



**Reno-Sparks Convention and Visitors Authority  
Washoe County, State of Nevada**

# **Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2015**





RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Year Ended  
June 30, 2015

Bob Lucey  
Chairman

Jennifer Cunningham  
Interim Managing Director

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, 2015**

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# **INTRODUCTORY SECTION**



November 20, 2015

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, 2014 to June 30, 2015

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, 2015, is submitted herewith. This annual report was prepared in conjunction with the outside auditing firm, Eide Bailly LLP. 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 nine member board comprised of (a) one members of the Board of County Commissioners of Washoe County Nevada; (b) one 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) six members appointed by the aforementioned elected officials. The six members set forth are selected from nominations made by gaming, 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), 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 2014-2015.** Throughout the period covered by this report, gaming and tourism continued to be the dominant local industries, making the economic vitality of Washoe County largely dependent on a constant influx of visitors.

Total cash occupied room nights increased from 3,238,008 room nights in fiscal year 2013-14 to 3,344,528 room nights in fiscal year 2014-15. Overall occupancy percentages increased from 62.4% in fiscal year 2013-14 to 64.5% in fiscal year 2014-15. Average cash rates increased from \$78.88 for fiscal year 2013-14 to \$81.34 for fiscal year 2014-15, resulting in total taxable revenues increasing from \$255,428,365 in fiscal year 2013-14 to \$272,041,067 in fiscal year 2014-15.

**Outlook For Fiscal Year 2015-16 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
- Fire Shows Reno
- Dynamic Summit 2015
- National Science Teachers Association
- Lockett Incorporated Fall Home Show & Pet Expo
- Wizard World Reno Comic Con
- Wild Sheep Foundation
- USA Taekwondo
- Worldwide Distributors Spring Show
- Western States Sheriff Association
- Auto Show 2016
- Lockett Incorporated Motorsports Show and Spring Home Show



- West Coast Rabbit and Cavy Association
- Northern California Volleyball Association, Far Western Tournament
- Jam on It Basketball Girls District Championships
- Northern California Volleyball Association, Power League
- Jam on It Basketball Memorial Day Tournament
- NetLync Sports Summer Volleyball Tournament

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

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

Continued heavy emphasis will be placed on marketing the region as a whole, including the brand of “Reno Tahoe USA”. Advertising will continue to focus on the area’s many unique attractions, facilities, and amenities, irrespective of geopolitical subdivisions.

**Financial Policies.** The financial policies of the Authority address the various activities of the Authority. Policies have remained consistent for the year ended June 30, 2015 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.

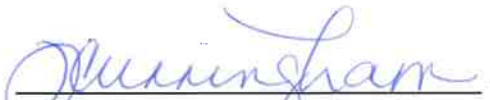
**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the twenty-eighth 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 Eide Bailly LLP. 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,



Jennifer Cunningham  
Interim Managing Director



Brian Rivers  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

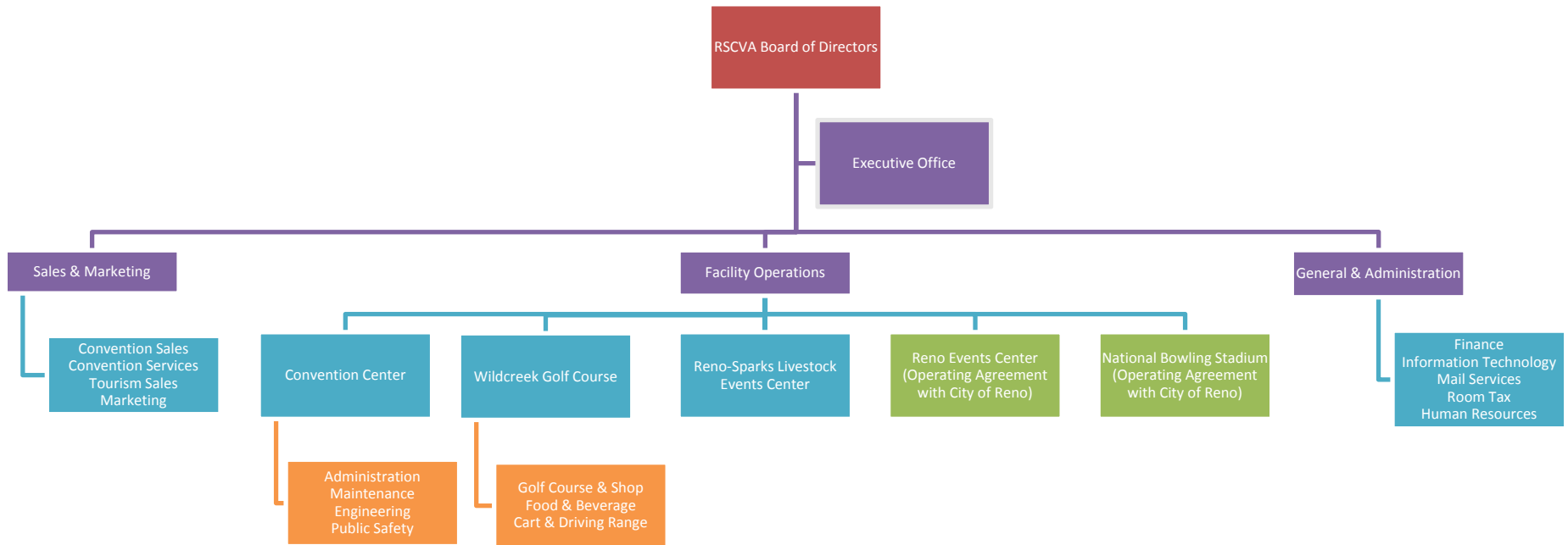
**Reno-Sparks Convention  
& Visitors Authority, Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
FINANCIAL STRUCTURE  
JUNE 30, 2015**





**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**BOARD OF DIRECTORS**



**Bob Lucey**  
**Chairman**  
**Washoe County**  
**Term is coterminous**



**Dennis McGovern**  
**Vice-Chairman**  
**Business Industry**  
**Term Expires July 2017**



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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**BOARD OF DIRECTORS - CONTINUED**



**Ed Lawson**  
City of Sparks  
Term is coterminous



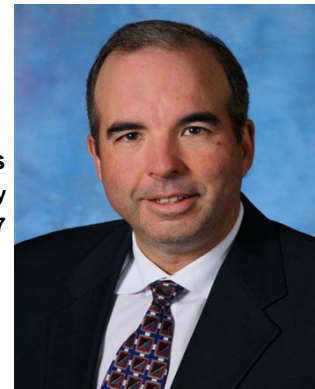
**Cindy Carano**  
Gaming Industry  
Term Expires December 2016



**Hillary Schieve**  
City of Reno  
Term is coterminous



**Nat Carasali**  
Business Industry  
Term Expires July 2016



**Tony Mavrides**  
Gaming Industry  
Term Expires July 2017



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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**EXECUTIVE STAFF**



**Jennifer Cunningham**

**Interim Managing Director/Executive Director of Marketing**



**John Leinen**  
**Vice-President**  
**Convention and Tourism Sales**



**Joe Kelley**  
**Vice President of Facilities**



**Brian Rivers**  
**Director of Finance**



**Charlotte Anderson**  
**HR Manager/  
Executive Assistant to the CEO**

# **FINANCIAL SECTION**





## Independent Auditor's Report

To the Board of Directors  
Reno-Sparks Convention & Visitors Authority, Nevada  
Reno, 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, 2015, 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 amounts 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, 2015, 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.

## **Change in Accounting Principle**

As discussed in Notes A and K to the financial statements, the Reno-Sparks Convention & Visitors Authority has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress-Other Postemployment Benefits, the Schedule of the Authority's Share of the Net Pension Liability, and the Schedule of Authority Contributions on pages 4 through 13 and pages 60 through 61 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**

The financial statements of Reno-Sparks Convention & Visitors Authority as of and for the year ended June 30, 2014, were audited by Kafoury, Armstrong & Co., who joined Eide Bailly LLP on December 15, 2014, and whose report dated September 29, 2014, expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2014, is consistent with the audited financial statements from which it has been derived.

The individual fund schedules related to the 2014 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 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2014 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. The individual fund schedules are consistent 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 November 20, 2015, 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  
November 20, 2015

## **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 \$60,160,631 (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, as well as the new pension standards.
- The Authority's total net assets increased by \$486,773. The principal causes of this increase are expenses being below budget.
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$18,330,882, an increase of \$467,590 compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,284,169, or 19.7% of total General Fund expenditures.
- The Authority's total debt decreased by \$3,977,561 during the fiscal year, as a result of principal payments on existing debt exceeding the accretion on capital appreciation bonds.
- The Authority's room license tax collections increased \$1,525,618 (6.9%) from the prior year.
- Cash and investments of the Authority decreased by \$49,148 (0.3%) 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 of the Reno-Sparks Convention & Visitors Authority. The



difference between the total assets and deferred outflows and total liabilities and deferred inflows 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 balances 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.

**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. Also, presented for the current year are the required schedules related to pensions, with the adoption of GASB 68, see below.

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 68, *Accounting and Financial Reporting for Pensions*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. The implementation of these standards requires governments calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date.

## **Government-wide Financial Analysis**

By far the largest portion of the Authority’s assets (73%) reflects its investment in capital assets (e.g. buildings, improvements, 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	
	2015	2014
Assets:		
Current and other assets	\$ 21,679,303	\$ 21,824,122
Capital assets	58,589,608	62,120,500
<b>Total assets</b>	<b>80,268,911</b>	<b>83,944,622</b>
<b>Deferred outflows of resources</b>	<b>1,660,335</b>	<b>-</b>
Liabilities:		
Long-term liabilities	134,231,154	126,768,713
Other liabilities	5,040,524	5,624,190
<b>Total liabilities</b>	<b>139,271,678</b>	<b>132,392,903</b>
<b>Deferred inflows of resources</b>	<b>2,818,199</b>	<b>-</b>
Net Position:		
Net Investment in capital assets	(26,008,544)	(25,281,463)
Restricted for:		
Debt service	10,369,155	10,346,610
Claims	407,995	444,181
Unrestricted (deficit)	(44,929,237)	(33,957,609)
Total net position	(60,160,631)	(48,448,281)
GASB 68 adjustments	-	(12,199,123)
<b>Total net position</b>	<b>\$ (60,160,631)</b>	<b>\$ (60,647,404)</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 and the net pension liability.

The Authority's total net assets increased by \$486,773. The principal cause of this change is principal and related debt activity and depreciation on capital assets during the fiscal year. The implementation of GASB 68 and 71 noted previously, impacted net position by \$12,199,123 to reflect the net pension liability.

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

	Governmental Activities	
	2015	2014
Revenues:		
<i>Program revenues:</i>		
Charges for services	\$ 8,329,142	\$ 9,441,537
Operating grants and contributions	1,159	1,147
Capital grants and contributions	-	599,265
<i>General revenues:</i>		
Room taxes	23,675,331	22,149,713
Unrestricted investment and interest earnings	60	30
Miscellaneous	53,446	53,628
<b>Total revenues</b>	<b>32,059,138</b>	<b>32,245,320</b>
Expenses:		
General government	2,557,066	2,335,097
Community support	23,429,612	24,767,252
Debt service	5,585,687	5,751,022
<b>Total expenses</b>	<b>31,572,365</b>	<b>32,853,371</b>
<b>Change in net position</b>	<b>486,773</b>	<b>(608,051)</b>
<b>Net Position, July 1, as restated</b>	<b>(60,647,404)</b>	<b>(47,840,230)</b>
<b>GASB 68 adjustments</b>	<b>-</b>	<b>(12,199,123)</b>
<b>Net Position, June 30</b>	<b>\$ (60,160,631)</b>	<b>\$ (60,647,404)</b>

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

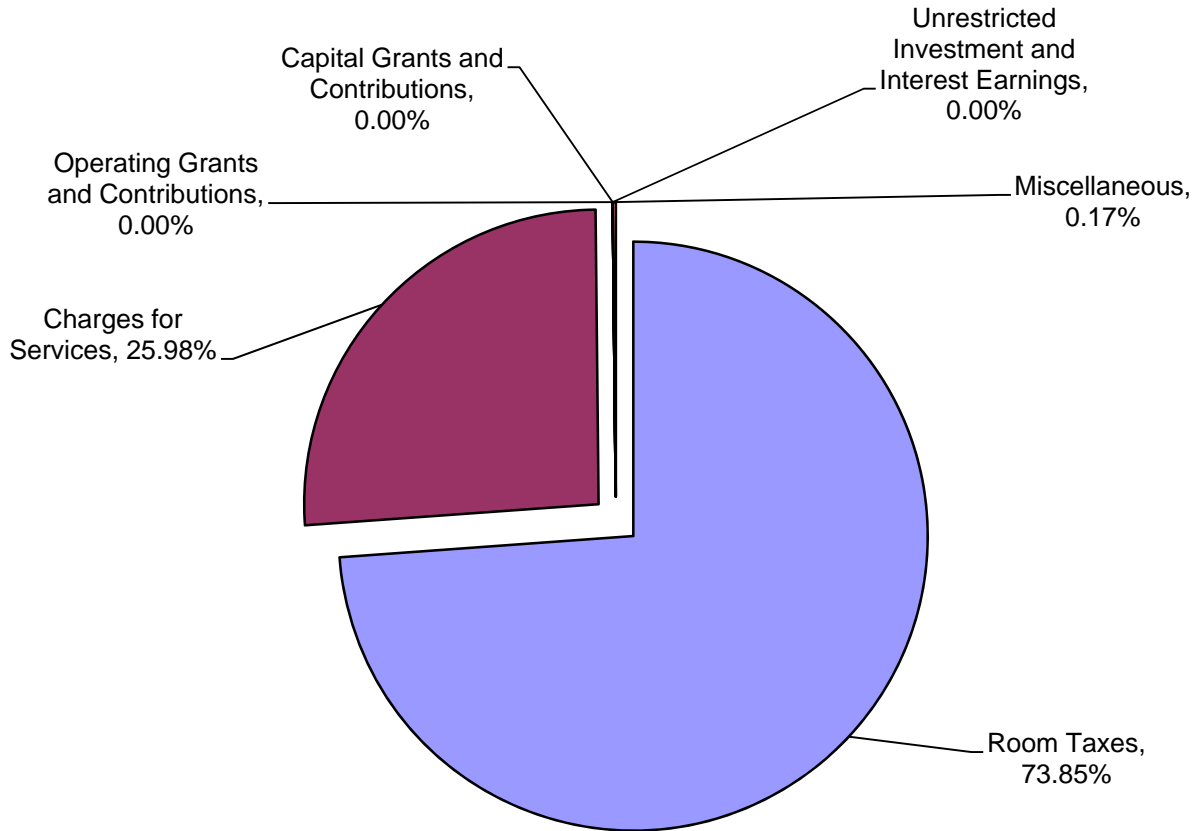
The Authority's room license tax collections increased \$1,525,618 (6.9%) from the prior year. This increase was primarily caused by visitation to the area from convention, group and bowling events occurring during the fiscal year.

### Governmental activities.

Total program revenues and total revenues for governmental activities amounted to \$8,330,301 and \$32,059,138, respectively, for the 2014-15 fiscal year. As illustrated on the following chart, room tax collections are the largest revenue source, followed by charges for services.

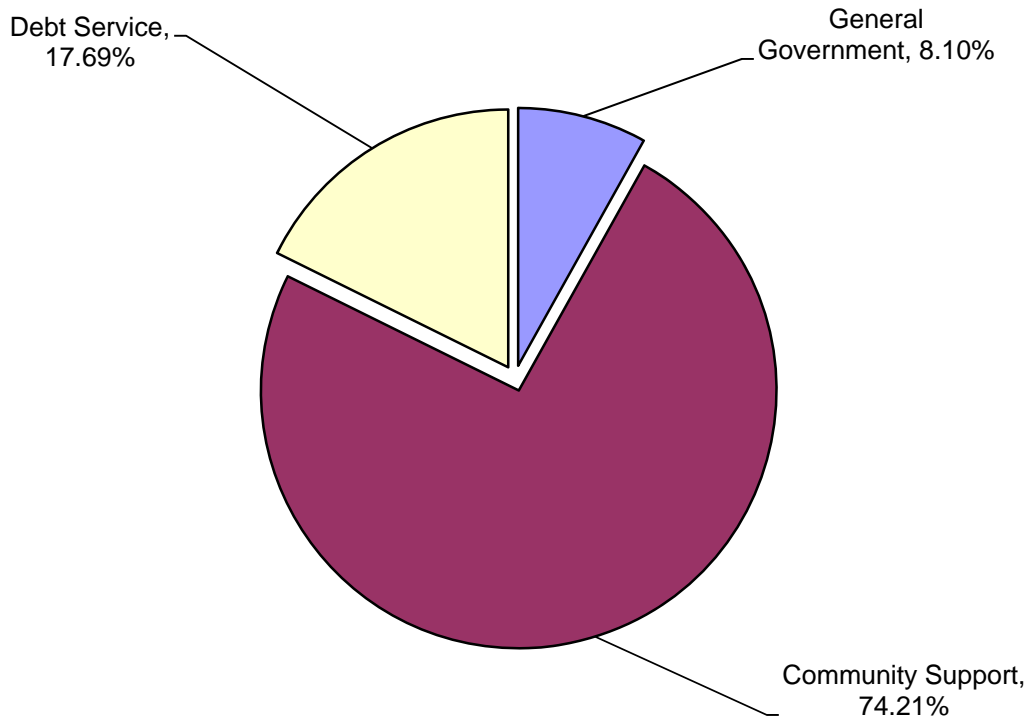


## Revenues by Source - Governmental Activities



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 \$18,330,882. Approximately 23.4% of this total amount (\$4,284,169) 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 \$4,284,169, while the total fund balance was \$4,521,273. 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 20.7% for the year just completed.

The fund balance of the RSCVA's General Fund increased by \$655,852 during the fiscal year. The primary factor for this increase is increased room tax collections and expenditures and other financing sources being under budget.

The Debt Service Fund has a total fund balance of \$13,721,849, which is a decrease of \$200,081 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 new arena seats at the Reno-Sparks Livestock Events Center. The fund has assigned fund balance of \$87,760 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 \$195,000, primarily as a result of costs associated with developing a strategic plan,
- Expenditures – Facility Operation decreasing by \$150,000, as a result of reduced costs to service business in facilities,
- Expenditures – Golf course operations decreasing by \$50,000, primarily related to payroll savings.
- Expenditures – Convention and tourism promotion increasing by \$350,000, related to sales and promotional expenses.
- Expenditures – Community grants increasing by \$60,000, related to increased room tax collections.
- Revenues – Net increase of \$730,000, room taxes increasing by \$1,100,000, while facility revenues decreasing by \$320,000 and golf course revenues decreasing by \$50,000.

Overall, revenues were below budget by \$2,602 for the year, primarily as a result of increased room license tax revenues and decreased (below that budgeted) for facilities and golf course revenues.

Expenditures were below budget by \$138,918, 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, 2015, amount to \$58,589,608 (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 new arena seats 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	9,725
Buildings and Improvements	53,539,770
Improvements	723,772
Furniture and Equipment	871,141
<b>Total</b>	<b>\$ 58,589,608</b>

**Long-term debt.** During fiscal year 2014-15, the Authority made payments of \$5,360,000 in principal and \$4,231,794 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, 2015
RSCC Expansion Bonds (Capital Appreciation)	\$ 19,384,075	\$ 27,923,446
2011 Refunding	88,680,000	87,150,000
Total	\$ 108,064,075	\$ 115,073,446

## Known Economic Factors

- Lodging properties continue to invest capital into their current facilities:
  - Sparks Nugget - \$50 million renovation including rooms, restaurants, public spaces.
  - Grand Sierra Resort - \$40 million renovation including rooms, restaurants, public spaces and \$15 million nightclub (LEX).
- Hampton Inn hotel in Northwest Reno, opened in September 2015 with 86 rooms.
- Courtyard by Marriott opening anticipated to open in Downtown Reno in Spring 2016, with 135 rooms.
- Cal-Neva Resort financing secured for renovation, anticipated to re-open Spring 2016.
- 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.
- New corporate businesses moving to the area including Tesla and Switch.

## 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, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 17,076,172
Receivables	
Accounts receivable	552,684
Room license taxes receivable	3,491,758
Other receivables	309,661
Prepaid items	10,000
Inventories	227,104
Other postemployment benefits	11,924
Capital assets not being depreciated	3,454,925
Capital assets being depreciated (net of accumulated depreciation)	<u>55,134,683</u>
<b>TOTAL ASSETS</b>	<u><b>80,268,911</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Net pension liability-related amounts	<u>1,660,335</u>
<b>LIABILITIES</b>	
Accounts payable	683,343
Accrued liabilities	2,017,027
Accrued interest payable	2,112,022
Event deposits	228,132
Noncurrent liabilities:	
Due within one year	5,795,000
Due in more than one year	113,950,243
Net pension liability	10,927,636
Other postemployment benefits	<u>3,558,275</u>
<b>TOTAL LIABILITIES</b>	<u><b>139,271,678</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Net pension liability-related amounts	<u>2,818,199</u>
<b>NET POSITION</b>	
Net investment in capital assets	(26,008,544)
Restricted for:	
Debt service	10,369,155
Claims	407,995
Unrestricted (deficit)	<u>(44,929,237)</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ (60,160,631)</b></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

	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	\$ 2,557,066	\$ 614,229	\$ -	\$ -	\$ (1,942,837)
Community support	23,429,612	7,714,913	20	-	(15,714,679)
Interest and fiscal charges	5,585,687	-	1,139	-	(5,584,548)
<b>Total governmental activities</b>	<u>\$ 31,572,365</u>	<u>\$ 8,329,142</u>	<u>\$ 1,159</u>	<u>\$ -</u>	<u>(23,242,064)</u>
<b>GENERAL REVENUES</b>					
Taxes:					
Room taxes					23,675,331
Unrestricted investment and interest earnings					60
Miscellaneous					53,446
<b>TOTAL GENERAL REVENUES</b>					<u>23,728,837</u>
<b>CHANGE IN NET POSITION</b>					486,773
<b>NET POSITION, JULY 1, as previously reported</b>					(48,448,281)
<b>Restatement-adoption of new accounting standard</b>					(12,199,123)
<b>NET POSITION, JULY 1, as restated</b>					<u>(60,647,404)</u>
<b>NET POSITION, JUNE 30</b>					<u>\$ (60,160,631)</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOVERNMENTAL FUNDS  
BALANCE SHEET

JUNE 30, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 2,945,707	\$ 13,891,406	\$ 110,384	\$ 16,947,497
Receivables				
Accounts receivable	552,684	-	-	552,684
Room license taxes receivable	3,491,758	-	-	3,491,758
Other receivables	309,661	-	-	309,661
Prepaid items	10,000	-	-	10,000
Inventory	227,104	-	-	227,104
<b>TOTAL ASSETS</b>	<b>\$ 7,536,914</b>	<b>\$ 13,891,406</b>	<b>\$ 110,384</b>	<b>\$ 21,538,704</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 648,151	\$ -	\$ 21,968	\$ 670,119
Accrued liabilities	2,001,155	-	-	2,001,155
Event deposits	228,132	-	-	228,132
Due to other funds	138,203	169,557	656	308,416
<b>TOTAL LIABILITIES</b>	<b>3,015,641</b>	<b>169,557</b>	<b>22,624</b>	<b>3,207,822</b>
<b>FUND BALANCES</b>				
Nonspendable	237,104	-	-	237,104
Restricted	-	13,721,849	-	13,721,849
Assigned	-	-	87,760	87,760
Unassigned	4,284,169	-	-	4,284,169
<b>TOTAL FUND BALANCES</b>	<b>4,521,273</b>	<b>13,721,849</b>	<b>87,760</b>	<b>18,330,882</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,536,914</b>	<b>\$ 13,891,406</b>	<b>\$ 110,384</b>	<b>\$ 21,538,704</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, 2015

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<b>TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET</b>	<b>\$</b>	<b>18,330,882</b>
Other postemployment benefits (assets) are not financial resources and, therefore, are not reported in the Governmental Funds		11,924
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds		58,589,608
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:		
Accrued interest payable		(2,112,022)
Bonds payable		(115,073,446)
Add: Unamortized premium		(2,899,396)
Arbitrage payable		(1,240,672)
Compensated absences		(531,729)
Other postemployment benefits (obligation)		(3,558,275)
Net pension liability		(10,927,636)
Deferred outflow of 2015 employer contributions related to pension		1,660,335
Deferred inflows of resources related to pensions		(2,818,199)
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>407,995</u>
<b>TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET POSITION</b>	<b>\$</b>	<b><u>(60,160,631)</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, 2015**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
<b>Taxes</b>				
Room license taxes	\$ 23,675,331	\$ -	\$ -	\$ 23,675,331
<b>Miscellaneous</b>				
Facilities revenue	5,660,710	-	-	5,660,710
Convention and visitors service revenue	173,080	-	-	173,080
Golf course operations	1,881,123	-	-	1,881,123
Interest on investments	60	1,139	20	1,219
Other	667,675	-	-	667,675
<b>TOTAL REVENUES</b>	<b>32,057,979</b>	<b>1,139</b>	<b>20</b>	<b>32,059,138</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	2,460,121	-	-	2,460,121
Community support	19,317,006	-	-	19,317,006
<b>Debt Service</b>				
Principal	-	5,360,000	-	5,360,000
Interest	-	4,231,794	-	4,231,794
Other bond costs	-	9,426	-	9,426
Capital outlay	-	-	213,201	213,201
<b>TOTAL EXPENDITURES</b>	<b>21,777,127</b>	<b>9,601,220</b>	<b>213,201</b>	<b>31,591,548</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>10,280,852</b>	<b>(9,600,081)</b>	<b>(213,181)</b>	<b>467,590</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	9,400,000	225,000	9,625,000
Transfers to other funds	(9,625,000)	-	-	(9,625,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(9,625,000)</b>	<b>9,400,000</b>	<b>225,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>655,852</b>	<b>(200,081)</b>	<b>11,819</b>	<b>467,590</b>
<b>FUND BALANCES, JULY 1</b>	<b>3,865,421</b>	<b>13,921,930</b>	<b>75,941</b>	<b>17,863,292</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 4,521,273</b>	<b>\$ 13,721,849</b>	<b>\$ 87,760</b>	<b>\$ 18,330,882</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, 2015**

<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>467,590</b>
<b>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.</b>		
Capital outlay		243,329
Depreciation expense		(3,774,221)
<b>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.</b>		
Accretion on capital appreciation bonds		(1,737,649)
Principal payments on debt		5,360,000
<b>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.</b>		
Accrued interest		7,750
Change in arbitrage payable		214,876
Compensated absences		(30,222)
Change in other postemployment benefits		(512,673)
Amortization of premium		170,556
<b>Governmental Funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</b>		
Authority pension contributions		1,562,041
Authority pension expense		(1,448,418)
<b>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.</b>		
		<u>(36,186)</u>
<b>CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF ACTIVITIES</b>	<b>\$</b>	<b><u>486,773</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, 2015  
(with comparative actual amounts for the year ended June 30, 2014)  
Page 1 of 2

	2015 Budget Amount		2015		2014
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
<b>Taxes</b>					
Room license taxes	\$ 22,436,934	\$ 23,536,934	\$ 23,675,331	\$ 138,397	\$ 22,149,713
<b>Miscellaneous</b>					
Facilities revenue	6,041,925	5,721,925	5,660,710	(61,215)	6,700,658
Convention and visitor service revenue	173,947	173,947	173,080	(867)	181,716
Golf course operations	2,037,823	1,987,823	1,881,123	(106,700)	1,947,910
Interest on investments	-	-	60	60	30
Other	639,952	639,952	667,675	27,723	664,881
<b>TOTAL REVENUES</b>	<b>31,330,581</b>	<b>32,060,581</b>	<b>32,057,979</b>	<b>(2,602)</b>	<b>31,644,908</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
<b>General government</b>					
Salaries and wages	888,007	888,007	927,781	(39,774)	898,125
Employee benefits	485,904	485,904	492,501	(6,597)	443,031
Services and supplies	834,510	1,029,510	977,597	51,913	787,106
Capital outlay	70,000	70,000	62,242	7,758	65,416
<b>Total general government</b>	<b>2,278,421</b>	<b>2,473,421</b>	<b>2,460,121</b>	<b>13,300</b>	<b>2,193,678</b>
<b>Community support</b>					
<b>Facility operation</b>					
Salaries and wages	3,243,408	3,133,408	3,168,490	(35,082)	3,723,435
Employee benefits	1,664,087	1,664,087	1,628,234	35,853	1,834,132
Services and supplies	5,004,198	4,964,198	4,841,069	123,129	5,131,024
	<b>9,911,693</b>	<b>9,761,693</b>	<b>9,637,793</b>	<b>123,900</b>	<b>10,688,591</b>
<b>Golf course operations</b>					
Salaries and wages	782,418	732,418	724,762	7,656	741,004
Employee benefits	325,985	325,985	307,661	18,324	309,036
Services and supplies	1,035,657	1,035,657	1,035,637	20	1,037,086
	<b>2,144,060</b>	<b>2,094,060</b>	<b>2,068,060</b>	<b>26,000</b>	<b>2,087,126</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, 2015  
(with comparative actual amounts for the year ended June 30, 2014)  
Page 2 of 2

	2015 Budget Amount		2015		2014
	Original	Final	Actual	Variance to Final Budget	Actual
<b>EXPENDITURES - continued</b>					
Convention and tourism promotion					
Salaries and wages	\$ 1,851,240	\$ 1,851,240	\$ 1,870,813	\$ (19,573)	\$ 1,837,812
Employee benefits	850,589	850,589	851,312	(723)	809,566
Services and supplies	3,359,337	3,709,337	3,729,868	(20,531)	3,536,203
	<u>6,061,166</u>	<u>6,411,166</u>	<u>6,451,993</u>	<u>(40,827)</u>	<u>6,183,581</u>
Community grants and miscellaneous	<u>1,115,705</u>	<u>1,175,705</u>	<u>1,159,160</u>	<u>16,545</u>	<u>1,034,822</u>
Total community support	<u>19,232,624</u>	<u>19,442,624</u>	<u>19,317,006</u>	<u>125,618</u>	<u>19,994,120</u>
<b>TOTAL EXPENDITURES</b>	<u>21,511,045</u>	<u>21,916,045</u>	<u>21,777,127</u>	<u>138,918</u>	<u>22,187,798</u>
Excess (deficiency) of revenues over expenditures	9,819,536	10,144,536	10,280,852	136,316	9,457,110
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	<u>(9,835,000)</u>	<u>(9,835,000)</u>	<u>(9,625,000)</u>	<u>210,000</u>	<u>(9,630,000)</u>
Net change in fund balances	(15,464)	309,536	655,852	346,316	(172,890)
<b>FUND BALANCE, JULY 1</b>	<u>3,785,926</u>	<u>3,865,421</u>	<u>3,865,421</u>	<u>-</u>	<u>4,038,311</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 3,770,462</u>	<u>\$ 4,174,957</u>	<u>\$ 4,521,273</u>	<u>\$ 346,316</u>	<u>\$ 3,865,421</u>

See accompanying notes.



RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND  
STATEMENT OF NET POSITION

JUNE 30, 2015

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	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 128,675
Due from other funds	<u>308,416</u>
<b>TOTAL ASSETS</b>	<u>437,091</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	13,224
Accrued liabilities	<u>15,872</u>
<b>TOTAL LIABILITIES</b>	<u>29,096</u>
<b>NET POSITION</b>	
Restricted for claims	<u>\$ 407,995</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, 2015**

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	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for benefits	\$ 1,547,085
<b>OPERATING EXPENSES</b>	
Services and supplies	<u>1,583,271</u>
<b>CHANGE IN NET POSITION</b>	(36,186)
<b>NET POSITION, JULY 1</b>	<u>444,181</u>
<b>NET POSITION, JUNE 30</b>	<u><u>\$ 407,995</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

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	<b>Governmental Activities Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers or users	\$ 333,709
Cash received from interfund services provided	1,213,376
Cash paid to vendors for services and supplies	<u>(1,571,749)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(24,664)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from (paid to) other funds	<u>15,052</u>
Net increase (decrease) in cash and investments	(9,612)
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>138,287</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ <u>128,675</u></u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUND  
STATEMENT OF CASH FLOWS

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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>(36,186)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Increase (decrease)	
Accounts payable	1,586
Accrued liabilities	<u>9,936</u>
Total adjustments	<u>11,522</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ <u><u>(24,664)</u></u></b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

FLEXIBLE COMPENSATION PLAN AGENCY FUND  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	
Flexible compensation plan	\$ <u>23,394</u>
<b>LIABILITIES</b>	
Benefits payable	
Flexible compensation plan	\$ <u>23,394</u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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**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.

**Implementation of GASB Statement No. 68 and GASB Statement No. 71**

As of July 1, 2014, the Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note K and the additional disclosures required by these standards are included in Note H.

**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.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
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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 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, the net pension liability 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.



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

The Authority has one type of item, which arises under accounting for pensions, that qualifies for reporting in this category. The item, net pension liability-related amounts, is reported in the statement of net position. The statement of net position reports Authority contributions subsequent to the measurement date of the net pension liability. This item is deferred and recognized as a reduction of the net pension liability in the subsequent year.

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.

The Authority has one type of item which arises under accounting for pensions, that qualifies for reporting in this category. The item, net pension liability-related amounts, is reported in the statement of net position. The statement of net position reports

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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differences between expected and actual experience, projected and actual earnings on pension plan investments, and changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contributions. These items are deferred and recognized as an increase of the net pension liability in subsequent periods.

**Budgets and Budgetary Accounting:**

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

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

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

2. Public hearings are conducted on the third Thursday or Friday in May to obtain public comments.
3. On or before June 1, the budget is legally enacted through passage of a resolution by a majority vote of the Authority Board.
4. Department heads are authorized to transfer appropriations between accounts within their respective departments subject to approval of the Chief Executive Officer. The Chief Executive Officer is authorized to transfer appropriations between departments within the various functional levels of the General Fund. Any revisions that alter or augment total appropriations or transfer appropriations between functional levels must be approved by the 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

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

**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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
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30, 2015 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

**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.

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**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.

**Pensions:**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement System of the State of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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.**

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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 –** Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed or assigned.

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,

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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.

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%.

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A 1% transient lodging tax was previously imposed on the Railroad Improvement District effective January 1, 1999. The Authority collects and remits the 1% transient lodging tax to the Railroad Improvement District. The increase in transient lodging taxes retained by the Authority is imposed by statute to be used for expansion of the Convention Center (2%). The increase in transient lodging taxes not retained by the Authority (1% collected outside of the Railroad Improvement District) is remitted to the City of Reno for the Reno Events Center/National Bowling Stadium. 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



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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, 2015, principal and interest paid and total net pledged revenues were \$9,591,794 and \$16,739,291, respectively. Annual principal and interest payments are expected to require approximately 57% of net revenues. The total principal and interest remaining on the bonds is \$173,096,754.

**Comparability:**

Comparative data shown for the year ended June 30, 2014 has been extracted from fiscal year 2013-14 financial statements. It has been provided to add comparability, but is not full disclosure of transactions for 2013-14. Such information can only be obtained by referring to the financial statements for that year.

**NOTE B - CASH AND INVESTMENTS**

As of June 30, 2015 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)	33 days	\$ 12,215,489
Invesco Treasury Portfolio (Money Market Fund)	46 days	<u>1,786,301</u>
<b>Total Investments</b>		<b>14,001,790</b>
<b>Total Cash</b>		<u><b>3,097,776</b></u>
<b>Total Cash and Investments</b>		<u><b>\$ 17,099,566</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.

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

***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	\$ 46,074
Community support	<u>3,728,147</u>
<b>Total depreciation expense-governmental activities</b>	<b><u>\$ 3,774,221</u></b>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
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Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance July 1, 2014</u>	<u>Additions and Transfers In</u>	<u>Deletions and Transfers Out</u>	<u>Balance June 30, 2015</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	196,058	(373,469)	9,725
<b>Total capital assets, not being depreciated</b>	<u>3,632,336</u>	<u>196,058</u>	<u>(373,469)</u>	<u>3,454,925</u>
<b>Capital assets, being depreciated</b>				
Buildings and improvements	147,441,418	373,469	-	147,814,887
Improvements	1,531,769	-	(510,039)	1,021,730
Furniture and equipment	3,357,785	47,271	(99,211)	3,305,845
<b>Total capital assets, being depreciated</b>	<u>152,330,972</u>	<u>420,740</u>	<u>(609,250)</u>	<u>152,142,462</u>
<b>Less accumulated depreciation for</b>				
Buildings and improvements	(90,759,638)	(3,515,479)	-	(94,275,117)
Improvements	(736,760)	(71,237)	510,039	(297,958)
Furniture and equipment	(2,346,410)	(187,505)	99,211	(2,434,704)
<b>Total accumulated depreciation</b>	<u>(93,842,808)</u>	<u>(3,774,221)</u>	<u>609,250</u>	<u>(97,007,779)</u>
<b>Total capital assets, being depreciated, net</b>	<u>58,488,164</u>	<u>(3,353,481)</u>	<u>-</u>	<u>55,134,683</u>
<b>Governmental Activities Capital Assets, net</b>	<u>\$ 62,120,500</u>	<u>\$ (3,157,423)</u>	<u>\$ (373,469)</u>	<u>\$ 58,589,608</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
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**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, 2015.

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>	
2016	\$ 300,000
2017	300,000
2018	300,000
2019	300,000
2020	300,000
Thereafter	<u>575,000</u>
	<u>\$ 2,075,000</u>

During the year ended June 30, 2015, expenditures under the agreement were \$300,000 and are recorded in the General Fund.

The Authority has entered into a lease for its office facilities. The lease began during the June 30, 2004 fiscal year with \$28,920 as the monthly rent. The lease provides for fixed monthly rent plus additional rent for increases in expenses occurring during the lease term. The term of the lease was extended as of November 1, 2013 for a period of

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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,

2016	\$ 163,356
2017	163,356
2018	163,356
2019	<u>54,452</u>
	<u>\$ 544,520</u>

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Description	Interest Rate	Maturity Date	Original Issue	Balance July 1, 2014	Additions and Transfers	Deletions and Transfers	Balance June 30, 2015	Due in 2015-2016
<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	\$ 30,770,797	\$ 1,737,649	\$ 4,585,000	\$ 27,923,446	\$ 5,445,000
2011 Refunding	2.0 - 5.0%	2032	88,680,000	87,925,000	-	775,000	87,150,000	-
Unamortized premium				3,069,952	-	170,556	2,899,396	-
				<u>121,765,749</u>	<u>1,737,649</u>	<u>5,530,556</u>	<u>117,972,842</u>	<u>5,445,000</u>
Arbitrage Payable	N/A	N/A	N/A	1,455,548	-	214,876	1,240,672	-
Compensated Absences	N/A	N/A	N/A	501,507	388,740	358,518	531,729	350,000
<b>Total Debt</b>				<u>\$ 123,722,804</u>	<u>\$ 2,126,389</u>	<u>\$ 6,103,950</u>	<u>\$ 119,745,243</u>	<u>\$ 5,795,000</u>

During the year ended June 30, 2015, interest expense has been recorded in the Debt Service Fund in the amount of \$4,231,794.

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
2016	\$ 5,445,000	\$ 4,224,044
2017	5,103,862	4,560,182
2018	4,785,786	4,878,258
2019	4,478,168	5,180,876
2020	4,191,744	5,467,300
2021-2025	27,598,886	20,429,333
2026-2030	36,735,000	11,233,690
2031-2033	26,735,000	2,049,625
	<u>\$ 115,073,446</u>	<u>\$ 58,023,308</u>

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**NOTE E - FUND BALANCES – GOVERNMENTAL FUNDS**

As of June 30, 2015, 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	227,104	-	-	227,104
<b>Total Nonspendable</b>	<b>237,104</b>	<b>-</b>	<b>-</b>	<b>237,104</b>
<b>Restricted:</b>				
Debt Service	-	13,721,849	-	13,721,849
<b>Assigned:</b>				
Capital Projects Fund	-	-	87,760	87,760
Unassigned	4,284,169	-	-	4,284,169
<b>Total fund balances</b>	<b>\$ 4,521,273</b>	<b>\$ 13,721,849</b>	<b>\$ 87,760</b>	<b>\$ 18,330,882</b>

**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, 2015 is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Insurance Internal Service Fund	General Fund	\$ 138,203
Insurance Internal Service Fund	Debt Service Fund	169,557
Insurance Internal Service Fund	Capital Projects Fund	656
		<u>\$ 308,416</u>

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

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

Interfund transfers for the year ended June 30, 2015 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>\$225,000</b>	<b>\$9,625,000</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 – DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan:**

**Plan Description:** The Authority contributes to the Public Employees’ Retirement System of the State of Nevada (PERS). PERS administers a cost sharing, multiple employer, defined benefit public employees’ retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

**Benefits Provided:** Benefits, as required by Nevada Revised Statutes (NRS or statute), are determined by the number years of accredited service at time of retirement and the member’s highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.



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Monthly benefit allowances for members are computed as 2.5 percent of average compensation for each accredited year of service prior to July 1, 2001. For service earned on or after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 – 286.579.

**Vesting:** Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

**Contributions:** The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared

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equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2014 and June 30, 2015 the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire.

The Authority's contributions were \$1,588,714 for the year ended June 30, 2014 and \$1,562,041 for the year ended June 30, 2015.

**PERS Investment Policy:** PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2014:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

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As of June 30, 2014 PERS' long-term inflation assumption was 3.50%.

**Net Pension Liability:** At June 30, 2015, the Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability (\$10,927,636) was based on the Authority's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the Authority's proportion was 0.10485 percent.

**Pension Liability Discount Rate Sensitivity:** The following presents the net pension liability of the Authority as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Authority's proportionate share of net pension liability	\$16,993,669	\$10,927,636	\$5,885,218

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

**Actuarial Assumptions:** The Authority's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on service

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	Police/Fire: 5.25% to 14.50%, depending on service Rates include inflationary and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2015, the Authority recognized pension expense of \$1,448,418. At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (522,948)
Net difference between projected and actual earnings on investments	-	(2,295,251)
Authority contributions subsequent to the measurement date	1,562,041	-
Changes in the Authority's proportion and differences between the Authority's contributions and the Authority's share of share of proportionate contributions	98,294	-
<b>Total</b>	<b>\$ 1,660,335</b>	<b>\$ (2,818,199)</b>

The \$1,562,041 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	
2016	\$(648,313)
2017	(648,313)
2018	(648,313)
2019	(648,312)
2020	(74,500)
Thereafter	(52,154)

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	<b>Governmental Activities</b>
<b>Reconciliation of Net Pension Liability</b>	
Beginning Net Pension Liability	\$ 13,787,837
Pension Expense	1,448,418
Employer Contributions	(1,588,714)
New Net Deferred (Inflows)/Outflows	(2,719,905)
Recognition of Prior Deferred (Inflows)/Outflows	-
	<b>\$ 10,927,636</b>

**Additional Information** – Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at [www.nvpers.org](http://www.nvpers.org) under Quick Links – Publications.

**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.

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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:

<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 \$212,205 for 29 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, 2015. The valuation was done to determine the funded status of the plan as well as the Authority's annual required contribution (ARC) for the fiscal year ended June 30, 2015. As of June 30, 2015, the plan was zero percent funded. For the fiscal year 2014-15, 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>
2013	\$ 840,578	\$ 170,170	20.24%	\$ 2,315,360
2014	893,630	163,081	18.25%	3,045,909
2015	724,571	212,205	29.29%	3,558,275

The net OPEB obligation as of June 30, 2015 was calculated as follows:

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<b>Determination of Annual Required Contribution:</b>	
Normal Cost	\$ 344,332
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	374,754
Interest	14,044
Annual Required Contribution (ARC)	<u>\$ 733,130</u>

<b>Determination of Net OPEB Obligation:</b>	
Annual Required Contribution	\$ 733,130
Interest on Net OPEB Obligation	121,837
Adjustment to ARC	<u>(130,396)</u>
Annual OPEB Cost	724,571
Retiree Benefits Paid by Authority	<u>(212,205)</u>
Increase (decrease) in Net OPEB Obligation	512,366
Net OPEB Obligation, July 1, 2014	<u>3,045,909</u>
Net OPEB Obligation, June 30, 2015	<u>\$ 3,558,275</u>

**Funded Status and Funding Progress:**

Actuarial Accrued Liability (AAL)	\$ 9,223,743
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 9,223,743</u>
Funded Ratio (Actual Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 5,451,309
UAAL as a Percentage of Covered Payroll	169.20%

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.



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**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.

In the January 1, 2015 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 2016, declining by 1% per year to an ultimate trend of 5% for the 2018 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 27 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 3% 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

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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.

**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 \$636 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 \$15,338 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, 2015. The valuation was done to determine the funded status of the plan as well as the Authority's annual required contribution (ARC) for the fiscal year ended June 30, 2015. As of June 30, 2015, the plan was zero percent funded. For the fiscal year 2014-15, the Authority's employer contribution for retirees' benefits was \$15,338 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.

<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 (Asset) Obligation</u>
2013	\$ 7,384	\$ 14,305	193.73%	\$ (3,474)
2014	7,164	15,921	222.24%	(12,231)
2015	15,645	15,338	98.04%	(11,924)

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The net OPEB (asset) obligation as of June 30, 2015 was calculated as follows:

<b>Determination of Annual Required Contribution:</b>	
Normal Cost	\$ -
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	15,090
Interest	295
<b>Annual Required Contribution (ARC)</b>	<b>\$ 15,385</b>
<b>Determination of Net OPEB (Asset) Obligation:</b>	
Annual Required Contribution	\$ 15,385
Interest on Net OPEB Obligation	(489)
Adjustment to ARC	749
<b>Annual OPEB Cost</b>	<b>15,645</b>
Retiree Benefits Paid by Authority	(15,338)
Increase (decrease) in Net OPEB (Asset) Obligation	307
Net OPEB (Asset) Obligation, July 1, 2014	(12,231)
<b>Net OPEB (Asset) Obligation, June 30, 2015</b>	<b>\$ (11,924)</b>

**Funded Status and Funding Progress:**

Actuarial Accrued Liability (AAL)	\$ 256,266
Actuarial Value of Plan Assets	-
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>\$ 256,266</b>
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.

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**JUNE 30, 2015**  
**(Continued)**

**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.

In the January 1, 2015 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 7.5% for fiscal year 2016, declining by 0.5% per year to an ultimate trend of 5% for the 2021 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 27 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:

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**  
**(Continued)**

	<u>Workers'</u> <u>Compensation Claims</u>
Claims liability, July 1, 2013	\$ 33,527
Claims and changes in estimates	33,448
Claims payments	<u>(64,396)</u>
Claims liability, June 30, 2014	2,579
Claims and changes in estimates	102,964
Claims payments	<u>(89,671)</u>
Claims liability, June 30, 2015	<u>\$ 15,872</u>

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 – ADOPTION OF NEW STANDARD**

As of July 1, 2014, the Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date.

	<u>Governmental</u> <u>Activities</u>
Net position at June 30, 2014, as previously reported	\$ (48,448,281)
Net pension liability at June 30, 2013	(13,787,837)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	<u>1,588,714</u>
Net position, July 1, 2014, as restated	<u>\$ (60,647,404)</u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)**

**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.**

**Reno-Sparks Convention & Visitors Authority  
Required Supplementary Information - OPEB  
June 30, 2015**

**Schedule of Funding Progress - Other Postemployment Benefits**

**RSCVA Retiree Health Benefit Program**

	(a)	(b)	(a/b)	(b-a)	(c)	(b - a) / (c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percent of Covered Payroll
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	5,337,892	147.26%
January 1, 2015	-	9,223,743	0.00%	9,223,743	5,451,309	169.20%

Note: Employees hired after January 1, 2012 will be eligible for coverage, but no direct premium subsidy will be provided from the RSCVA Retiree Health Benefit Program.

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

	(a)	(b)	(a/b)	(b-a)	(c)	(b - a) / (c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Covered Payroll	UAAL as a Percent of Covered Payroll
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
January 1, 2015	-	256,266	0.00%	256,266	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 employees/retirees 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) updates to the assumed rates of retirement, termination and mortality,
- d) changes in assumed future increases in medical, dental and vision premium levels,
- e) a decrease in the required RSCVA subsidy for PEBP retirees, updates in members receiving a subsidy, and an update in the mortality assumption.

**Reno-Sparks Convention & Visitors Authority  
Required Supplementary Information - Pension  
Public Employees' Retirement System (PERS)  
Last Ten Fiscal Years**

**Schedule of the Authority's Share of the Net Pension Liability**

<u>Fiscal Year Ending</u>	<u>Authority's Proportion of the Net Pension Liability</u>	<u>Authority's Proportionate Share of the Net Pension Liability</u>	<u>Authority's Covered Payroll</u>	<u>Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered- Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	0.10485%	\$ 10,927,636	\$ 6,170,966	177.08%	76.31%

**Schedule of Authority Contributions**

<u>Fiscal Year Ending</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Authority's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2015	\$ 1,562,041	\$ 1,562,041	\$ -	\$ 6,044,073	25.84%

The Authority adopted GASB 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015. Information is not available prior to that time.



## **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, 2015  
(with comparative actual amounts for the year ended June 30, 2014)

	2015 Budget Amount		2015		2014
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 1,200	\$ 1,200	\$ 1,139	\$ (61)	\$ 1,136
<b>EXPENDITURES</b>					
Debt service					
Principal	5,360,000	5,360,000	5,360,000	-	5,345,000
Interest	4,231,794	4,231,794	4,231,794	-	4,247,094
	<u>9,591,794</u>	<u>9,591,794</u>	<u>9,591,794</u>	<u>-</u>	<u>9,592,094</u>
Other bond costs					
Administrative fees	9,025	9,025	9,426	(401)	9,025
Total expenditures	<u>9,600,819</u>	<u>9,600,819</u>	<u>9,601,220</u>	<u>(401)</u>	<u>9,601,119</u>
Excess (deficiency) of revenues over expenditures	(9,599,619)	(9,599,619)	(9,600,081)	(462)	(9,599,983)
<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	(199,619)	(199,619)	(200,081)	(462)	(199,983)
<b>FUND BALANCE, JULY 1</b>	<u>13,921,924</u>	<u>13,921,924</u>	<u>13,921,930</u>	<u>6</u>	<u>14,121,913</u>
<b>FUND BALANCE, JUNE 30</b>	<u>\$ 13,722,305</u>	<u>\$ 13,722,305</u>	<u>\$ 13,721,849</u>	<u>\$ (456)</u>	<u>\$ 13,921,930</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, 2015  
 (with comparative actual amounts for the year ended June 30, 2014)

	2015 Budget Amount		2015		2014
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 36	\$ 36	\$ 20	\$ (16)	\$ 11
Other	-	-	-	-	599,265
<b>Total revenues</b>	<b>36</b>	<b>36</b>	<b>20</b>	<b>(16)</b>	<b>599,276</b>
<b>EXPENDITURES</b>					
Capital outlay	435,000	435,000	213,201	221,799	830,787
Excess (deficiency) of revenues over expenditures	(434,964)	(434,964)	(213,181)	221,783	(231,511)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	435,000	435,000	225,000	(210,000)	230,000
<b>Net change in fund balances</b>	<b>36</b>	<b>36</b>	<b>11,819</b>	<b>11,783</b>	<b>(1,511)</b>
<b>FUND BALANCE, JULY 1</b>	<b>115,061</b>	<b>115,061</b>	<b>75,941</b>	<b>(39,120)</b>	<b>77,452</b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 115,097</b>	<b>\$ 115,097</b>	<b>\$ 87,760</b>	<b>\$ (27,337)</b>	<b>\$ 75,941</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, 2015  
(with comparative totals at June 30, 2014)

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	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 128,675	\$ 138,287
Due from other funds	<u>308,416</u>	<u>323,468</u>
<b>TOTAL ASSETS</b>	<u>437,091</u>	<u>461,755</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	13,224	11,638
Accrued liabilities	<u>15,872</u>	<u>5,936</u>
<b>TOTAL LIABILITIES</b>	<u>29,096</u>	<u>17,574</u>
<b>NET POSITION</b>		
Restricted for claims	<u>\$ 407,995</u>	<u>\$ 444,181</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, 2015**  
(with comparative actual amounts for the year ended June 30, 2014)

	2015 Budget Amount		2015		2014
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Charges for benefits	\$ 1,574,600	\$ 1,574,600	\$ 1,547,085	\$ (27,515)	\$ 1,551,281
<b>OPERATING EXPENSES</b>					
Insurance and claims	1,464,200	1,589,200	1,562,722	26,478	1,436,917
Administrative expenses	18,000	18,000	20,549	(2,549)	17,565
<b>TOTAL OPERATING EXPENSES</b>	<u>1,482,200</u>	<u>1,607,200</u>	<u>1,583,271</u>	<u>23,929</u>	<u>1,454,482</u>
<b>CHANGE IN NET POSITION</b>	\$ <u>92,400</u>	\$ <u>(32,600)</u>	(36,186)	\$ <u>(3,586)</u>	96,799
<b>NET POSITION, JULY 1</b>			<u>444,181</u>		<u>347,382</u>
<b>NET POSITION, JUNE 30</b>			\$ <u>407,995</u>		\$ <u>444,181</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, 2015  
 (with comparative actual amounts for the year ended June 30, 2014)  
 Page 1 of 2

	2015 Budget Amount		2015		2014
	Original	Final	Actual	Variance to Budget	Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from users	\$ 374,600	\$ 374,600	\$ 333,709	\$ (40,891)	\$ 286,477
Cash received from internal services provided	1,200,000	1,200,000	1,213,376	13,376	1,264,804
Cash paid to vendors for services and supplies	(1,482,200)	(1,607,200)	(1,571,749)	35,451	(1,493,449)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>92,400</b>	<b>(32,600)</b>	<b>(24,664)</b>	<b>7,936</b>	<b>57,832</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from (paid to) other funds	(85,000)	(85,000)	15,052	100,052	(42,198)
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>7,400</b>	<b>(117,600)</b>	<b>(9,612)</b>	<b>107,988</b>	<b>15,634</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>121,240</b>	<b>121,240</b>	<b>138,287</b>	<b>17,047</b>	<b>122,653</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 128,640</b>	<b>\$ 3,640</b>	<b>\$ 128,675</b>	<b>\$ 125,035</b>	<b>\$ 138,287</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, 2015  
 (with comparative actual amounts for the year ended June 30, 2014)  
 Page 2 of 2

	2015 Budget Amount		2015		2014
	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)	\$ 92,400	\$ (32,600)	\$ (36,186)	\$ (3,586)	\$ 96,799
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Increase (decrease)					
Accounts payable	-	-	1,586	1,586	(11,376)
Accrued liabilities	-	-	9,936	9,936	(27,591)
Total adjustments	-	-	11,522	11,522	(38,967)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 92,400</b>	<b>\$ (32,600)</b>	<b>\$ (24,664)</b>	<b>\$ 7,936</b>	<b>\$ 57,832</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, 2015**

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	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
<b>ASSETS</b>				
Cash and investments				
Flexible compensation plan	\$ <u>27,759</u>	\$ <u>32,653</u>	\$ <u>37,018</u>	\$ <u>23,394</u>
 <b>LIABILITIES</b>				
Benefits payable				
Flexible compensation plan	\$ <u>27,759</u>	\$ <u>32,653</u>	\$ <u>37,018</u>	\$ <u>23,394</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net Investment in capital assets	\$ (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)	\$ (26,008,544)
Restricted	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	10,777,150
Unrestricted (deficit)	<u>(17,874,532)</u>	<u>(18,132,392)</u>	<u>(20,488,186)</u>	<u>(27,429,582)</u>	<u>(27,113,595)</u>	<u>(27,590,079)</u>	<u>(32,277,129)</u>	<u>(33,126,722)</u>	<u>(33,957,609)</u>	<u>(44,929,237)</u>
Total governmental activities net position	<u>(29,328,638)</u>	<u>(30,759,870)</u>	<u>(34,711,567)</u>	<u>(40,133,362)</u>	<u>(44,150,797)</u>	<u>(47,285,515)</u>	<u>(46,201,650)</u>	<u>(47,192,957)</u>	<u>(48,448,281)</u>	<u>(60,160,631)</u>
GASB 65/68 adjustments	-	-	-	-	-	-	-	(647,273)	(12,199,123)	-
Total governmental activities net position	<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>\$ (60,647,404)</u>	<u>\$ (60,160,631)</u>
Business-type activities										
Net Investment in capital assets	\$ 2,717,040	\$ 2,564,804	\$ 2,311,832	\$ 4,348,702	\$ 4,274,363	\$ 4,228,975	\$ -	\$ -	\$ -	\$ -
Unrestricted (deficit)	<u>(192,094)</u>	<u>(116,721)</u>	<u>(205,356)</u>	<u>(152,679)</u>	<u>(289,604)</u>	<u>(517,011)</u>	-	-	-	-
Total business-type activities net position	<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>	<u>\$ -</u>
Primary government										
Net Investment in capital assets	\$ (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)	\$ (26,008,544)
Restricted	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	10,777,150
Unrestricted (deficit)	<u>(18,066,626)</u>	<u>(18,249,113)</u>	<u>(20,693,542)</u>	<u>(27,582,261)</u>	<u>(27,403,199)</u>	<u>(28,107,090)</u>	<u>(32,277,129)</u>	<u>(33,773,995)</u>	<u>(46,156,732)</u>	<u>(44,929,237)</u>
Total primary government net position	<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>\$ (60,647,404)</u>	<u>\$ (60,160,631)</u>

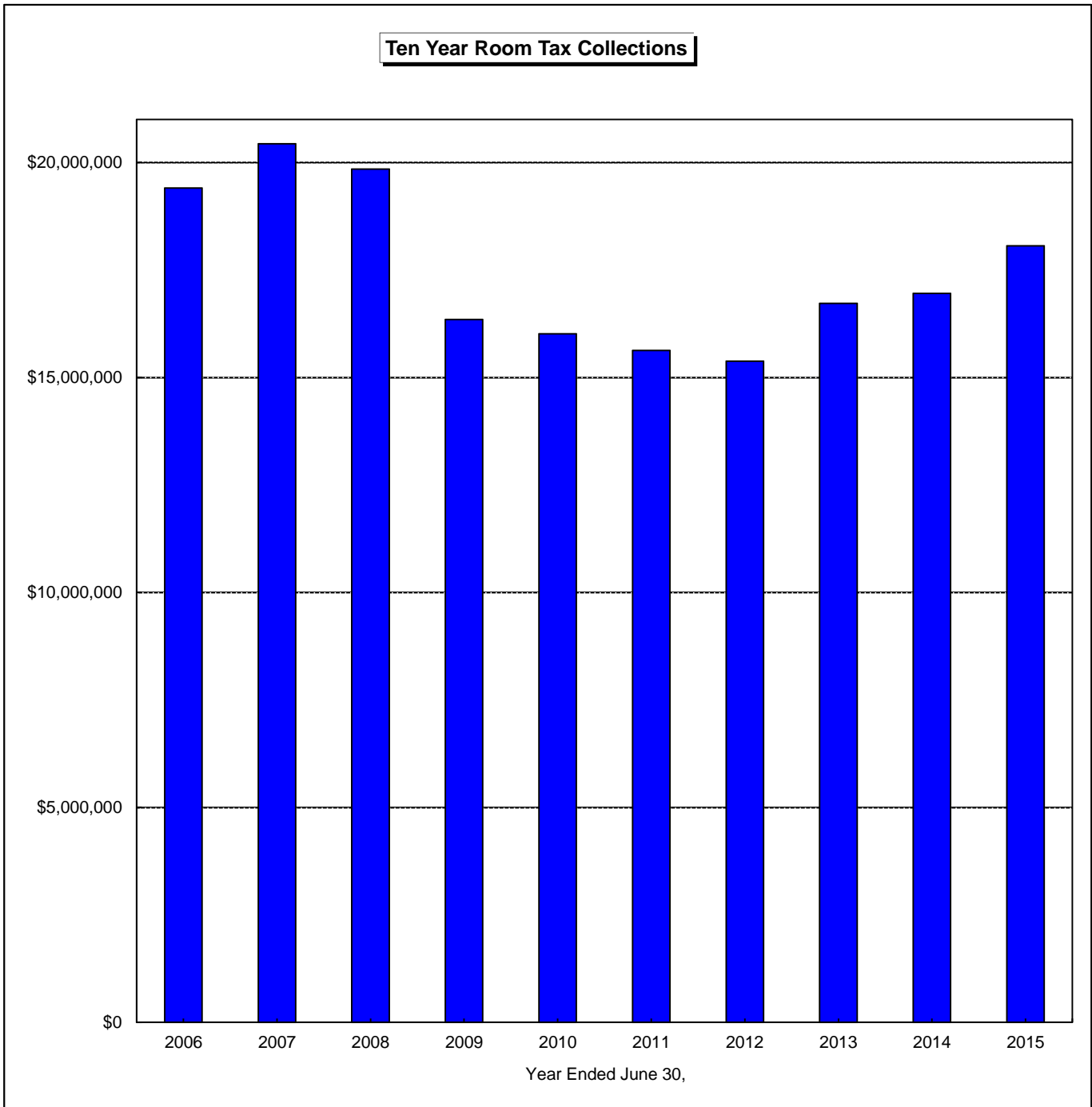
The Golf Courses Enterprise Fund (Business-type activities) was closed into the Governmental activities on June 30, 2012. The June 30, 2012 amounts have been restated to include the Golf Courses Enterprise Fund activity (as governmental activities); prior year governmental activities balances have not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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 2,557,066
Community support	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	23,429,612
Debt service - interest and fiscal charges	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	5,585,687
Total governmental activities expenses	<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>	<u>31,572,365</u>
Business-type activities:										
Golf courses	3,424,086	3,504,610	3,670,565	4,040,228	2,154,810	2,155,031	-	-	-	-
Total business-type activities expenses	<u>3,424,086</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>	<u>-</u>
<b>Total primary government expenses</b>	<u>\$ 41,441,083</u>	<u>\$ 43,847,477</u>	<u>\$ 44,871,824</u>	<u>\$ 40,152,185</u>	<u>\$ 35,366,056</u>	<u>\$ 33,656,075</u>	<u>\$ 32,284,664</u>	<u>\$ 34,641,344</u>	<u>\$ 32,853,371</u>	<u>\$ 31,572,365</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 376,406	\$ 395,736	\$ 389,500	\$ 373,799	\$ 535,379	\$ 564,149	\$ 561,696	\$ 558,120	\$ 611,253	\$ 614,229
Community support	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	7,714,933
Operating grants and contributions	619,997	691,315	624,755	444,178	383,644	366,428	471,677	2,241,792	1,147	1,139
Capital grants and contributions	-	-	-	100,000	30,000	-	-	63,300	599,265	-
Total governmental activities program revenues	<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>	<u>8,330,301</u>
Business-type activities:										
Charges for services	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>2,875,620</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>	<u>-</u>
<b>Total primary government program revenues</b>	<u>\$ 12,980,762</u>	<u>\$ 15,356,562</u>	<u>\$ 14,331,487</u>	<u>\$ 15,028,865</u>	<u>\$ 10,244,155</u>	<u>\$ 9,830,895</u>	<u>\$ 9,581,920</u>	<u>\$ 11,819,474</u>	<u>\$ 10,041,949</u>	<u>\$ 8,330,301</u>
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (23,242,064)
Business-type activities	(548,466)	(476,863)	(741,607)	1,843,191	(211,264)	(272,795)	-	-	-	-
Total primary government net expense	<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>	<u>\$ (23,242,064)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Room taxes	\$ 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	\$ 23,675,331
Unrestricted investment and interest earnings	201,189	303,691	254,163	37,652	1,013	3,878	2,004	1,281	30	60
Miscellaneous	1,308	6,808	22,615	42,422	44,545	67,268	52,143	56,162	53,628	53,446
Transfers	(400,000)	(400,000)	(400,000)	(246,356)	-	-	-	-	-	-
Total governmental activities	<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>	<u>23,728,837</u>
Business-type activities:										
Transfers	400,000	400,000	400,000	246,356	-	-	-	-	-	-
Total business-type activities	<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>	<u>-</u>
<b>Total primary government</b>	<u>\$ 25,464,588</u>	<u>\$ 26,982,820</u>	<u>\$ 26,247,033</u>	<u>\$ 21,791,072</u>	<u>\$ 20,893,202</u>	<u>\$ 20,417,667</u>	<u>\$ 20,074,645</u>	<u>\$ 21,830,563</u>	<u>\$ 22,203,371</u>	<u>\$ 23,728,837</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (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)	\$ 486,773
Business-type activities	(148,466)	(76,863)	(341,607)	2,089,547	(211,264)	(272,795)	-	-	-	-
<b>Total primary government</b>	<u>\$ (2,995,733)</u>	<u>\$ (1,508,095)</u>	<u>\$ (4,293,304)</u>	<u>\$ (3,332,248)</u>	<u>\$ (4,228,699)</u>	<u>\$ (3,407,513)</u>	<u>\$ (2,628,099)</u>	<u>\$ (991,307)</u>	<u>\$ (608,051)</u>	<u>\$ 486,773</u>

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

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



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

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
2010		16,013,408	2015		18,060,419

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

	June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 141,851	\$ 303,923	\$ 270,280	\$ 48,045	\$ 5,793	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,099,293	6,815,430	5,072,080	3,391,813	6,096,272	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	120,842	188,092	210,101	237,104
Assigned	-	-	-	-	-	2,239,365	270,814	-	-	-
Unassigned	-	-	-	-	-	4,484,961	4,338,052	3,850,219	3,655,320	4,284,169
Total general fund	<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>	<u>\$ 4,521,273</u>
All other governmental funds										
Reserved	\$ 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	13,721,849
Assigned	-	-	-	-	-	52,845	-	-	-	87,760
Unassigned	-	-	-	-	-	-	-	-	75,941	-
Total all other governmental funds	<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>	<u>\$ 13,809,609</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Room tax (Net 6%)	\$ 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	\$ 16,356,606
Room tax (State 5/8%)	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	1,703,813
Room tax (RSCC 2%)	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	5,452,202
Room tax (City Ctr)	-	69,568	129,373	430,082	-	-	-	-	76,850	162,710
Facility use fees	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	5,660,710
Golf course operations	-	-	-	-	-	-	2,108,588	2,056,701	1,947,910	1,881,123
Investment earnings	821,186	995,006	878,918	481,830	384,657	370,306	473,681	2,243,073	1,177	1,219
Miscellaneous	711,721	804,063	711,123	651,275	736,755	823,037	881,737	793,422	1,445,862	840,755
<b>Total revenues</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>32,059,138</b>
<b>Expenditures</b>										
General government	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	2,460,121
Community support										
Facility operation	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	9,637,793
Golf course operations	-	-	-	-	-	-	2,093,472	2,088,409	2,087,126	2,068,060
Convention and tourism promotion	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	6,451,993
Community grants and miscellaneous	1,325,215	1,425,526	1,312,625	1,100,758	1,028,913	927,361	951,201	992,213	1,034,822	1,159,160
Debt service										
Principal	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	5,360,000
Interest	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	4,231,794
Other bond costs	12,701	59,199	9,100	5,800	11,250	6,900	709,864	25,266	9,025	9,426
Capital outlay	678,337	1,445,676	1,414,696	714,944	504,042	116,066	836,348	746,886	830,787	213,201
<b>Total expenditures</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>	<b>31,591,548</b>
Excess (deficiency) of revenues over expenditures	548,453	1,365,227	(2,546,153)	(5,422,210)	1,238,669	935,119	(92,427,402)	1,420,409	(374,384)	467,590
<b>Other financing sources (uses)</b>										
Transfers in	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	9,625,000
Transfers out	(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)	(9,625,000)
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	-	-	-
<b>Total other financing sources (uses)</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>-</b>
<b>Net change in fund balance</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>	<b>\$ 467,590</b>
<b>Debt Service (principal and interest)</b>	<b>\$ 9,466,611</b>	<b>\$ 9,799,422</b>	<b>\$ 10,370,119</b>	<b>\$ 12,943,142</b>	<b>\$ 7,255,814</b>	<b>\$ 7,205,604</b>	<b>\$ 99,945,734</b>	<b>\$ 9,237,834</b>	<b>\$ 9,592,094</b>	<b>\$ 9,591,794</b>
<b>Noncapital expenditures</b>	<b>\$ 34,332,843</b>	<b>\$ 36,461,029</b>	<b>\$ 38,903,236</b>	<b>\$ 35,824,741</b>	<b>\$ 27,534,954</b>	<b>\$ 27,319,862</b>	<b>\$ 121,247,619</b>	<b>\$ 31,396,094</b>	<b>\$ 32,129,217</b>	<b>\$ 31,348,218</b>
Debt service as a percentage of noncapital expenditures	27.57%	26.88%	26.66%	36.13%	26.35%	26.37%	82.43%	29.42%	29.85%	30.60%

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)	
2015	8.625	2.5	1.0	-	1.0	-	-	0.375	-	13.5
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

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)	
2015	8.625	-	1.0	1.5	-	1.0	1.0	0.375	-	13.5
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

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)	
2015	8.625	-	1.0	-	1.0	-	1.0	0.375	1.0	13.0
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

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)	
2015	8.625	-	1.0	-	1.0	-	1.0	0.375	1.0	13.0
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

**Reno-Sparks Convention & Visitors Authority  
Principal Room Taxpayers  
June 30, 2015 and 2006  
(Unaudited)**

<b>Taxpayer</b>	<b>Fiscal Year</b>					
	<b>2015</b>			<b>2006</b>		
	<b>Number of Rooms</b>	<b>Rank</b>	<b>Percentage of Total Rooms</b>	<b>Number of Rooms</b>	<b>Rank</b>	<b>Percentage of Total Rooms</b>
Grand Sierra Resort (Reno Hilton)	1,990	1	8.48%	1,995	1	7.84%
Silver Legacy Resort Casino	1,711	2	7.29%	1,710	2	6.72%
Peppermill Hotel Casino - Reno	1,623	3	6.92%	1,070	5	4.20%
Circus Circus	1,572	4	6.70%	1,572	3	6.17%
Sparks Nugget, Inc.	1,382	5	5.89%	1,407	4	5.53%
Harrah's	928	6	3.96%	928	7	3.64%
Sands Regency	833	7	3.55%	836	8	3.28%
Atlantis Hotel Casino Resort	824	8	3.51%	980	6	3.85%
Eldorado Hotel & Casino	814	9	3.47%	816	9	3.20%
Hyatt - Lake Tahoe	422	10	1.80%	422	10	1.66%
All Other Hotels	<u>2,823</u>		<u>12.03%</u>	<u>2,838</u>		<u>11.15%</u>
Total All Hotels	14,922		63.60%	14,574		57.24%
Motels	1,884		8.03%	4,375		17.18%
Other Rental Properties	<u>6,657</u>		<u>28.37%</u>	<u>6,512</u>		<u>25.58%</u>
<b>Total Room Inventory</b>	<u><u>23,463</u></u>		<u><u>100.00%</u></u>	<u><u>25,461</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)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Total Primary Government</b>	<b>Per Cash Occupied Room Night</b>	<b>Per Room Tax Revenue (8%)</b>
	<b>General Obligation Bonds</b>	<b>Medium Term Obligations</b>	<b>Capital Leases</b>			
2015	\$ 117,972,842	\$ -	\$ -	\$ 117,972,842	\$ 35.27	\$ 5.41
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

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).

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund (1)</b>	<b>Total</b>	<b>Per Cash Occupied Room Night</b>	<b>Per Room Tax Revenue (8%)</b>
2015	\$ 117,972,842	\$ 10,369,155	\$ 107,603,687	\$ 32.17	\$ 4.93
2014	121,765,749	10,346,610	111,419,139	34.41	5.44
2013	125,373,965	10,304,712	115,069,253	35.17	5.70
2012	124,675,330	9,172,338	115,502,992	36.13	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

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, 2015**  
**(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	\$ 154,783	\$ 46,337	100%	\$ 108,446
Washoe County School District	474,267	-	100%	474,267
City of Reno	394,259	334,684	100%	59,575
City of Sparks	41,412	39,387	100%	2,025
Incline Village General Improvement District	11,808	11,808	100%	-
State of Nevada	1,729,010	499,005	15%	179,458
Washoe County (RSCVA)	117,973	117,973	100%	-
<b>Overlapping Bonded Debt</b>				<b>823,771</b>
Direct debt:				
Washoe County (RSCVA)				117,973
<b>Direct and Overlapping Debt</b>				<b>\$ 941,744</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: Washoe County

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

	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Debt limit	\$ 393,232	\$ 412,360	\$ 453,165	\$ 465,753	\$ 466,097	\$ 409,766	\$ 387,874	\$ 374,749	\$ 374,908	\$ 404,628	
Total net debt applicable to limit	129,094	129,333	126,759	121,420	122,408	121,638	115,503	115,069	111,419	107,604	
Legal debt margin	<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>	<u>\$ 297,024</u>	
Total net debt applicable to the limit as a percentage of debt limit	32.83%	31.36%	27.97%	26.07%	26.26%	29.68%	29.78%	30.71%	29.72%	26.59%	
										Assessed value	<u>\$ 13,487,601</u>
										Debt limit (3% of assessed value)	<u>404,628</u>
										Debt applicable to debt limit	
										General obligation bonds	117,973
										Amounts set aside for repayment of general obligation debt	<u>(10,369)</u>
										Total net debt applicable to limit	<u>107,604</u>
										Legal debt margin	<u>\$ 297,024</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, 2016 (Budgeted)**  
**(Unaudited)**

	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (Budgeted)
Net General Room License Taxes (1)	\$ 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	\$ 16,356,606	\$ 17,178,250
Convention Center Room Taxes (2)	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	5,452,202	5,726,085
Other Income (3)	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	6,406,639	6,240,349
Subtotal	<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>28,215,447</u>	<u>29,144,684</u>
Less: Operating and Maintenance Expenses (4)	<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>11,476,156</u>	<u>12,195,790</u>
Net Pledged Revenues	<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>\$ 16,739,291</u>	<u>\$ 16,948,894</u>
Combined Maximum Annual Debt Service on Pledged Revenue Bonds (5)	<u>\$ 12,576,313</u>	<u>\$ 12,576,313</u>	<u>\$ 12,576,313</u>	<u>\$ 12,576,313</u>	<u>\$ 12,576,313</u>	<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>	<u>\$ 9,669,044</u>
Coverage Factor (6)	1.44	1.58	1.48	1.10	1.13	1.11	1.52	1.58	1.65	1.73	1.75

(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)
2015	441,165	\$ 48	37.4	63,108	6.40%	\$ 19,077	\$ 6,818	\$ 765	3,297,642
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

The above estimates were obtained from:

- (1) Nevada Workforce Informer, Data Analysis, 2006 - 2007, US Census-Nevada, 2008 - 2012.  
Washoe County Community Development, 2013 - 2015.
- (2) U.S. Department of Commerce, 2006 - 2008.  
Washoe County Community Demographic Information 2009-2015.
- (3) Nevada State Demographer, 2006 - 2008.  
Center for Regional Studies, University of Nevada, Reno 2009 - 2015.
- (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, 2015 and 2006  
(Unaudited)**

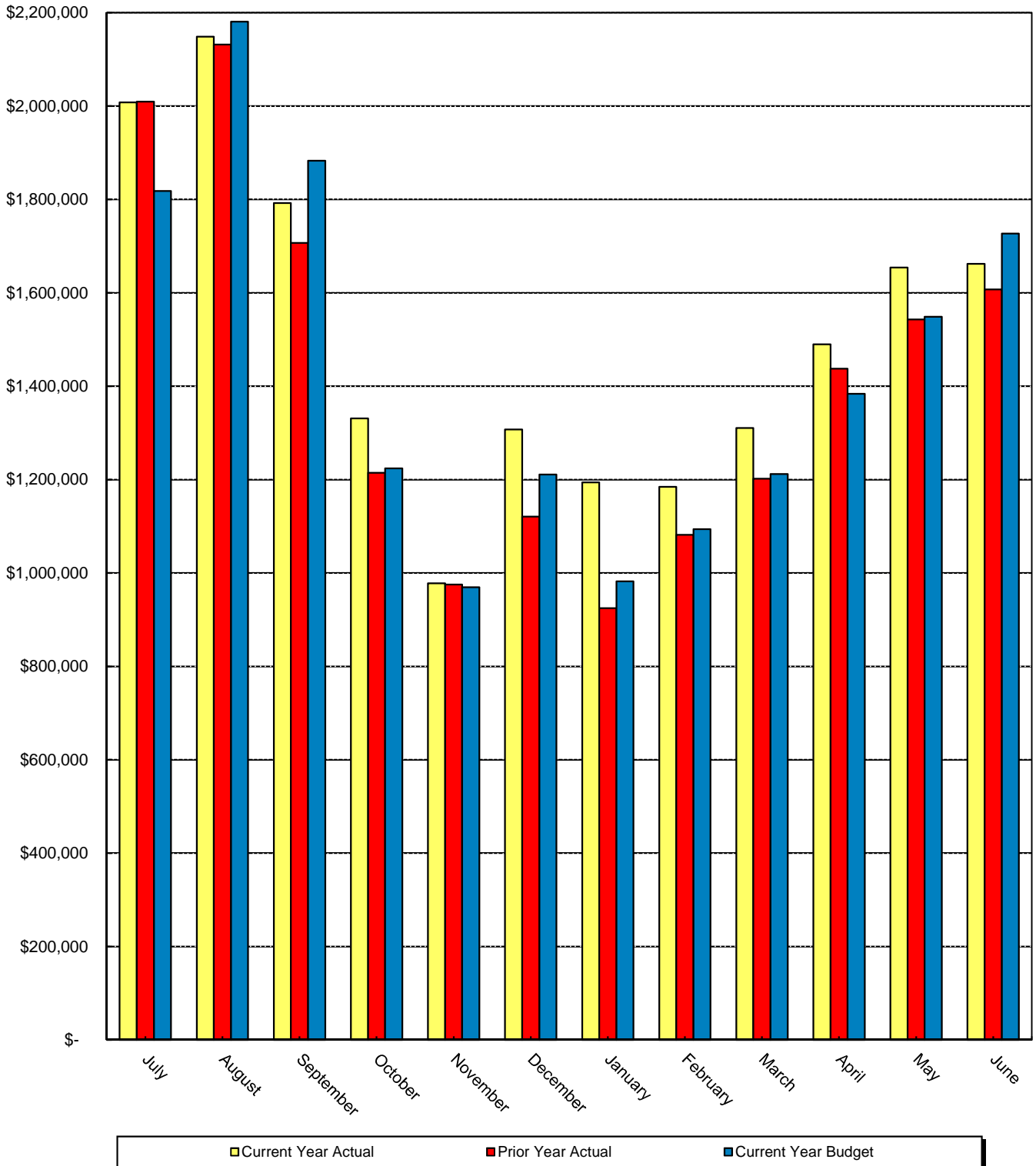
<u>Employer</u>	<u>Fiscal Year</u>					
	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Washoe County School District	8,750	1	4.51%	8,250	1	3.79%
University of Nevada - Reno	4,250	2	2.19%	4,750	2	2.18%
Renown (Washoe) Medical Center	2,750	3	1.42%	2,250	5	1.03%
Washoe County	2,750	4	1.42%	2,750	3	1.26%
Peppermill Hotel Casino - Reno	2,250	5	1.16%	1,750	7	0.80%
International Gaming Technology	1,750	6	0.90%	2,750	4	1.26%
Silver Legacy Resort Casino	1,750	7	0.90%	2,250	6	1.03%
Grand Sierra Resort (Reno Hilton)	1,750	8	0.90%	1,750	8	0.80%
Atlantis Casino Resort	1,750	9	0.90%	1,750	9	0.80%
Eldorado Hotel & Casino	1,250	10	0.64%	-	-	-
City of Reno	-	-	-	1,750	10	0.80%
 Total Washoe County Covered Employment	 <u>194,179</u>			 <u>217,493</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

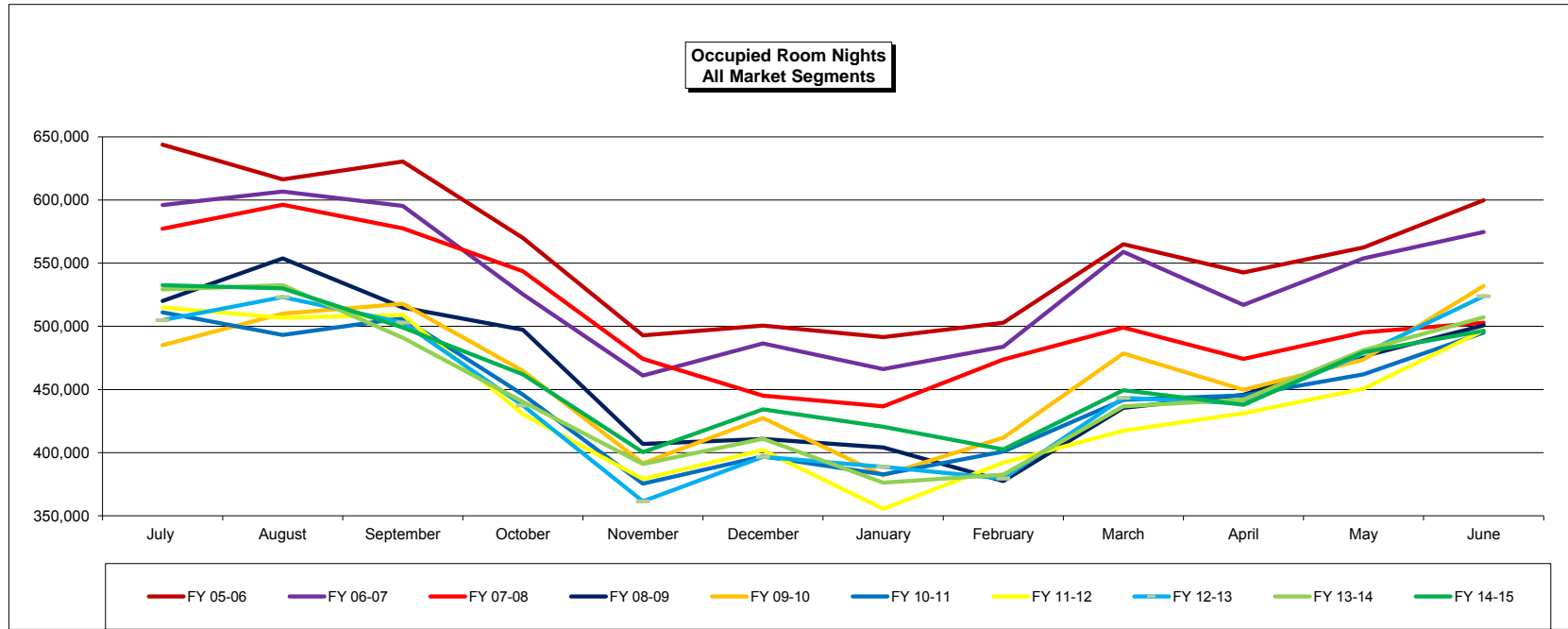
**Reno-Sparks Convention & Visitors Authority**  
**General Room Tax (6 5/8%) Collections**  
**Fiscal Year 2014-15**  
**(Unaudited)**

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



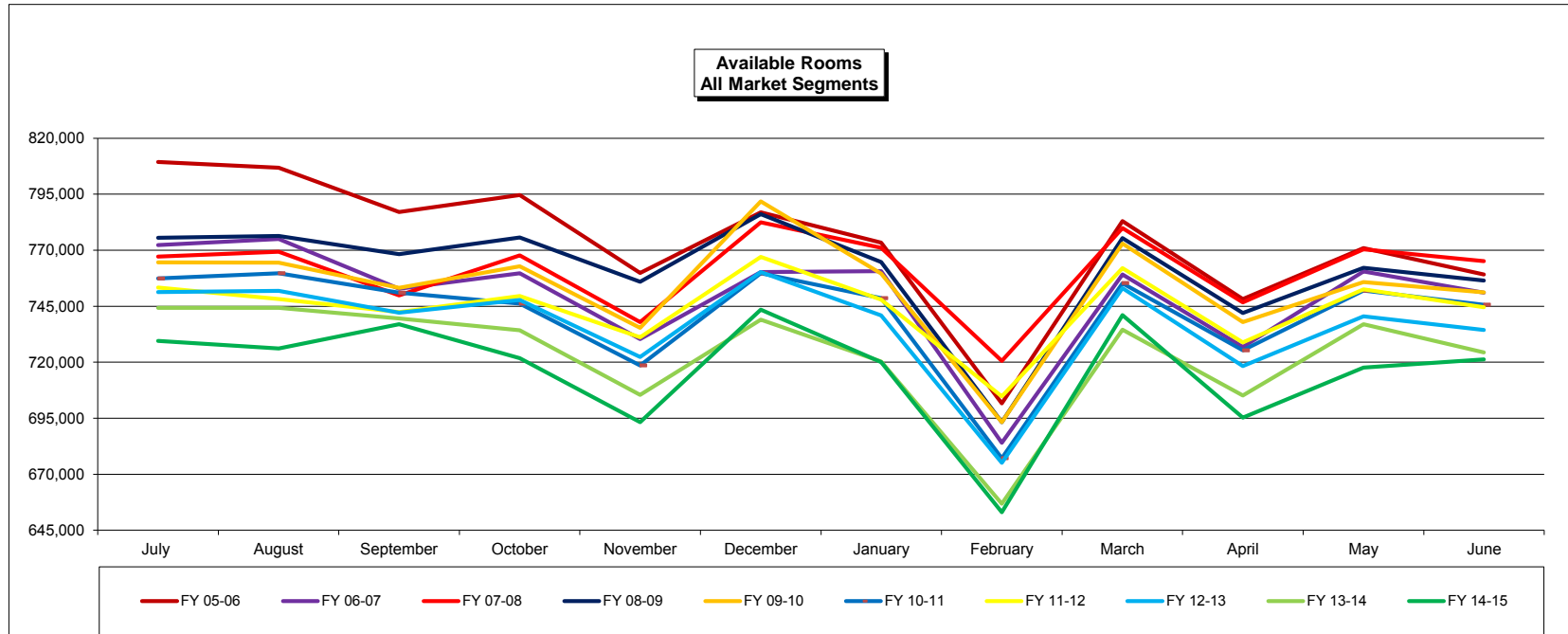
**Reno-Sparks Convention and Visitors Authority  
Occupied Rooms-Consolidated Summary  
Trend  
(Unaudited)**

Month	Actual									
	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	FY 14-15
July	643,844	596,020	577,156	520,007	485,074	511,070	514,933	504,829	529,220	532,560
August	616,416	606,682	596,250	553,766	510,027	493,240	506,798	523,217	532,551	530,095
September	630,400	595,348	577,555	514,878	517,818	506,409	508,993	503,063	490,994	498,961
October	569,925	525,369	543,719	497,277	464,679	445,898	430,410	437,336	440,343	461,911
November	492,740	461,022	474,276	406,796	391,486	375,430	379,127	361,447	390,984	400,324
December	500,500	486,464	445,120	410,860	427,375	397,109	402,111	396,688	411,024	434,190
January	491,446	466,076	436,636	404,089	382,001	382,758	355,509	388,712	376,196	420,430
February	502,738	483,795	473,654	377,511	411,882	400,769	391,990	379,529	382,620	402,632
March	564,924	559,015	498,942	435,453	478,497	441,895	417,315	443,399	436,577	449,343
April	542,643	516,868	474,188	445,716	449,820	445,322	431,115	438,907	441,992	437,895
May	562,470	553,881	495,241	476,219	473,707	461,995	450,550	478,420	481,152	479,544
June	599,788	574,737	502,758	500,777	531,970	495,145	496,796	523,852	507,148	496,475
<b>Totals</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>5,285,647</b>	<b>5,379,399</b>	<b>5,420,801</b>	<b>5,544,360</b>



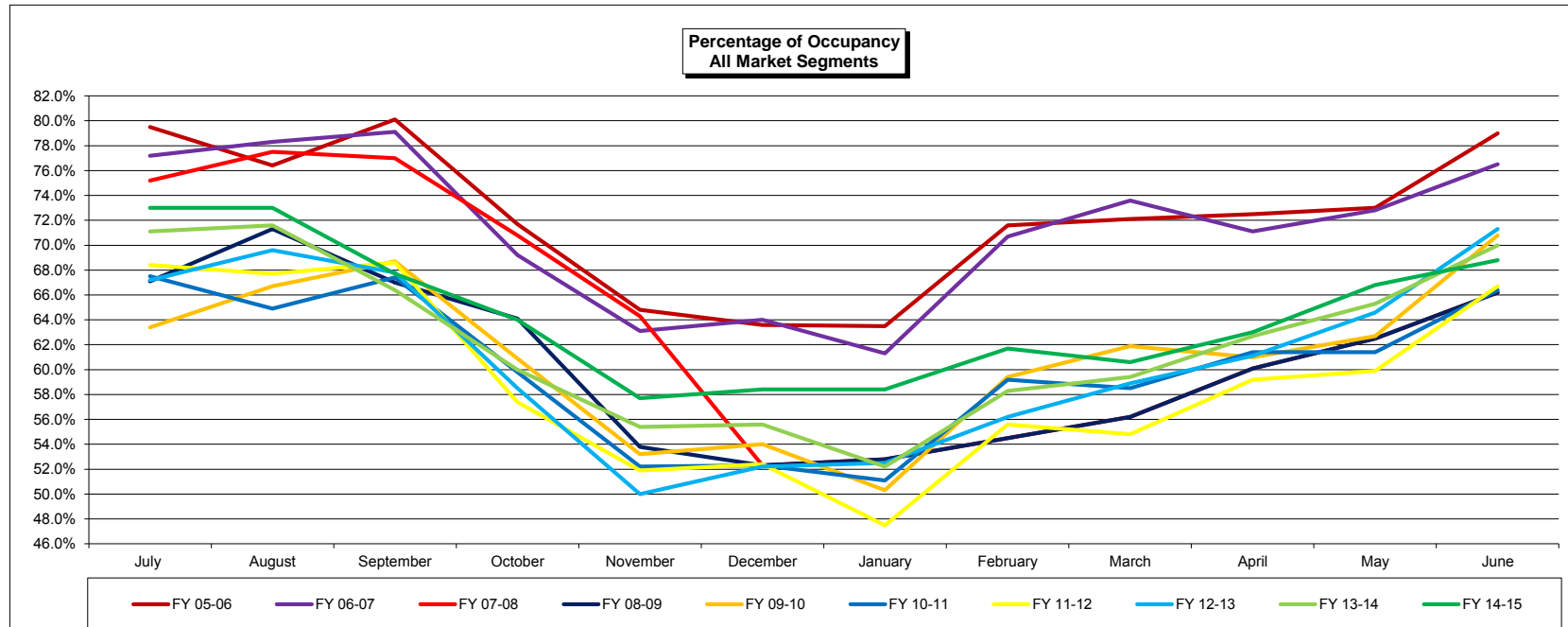
**Reno-Sparks Convention and Visitors Authority  
Available Rooms-Consolidated Summary  
Trend  
(Unaudited)**

Month	Actual									
	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	FY 14-15
July	809,432	772,362	767,095	775,491	764,609	757,360	753,354	751,282	744,241	729,570
August	806,798	775,069	769,316	776,351	764,509	759,705	748,217	751,840	744,264	726,198
September	787,023	752,809	749,768	768,250	753,240	751,046	742,367	742,079	739,470	736,938
October	794,639	759,714	767,730	775,684	762,885	746,175	749,517	747,812	734,229	721,834
November	759,824	730,385	737,915	755,912	735,276	718,569	731,159	722,305	705,433	693,243
December	786,979	760,281	782,484	786,122	791,848	759,685	766,953	760,292	738,961	743,518
January	773,441	760,639	771,058	764,704	759,549	748,589	747,888	740,895	720,369	720,095
February	701,665	684,069	720,629	693,272	693,245	677,153	704,680	675,106	656,764	653,041
March	782,987	759,150	779,890	775,375	772,999	755,304	761,957	753,038	734,466	741,067
April	748,137	726,767	746,735	741,988	737,925	725,351	728,846	718,317	705,176	695,316
May	770,997	760,525	770,431	762,173	755,747	751,958	752,568	740,438	736,949	717,597
June	759,230	751,048	765,133	756,502	751,187	745,647	744,525	734,364	724,331	721,209
<b>Totals</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>8,684,653</b>	<b>8,599,626</b>



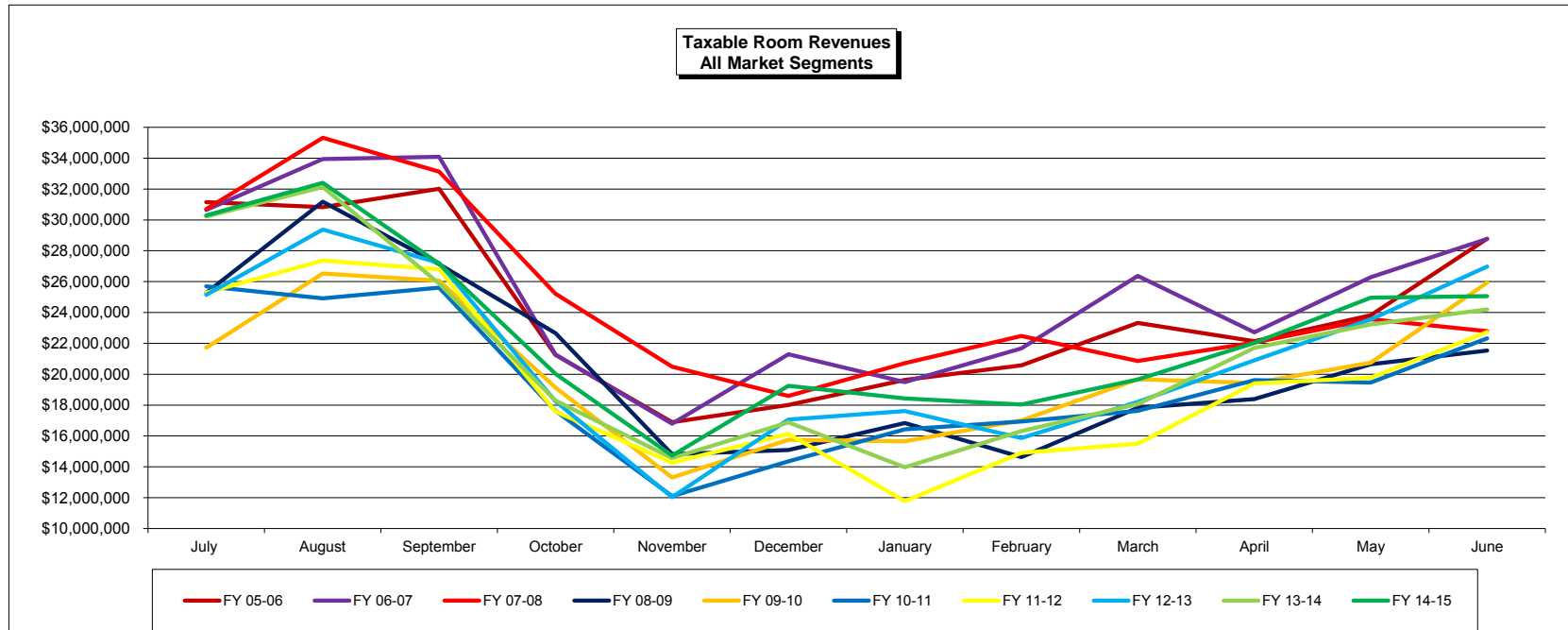
**Reno-Sparks Convention and Visitors Authority  
Percentage of Occupancy-Consolidated Summary  
Trend  
(Unaudited)**

Month	Actual									
	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	FY 14-15
July	79.5%	77.2%	75.2%	67.1%	63.4%	67.5%	68.4%	67.2%	71.1%	73.0%
August	76.4%	78.3%	77.5%	71.3%	66.7%	64.9%	67.7%	69.6%	71.6%	73.0%
September	80.1%	79.1%	77.0%	67.0%	68.7%	67.4%	68.6%	67.8%	66.4%	67.7%
October	71.7%	69.2%	70.8%	64.1%	60.9%	59.8%	57.4%	58.5%	60.0%	64.0%
November	64.8%	63.1%	64.3%	53.8%	53.2%	52.2%	51.9%	50.0%	55.4%	57.7%
December	63.6%	64.0%	56.9%	52.3%	54.0%	52.3%	52.4%	52.2%	55.6%	58.4%
January	63.5%	61.3%	56.6%	52.8%	50.3%	51.1%	47.5%	52.5%	52.2%	58.4%
February	71.6%	70.7%	65.7%	54.5%	59.4%	59.2%	55.6%	56.2%	58.3%	61.7%
March	72.1%	73.6%	64.0%	56.2%	61.9%	58.5%	54.8%	58.9%	59.4%	60.6%
April	72.5%	71.1%	63.5%	60.1%	61.0%	61.4%	59.2%	61.1%	62.7%	63.0%
May	73.0%	72.8%	64.3%	62.5%	62.7%	61.4%	59.9%	64.6%	65.3%	66.8%
June	79.0%	76.5%	65.7%	66.2%	70.8%	66.4%	66.7%	71.3%	70.0%	68.8%
Totals	72.4%	71.4%	66.8%	60.7%	61.1%	60.2%	59.2%	60.9%	62.4%	64.5%



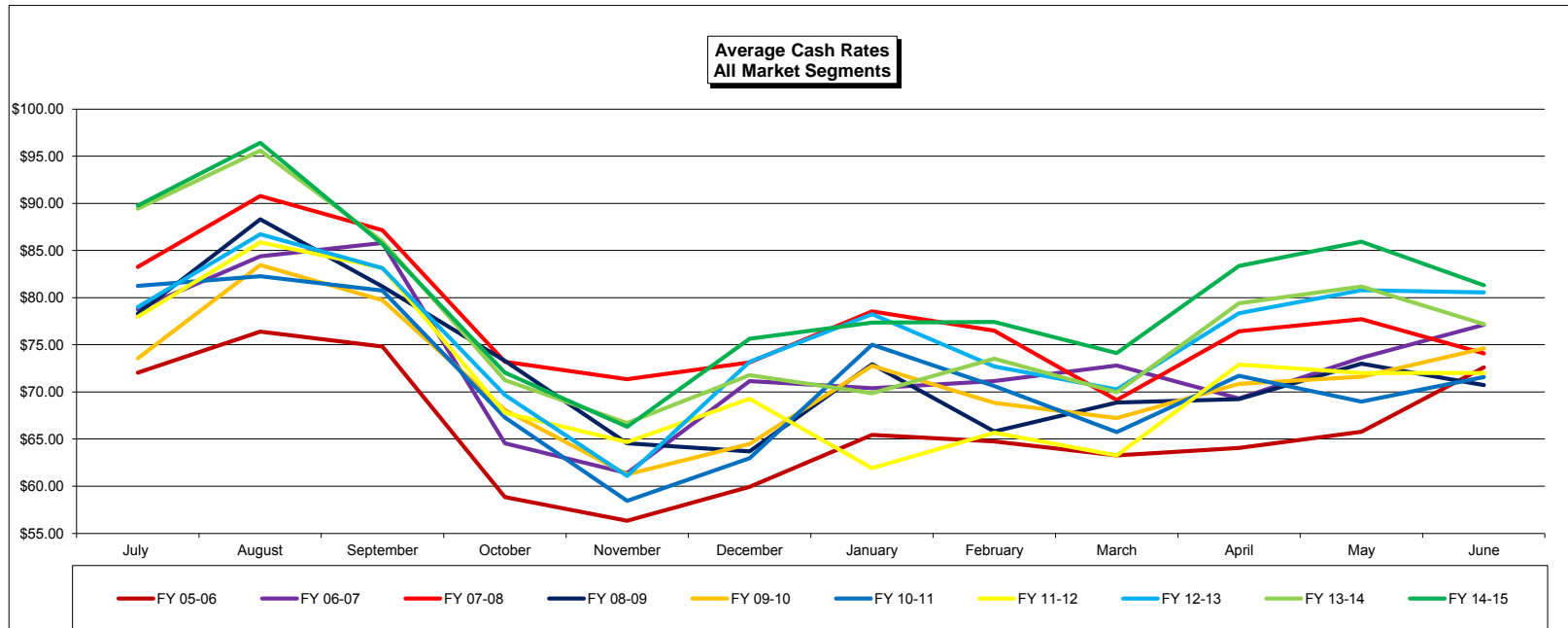
**Reno-Sparks Convention and Visitors Authority  
Taxable Room Revenues-Consolidated Summary  
Trend  
(Unaudited)**

Month	Actual									
	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	FY 14-15
July	\$ 31,147,952	\$ 30,641,192	\$ 30,700,843	\$ 25,269,465	\$ 21,714,099	\$ 25,696,516	\$ 25,281,560	\$ 25,137,500	\$ 30,224,159	\$ 30,292,027
August	30,832,073	33,940,996	35,322,264	31,179,827	26,525,475	24,916,307	27,369,572	29,376,209	32,130,756	32,403,508
September	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	27,164,225
October	21,244,385	21,275,712	25,218,368	22,666,405	19,134,875	17,625,635	17,588,547	18,247,114	18,292,143	20,025,803
November	16,891,340	16,793,375	20,487,609	14,823,109	13,307,921	12,100,762	14,273,785	12,032,690	14,560,736	14,727,649
December	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	19,246,588
January	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	18,425,487
February	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	18,040,839
March	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	19,662,419
April	22,141,665	22,713,994	22,049,440	18,392,572	19,425,355	19,621,418	19,406,879	20,900,615	21,706,493	22,032,831
May	23,815,851	26,278,892	23,564,842	20,638,629	20,745,179	19,463,389	19,775,919	23,544,500	23,219,292	24,957,366
June	28,782,970	28,766,938	22,781,887	21,536,396	25,938,570	22,316,655	22,732,452	26,982,253	24,191,921	25,062,329
<b>Totals</b>	<b>\$ 288,404,784</b>	<b>\$ 303,333,318</b>	<b>\$ 295,897,458</b>	<b>\$ 246,014,891</b>	<b>\$ 240,931,911</b>	<b>\$ 232,678,979</b>	<b>\$ 231,526,531</b>	<b>\$ 252,193,754</b>	<b>\$ 255,428,365</b>	<b>\$ 272,041,067</b>



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

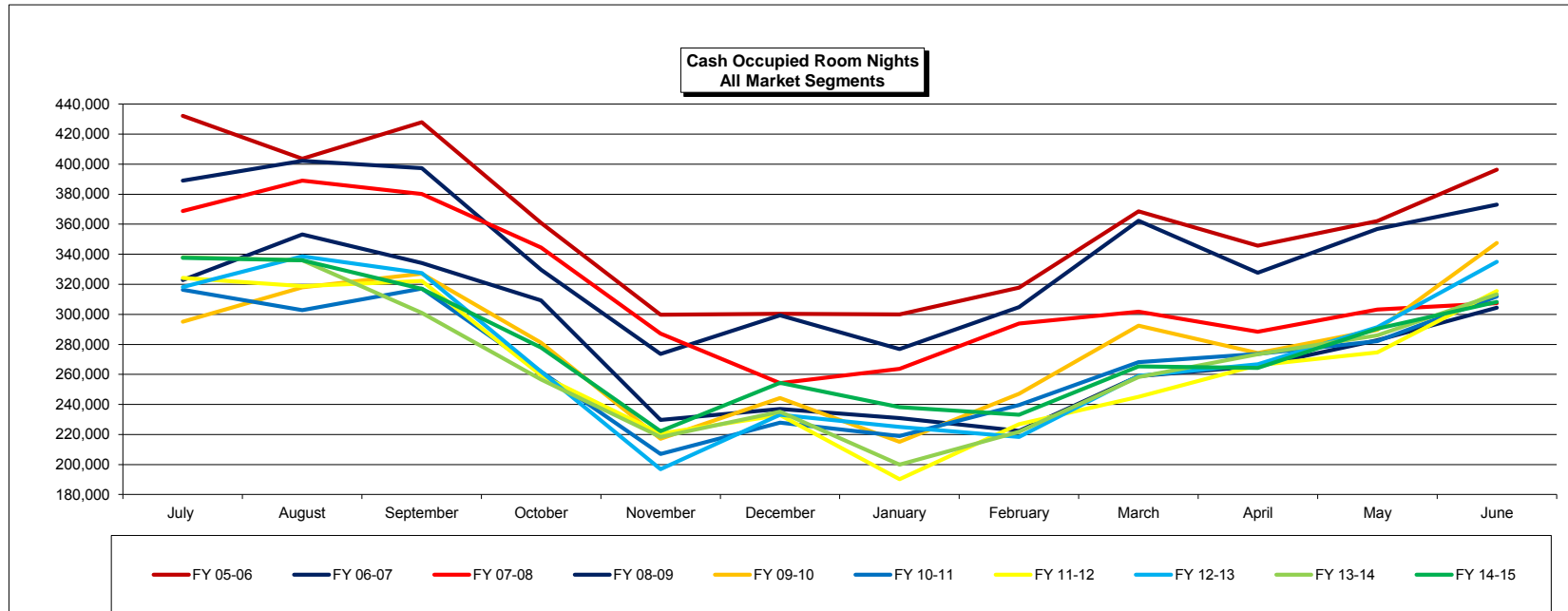
Month	Actual									
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
July	\$ 72.06	\$ 78.77	\$ 83.27	\$ 78.30	\$ 73.56	\$ 81.24	\$ 77.99	\$ 79.00	\$ 89.43	\$ 89.75
August	76.39	84.37	90.78	88.30	83.45	82.28	85.87	86.74	95.61	96.42
September	74.82	85.81	87.17	81.17	79.72	80.75	83.16	83.12	85.98	85.68
October	58.86	64.54	73.20	73.31	68.07	67.28	67.78	69.67	71.25	72.04
November	56.34	61.39	71.35	64.56	61.26	58.45	64.69	61.10	66.69	66.31
December	59.95	71.14	73.12	63.71	64.49	62.96	69.27	73.20	71.77	75.65
January	65.46	70.38	78.54	72.93	72.77	75.01	61.91	78.24	69.85	77.37
February	64.74	71.14	76.51	65.80	68.84	70.64	65.67	72.70	73.52	77.41
March	63.28	72.80	69.13	68.89	67.24	65.74	63.26	70.27	69.96	74.12
April	64.05	69.32	76.43	69.25	70.85	71.72	72.90	78.35	79.41	83.37
May	65.78	73.64	77.71	72.99	71.61	68.98	72.00	80.78	81.17	85.93
June	72.61	77.12	74.09	70.73	74.63	71.58	72.02	80.55	77.20	81.31
<b>Totals</b>	<b>\$ 66.83</b>	<b>\$ 74.12</b>	<b>\$ 78.23</b>	<b>\$ 73.43</b>	<b>\$ 71.95</b>	<b>\$ 72.09</b>	<b>\$ 72.43</b>	<b>\$ 77.08</b>	<b>\$ 78.88</b>	<b>\$ 81.34</b>





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

Month	Actual									
	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	FY 14-15
July	432,236	388,972	368,708	322,743	295,170	316,313	324,182	318,179	337,964	337,506
August	403,601	402,269	389,098	353,119	317,877	302,815	318,733	338,661	336,075	336,070
September	427,932	397,251	380,061	334,189	326,988	317,067	322,157	327,404	300,877	317,039
October	360,958	329,644	344,490	309,192	281,109	261,977	259,480	261,889	256,714	277,970
November	299,799	273,546	287,135	229,591	217,229	207,013	220,632	196,927	218,319	222,114
December	300,413	299,286	254,279	236,875	244,297	227,942	232,863	233,159	235,178	254,403
January	299,857	276,900	263,728	230,867	215,043	218,984	190,101	225,127	200,001	238,144
February	317,830	304,750	293,779	222,298	247,010	239,690	226,933	218,290	221,878	233,050
March	368,516	362,331	301,683	258,793	292,508	268,092	245,083	259,120	258,279	265,273
April	345,684	327,670	288,489	265,579	274,194	273,572	266,197	266,776	273,333	264,284
May	362,051	356,849	303,257	282,767	289,698	282,148	274,670	291,465	286,043	290,428
June	396,411	373,006	307,471	304,479	347,574	311,790	315,619	334,967	313,347	308,247
<b>Totals</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>3,196,650</b>	<b>3,271,964</b>	<b>3,238,008</b>	<b>3,344,528</b>



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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function</b>										
General Government	25.0	27.0	26.0	18.0	14.0	14.0	11.5	11.5	11.5	11.5
Culture and Recreation	55.0	55.0	55.0	27.0	26.0	26.0	-	-	-	-
Community Support	200.0	200.0	180.0	169.0	161.0	161.0	180.0	181.0	181.0	173.0
<b>Total</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>	<b>184.5</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
2016	55	158,150	70	305,000	90	175,000	50	136,000
2017	27	155,640	73	307,000	90	25,000	52	141,000
2018	20	170,340	75	310,000	85	70,000	55	150,000
2019	10	69,200	77	312,000	20	25,000	55	150,000
2020	12	88,700	80	315,000	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 and 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
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
2015	97	278,213	70	302,413	93	75,684	49	100,015

Notes:

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

**Reno-Sparks Convention & Visitors Authority**  
**Capital Asset Statistics by Function**  
**June 30, 2015**  
**(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 features 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, 2015**  
**(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 2018. Additional USBC Open and Women’s Championship tournaments will be held beginning 2020 through 2026. 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 visitor information center. 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**



CPAs & BUSINESS ADVISORS

**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  
Reno-Sparks Convention & Visitors Authority, Nevada  
Reno, 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, 2015, 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 November 20, 2015.

**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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned in the lower-left area of the page.

Reno, Nevada  
November 20, 2015





CPAs & BUSINESS ADVISORS

### **Auditor's Comments**

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

In connection with our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Reno-Sparks Convention & Visitors Authority (the Authority) as of and for the year ended June 30, 2015, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Authority failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

#### **Current Year Statute Compliance**

The Authority conformed to all significant statutory constraints on its financial administration during the year as disclosed 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, 2014.

#### **Prior Year Recommendations**

There were no specific recommendations made in the audit report for the year ended June 30, 2014.

#### **Current Year Recommendations**

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

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada  
November 20, 2015