

# Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014



RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Year Ended  
June 30, 2014

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

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2014**

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# **INTRODUCTORY SECTION**



September 29, 2014

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, 2013 to June 30, 2014

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, 2014, 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 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 2013-2014.** Throughout the period covered by this report, gaming and tourism continued to be the dominant local industries, making the economic vitality of Washoe County largely dependent on a constant influx of visitors.

Total cash occupied room nights decreased from 3,366,686 room nights in fiscal year 2012-13 to 3,350,885 room nights in fiscal year 2013-14. Overall occupancy percentages increased from 61.9% in fiscal year 2012-13 to 63.7% in fiscal year 2013-14. Average cash rates increased from \$74.91 for fiscal year 2012-13 to \$76.23 for fiscal year 2013-14, resulting in total taxable revenues increasing from \$252,193,758 in fiscal year 2012-13 to \$255,428,366 in fiscal year 2013-14.

**Outlook For Fiscal Year 2014-15 and The Future.** During the 2011-2012 fiscal year, the Board of Directors adopted a Strategic Plan (the Strategic Plan is currently in the process of being revised/updated), 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 21<sup>st</sup> 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:

- Barrett-Jackson Auction/ Hot August Nights
- Worldwide Distributors Fall Show
- Builders Association of Northern Nevada Home Show
- Fire Shows Reno
- Amazing Expos – Pet Expo
- Lockett Incorporated Fall Home Show & Pet Expo
- Great Reno Craft Festival
- Wizard World Reno Comic Con
- Wild Sheep Foundation
- Worldwide Distributors Spring Show
- National Archery Buyers Association
- Auto Show 2015
- NCVA Presidents Day Volleyball Tournament

- Lockett Incorporated Motorsports Show and Spring Home Show
- Floors to Go/Abbey Carpet Convention
- Northern California Volleyball Association, Far Western Tournament
- Jam on It Basketball District Championships
- Northern California Volleyball Association, Power League
- Jam on It Basketball Memorial Day Tournament
- Western Association of College Stores –Super Conference
- Antiques Road Show

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, 2014 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, 2013. This was the twenty-seventh 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.

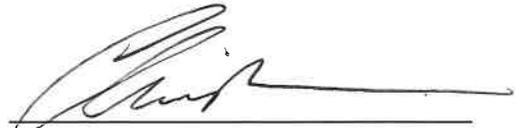
A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements, and are submitting it to the GFOA to determine its eligibility for another certificate.

**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,

A handwritten signature in black ink, appearing to read 'Chris', written over a horizontal line.

Christopher Baum  
President & CEO

A handwritten signature in blue ink, appearing to read 'Brian Rivers', written over a horizontal line.

Brian Rivers  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Reno-Sparks**

**Convention & Visitors Authority**

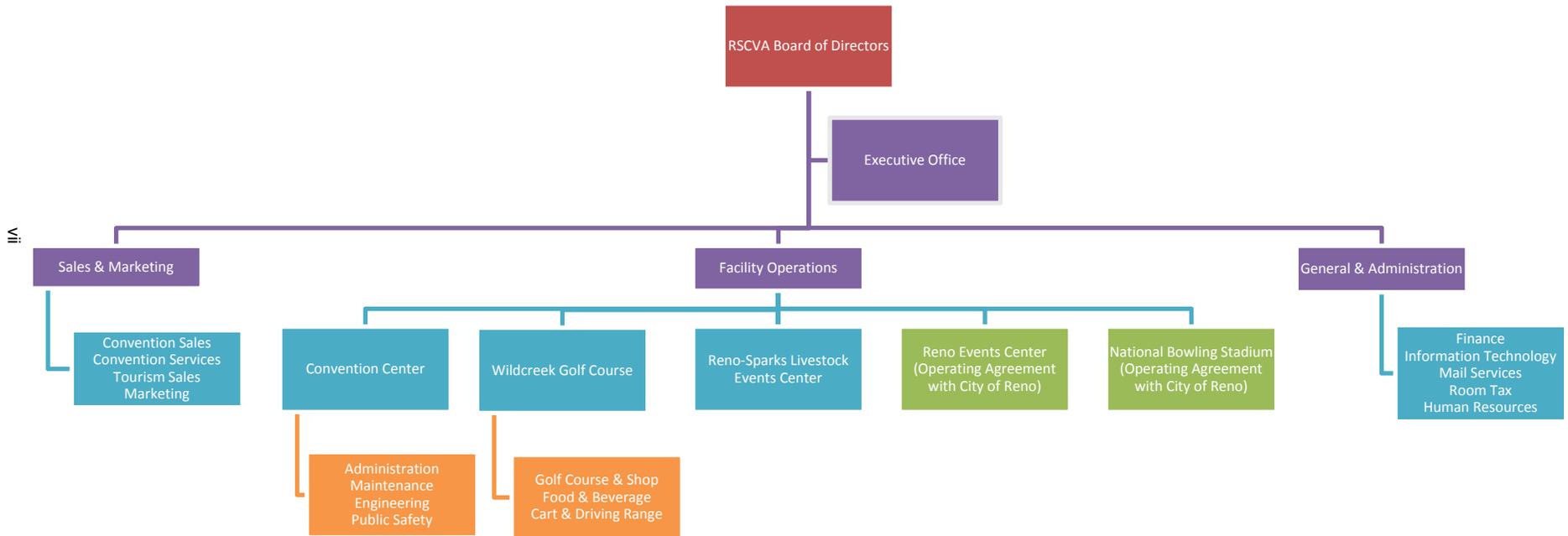
**Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
FINANCIAL STRUCTURE  
JUNE 30, 2014**



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**BOARD OF DIRECTORS**



**Kevin Sullivan**  
**Chairman**  
**Banking Industry**  
**Term Expires June 2015**



**Dennis McGovern**  
**Vice-Chairman**  
**Business Industry**  
**Term Expires March 2016**



**Fred Findlen**  
**Secretary/Treasurer**  
**Incline Village/Crystal Bay**  
**Term Expires January 2016**

**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 December 2014



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



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



**Bonnie Weber**  
Washoe County  
Term is coterminous



**Kosta Arger**  
Business Industry  
Term Expires July 2016



**Pat Flynn**  
Gaming Industry  
Term Expires June 2015



**John Farahi**  
Gaming Industry  
Term Expires December 2015



**David Humke**  
Washoe County  
Term is coterminous

**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**



## 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, (the Authority) as of and for the year ended June 30, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 4 through 13 and page 53 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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 basic 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 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*

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Authority's 2013 basic financial statements (not presented herein), and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated September 29, 2014. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. In our opinion, the summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The individual fund schedules related to the 2013 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those

financial statements or to those 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 schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2014, 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 29, 2014

## **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 \$48,448,281 (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 \$608,051. 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 \$17,863,292, a decrease of \$374,384 compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,655,320, or 16.5% of total General Fund expenditures.
- The Authority's total debt decreased by \$3,801,263 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 \$376,593 (1.7%) from the prior year.
- Cash and investments of the Authority decreased by \$428,490 (2.6%) 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, liabilities and deferred inflows/outflows of resources (as applicable) 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.

**Accounting Changes.** The Authority implemented GASB 65, *Items Previously Reported as Assets and Liabilities*, in the current year which changed classifications of the Statement of Net Position/Governmental Funds Balance Sheet to include new categories for deferred outflows of resources or deferred inflows of resources. Based on definition, reclassifications of certain items being reported as assets and liabilities were made to present those amounts as deferred outflows of resources and deferred inflows of resources.

In addition, in applying these new GASB definitions to the Authority, prior year net position was reduced by previously unamortized bond issuance costs.

## **Government-wide Financial Analysis**

By far the largest portion of the Authority’s assets (74%) 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	
	2014	2013
Assets:		
Current and other assets	\$ 21,824,122	\$ 22,561,061
Capital assets	62,120,500	65,537,987
<b>Total assets</b>	<b>83,944,622</b>	<b>88,099,048</b>
Liabilities:		
Long-term liabilities	126,768,713	129,839,427
Other liabilities	5,624,190	5,452,578
<b>Total liabilities</b>	<b>132,392,903</b>	<b>135,292,005</b>
Net Position:		
Net Investment in capital assets	(25,281,463)	(24,718,329)
Restricted for:		
Debt service	10,346,610	10,304,712
Claims	444,181	347,382
Unrestricted (deficit)	(33,957,609)	(33,126,722)
Total net position	(48,448,281)	(47,192,957)
GASB 65 adjustments	-	(647,273)
<b>Total net position</b>	<b>\$ (48,448,281)</b>	<b>\$ (47,840,230)</b>

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 capital assets 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 \$608,051. The principal cause of this change is depreciation on capital assets during the fiscal year. The implementation of GASB 65 noted previously, impacted net position by the expensing of bond issue costs. The resulting restatement of beginning net position was a decrease of \$647,273.

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

	Governmental Activities	
	2014	2013
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 9,441,537	\$ 9,514,382
Operating grants and contributions	1,147	2,241,792
Capital grants and contributions	599,265	63,300
<i>General revenues:</i>		
Room taxes	22,149,713	21,773,120
Unrestricted investment and interest earnings	30	1,281
Miscellaneous	53,628	56,162
<b>Total revenues</b>	<b>32,245,320</b>	<b>33,650,037</b>
Expenses:		
General government	2,335,097	2,330,130
Community support	24,767,252	24,517,642
Debt service	5,751,022	7,793,572
<b>Total expenses</b>	<b>32,853,371</b>	<b>34,641,344</b>
<b>Change in net position</b>	<b>(608,051)</b>	<b>(991,307)</b>
<b>Net Position, July 1, as restated</b>	<b>(47,840,230)</b>	<b>(46,201,650)</b>
<b>GASB 65 adjustments</b>	<b>-</b>	<b>(647,273)</b>
<b>Net Position, June 30</b>	<b>\$ (48,448,281)</b>	<b>\$ (47,840,230)</b>

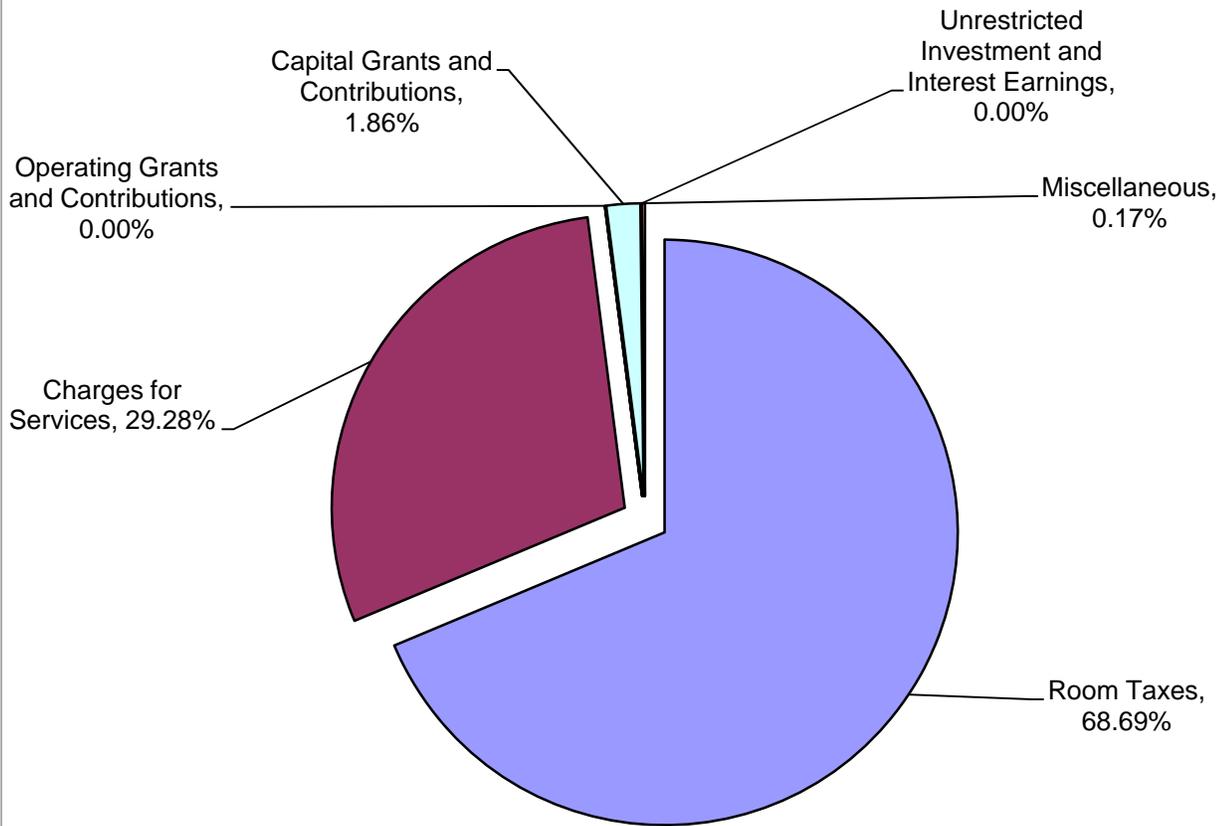
The primary revenue streams collected by the Authority are room license tax collections and charges for services (usage fees from facilities).

The Authority's room license tax collections increased \$376,593 (1.7%) 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.**

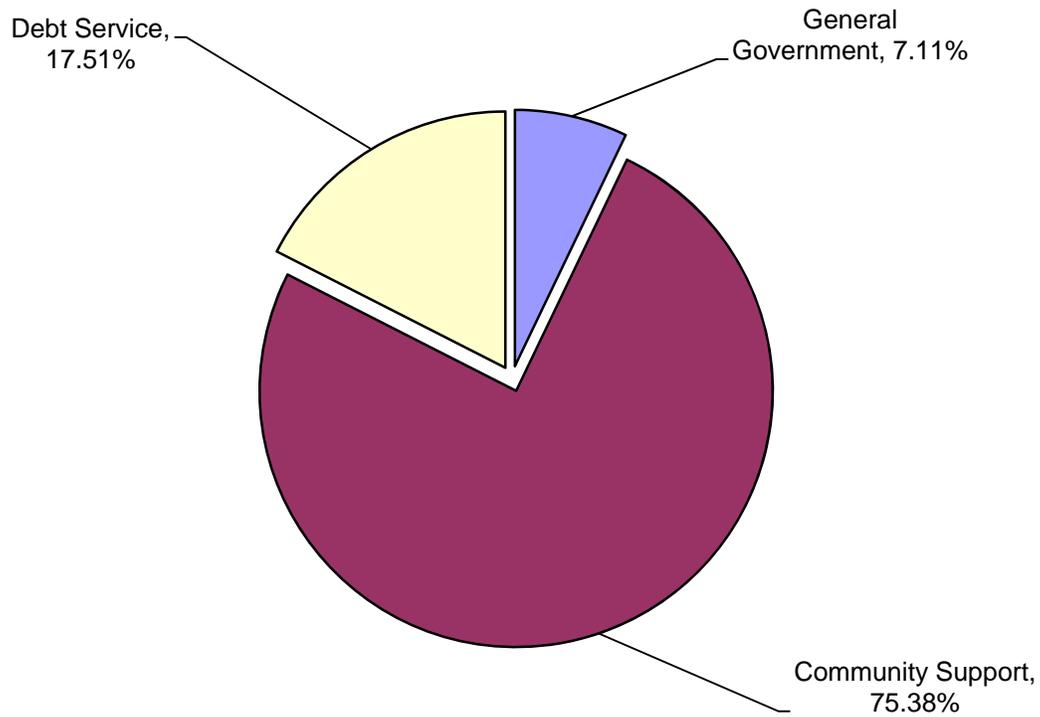
Total program revenues and total revenues for governmental activities amounted to \$10,041,949 and \$32,245,320, respectively, for the 2013-14 fiscal year. As illustrated on the following chart, room tax collections are the largest revenue source, followed by charges for services.

## Revenues by Source - Governmental Activities



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 \$17,863,292. Approximately 20.9% of this total amount (\$3,731,261) 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 (prepaid expenditures, inventory, debt).

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 \$3,655,320, while the total fund balance was \$3,865,421. 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 17.4% for the year just completed.

The fund balance of the RSCVA's General Fund decreased by \$172,890 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 \$13,921,930, which is a decrease of \$199,983 from prior year, all of which is restricted for the payment of debt service.

The Capital Projects Fund is used to track expenditures at the Authority's facilities. Current year projects included sound system upgrades at the Reno-Sparks Convention Center and seating, painting and sound system projects at the Reno-Sparks Livestock Events Center. The fund has unassigned fund balance of \$75,941 at year end.

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

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

- Expenditures – General Government increasing by \$90,000, as a result of costs mainly associated with developing a strategic plan,
- Expenditures – Facility Operation increasing by \$200,000, as a result of increased payroll costs to service business in facilities,
- Expenditures – Convention and Tourism Promotion increasing by \$175,000, to utilize funds to sell and market the region.

Overall, revenues were above budget by \$96,004 for the year, primarily as a result of increased room license tax revenues and decreased (below that budgeted) facility revenues.

Expenditures were below budget by \$293,381, primarily as a result of lower supply and service expenditures within facility operations.

## Capital Assets and Long-term Debt Activity

**Capital assets.** The RSCVA's capital assets for its governmental activities as of June 30, 2014, amount to \$62,120,500 (net of accumulated depreciation). These capital assets include water rights, construction in progress, buildings, improvements and furniture and equipment. Major capital asset transactions during the fiscal year included sound system upgrades at the Reno-Sparks Convention Center and seating, painting and sound system projects at the Reno-Sparks Livestock Events Center.

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
Construction in Progress	187,136
Buildings and Improvements	56,681,780
Improvements	795,009
Furniture and Equipment	1,011,375
Total	\$ 62,120,500

**Long-term debt.** During fiscal year 2013-14, the Authority made payments of \$5,345,000 in principal and \$4,247,094 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, 2014
RSCC Expansion Bonds (Capital Appreciation)	\$ 19,384,075	\$ 30,770,797
2011 Refunding	88,680,000	87,925,000
Total	\$ 108,064,075	\$ 118,695,797

## **Known Economic Factors**

- Lodging properties continue to invest capital into their current facilities:
  - Sparks Nugget - \$50 million renovation including rooms, restaurants, public spaces and new Gilley's Dance Hall, BBQ & Saloon.
  - Grand Sierra Resort - \$40 million renovation including rooms, restaurants, public spaces and \$15 million nightclub (LEX).
- Whitney Peak hotel in Downtown Reno, opened in May 2014 with 157 rooms.
- Cal-Neva Resort financing secured for renovation, anticipated to re-open Summer 2015.
- 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.

## **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, 2014**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 17,125,320
Receivables	
Accounts receivable	850,548
Room license taxes receivable	3,424,390
Other receivables	201,532
Prepaid items	10,000
Inventories	200,101
Other postemployment benefits	12,231
Capital assets not being depreciated	3,632,336
Capital assets being depreciated (net of accumulated depreciation)	58,488,164
<b>TOTAL ASSETS</b>	<b>83,944,622</b>
<b>LIABILITIES</b>	
Accounts payable	474,547
Accrued liabilities	2,824,426
Accrued interest payable	2,119,772
Event deposits	205,445
Noncurrent liabilities:	
Due within one year	5,710,000
Due in more than one year	118,012,804
Other postemployment benefits	3,045,909
<b>TOTAL LIABILITIES</b>	<b>132,392,903</b>
<b>NET POSITION</b>	
Net investment in capital assets	(25,281,463)
Restricted for:	
Debt service	10,346,610
Claims	444,181
Unrestricted (deficit)	(33,957,609)
<b>TOTAL NET POSITION</b>	<b>\$ (48,448,281)</b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>PRIMARY GOVERNMENT FUNCTIONS/PROGRAMS</b>					
Governmental activities:					
General government	\$ 2,335,097	\$ 611,253	\$ -	\$ -	\$ (1,723,844)
Community support	24,767,252	8,830,284	11	599,265	(15,337,692)
Interest and fiscal charges	5,751,022	-	1,136	-	(5,749,886)
<b>Total governmental activities</b>	<b>\$ 32,853,371</b>	<b>\$ 9,441,537</b>	<b>\$ 1,147</b>	<b>\$ 599,265</b>	<b>(22,811,422)</b>
<b>GENERAL REVENUES</b>					
Taxes:					
Room taxes					22,149,713
Unrestricted investment and interest earnings					30
Miscellaneous					53,628
<b>TOTAL GENERAL REVENUES</b>					<b>22,203,371</b>
<b>CHANGE IN NET POSITION</b>					<b>(608,051)</b>
<b>NET POSITION, JULY 1, as restated</b>					<b>(47,840,230)</b>
<b>NET POSITION, JUNE 30</b>					<b>\$ (48,448,281)</b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOVERNMENTAL FUNDS  
BALANCE SHEET

JUNE 30, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 2,966,477	\$ 14,020,556	\$ -	\$ 16,987,033
Receivables				
Accounts receivable	850,548	-	-	850,548
Room license taxes receivable	3,424,390	-	-	3,424,390
Other receivables	201,532	-	-	201,532
Prepaid items	10,000	-	-	10,000
Inventory	200,101	-	-	200,101
Due from other funds	-	-	77,131	77,131
<b>TOTAL ASSETS</b>	<b>\$ 7,653,048</b>	<b>\$ 14,020,556</b>	<b>\$ 77,131</b>	<b>\$ 21,750,735</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 461,719	\$ -	\$ 1,190	\$ 462,909
Accrued liabilities	2,818,490	-	-	2,818,490
Event deposits	205,445	-	-	205,445
Due to other funds	301,973	98,626	-	400,599
<b>TOTAL LIABILITIES</b>	<b>3,787,627</b>	<b>98,626</b>	<b>1,190</b>	<b>3,887,443</b>
<b>FUND BALANCES</b>				
Nonspendable	210,101	-	-	210,101
Restricted	-	13,921,930	-	13,921,930
Unassigned	3,655,320	-	75,941	3,731,261
<b>TOTAL FUND BALANCES</b>	<b>3,865,421</b>	<b>13,921,930</b>	<b>75,941</b>	<b>17,863,292</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,653,048</b>	<b>\$ 14,020,556</b>	<b>\$ 77,131</b>	<b>\$ 21,750,735</b>

See accompanying notes.

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

JUNE 30, 2014

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<b>TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET</b>	<b>\$</b>	<b>17,863,292</b>
Other postemployment benefits (assets) are not financial resources and, therefore, are not reported in the Governmental Funds		12,231
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds		62,120,500
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:		
Accrued interest payable		(2,119,772)
Bonds payable		(118,695,797)
Add: Unamortized premium		(3,069,952)
Arbitrage payable		(1,455,548)
Compensated absences		(501,507)
Other postemployment benefits (obligation)		(3,045,909)
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.		<u>444,181</u>
<b>TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET POSITION</b>	<b>\$</b>	<b><u>(48,448,281)</u></b>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
<b>Taxes</b>				
Room license taxes	\$ 22,149,713	\$ -	\$ -	\$ 22,149,713
<b>Miscellaneous</b>				
Facilities revenue	6,700,658	-	-	6,700,658
Convention and visitors service revenue	181,716	-	-	181,716
Golf course operations	1,947,910	-	-	1,947,910
Interest on investments	30	1,136	11	1,177
Other	664,881	-	599,265	1,264,146
<b>TOTAL REVENUES</b>	<b>31,644,908</b>	<b>1,136</b>	<b>599,276</b>	<b>32,245,320</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	2,193,678	-	-	2,193,678
Community support	19,994,120	-	-	19,994,120
<b>Debt Service</b>				
Principal	-	5,345,000	-	5,345,000
Interest	-	4,247,094	-	4,247,094
Other bond costs	-	9,025	-	9,025
<b>Capital outlay</b>	-	-	830,787	830,787
<b>TOTAL EXPENDITURES</b>	<b>22,187,798</b>	<b>9,601,119</b>	<b>830,787</b>	<b>32,619,704</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,457,110</b>	<b>(9,599,983)</b>	<b>(231,511)</b>	<b>(374,384)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	9,400,000	230,000	9,630,000
Transfers to other funds	(9,630,000)	-	-	(9,630,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(9,630,000)</b>	<b>9,400,000</b>	<b>230,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(172,890)</b>	<b>(199,983)</b>	<b>(1,511)</b>	<b>(374,384)</b>
<b>FUND BALANCES, JULY 1</b>	<b>4,038,311</b>	<b>14,121,913</b>	<b>77,452</b>	<b>18,237,676</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 3,865,421</b>	<b>\$ 13,921,930</b>	<b>\$ 75,941</b>	<b>\$ 17,863,292</b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2014

<b>NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES</b>	<b>\$</b>	<b>(374,384)</b>
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		490,487
Depreciation expense		(3,907,974)
<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 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 differences in the treatment of long-term debt and related items.</p>		
Accretion on capital appreciation bonds		(1,907,340)
Principal payments on debt		5,345,000
<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		7,550
Change in arbitrage payable		234,331
Compensated absences		(41,284)
Change in other postemployment benefits		(721,792)
Amortization of premium		170,556
<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>		
		96,799
<b>CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES</b>	<b>\$</b>	<b><u>(608,051)</u></b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2014  
(with comparative actual amounts for the year ended June 30, 2013)  
Page 1 of 2

	2014 Budget Amount		2014		2013
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
<b>Taxes</b>					
Room license taxes	\$ 21,735,645	\$ 21,735,645	\$ 22,149,713	\$ 414,068	\$ 21,773,120
<b>Miscellaneous</b>					
Facilities revenue	6,908,113	6,908,113	6,700,658	(207,455)	6,720,421
Convention and visitor service revenue	206,605	206,605	181,716	(24,889)	179,140
Golf course operations	2,073,384	2,073,384	1,947,910	(125,474)	2,056,701
Interest on investments	2,700	2,700	30	(2,670)	1,281
Other	622,457	622,457	664,881	42,424	614,282
<b>TOTAL REVENUES</b>	<b>31,548,904</b>	<b>31,548,904</b>	<b>31,644,908</b>	<b>96,004</b>	<b>31,344,945</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
<b>General government</b>					
Salaries and wages	872,021	872,021	898,125	(26,104)	882,055
Employee benefits	477,898	477,898	443,031	34,867	409,038
Services and supplies	762,959	852,959	787,106	65,853	870,472
Capital outlay	66,000	66,000	65,416	584	63,773
<b>Total general government</b>	<b>2,178,878</b>	<b>2,268,878</b>	<b>2,193,678</b>	<b>75,200</b>	<b>2,225,338</b>
<b>Community support</b>					
<b>Facility operation</b>					
Salaries and wages	3,528,979	3,728,979	3,723,435	5,544	3,759,319
Employee benefits	1,855,745	1,855,745	1,834,132	21,613	1,881,817
Services and supplies	5,291,798	5,291,798	5,131,024	160,774	5,210,822
<b>Total facility operation</b>	<b>10,676,522</b>	<b>10,876,522</b>	<b>10,688,591</b>	<b>187,931</b>	<b>10,851,958</b>
<b>Golf course operations</b>					
Salaries and wages	778,566	778,566	741,004	37,562	758,946
Employee benefits	329,886	329,886	309,036	20,850	311,482
Services and supplies	1,023,093	1,023,093	1,037,086	(13,993)	1,017,981
<b>Total golf course operations</b>	<b>2,131,545</b>	<b>2,131,545</b>	<b>2,087,126</b>	<b>44,419</b>	<b>2,088,409</b>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2014  
(with comparative actual amounts for the year ended June 30, 2013)  
Page 2 of 2

	2014 Budget Amount		2014		2013
	Original	Final	Actual	Variance to Final Budget	Actual
<b>EXPENDITURES - continued</b>					
Convention and tourism promotion					
Salaries and wages	\$ 1,767,885	\$ 1,857,885	\$ 1,837,812	\$ 20,073	\$ 1,739,487
Employee benefits	794,565	819,565	809,566	9,999	726,871
Services and supplies	3,450,927	3,510,927	3,536,203	(25,276)	3,522,010
Capital outlay	-	-	-	-	10,056
	<u>6,013,377</u>	<u>6,188,377</u>	<u>6,183,581</u>	<u>4,796</u>	<u>5,998,424</u>
Community grants and miscellaneous	<u>1,015,857</u>	<u>1,015,857</u>	<u>1,034,822</u>	<u>(18,965)</u>	<u>992,213</u>
Total community support	<u>19,837,301</u>	<u>20,212,301</u>	<u>19,994,120</u>	<u>218,181</u>	<u>19,931,004</u>
<b>TOTAL EXPENDITURES</b>	<u>22,016,179</u>	<u>22,481,179</u>	<u>22,187,798</u>	<u>293,381</u>	<u>22,156,342</u>
Excess (deficiency) of revenues over expenditures	9,532,725	9,067,725	9,457,110	389,385	9,188,603
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	<u>(9,630,000)</u>	<u>(9,630,000)</u>	<u>(9,630,000)</u>	<u>-</u>	<u>(9,880,000)</u>
Net change in fund balances	(97,275)	(562,275)	(172,890)	389,385	(691,397)
<b>FUND BALANCE, JULY 1</b>	<u>3,537,105</u>	<u>4,038,311</u>	<u>4,038,311</u>	<u>-</u>	<u>4,729,708</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 3,439,830</u>	<u>\$ 3,476,036</u>	<u>\$ 3,865,421</u>	<u>\$ 389,385</u>	<u>\$ 4,038,311</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND  
STATEMENT OF NET POSITION

JUNE 30, 2014

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	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 138,287
Due from other funds	<u>323,468</u>
<b>TOTAL ASSETS</b>	<u>461,755</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	11,638
Accrued liabilities	<u>5,936</u>
<b>TOTAL LIABILITIES</b>	<u>17,574</u>
<b>NET POSITION</b>	
Restricted for claims	<u><u>\$ 444,181</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, 2014**

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	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for benefits	\$ 1,551,281
<b>OPERATING EXPENSES</b>	
Services and supplies	<u>1,454,482</u>
<b>CHANGE IN NET POSITION</b>	96,799
<b>NET POSITION, JULY 1</b>	<u>347,382</u>
<b>NET POSITION, JUNE 30</b>	\$ <u><u>444,181</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

Page 1 of 2

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	<b>Governmental Activities Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers or users	\$ 286,477
Cash received from interfund services provided	1,264,804
Cash paid to vendors for services and supplies	<u>(1,493,449)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>57,832</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from (paid to) other funds	<u>(42,198)</u>
Net increase (decrease) in cash and investments	15,634
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>122,653</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ <u>138,287</u></u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2014

Page 2 of 2

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	<b>Governmental Activities Internal Service Fund</b>
	<u>                    </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ <u>96,799</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Increase (decrease)	
Accounts payable	(11,376)
Accrued liabilities	<u>(27,591)</u>
Total adjustments	<u>(38,967)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ <u>57,832</u></b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

FLEXIBLE COMPENSATION PLAN AGENCY FUND  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	
Flexible compensation plan	\$ <u>27,759</u>
<b>LIABILITIES</b>	
Benefits payable	
Flexible compensation plan	\$ <u>27,759</u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**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.

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 Entity: Omnibus; an amendment of GASB Statements No. 14 and No.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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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 accounting. Revenues are recorded when earned and expenses are

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Continued)**

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 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 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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Continued)**

program offered as benefits to the employees of the Authority.

**Deferred Outflows/Inflows of Resources:**

In addition to assets, the statement of net position/governmental funds balance sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position/governmental funds balance sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position that applies to future period(s) and so will not be recognized as an inflow (revenue) until that time.

**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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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revisions that alter or augment total appropriations or transfer appropriations between functional levels must be approved by the Authority Board. Formal budgetary integration is employed as a management control device during the year for all funds of the Authority, except the Agency Fund which is not required to be budgeted.

5. Budgeted appropriations may not be exceeded by actual expenditures of the various governmental functions in the General Fund. State statutes do not require that debt service payments (Debt Service Fund) or programs of insurance (Insurance Internal Service Fund) be limited by the budget. Also, state statutes generally do not require that capital payments (Capital Projects Fund) be limited by the budget. At year-end, any unencumbered appropriations lapse. Actual expenses may not exceed the sum of budgeted operating and nonoperating expenses in 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, 2014**  
**(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, 2014 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, 2014**  
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**Long-Term Liabilities:**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts and prepaid bond insurance, if applicable, are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed during the current period.

In the governmental fund financial statements, bond proceeds and premiums/discounts, if any, are recognized during the current period as an other financing source or use, as applicable. Bond issue costs are reported as expenditures 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**  
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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%), positive ending fund balances in the Authority's Capital Projects Fund, and positive net position in the Authority's Insurance Internal Service 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**  
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**(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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

retained by the Authority (1% collected outside of the Railroad Improvement District) is remitted to the City of Reno for the Reno Events Center/National Bowling Stadium. 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, 2014, principal and interest paid and total net pledged revenues were \$9,592,094 and \$15,921,453, respectively. Annual principal and interest payments are expected to

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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require approximately 60% of net revenues. The total principal and interest remaining on the bonds is \$182,688,547.

**Comparability:**

Comparative data shown for the year ended June 30, 2013 has been extracted from fiscal year 2012-13 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for 2012-13. Such information can only be obtained by referring to the financial statements for that year.

**NOTE B - CASH AND INVESTMENTS**

As of June 30, 2014 the Authority had the following investments and maturities:

	<u>Average Maturity/Maturity</u>	<u>Fair Value</u>
<b>Investments:</b>		
Fidelity Government Portfolio (Money Market Fund)	52 days	\$ 12,134,965
Invesco Treasury Portfolio (Money Market Fund)	31 days	<u>1,885,591</u>
<b>Total Investments</b>		<b>14,020,556</b>
<b>Total Cash</b>		<u><b>3,132,523</b></u>
<b>Total Cash and Investments</b>		<u><b>\$ 17,153,079</b></u>

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
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***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.

A 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:

<b>Governmental Activities</b>	
General government	\$ 43,302
Community support	<u>3,864,672</u>
<b>Total depreciation expense-governmental activities</b>	<u><u>\$ 3,907,974</u></u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
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**(Continued)**

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Balance July 1, 2013</u>	<u>Additions and Transfers In</u>	<u>Deletions and Transfers Out</u>	<u>Balance June 30, 2014</u>
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Water rights	\$ 3,445,200	\$ -	\$ -	\$ 3,445,200
Construction in progress	-	187,136	-	187,136
<b>Total capital assets, not being depreciated</b>	<u>3,445,200</u>	<u>187,136</u>	<u>-</u>	<u>3,632,336</u>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	147,464,127	22,212	(44,921)	147,441,418
Improvements	1,531,769	-	-	1,531,769
Furniture and equipment	3,085,977	281,139	(9,331)	3,357,785
<b>Total capital assets, being depreciated</b>	<u>152,081,873</u>	<u>303,351</u>	<u>(54,252)</u>	<u>152,330,972</u>
<b>Less accumulated depreciation for</b>				
Buildings and improvements	(87,157,544)	(3,647,015)	44,921	(90,759,638)
Improvements	(670,590)	(66,170)	-	(736,760)
Furniture and equipment	(2,160,952)	(194,789)	9,331	(2,346,410)
<b>Total accumulated depreciation</b>	<u>(89,989,086)</u>	<u>(3,907,974)</u>	<u>54,252</u>	<u>(93,842,808)</u>
<b>Total capital assets, being depreciated, net</b>	<u>62,092,787</u>	<u>(3,604,623)</u>	<u>-</u>	<u>58,488,164</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 65,537,987</u>	<u>\$ (3,417,487)</u>	<u>\$ -</u>	<u>\$ 62,120,500</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014  
(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, 2014.

Governmental activities debt is serviced through the Debt Service Fund, except for compensated absences (funded by the General 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>	
2015	\$ 300,000
2016	300,000
2017	300,000
2018	300,000
2019	300,000
Thereafter	<u>875,000</u>
	<u><b>\$ 2,375,000</b></u>

During the year ended June 30, 2014, expenditures under the agreement were \$300,000 and are recorded in the General Fund.

The Authority has outstanding commitments related to a construction project, seating at the Reno-Sparks Livestock Events Center. The amount remaining on the commitment is \$187,000.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(Continued)**

The Authority has entered into a lease for its office facilities. The lease began during the June 30, 2004 fiscal year with \$28,920 as the monthly rent. The lease provides for fixed monthly rent plus additional rent for increases in expenses occurring during the lease term. The Authority had subleased a portion of the leased office facilities; monthly rent of \$7,500 was received through October 31, 2013. The term of the lease was extended as of November 1, 2013 for a period of five years, with monthly rent payments of \$13,613 expiring in 2019. The lease may be extended for two additional periods of five years each. The following is a schedule of minimum payments currently required under the agreement described above:

Year ending June 30,

2015	\$ 163,356
2016	163,356
2017	163,356
2018	163,356
2019	<u>54,452</u>
	<u>\$ 707,876</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014  
(Continued)

Description	Interest Rate	Maturity Date	Original Issue	Balance July 1, 2013	Additions and Transfers	Deletions and Transfers	Balance June 30, 2014	Due in 2014-2015
<b>Governmental Activities</b>								
<b>General Obligation Bonds Payable</b>								
<b>(Limited Tax) Improvement and Refunding Bonds:</b>								
<b>January 2000 Series</b>								
Capital Appreciation	-	2021	\$ 19,384,075	\$ 33,453,457	\$ 1,907,340	\$ 4,590,000	\$ 30,770,797	\$ 4,585,000
2011 Refunding	2.0 - 5.0%	2032	88,680,000	88,680,000	-	755,000	87,925,000	775,000
Unamortized premium				3,240,508	-	170,556	3,069,952	-
				<u>125,373,965</u>	<u>1,907,340</u>	<u>5,515,556</u>	<u>121,765,749</u>	<u>5,360,000</u>
Arbitrage Payable	N/A	N/A	N/A	1,689,879	-	234,331	1,455,548	-
Compensated Absences	N/A	N/A	N/A	460,223	385,573	344,289	501,507	350,000
<b>Total Debt</b>				<u>\$ 127,524,067</u>	<u>\$ 2,292,913</u>	<u>\$ 6,094,176</u>	<u>\$ 123,722,804</u>	<u>\$ 5,710,000</u>

During the year ended June 30, 2014, interest expense has been recorded in the Debt Service Fund in the amount of \$4,247,094.

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
2015	\$ 5,360,000	\$ 4,231,794
2016	5,110,568	4,558,476
2017	4,788,560	4,875,484
2018	4,488,816	5,175,228
2019	4,198,211	5,460,833
2020-2024	24,919,642	23,174,826
2025-2029	35,030,000	12,937,297
2030-2033	34,800,000	3,578,812
	<u>\$ 118,695,797</u>	<u>\$ 63,992,750</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
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**JUNE 30, 2014**  
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**NOTE E - FUND BALANCES – GOVERNMENTAL FUNDS**

As of June 30, 2014, 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>
<b>Nonspendable:</b>				
Prepaid Items	\$ 10,000	\$ -	\$ -	\$ 10,000
Inventory	200,101	-	-	200,101
Total Nonspendable	<u>210,101</u>	<u>-</u>	<u>-</u>	<u>210,101</u>
<b>Restricted:</b>				
Debt Service	-	13,921,930	-	13,921,930
Unassigned	<u>3,655,320</u>	<u>-</u>	<u>75,941</u>	<u>3,731,261</u>
Total fund balances	<u>\$ 3,865,421</u>	<u>\$ 13,921,930</u>	<u>\$ 75,941</u>	<u>\$ 17,863,292</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, 2014 is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 77,131
Insurance Internal Service Fund	General Fund	224,842
Insurance Internal Service Fund	Debt Service Fund	<u>98,626</u>
		<u>\$ 400,599</u>

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Continued)**

Interfund transfers for the year ended June 30, 2014 consisted of the following:

	Transfers In		
	Debt Service Fund	Capital Projects Fund	Total
<b>Transfers Out:</b>			
<b>General Fund</b>	<b>\$9,400,000</b>	<b>\$230,000</b>	<b>\$9,630,000</b>

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 Nevada Revised Statutes. The funding mechanism may only be amended through legislation. The Authority's contribution rates based

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Continued)**

on employee members covered payroll and amounts contributed (equal to the required contributions) for the last three years are as follows:

2013-14	25.75%	\$1,579,834
2012-13	23.75%	1,444,086
2011-12	23.75%	1,399,668

**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, 2014**  
**(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 \$163,081 for 30 retirees, 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 years ended June 30, 2013 and 2014. As of June 30, 2014, the plan was zero percent funded. For the fiscal year 2013-14, 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>
2012	\$ 790,161	\$ 170,199	21.54%	\$ 1,644,952
2013	840,578	170,170	20.24%	2,315,360
2014	893,630	163,081	18.25%	3,045,909

The net OPEB obligation as of June 30, 2014 was calculated as follows:

<b>Determination of Annual Required Contribution:</b>	
Normal Cost	\$ 513,007
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	367,302
Interest	17,289
<b>Annual Required Contribution (ARC)</b>	<b><u><u>\$ 897,598</u></u></b>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Continued)**

<b>Determination of Net OPEB Obligation:</b>	
Annual Required Contribution	\$ 897,598
Interest on Net OPEB Obligation	92,332
Adjustment to ARC	(96,300)
Annual OPEB Cost	893,630
Retiree Benefits Paid by Authority	(163,081)
Increase (decrease) in Net OPEB Obligation	730,549
Net OPEB Obligation, July 1, 2013	2,315,360
Net OPEB Obligation, June 30, 2014	\$ 3,045,909

**Funded Status and Funding Progress:**

Actuarial Accrued Liability (AAL)	\$ 9,175,619
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 9,175,619
Funded Ratio (Actual Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members June 30, 2014)	\$ 4,703,399
UAAL as a Percentage of Covered Payroll	195.08%

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, 2014**  
**(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 28 years on a closed basis for explicit liabilities and over an open 30 year period for implicit subsidy liabilities. 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, 2014**  
**(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 \$627 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 \$15,921 for 13 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 years ended June 30, 2013 and 2014. As of June 30, 2014, the plan was zero percent funded. For the fiscal year 2013-14, the Authority's employer contribution for retirees' benefits was \$15,921 for 13 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
2012	\$ 7,516	\$ 13,901	184.95%	\$ 3,447
2013	7,384	14,305	193.73%	(3,474)
2014	7,164	15,921	222.24%	(12,231)

The net OPEB (asset) obligation as of June 30, 2014 was calculated as follows:

<b>Determination of Annual Required Contribution:</b>	
Normal Cost	\$ -
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	6,977
Interest	137
<b>Annual Required Contribution (ARC)</b>	<b>\$ 7,114</b>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(Continued)**

<b>Determination of Net OPEB (Asset) Obligation:</b>	
Annual Required Contribution	\$ 7,114
Interest on Net OPEB Obligation	(98)
Adjustment to ARC	148
Annual OPEB Cost	<u>7,164</u>
Retiree Benefits Paid by Authority	<u>(15,921)</u>
Increase (decrease) in Net OPEB (Asset) Obligation	(8,757)
Net OPEB (Asset) Obligation, July 1, 2013	<u>(3,474)</u>
Net OPEB (Asset) Obligation, June 30, 2014	<u><u>\$ (12,231)</u></u>

**Funded Status and Funding Progress:**

Actuarial Accrued Liability (AAL)	\$ 120,906
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 120,906</u></u>

Funded Ratio (Actual Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members June 30, 2014)	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, 2014**  
**(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 28 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, 2012	\$ 7,077
Claims and changes in estimates	97,741
Claims payments	<u>(71,291)</u>
Claims liability, June 30, 2013	33,527
Claims and changes in estimates	33,448
Claims payments	<u>(64,396)</u>
Claims liability, June 30, 2014	<u>\$ 2,579</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**  
**(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 – ACCOUNTING CHANGE AND RESTATEMENT**

The Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. In applying these new GASB definitions, the impact on net position was to expense bond issue costs. The resulting restatement of beginning net position is shown below:

**Governmental Activities:**

Net position, July 1, 2014, as previously reported	\$ (47,192,957)
GASB 65 adjustments	<u>(647,273)</u>
Net position, July 1, 2014, as restated	<u>\$ (47,840,230)</u>

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

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

**NOTE M – IMPACT OF ISSUED ACCOUNTING PRINCIPLES**

In June 2012 the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*. GASB Statement No. 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the Authority's financial statements.

**Reno-Sparks Convention & Visitors Authority  
Required Supplementary Information  
June 30, 2014**

**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, 2014  
(with comparative actual amounts for the year ended June 30, 2013)

	2014 Budget Amount		2014		2013
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 1,200	\$ 1,200	\$ 1,136	\$ (64)	\$ 2,238,375
<b>EXPENDITURES</b>					
Debt service					
Principal	5,345,000	5,345,000	5,345,000	-	4,605,000
Interest	4,247,094	4,247,094	4,247,094	-	4,632,834
	<u>9,592,094</u>	<u>9,592,094</u>	<u>9,592,094</u>	<u>-</u>	<u>9,237,834</u>
Other bond costs					
Administrative fees	6,500	6,500	9,025	(2,525)	25,266
Total expenditures	<u>9,598,594</u>	<u>9,598,594</u>	<u>9,601,119</u>	<u>(2,525)</u>	<u>9,263,100</u>
Excess (deficiency) of revenues over expenditures	(9,597,394)	(9,597,394)	(9,599,983)	(2,589)	(7,024,725)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	9,400,000	9,400,000	9,400,000	-	9,400,000
Net change in fund balances	(197,394)	(197,394)	(199,983)	(2,589)	2,375,275
<b>FUND BALANCE, JULY 1</b>	<u>14,418,316</u>	<u>14,418,316</u>	<u>14,121,913</u>	<u>(296,403)</u>	<u>11,746,638</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 14,220,922</u>	<u>\$ 14,220,922</u>	<u>\$ 13,921,930</u>	<u>\$ (298,992)</u>	<u>\$ 14,121,913</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, 2014  
 (with comparative actual amounts for the year ended June 30, 2013)

	2014 Budget Amount		2014		2013
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ -	\$ -	\$ 11	\$ 11	\$ 3,417
Other	-	-	599,265	599,265	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>599,276</b>	<b>599,276</b>	<b>3,417</b>
<b>EXPENDITURES</b>					
Capital outlay	310,000	310,000	830,787	(520,787)	746,886
Excess (deficiency) of revenues over expenditures	(310,000)	(310,000)	(231,511)	78,489	(743,469)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	230,000	230,000	230,000	-	480,000
<b>Net change in fund balances</b>	<b>(80,000)</b>	<b>(80,000)</b>	<b>(1,511)</b>	<b>78,489</b>	<b>(263,469)</b>
<b>FUND BALANCE, JULY 1</b>	<b>81,079</b>	<b>81,079</b>	<b>77,452</b>	<b>(3,627)</b>	<b>340,921</b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 1,079</b>	<b>\$ 1,079</b>	<b>\$ 75,941</b>	<b>\$ 74,862</b>	<b>\$ 77,452</b>

## **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, 2014  
(with comparative totals at June 30, 2013)

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 138,287	\$ 122,653
Due from other funds	<u>323,468</u>	<u>281,270</u>
<b>TOTAL ASSETS</b>	<u>461,755</u>	<u>403,923</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	11,638	23,014
Accrued liabilities	<u>5,936</u>	<u>33,527</u>
<b>TOTAL LIABILITIES</b>	<u>17,574</u>	<u>56,541</u>
<b>NET POSITION</b>		
Restricted for claims	<u>\$ 444,181</u>	<u>\$ 347,382</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, 2014**  
(with comparative actual amounts for the year ended June 30, 2013)

	2014 Budget Amount		2014		2013
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Charges for benefits	\$ 1,576,169	\$ 1,576,169	\$ 1,551,281	\$ (24,888)	\$ 1,576,502
<b>OPERATING EXPENSES</b>					
Insurance and claims	1,471,800	1,511,800	1,436,917	74,883	1,476,427
Administrative expenses	18,000	18,000	17,565	435	17,912
<b>TOTAL OPERATING EXPENSES</b>	<u>1,489,800</u>	<u>1,529,800</u>	<u>1,454,482</u>	<u>75,318</u>	<u>1,494,339</u>
<b>CHANGE IN NET POSITION</b>	\$ <u>86,369</u>	\$ <u>46,369</u>	96,799	\$ <u>50,430</u>	82,163
<b>NET POSITION, JULY 1</b>			<u>347,382</u>		<u>265,219</u>
<b>NET POSITION, JUNE 30</b>			\$ <u>444,181</u>		\$ <u>347,382</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, 2014  
 (with comparative actual amounts for the year ended June 30, 2013)  
 Page 1 of 2

	2014 Budget Amount		2014		2013
	Original	Final	Actual	Variance to Budget	Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from users	\$ 376,169	\$ 376,169	\$ 286,477	\$ (89,692)	\$ 291,413
Cash received from internal services provided	1,200,000	1,200,000	1,264,804	64,804	1,285,089
Cash paid to vendors for services and supplies	(1,489,800)	(1,529,800)	(1,493,449)	36,351	(1,469,286)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>86,369</b>	<b>46,369</b>	<b>57,832</b>	<b>11,463</b>	<b>107,216</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from (paid to) other funds	-	-	(42,198)	(42,198)	(118,307)
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>86,369</b>	<b>46,369</b>	<b>15,634</b>	<b>(30,735)</b>	<b>(11,091)</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>270,079</b>	<b>270,079</b>	<b>122,653</b>	<b>(147,426)</b>	<b>133,744</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 356,448</b>	<b>\$ 316,448</b>	<b>\$ 138,287</b>	<b>\$ (178,161)</b>	<b>\$ 122,653</b>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2014  
 (with comparative actual amounts for the year ended June 30, 2013)  
 Page 2 of 2

	2014 Budget Amount		2014		2013
	Original	Final	Actual	Variance to Final Budget	Actual
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 86,369	\$ 46,369	\$ 96,799	\$ 50,430	\$ 82,163
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Increase (decrease)					
Accounts payable	-	-	(11,376)	(11,376)	22,189
Accrued liabilities	-	-	(27,591)	(27,591)	2,864
Total adjustments	-	-	(38,967)	(38,967)	25,053
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 86,369</b>	<b>\$ 46,369</b>	<b>\$ 57,832</b>	<b>\$ 11,463</b>	<b>\$ 107,216</b>

# **FIDUCIARY FUND**

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

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

**FOR THE YEAR ENDED JUNE 30, 2014**

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	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
<b>ASSETS</b>				
Cash and investments				
Flexible compensation plan	\$ <u>25,871</u>	\$ <u>35,721</u>	\$ <u>33,833</u>	\$ <u>27,759</u>
 <b>LIABILITIES</b>				
Benefits payable				
Flexible compensation plan	\$ <u>25,871</u>	\$ <u>35,721</u>	\$ <u>33,833</u>	\$ <u>27,759</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Net Investment in capital assets	\$ (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)	\$ (25,281,463)
Restricted	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	10,790,791
Unrestricted (deficit)	(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)	(33,957,609)
Total governmental activities net position	(26,481,371)	(29,328,638)	(30,759,870)	(34,711,567)	(40,133,362)	(44,150,797)	(47,285,515)	(46,201,650)	(47,192,957)	(48,448,281)
GASB 65 adjustments	-	-	-	-	-	-	-	-	(647,273)	-
Total governmental activities net position	<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>\$ (47,840,230)</u>	<u>\$ (48,448,281)</u>
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 2,732,958	\$ 2,717,040	\$ 2,564,804	\$ 2,311,832	\$ 4,348,702	\$ 4,274,363	\$ 4,228,975	\$ -	\$ -	\$ -
Unrestricted (deficit)	(59,546)	(192,094)	(116,721)	(205,356)	(152,679)	(289,604)	(517,011)	-	-	-
Total business-type activities net position	<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>	<u>\$ -</u>
<b>Primary government</b>										
Net Investment in capital assets	\$ (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)	\$ (25,281,463)
Restricted	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	10,790,791
Unrestricted (deficit)	(18,476,266)	(18,066,626)	(18,249,113)	(20,693,542)	(27,582,261)	(27,403,199)	(28,107,090)	(32,277,129)	(33,773,995)	(33,957,609)
Total primary government net position	<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>\$ (47,840,230)</u>	<u>\$ (48,448,281)</u>

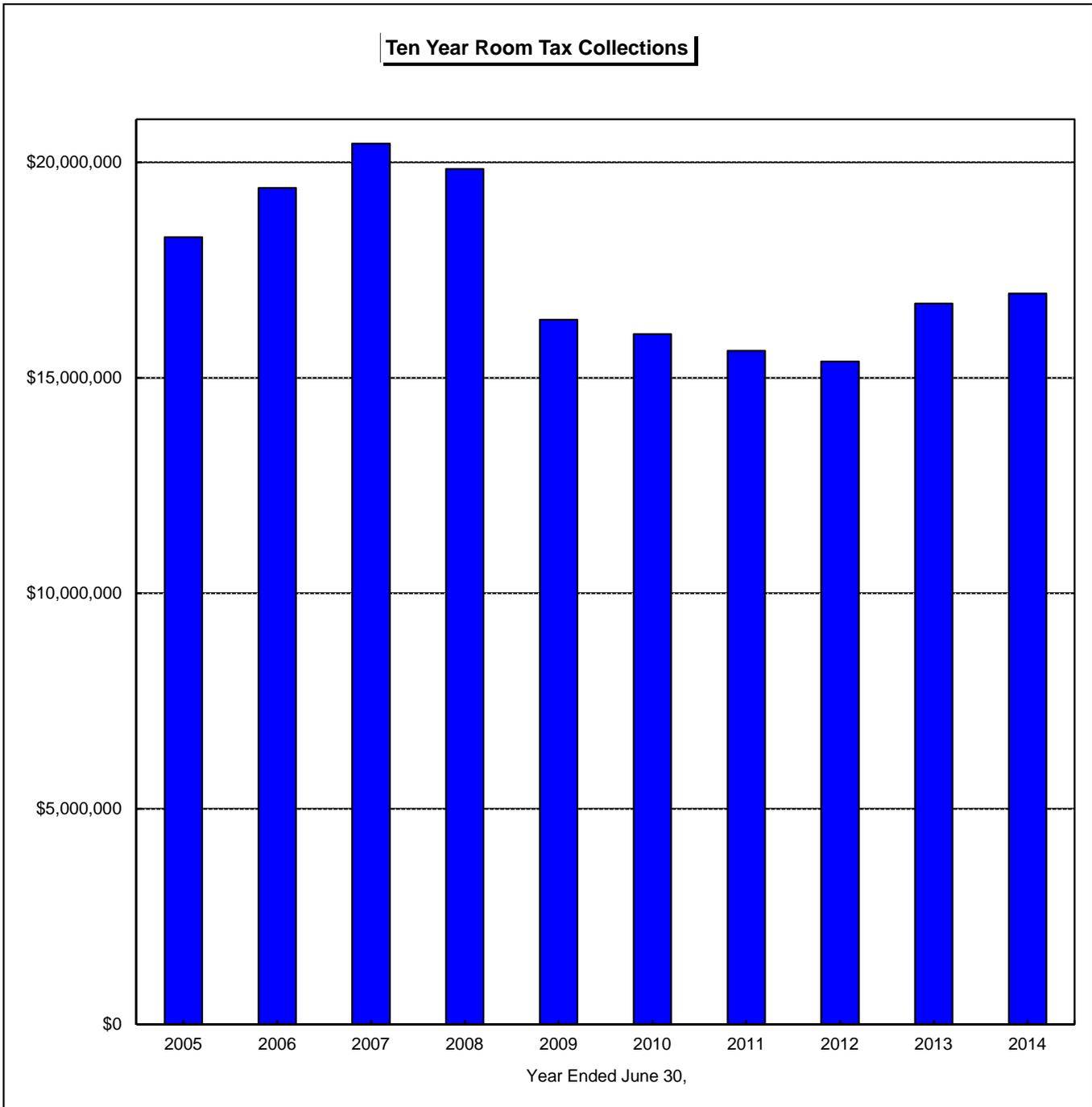
The Golf Courses Enterprise Fund (Business-type activities) was closed into the Governmental activities on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity (as governmental activities); prior year governmental activities balances have not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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 2,335,097
Community support	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	24,767,252
Debt service - interest and fiscal charges	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	5,751,022
Total governmental activities expenses	<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>	<u>32,853,371</u>
Business-type activities:										
Golf courses	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>3,311,425</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>	<u>-</u>
<b>Total primary government expenses</b>	<b><u>\$ 39,600,222</u></b>	<b><u>\$ 41,441,083</u></b>	<b><u>\$ 43,847,477</u></b>	<b><u>\$ 44,871,824</u></b>	<b><u>\$ 40,152,185</u></b>	<b><u>\$ 35,366,056</u></b>	<b><u>\$ 33,656,075</u></b>	<b><u>\$ 32,284,664</u></b>	<b><u>\$ 34,641,344</u></b>	<b><u>\$ 32,853,371</u></b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 340,563	\$ 376,406	\$ 395,736	\$ 389,500	\$ 373,799	\$ 535,379	\$ 564,149	\$ 561,696	\$ 558,120	\$ 611,253
Community support	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	8,830,284
Operating grants and contributions	544,580	619,997	691,315	624,755	444,178	383,644	366,428	471,677	2,241,792	1,147
Capital grants and contributions	455,132	-	-	-	100,000	30,000	-	-	63,300	599,265
Total governmental activities program revenues	<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>	<u>10,041,949</u>
Business-type activities:										
Charges for services	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>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>	<u>-</u>
<b>Total primary government program revenues</b>	<b><u>\$ 11,271,550</u></b>	<b><u>\$ 12,980,762</u></b>	<b><u>\$ 15,356,562</u></b>	<b><u>\$ 14,331,487</u></b>	<b><u>\$ 15,028,865</u></b>	<b><u>\$ 10,244,155</u></b>	<b><u>\$ 9,830,895</u></b>	<b><u>\$ 9,581,920</u></b>	<b><u>\$ 11,819,474</u></b>	<b><u>\$ 10,041,949</u></b>
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (22,811,422)
Business-type activities	(666,427)	(548,466)	(476,863)	(741,607)	1,843,191	(211,264)	(272,795)	-	-	-
Total primary government net expense	<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>	<u>\$ (22,811,422)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Room taxes	\$ 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	\$ 22,149,713
Unrestricted investment and interest earnings	86,933	201,189	303,691	254,163	37,652	1,013	3,878	2,004	1,281	30
Miscellaneous	11,390	1,308	6,808	22,615	42,422	44,545	67,268	52,143	56,162	53,628
Transfers	-	(400,000)	(400,000)	(400,000)	(246,356)	-	-	-	-	-
Total governmental activities	<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>	<u>22,203,371</u>
Business-type activities:										
Transfers	-	400,000	400,000	400,000	246,356	-	-	-	-	-
Total business-type activities	<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>	<u>-</u>
<b>Total primary government</b>	<b><u>\$ 23,873,394</u></b>	<b><u>\$ 25,464,588</u></b>	<b><u>\$ 26,982,820</u></b>	<b><u>\$ 26,247,033</u></b>	<b><u>\$ 21,791,072</u></b>	<b><u>\$ 20,893,202</u></b>	<b><u>\$ 20,417,667</u></b>	<b><u>\$ 20,074,645</u></b>	<b><u>\$ 21,830,563</u></b>	<b><u>\$ 22,203,371</u></b>
<b>Change in Net Position</b>										
Governmental activities	\$ (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)	\$ (608,051)
Business-type activities	(666,427)	(148,466)	(76,863)	(341,607)	2,089,547	(211,264)	(272,795)	-	-	-
<b>Total primary government</b>	<b><u>\$ (4,455,278)</u></b>	<b><u>\$ (2,995,733)</u></b>	<b><u>\$ (1,508,095)</u></b>	<b><u>\$ (4,293,304)</u></b>	<b><u>\$ (3,332,248)</u></b>	<b><u>\$ (4,228,699)</u></b>	<b><u>\$ (3,407,513)</u></b>	<b><u>\$ (2,628,099)</u></b>	<b><u>\$ (991,307)</u></b>	<b><u>\$ (608,051)</u></b>

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.

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
2009		16,346,211	2014		16,954,518

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

	June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 266,788	\$ 141,851	\$ 303,923	\$ 270,280	\$ 48,045	\$ 5,793	\$ -	\$ -	\$ -	\$ -
Unreserved	3,938,251	5,099,293	6,815,430	5,072,080	3,391,813	6,096,272	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	120,842	188,092	210,101
Assigned	-	-	-	-	-	-	2,239,365	270,814	-	-
Unassigned	-	-	-	-	-	-	4,484,961	4,338,052	3,850,219	3,655,320
Total general fund	<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>	<u>\$ 3,865,421</u>
All other governmental funds										
Reserved	\$ 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	13,921,930
Assigned	-	-	-	-	-	-	52,845	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	75,941
Total all other governmental funds	<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>	<u>\$ 13,997,871</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Room tax (Net 6%)	\$ 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	\$ 15,355,035
Room tax (State 5/8%)	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	1,599,483
Room tax (RSCC 2%)	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	5,118,345
Room tax (City Ctr)	-	-	69,568	129,373	430,082	-	-	-	-	76,850
Facility use fees	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	6,700,658
Golf course operations	-	-	-	-	-	-	-	2,108,588	2,056,701	1,947,910
Investment earnings	631,513	821,186	995,006	878,918	481,830	384,657	370,306	473,681	2,243,073	1,177
Miscellaneous	642,760	711,721	804,063	711,123	651,275	736,755	823,037	881,737	793,422	1,445,862
<b>Total revenues</b>	<b>32,044,814</b>	<b>35,569,730</b>	<b>39,311,635</b>	<b>37,649,562</b>	<b>30,836,518</b>	<b>29,163,811</b>	<b>28,366,326</b>	<b>29,656,565</b>	<b>33,586,737</b>	<b>32,245,320</b>
<b>Expenditures</b>										
General government	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	2,193,678
Community support										
Facility operation	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	10,688,591
Golf course operations	-	-	-	-	-	-	-	2,093,472	2,088,409	2,087,126
Convention and tourism promotion	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	6,183,581
Community grants and miscellaneous	1,304,520	1,325,215	1,425,526	1,312,625	1,100,758	1,028,913	927,361	951,201	992,213	1,034,822
Debt service										
Principal	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	5,345,000
Interest	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	4,247,094
Other bond costs	13,164	12,701	59,199	9,100	5,800	11,250	6,900	709,864	25,266	9,025
Capital outlay	2,089,017	678,337	1,445,676	1,414,696	714,944	504,042	116,066	836,348	746,886	830,787
<b>Total expenditures</b>	<b>35,256,915</b>	<b>35,021,277</b>	<b>37,946,408</b>	<b>40,195,715</b>	<b>36,258,728</b>	<b>27,925,142</b>	<b>27,431,207</b>	<b>122,083,967</b>	<b>32,166,328</b>	<b>32,619,704</b>
Excess (deficiency) of revenues over expenditures	(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	(374,384)
<b>Other financing sources (uses)</b>										
Transfers in	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	9,630,000
Transfers out	(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)	(9,630,000)
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	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(124,104)</b>	<b>(400,000)</b>	<b>2,600,000</b>	<b>(400,000)</b>	<b>50,000</b>	<b>(270,000)</b>	<b>-</b>	<b>91,828,070</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (3,336,205)</b>	<b>\$ 148,453</b>	<b>\$ 3,965,227</b>	<b>\$ (2,946,153)</b>	<b>\$ (5,372,210)</b>	<b>\$ 968,669</b>	<b>\$ 935,119</b>	<b>\$ (599,332)</b>	<b>\$ 1,420,409</b>	<b>\$ (374,384)</b>
Debt Service (principal and interest)	\$ 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	\$ 9,592,094
Noncapital expenditures	\$ 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	\$ 32,129,217
Debt service as a percentage of noncapital expenditures	30.47%	27.57%	26.88%	26.66%	36.13%	26.35%	26.37%	82.43%	29.42%	29.85%

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)	
2014	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
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

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)	
2014	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
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

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)	
2014	8.625	-	1.0	-	1.0	-	1.0	0.375	1.0	13.0
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

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)		
2014	8.625	-	1.0	-	1.0	-	-	1.0	0.375	1.0	13.0
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

**Reno-Sparks Convention & Visitors Authority**  
**Principal Room Taxpayers**  
**June 30, 2014 and 2005**  
**(Unaudited)**

<u>Taxpayer</u>	<u>Fiscal Year</u>					
	<u>2014</u>			<u>2005</u>		
	<u>Number of Rooms</u>	<u>Rank</u>	<u>Percentage of Total Rooms</u>	<u>Number of Rooms</u>	<u>Rank</u>	<u>Percentage of Total Rooms</u>
Grand Sierra Resort (Reno Hilton)	1,990	1	8.35%	1,995	1	7.60%
Silver Legacy Resort Casino	1,711	2	7.18%	1,710	2	6.51%
Peppermill Hotel Casino - Reno	1,623	3	6.81%	1,070	5	4.08%
Circus Circus	1,572	4	6.59%	1,572	3	5.99%
Sparks Nugget, Inc.	1,382	5	5.80%	1,407	4	5.36%
Harrah's	928	6	3.89%	928	7	3.54%
Sands Regency	833	7	3.49%	836	8	3.18%
Atlantis Hotel Casino Resort	824	8	3.46%	980	6	3.73%
Eldorado Hotel & Casino	814	9	3.41%	816	9	3.11%
Hyatt - Lake Tahoe	422	10	1.77%	-		-
Golden Phoenix	-		-	604	10	2.30%
All Other Hotels	3,161		13.25%	3,271		12.46%
<b>Total All Hotels</b>	<u>15,260</u>		<u>64.00%</u>	<u>15,189</u>		<u>57.86%</u>
Motels	2,114		8.87%	4,453		16.96%
Other Rental Properties	6,467		27.13%	6,609		25.18%
<b>Total Room Inventory</b>	<u><u>23,841</u></u>		<u><u>100.00%</u></u>	<u><u>26,251</u></u>		<u><u>100.00%</u></u>

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				
2014	\$ 121,765,749	\$ -	\$ -	\$ -	\$ -	\$ 121,765,749	\$ 36.34	\$ 5.95
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

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)**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund (1)</u>	<u>Total</u>	<u>Per Cash Occupied Room Night</u>	<u>Per Room Tax Revenue (8%)</u>
2014	\$ 121,765,749	\$ 10,346,610	\$ 111,419,139	\$ 33.25	\$ 5.44
2013	125,373,965	10,304,712	115,069,253	34.18	5.70
2012	124,675,330	9,172,338	115,502,992	35.67	6.22
2011	129,184,789	7,547,100	121,637,689	37.69	6.45
2010	129,385,496	6,977,302	122,408,194	36.55	6.33
2009	129,625,963	8,205,523	121,420,440	36.24	6.15
2008	135,240,689	8,481,707	126,758,982	33.51	5.29
2007	138,330,298	8,997,773	129,332,525	31.60	5.24
2006	137,769,037	8,675,255	129,093,782	29.92	5.51
2005	139,707,642	8,665,458	131,042,184	29.89	5.94

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.

(1) This is the amount restricted for debt service principal payments.

**Reno-Sparks Convention & Visitors Authority**  
**Direct and Overlapping Governmental Activities Bonded Debt**  
**June 30, 2014**  
**(Unaudited)**

<b>Name of Government Unit</b>	<b>General Obligation Debt Outstanding (Thousands)</b>	<b>Present Self-Supporting General Obligation Debt (Thousands)</b>	<b>Percent Applicable to Washoe County</b>	<b>Applicable Net Debt (Thousands)</b>
Debt repaid with taxes:				
Washoe County - Governmental Funds	\$ 168,309	\$ 131,419	100%	\$ 36,890
Washoe County School District	506,095	-	100%	506,095
City of Reno	150,249	114,234	100%	36,015
City of Sparks	46,638	43,663	100%	2,975
North Lake Tahoe Fire Protection District	3,774	3,429	100%	345
Incline Village General Improvement District	7,026	3,901	100%	3,125
Washoe County (RSCVA)	121,766	121,766	100%	-
<b>Overlapping Bonded Debt</b>				<b>585,445</b>
Direct debt:				
Washoe County (RSCVA)				121,766
<b>Direct and Overlapping Debt</b>				<b>\$ 707,211</b>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 309,508	\$ 393,232	\$ 412,360	\$ 453,165	\$ 465,753	\$ 466,097	\$ 409,766	\$ 387,874	\$ 374,749	\$ 374,908
Total net debt applicable to limit	131,042	129,094	129,333	126,759	121,420	122,408	121,638	115,503	115,069	111,419
Legal debt margin	<u>\$ 178,466</u>	<u>\$ 264,138</u>	<u>\$ 283,027</u>	<u>\$ 326,406</u>	<u>\$ 344,333</u>	<u>\$ 343,689</u>	<u>\$ 288,128</u>	<u>\$ 272,371</u>	<u>\$ 259,680</u>	<u>\$ 263,489</u>
Total net debt applicable to the limit as a percentage of debt limit	42.34%	32.83%	31.36%	27.97%	26.07%	26.26%	29.68%	29.78%	30.71%	29.72%

Assessed value	<u>\$ 12,496,925</u>
Debt limit (3% of assessed value)	<u>374,908</u>
Debt applicable to debt limit	
General obligation bonds	121,766
Amounts set aside for repayment of general obligation debt	<u>(10,347)</u>
Total net debt applicable to limit	<u>111,419</u>
Legal debt margin	<u>\$ 263,489</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, 2015 (Budgeted)**  
**(Unaudited)**

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 (Budgeted)
Net General Room License Taxes (1)	\$ 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	\$ 15,355,035	\$ 15,608,298
Convention Center Room Taxes (2)	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	5,118,345	5,202,771
Other Income (3)	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	6,946,306	6,267,256
Subtotal	<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>27,419,686</u>	<u>27,078,325</u>
Less: Operating and Maintenance Expenses (4)	<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>11,498,233</u>	<u>11,289,153</u>
Net Pledged Revenues	<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>\$ 15,921,453</u>	<u>\$ 15,789,172</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>	<u>\$ 9,669,044</u>						
Coverage Factor (6)	1.31	1.44	1.58	1.48	1.10	1.13	1.11	1.52	1.58	1.65	1.63

(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)**

**(DOLLARS EXPRESSED IN THOUSANDS)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Per Capita Income (Thousands)</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate (Percent)</b>	<b>Total Personal Income (Thousands)</b>	<b>Taxable Sales (Thousands)</b>	<b>Gross Gaming Win (Thousands)</b>	<b>Total Passenger Air Traffic</b>
	(1)	(2)	(3)	(4)	(5)	(1)	(6)	(7)	(8)
2014	436,647	\$ 48	37.6	62,986	7.20%	\$ 18,833	\$ 6,371	\$ 745	3,312,839
2013	434,120	47	37.6	62,424	9.80%	18,284	5,825	741	3,514,421
2012	427,704	45	37.4	62,220	12.30%	18,656	5,523	738	3,561,557
2011	421,593	49	37.2	62,324	13.20%	17,945	5,283	751	3,795,421
2010	417,379	47	37.0	62,452	13.60%	17,421	5,177	789	3,777,701
2009	416,632	45	36.4	63,310	11.60%	18,550	5,708	867	3,979,015
2008	423,833	46	36.5	63,635	6.80%	19,393	6,824	997	4,841,257
2007	406,335	44	34.5	63,046	4.50%	18,378	7,203	1,070	5,014,382
2006	398,236	43	36.5	62,390	4.00%	17,511	7,269	1,073	5,149,700
2005	390,863	42	36.1	62,098	4.00%	16,700	6,687	1,017	5,097,170

The above estimates were obtained from:

- (1) Nevada Workforce Informer, Data Analysis, 2005 - 2007, US Census-Nevada, 2008 - 2012.  
Washoe County Community Development, 2013 - 2014.
- (2) U.S. Department of Commerce, 2005 - 2008.  
Washoe County Community Demographic Information 2009-2014.
- (3) Nevada State Demographer, 2005 - 2008.  
Center for Regional Studies, University of Nevada, Reno 2009 - 2014.
- (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, 2014 and 2005  
(Unaudited)**

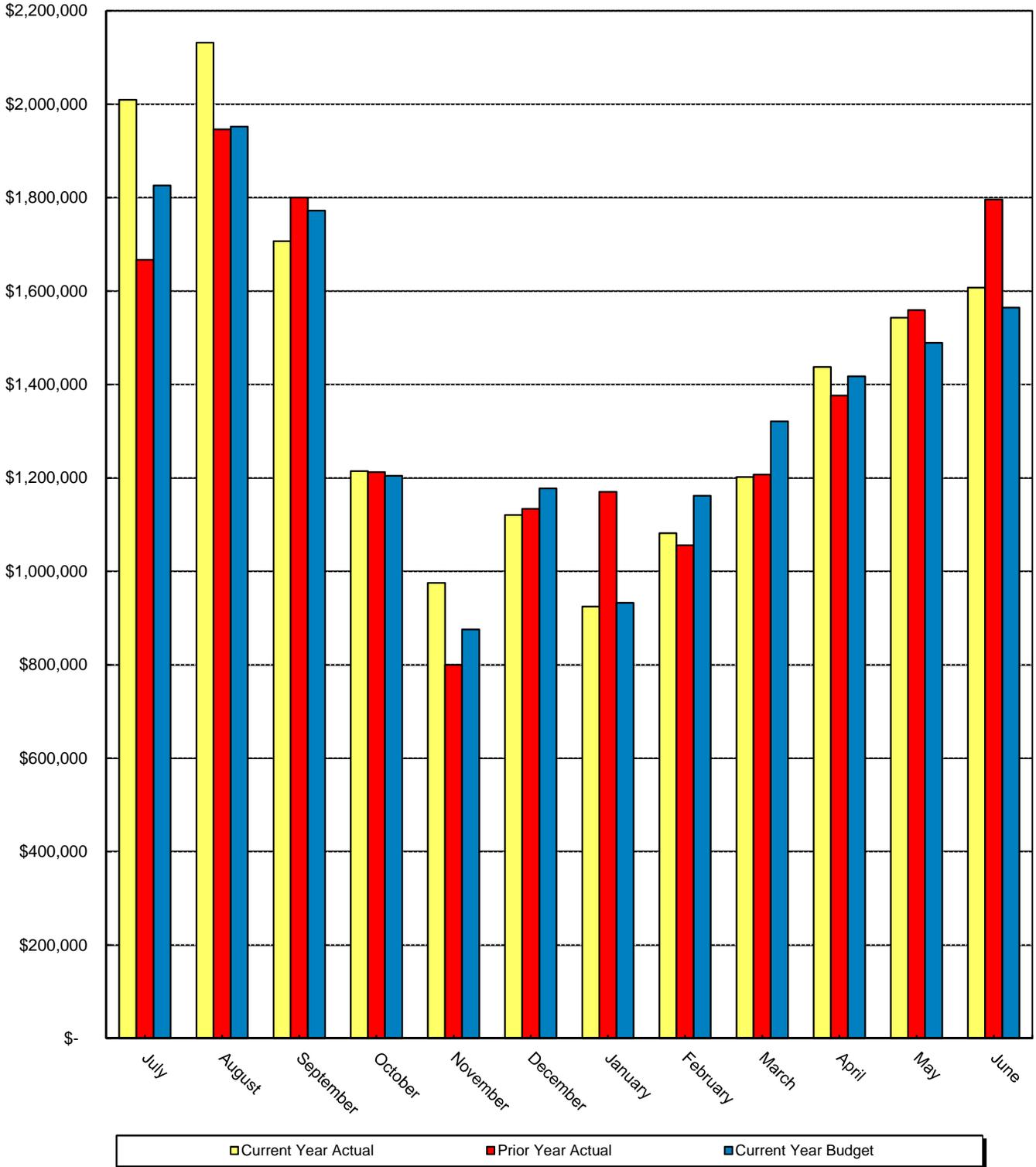
<b>Employer</b>	<b>Fiscal Year</b>					
	<b>2014</b>			<b>2005</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Washoe County School District	8,250	1	4.38%	8,750	1	4.28%
University of Nevada - Reno	4,250	2	2.26%	4,750	2	2.33%
Renown (Washoe) Medical Center	2,750	3	1.46%	2,250	5	1.10%
Washoe County	2,250	4	1.19%	2,750	3	1.35%
Peppermill Hotel Casino - Reno	2,250	5	1.19%	1,750	9	0.86%
International Gaming Technology	2,250	6	1.19%	2,750	4	1.35%
Silver Legacy Resort Casino	1,750	7	0.93%	2,250	6	1.10%
Atlantis Casino Resort	1,750	8	0.93%	-	-	-
Integrity Staffing	1,750	9	0.93%	2,250	7	1.10%
Eldorado Hotel & Casino	1,250	10	0.66%	1,750	10	0.86%
City of Reno	-	-	-	1,750	8	0.86%
 Total Washoe County Covered Employment	 <u>188,324</u>			 <u>204,291</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

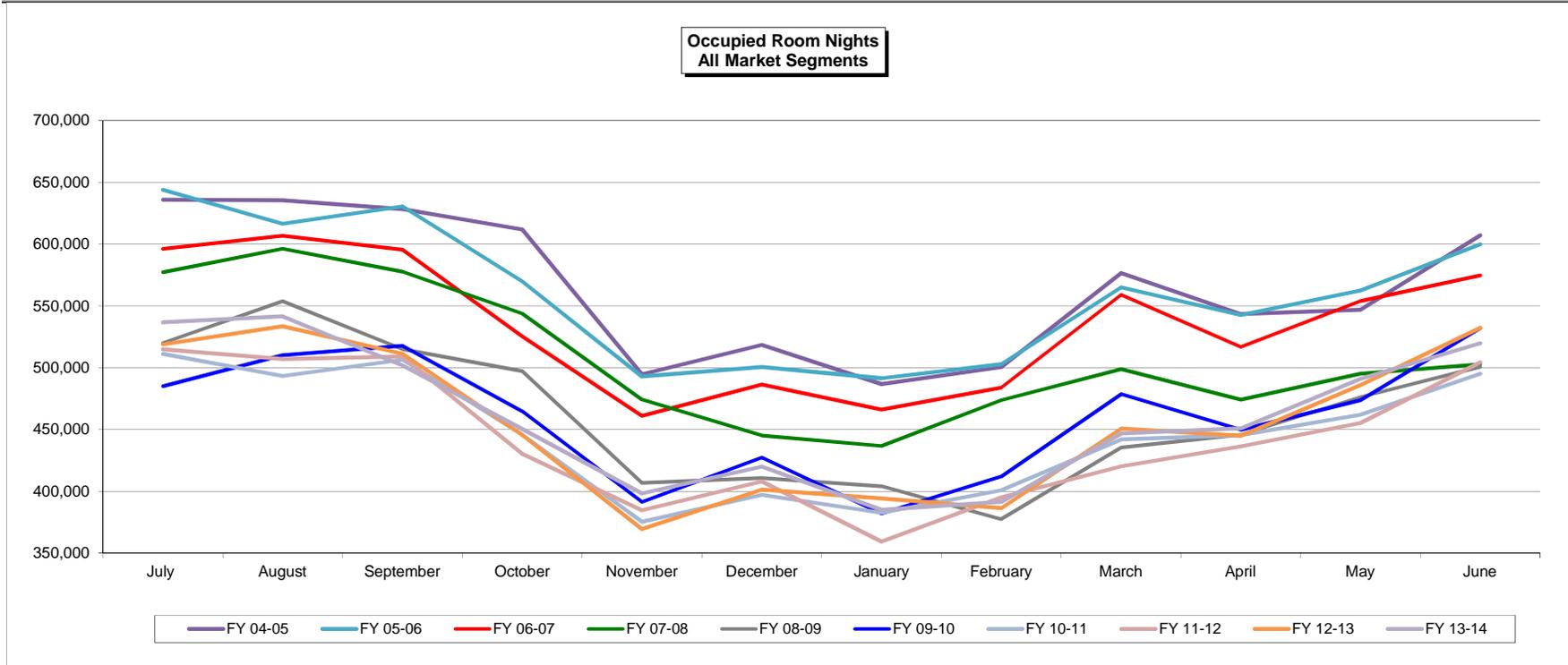
**Reno-Sparks Convention & Visitors Authority**  
**General Room Tax (6 5/8%) Collections**  
**Fiscal Year 2013-14**  
**(Unaudited)**

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



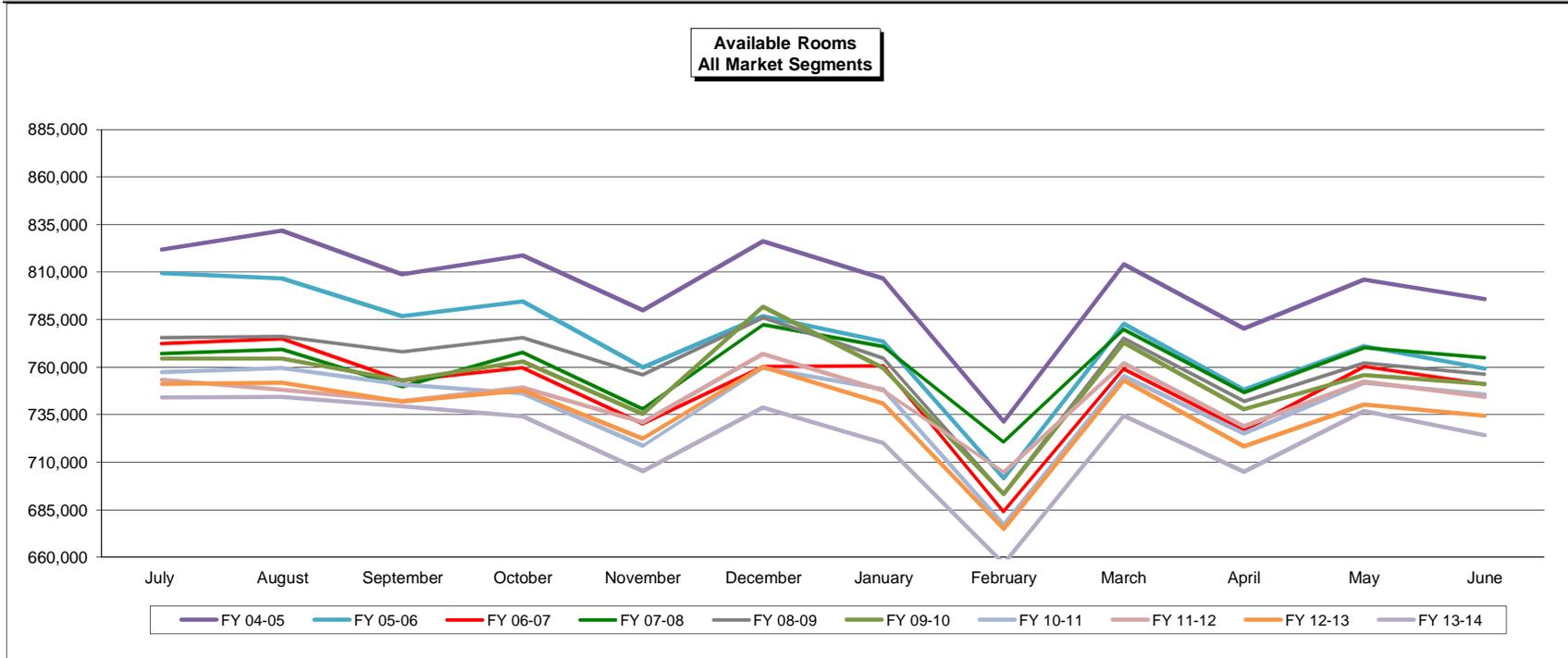
**Reno-Sparks Convention and Visitors Authority  
Occupied Rooms-Consolidated Summary  
Trend  
(Unaudited)**

Month	FY 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	FY 13-14
July	635,871	643,844	596,020	577,156	520,007	485,074	511,070	514,933	518,830	536,653
August	635,277	616,416	606,682	596,250	553,766	510,027	493,240	506,798	533,571	541,513
September	628,046	630,400	595,348	577,555	514,878	517,818	506,409	508,993	511,334	501,740
October	611,885	569,925	525,369	543,719	497,277	464,679	445,898	430,410	445,503	450,465
November	494,628	492,740	461,022	474,276	406,796	391,486	375,430	384,747	369,449	398,370
December	518,475	500,500	486,464	445,120	410,860	427,375	397,109	407,921	401,306	419,902
January	486,689	491,446	466,076	436,636	404,089	382,001	382,758	359,300	394,100	385,035
February	500,345	502,738	483,795	473,654	377,511	411,882	400,769	395,205	386,414	391,409
March	576,497	564,924	559,015	498,942	435,453	478,497	441,895	420,179	450,647	446,828
April	543,363	542,643	516,868	474,188	445,716	449,820	445,322	436,283	444,981	450,917
May	546,883	562,470	553,881	495,241	476,219	473,707	461,995	455,213	485,834	490,980
June	607,053	599,788	574,737	502,758	500,777	531,970	495,145	504,348	532,145	519,836
<b>Totals</b>	<b>6,785,012</b>	<b>6,717,834</b>	<b>6,425,277</b>	<b>6,095,495</b>	<b>5,543,349</b>	<b>5,524,336</b>	<b>5,357,040</b>	<b>5,324,330</b>	<b>5,474,114</b>	<b>5,533,648</b>



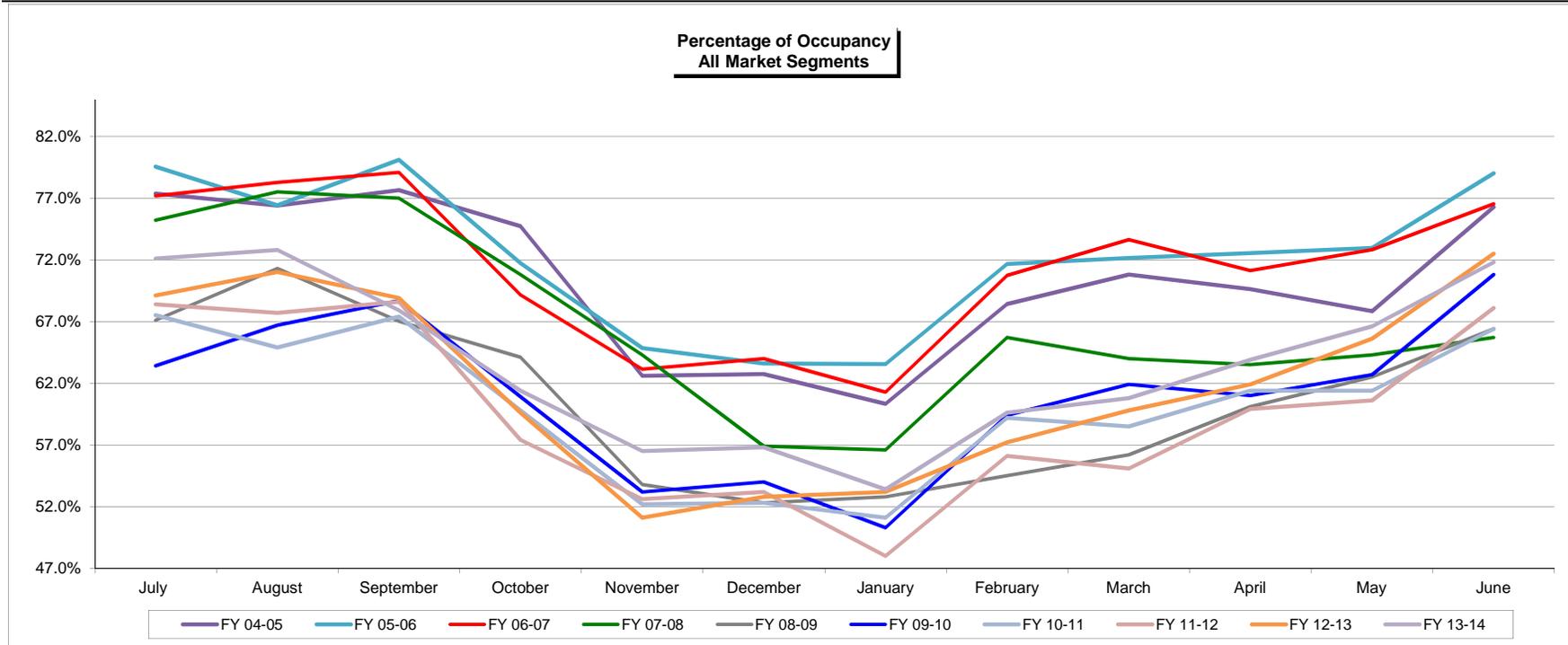
**Reno-Sparks Convention and Visitors Authority  
Available Rooms-Consolidated Summary  
Trend  
(Unaudited)**

Month	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	FY 13-14
July	821,855	809,432	772,362	767,095	775,491	764,609	757,360	753,354	751,282	744,241
August	831,760	806,798	775,069	769,316	776,351	764,509	759,705	748,217	751,840	744,264
September	808,883	787,023	752,809	749,768	768,250	753,240	751,046	742,367	742,079	739,470
October	818,864	794,639	759,714	767,730	775,684	762,885	746,175	749,517	747,812	734,229
November	790,082	759,824	730,385	737,915	755,912	735,276	718,569	731,159	722,305	705,433
December	826,326	786,979	760,281	782,484	786,122	791,848	759,685	766,953	760,292	738,961
January	806,786	773,441	760,639	771,058	764,704	759,549	748,589	747,888	740,895	720,369
February	731,367	701,665	684,069	720,629	693,272	693,245	677,153	704,680	675,106	656,764
March	814,299	782,987	759,150	779,890	775,375	772,999	755,304	761,957	753,038	734,466
April	780,431	748,137	726,767	746,735	741,988	737,925	725,351	728,846	718,317	705,176
May	806,092	770,997	760,525	770,431	762,173	755,747	751,958	752,568	740,438	736,949
June	796,014	759,230	751,048	765,133	756,502	751,187	745,647	744,525	734,364	724,162
<b>Totals</b>	<b>9,632,759</b>	<b>9,281,152</b>	<b>8,992,818</b>	<b>9,128,184</b>	<b>9,131,824</b>	<b>9,043,019</b>	<b>8,896,542</b>	<b>8,932,031</b>	<b>8,837,768</b>	<b>8,684,484</b>



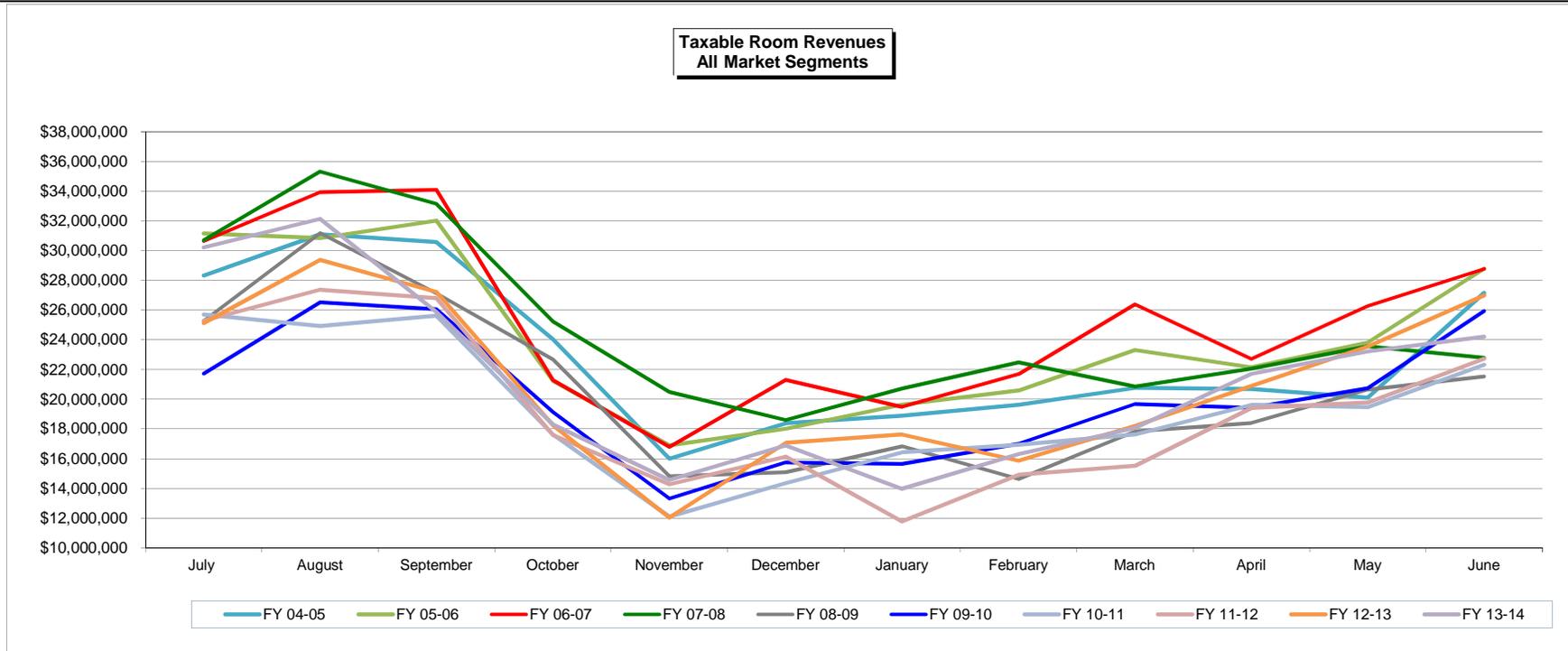
**Reno-Sparks Convention and Visitors Authority  
Percentage of Occupancy-Consolidated Summary  
Trend  
(Unaudited)**

Month	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	FY 13-14
July	77.4%	79.5%	77.2%	75.2%	67.1%	63.4%	67.5%	68.4%	69.1%	72.1%
August	76.4%	76.4%	78.3%	77.5%	71.3%	66.7%	64.9%	67.7%	71.0%	72.8%
September	77.6%	80.1%	79.1%	77.0%	67.0%	68.7%	67.4%	68.6%	68.9%	67.9%
October	74.7%	71.7%	69.2%	70.8%	64.1%	60.9%	59.8%	57.4%	59.6%	61.4%
November	62.6%	64.8%	63.1%	64.3%	53.8%	53.2%	52.2%	52.6%	51.1%	56.5%
December	62.7%	63.6%	64.0%	56.9%	52.3%	54.0%	52.3%	53.2%	52.8%	56.8%
January	60.3%	63.5%	61.3%	56.6%	52.8%	50.3%	51.1%	48.0%	53.2%	53.4%
February	68.4%	71.6%	70.7%	65.7%	54.5%	59.4%	59.2%	56.1%	57.2%	59.6%
March	70.8%	72.1%	73.6%	64.0%	56.2%	61.9%	58.5%	55.1%	59.8%	60.8%
April	69.6%	72.5%	71.1%	63.5%	60.1%	61.0%	61.4%	59.9%	61.9%	63.9%
May	67.8%	73.0%	72.8%	64.3%	62.5%	62.7%	61.4%	60.6%	65.6%	66.6%
June	76.3%	79.0%	76.5%	65.7%	66.4%	70.8%	66.4%	68.1%	72.5%	71.8%
Annual	70.4%	72.4%	71.4%	66.8%	60.7%	61.1%	60.2%	59.6%	61.9%	63.7%



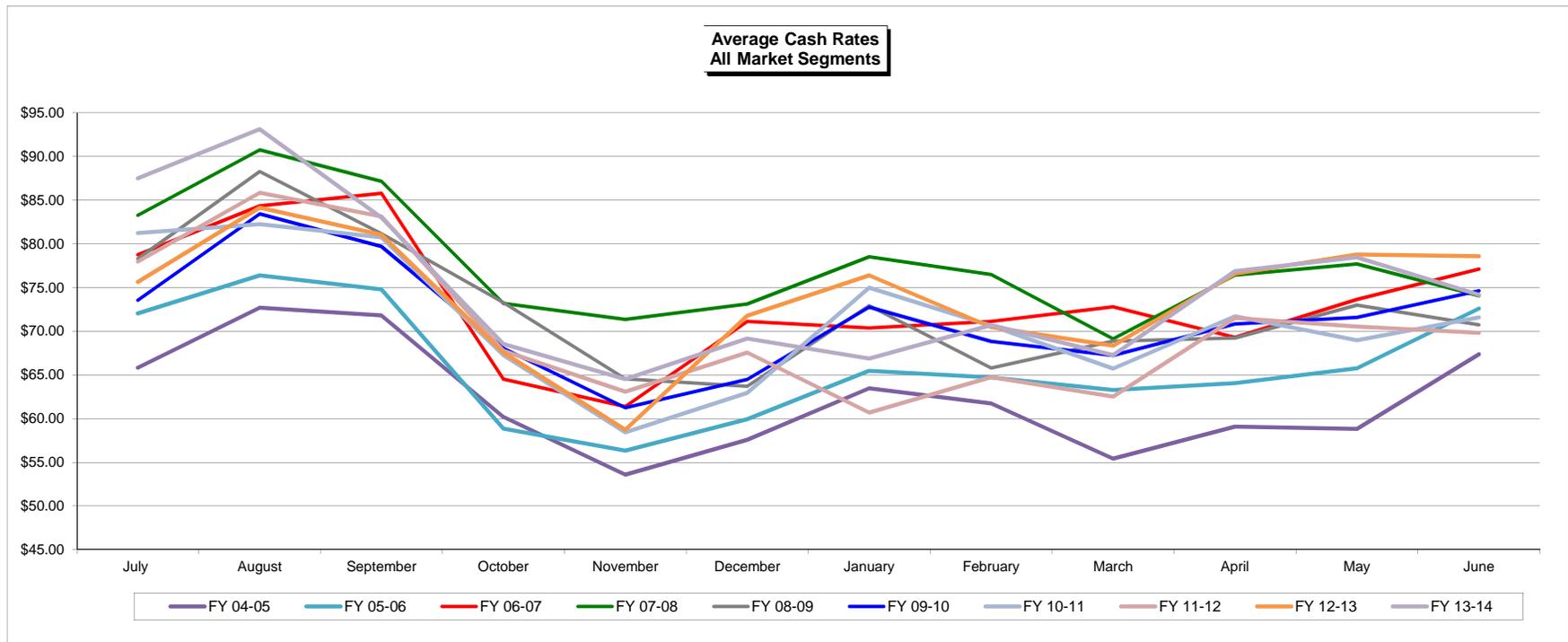
**Reno-Sparks Convention and Visitors Authority  
Taxable Room Revenues-Consolidated Summary  
Trend  
(Unaudited)**

Month	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	FY 13-14
July	\$ 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	\$ 30,224,159
August	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	32,130,756
September	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	25,870,198
October	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	18,292,143
November	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	14,560,736
December	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	16,879,494
January	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	13,970,116
February	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	16,313,115
March	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	18,069,943
April	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	21,706,493
May	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	23,219,292
June	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	24,191,922
<b>Totals</b>	<b>\$ 275,572,138</b>	<b>\$ 288,404,784</b>	<b>\$ 303,333,318</b>	<b>\$ 295,897,458</b>	<b>\$ 246,014,891</b>	<b>\$ 240,931,909</b>	<b>\$ 232,678,979</b>	<b>\$ 231,511,464</b>	<b>\$ 252,193,758</b>	<b>\$ 255,428,366</b>



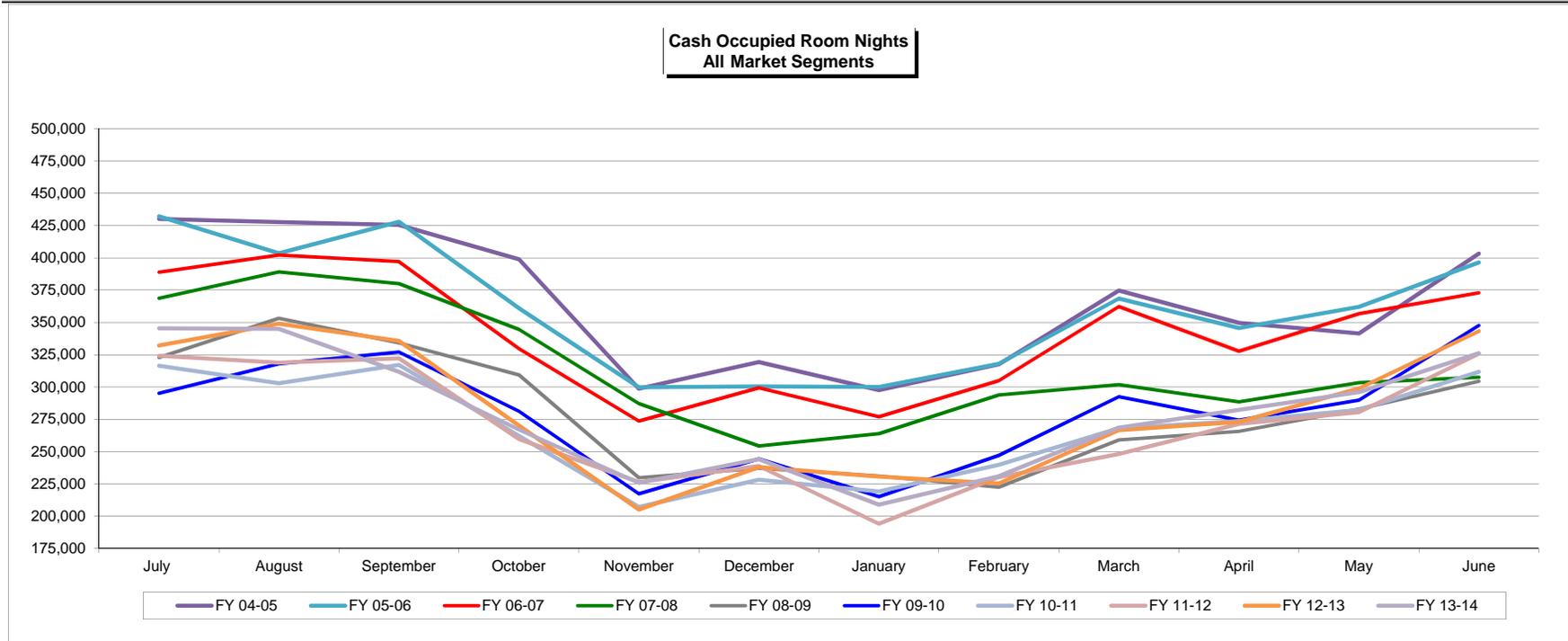
**Reno-Sparks Convention and Visitors Authority  
Average Cash Rates-Consolidated Summary  
Trend  
(Unaudited)**

Month	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	FY 13-14
July	\$ 65.83	\$ 72.06	\$ 78.77	\$ 83.27	\$ 78.30	\$ 73.56	\$ 81.24	\$ 77.99	\$ 75.67	\$ 87.51
August	72.71	76.39	84.37	90.78	88.30	83.45	82.28	85.87	84.17	93.12
September	71.82	74.82	85.81	87.17	81.17	79.72	80.75	83.16	81.07	83.02
October	60.20	58.86	64.54	73.20	73.31	68.07	67.28	67.78	67.57	68.55
November	53.59	56.34	61.39	71.35	64.56	61.26	58.45	63.09	58.72	64.51
December	57.58	59.95	71.14	73.12	63.71	64.49	62.96	67.58	71.78	69.16
January	63.49	65.46	70.38	78.54	72.93	72.77	75.01	60.70	76.41	66.89
February	61.76	64.74	71.14	76.51	65.80	68.84	70.64	64.76	70.47	70.72
March	55.42	63.28	72.80	69.13	68.89	67.24	65.74	62.53	68.36	67.29
April	59.10	64.05	69.32	76.43	69.25	70.85	71.72	71.52	76.60	76.90
May	58.83	65.78	73.64	77.71	72.99	71.61	68.98	70.55	78.78	78.48
June	67.36	72.61	77.12	74.09	70.75	74.63	71.58	69.82	78.61	74.19
Annual	\$ 62.85	\$ 66.83	\$ 74.12	\$ 78.23	\$ 73.43	\$ 71.95	\$ 72.09	\$ 71.49	\$ 74.91	\$ 76.23



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

Month	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	FY 13-14
July	430,227	432,236	388,972	368,708	322,743	295,170	316,313	324,182	332,180	345,397
August	427,670	403,601	402,269	389,098	353,119	317,877	302,815	318,733	349,015	345,037
September	425,583	427,932	397,251	380,061	334,189	326,988	317,067	322,157	335,675	311,623
October	398,986	360,958	329,644	344,490	309,192	281,109	261,977	259,480	270,056	266,836
November	298,511	299,799	273,546	287,135	229,591	217,229	207,013	226,252	204,929	225,705
December	319,288	300,413	299,286	254,279	236,875	244,297	227,942	238,673	237,777	244,056
January	297,460	299,857	276,900	263,728	230,867	215,043	218,984	193,892	230,515	208,840
February	317,507	317,830	304,750	293,779	222,298	247,010	239,690	230,148	225,175	230,667
March	374,691	368,516	362,331	301,683	258,793	292,508	268,092	247,947	266,375	268,530
April	349,746	345,684	327,670	288,489	265,579	274,194	273,572	271,365	272,850	282,258
May	341,471	362,051	356,849	303,257	282,767	289,698	282,148	280,313	298,879	295,871
June	403,290	396,411	373,006	307,471	304,479	347,574	311,790	325,585	343,260	326,065
<b>Totals</b>	<b>4,384,430</b>	<b>4,315,288</b>	<b>4,092,474</b>	<b>3,782,178</b>	<b>3,350,492</b>	<b>3,348,697</b>	<b>3,227,403</b>	<b>3,238,727</b>	<b>3,366,686</b>	<b>3,350,885</b>



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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function</b>										
General Government	25.0	25.0	27.0	26.0	18.0	14.0	14.0	11.5	11.5	11.5
Culture and Recreation	55.0	55.0	55.0	55.0	27.0	26.0	26.0	-	-	-
Community Support	170.0	200.0	200.0	180.0	169.0	161.0	161.0	180.0	181.0	181.0
<b>Total</b>	<b>250.0</b>	<b>280.0</b>	<b>282.0</b>	<b>261.0</b>	<b>214.0</b>	<b>201.0</b>	<b>201.0</b>	<b>191.5</b>	<b>192.5</b>	<b>192.5</b>

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
2015	44	157,200	80	295,000	75	90,000	55	150,000
2016	26	131,851	85	295,500	80	180,000	55	150,000
2017	18	100,040	85	295,500	80	190,000	55	150,000
2018	16	107,840	90	300,000	20	25,000	55	150,000
2019	8	63,000	90	300,000	20	100,000	55	150,000

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 2018 & 2019, 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
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
2014	94	311,235	80	300,000	78	172,717	52	126,979

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, 2014**  
**(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, 2014**  
**(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 2016, and the United States Bowling Congress Women’s Championships, returning in 2015 and 2018. Additional USBC Open and Women’s Championship tournaments 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 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**

**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, Nevada as of and for the year ended June 30, 2014, 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 29, 2014.

**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 the audit procedures 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 from 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 29, 2014

## **AUDITOR'S COMMENTS**

### STATUTE COMPLIANCE

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

### PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Authority conformed to all significant statutory constraints on its financial administrations during the year ended June 30, 2013.

### PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2013.

### CURRENT YEAR RECOMMENDATIONS

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