEB Cost and Net OPEB Obligation: The Authority had an actuarial valuation performed for the plan as of January 1, 2012. The valuation was done to determine the funded status of the plan as well as the Authority's annual required contribution (ARC) for the fiscal year ended June 30, 2013. As of June 30, 2013, the plan was zero percent funded. For the fiscal year 2012-13, the Authority's employer contribution included the value of the plan's implicit rate subsidy. The Authority's contribution was financed on the pay-as-you-go basis with funds transferred from the General Fund.

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 497,630	\$ 159,197	31.99%	\$ 1,024,990
2012	790,161	170,199	21.54%	1,644,952
2013	840,578	170,170	20.24%	2,315,360

The net OPEB obligation as of June 30, 2013 was calculated as follows:

Determination of Annual Required Contribution:	
Normal Cost	\$ 493,276
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	332,234
Interest	16,213
Annual Required Contribution (ARC)	\$ 841,723

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Determination of Net OPEB Obligation:

Annual Required Contribution	\$ 841,723
Interest on Net OPEB Obligation	65,799
Adjustment to ARC	(66,944)
Annual OPEB Cost	840,578
Retiree Benefits Paid by Authority	(170,170)
Increase (decrease) in Net OPEB Obligation	670,408
Net OPEB Obligation, July 1, 2012	1,644,952
Net OPEB Obligation, June 30, 2013	\$ 2,315,360

Funded Status and Funding Progress:

Actuarial Accrued Liability (AAL)	\$ 8,499,858
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 8,499,858
Funded Ratio (Actual Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members June 30, 2013)	\$ 4,817,131
UAAL as a Percentage of Covered Payroll	176.45%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information as it becomes available. The schedule will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumption: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

In the January 1, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4% valuation interest rate on investments and an annual healthcare trend rate beginning at 7% for fiscal year 2013, declining by 1% per year to an ultimate trend of 5% for the 2015 and later fiscal years; dental premiums are assumed to increase by 3.5% per year and vision premiums by 2% per year. These rates include a 3% inflation assumption. The actuarial value of plan assets was not determined as the Authority has not advance-funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll over 29 years on a closed basis. It was assumed the Authority's payroll would increase 4% per year for the purpose of amortization.

State of Nevada's Public Employee Benefit Plan (PEBP):

Plan Description: NRS 287.023 allows retired employees of governmental entities within the State of Nevada to join the State's Public Employee Benefit Program (PEBP), an agent multiple-employer defined benefit OPEB plan administered by a nine member governing board. GASB Statement No. 45, *Accounting and Financial Reporting For Postemployment Benefits Other than Pensions*, was implemented prospectively for the plan. PEBP provides medical, prescription, vision, life and accident insurance, and dental for retirees. Retirees can choose between a self funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan; no separate financial reports are issued.

Eligibility and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. The statutes were revised with an effective date of November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. Based on the statute revision, former Authority employees and retirees must have retired and joined PEBP by September 1, 2008 to elect PEBP membership. Consequently, no employees retiring from the Authority on or after September 1, 2008 will be eligible to participate in the PEBP plan as a retiree at the Authority's expense.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Funding Policy: The Authority is required to provide a subsidy for their retirees who have elected to join PEBP. The subsidy is paid on the pay-as-you-go basis. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depends on the date of retirement and years of Public Employees Retirement System (PERS) service former employees earned in total and while working for the Authority. The subsidy depends on years of service and ranges from a minimum of \$3 to a maximum of \$650 per month. Subsidies for retiree premiums participating in the State PEBP are paid directly to the State when due. The Authority's obligation for subsidies is limited to payment of the statutorily required contribution. The current year contribution to PEBP was \$14,305 for 11 retirees, which equaled the required contribution.

Annual OPEB Cost and Net OPEB (Asset) Obligation: The Authority had an actuarial valuation performed for the plan as of January 1, 2012. The valuation was done to determine the funded status of the plan as well as the Authority's annual required contribution (ARC) for the fiscal year ended June 30, 2013. As of June 30, 2013, the plan was zero percent funded. For the fiscal year 2012-13, the Authority's employer contribution for retirees' benefits was \$14,305 for 11 eligible participants. The Authority's contribution was financed on the pay-as-you-go basis with PEBP subsidy payments paid directly to PEBP.

Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset) Obligation
2011	\$ 15,943	\$ 11,444	71.78%	\$ 9,832
2012	7,516	13,901	184.95%	3,447
2013	7,384	14,305	193.73%	(3,474)

The net OPEB (asset) obligation as of June 30, 2013 was calculated as follows:

Determination of Annual Required Contribution:	
Normal Cost	\$ -
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	7,306
Interest	143
Annual Required Contribution (ARC)	\$ 7,449

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Determination of Net OPEB (Asset) Obligation:	
Annual Required Contribution	\$ 7,449
Interest on Net OPEB Obligation	138
Adjustment to ARC	(203)
Annual OPEB Cost	<u>7,384</u>
Retiree Benefits Paid by Authority	<u>(14,305)</u>
Increase (decrease) in Net OPEB (Asset) Obligation	(6,921)
Net OPEB Obligation, July 1, 2012	<u>3,447</u>
Net OPEB (Asset) Obligation, June 30, 2013	<u><u>\$ (3,474)</u></u>

Funded Status and Funding Progress:

Actuarial Accrued Liability (AAL)	\$ 129,038
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 129,038</u></u>
Funded Ratio (Actual Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members June 30, 2013)	N/a
UAAL as a Percentage of Covered Payroll	N/a

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information as it becomes available. The schedule will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

In the January 1, 2012 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions include a 4% valuation interest rate on investments and an annual healthcare trend rate beginning at 7% for fiscal year 2013, declining by 1% per year to an ultimate trend of 5% for the 2015 and later fiscal years; dental premiums are assumed to increase by 3.5% per year and vision premiums by 2% per year. These rates include a 3% inflation assumption. The actuarial value of plan assets was not determined as the Authority has not advance-funded its obligation. The plan's unfunded actuarial accrued liability is amortized as a level dollar amount over 29 years on a closed basis.

NOTE J – 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:

- Each accident: \$350,000
- Each employee for disease or cumulative injury: \$350,000

Commercial insurance is carried for claims in excess of these amounts and performance of the Authority's financial obligation is guaranteed by a certificate of deposit 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' Compensation Claims</u>
Claims liability, July 1, 2011	\$ 3,661
Claims and changes in estimates	11,197
Claims payments	<u>(7,781)</u>
Claims liability, June 30, 2012	7,077
Claims and changes in estimates	97,741
Claims payments	<u>(71,291)</u>
Claims liability, June 30, 2013	<u>\$ 33,527</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

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

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

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

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

**Reno-Sparks Convention & Visitors Authority
Required Supplementary Information
June 30, 2013**

Schedule of Funding Progress - Other Postemployment Benefits

RSCVA Retiree Health Benefit Program

	(a)	(b)	(a/b)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(c)	(b - a) / (c)
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Funded Ratio</u>		<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
January 1, 2009	\$ -	\$ 5,324,303	0.00%	\$ 5,324,303	\$ 6,446,418	82.59%
January 1, 2010	-	5,229,766	0.00%	5,229,766	5,504,865	95.00%
January 1, 2012	-	7,860,701	0.00%	7,860,701	5,255,226	149.58%

Note: The RSCVA Retiree Health Benefit Program is closed to those employees hired after January 1, 2012.

RSCVA - State of Nevada Public Employee Benefit Plan (PEBP)

	(a)	(b)	(a/b)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(c)	(b - a) / (c)
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Funded Ratio</u>		<u>Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
January 1, 2009	\$ -	\$ 390,146	0.00%	\$ 390,146	N/a	N/a
January 1, 2010	-	282,416	0.00%	282,416	N/a	N/a
January 1, 2012	-	135,654	0.00%	135,654	N/a	N/a

Note: PEBP is a closed plan as of September, 2008.

The primary reasons for the increase (decrease) in the Actuarial Accrued Liability (AAL) of the RSCVA Retiree Health Benefits Program and the State of Nevada Public Employee Benefit Plan (PEBP) Plans, respectively, are:

- a) updates to employee and premium data; downsizing of staff,
- b) a change in the percentage of employees assumed to elect medical coverage in RSCVA's medical plans in retirement, reflecting the expected level of premium subsidy by RSCVA,
- c) addition of liability for vested terminated employees known to be eligible for future benefits,
- d) updates to the assumed rates of retirement, termination and mortality,
- e) changes in assumed future increases in medical, dental and vision premium levels,
- f) a decrease in the required RSCVA subsidy for PEBP retirees, updates in members receiving a subsidy, and an update in the mortality assumption.

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, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013 Budget Amount		2013		2012
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Miscellaneous					
Interest on investments	\$ 326,005	\$ 326,005	\$ 2,238,375	\$ 1,912,370	\$ 436,939
EXPENDITURES					
Debt service					
Principal	4,605,000	4,605,000	4,605,000	-	95,396,000
Interest	4,632,834	4,632,834	4,632,834	-	4,549,734
	<u>9,237,834</u>	<u>9,237,834</u>	<u>9,237,834</u>	<u>-</u>	<u>99,945,734</u>
Other bond costs					
Issuance costs	-	-	-	-	701,214
Administrative fees	7,250	7,250	25,266	(18,016)	8,650
	<u>7,250</u>	<u>7,250</u>	<u>25,266</u>	<u>(18,016)</u>	<u>709,864</u>
Total expenditures	<u>9,245,084</u>	<u>9,245,084</u>	<u>9,263,100</u>	<u>(18,016)</u>	<u>100,655,598</u>
Excess (deficiency) of revenues over expenditures	<u>(8,919,079)</u>	<u>(8,919,079)</u>	<u>(7,024,725)</u>	<u>1,894,354</u>	<u>(100,218,659)</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	9,400,000	9,400,000	9,400,000	-	9,750,000
Proceeds from refunding bonds	-	-	-	-	88,680,000
Premium on general obligation bonds	-	-	-	-	3,510,555
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,400,000</u>	<u>9,400,000</u>	<u>9,400,000</u>	<u>-</u>	<u>101,940,555</u>
Net change in fund balances	480,921	480,921	2,375,275	1,894,354	1,721,896
FUND BALANCE, JULY 1	<u>11,745,275</u>	<u>11,745,275</u>	<u>11,746,638</u>	<u>1,363</u>	<u>10,024,742</u>
FUND BALANCE, JUNE 30	<u>\$ 12,226,196</u>	<u>\$ 12,226,196</u>	<u>\$ 14,121,913</u>	<u>\$ 1,895,717</u>	<u>\$ 11,746,638</u>

CAPITAL PROJECTS FUND

To account for the acquisition and construction of major capital facilities.

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, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013 Budget Amount		2013		2012
	Original	Final	Actual	Variance to Final Budget	Actual
REVENUES					
Miscellaneous					
Interest on investments	\$ 21,000	\$ 21,000	\$ 3,417	\$ (17,583)	\$ 34,738
EXPENDITURES					
Capital outlay	700,000	760,000	746,886	13,114	836,348
Excess (deficiency) of revenues over expenditures	(679,000)	(739,000)	(743,469)	(4,469)	(801,610)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	380,000	380,000	480,000	100,000	475,000
Net change in fund balances	(299,000)	(359,000)	(263,469)	95,531	(326,610)
FUND BALANCE, JULY 1	<u>399,839</u>	<u>399,839</u>	<u>340,921</u>	<u>(58,918)</u>	<u>667,531</u>
FUND BALANCE, JUNE 30	<u>\$ 100,839</u>	<u>\$ 40,839</u>	<u>\$ 77,452</u>	<u>\$ 36,613</u>	<u>\$ 340,921</u>

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 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 POSITION

JUNE 30, 2013
(with comparative totals at June 30, 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash and investments	\$ 122,653	\$ 133,744
Due from other funds	<u>281,270</u>	<u>162,963</u>
TOTAL ASSETS	<u>403,923</u>	<u>296,707</u>
LIABILITIES		
Current liabilities		
Accounts payable	23,014	825
Accrued liabilities	<u>33,527</u>	<u>30,663</u>
TOTAL LIABILITIES	<u>56,541</u>	<u>31,488</u>
NET POSITION		
Restricted for claims	<u>\$ 347,382</u>	<u>\$ 265,219</u>

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

FOR THE YEAR ENDED JUNE 30, 2013
(with comparative actual amounts for the year ended June 30, 2012)

	2013 Budget Amount		2013		2012
	Original	Final	Actual	Variance to Final Budget	Actual
OPERATING REVENUES					
Charges for benefits	\$ 1,673,153	\$ 1,673,153	\$ 1,576,502	\$ (96,651)	\$ 1,543,149
OPERATING EXPENSES					
Insurance and claims	1,567,000	1,567,000	1,476,427	90,573	1,450,356
Administrative expenses	18,000	18,000	17,912	88	20,708
TOTAL OPERATING EXPENSES	<u>1,585,000</u>	<u>1,585,000</u>	<u>1,494,339</u>	<u>90,661</u>	<u>1,471,064</u>
CHANGE IN NET POSITION	\$ <u>88,153</u>	\$ <u>88,153</u>	82,163	\$ <u>(5,990)</u>	72,085
NET POSITION, JULY 1			<u>265,219</u>		<u>193,134</u>
NET POSITION, JUNE 30			\$ <u>347,382</u>		\$ <u>265,219</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, 2013
 (with comparative actual amounts for the year ended June 30, 2012)
 Page 1 of 2

	2013 Budget Amount		2013		2012
	Original	Final	Actual	Variance to Budget	Actual
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from users	\$ 473,153	\$ 473,153	\$ 291,413	\$ (181,740)	\$ 310,804
Cash received from internal services provided	1,200,000	1,200,000	1,285,089	85,089	1,232,345
Cash paid to vendors for services and supplies	(1,585,000)	(1,585,000)	(1,469,286)	115,714	(1,387,847)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	88,153	88,153	107,216	19,063	155,302
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Cash received from (paid to) other funds	(80,000)	(80,000)	(118,307)	(38,307)	(64,494)
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	8,153	8,153	(11,091)	(19,244)	90,808
CASH AND INVESTMENTS, JULY 1	105,926	105,926	133,744	27,818	42,936
CASH AND INVESTMENTS, JUNE 30	\$ 114,079	\$ 114,079	\$ 122,653	\$ 8,574	\$ 133,744

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, 2013
 (with comparative actual amounts for the year ended June 30, 2012)
 Page 2 of 2

	2013 Budget Amount		2013		2012
	Original	Final	Actual	Variance to Final Budget	Actual
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 88,153	\$ 88,153	\$ 82,163	\$ (5,990)	\$ 72,085
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
(Increase) decrease					
Prepaid expenses	-	-	-	-	91,998
Increase (decrease)					
Accounts payable	-	-	22,189	22,189	(35,783)
Accrued liabilities	-	-	2,864	2,864	27,002
Total adjustments	-	-	25,053	25,053	83,217
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 88,153	\$ 88,153	\$ 107,216	\$ 19,063	\$ 155,302

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
STATEMENT OF CHANGES IN AGENCY FUND ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
ASSETS				
Cash and investments				
Flexible compensation plan	\$ <u>18,151</u>	\$ <u>37,080</u>	\$ <u>29,360</u>	\$ <u>25,871</u>
 LIABILITIES				
Benefits payable				
Flexible compensation plan	\$ <u>18,151</u>	\$ <u>37,080</u>	\$ <u>29,360</u>	\$ <u>25,871</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Reno-Sparks Convention & Visitors Authority
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net Investment in capital assets	\$ (15,194,677)	\$ (17,250,213)	\$ (20,672,015)	\$ (22,195,890)	\$ (23,273,492)	\$ (20,925,684)	\$ (24,145,397)	\$ (27,435,670)	\$ (23,362,078)	\$ (24,718,329)
Restricted	9,715,694	9,185,562	9,217,909	9,568,412	9,050,111	8,221,904	7,108,195	7,740,234	9,437,557	10,652,094
Unrestricted (deficit)	(17,213,537)	(18,416,720)	(17,874,532)	(18,132,392)	(20,488,186)	(27,429,582)	(27,113,595)	(27,590,079)	(32,277,129)	(33,126,722)
Total governmental activities net position	<u>\$ (22,692,520)</u>	<u>\$ (26,481,371)</u>	<u>\$ (29,328,638)</u>	<u>\$ (30,759,870)</u>	<u>\$ (34,711,567)</u>	<u>\$ (40,133,362)</u>	<u>\$ (44,150,797)</u>	<u>\$ (47,285,515)</u>	<u>\$ (46,201,650)</u>	<u>\$ (47,192,957)</u>
Business-type activities										
Net Investment in capital assets	\$ 3,002,682	\$ 2,732,958	\$ 2,717,040	\$ 2,564,804	\$ 2,311,832	\$ 4,348,702	\$ 4,274,363	\$ 4,228,975	\$ -	\$ -
Unrestricted (deficit)	337,157	(59,546)	(192,094)	(116,721)	(205,356)	(152,679)	(289,604)	(517,011)	-	-
Total business-type activities net position	<u>\$ 3,339,839</u>	<u>\$ 2,673,412</u>	<u>\$ 2,524,946</u>	<u>\$ 2,448,083</u>	<u>\$ 2,106,476</u>	<u>\$ 4,196,023</u>	<u>\$ 3,984,759</u>	<u>\$ 3,711,964</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Net Investment in capital assets	\$ (12,191,995)	\$ (14,517,255)	\$ (17,954,975)	\$ (19,631,086)	\$ (20,961,660)	\$ (16,576,982)	\$ (19,871,034)	\$ (23,206,695)	\$ (23,362,078)	\$ (24,718,329)
Restricted	9,715,694	9,185,562	9,217,909	9,568,412	9,050,111	8,221,904	7,108,195	7,740,234	9,437,557	10,652,094
Unrestricted (deficit)	(16,876,380)	(18,476,266)	(18,066,626)	(18,249,113)	(20,693,542)	(27,582,261)	(27,403,199)	(28,107,090)	(32,277,129)	(33,126,722)
Total primary government net position	<u>\$ (19,352,681)</u>	<u>\$ (23,807,959)</u>	<u>\$ (26,803,692)</u>	<u>\$ (28,311,787)</u>	<u>\$ (32,605,091)</u>	<u>\$ (35,937,339)</u>	<u>\$ (40,166,038)</u>	<u>\$ (43,573,551)</u>	<u>\$ (46,201,650)</u>	<u>\$ (47,192,957)</u>

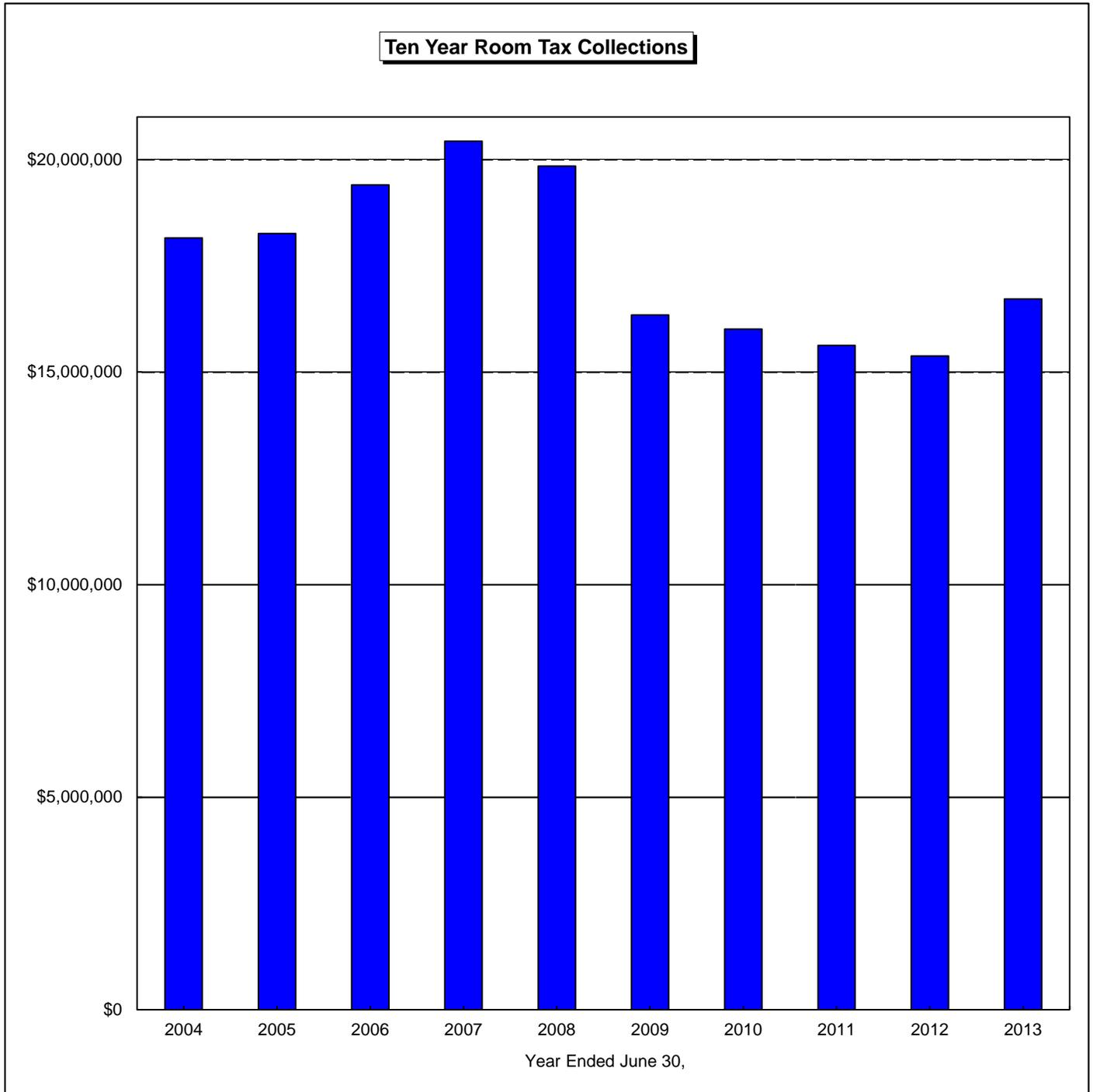
The Golf Courses Enterprise Fund (Business-type activities) was closed into the Governmental activities on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity (as governmental

Reno-Sparks Convention & Visitors Authority
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 2,920,705	\$ 3,297,097	\$ 3,528,656	\$ 3,514,851	\$ 3,729,349	\$ 3,587,489	\$ 2,900,843	\$ 2,668,446	\$ 2,226,809	\$ 2,330,130
Community support	22,739,585	25,307,919	26,957,431	29,461,499	30,203,964	25,387,470	23,294,909	21,781,565	23,295,763	24,517,642
Debt service - interest and fiscal charges	7,843,794	7,683,781	7,530,910	7,366,517	7,267,946	7,136,998	7,015,494	7,051,033	6,762,092	7,793,572
Total governmental activities expenses	<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>	<u>36,111,957</u>	<u>33,211,246</u>	<u>31,501,044</u>	<u>32,284,664</u>	<u>34,641,344</u>
Business-type activities:										
Golf courses	3,304,888	3,311,425	3,424,086	3,504,610	3,670,565	4,040,228	2,154,810	2,155,031	-	-
Total business-type activities expenses	<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>	<u>4,040,228</u>	<u>2,154,810</u>	<u>2,155,031</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<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>	<u>\$ 40,152,185</u>	<u>\$ 35,366,056</u>	<u>\$ 33,656,075</u>	<u>\$ 32,284,664</u>	<u>\$ 34,641,344</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 212,179	\$ 340,563	\$ 376,406	\$ 395,736	\$ 389,500	\$ 373,799	\$ 535,379	\$ 564,149	\$ 561,696	\$ 558,120
Community support	7,954,260	7,286,277	9,108,739	11,241,764	10,388,274	8,227,469	7,351,586	7,018,082	8,548,547	8,956,262
Operating grants and contributions	598,126	544,580	619,997	691,315	624,755	444,178	383,644	366,428	471,677	2,241,792
Capital grants and contributions	-	455,132	-	-	-	100,000	30,000	-	-	63,300
Total governmental activities program revenues	<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>	<u>9,145,446</u>	<u>8,300,609</u>	<u>7,948,659</u>	<u>9,581,920</u>	<u>11,819,474</u>
Business-type activities:										
Charges for services	3,044,028	2,644,998	2,875,620	3,027,747	2,928,958	2,438,219	1,943,546	1,882,236	-	-
Capital grants and contributions	-	-	-	-	-	3,445,200	-	-	-	-
Total business-type activities program revenues	<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>	<u>5,883,419</u>	<u>1,943,546</u>	<u>1,882,236</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<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>	<u>\$ 15,028,865</u>	<u>\$ 10,244,155</u>	<u>\$ 9,830,895</u>	<u>\$ 9,581,920</u>	<u>\$ 11,819,474</u>
Net (expense)/revenue										
Governmental activities	\$ (24,739,519)	\$ (27,662,245)	\$ (27,911,855)	\$ (28,014,052)	\$ (29,798,730)	\$ (26,966,511)	\$ (24,910,637)	\$ (23,552,385)	\$ (22,702,744)	\$ (22,821,870)
Business-type activities	(260,860)	(666,427)	(548,466)	(476,863)	(741,607)	1,843,191	(211,264)	(272,795)	-	-
Total primary government net expense	<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>	<u>\$ (25,123,320)</u>	<u>\$ (25,121,901)</u>	<u>\$ (23,825,180)</u>	<u>\$ (22,702,744)</u>	<u>\$ (22,821,870)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Room taxes	\$ 23,638,425	\$ 23,775,071	\$ 25,262,091	\$ 26,672,321	\$ 25,970,255	\$ 21,710,998	\$ 20,847,644	\$ 20,346,521	\$ 20,020,498	\$ 21,773,120
Unrestricted investment and interest earnings	18,227	86,933	201,189	303,691	254,163	37,652	1,013	3,878	2,004	1,281
Miscellaneous	8,884	11,390	1,308	6,808	22,615	42,422	44,545	67,268	52,143	56,162
Transfers	-	-	(400,000)	(400,000)	(400,000)	(246,356)	-	-	-	-
Total governmental activities	<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>	<u>21,544,716</u>	<u>20,893,202</u>	<u>20,417,667</u>	<u>20,074,645</u>	<u>21,830,563</u>
Business-type activities:										
Transfers	-	-	400,000	400,000	400,000	246,356	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>246,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<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>	<u>\$ 21,791,072</u>	<u>\$ 20,893,202</u>	<u>\$ 20,417,667</u>	<u>\$ 20,074,645</u>	<u>\$ 21,830,563</u>
Change in Net Position										
Governmental activities	\$ (1,073,983)	\$ (3,788,851)	\$ (2,847,267)	\$ (1,431,232)	\$ (3,951,697)	\$ (5,421,795)	\$ (4,017,435)	\$ (3,134,718)	\$ (2,628,099)	\$ (991,307)
Business-type activities	(260,860)	(666,427)	(148,466)	(76,863)	(341,607)	2,089,547	(211,264)	(272,795)	-	-
Total primary government	<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>	<u>\$ (3,332,248)</u>	<u>\$ (4,228,699)</u>	<u>\$ (3,407,513)</u>	<u>\$ (2,628,099)</u>	<u>\$ (991,307)</u>

The Golf Courses Enterprise Fund (Business-type activities) was closed into the Governmental activities on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity (as governmental activities); prior year governmental activities balances have not been restated.

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.

2004	\$	18,157,051	2009	\$	16,346,211
2005		18,262,011	2010		16,013,408
2006		19,404,215	2011		15,628,489
2007		20,433,999	2012		15,378,063
2008		19,848,794	2013		16,724,281

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

	June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 157,030	\$ 266,788	\$ 141,851	\$ 303,923	\$ 270,280	\$ 48,045	\$ 5,793	\$ -	\$ -	\$ -
Unreserved	4,600,588	3,938,251	5,099,293	6,815,430	5,072,080	3,391,813	6,096,272	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	120,842	188,092
Assigned	-	-	-	-	-	-	-	2,239,365	270,814	-
Unassigned	-	-	-	-	-	-	-	4,484,961	4,338,052	3,850,219
Total general fund	<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>	<u>\$ 3,439,858</u>	<u>\$ 6,102,065</u>	<u>\$ 6,724,326</u>	<u>\$ 4,729,708</u>	<u>\$ 4,038,311</u>
All other governmental funds										
Reserved	\$ 18,296,081	\$ 15,512,455	\$ 14,624,803	\$ 16,711,821	\$ 15,542,661	\$ 12,072,953	\$ 10,379,415	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	10,639,428	12,087,559	14,199,365
Assigned	-	-	-	-	-	-	-	52,845	-	-
Total all other governmental funds	<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>	<u>\$ 12,072,953</u>	<u>\$ 10,379,415</u>	<u>\$ 10,692,273</u>	<u>\$ 12,087,559</u>	<u>\$ 14,199,365</u>

Reno-Sparks Convention & Visitors Authority adopted GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the Year Ended June 30, 2011.

Fund balances will be classified in accordance with GASB 54 prospectively.

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)

Revenues	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Room tax (Net 6%)	\$ 16,444,122	\$ 16,539,180	\$ 17,573,628	\$ 18,506,263	\$ 17,976,266	\$ 14,804,116	\$ 14,502,709	\$ 14,154,104	\$ 13,927,303	\$ 15,146,518
Room tax (State 5/8%)	1,712,929	1,722,831	1,830,587	1,927,736	1,872,528	1,542,095	1,510,699	1,474,385	1,450,760	1,577,763
Room tax (RSCC 2%)	5,481,374	5,513,060	5,857,876	6,168,754	5,992,088	4,934,705	4,834,236	4,718,032	4,642,435	5,048,839
Room tax (City Ctr)	-	-	-	69,568	129,373	430,082	-	-	-	-
Facility use fees	7,648,105	6,995,470	8,774,732	10,840,245	10,089,266	7,992,415	7,194,755	6,826,462	6,172,061	6,720,421
Golf course operations	-	-	-	-	-	-	-	-	2,108,588	2,056,701
Investment earnings	616,353	631,513	821,186	995,006	878,918	481,830	384,657	370,306	473,681	2,243,073
Miscellaneous	527,218	642,760	711,721	804,063	711,123	651,275	736,755	823,037	881,737	793,422
Total revenues	32,430,101	32,044,814	35,569,730	39,311,635	37,649,562	30,836,518	29,163,811	28,366,326	29,656,565	33,586,737
Expenditures										
General government	2,844,480	3,249,985	3,477,575	3,475,812	3,679,385	3,370,720	2,733,056	2,557,456	2,100,286	2,225,338
Community support										
Facility operation	9,621,002	10,443,924	11,706,207	12,830,037	13,174,461	10,997,397	10,290,811	10,636,854	9,566,672	10,851,958
Golf course operations	-	-	-	-	-	-	-	-	2,093,472	2,088,409
Convention and tourism promotion	6,451,333	8,054,384	8,354,631	8,910,736	10,235,329	7,125,967	6,101,256	5,980,966	5,880,390	5,998,424
Community grants and miscellaneous	1,074,439	1,304,520	1,325,215	1,425,526	1,312,625	1,100,758	1,028,913	927,361	951,201	992,213
Debt service										
Principal	4,515,000	4,710,000	4,115,000	4,475,000	4,975,000	7,600,000	2,335,000	2,379,000	95,396,000	4,605,000
Interest	5,433,620	5,391,921	5,351,611	5,324,422	5,395,119	5,343,142	4,920,814	4,826,604	4,549,734	4,632,834
Other bond costs	5,255	13,164	12,701	59,199	9,100	5,800	11,250	6,900	709,864	25,266
Capital outlay	5,597,207	2,089,017	678,337	1,445,676	1,414,696	714,944	504,042	116,066	836,348	746,886
Total expenditures	35,542,336	35,256,915	35,021,277	37,946,408	40,195,715	36,258,728	27,925,142	27,431,207	122,083,967	32,166,328
Excess (deficiency) of revenues over expenditures	(3,112,235)	(3,212,101)	548,453	1,365,227	(2,546,153)	(5,422,210)	1,238,669	935,119	(92,427,402)	1,420,409
Other financing sources (uses)										
Transfers in	11,000,000	8,750,000	8,650,000	9,700,000	10,000,000	9,650,000	5,875,000	7,500,000	10,225,000	9,880,000
Transfers out	(11,200,000)	(9,000,000)	(9,050,000)	(10,100,000)	(10,400,000)	(9,700,000)	(6,175,000)	(7,500,000)	(10,587,485)	(9,880,000)
Insurance recovery	-	-	-	-	-	100,000	30,000	-	-	-
Issuance of medium term financing	-	-	-	3,000,000	-	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	-	-	-	-	-	88,680,000	-
Premium on general obligation bonds	-	-	-	-	-	-	-	-	3,510,555	-
Issuance of capital lease	-	125,896	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(200,000)	(124,104)	(400,000)	2,600,000	(400,000)	50,000	(270,000)	-	91,828,070	-
Net change in fund balance	\$ (3,312,235)	\$ (3,336,205)	\$ 148,453	\$ 3,965,227	\$ (2,946,153)	\$ (5,372,210)	\$ 968,669	\$ 935,119	\$ (599,332)	\$ 1,420,409
Debt Service (principal and interest)	\$ 9,948,620	\$ 10,101,921	\$ 9,466,611	\$ 9,799,422	\$ 10,370,119	\$ 12,943,142	\$ 7,255,814	\$ 7,205,604	\$ 99,945,734	\$ 9,237,834
Noncapital expenditures	\$ 30,151,371	\$ 33,156,732	\$ 34,332,843	\$ 36,461,029	\$ 38,903,236	\$ 35,824,741	\$ 27,534,954	\$ 27,319,862	\$ 121,247,619	\$ 31,396,094
Debt service as a percentage of noncapital expenditures	33.00%	30.47%	27.57%	26.88%	26.66%	36.13%	26.35%	26.37%	82.43%	29.42%

Note: The Golf Courses Enterprise Fund was closed into the General Fund on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity: prior year balances have not been restated.

**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	RSCVA	City of Sparks	City of Reno				Washoe County	State of Nevada		Total
			National Bowling	Events Center	City Center	Park and Recreation		Commission on Tourism	Education (IP1)	
2013	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2012	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2011	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2010	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2009	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2008	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2007	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2006	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2005	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
2004	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5

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

Fiscal Year	RSCVA	City of Sparks	City of Reno				Washoe County	State of Nevada		Total
			National Bowling	Events Center	City Center	Park and Recreation		Commission on Tourism	Education (IP1)	
2013	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2012	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2011	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2010	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2009	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2008	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2007	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2006	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2005	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
2004	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5

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

Fiscal Year	RSCVA	City of Sparks	City of Reno				Washoe County	State of Nevada		Total
			National Bowling	Events Center	City Center	Park and Recreation		Commission on Tourism	Education (IP1)	
2013	8.625	-	1.0	-	1.0	-	1.0	0.375	1.0	13.0
2012	8.625	-	1.0	-	1.0	-	1.0	0.375	1.0	13.0
2011	8.625	-	1.0	-	1.0	-	1.0	0.375	1.0	13.0
2010	8.625	-	1.0	-	1.0	-	1.0	0.375	1.0	13.0
2009	8.625	-	1.0	-	1.0	-	1.0	0.375	-	12.0
2008	8.625	-	1.0	-	1.0	-	1.0	0.375	-	12.0
2007	8.625	-	1.0	-	1.0	-	1.0	0.375	-	12.0
2006	8.625	-	1.0	-	1.0	-	1.0	0.375	-	12.0
2005	8.625	-	1.0	-	1.0	-	1.0	0.375	-	12.0
2004	8.625	-	1.0	-	1.0	-	1.0	0.375	-	12.0

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

Fiscal Year	RSCVA	City of Sparks	City of Reno				Washoe County	State of Nevada		Total	
			National Bowling	Events Center	City Center	Park and Recreation		Commission on Tourism	Education (IP1)		
2013	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2012	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2011	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2010	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
2009	8.625	-	1.0	-	1.0	-	-	1.0	0.375	-	12.0
2008	8.625	-	1.0	-	1.0	-	-	1.0	0.375	-	12.0
2007	8.625	-	1.0	-	1.0	-	-	1.0	0.375	-	12.0
2006	8.625	-	1.0	-	1.0	-	-	1.0	0.375	-	12.0
2005	8.625	-	1.0	-	1.0	-	-	1.0	0.375	-	12.0
2004	8.625	-	1.0	-	1.0	-	-	1.0	0.375	-	12.0

Reno-Sparks Convention & Visitors Authority
Principal Room Taxpayers
June 30, 2013 and 2004
(Unaudited)

Taxpayer	Fiscal Year					
	2013			2004		
	Number of Rooms	Rank	Percentage of Total Rooms	Number of Rooms	Rank	Percentage of Total Rooms
Grand Sierra Resort (Reno Hilton)	1,990	1	8.04%	1,995	1	7.44%
Silver Legacy Resort Casino	1,711	2	6.92%	1,710	2	6.38%
Peppermill Hotel Casino - Reno	1,623	3	6.56%	1,070	5	3.99%
Circus Circus	1,572	4	6.35%	1,572	3	5.87%
Sparks Nugget, Inc.	1,382	5	5.59%	1,407	4	5.25%
Harrah's	928	6	3.75%	928	7	3.46%
Sands Regency	833	7	3.37%	836	8	3.12%
Atlantis Hotel Casino Resort	824	8	3.33%	980	6	3.66%
Eldorado Hotel & Casino	814	9	3.29%	816	9	3.05%
Hyatt - Lake Tahoe	422	10	1.71%	-		-
Golden Phoenix	-		-	604	10	2.25%
All Other Hotels	3,203		12.93%	3,487		13.02%
Total All Hotels	15,302		61.84%	15,405		57.49%
Motels	2,114		8.54%	4,502		16.80%
Other Rental Properties	7,325		29.62%	6,891		25.71%
Total Room Inventory	24,741		100.00%	26,798		100.00%

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
(Unaudited)**

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Per Cash Occupied Room Night	Per Room Tax Revenue (8%)
	General Obligation Bonds	Medium Term Obligations	Capital Leases	Capital Leases				
2013	\$ 125,373,965	\$ -	\$ -	\$ -	\$ -	\$ 125,373,965	\$ 37.24	\$ 6.21
2012	124,675,330	-	-	-	-	124,675,330	38.50	6.71
2011	127,163,789	2,021,000	-	-	-	129,184,789	40.03	6.85
2010	126,685,496	2,700,000	-	-	-	129,385,496	38.65	6.69
2009	126,825,963	2,800,000	-	-	-	129,625,963	38.71	6.57
2008	132,340,689	2,900,000	-	-	-	135,240,689	35.80	5.65
2007	135,330,298	3,000,000	40,808	-	-	138,371,106	33.87	5.62
2006	137,769,037	-	82,929	-	-	137,851,966	32.02	5.90
2005	139,707,642	-	122,686	98,400	-	139,928,728	32.00	6.36
2004	142,112,805	-	-	156,204	-	142,269,009	30.73	6.51

66 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 was provided by golf course operations (business-type activities) prior to June 30, 2012. The Golf Courses Enterprise Fund (business-type activities) was closed to governmental activities on June 30, 2012.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total
2013	\$ 125,373,965	\$ 14,121,913	\$ 111,252,052
2012	124,675,330	11,746,638	112,928,692
2011	129,184,789	10,024,742	119,160,047
2010	129,385,496	9,415,708	119,969,788
2009	129,625,963	10,655,032	118,970,931
2008	135,240,689	13,932,925	121,307,764
2007	138,330,298	14,300,051	124,030,247
2006	137,769,037	14,035,658	123,733,379
2005	139,707,642	14,461,016	125,246,626
2004	142,112,805	16,350,560	125,762,245

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, 2013
(Unaudited)

Name of Government Unit	General Obligation Debt Outstanding (Thousands)	Present Self-Supporting General Obligation Debt (Thousands)	Percent Applicable to Washoe County	Applicable Net Debt (Thousands)
Debt repaid with taxes:				
Washoe County - Governmental Funds	\$ 181,178	\$ 139,649	100%	\$ 41,529
Washoe County School District	529,914	-	100%	529,914
City of Reno	120,187	82,852	100%	37,335
City of Sparks	51,701	47,811	100%	3,890
Washoe County (RSCVA)	125,374	125,374	100%	-
Overlapping Bonded Debt				612,668
Direct debt:				
Washoe County (RSCVA)				125,374
Direct and Overlapping Debt				\$ 738,042

Note: The Authority's schedule of overlapping bonded 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.

Note: Payment of general obligation bonds (direct debt) is provided by transient lodging taxes collected by the Authority.

Source: JNA Consulting Group

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 280,764	\$ 309,508	\$ 393,232	\$ 412,360	\$ 453,165	\$ 465,753	\$ 466,097	\$ 409,766	\$ 387,874	\$ 374,749
Total net debt applicable to limit	125,762	125,247	123,733	124,030	121,308	118,971	119,970	119,160	112,928	111,252
Legal debt margin	<u>\$ 155,002</u>	<u>\$ 184,261</u>	<u>\$ 269,499</u>	<u>\$ 288,330</u>	<u>\$ 331,857</u>	<u>\$ 346,782</u>	<u>\$ 346,127</u>	<u>\$ 290,606</u>	<u>\$ 274,946</u>	<u>\$ 263,497</u>
Total net debt applicable to the limit as a percentage of debt limit	44.79%	40.47%	31.47%	30.08%	26.77%	25.54%	25.74%	29.08%	29.11%	29.69%

Assessed value	<u>\$ 12,491,620</u>
Debt limit (3% of assessed value)	<u>374,749</u>
Debt applicable to debt limit	
General obligation bonds	125,374
Amounts set aside for repayment of general obligation debt	<u>(14,122)</u>
Total net debt applicable to limit	<u>111,252</u>
Legal debt margin	<u>\$ 263,497</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, 2014 (Budgeted)
(Unaudited)

	Fiscal Year										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (Budgeted)
Net General Room License Taxes (1)	\$ 16,444,122	\$ 16,539,180	\$ 17,573,628	\$ 18,506,263	\$ 17,976,266	\$ 14,804,116	\$ 14,502,709	\$ 14,154,104	\$ 13,927,303	\$ 15,146,518	\$ 15,120,450
Convention Center Room Taxes (2)	5,481,374	5,513,060	5,857,876	6,168,754	5,992,088	4,934,705	4,834,236	4,718,032	4,642,435	5,048,839	5,040,150
Other Income (3)	9,171,338	9,248,404	9,205,445	11,167,687	11,404,543	8,150,675	6,787,149	6,802,082	6,927,116	6,778,259	6,318,510
Subtotal	<u>31,096,834</u>	<u>31,300,644</u>	<u>32,636,949</u>	<u>35,842,704</u>	<u>35,372,897</u>	<u>27,889,496</u>	<u>26,124,094</u>	<u>25,674,218</u>	<u>25,496,854</u>	<u>26,973,616</u>	<u>26,479,110</u>
Less: Operating and Maintenance Expenses (4)	<u>12,947,924</u>	<u>14,796,036</u>	<u>14,533,154</u>	<u>15,924,714</u>	<u>16,797,695</u>	<u>14,041,135</u>	<u>11,871,701</u>	<u>11,654,707</u>	<u>10,827,579</u>	<u>11,732,595</u>	<u>11,583,511</u>
Net Pledged Revenues	<u>\$ 18,148,910</u>	<u>\$ 16,504,608</u>	<u>\$ 18,103,795</u>	<u>\$ 19,917,990</u>	<u>\$ 18,575,202</u>	<u>\$ 13,848,361</u>	<u>\$ 14,252,393</u>	<u>\$ 14,019,511</u>	<u>\$ 14,669,275</u>	<u>\$ 15,241,021</u>	<u>\$ 14,895,599</u>
Combined Maximum Annual Debt Service on Pledged Revenue Bonds (5)	<u>\$ 12,576,313</u>	<u>\$ 9,669,044</u>	<u>\$ 9,669,044</u>	<u>\$ 9,669,044</u>							
Coverage Factor (6)	1.44	1.31	1.44	1.58	1.48	1.10	1.13	1.11	1.52	1.58	1.54

(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, Special Events, Golf Course and Interest Revenues (excluding termination of investment contract in 2013).

(4) Includes General Government Expenditures (excluding capital expenditures), Community Support - Facility Operations Expenditures (excluding National Bowling Stadium/Reno Events Center), Certain Community Support - Convention and Tourism Promotion Expenditures, and Golf Courses Expenses. 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 (\$9,669,044 in 2016).

(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	Per Capita Income (Thousands)	Median Age	School Enrollment	Unemployment Rate (Percent)	Total Personal Income (Thousands)	Taxable Sales (Thousands)	Gross Gaming Win (Thousands)	Total Passenger Air Traffic
	(1)	(2)	(3)	(4)	(5)	(1)	(6)	(7)	(8)
2013	434,120	\$ 47	37.6	62,424	9.80%	\$ 18,284,145	\$ 5,824,726	\$ 741,038	3,514,421
2012	427,704	45	37.4	62,323	12.30%	17,849,009	5,522,605	738,152	3,561,557
2011	421,593	49	37.2	62,324	13.20%	17,944,975	5,282,935	751,467	3,795,421
2010	417,379	47	37.0	62,452	13.60%	17,421,365	5,176,982	788,509	3,777,701
2009	416,632	45	36.4	63,310	11.60%	18,550,337	5,707,791	867,198	3,979,015
2008	423,833	46	36.5	63,635	6.80%	19,392,856	6,823,701	996,615	4,841,257
2007	406,335	44	34.5	63,044	4.50%	18,378,021	7,202,641	1,069,608	5,014,382
2006	398,236	43	36.5	62,390	4.00%	17,510,758	7,268,593	1,072,937	5,149,700
2005	390,863	42	36.1	62,098	4.00%	16,700,497	6,687,447	1,016,864	5,097,170
2004	381,377	41	35.1	60,411	4.20%	15,532,986	6,023,437	1,011,658	4,918,829

The above estimates were obtained from:

- (1) Nevada Workforce Informer, Data Analysis, 2004 - 2007, US Census-Nevada, 2008 - 2012.
Washoe County Community Development, 2013.
- (2) U.S. Department of Commerce, 2004 - 2008.
Washoe County Community Demographic Information 2009-2013.
- (3) Nevada State Demographer, 2004 - 2008.
Center for Regional Studies, University of Nevada, Reno 2009 - 2013.
- (4) Washoe County School District.
- (5) Nevada State Department of Employment Security.
- (6) Nevada State Department of Taxation.
- (7) Nevada State Gaming Control Board.
- (8) Reno-Tahoe International Airport (RTIA).

**Reno-Sparks Convention & Visitors Authority
Principal Employers
June 30, 2013 and 2004
(Unaudited)**

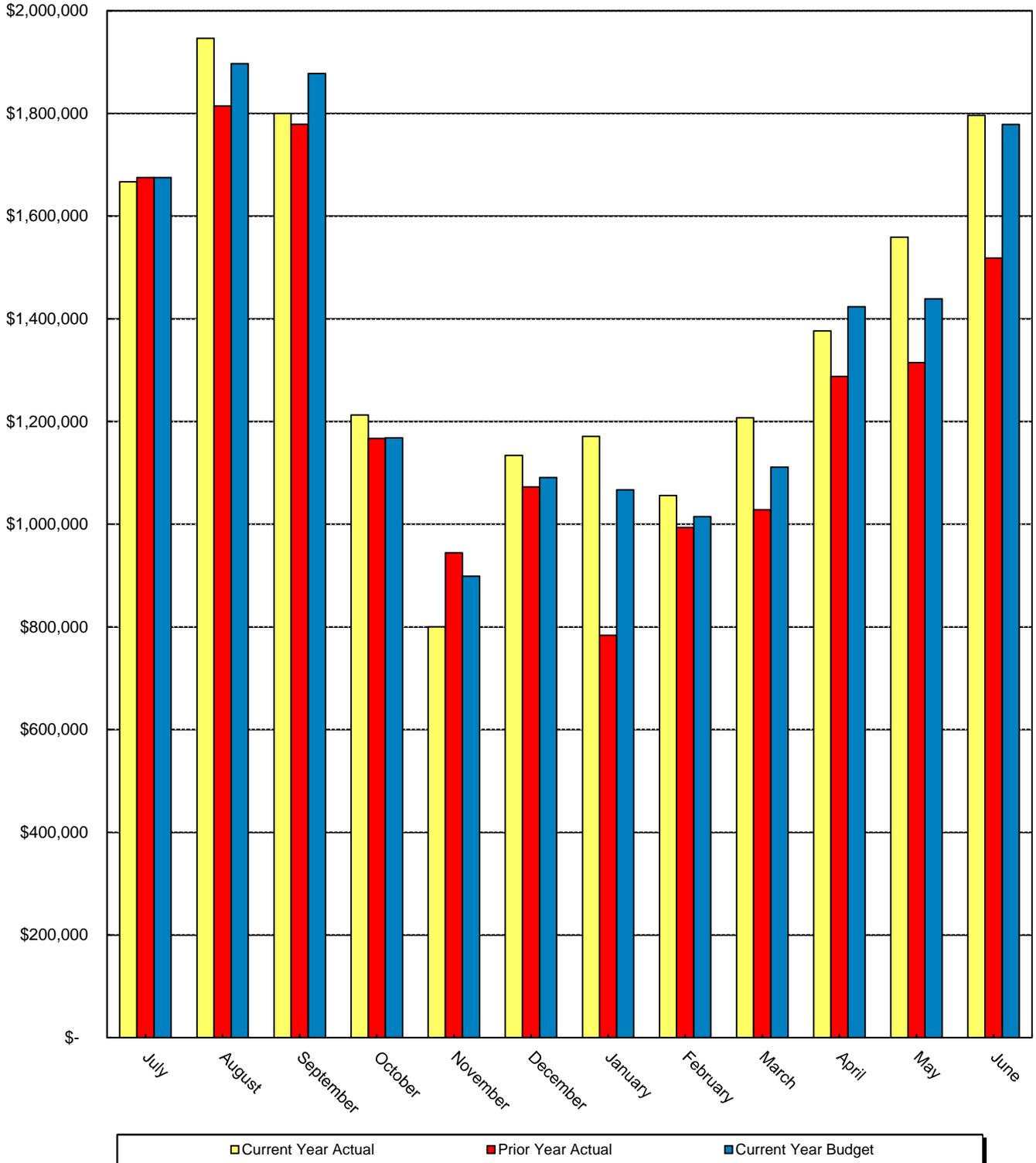
<u>Employer</u>	<u>Fiscal Year</u>					
	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Washoe County School District	7,750	1	3.89%	6,750	1	3.45%
University of Nevada - Reno	4,250	2	2.13%	3,750	2	1.91%
Renown (Washoe) Medical Center	2,750	3	1.38%	2,250	5	1.15%
Washoe County	2,250	4	1.13%	2,750	3	1.40%
Peppermill Hotel Casino - Reno	2,250	5	1.13%	-	-	-
International Gaming Technology	2,250	6	1.13%	2,750	4	1.40%
Silver Legacy Resort Casino	1,750	7	0.88%	2,250	6	1.15%
Atlantis Casino Resort	1,750	8	0.88%	-	-	-
Grand Sierra Resort (Reno Hilton)	1,250	9	0.63%	1,750	7	0.89%
Eldorado Hotel & Casino	1,250	10	0.63%	1,750	8	0.89%
St. Mary's	-	-	-	1,750	9	0.89%
Circus Circus	-	-	-	1,750	10	0.89%
 Total Washoe County Covered Employment	 <u>199,079</u>			 <u>195,813</u>		

Note: Each of the years reflect respective 4th quarter (December) information. Nevada Revised Statute Chapter 612 stipulates that actual employment for individual employers may not be published. The number of employees are estimated using the midpoint.

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

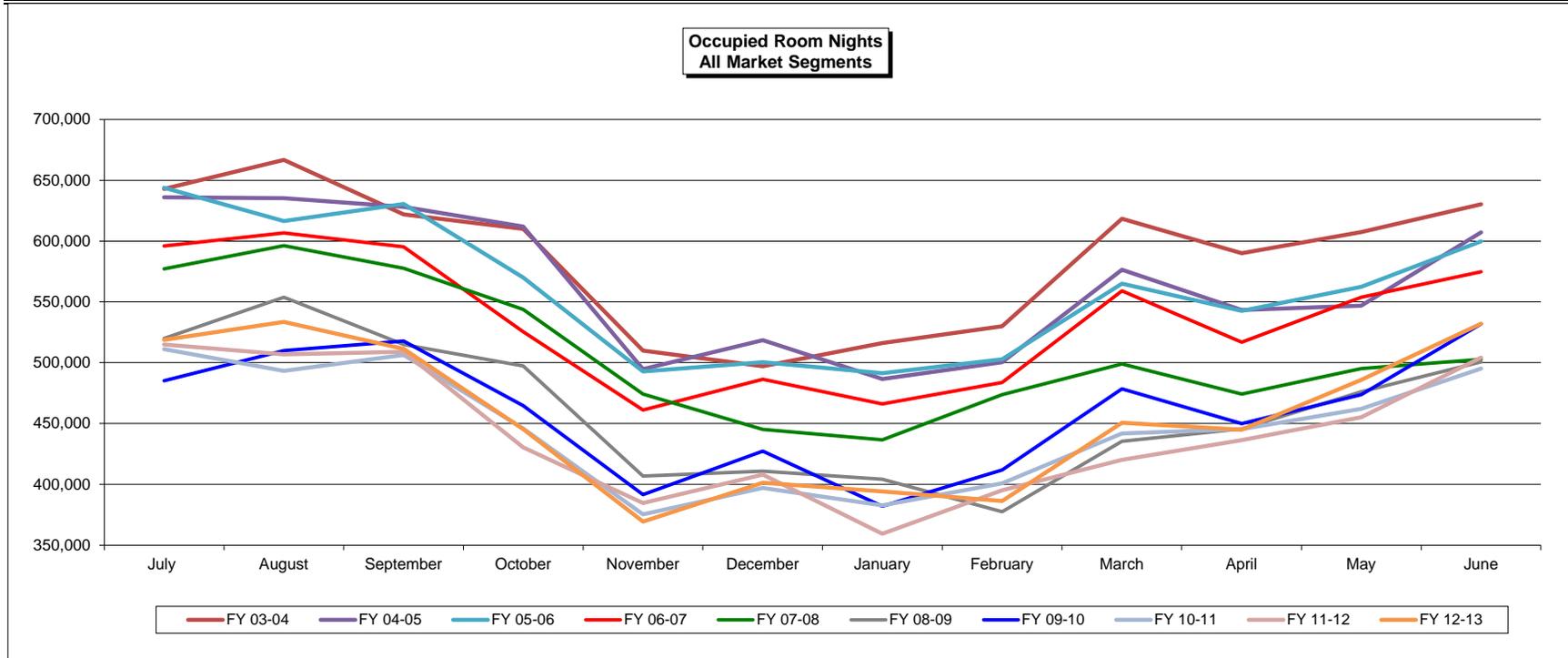
Reno-Sparks Convention & Visitors Authority
General Room Tax (6 5/8%) Collections
Fiscal Year 2012-13
(Unaudited)

Room Tax Collections By Month
 Actual, Prior Year and Budget



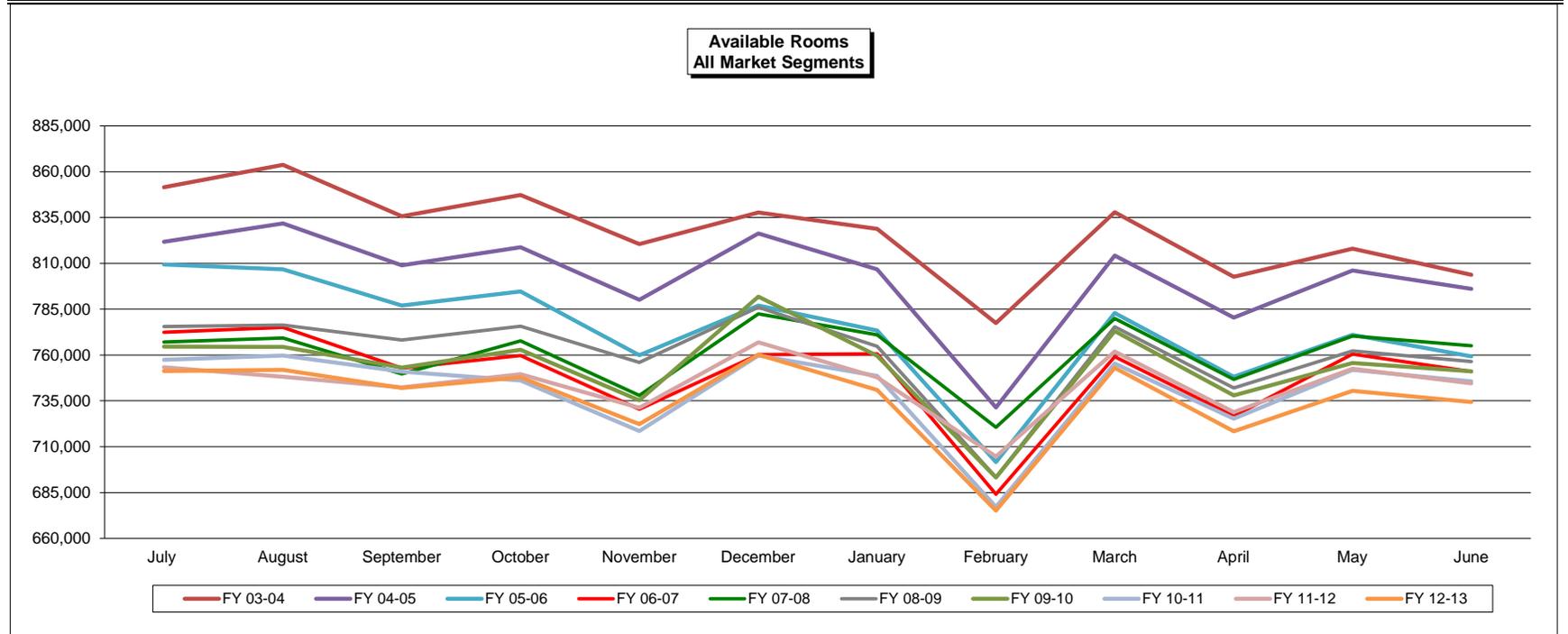
**Reno-Sparks Convention and Visitors Authority
Occupied Rooms-Consolidated Summary
Trend
(Unaudited)**

Month	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
July	642,968	635,871	643,844	596,020	577,156	520,007	485,074	511,070	514,933	518,830
August	666,824	635,277	616,416	606,682	596,250	553,766	510,027	493,240	506,798	533,571
September	621,836	628,046	630,400	595,348	577,555	514,878	517,818	506,409	508,993	511,334
October	609,894	611,885	569,925	525,369	543,719	497,277	464,679	445,898	430,410	445,503
November	510,002	494,628	492,740	461,022	474,276	406,796	391,486	375,430	384,747	369,449
December	497,101	518,475	500,500	486,464	445,120	410,860	427,375	397,109	407,921	401,306
January	516,194	486,689	491,446	466,076	436,636	404,089	382,001	382,758	359,300	394,100
February	530,022	500,345	502,738	483,795	473,654	377,511	411,882	400,769	395,205	386,414
March	618,367	576,497	564,924	559,015	498,942	435,453	478,497	441,895	420,179	450,647
April	590,044	543,363	542,643	516,868	474,188	445,716	449,820	445,322	436,283	444,981
May	607,484	546,883	562,470	553,881	495,241	476,219	473,707	461,995	455,213	485,834
June	630,226	607,053	599,788	574,737	502,758	500,777	531,970	495,145	504,348	532,145
Totals	7,040,962	6,785,012	6,717,834	6,425,277	6,095,495	5,543,349	5,524,336	5,357,040	5,324,330	5,474,114



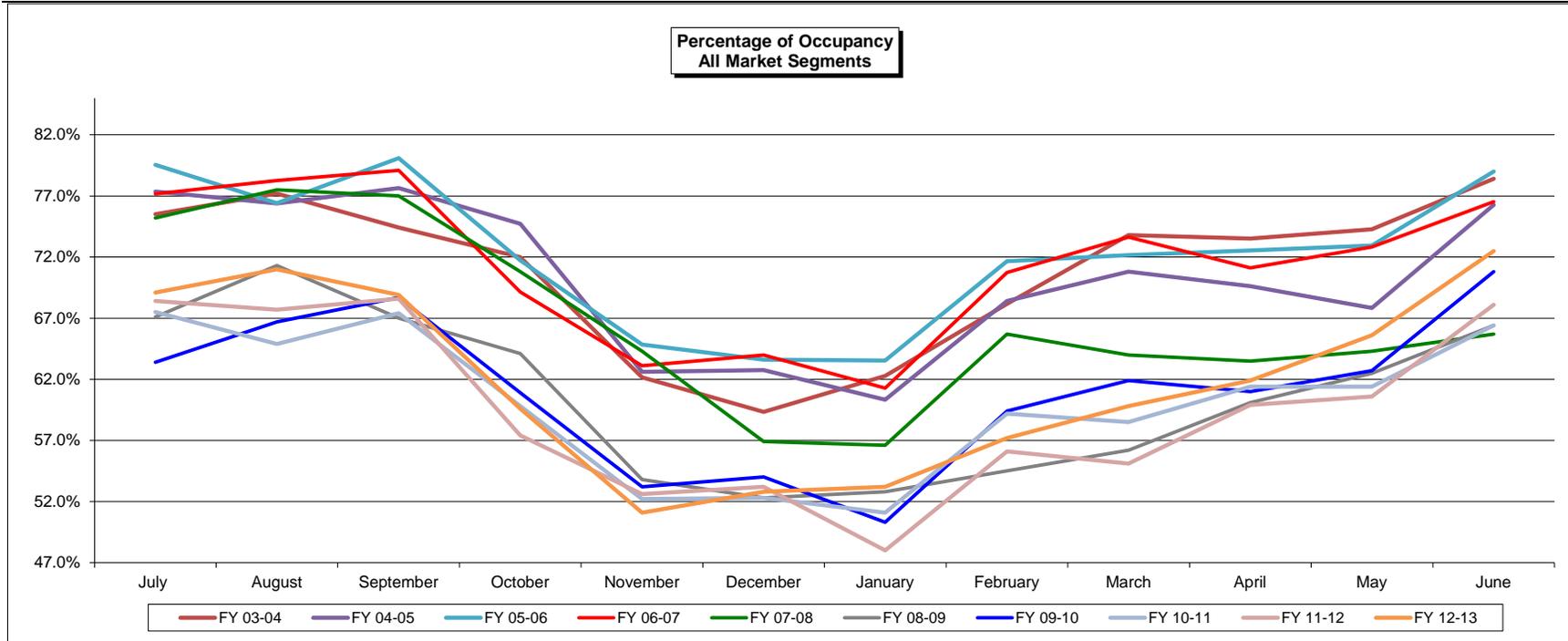
**Reno-Sparks Convention and Visitors Authority
Available Rooms-Consolidated Summary
Trend
(Unaudited)**

Month	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
July	851,506	821,855	809,432	772,362	767,095	775,491	764,609	757,360	753,354	751,282
August	863,706	831,760	806,798	775,069	769,316	776,351	764,509	759,705	748,217	751,840
September	835,750	808,883	787,023	752,809	749,768	768,250	753,240	751,046	742,367	742,079
October	847,259	818,864	794,639	759,714	767,730	775,684	762,885	746,175	749,517	747,812
November	820,572	790,082	759,824	730,385	737,915	755,912	735,276	718,569	731,159	722,305
December	837,757	826,326	786,979	760,281	782,484	786,122	791,848	759,685	766,953	760,292
January	828,752	806,786	773,441	760,639	771,058	764,704	759,549	748,589	747,888	740,895
February	777,422	731,367	701,665	684,069	720,629	693,272	693,245	677,153	704,680	675,106
March	837,850	814,299	782,987	759,150	779,890	775,375	772,999	755,304	761,957	753,038
April	802,662	780,431	748,137	726,767	746,735	741,988	737,925	725,351	728,846	718,317
May	817,995	806,092	770,997	760,525	770,431	762,173	755,747	751,958	752,568	740,438
June	803,746	796,014	759,230	751,048	765,133	756,502	751,187	745,647	744,525	734,364
Totals	9,924,977	9,632,759	9,281,152	8,992,818	9,128,184	9,131,824	9,043,019	8,896,542	8,932,031	8,837,768



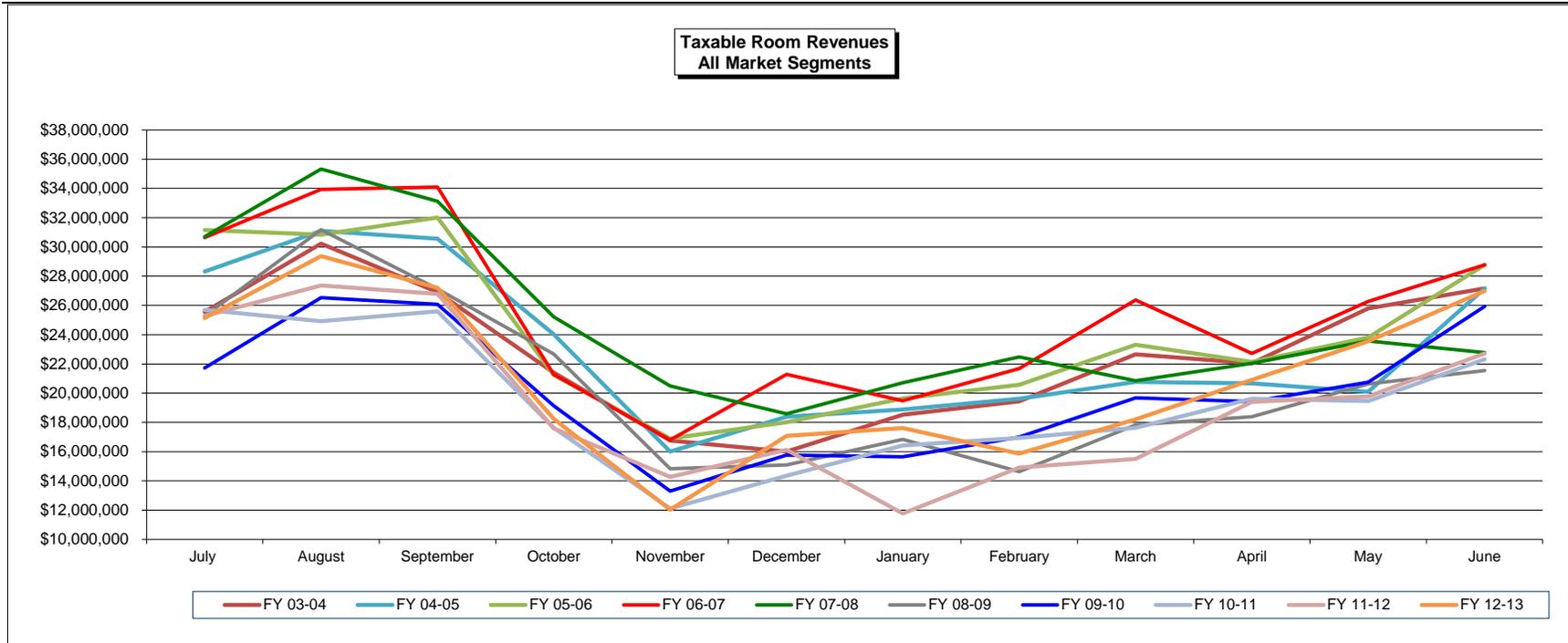
**Reno-Sparks Convention and Visitors Authority
Percentage of Occupancy-Consolidated Summary
Trend
(Unaudited)**

Month	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
July	75.5%	77.4%	79.5%	77.2%	75.2%	67.1%	63.4%	67.5%	68.4%	69.1%
August	77.2%	76.4%	76.4%	78.3%	77.5%	71.3%	66.7%	64.9%	67.7%	71.0%
September	74.4%	77.6%	80.1%	79.1%	77.0%	67.0%	68.7%	67.4%	68.6%	68.9%
October	72.0%	74.7%	71.7%	69.2%	70.8%	64.1%	60.9%	59.8%	57.4%	59.6%
November	62.2%	62.6%	64.8%	63.1%	64.3%	53.8%	53.2%	52.2%	52.6%	51.1%
December	59.3%	62.7%	63.6%	64.0%	56.9%	52.3%	54.0%	52.3%	53.2%	52.8%
January	62.3%	60.3%	63.5%	61.3%	56.6%	52.8%	50.3%	51.1%	48.0%	53.2%
February	68.2%	68.4%	71.6%	70.7%	65.7%	54.5%	59.4%	59.2%	56.1%	57.2%
March	73.8%	70.8%	72.1%	73.6%	64.0%	56.2%	61.9%	58.5%	55.1%	59.8%
April	73.5%	69.6%	72.5%	71.1%	63.5%	60.1%	61.0%	61.4%	59.9%	61.9%
May	74.3%	67.8%	73.0%	72.8%	64.3%	62.5%	62.7%	61.4%	60.6%	65.6%
June	78.4%	76.3%	79.0%	76.5%	65.7%	66.4%	70.8%	66.4%	68.1%	72.5%
Annual	70.9%	70.4%	72.4%	71.4%	66.8%	60.7%	61.1%	60.2%	59.6%	61.9%



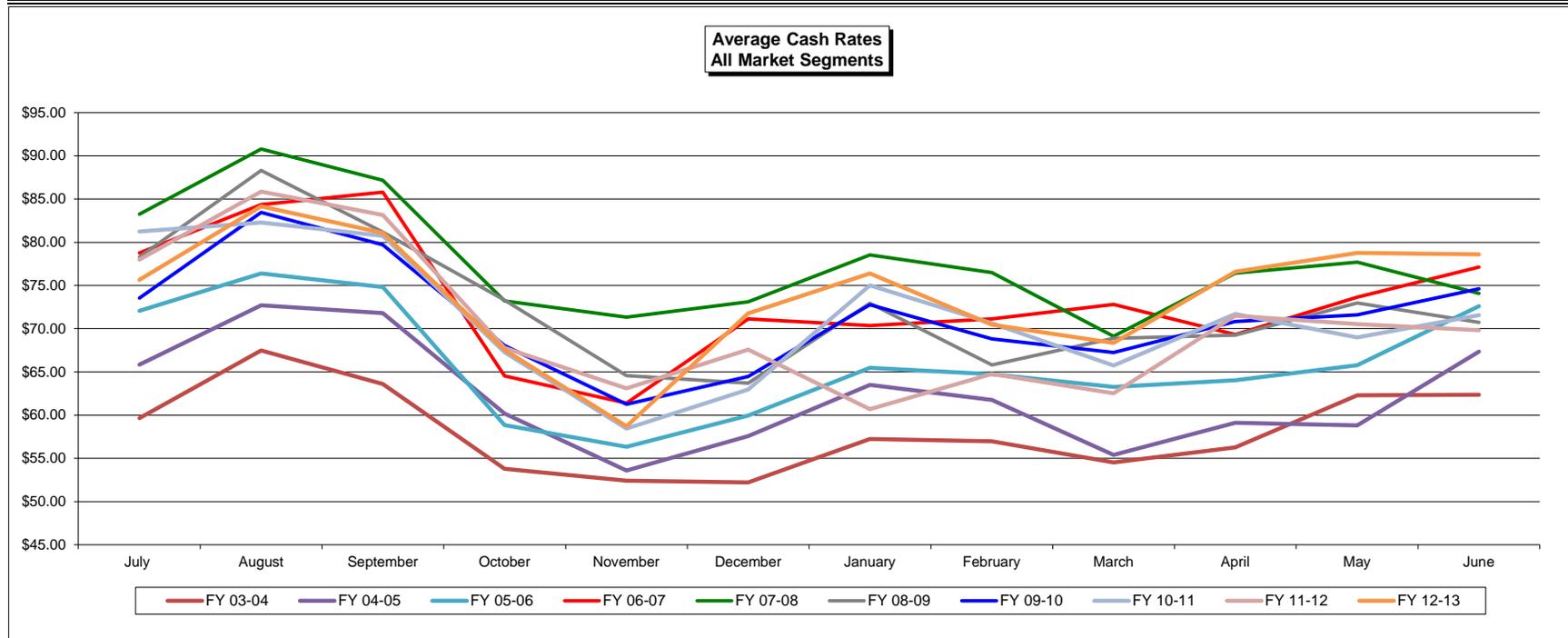
**Reno-Sparks Convention and Visitors Authority
Taxable Room Revenues-Consolidated Summary
Trend
(Unaudited)**

Month	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
July	\$ 25,552,003	\$ 28,322,099	\$ 31,147,952	\$ 30,641,192	\$ 30,700,843	\$ 25,269,465	\$ 21,714,098	\$ 25,696,516	\$ 25,281,559	\$ 25,137,500
August	30,223,274	31,096,218	30,832,073	33,940,996	35,322,264	31,179,827	26,525,474	24,916,307	27,369,572	29,376,209
September	26,915,769	30,566,205	32,016,233	34,088,596	33,131,689	27,125,605	26,066,624	25,603,229	26,789,879	27,213,720
October	21,407,644	24,020,249	21,244,385	21,275,712	25,218,368	22,666,405	19,134,875	17,625,635	17,588,548	18,247,114
November	16,752,533	15,998,036	16,891,340	16,793,375	20,487,609	14,823,109	13,307,921	12,100,762	14,273,787	12,032,690
December	15,992,670	18,385,404	18,008,851	21,290,237	18,592,622	15,090,955	15,753,867	14,352,271	16,130,427	17,067,070
January	18,529,133	18,885,929	19,629,308	19,487,810	20,713,242	16,836,019	15,649,588	16,425,797	11,769,999	17,614,224
February	19,441,676	19,608,946	20,575,251	21,679,078	22,477,801	14,627,430	17,003,033	16,931,637	14,903,511	15,868,966
March	22,665,830	20,763,913	23,318,905	26,376,498	20,856,851	17,828,479	19,667,325	17,625,363	15,504,003	18,208,897
April	22,039,890	20,670,377	22,141,665	22,713,994	22,049,440	18,392,572	19,425,355	19,621,418	19,406,880	20,900,615
May	25,784,731	20,088,809	23,815,851	26,278,892	23,564,842	20,638,629	20,745,179	19,463,389	19,769,083	23,544,500
June	27,169,358	27,165,953	28,782,970	28,766,938	22,781,887	21,536,396	25,938,570	22,316,655	22,724,216	26,982,253
Totals	\$ 272,474,511	\$ 275,572,138	\$ 288,404,784	\$ 303,333,318	\$ 295,897,458	\$ 246,014,891	\$ 240,931,909	\$ 232,678,979	\$ 231,511,464	\$ 252,193,758



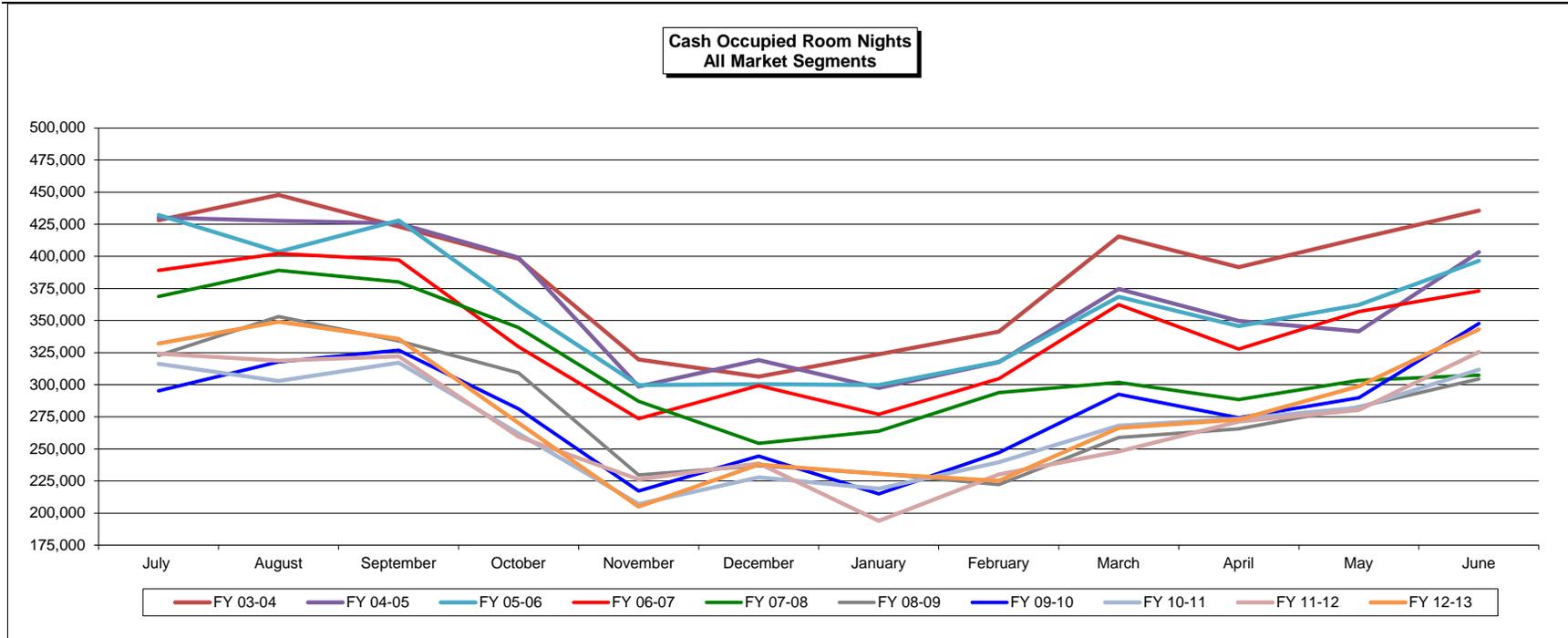
**Reno-Sparks Convention and Visitors Authority
Average Cash Rates-Consolidated Summary
Trend
(Unaudited)**

Month	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
July	\$ 59.66	\$ 65.83	\$ 72.06	\$ 78.77	\$ 83.27	\$ 78.30	\$ 73.56	\$ 81.24	\$ 77.99	\$ 75.67
August	67.49	72.71	76.39	84.37	90.78	88.30	83.45	82.28	85.87	84.17
September	63.59	71.82	74.82	85.81	87.17	81.17	79.72	80.75	83.16	81.07
October	53.78	60.20	58.86	64.54	73.20	73.31	68.07	67.28	67.78	67.57
November	52.42	53.59	56.34	61.39	71.35	64.56	61.26	58.45	63.09	58.72
December	52.22	57.58	59.95	71.14	73.12	63.71	64.49	62.96	67.58	71.78
January	57.24	63.49	65.46	70.38	78.54	72.93	72.77	75.01	60.70	76.41
February	56.97	61.76	64.74	71.14	76.51	65.80	68.84	70.64	64.76	70.47
March	54.54	55.42	63.28	72.80	69.13	68.89	67.24	65.74	62.53	68.36
April	56.29	59.10	64.05	69.32	76.43	69.25	70.85	71.72	71.52	76.60
May	62.29	58.83	65.78	73.64	77.71	72.99	71.61	68.98	70.55	78.78
June	62.37	67.36	72.61	77.12	74.09	70.75	74.63	71.58	69.82	78.61
Annual	\$ 58.66	\$ 62.85	\$ 66.83	\$ 74.12	\$ 78.23	\$ 73.43	\$ 71.95	\$ 72.09	\$ 71.49	\$ 74.91



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

Month	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
July	428,267	430,227	432,236	388,972	368,708	322,743	295,170	316,313	324,182	332,180
August	447,815	427,670	403,601	402,269	389,098	353,119	317,877	302,815	318,733	349,015
September	423,286	425,583	427,932	397,251	380,061	334,189	326,988	317,067	322,157	335,675
October	398,083	398,986	360,958	329,644	344,490	309,192	281,109	261,977	259,480	270,056
November	319,589	298,511	299,799	273,546	287,135	229,591	217,229	207,013	226,252	204,929
December	306,235	319,288	300,413	299,286	254,279	236,875	244,297	227,942	238,673	237,777
January	323,712	297,460	299,857	276,900	263,728	230,867	215,043	218,984	193,892	230,515
February	341,286	317,507	317,830	304,750	293,779	222,298	247,010	239,690	230,148	225,175
March	415,550	374,691	368,516	362,331	301,683	258,793	292,508	268,092	247,947	266,375
April	391,563	349,746	345,684	327,670	288,489	265,579	274,194	273,572	271,365	272,850
May	413,978	341,471	362,051	356,849	303,257	282,767	289,698	282,148	280,313	298,879
June	435,646	403,290	396,411	373,006	307,471	304,479	347,574	311,790	325,585	343,260
Totals	4,645,010	4,384,430	4,315,288	4,092,474	3,782,178	3,350,492	3,348,697	3,227,403	3,238,727	3,366,686



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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General Government	25.0	25.0	25.0	27.0	26.0	18.0	14.0	14.0	11.5	11.5
Culture and Recreation	55.0	55.0	55.0	55.0	55.0	27.0	26.0	26.0	-	-
Community Support	165.0	170.0	200.0	200.0	180.0	169.0	161.0	161.0	180.0	181.0
Total	245.0	250.0	280.0	282.0	261.0	214.0	201.0	201.0	191.5	192.5

Notes:

- (1) Information provided on budgeted employees.
- (2) Culture and Recreation represents business-type activities (Golf Course).
- (3) The Golf Courses Enterprise Fund (Culture and Recreation) was closed into the General Fund (Community Support) on June 30, 2012.

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

	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
Fiscal Year	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
2014	60	229,305	105	285,000	75	190,000	55	155,000
2015	29	163,450	105	285,000	75	145,000	55	155,000
2016	20	95,725	110	290,000	80	190,000	55	155,000
2017	14	82,200	110	290,000	20	25,000	55	155,000
2018	9	97,000	110	290,000	20	100,000	55	155,000

Notes:

1) 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). In Fiscal Years 2017 & 2018, NBS is scheduled for major renovation of fourth floor bowling area and will have limited availability for events.

Historical Usage and Attendance

	Convention Center		Reno-Sparks Livestock Events Center		National Bowling Stadium		Reno Events Center	
Fiscal Year	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
2004	236	539,857	250	438,825	52	134,500	n/a	n/a
2005	229	504,628	242	436,940	127	47,500	61	72,925
2006	257	552,881	221	436,050	50	119,700	48	160,339
2007	285	576,161	203	409,675	89	239,268	45	169,014
2008	263	575,372	206	401,052	185	73,738	49	213,550
2009	173	339,772	192	436,878	115	133,709	56	191,477
2010	139	421,179	186	430,273	70	216,130	52	171,085
2011	121	310,824	168	444,553	73	204,177	49	150,748
2012	128	275,837	148	321,875	56	98,158	53	163,018
2013	102	422,042	100	282,357	80	190,791	56	147,489

Notes:

1) Number of events includes all show activity (conventions, trade shows, public consumer shows, concerts and meetings).

2) The Reno Events Center opened January 2005.

Reno-Sparks Convention & Visitors Authority
Capital Asset Statistics by Function
June 30, 2013
(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 105,000 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 1,800 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 and 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 106,000 square feet of public concourse/registration space and improved show load-in/out capabilities, enabling concurrent major events. The Convention Center is connected via sky bridge to an adjacent hotel.

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 popular with the local community, hosting numerous public and consumer shows.

Home of the world famous Reno Rodeo, the facility hosts a myriad of special events ranging from annual USA BMX bicycle races to premier equine competitions, including the Snaffle Bit Futurity, Regional International Arabian Horse Association competitions, and the ACTRA team roping finals.

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, boxing, indoor football and basketball), 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, 2013
(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 an 88-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 2014 and 2016, and the United States Bowling Congress Women’s Championships, returning in 2014, 2015 and 2018. Additional USBC Open & Women’s Championship tournament will be held beginning 2019 through 2030. 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.

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. Located on the first floor is the Satellite International Bowling Hall of Fame/Museum showcasing ABC, WIBC and PBA Hall of Fame members and bowling memorabilia from all over the world. Also on the first level is the newly constructed Kingpin Club, a ten lane VIP bowling center that can be used for tournaments and rented for corporate/convention parties for up to 125 people.

Wildcreek Golf Course

Wildcreek Golf Course, located three miles from the City of Reno, provides 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, two practice putting greens and a 20,000 square foot clubhouse.

COMPLIANCE SECTION



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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Reno-Sparks Convention & Visitors Authority's basic financial statements, and have issued our report thereon dated September 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Reno-Sparks Convention & Visitors Authority's internal control over financial reporting (internal control) to determine that audit procedure that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Reno-Sparks Convention & Visitors Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Reno-Sparks Convention & Visitor's Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Reno-Sparks Convention & Visitors Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kafoury, Armstrong & Co.

Reno, Nevada
September 25, 2013

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The following action was taken during 2012-2013 relating to the potential statute violations reported in the June 30, 2012 audit report:

- Actual expenditures were monitored in order to avoid overexpenditures during the year ended June 30, 2013.
- As of June 30, 2012, the Golf Courses Enterprise Fund has been closed into the General Fund.

PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2012.

CURRENT YEAR RECOMMENDATIONS

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