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

**Comprehensive Annual  
Financial Report  
Fiscal Year Ended  
June 30, 2005**

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATE OF NEVADA

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For The Year Ended  
June 30, 2005

David Miller  
Chairman

Jeff Beckelman  
Chief Executive Officer

Tim D. Smith  
Vice-President-Finance

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

Reno-Sparks Convention & Visitors Authority Post Office Box 837 Reno, Nevada 89504  
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**Reno-Sparks Convention & Visitors Authority**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2005**

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**Comprehensive Annual Financial Report  
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October 12, 2005

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, 2004 to June 30, 2005

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, 2005, is submitted herewith. This annual report was prepared in conjunction with our outside auditing firm, Kafoury, Armstrong & Co. Responsibility for the accuracy, completeness and fairness of the presentation, including all disclosures, rests with the Authority. We believe that the data, as presented, is accurate and complete in all material aspects and fairly sets forth the net assets, activities and cash flows of the Authority. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Authority's financial affairs have been included. This letter of transmittal is designed to complement the Management Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **THE REPORTING ENTITY**

The Reno-Sparks Convention & Visitors Authority, an independent governmental entity, was established in February 1959 as the Washoe County Fair and Recreation Board. The Authority is the operating instrumentality in the Washoe County area for promoting conventions, tourism, and outdoor recreation. To provide revenue for such purposes, pursuant to the Fair and Recreation Board statute and related provisions of the Nevada Revised Statutes, a tax on the income from room charges of transient rental facilities is imposed by the state, county, and the incorporated cities of Reno and Sparks. The tax rates as of July 1, 2004 are twelve percent (12%) in non-downtown Reno and, thirteen and one half percent (13.5%) in downtown Reno, thirteen and one half percent (13.5%) in Sparks, and twelve percent (12%) in the unincorporated areas of Washoe County.

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



- 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 56 properties in downtown Reno pay towards, and
  2. The remaining tax collected is used by the Truckee Meadows Tourism Facility and Revitalization Steering Committee (TMTFRSC) which is in the process of constructing a multi-use facility in downtown Reno

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

### **ECONOMIC CONDITIONS AND OUTLOOK**

**Fiscal Year 2004-2005.** Throughout the period covered by this report, gaming and tourism continued to be the dominant local industries, making the economic vitality of Washoe County largely dependent on a constant influx of visitors.

Total cash occupied room nights decreased from 4,645,504 room nights in 2003-04 to 4,383,328 room nights in 2004-05. This decrease was primarily attributable to the lack of a major tournament during FY 04-05. Overall occupancy percentages decreased from 71.0% in 2003-04 to 70.4% in 2004-05. Countywide cash room rates increased from \$58.65 for fiscal year 2003-04 to \$62.87 for fiscal year 2004-05. Cash hotel room rates increased by \$4.59 (7.4%) from 2003-04 to \$66.94, while cash motel room rates increased by \$1.59 (3.1%) to \$52.86.

### **Outlook For Fiscal Year 2005-06 And The Future.**

The goals and objectives of the Reno-Sparks Convention & Visitors Authority are:

- Continue to increase RSCVA Sales & Marketing budget
- Promote the RSCVA meetings/conventions/tradeshows destination identity through 05-06 by increasing bookings in the Reno-Sparks Convention Center, Reno Events

Center, Reno-Sparks Livestock Events Center, and increasing in-hotel meeting and convention bookings

- Position Reno-Tahoe as an “Adventure Destination”, with gaming
- Execute marketing programs in core markets (i.e. Northern California)
- Maintain financial support to cooperative partnerships that leverage marketing efforts or dollars
- Develop, maintain and attract special events that support our brand positioning, citywide infrastructure, generate room nights and leverage our marketing efforts via regional and national television exposure
- Support continued redevelopment efforts to revitalize Reno and Sparks
- Work in conjunction with Nevada Commission on Tourism to support the Truckee River Whitewater Recreational plan
- Complete the financial analysis of the potential sale of Wildcreek Golf Course
- Implement next steps pertaining to Reno-Sparks Livestock Events Center relocation and expansion
- Continue to develop relationships with stakeholders for input on unified direction

Challenges facing the Reno-Sparks Convention & Visitors Authority are:

- Reno/Sparks/Lake Tahoe is a mature gaming market facing significant competition
- Reno and Sparks are in need of continued redevelopment
- Hospitality service levels can be improved
- Hotel/Casino operators continue to under-price rooms, which negatively affects destination image
- Perceived limited non-stop or direct air service to the Midwest, Upper Midwest, South and East regions of the US
- Regional visitor industry infrastructure needs refurbishment and further development (i.e. fulfillment opportunities, signage, visitor centers, collateral)
- Lack of destination upscale shopping opportunities
- Insufficient RSCVA marketing and sales budget

The following is a list of proposed improvements that will have a profound, positive impact on the region both in capital investment and visitor attractions.

- Cabela’s plans call for a 150,000 square-foot outdoor gear superstore to be opened by late 2006 or early 2007, attracting 2.5 million visitors annually
- Grand Sierra Resort plans to reconstruct the Reno Hilton to create the quintessential entertainment destination, which will include one of the world’s largest indoor water parks
- University of Nevada - Reno expansion
- Developers seeking more space for mall on Mount Rose Highway
- Regional industrial boom



With the recent completion of the RSCC's \$105 million expansion/renovation project, the Center is set for the arrival of a number of new events, plus the return engagement of other major trade and sports shows, namely Safari Club International. Among the year's larger convention/special event/trade shows are:

- Volleyball Festival
- Jam-On-It Basketball Tournaments
- Safari Club International
- Benevolent Protective Order of Elks Convention
- Boat, Sport & RV Show
- Rocky Mountain Elk Foundation
- Western Winter Sports Reps Association

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

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

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

The Authority will also continue to look for/promote special events that will draw visitors to our area. At the same time, existing events will be evaluated for continued promotional support.

**Cash Management.** Cash temporarily idle during the course of the year was invested in various short-term securities. Maturity dates of such investments are determined by anticipated cash needs. Remaining cash was deposited in interest bearing and non-interest bearing checking accounts. Total interest earned during fiscal year 2004-05 was \$631,513.

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

## **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, 2004. This was the eighteenth consecutive year the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Reno-Sparks Convention and Visitors Authority, Nevada for its annual budget for the fiscal year beginning July 1, 2004. This was the fourth consecutive year the Authority has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

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

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

Respectfully submitted,

  
\_\_\_\_\_  
Jeff Beckelman  
Chief Executive Officer

  
\_\_\_\_\_  
Tim D. Smith  
Vice-President of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Reno-Sparks  
Convention & Visitors Authority,  
Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

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



*Nancy L. Ziehl*

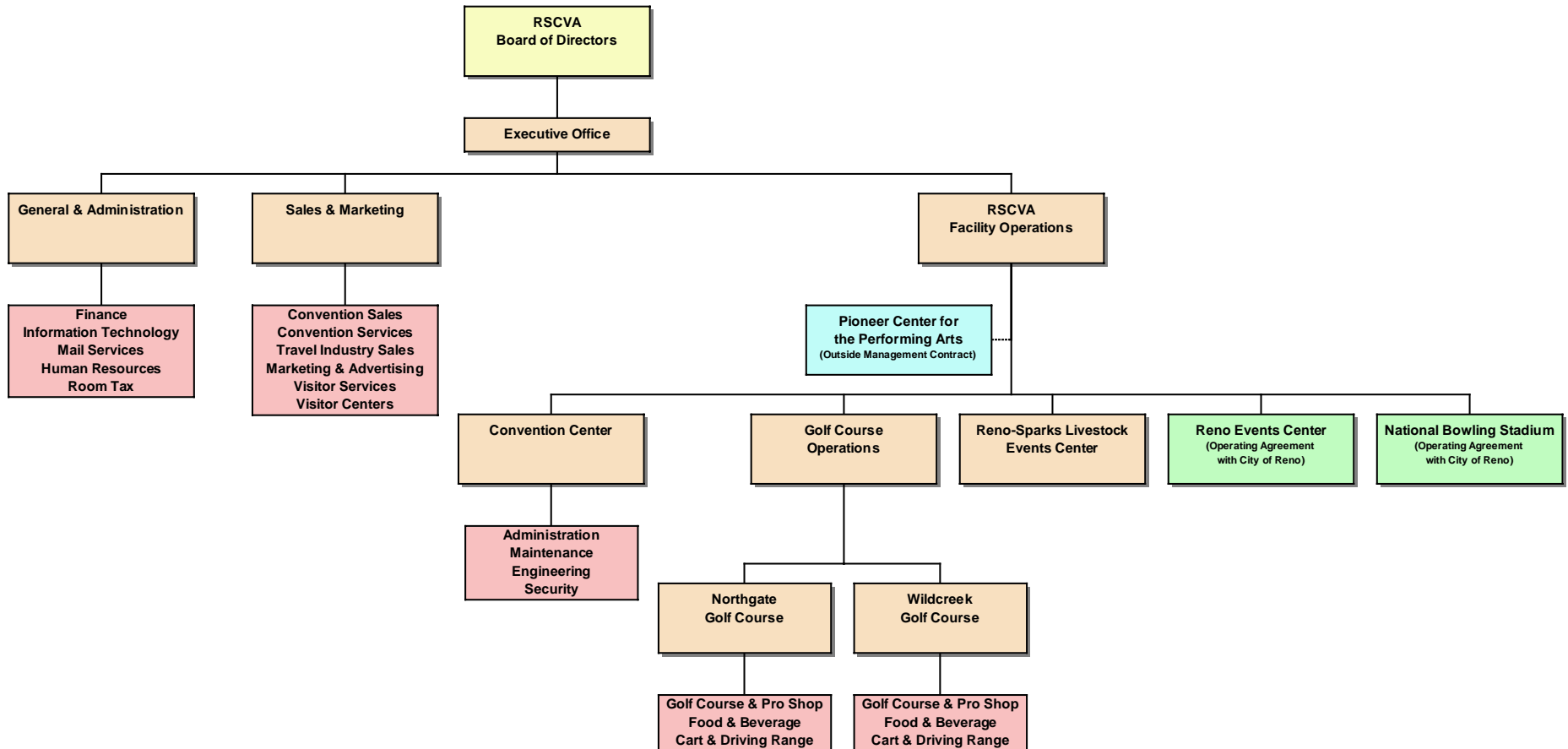
President

*Jeffrey R. Emen*

Executive Director



**Reno-Sparks Convention & Visitors Authority  
Organization Chart  
June 2005**



## **RENO-SPARKS CONVENTION AND VISITORS AUTHORITY**

### **RSCVA BOARD OF DIRECTORS**

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



**David Miller**  
**Chairman**  
**Motel Industry**  
**Term expires June 2006**



**Pete Sferrazza**  
**Vice-Chairman**  
**Washoe County**  
**Term is coterminous**



**Larry Harvey**  
**Secretary/Treasurer**  
**Air Service Industry**  
**Term expires June 2006**



# RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

## RSCVA BOARD OF DIRECTORS - CONTINUED



**Mike Murdock**  
Financial Industry  
Term Expires July 2007



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



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



**Jack Fisher**  
Gaming Industry  
Term Expires June 2005



**John Breternitz**  
General Business  
Term Expires March 2006



**Fred Euler**  
Incline Village/Crystal Bay  
Term Expires January 2007



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



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



**Tim Maland**  
Gaming Industry  
Term Expires November 2005



**Robert Larkin**  
Washoe County  
Term is coterminous

# RENO-SPARKS CONVENTION AND VISITORS AUTHORITY

## EXECUTIVE STAFF



**Jeff Beckelman**  
President  
Chief Executive Officer



**Lynn Thompson**  
Executive Vice-President of Facilities  
General Manager - Reno-Sparks  
Convention Center



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



**Joe Kelley**  
General Manager  
Golf Operations  
National Bowling Stadium  
Reno Events Center



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



**Deanna Ashby**  
Executive Director  
Marketing



**Steve Casper**  
Executive Director  
Human Resources



**Robert Enriquez**  
Executive Director  
Convention Sales



**Ralph Witsell**  
Executive Director  
Travel Industry Sales





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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority, Nevada as of and for the year ended June 30, 2005, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the management of the Reno-Sparks Convention & Visitors Authority. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
August 18, 2005

## **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 \$23,807,959 (net deficit). The primary reason for this deficit is that the assets included as a result of GASB 34 are exceeded by the debt included.
- The Authority's total net assets decreased by \$4,455,278. The principal cause of this decrease is the payment of debt service, for which funds had been provided in a prior year as well as depreciation on capital assets during the fiscal year.
- At the close of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$19,717,494, a decrease of \$3,336,205 compared to the prior year. Of the decrease, \$2,089,017 is as a result of expenditures related to the Reno-Sparks Convention Center Expansion project. The balance of the difference is a result of debt payments from the prepaid account, as well as the expenditure of funds carried over from the prior fiscal year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$3,938,251, or 17% of total General Fund expenditures.
- The Authority's total debt decreased by \$2,316,291 during the fiscal year.
- The Authority's room license tax collections increased \$136,646 (1.0%) from the prior year. This increase was primarily caused by increased convention activity, offset by the lack of a major bowling tournament during the fiscal year and better overall economic conditions.
- Cash and investments of the Authority decreased by \$2,757,434, mainly as a result of the expenditure of Convention Center Expansion funds.

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

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

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



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

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

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

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

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

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

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

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

RSCVA maintains one enterprise fund (Golf Courses) and one internal service fund (Insurance).

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

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

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

## Government-wide Financial Analysis

By far the largest portion of the Authority’s assets (80%) reflects its investment in capital assets (e.g. buildings, machinery, and equipment). The Authority’s capital assets consist of four operating facilities – Reno-Sparks Convention Center, Reno-Sparks Livestock Events Center, and Northgate and Wildcreek Golf Courses and other capital assets.

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

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

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 24,541,441	\$ 162,686	\$ 24,704,127
Capital assets	96,099,608	2,831,358	98,930,966
Total assets	120,641,049	2,994,044	123,635,093
Long-term liabilities	140,207,007	149,273	140,356,280
Other liabilities	6,915,413	171,359	7,086,772
Total liabilities	147,122,420	320,632	147,443,052

	Governmental Activities	Business-type Activities	Total
Net assets:			
Invested in capital assets, net of related debt	\$ (24,417,320)	\$ 2,732,958	\$ (21,684,362)
Restricted	9,185,562	0	9,185,562
Unrestricted	(11,249,613)	(59,546)	(11,309,159)
Total net assets	\$ (26,481,371)	\$ 2,673,412	\$ (23,807,959)

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

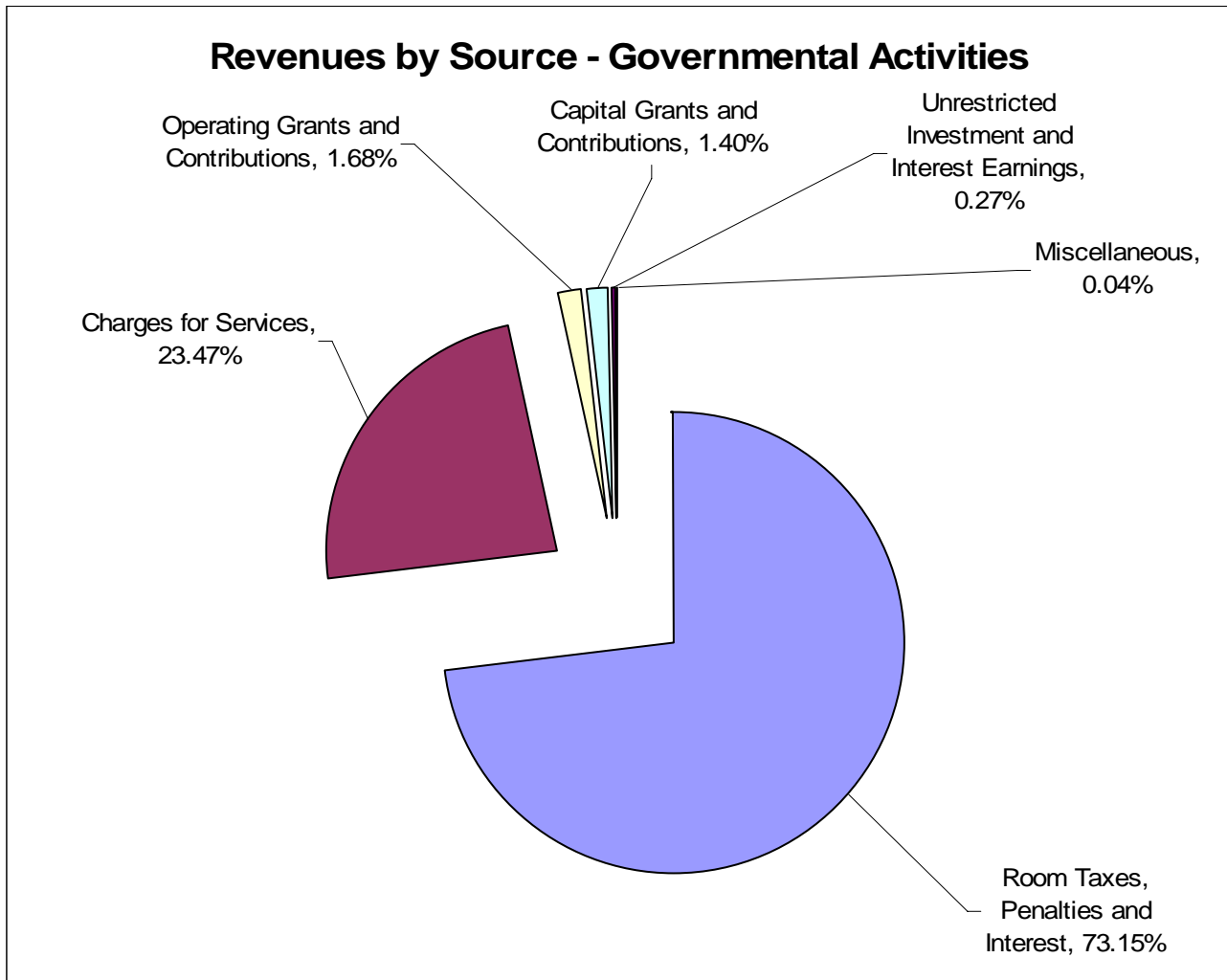
	Governmental Activities		Business Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
<i>Program revenues:</i>						
Charges for services	\$ 7,626,840	\$ 8,166,439	\$ 2,644,998	\$ 3,044,028	\$ 10,271,838	\$ 11,210,467
Operating grants & contributions	544,580	598,126	-	-	544,580	598,126
Capital grants & contributions	455,132	-	-	-	455,132	-
<i>General revenues:</i>						
Room taxes, penalties & interest	23,775,071	23,638,425	-	-	23,775,071	22,638,425
Unrestricted investment & interest earnings	86,933	18,227	-	-	86,933	18,227
Miscellaneous	11,390	8,884	-	-	11,390	8,884
<b>Total Revenues</b>	<b>32,499,946</b>	<b>32,430,101</b>	<b>2,644,998</b>	<b>3,044,028</b>	<b>35,144,944</b>	<b>32,474,129</b>
Expenses:						
General government	3,297,097	2,920,705	-	-	3,297,097	2,920,705
Community support	25,307,919	22,739,585	-	-	25,307,919	22,739,585
Debt service	7,683,781	7,843,794	-	-	7,683,781	7,843,794
Golf courses	-	-	3,311,425	3,304,888	3,311,425	3,304,888
<b>Total Expenses</b>	<b>36,288,797</b>	<b>33,504,084</b>	<b>3,311,425</b>	<b>3,304,888</b>	<b>39,600,222</b>	<b>36,808,972</b>
<b>Increase/(Decrease) in net assets</b>	<b>(3,788,851)</b>	<b>(1,073,983)</b>	<b>(666,427)</b>	<b>(260,860)</b>	<b>(4,455,278)</b>	<b>(1,334,843)</b>
Net Assets, July 1	(22,692,520)	(21,618,537)	3,339,839	3,600,699	(19,352,681)	(18,017,838)
<b>Net Assets, June 30</b>	<b>\$ (26,481,371)</b>	<b>\$ (22,692,520)</b>	<b>\$ 2,673,412</b>	<b>\$ 3,339,839</b>	<b>\$ (23,807,959)</b>	<b>\$ (19,352,681)</b>

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



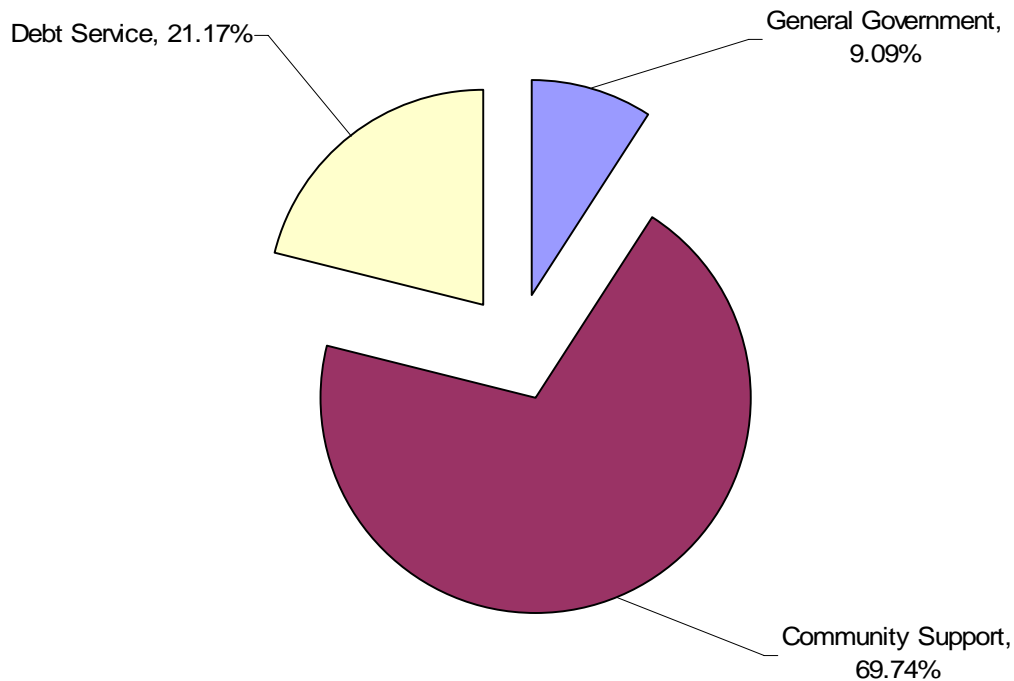
## Governmental activities.

Total program revenues and expenses for governmental activities amounted to \$8,626,552 and \$36,288,797, respectively, for the 2004-2005 fiscal year. As illustrated on the following chart, room tax collections are the largest revenue source, followed by charges for services.



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

### Expenses - Governmental Activities



### Business-type activities.

Business-type activities are comprised of one enterprise fund including Wildcreek and Northgate Golf Courses. For the fiscal year 2004-05, the golf courses had revenues of \$2,644,998 and expenses of \$3,311,425 resulting in an operating loss of \$666,427. Rounds continue to fall below previous years' levels due to competition as a result of the numerous available courses in the region. Additional golf courses are being planned and will open within the next two years. This saturation will continue to affect operating performance at all golf courses. Management continues to monitor operating efficiencies along with on-going marketing and promotional efforts in order to increase rounds and revenues. Potential divestiture of the golf courses to other entities is also being considered.

## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the RSCVA's governmental funds reported combined ending fund balances of \$19,717,494. Approximately 20% of this total amount (\$3,938,251) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to other purposes (debt, capital, encumbrances).

The General Fund is the chief operating fund of the RSCVA. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$3,938,251, while the total fund balance was \$4,205,039. As a measure of the General Fund's liquidity, it may be useful to compare fund balance with fund expenditures. The ratio of fund balance to expenditures is 18.2% for the year just completed.

The fund balance of the RSCVA's General Fund decreased by \$552,579 during the current fiscal year. Key factors in this decrease include:

- Increased room tax collections
- Budget assumed spending excess revenues collected in prior year during FY04-05

The Debt Service fund has a total fund balance of \$14,461,016, all of which is reserved for the payment of debt service. The amount shown as prepaid in the fund represents amounts of interest on outstanding bonds that have been transferred to an irrevocable escrow for payment in future years. This amount is legally obligated to be paid, but as it represents interest in future years, it does not have an effect on the principal amount of debt shown in the financial statements.

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

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



Unrestricted net assets of the Golf Course Enterprise Fund at the end of the year amounted to \$9,588. Total net assets in the fund decreased by \$652,929 during the year, as a result of reduced golf revenues and rounds played.

## Budgetary Highlights for General Fund

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

- Increase room tax collections
- Increase facility revenues
- Increase general government expenditures
- Increase facility operation expenditures
- Increase convention and tourism promotion expenditures
- Increase community grants and miscellaneous
- Increase projected ending fund balance

These adjustments were made to reflect changes made throughout the fiscal year, primarily to reflect the collection of additional room tax revenues and the expenditure of additional sales and marketing dollars from these collections.

## Capital Assets & Long-term Debt Activity

**Capital assets.** The RSCVA's investment in capital assets for its governmental and business type activities as of June 30, 2005, amounts to \$98,930,966 (net of accumulated depreciation). This investment in capital assets includes buildings, improvements and machinery and equipment. Major capital asset transactions during the fiscal year include the completion of continued work on smaller projects on the Convention Center site. A major snowstorm destroyed six barns during the fiscal year, these were rebuilt as one large structure using primarily insurance proceeds. No other large projects were undertaken during the fiscal year.

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

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

	Governmental Activities	Business-type Activities
Buildings & Improvements	\$ 94,797,875	\$ 646,902
Improvements	192,163	1,626,097
Machinery & Equipment	1,109,570	558,359
Total	\$ 96,099,608	\$ 2,831,358

**Long-term debt.** During FY 04-05 the Authority made payments of \$4,710,000 in principal and \$5,391,921 in interest on its outstanding bonds. 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 6/30/05
1989 Capital Appreciation	\$ 7,555,657	\$ 10,405,511
1995 Series	12,495,000	6,415,000
1999 Refunding Series	5,950,000	4,540,000
RSCC Expansion Bonds (Current Interest)	85,615,000	1,220,000
RSCC Expansion Bonds (Capital Appreciation)	19,384,075	24,523,929
2001 Refunding	92,995,000	92,995,000
Total	\$ 223,994,732	\$ 140,099,440

### **Known Economic Factors**

- Lodging properties continue to invest capital into their current facilities – The Peppermill Hotel-Casino recently announced plans to add a new 17-story, 600 room all suite tower
- Grand Sierra Resort plans to reconstruct the Reno Hilton to create the quintessential entertainment destination, which will include one of the world's largest indoor water parks
- Reno Events Center opened December 2004 in Downtown Reno
- Continued marketing and promotion directed towards bringing special events to the region that have a significant base of room nights
- Groups are continuing to book and hold their conventions at the newly renovated Reno-Sparks Convention Center – including Safari Club International and Volleyball Festival
- Extension of USBC - Women's International Bowling Congress contract for three years (2012, 2015, & 2018)
- Cabela's plans call for a 150,000 square-foot outdoor gear superstore to be opened by late 2006 or early 2007 attracting 2.5 million visitors annually

### **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.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF NET ASSETS

JUNE 30, 2005

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 12,204,785	\$ 28,477	\$ 12,233,262
Cash with fiscal agent	4,388,639	-	4,388,639
Receivables			
Accounts receivable	834,036	17,963	851,999
Room license taxes receivable	3,425,504	-	3,425,504
Other receivables	441,710	-	441,710
Internal balances	(13,183)	13,183	-
Inventories	-	103,063	103,063
Prepaid items	3,259,950	-	3,259,950
Capital assets not being depreciated	106,065	-	106,065
Capital assets being depreciated (net of accumulated depreciation)	95,993,542	2,831,358	98,824,900
<b>TOTAL ASSETS</b>	<b>120,641,048</b>	<b>2,994,044</b>	<b>123,635,092</b>
<b>LIABILITIES</b>			
Accounts payable	895,030	78,811	973,841
Accrued liabilities	2,765,427	51,341	2,816,768
Accrued construction retention	17,431	-	17,431
Accrued interest payable	2,680,704	-	2,680,704
Unearned revenue	556,821	41,207	598,028
Noncurrent liabilities:			
Due within one year	4,404,757	97,850	4,502,607
Due in more than one year	135,802,250	51,423	135,853,673
<b>TOTAL LIABILITIES</b>	<b>147,122,420</b>	<b>320,632</b>	<b>147,443,052</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	(24,417,320)	2,732,958	(21,684,362)
Restricted for:			
Debt service	8,665,458	-	8,665,458
Claims	520,104	-	520,104
Unrestricted (deficit)	(11,249,613)	(59,546)	(11,309,159)
<b>TOTAL NET ASSETS</b>	<b>\$ (26,481,371)</b>	<b>\$ 2,673,412</b>	<b>\$ (23,807,959)</b>

See accompanying notes.



RENO-SPARKS CONVENTION & VISITORS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT FUNCTIONS/PROGRAMS</b>							
Governmental activities:							
General government	\$ 3,297,097	\$ 340,563	\$ -	\$ -	\$ (2,956,534)	\$ -	\$ (2,956,534)
Community support	25,307,919	7,286,277	69,039	455,132	(17,497,471)	-	(17,497,471)
Debt service:							
Interest and fiscal charges	7,683,781	-	475,541	-	(7,208,240)	-	(7,208,240)
Total governmental activities	36,288,797	7,626,840	544,580	455,132	(27,662,245)	-	(27,662,245)
Business-type activities:							
Golf courses	3,311,425	2,644,998	-	-	-	(666,427)	(666,427)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 39,600,222</b>	<b>\$ 10,271,838</b>	<b>\$ 544,580</b>	<b>\$ 455,132</b>	<b>(27,662,245)</b>	<b>(666,427)</b>	<b>(28,328,672)</b>
<b>GENERAL REVENUES</b>							
Taxes:							
Room taxes, penalties and interest					23,775,071	-	23,775,071
Unrestricted investment and interest earnings					86,933	-	86,933
Miscellaneous					11,390	-	11,390
<b>TOTAL GENERAL REVENUES</b>					<b>23,873,394</b>	<b>-</b>	<b>23,873,394</b>
<b>CHANGE IN NET ASSETS</b>					<b>(3,788,851)</b>	<b>(666,427)</b>	<b>(4,455,278)</b>
<b>NET ASSETS, JULY 1</b>					<b>(22,692,520)</b>	<b>3,339,839</b>	<b>(19,352,681)</b>
<b>NET ASSETS, JUNE 30</b>					<b>\$ (26,481,371)</b>	<b>\$ 2,673,412</b>	<b>\$ (23,807,959)</b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOVERNMENTAL FUNDS  
BALANCE SHEET

JUNE 30, 2005

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 4,078,604	\$ 6,924,458	\$ 1,143,792	\$ 12,146,854
Cash with fiscal agent	-	4,388,639	-	4,388,639
Receivables				
Accounts receivable	834,036	-	-	834,036
Room license taxes receivable	3,425,504	-	-	3,425,504
Other receivables	441,710	-	-	441,710
Prepaid expenditures	29,139	3,114,853	-	3,143,992
Due from other funds	-	33,566	-	33,566
<b>TOTAL ASSETS</b>	<b>\$ 8,808,993</b>	<b>\$ 14,461,516</b>	<b>\$ 1,143,792</b>	<b>\$ 24,414,301</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 867,272	\$ 500	\$ 23,473	\$ 891,245
Accrued liabilities	2,608,751	-	-	2,608,751
Accrued construction retention	-	-	17,431	17,431
Deferred revenue	556,821	-	-	556,821
Due to other funds	571,110	-	51,449	622,559
<b>TOTAL LIABILITIES</b>	<b>4,603,954</b>	<b>500</b>	<b>92,353</b>	<b>4,696,807</b>
<b>FUND BALANCES</b>				
Reserved for				
Prepaid expenditures	29,139	-	-	29,139
Encumbrances	237,649	-	40,904	278,553
Debt service	-	14,461,016	-	14,461,016
Capital projects	-	-	1,010,535	1,010,535
Unreserved	3,938,251	-	-	3,938,251
<b>TOTAL FUND BALANCES</b>	<b>4,205,039</b>	<b>14,461,016</b>	<b>1,051,439</b>	<b>19,717,494</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,808,993</b>	<b>\$ 14,461,516</b>	<b>\$ 1,143,792</b>	<b>\$ 24,414,301</b>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2005

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TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS AS SHOWN ON THE BALANCE SHEET	\$ 19,717,494
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds	96,099,607
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds:	
Accrued interest payable	(2,680,704)
Bonds and capital lease payable	(140,222,126)
Less: Deferred charge on funding escrow	391,798
Compensated absences	(376,679)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in Governmental Activities in the Statement of Net Assets	<u>589,238</u>
TOTAL NET ASSETS FOR GOVERNMENTAL ACTIVITIES AS SHOWN ON THE STATEMENT OF NET ASSETS	\$ <u><u>(26,481,372)</u></u>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2005**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
<b>Taxes</b>				
Room license taxes, penalties and interest	\$ 23,775,071	\$ -	\$ -	\$ 23,775,071
<b>Miscellaneous</b>				
Facilities revenue	6,995,470	-	-	6,995,470
Convention and visitors service revenue	290,807	-	-	290,807
Interest on investments	86,933	475,541	69,039	631,513
Other	351,953	-	-	351,953
<b>TOTAL REVENUES</b>	<b>31,500,234</b>	<b>475,541</b>	<b>69,039</b>	<b>32,044,814</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government	3,249,985	-	-	3,249,985
Community support	19,802,828	-	-	19,802,828
<b>Debt Service</b>				
Principal	-	4,710,000	-	4,710,000
Interest	-	5,391,921	-	5,391,921
Other bond costs	-	13,164	-	13,164
<b>Capital outlay</b>	-	-	2,089,017	2,089,017
<b>TOTAL EXPENDITURES</b>	<b>23,052,813</b>	<b>10,115,085</b>	<b>2,089,017</b>	<b>35,256,915</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>8,447,421</b>	<b>(9,639,544)</b>	<b>(2,019,978)</b>	<b>(3,212,101)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	7,750,000	1,000,000	8,750,000
Transfers to other funds	(9,000,000)	-	-	(9,000,000)
Issuance of capital lease	-	-	125,896	125,896
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(9,000,000)</b>	<b>7,750,000</b>	<b>1,125,896</b>	<b>(124,104)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(552,579)</b>	<b>(1,889,544)</b>	<b>(894,082)</b>	<b>(3,336,205)</b>
<b>FUND BALANCES, JULY 1</b>	<b>4,757,618</b>	<b>16,350,560</b>	<b>1,945,521</b>	<b>23,053,699</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 4,205,039</b>	<b>\$ 14,461,016</b>	<b>\$ 1,051,439</b>	<b>\$ 19,717,494</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, 2005

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NET CHANGE IN FUND BALANCES FOR GOVERNMENTAL FUNDS AS SHOWN ON THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	\$	(3,336,205)
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay		2,100,183
Insurance proceeds		455,132
Depreciation expense		(5,412,077)
<p>The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on Net Assets. Also, Governmental Funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Issuance of capital lease		(125,896)
Accretion on capital appreciation bonds		(2,216,952)
Principal payments on debt		4,713,210
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.</p>		
Accrued interest		26,142
Compensated absences		(17,318)
Amortization on deferred charge on funding escrow		(87,885)
Loss on destruction of property		(47,038)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of the internal service funds is reported with Governmental Activities.</p>		
		<u>159,853</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u><u>(3,788,851)</u></u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2005  
(with comparative actual amounts for the year ended June 30, 2004)

Page 1 of 2

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Taxes					
Room license taxes, penalties and interest	\$ 23,403,068	\$ 23,653,068	\$ 23,775,071	\$ 122,003	\$ 23,638,425
Miscellaneous					
Facilities revenue	6,112,643	6,762,643	6,995,470	232,827	7,648,105
Convention and visitor service revenue	277,864	277,864	290,807	12,943	306,155
Interest on investments	21,600	21,600	86,933	65,333	18,227
Other	331,331	331,331	351,953	20,622	221,063
<b>TOTAL REVENUES</b>	<b>30,146,506</b>	<b>31,046,506</b>	<b>31,500,234</b>	<b>453,728</b>	<b>31,831,975</b>
<b>EXPENDITURES</b>					
General government					
Salaries and wages	1,409,988	1,455,000	1,509,883	(54,883)	1,248,191
Employee benefits	556,801	577,000	553,066	23,934	470,280
Services and supplies	961,815	1,100,000	1,083,350	16,650	1,028,539
Capital outlay	81,050	120,000	103,686	16,314	97,470
Total general government	<b>3,009,654</b>	<b>3,252,000</b>	<b>3,249,985</b>	<b>2,015</b>	<b>2,844,480</b>
Community support					
Facility operation					
Salaries and wages	3,458,699	3,878,699	3,997,188	(118,489)	4,262,611
Employee benefits	1,490,076	1,490,076	1,387,642	102,434	1,176,451
Services and supplies	4,414,688	4,964,688	4,960,236	4,452	4,134,358
Capital outlay	160,000	90,000	98,858	(8,858)	47,582
	<b>9,523,463</b>	<b>10,423,463</b>	<b>10,443,924</b>	<b>(20,461)</b>	<b>9,621,002</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, 2005  
(with comparative actual amounts for the year ended June 30, 2004)  
Page 2 of 2

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
EXPENDITURES - continued					
Convention and tourism promotion					
Salaries and wages	\$ 1,823,939	\$ 1,823,939	\$ 1,851,897	\$ (27,958)	\$ 1,522,347
Employee benefits	609,907	609,907	607,212	2,695	544,116
Services and supplies	5,513,387	6,063,387	5,583,112	480,275	4,372,546
Capital outlay	5,000	25,000	12,163	12,837	12,324
	<u>7,952,233</u>	<u>8,522,233</u>	<u>8,054,384</u>	<u>467,849</u>	<u>6,451,333</u>
Community grants and miscellaneous	<u>1,230,904</u>	<u>1,295,000</u>	<u>1,304,520</u>	<u>(9,520)</u>	<u>1,074,439</u>
Total community support	<u>18,706,600</u>	<u>20,240,696</u>	<u>19,802,828</u>	<u>437,868</u>	<u>17,146,774</u>
TOTAL EXPENDITURES	<u>21,716,254</u>	<u>23,492,696</u>	<u>23,052,813</u>	<u>439,883</u>	<u>19,991,254</u>
Excess (deficiency) of revenues over expenditures	<u>8,430,252</u>	<u>7,553,810</u>	<u>8,447,421</u>	<u>893,611</u>	<u>11,840,721</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(500,000)	(500,000)	-	500,000	-
Transfers to other funds	<u>(8,950,000)</u>	<u>(8,950,000)</u>	<u>(9,000,000)</u>	<u>(50,000)</u>	<u>(11,200,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,450,000)</u>	<u>(9,450,000)</u>	<u>(9,000,000)</u>	<u>450,000</u>	<u>(11,200,000)</u>
Net change in fund balances	(1,019,748)	(1,896,190)	(552,579)	1,343,611	640,721
FUND BALANCE, JULY 1	<u>2,597,173</u>	<u>4,757,618</u>	<u>4,757,618</u>	<u>-</u>	<u>4,116,897</u>
FUND BALANCE, JUNE 30	<u>\$ 1,577,425</u>	<u>\$ 2,861,428</u>	<u>\$ 4,205,039</u>	<u>\$ 1,343,611</u>	<u>\$ 4,757,618</u>

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS

JUNE 30, 2005

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
	Golf Courses Fund	
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 28,477	\$ 57,931
Accounts receivable	17,963	-
Prepaid expenses	-	115,958
Inventory	103,063	-
Due from other funds	82,317	506,676
<b>Total current assets</b>	<b>231,820</b>	<b>680,565</b>
Noncurrent assets		
Capital assets:		
Buildings and improvements	2,686,871	-
Improvements	8,459,859	-
Furniture and equipment	1,738,397	-
	12,885,127	-
Accumulated depreciation	(10,053,769)	-
<b>Net capital assets</b>	<b>2,831,358</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>3,063,178</b>	<b>680,565</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	78,811	3,785
Accrued liabilities	51,341	156,676
Deferred revenue	41,207	-
<b>Total current liabilities</b>	<b>171,359</b>	<b>160,461</b>
Noncurrent liabilities		
Due within one year	-	-
Due in more than one year	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>171,359</b>	<b>160,461</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	2,732,958	-
Restricted for claims	-	520,104
Unrestricted	9,588	-
<b>TOTAL NET ASSETS</b>	<b>2,742,546</b>	<b>\$ 520,104</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(69,134)	
<b>Net Assets of Business-type Activities</b>	<b>\$ 2,673,412</b>	

See accompanying notes.



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

**PROPRIETARY FUNDS**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED JUNE 30, 2005**

	<b>Business-type Activities Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
	<b>Golf Courses Fund</b>	
<b>OPERATING REVENUES</b>		
Golf course operations	\$ 2,644,998	\$ -
Charges for benefits	-	1,432,916
<b>TOTAL OPERATING REVENUES</b>	<b>2,644,998</b>	<b>1,432,916</b>
<b>OPERATING EXPENSES</b>		
Salaries and wages	1,101,825	-
Employee benefits	374,484	-
Services and supplies	1,317,860	1,536,561
Depreciation	496,985	-
<b>TOTAL OPERATING EXPENSES</b>	<b>3,291,154</b>	<b>1,536,561</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(646,156)</b>	<b>(103,645)</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>		
Interest expense	(6,773)	-
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(652,929)</b>	<b>(103,645)</b>
<b>TRANSFERS IN (OUT)</b>	<b>-</b>	<b>250,000</b>
<b>CHANGE IN NET ASSETS</b>	<b>(652,929)</b>	<b>146,355</b>
<b>NET ASSETS, JULY 1</b>	<b>3,395,475</b>	<b>373,749</b>
<b>NET ASSETS, JUNE 30</b>	<b>2,742,546</b>	<b>\$ 520,104</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(69,134)	
<b>Net Assets of Business-type Activities</b>	<b>\$ 2,673,412</b>	

See accompanying notes.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2005

Page 1 of 2

	Business-type Activities Enterprise Fund		Governmental Activities Internal Service Fund	
	Golf Courses Fund			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers or users	\$	2,655,693	\$	271,113
Cash received from quasi-external operating transactions with other funds		-		1,161,803
Cash paid for employees' services		(1,342,369)		-
Cash payments for quasi-external operating transactions with other funds		(162,379)		-
Cash paid to vendors for services and supplies		(1,437,551)		(1,511,588)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		<b>(286,606)</b>		<b>(78,672)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in		-		250,000
Cash received from (advanced to) other funds		523,531		(138,136)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>		<b>523,531</b>		<b>111,864</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets		(181,966)		-
Payment of interest		(6,773)		-
Principal payments on capital lease		(45,295)		-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>		<b>(234,034)</b>		<b>-</b>
<b>Net increase (decrease) in cash and investments</b>		<b>2,891</b>		<b>33,192</b>
<b>CASH AND INVESTMENTS, JULY 1</b>		<b>25,586</b>		<b>24,739</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$</b>	<b>28,477</b>	<b>\$</b>	<b>57,931</b>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2005

Page 2 of 2

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities Internal Service Fund
	<u>Golf Courses Fund</u>	<u>Fund</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (646,156)	\$ (103,645)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	496,985	-
(Increase) decrease		
Accounts receivable	7,642	-
Prepaid expenses	-	(24,405)
Inventory	(15,860)	-
Increase (decrease)		
Accounts payable	(103,831)	1,050
Accrued liabilities	(22,602)	48,328
Deferred revenue	3,053	-
Compensated absences payable	(5,837)	-
Total adjustments	<u>359,550</u>	<u>24,973</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ <u>(286,606)</u></b>	<b>\$ <u>(78,672)</u></b>

See accompanying notes.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**

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

**JUNE 30, 2005**

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	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and investments	
Flexible compensation plan	<b>\$       19,961</b>
<b>LIABILITIES</b>	
Benefits payable	
Flexible compensation plan	<b>19,961</b>
<b>NET ASSETS</b>	<b>\$           - =====</b>

**See accompanying notes.**



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**

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

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

**Reporting Entity:**

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

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

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

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

The Board of Directors is responsible for establishing policy and procedures for the organization and is not significantly influenced in any way by Washoe County or the incorporated cities of Reno and Sparks, nor are any of these entities financially accountable for the Authority as defined

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

by Statement No. 14, The Financial Reporting Entity, issued by the Governmental Accounting Standards Board. Accordingly, there is no basis for inclusion of the Authority as a component unit of any of these entities.

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

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

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Eliminations have been made to minimize the effect of interfund activity. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

The Authority applies all applicable GASB pronouncements, as well as, FASB Statements and Interpretations, APB Opinions and ARB's issued

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

on or before November 30, 1989, except for those pronouncements that conflict with or contradict GASB pronouncements.

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

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

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

The Authority reports the following major governmental funds:

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

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

The Authority reports the following major enterprise funds:

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

Additionally, the Authority reports the following fund types:

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

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

**Budgets and Budgetary Accounting:**

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

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

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

2. Public hearings are conducted on the third Thursday 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



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

functional levels must be approved by the Authority Board. Formal budgetary integration is employed as a management control device during the year for all funds of the Authority, except the Agency Fund which is not required to be budgeted.

5. Budgeted appropriations may not be exceeded by actual expenditures of the various governmental functions in the General Fund. State statutes do not require that debt service payments (Debt Service Fund) or programs of insurance (Insurance Internal Service Fund) be limited by the budget. Also, state statutes generally do not require that capital payments (Capital Projects Funds) be limited by the budget. At year-end, any unencumbered appropriations lapse and outstanding encumbrances are reappropriated in the following year's budget. Actual expenses may not exceed the sum of budgeted operating and nonoperating expenses in proprietary funds.

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

**Cash and Investments:**

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

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

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

**Receivables:**

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

**Inventories:**

Merchandise inventories for Northgate Golf Club and Wildcreek Golf Course Pro Shops (Golf Courses Enterprise Fund) are valued at the lower of cost or market on a first-in, first-out (FIFO) basis. Charges are made to the operations at the time merchandise is sold. Miscellaneous supply purchases are expensed as incurred. Such inventories on hand at June 30, 2005 are not material and are not reflected in these financial statements.

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

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

**Capital Assets:**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. As a matter of policy, the Authority classifies those assets with a unit value of \$5,000 or more and a useful life of more than one year as capital assets. The Authority has no public domain (infrastructure) capital assets. Purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives 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	5-30 years
Improvements	3-25 years
Furniture and equipment	3-10 years

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

**Long-Term Liabilities:**

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

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

**Compensated Absences:**

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

**Fund Equity:**

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

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

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

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

**Revenues:**

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

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

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

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

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.

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

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.

**NOTE B - CASH AND INVESTMENTS**

As of June 30, 2005 the Authority had the following investments and maturities:

	<u>Maturities</u>	<u>Fair Value</u>
Investments:		
Treasury Funds	Currently available	\$1,920,048
Guaranteed Investment Contracts	Currently available	5,563,489
AIM Trust Treasury Portfolio	Currently available	<u>1,721,967</u>
Total Investments		9,205,504
Total Cash		<u>3,047,719</u>
Total Cash and Investments		<u>\$12,253,223</u>

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

***Concentration of Credit Risk.*** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Securities held by the Authority or by the Authority's custodians are diversified to eliminate risk of loss from over-concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. One investment in the Guaranteed Investment Contract represents 52% of investments and the other represents 8% of investments.

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

Cash held by fiscal agent of \$4,388,639 is the payment due on bonds on July 1, 2005 (principal and interest). The amount is transferred from the collateralized account shortly before the payment is due. For that limited amount of time, the amount is uncollateralized.

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

**NOTE C - CAPITAL ASSETS**

The Authority has entered into contracts for the expansion/renovation of the Reno-Sparks Convention Center to be paid from bond proceeds. At June 30, 2005, commitments on the construction contracts were \$40,904. These commitments are reserved in the Capital Projects Fund.



RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005  
(Continued)

Capital asset activity for the year ended June 30, 2005 was as follows:

	Balance July 1, 2004	Additions and Transfers In	Deletions and Transfers Out	Completed Construction	Balance June 30, 2005
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Construction in progress	\$ 2,989,542	\$ 1,779,735	\$ -	\$ (4,663,212)	\$ 106,065
Capital assets, being depreciated					
Buildings and improvements	143,780,438	605,161	(470,385)	4,270,104	148,185,318
Improvements	638,873	-	-	-	638,873
Furniture and equipment	1,783,952	170,419	(58,133)	393,108	2,289,346
<b>Total capital assets, being depreciated</b>	<b>146,203,263</b>	<b>775,580</b>	<b>(528,518)</b>	<b>4,663,212</b>	<b>151,113,537</b>
Less accumulated depreciation for					
Buildings and improvements	(48,709,110)	(5,207,745)	423,347	-	(53,493,508)
Improvements	(410,525)	(36,185)	-	-	(446,710)
Furniture and equipment	(1,069,762)	(168,147)	58,133	-	(1,179,776)
<b>Total accumulated depreciation</b>	<b>(50,189,397)</b>	<b>(5,412,077)</b>	<b>481,480</b>	<b>-</b>	<b>(55,119,994)</b>
<b>Total capital assets, being depreciated, net</b>	<b>96,013,866</b>	<b>(4,636,497)</b>	<b>(47,038)</b>	<b>4,663,212</b>	<b>95,993,543</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 99,003,408</b>	<b>\$ (2,856,762)</b>	<b>\$ (47,038)</b>	<b>\$ -</b>	<b>\$ 96,099,608</b>
<b>Business-Type Activities</b>					
Capital assets, being depreciated					
Buildings and improvements	\$ 2,686,871	\$ -	\$ -	\$ -	\$ 2,686,871
Improvements	8,351,302	108,557	-	-	8,459,859
Furniture and equipment	1,696,814	73,409	(31,826)	-	1,738,397
<b>Total capital assets, being depreciated</b>	<b>12,734,987</b>	<b>181,966</b>	<b>(31,826)</b>	<b>-</b>	<b>12,885,127</b>
Less accumulated depreciation for					
Buildings and improvements	(1,957,525)	(82,444)	-	-	(2,039,969)
Improvements	(6,586,123)	(247,639)	-	-	(6,833,762)
Furniture and equipment	(1,044,962)	(166,902)	31,826	-	(1,180,038)
<b>Total accumulated depreciation</b>	<b>(9,588,610)</b>	<b>(496,985)</b>	<b>31,826</b>	<b>-</b>	<b>(10,053,769)</b>
<b>Business-Type Activities Capital Assets, net</b>	<b>\$ 3,146,377</b>	<b>\$ (315,019)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,831,358</b>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

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

<b>Governmental Activities</b>	
General government	\$ 68,753
Community support	<u>5,343,324</u>
<b>Total depreciation expense-governmental activities</b>	<u><u>\$ 5,412,077</u></u>
<b>Business-Type Activities</b>	
Golf Course Fund	<u><u>\$ 496,985</u></u>

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005**

**NOTE D – AUTHORITY OBLIGATIONS**

The Authority issues general obligation bonds to finance the purchase of major capital items and the acquisition or construction of major capital facilities. Bonded indebtedness has also been issued to advance refund several general obligation bonds.

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, 2005.

The Authority has also entered into a lease agreement for financing the acquisition of golf carts, which is accounted for as a capital lease. The assets under capital lease are recorded at the present value of the future minimum lease payments. At June 30, 2005, equipment held under capital lease in the Golf Courses Enterprise Fund is recorded at \$231,320 with accumulated depreciation of \$68,396.

During the current fiscal year, the Authority entered into a lease agreement to finance the acquisition of a telephone system for the Reno Events Center/National Bowling Stadium. The assets under capital lease are recorded at the present value of the future minimum lease payments. At June 30, 2005, equipment held under capital lease in Governmental Activities is recorded at \$125,896 with accumulated depreciation of \$1,049.

As noted, the Authority defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the Authority's financial statements. On June 30, 2005, \$111,702,251 of bonds considered defeased are still outstanding.

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

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

**Year ending June 30,**

<b>2006</b>	<b>\$ 300,000</b>
<b>2007</b>	<b>300,000</b>
<b>2008</b>	<b>300,000</b>
<b>2009</b>	<b>300,000</b>
<b>2010</b>	<b>300,000</b>
<b>Thereafter</b>	<b><u>3,575,000</u></b>
	<b><u>\$ 5,075,000</u></b>

During the year ended June 30, 2005, expense under the agreement was \$300,000 and is recorded in the Golf Courses Enterprise Fund.

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2005  
(Continued)

Description	Interest Rate	Maturity Date	Original Issue
<b>Governmental Activities</b>			
General Obligation Bonds Payable (Limited Tax) Improvement and Refunding Bonds:			
October 1, 1989 Series			
Capital Appreciation	-	2008	\$ 7,555,657
1994-A Series	4.8 - 5.9%	2011	4,000,000
August 1, 1995 Series	4.0 - 5.6%	2011	12,495,000
April 1, 1999 Series	4.0 - 4.5%	2010	5,950,000
January 2000 Series			
Current Interest	5.0 - 5.5%	2010	85,615,000
Capital Appreciation	-	2021	19,384,075
June 1, 2001 Refunding	4.0 - 5.25%	2030	92,995,000
Deferred amounts on funding			
Capital Lease Payable	5.79%	2008	125,896
Compensated Absences	N/A	N/A	N/A
Total Governmental Activities			
<b>Business-Type Activities</b>			
Capital Lease Payable	5.50%	2007	186,572
Compensated Absences	N/A	N/A	N/A
Total Business-Type Activities			
Total Debt			

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

Year Ending June 30,	Business-Type Activities		
	Lease		
	Future Minimum Lease Payments	Principal	Interest
2006	\$ 52,068	\$ 47,850	\$ 4,218
2007	52,068	50,550	1,518
2008	-	-	-
2009	-	-	-
2010	-	-	-
2011-2015	-	-	-
2016-2020	-	-	-
2021-2025	-	-	-
2026-2030	-	-	-
	<u>\$ 104,136</u>	<u>\$ 98,400</u>	<u>\$ 5,736</u>

<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>	<u>Due in</u> <u>2005-2006</u>
\$ 13,397,540	\$ 722,971	\$ 3,715,000	\$ 10,405,511	\$ 3,720,000
615,000	-	615,000	-	-
6,740,000	-	325,000	6,415,000	340,000
4,595,000	-	55,000	4,540,000	55,000
1,220,000	-	-	1,220,000	-
23,029,948	1,493,981	-	24,523,929	-
92,995,000	-	-	92,995,000	-
(479,683)	-	(87,885)	(391,798)	-
-	125,896	3,210	122,686	39,757
142,112,805	2,342,848	4,625,325	139,830,328	4,154,757
359,361	269,763	252,445	376,679	250,000
142,472,166	2,612,611	4,877,770	140,207,007	4,404,757
143,695	-	45,295	98,400	47,850
56,710	46,359	52,196	50,873	50,000
200,405	46,359	97,491	149,273	97,850
\$ 142,672,571	\$ 2,658,970	\$ 4,975,261	\$ 140,356,280	\$ 4,502,607

**Governmental Activities**

<u>Bonds</u>		<u>Lease</u>		
<u>Principal</u>	<u>Interest</u>	<u>Future Minimum</u> <u>Lease Payments</u>	<u>Principal</u>	<u>Interest</u>
\$ 4,115,000	\$ 5,351,611	\$ 45,817	\$ 39,757	\$ 6,060
4,215,591	5,583,831	45,816	42,121	3,695
4,374,920	5,781,148	41,999	40,808	1,191
3,835,000	5,160,278	-	-	-
4,015,000	4,964,248	-	-	-
15,252,199	29,248,085	-	-	-
15,590,369	37,136,488	-	-	-
33,696,361	22,678,752	-	-	-
55,005,000	7,497,318	-	-	-
\$ 140,099,440	\$ 123,401,759	\$ 133,632	\$ 122,686	\$ 10,946



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

**NOTE E - FLEXIBLE COMPENSATION PLAN**

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

**NOTE F - INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances (amounts paid on behalf of other funds) as of June 30, 2005 is as follows:

**Due To/From Other Funds**

<u><b>Receivable Fund</b></u>	<u><b>Payable Fund</b></u>	<u><b>Amount</b></u>
Debt Service Fund	General Fund	\$ 33,566
Golf Courses Enterprise Fund	General Fund	82,317
Insurance Internal Service Fund	General Fund	455,227
Insurance Internal Service Fund	Capital Projects Fund	51,449
		<u><u>\$ 622,559</u></u>

**Internal Balances**

<u><b>Receivable Fund</b></u>	<u><b>Payable Fund</b></u>	<u><b>Amount</b></u>
Golf Courses Enterprise Fund	General Fund	\$ 82,317
Effects of Internal Service Fund activity		(69,134)
		<u><u>\$ 13,183</u></u>

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

Interfund transfers for the year ended June 30, 2005 consisted of the following:

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

<u>Transfers In</u>			
	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Insurance Internal Service Fund</u>
			<u>Total</u>
<b>Transfers Out:</b>			
<b>General Fund</b>	<b><u>\$7,750,000</u></b>	<b><u>\$1,000,000</u></b>	<b><u>\$250,000</u></b>
			<b><u>\$9,000,000</u></b>

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

**NOTE G - RETIREMENT PLAN**

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

**Funding Policy:** All of the employees of the Authority are under the employer pay contribution plan, where the Authority is required to contribute all amounts due under the plan. The contribution requirements of the Authority are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be amended through legislation. The Authority's contribution rates based on employee members covered payroll and amounts contributed (equal to the required contributions) for the last three years are as follows:

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

<u>Fiscal Year</u>	<u>Contribution Rates</u>	<u>Total Contributions</u>
2004-05	20.25%	\$1,440,646
2003-04	20.25%	1,189,749
2002-03	18.75%	1,176,406

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

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

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

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

As of June 30, 2005, 26 retirees, 3 retiree survivors, and eligible dependents were participating in the Authority's health insurance program. Of the \$162,818 total premium costs for these participants, the Authority funded \$61,466 in the current fiscal year. Premium payments are funded by operating resources as incurred and no provision has been made to permanently fund future liabilities.

**NOTE I – INSURANCE**

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

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

**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2005**  
**(Continued)**

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

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

	<u>Workers'</u> <u>Compensation Claims</u>
Claims liability, July 1, 2003	\$ 116,762
Claims and changes in estimates	36,681
Claims payments	<u>(45,095)</u>
Claims liability, June 30, 2004	108,348
Claims and changes in estimates	89,549
Claims payments	<u>(62,079)</u>
Claims liability, June 30, 2005	<u>\$ 135,818</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 J – COMPLIANCE WITH NEVADA REVISED STATUTES AND NEVADA  
ADMINISTRATIVE CODE**

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

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, 2005  
(with comparative actual amounts for the year ended June 30, 2004)

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 366,696	\$ 366,696	\$ 475,541	\$ 108,845	\$ 503,120
<b>EXPENDITURES</b>					
Debt service					
Principal	4,395,000	4,395,000	4,710,000	(315,000)	4,515,000
Interest	5,396,291	5,396,291	5,391,921	4,370	5,433,620
	9,791,291	9,791,291	10,101,921	(310,630)	9,948,620
Other bond costs					
Administrative fees	8,000	8,000	13,164	(5,164)	5,255
Total expenditures	9,799,291	9,799,291	10,115,085	(315,794)	9,953,875
Excess (deficiency) of revenues over expenditures	(9,432,595)	(9,432,595)	(9,639,544)	(206,949)	(9,450,755)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	8,500,000	8,500,000	7,750,000	(750,000)	9,000,000
Net change in fund balances	(932,595)	(932,595)	(1,889,544)	(956,949)	(450,755)
<b>FUND BALANCE, JULY 1</b>	15,707,155	15,707,155	16,350,560	643,405	16,801,315
<b>FUND BALANCE, JUNE 30</b>	\$ 14,774,560	\$ 14,774,560	\$ 14,461,016	\$ (313,544)	\$ 16,350,560

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, 2005  
(with comparative actual amounts for the year ended June 30, 2004)

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
<b>REVENUES</b>					
Miscellaneous					
Interest on investments	\$ 63,000	\$ 63,000	\$ 69,039	\$ 6,039	\$ 95,006
<b>EXPENDITURES</b>					
Capital outlay	3,150,000	3,150,000	2,089,017	1,060,983	5,597,207
Excess (deficiency) of revenues over expenditures	(3,087,000)	(3,087,000)	(2,019,978)	1,067,022	(5,502,201)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	200,000	200,000	1,000,000	800,000	2,000,000
Issuance of capital lease	-	-	125,896	125,896	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	200,000	200,000	1,125,896	925,896	2,000,000
Net change in fund balances	(2,887,000)	(2,887,000)	(894,082)	1,992,918	(3,502,201)
<b>FUND BALANCE, JULY 1</b>	2,890,821	2,890,821	1,945,521	(945,300)	5,447,722
<b>FUND BALANCE, JUNE 30</b>	\$ 3,821	\$ 3,821	\$ 1,051,439	\$ 1,047,618	\$ 1,945,521



RENO-SPARKS CONVENTION & VISITORS AUTHORITY

GOLF COURSES ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2005  
(with comparative actual amounts for the year ended June 30, 2004)

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Golf course operations	\$ 2,832,842	\$ 2,832,842	\$ 2,644,998	\$ (187,844)	\$ 3,044,028
<b>OPERATING EXPENSES</b>					
Salaries and wages	1,266,038	1,266,038	1,101,825	164,213	1,122,579
Employee benefits	387,149	387,149	374,484	12,665	378,401
Services and supplies	1,331,522	1,331,522	1,317,860	13,662	1,268,650
Depreciation	494,832	494,832	496,985	(2,153)	510,572
<b>TOTAL OPERATING EXPENSES</b>	<u>3,479,541</u>	<u>3,479,541</u>	<u>3,291,154</u>	<u>188,387</u>	<u>3,280,202</u>
<b>OPERATING INCOME (LOSS)</b>	(646,699)	(646,699)	(646,156)	543	(236,174)
<b>NONOPERATING REVENUE (EXPENSES)</b>					
Interest expense	(7,200)	(7,200)	(6,773)	427	(9,191)
<b>CHANGE IN NET ASSETS</b>	<u>\$ (653,899)</u>	<u>\$ (653,899)</u>	<u>(652,929)</u>	<u>\$ 970</u>	<u>(245,365)</u>
<b>NET ASSETS, JULY 1</b>			<u>3,395,475</u>		<u>3,640,840</u>
<b>NET ASSETS, JUNE 30</b>			<u>\$ 2,742,546</u>		<u>\$ 3,395,475</u>

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2005  
(with comparative actual amounts for the year ended June 30, 2004)  
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	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
<b>CASH FLOWS FROM</b>					
<b>OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 2,832,842	\$ 2,832,842	\$ 2,655,693	\$ (177,149)	\$ 3,058,946
Cash paid for employees services	(1,266,038)	(1,266,038)	(1,342,369)	(76,331)	(1,339,854)
Cash payments for quasi-external operating transactions with other funds	(150,000)	(150,000)	(162,379)	(12,379)	(168,475)
Cash paid to vendors for services and supplies	(1,568,671)	(1,568,671)	(1,437,551)	131,120	(1,212,270)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(151,867)</b>	<b>(151,867)</b>	<b>(286,606)</b>	<b>(134,739)</b>	<b>338,347</b>
<b>CASH FLOWS FROM NONCAPITAL</b>					
<b>FINANCING ACTIVITIES</b>					
Cash received from other funds	625,000	625,000	-	(625,000)	-
Cash received from (advanced to) other funds	-	-	523,531	523,531	(86,461)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL</b>	<b>625,000</b>	<b>625,000</b>	<b>523,531</b>	<b>(101,469)</b>	<b>(86,461)</b>
<b>CASH FLOWS FROM CAPITAL AND</b>					
<b>RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(400,000)	(400,000)	(181,966)	218,034	(213,402)
Payment of interest	(7,200)	(7,200)	(6,773)	427	(9,191)
Principal payments on capital lease	(52,000)	(52,000)	(45,295)	6,705	(42,877)
<b>NET CASH PROVIDED (USED) BY CAPITAL</b>	<b>(459,200)</b>	<b>(459,200)</b>	<b>(234,034)</b>	<b>225,166</b>	<b>(265,470)</b>
<b>AND RELATED FINANCING ACTIVITIES</b>					
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>13,933</b>	<b>13,933</b>	<b>2,891</b>	<b>(11,042)</b>	<b>(13,584)</b>
<b>CASH AND INVESTMENTS, JULY 1</b>	<b>83,012</b>	<b>83,012</b>	<b>25,586</b>	<b>(57,426)</b>	<b>39,170</b>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<b>\$ 96,945</b>	<b>\$ 96,945</b>	<b>\$ 28,477</b>	<b>\$ (68,468)</b>	<b>\$ 25,586</b>
<b>NONCASH INVESTING AND FINANCING ACTIVITIES</b>					
Acquisition of capital assets through trades			\$ -		\$ 26,666

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2005  
(with comparative actual amounts for the year ended June 30, 2004)  
Page 2 of 2

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (646,699)	\$ (646,699)	\$ (646,156)	\$ 543	\$ (236,174)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	494,832	494,832	496,985	2,153	510,572
(Increase) decrease					
Accounts receivable	-	-	7,642	7,642	25,024
Inventory	-	-	(15,860)	(15,860)	(28,346)
Increase (decrease)					
Accounts payable	-	-	(103,831)	(103,831)	84,726
Accrued liabilities	-	-	(22,602)	(22,602)	(6,410)
Deferred revenue	-	-	3,053	3,053	(10,106)
Compensated absences payable	-	-	(5,837)	(5,837)	(939)
Total adjustments	494,832	494,832	359,550	(135,282)	574,521
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (151,867)	\$ (151,867)	\$ (286,606)	\$ (134,739)	\$ 338,347

RENO-SPARKS CONVENTION & VISITORS AUTHORITY

INSURANCE INTERNAL SERVICE FUND  
SCHEDULE OF NET ASSETS

JUNE 30, 2005  
(with comparative totals at June 30, 2004)

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	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
Current assets		
Cash and investments	\$ 57,931	\$ 24,739
Prepaid expenses	115,958	91,553
Due from other funds	<u>506,676</u>	<u>368,540</u>
<b>TOTAL ASSETS</b>	<u>680,565</u>	<u>484,832</u>
 <b>LIABILITIES</b>		
Current liabilities		
Accounts payable	3,785	2,735
Accrued liabilities	<u>156,676</u>	<u>108,348</u>
<b>TOTAL LIABILITIES</b>	<u>160,461</u>	<u>111,083</u>
 <b>NET ASSETS</b>		
Restricted for claims	<u>\$ 520,104</u>	<u>\$ 373,749</u>

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

**FOR THE YEAR ENDED JUNE 30, 2005**  
**(with comparative actual amounts for the year ended June 30, 2004)**

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
<b>OPERATING REVENUES</b>					
Charges for benefits	\$ 1,397,324	\$ 1,397,324	\$ 1,432,916	\$ 35,592	\$ 1,328,802
<b>OPERATING EXPENSES</b>					
Insurance and claims	1,502,680	1,502,680	1,520,085	(17,405)	1,418,769
Administrative expenses	14,800	14,800	16,476	(1,676)	16,515
<b>TOTAL OPERATING EXPENSES</b>	<u>1,517,480</u>	<u>1,517,480</u>	<u>1,536,561</u>	<u>(19,081)</u>	<u>1,435,284</u>
<b>OPERATING INCOME (LOSS)</b>	(120,156)	(120,156)	(103,645)	16,511	(106,482)
<b>TRANSFERS IN (OUT)</b>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>200,000</u>
<b>CHANGE IN NET ASSETS</b>	\$ <u>129,844</u>	\$ <u>129,844</u>	146,355	\$ <u>16,511</u>	93,518
<b>NET ASSETS, JULY 1</b>			<u>373,749</u>		<u>280,231</u>
<b>NET ASSETS, JUNE 30</b>			\$ <u>520,104</u>		\$ <u>373,749</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, 2005  
(with comparative actual amounts for the year ended June 30, 2004)  
Page 1 of 2

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Budget	Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from users	\$ 347,324	\$ 347,324	\$ 271,113	\$ (76,211)	\$ 272,964
Cash received from quasi-external operating transactions with other funds	1,050,000	1,050,000	1,161,803	111,803	1,055,838
Cash paid to vendors for services and supplies	(1,517,480)	(1,517,480)	(1,511,588)	5,892	(1,445,705)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(120,156)</u>	<u>(120,156)</u>	<u>(78,672)</u>	<u>41,484</u>	<u>(116,903)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	250,000	250,000	250,000	-	200,000
Cash advanced to other funds	-	-	(138,136)	(138,136)	(71,793)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>250,000</u>	<u>250,000</u>	<u>111,864</u>	<u>(138,136)</u>	<u>128,207</u>
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	129,844	129,844	33,192	(96,652)	11,304
<b>CASH AND INVESTMENTS, JULY 1</b>	<u>187,370</u>	<u>187,370</u>	<u>24,739</u>	<u>(162,631)</u>	<u>13,435</u>
<b>CASH AND INVESTMENTS, JUNE 30</b>	<u>\$ 317,214</u>	<u>\$ 317,214</u>	<u>\$ 57,931</u>	<u>\$ (259,283)</u>	<u>\$ 24,739</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, 2005  
(with comparative actual amounts for the year ended June 30, 2004)  
Page 2 of 2

	2005 Budget Amount		2005		2004
	Original	Final	Actual	Variance to Final Budget	Actual
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (120,156)	\$ (120,156)	\$ (103,645)	\$ 16,511	\$ (106,482)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
(Increase) decrease					
Prepaid expenses	-	-	(24,405)	(24,405)	(2,881)
Increase (decrease)					
Accounts payable	-	-	1,050	1,050	874
Accrued liabilities	-	-	48,328	48,328	(8,414)
Total adjustments	-	-	24,973	24,973	(10,421)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (120,156)	\$ (120,156)	\$ (78,672)	\$ 41,484	\$ (116,903)



**RENO-SPARKS CONVENTION & VISITORS AUTHORITY**  
**FLEXIBLE COMPENSATION PLAN AGENCY FUND**  
**SCHEDULE OF CHANGES IN AGENCY FUND ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<b>ASSETS</b>				
Cash and investments				
Flexible compensation plan	\$ 35,443	\$ 202,924	\$ 218,406	\$ 19,961
Total assets	<u>\$ 35,443</u>	<u>\$ 202,924</u>	<u>\$ 218,406</u>	<u>\$ 19,961</u>
 <b>LIABILITIES</b>				
Benefits payable				
Flexible compensation plan	\$ 35,443	\$ 202,924	\$ 218,406	\$ 19,961
Total liabilities	<u>\$ 35,443</u>	<u>\$ 202,924</u>	<u>\$ 218,406</u>	<u>\$ 19,961</u>

See accompanying notes.

**Reno-Sparks Convention & Visitors Authority**  
**Government-Wide Expenses By Function**  
**For The Years Ended June 30, 2003 through 2005**  
(Unaudited)

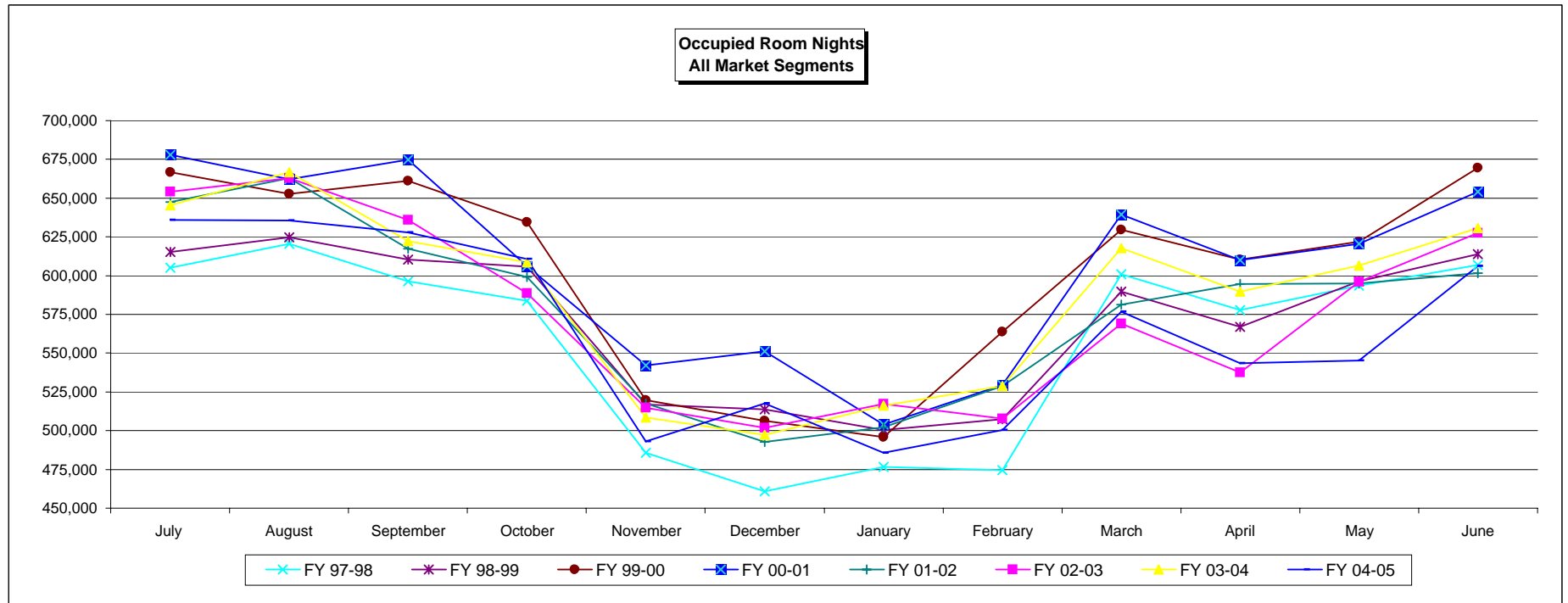
	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government	\$ 3,297,097	\$ 2,920,705	\$ 2,791,974
Community Support	25,307,919	22,739,585	23,818,639
Debt Service:			
Interest and Fiscal Charges	7,683,781	7,843,794	7,391,061
Total Governmental Activities	<u>36,288,797</u>	<u>33,504,084</u>	<u>34,001,674</u>
 Golf Courses	 3,311,425	 3,304,888	 3,799,637
Total Business-type Activities	<u>3,311,425</u>	<u>3,304,888</u>	<u>3,799,637</u>
 <b>Total Expenses</b>	 <u><u>\$ 39,600,222</u></u>	 <u><u>\$ 36,808,972</u></u>	 <u><u>\$ 37,801,311</u></u>

**Reno-Sparks Convention & Visitors Authority**  
**Government-Wide Revenues**  
**For The Years Ended June 30, 2003 through 2005**  
(Unaudited)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Program Revenues</b>			
Charges for Services	\$ 10,271,838	\$ 11,210,467	\$ 9,549,992
Operating Grants and Contributions	544,580	598,126	862,083
Capital Grants and Contributions	455,132	-	-
Total Program Revenues	<u>11,271,550</u>	<u>11,808,593</u>	<u>10,412,075</u>
<b>General Revenues</b>			
Room Taxes, Penalties and Interest	23,775,071	23,638,425	22,084,691
Unrestricted Investment and Interest Earnings	86,933	18,227	26,095
Miscellaneous	11,390	8,884	10,698
Total General Revenues	<u>23,873,394</u>	<u>23,665,536</u>	<u>22,121,484</u>
<b>Total Revenues</b>	<u><u>\$ 35,144,944</u></u>	<u><u>\$ 35,474,129</u></u>	<u><u>\$ 32,533,559</u></u>

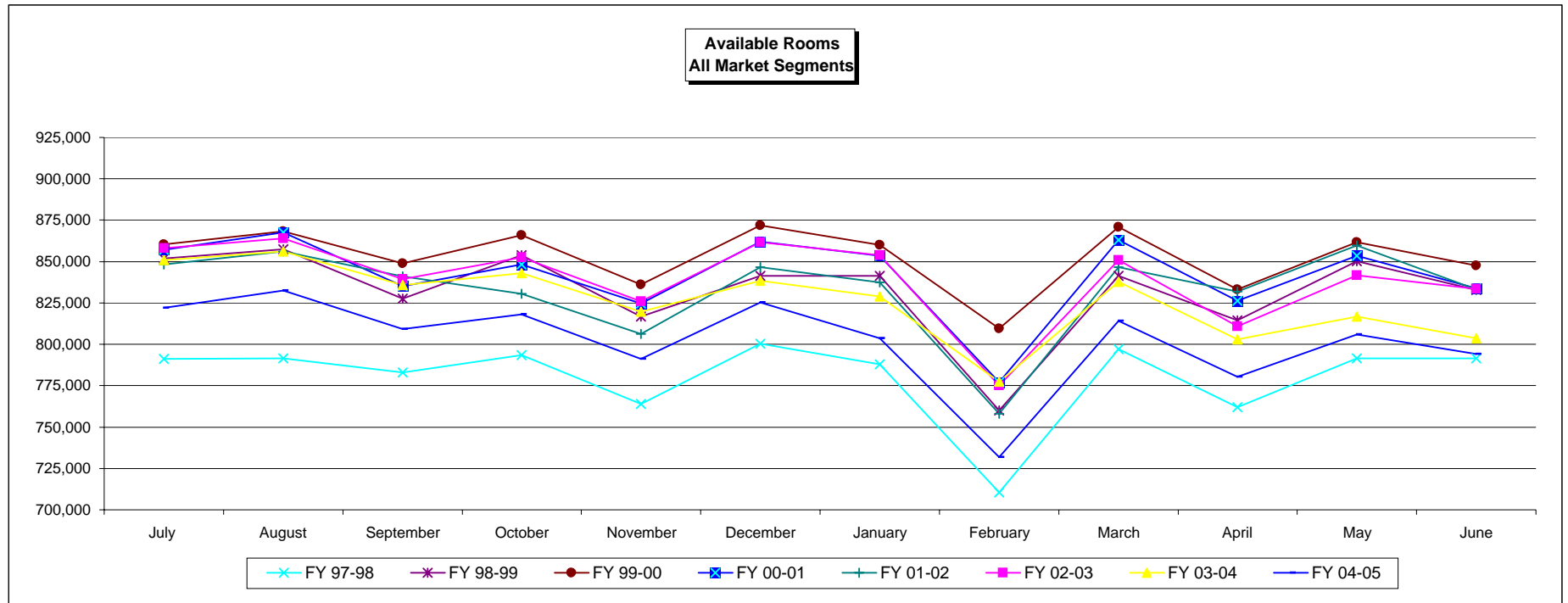
**Reno - Sparks Convention & Visitors Authority**  
**Occupied Rooms-Consolidated Summary**  
**Trend**  
**(Unaudited)**

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



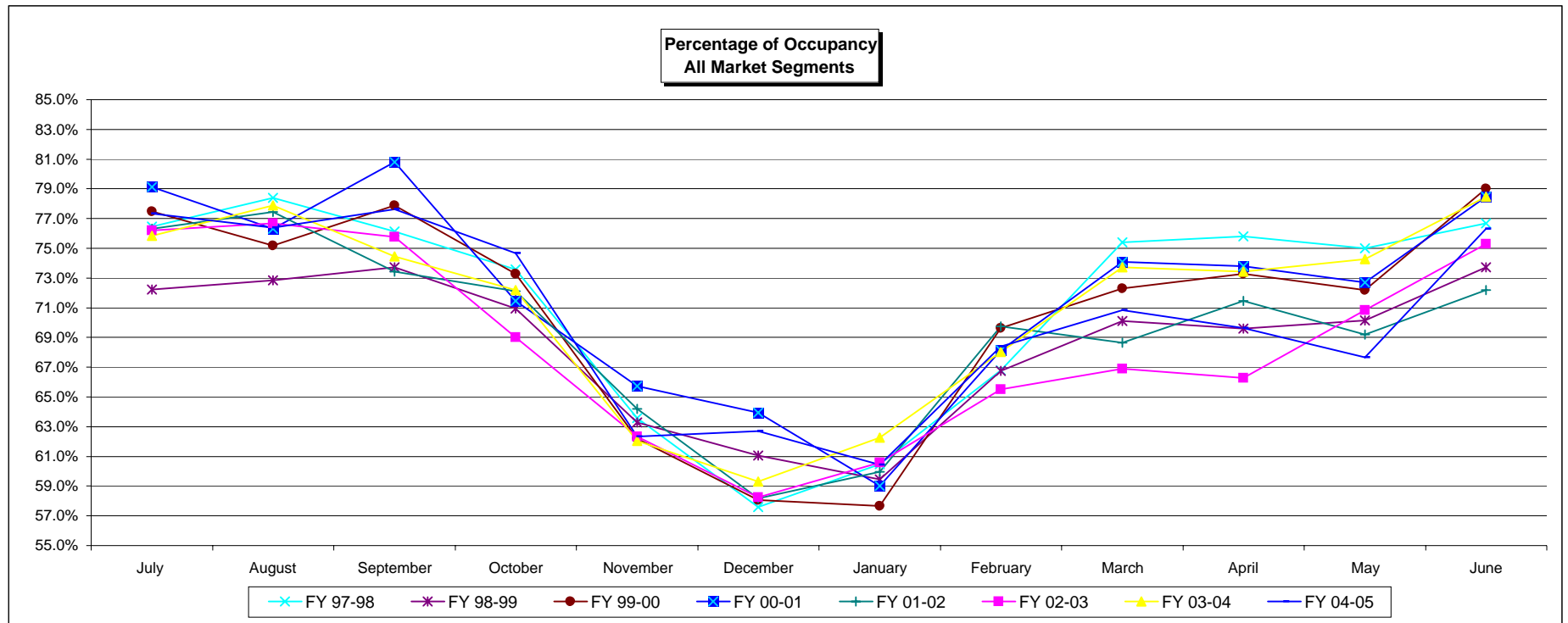
**Reno - Sparks Convention & Visitors Authority**  
**Available Rooms-Consolidated Summary**  
**Trend**  
**(Unaudited)**

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



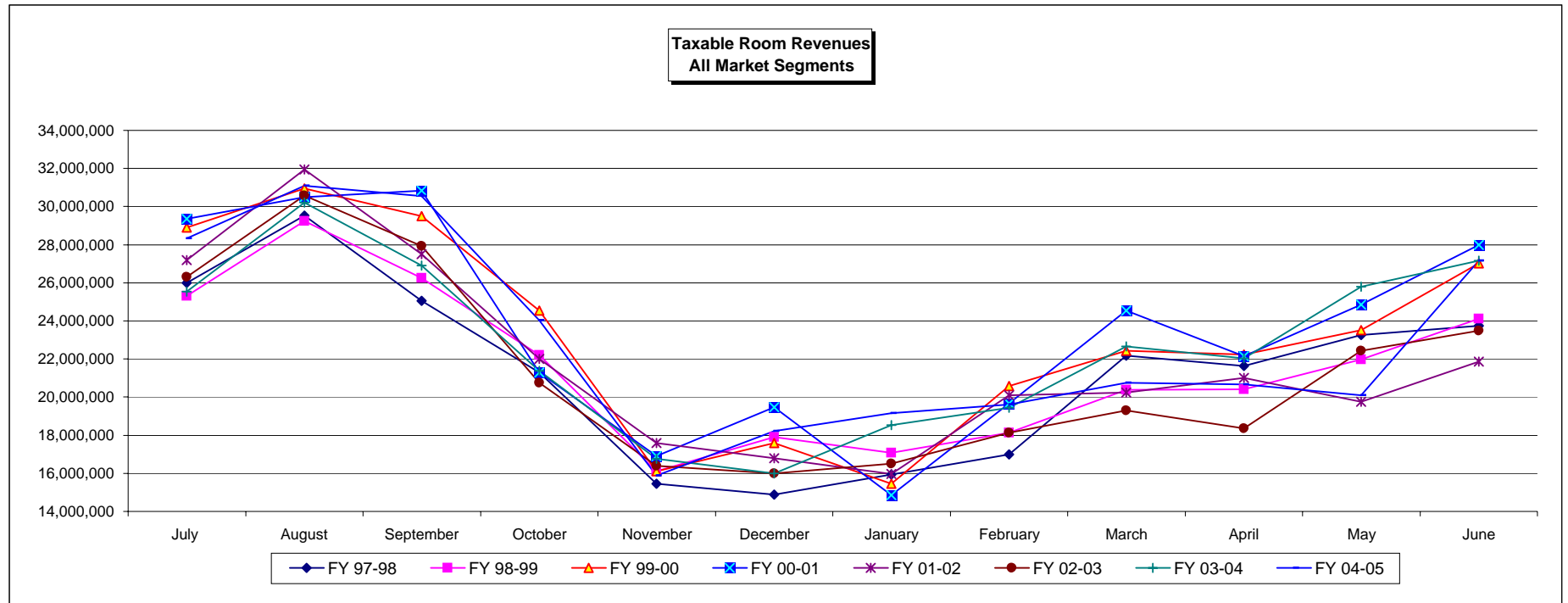
**Reno - Sparks Convention & Visitors Authority  
Percentage of Occupancy-Consolidated Summary  
Trend  
(Unaudited)**

Month	Actual							
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05
July	76.5%	72.2%	77.5%	79.1%	76.3%	76.2%	75.8%	77.3%
August	78.4%	72.9%	75.2%	76.3%	77.5%	76.7%	77.9%	76.4%
September	76.1%	73.7%	77.9%	80.8%	73.4%	75.8%	74.4%	77.6%
October	73.6%	70.9%	73.3%	71.4%	72.1%	69.0%	72.2%	74.7%
November	63.6%	63.3%	62.2%	65.7%	64.2%	62.3%	62.0%	62.3%
December	57.6%	61.1%	58.1%	63.9%	58.2%	58.2%	59.3%	62.7%
January	60.5%	59.5%	57.7%	59.0%	60.0%	60.6%	62.3%	60.4%
February	66.8%	66.8%	69.6%	68.2%	69.7%	65.5%	68.0%	68.4%
March	75.4%	70.1%	72.3%	74.1%	68.7%	66.9%	73.7%	70.9%
April	75.8%	69.6%	73.3%	73.8%	71.5%	66.3%	73.4%	69.6%
May	75.0%	70.2%	72.2%	72.7%	69.2%	70.8%	74.3%	67.7%
June	76.7%	73.7%	79.0%	78.5%	72.2%	75.3%	78.5%	76.3%
Totals	71.4%	68.7%	70.7%	72.0%	69.4%	68.7%	71.0%	70.4%



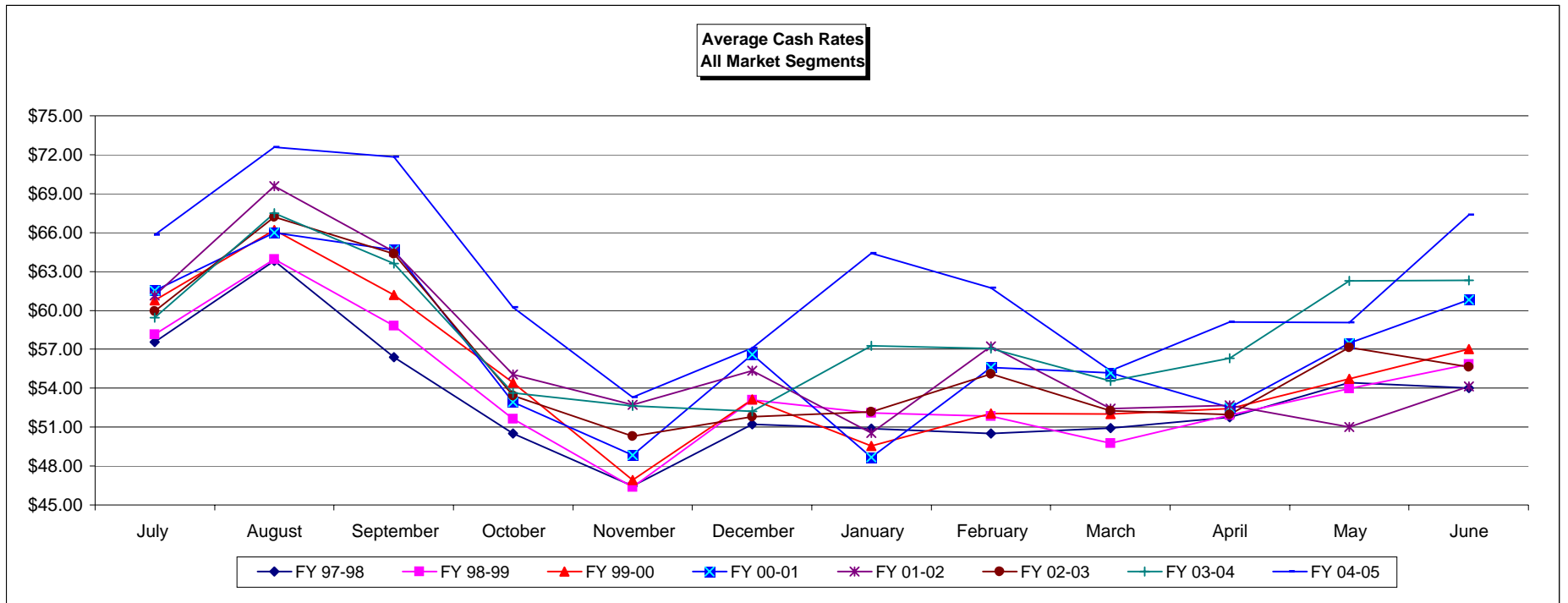
**Reno - Sparks Convention & Visitors Authority**  
**Taxable Room Revenues-Consolidated Summary**  
**Trend**  
**(Unaudited)**

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



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

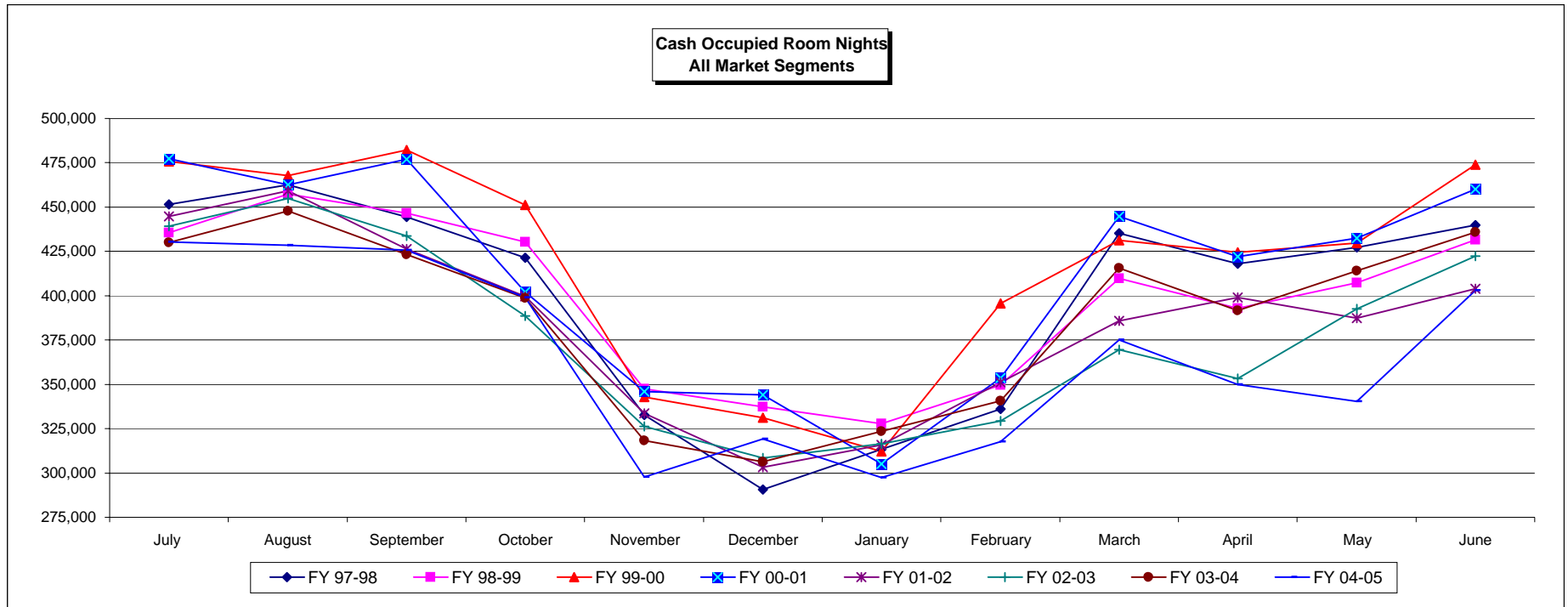
Month	Actual							
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05
July	\$ 57.56	\$ 58.14	\$ 60.77	\$ 61.53	\$ 61.14	\$ 59.92	\$ 59.43	\$ 65.83
August	\$ 63.83	\$ 63.96	\$ 66.21	\$ 65.98	\$ 69.56	\$ 67.21	\$ 67.49	\$ 72.58
September	\$ 56.38	\$ 58.79	\$ 61.17	\$ 64.66	\$ 64.51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





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

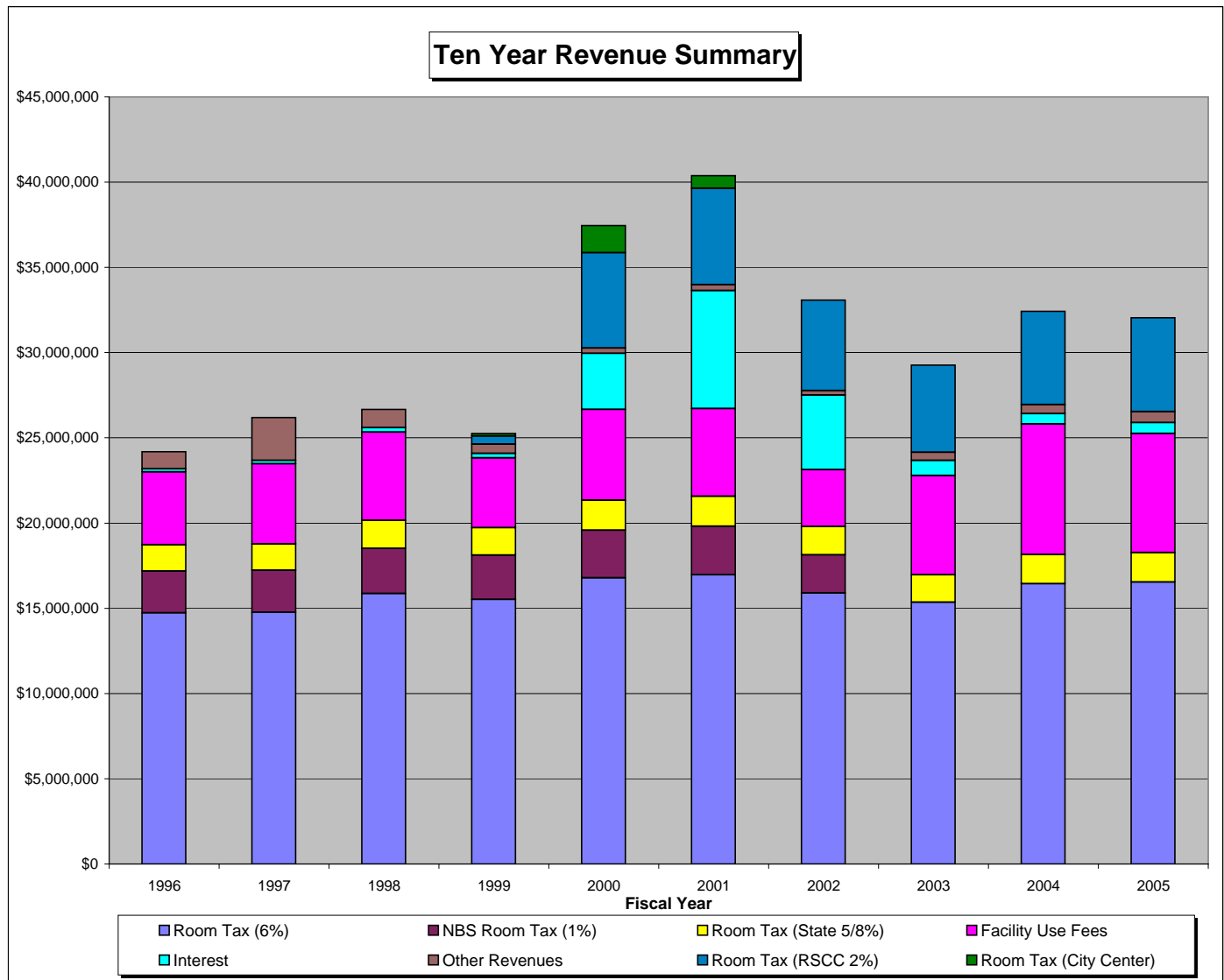
Month	Actual							
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05
July	451,432	435,478	475,813	477,320	444,827	439,281	429,933	430,227
August	462,643	457,404	467,645	462,420	459,288	454,962	447,815	428,414
September	444,422	446,656	482,168	476,884	426,423	433,840	423,286	425,583
October	421,322	430,182	451,046	402,174	399,728	388,565	398,591	398,934
November	332,708	347,481	342,956	345,835	333,637	326,143	318,209	297,721
December	290,721	337,290	331,155	344,181	303,238	308,448	306,264	319,218
January	313,304	327,745	312,206	305,154	315,951	316,539	323,615	297,524
February	336,181	349,672	395,702	353,596	351,056	329,247	340,711	317,577
March	435,223	409,801	431,302	444,827	385,940	369,414	415,522	375,062
April	418,175	392,965	424,348	421,887	398,934	353,208	391,651	349,746
May	427,283	407,246	429,607	432,433	387,403	392,547	413,939	340,239
June	439,691	431,491	473,961	460,188	403,910	422,321	435,968	403,083
Totals	4,773,105	4,773,411	5,017,909	4,926,899	4,610,335	4,534,515	4,645,504	4,383,328



**Reno-Sparks Convention & Visitors Authority**  
**Revenues By Source - All Governmental Fund Types**  
**Last Ten Fiscal Years**  
(Unaudited)

Fiscal Year	Room Tax (Net 6%) (1)	Room Tax (State 5/8%) (2)	Room Tax (NBS 1%) (3)	Room Tax (RSCC 2%) (4)	Room Tax (City Center) (5)	Facility Use Fees	Interest	Other Revenues	Total Revenues
1996	\$ 14,724,686	\$ 1,533,822	\$ 2,461,885	\$ -	\$ -	\$ 4,275,977	\$ 185,153	\$ 999,729	\$ 24,181,252
1997	14,768,797	1,538,423	2,469,606	-	-	4,709,134	188,869	2,522,663	26,197,492
1998	15,859,819	1,651,631	2,650,367	-	-	5,176,942	254,765	1,069,999	26,663,523
1999	15,520,907	1,616,761	2,595,468	478,943	144,983	4,095,018	250,299	555,523	25,257,902
2000	16,779,812	1,747,897	2,805,008	5,593,265	1,586,183	5,342,047	3,276,472	320,061	37,450,745
2001	16,970,049	1,767,713	2,840,479	5,656,676	738,006	5,143,684	6,914,582	349,891	40,381,080
2002	15,895,104	1,655,736	2,238,112	5,298,363	-	3,351,522	4,371,330	265,526	33,075,694
2003	15,362,980	1,600,310	-	5,120,993	-	5,821,904	888,178	471,959	29,266,324
2004	16,444,122	1,712,929	-	5,481,374	-	7,648,105	616,353	527,218	32,430,101
2005	16,539,180	1,722,831	-	5,513,060	-	6,995,470	631,513	642,760	32,044,814

- (1) This is a 6% tax imposed by local political subdivisions of Washoe County, Reno and Sparks. The entire amount is collected and administered by the Authority.
- (2) This is a 1% tax imposed by the State of Nevada. The entire amount is collected by the Authority. The proceeds are then allocated between the State and the Authority on a 3/8% and 5/8% basis, respectively. The Authority's share is restricted to use for promotion of tourism and special events.
- (3) This is a 1% tax imposed by the State of Nevada. The entire amount is collected and administered by the Authority. The proceeds are restricted and can only be used for the operations or payment of debt service associated with the National Bowling Stadium. Taxes transferred upon sale of the Stadium during 2002.
- (4) This is a 2% tax imposed by the State of Nevada. The entire amount is collected and administered by the Authority. The proceeds are restricted and can only be used for the operations or payment of debt service associated with the Reno-Sparks Convention Center. (Imposed June 1999)
- (5) This is a tax imposed for the purpose of building a multi-purpose facility in downtown Reno. The Authority retained the funds until a capital improvement plan was agreed upon and the methods in which the project will be funded had been identified. (Imposed June 1999; Retained through October 2000)

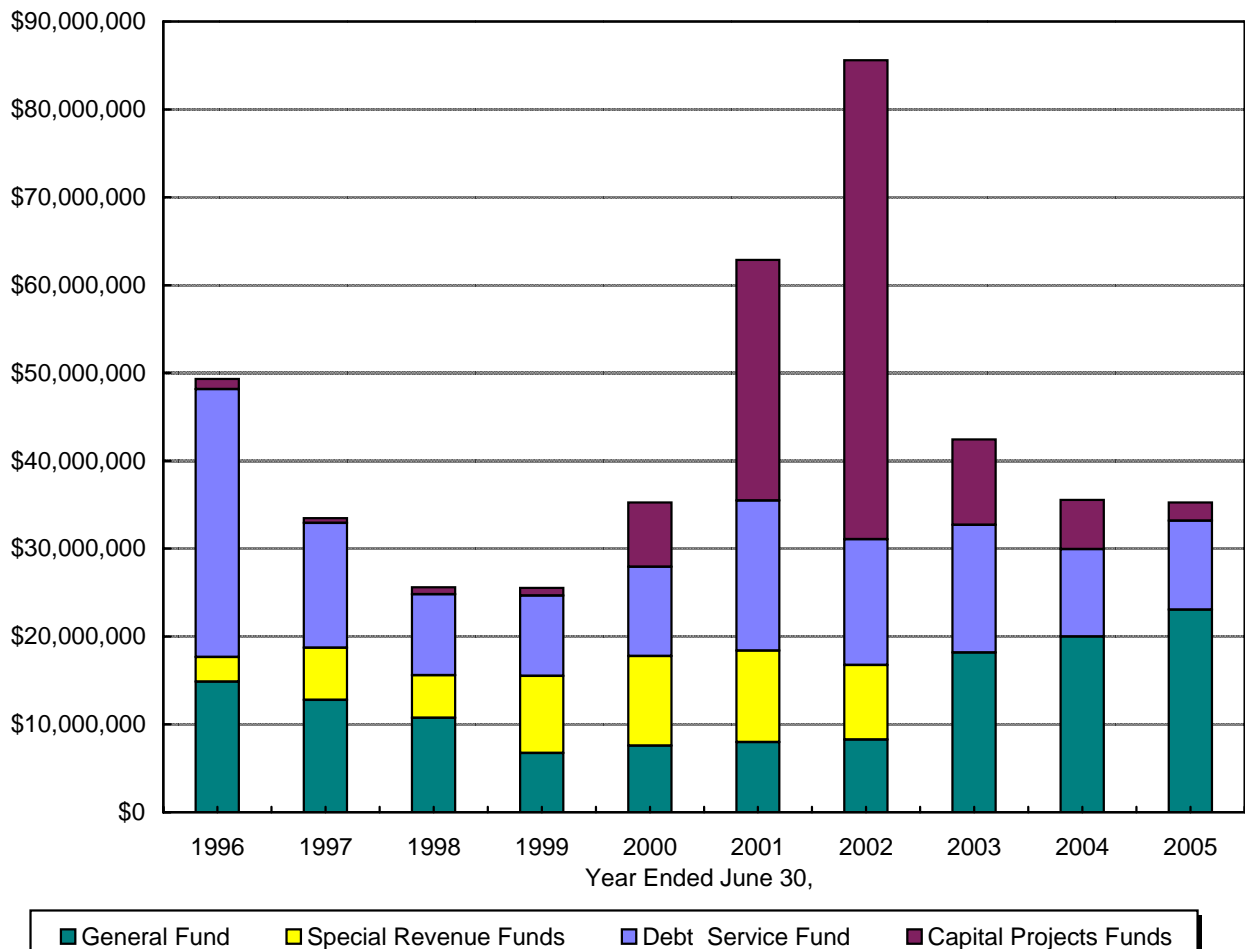


Source: Reno-Sparks Convention & Visitors Authority

**Reno-Sparks Convention & Visitors Authority**  
**Total Expenditures - All Governmental Fund Types**  
**Last Ten Fiscal Years**  
(Unaudited)

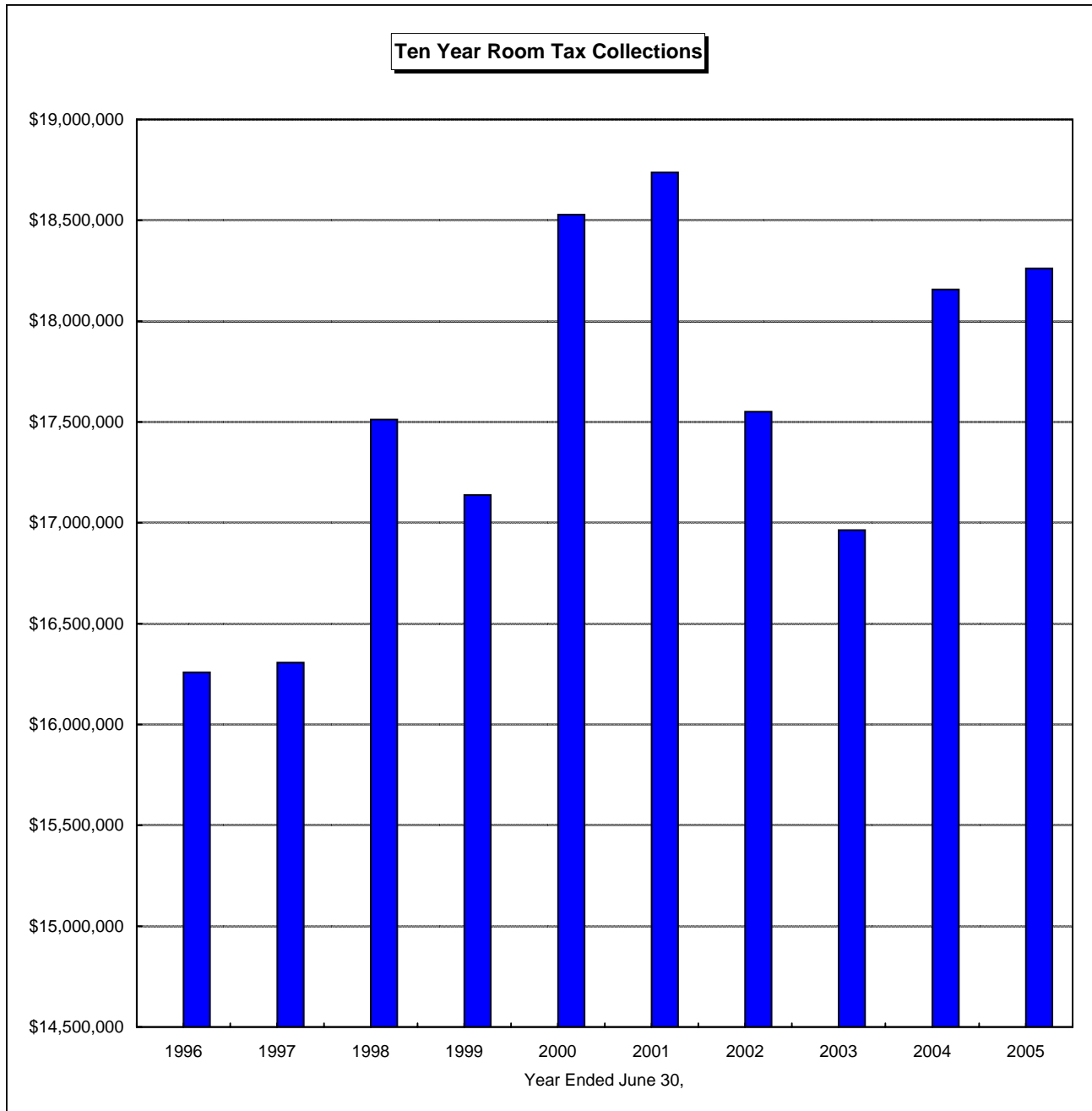
Fiscal Year	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Expenditures
1996	\$ 14,861,123	\$ 2,814,786	\$ 30,478,449	\$ 1,179,155	\$ 49,333,513
1997	12,787,188	5,922,627	14,221,535	529,128	33,460,478
1998	10,761,279	4,844,796	9,204,022	788,664	25,598,761
1999	6,729,185	8,774,456	9,142,126	886,495	25,532,262
2000	7,592,102	10,174,823	10,153,123	7,353,284	35,273,332
2001	7,990,936	10,393,805	17,077,909	27,398,418	62,861,068
2002	8,259,992	8,485,490	14,322,216	54,531,780	85,599,478
2003	18,168,973	-	14,532,093	9,736,953	42,438,019
2004	19,991,254	-	9,953,875	5,597,207	35,542,336
2005	23,052,813	-	10,115,085	2,089,017	35,256,915

**Total Expenditures All Governmental Fund Types**  
Last Ten Fiscal Years



Source: Reno-Sparks Convention & Visitors Authority

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

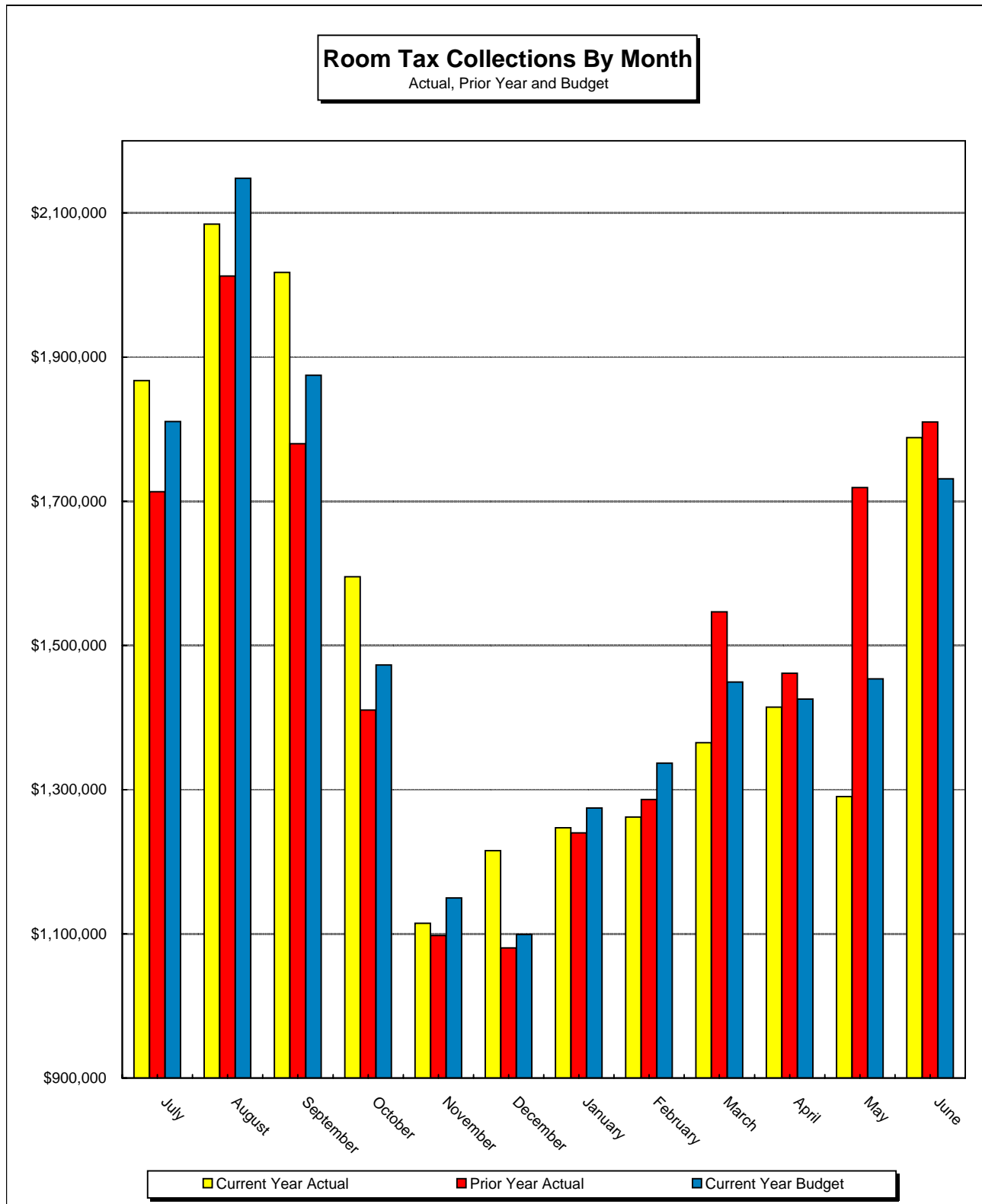


General Room Tax is the combination of a 6% tax imposed by the local political subdivisions of Washoe County, Reno and Sparks, and the 5/8% imposed by the State of Nevada Department of Taxation that is retained by the Authority. It is the principal source of operating revenues.

1996	\$	16,258,508	2001	\$	18,737,762
1997		16,307,220	2002		17,550,841
1998		17,511,450	2003		16,963,290
1999		17,137,668	2004		18,157,051
2000		18,527,709	2005		18,262,011

Source: Reno-Sparks Convention & Visitors Authority

**Reno-Sparks Convention & Visitors Authority**  
**General Room Tax (6 5/8%) Collections**  
**Fiscal Year 2004-05**  
(Unaudited)



Source: Reno-Sparks Convention & Visitors Authority

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
 PRINCIPAL ROOM TAXPAYERS  
 June 30, 2005  
 (Unaudited)

<u>Name</u>	<u>Number of Rooms</u>	<u>Percent of Total Rooms</u>
Reno Hilton	1,995	7.60%
Silver Legacy	1,710	6.51%
Circus Circus	1,572	5.99%
Nugget	1,407	5.36%
Peppermill Hotel/Casino	1,070	4.08%
Atlantis Hotel/Casino	980	3.73%
Harrah's	928	3.54%
Sands Regency	836	3.18%
Eldorado Hotel/Casino	816	3.11%
Golden Phoenix	604	2.30%
All Other Hotels	3,271	12.46%
Total All Hotels	15,189	57.86%
Motels	4,453	16.96%
Other Rental Properties	6,609	25.18%
<b>Total Room Inventory</b>	<b>26,251</b>	<b>100.00%</b>

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

Source: Reno-Sparks Convention & Visitors Authority

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
 TEN LARGEST ASSESSED VALUATIONS IN WASHOE COUNTY  
 As of June 30, 2005  
 (Unaudited)

<u>Company</u>	<u>Business</u>	<u>Assessed Valuation (thousands)</u>	<u>Percent of Total</u>
DP Industrial LLC	Warehousing	\$ 98,562	0.96%
Circus & Eldorado Joint Venture	Hotel-Casino	65,115	0.63%
Peppermill Casinos Inc.	Hotel-Casino	45,885	0.44%
Washoe Medical Center Inc.	Health-Medical	39,692	0.38%
Eldorado Resorts LLC	Hotel-Casino	38,707	0.38%
International Gaming Technology	Enterprise	34,430	0.33%
Golden Road Motor Inn Inc.	Hotel-Casino	33,912	0.33%
Harrah's Club	Hotel-Casino	31,390	0.30%
FHR Corporation	Hotel-Casino	25,921	0.25%
Lennar Reno LLC	Builders	25,451	0.25%
<b>Total - Ten Largest Taxpayers</b>		<u>439,065</u>	<u>4.26%</u>
<b>Total - All Other Taxpayers</b>		9,877,882	95.74%
<b>Total County Assessed Valuation</b>		<u><u>\$ 10,316,947</u></u>	<u><u>100.00%</u></u>

Source: Washoe County Assessor's Office.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year	Population	Per Capita Income	Median Age	School Enrollment	Unemployment Rate (Percent)	Total Personal Income (Thousands)	Total Labor Force	Construction Activity- Total Value (Thousands)	Number of New Family Units	Taxable Sales (Thousands)	Gross Gaming Win (Thousands)	Total Passenger Air Traffic
	(1)	(1)	(2)	(3)	(4)	(1)	(4)	(5)	(5)	(6)	(7)	(8)
2005	383,453	\$ 40,885	35.9	62,098	3.70%	\$ 16,649,471	209,200	\$ 397,535	1,195	\$ 6,660,263	\$ 1,016,864	5,097,170
2004	373,233	39,541	36.7	60,411	4.00%	15,373,473	206,591	345,640	1,011	6,003,368	1,011,658	4,918,829
2003	359,423	38,241	39.1	58,908	4.60%	14,195,266	196,424	305,249	1,217	5,475,602	1,032,988	4,514,225
2002	353,271	37,100	35.8	57,592	4.60%	13,420,229	189,400	294,356	1,439	5,280,706	1,049,152	4,485,369
2001	341,935	37,366	35.0	55,673	4.10%	13,139,838	180,800	290,588	1,372	5,213,742	1,113,315	5,332,435
2000	334,601	36,100	37.3	54,121	3.00%	12,322,546	176,200	255,049	1,094	4,957,235	1,121,396	5,947,055
1999	327,899	33,915	37.2	54,088	3.60%	11,288,186	180,300	201,975	1,180	4,669,485	1,038,805	6,318,665
1998	320,828	32,265	36.5	52,675	3.80%	10,475,446	173,100	181,656	1,204	4,359,038	1,009,353	7,047,660
1997	312,366	30,538	36.7	48,583	4.20%	9,656,578	174,100	198,656	1,219	4,207,682	976,026	6,914,216
1996	302,748	29,599	36.2	45,977	4.50%	9,088,227	166,200	195,612	1,373	4,030,257	994,832	6,178,341

The above estimates were obtained from:

- (1) Washoe County Department of Community Development, 1996 - 1998, 2000-2002.  
Bureau of Economic and Business Research, University of Nevada - Reno, 1999  
Nevada Department of Employment, Training & Rehabilitation, 2003-2004.  
Bureau of Economic Analysis, 2005.
- (2) Bureau of Economic and Business Research, University of Nevada - Reno, 1996 - 2004.  
CB Richard Ellis Demographic Report 2005.
- (3) Washoe County School District enrollments.
- (4) Nevada Department of Employment Security, 1996 - 2005.
- (5) Washoe County Building & Safety Division.
- (6) Bureau of Economic and Business Research, University of Nevada - Reno, 1996-1998  
State Department of Taxation 1999-2005.
- (7) Bureau of Economic and Business Research, University of Nevada - Reno, 1996-1998  
State of Nevada, Gaming Control Board, 1999-2005.
- (8) Bureau of Economic and Business Research, University of Nevada - Reno, 1996-2002  
Reno-Tahoe International Airport, 2003-2005.



RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
PROPERTY VALUE AND CONSTRUCTION  
WASHOE COUNTY  
LAST TEN FISCAL YEARS  
(Unaudited)

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Miscellaneous (1)		Property Value (2)		
	Number of Units	Value (Thousands)	Number of Units	Value (Thousands)	Number of Units	Value (Thousands)	Residential (Thousands)	Commercial (Thousands)	Industrial (Thousands)
2005	173	\$ 80,931	1,205	\$ 272,399	2,144	\$ 37,278	\$ 8,024,621	\$ 1,567,711	\$ 724,615
2004	225	96,921	1,011	214,354	2,112	34,365	7,337,822	1,328,398	692,578
2003	204	36,790	1,217	239,657	2,010	28,803	6,607,350	1,257,633	665,477
2002	243	39,284	1,439	230,292	2,338	24,780	6,072,915	1,581,276	687,631
2001	243	95,682	1,372	174,833	2,013	20,073	6,009,183	1,670,602	711,425
2000	323	97,646	1,094	136,745	2,291	20,658	5,842,976	1,483,043	616,865
1999	311	40,821	1,180	134,611	2,253	26,543	5,495,999	1,462,709	584,311
1998	328	26,436	1,204	133,423	2,572	21,796	5,471,143	2,062,947	569,512
1997	302	33,181	1,219	145,209	2,602	20,265	4,455,026	1,920,042	467,018
1996	261	25,340	1,373	147,643	2,850	22,628	4,095,695	1,789,926	400,849

The above estimates were obtained from:

- (1) Washoe County Building and Safety Division  
Miscellaneous construction includes remodeling, minor additions, etc.
- (2) Washoe County Assessor's Department/Secured Real Property.

Bank deposit information is unavailable for individual counties in Nevada.

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
COMPUTATION OF GENERAL OBLIGATION DEBT LIMIT  
June 30, 2005  
(Unaudited)

Estimated Washoe County Assessed Value (2004-05 Tax Year)	<u><u>\$ 10,707,344,045</u></u>
Recreational Facility Debt Limit (3% of Assessed Value)	\$ 321,220,321
Total Amount of Debt Applicable to Debt Limit	140,099,440
Legal Debt Margin	<u><u>\$ 181,120,881</u></u>

Source: Johnson Consulting Group

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
 COMPUTATION OF DIRECT AND OVERLAPPING LOCAL BONDED INDEBTEDNESS  
 June 30, 2005  
 (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>
Washoe County - Governmental Funds	\$ 166,982	\$ 53,675	100%	\$ 113,307
Washoe County - Proprietary Funds	37,547	37,547	100%	-
Washoe County - Special Assessments	2,798	2,798	100%	-
Washoe County School District	427,205	-	100%	427,205
City of Reno	26,720	-	100%	26,720
City of Sparks	3,190	-	100%	3,190
Sparks - Sewer/Utility	30,907	30,907	100%	-
Washoe County (RSCVA)	140,099	140,099	100%	-
<b>Total Direct and Overlapping Debt</b>				<b>\$ 570,422</b>

The Authority's schedule of overlapping debt is the same as Washoe County, Nevada's.

Source: Washoe County Comptrollers Office

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
Net Pledged Revenues  
(Unaudited)  
For Fiscal Years Ended June 30, 2001 through 2005 (Actual)  
and June 30, 2006 (Budgeted)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006 (Budgeted)</u>
Net General Room License Taxes (1)	\$ 16,970,049	\$ 15,895,104	\$ 15,362,980	\$ 16,444,122	\$ 16,539,180	\$ 17,160,960
Convention Center Room Taxes (2)	5,656,676	5,298,363	5,120,993	5,481,374	5,513,060	5,720,319
Other Income (3)	<u>13,487,745</u>	<u>10,846,928</u>	<u>10,449,276</u>	<u>11,835,704</u>	<u>10,914,741</u>	<u>13,610,552</u>
Subtotal	36,114,470	32,040,395	30,933,249	33,761,200	32,966,981	36,491,831
Less: Operating and Maintenance Expenses (4)	<u>14,063,172</u>	<u>14,303,629</u>	<u>16,083,788</u>	<u>16,375,523</u>	<u>17,798,474</u>	<u>19,252,190</u>
Net Pledged Revenues	<u>\$ 22,051,298</u>	<u>\$ 17,736,766</u>	<u>\$ 14,849,461</u>	<u>\$ 17,385,677</u>	<u>\$ 15,168,507</u>	<u>\$ 17,239,641</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>
Coverage Factor (6)	1.75	1.41	1.18	1.38	1.21	1.37

(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, RLEC, REC, Special Events, Golf Course, NBS (Fiscal Years 2003 - 2006) and Interest Revenues.

(4) Includes General Government Expenditures, Community Support - Facility Operation Expenditures and Certain Community Support - Convention and Tourism Promotion Expenditures. Community Support - Convention and Tourism Promotion Expenditures relating to promotion and advertising have been excluded.

(5) Total of Maximum Annual Debt Service Requirements on the General License Tax Bonds (\$12,576,313 in 2024).

(6) Pledged revenues divided by Debt Service Requirements.

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
2006	38	198,150	152	530,916	210	332,500	124	153,142
2007	22	107,650	154	541,534	217	431,000	118	145,850
2008	17	105,650	156	552,365	350	450,000	112	138,557
2009	15	132,300	156	563,412	300	570,000	106	131,629
2010	13	73,850	145	573,412	225	175,000	104	128,996

Notes:

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

**Historical Usage and Attendance**

	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
2001	82	201,095	180	902,511	135	150,000	n/a	n/a
2002	159	358,075	165	902,511	64	66,851	n/a	n/a
2003	157	354,377	142	885,225	108	97,166	n/a	n/a
2004	236	539,857	150	510,300	52	134,500	n/a	n/a
2005	229	504,628	145	511,125	127	47,500	61	72,925

Notes:

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

Source: Reno-Sparks Convention & Visitors Authority

RENO-SPARKS CONVENTION & VISITORS AUTHORITY  
SCHEDULE OF INSURANCE COVERAGE  
June 30, 2005

The Authority's Insurance Coverage at June 30, 2005 consists of the following:

TYPE	CARRIER	POLICY PERIOD	LIMIT
<b>PROPERTY PACKAGE</b>			
<u>Property</u>	Affiliated FM Insurance Co	7/1/2004-6/30/2005	\$140,000,000 Loss Limit \$6,500,000 Business Interruption \$10,000,000 Earthquake \$1,000,000 Off Premises Power \$100,000 Acts of Terrorism \$1,905,190 Mobile Equipment Floater \$103,579 Miscellaneous Personal Property \$100,000 EDP, Data and Media \$100,000 Transit Coverage \$750,000 Combined Boiler & Machinery
<u>Crime</u>	Hartford Fire Insurance Co	7/1/2004-6/30/2005	\$500,000 Public Employees/Faithful Performance of Duty \$500,000 Blanket TDD - inside \$500,000 Blanket TDD - outside
<b>PUBLIC OFFICIALS and EMPLOYEES LIABILITY</b>	National Union Fire Insurance Company of Pittsburgh, PA	7/1/2004-6/30/2005	\$1,000,000 Limit each loss and each aggregate
<b>LIABILITY PACKAGE</b>			
<u>Automobile</u>	Illinois National Insurance Co	7/1/2004-6/30/2005	\$1,000,000 CSL \$1,000,000 UM/UN \$5,000 Medical Benefits
<u>Liability</u>	Lexington Insurance Co	7/1/2004-6/30/2005	\$1,000,000 Limit of Liability including Employee Benefit Liability, Liquor Liability
<b>UMBRELLA</b>	American Guarantee & Liability Co (Zurich)	7/1/2004-6/30/2005	\$10,000,000 Each Occurrence/Each Aggregate
<b>EXCESS WORKER'S COMPENSATION</b>	Midwest Employers Casualty Company	7/1/2004-6/30/2005	\$1,000,000 Limit of Indemnity

Source: Reno-Sparks Convention & Visitors Authority

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

### **MISCELLANEOUS STATISTICAL DATA**

**June 30, 2005  
(Unaudited)**

**Date Created:** February 1959

**Form of Government:** Board of Directors - Chief Executive Officer and other officers.  
  
Board of Directors composed of thirteen members whose officers are Chairman, Vice-Chairman, and Secretary/Treasurer.

**Terms of Office:** Directors – Two-year terms.  
Chief Executive Officer and other Officers - Appointed by the Board of Directors.

**Scope of Operation:** Fair and Recreation Board - Doing business as the Reno-Sparks Convention & Visitors Authority.

**Activities:** Promotion and Attraction of Conventions, trade shows and meetings.  
Promotion of Tourism.  
Promotion of recreational facilities.

#### **Convention/Recreational Facilities:**

##### **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 sq. ft. of contiguous exhibit space in five adjoining halls. More than 75,000 sq. ft. of meeting room space in 47 meeting rooms with seating capacities ranging from 125 to 3,000 persons for breakout sessions. The facility is on ground level with unlimited floor load capacity. On-site parking capacity totals 1,900 stalls.

The convention center also features a 30,000 sq. ft. ballroom – sub divisible into seven smaller rooms. A full range of food service capabilities are available ranging from concession stands, portable food stations, cocktail lounges to catered banquet arrangements for more formal dining. A central Food Court offers attendees the ability to select from three themed cafes.

In addition, the RSCC furnishes 17,000 sq. ft. of public concourse/registration space, improved show load-in/out capabilities, enabling concurrent major events.

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

### **MISCELLANEOUS STATISTICAL DATA - CONTINUED**

**June 30, 2005  
(Unaudited)**

#### **Convention/Recreational Facilities (Continued):**

##### **Pioneer Center for the Performing Arts**

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

##### **Wildcreek Golf Course**

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

##### **Northgate Golf Club**

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

##### **Reno-Sparks Livestock Events Center**

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

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



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

### **MISCELLANEOUS STATISTICAL DATA - CONTINUED**

**June 30, 2005  
(Unaudited)**

#### **Convention/Recreational Facilities (Continued):**

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

#### **National Bowling Stadium**

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

The National Bowling Stadium is a 78-lane tournament bowling facility situated within the central business/gaming/entertainment district of downtown Reno. Home to the prestigious American Bowling Congress (ABC), returning in 2007 every three years through 2016, and the Women's International Bowling Congress (WIBC), returning in 2006 every three years through 2018. The National Bowling Stadium hosts tournament play for a wide variety of national and international bowling competitions. Completed in 1995, this project not only revitalized an older, distressed section of the downtown corridor, but also served as a catalyst to an unprecedented surge of economic investment, construction, and expansion in the gaming-tourism industry throughout the area.

The National Bowling Stadium facility provides a wealth of visitor amenities including 300 covered parking spaces, a bowling pro shop, and a fully staffed visitor information center during major tournaments. A special feature of this facility is a 180-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 a spectacular information video on the area's tourist attractions and activities as well as films and movies specifically formatted and produced to enhance the unique character of the IWERKS experience.

#### **Reno Events Center**

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

Source: Reno-Sparks Convention & Visitors Authority



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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Reno-Sparks Convention & Visitors Authority, Nevada, as of and for the year ended June 30, 2005, and have issued our report thereon dated August 18, 2005.

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

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
August 18, 2005



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

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

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

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2005 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2005 (except as previously noted under statute compliance),
- The balance and net assets of the funds are as noted in the financial statements.

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

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

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

*Kafoury, Armstrong & Co.*

Reno, Nevada  
August 18, 2005

## **AUDITOR'S COMMENTS**

### **STATUTE COMPLIANCE**

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

### **PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE**

The Authority conformed to all significant statutory constraints on its financial administration during the year ended June 30, 2004.

### **PRIOR YEAR RECOMMENDATIONS**

There were no specific recommendations made in the audit report for the year ended June 30, 2004.

### **CURRENT YEAR RECOMMENDATIONS**

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