NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory of Consumable Supplies

Management of the Bureau has elected to consider expenditures for supplies held for consumption as charges against appropriations at the time of purchase. Any inventories of such supplies at June 30, 2016 are not material and accordingly, are not recognized in the financial statements. The inventory consists of items held for resale and is stated at the lower of cost or market, with cost determined on a First-In, First-Out (FIFO) basis.

Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date of donation. The Bureau defines capital assets as assets with a unit cost of $5,000 or more and an estimated useful life in excess of one year. 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.

For purposes of the government-wide financial statements, depreciation of capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets useful lives using the straight-line method of depreciation, with one-half of a year's depreciation taken in the year of acquisition and one-half in the final year. The Bureau's capital assets consist of the building, improvements to the building, equipment, furniture and equipment which have useful lives ranging from 5 to 40 years.

In the fund financial statements, capital assets used in operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Compensated Absences

Compensated absences are accounted for in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability for compensated absences relating to services already rendered and that are not contingent on a specified event be accounted for in the period those services are rendered or those events take place. Governmental funds report compensated absences expected to be liquidated with expendable available financial resources as an expenditure and a fund liability in the fund financial statements. The fund liability is defined as those benefits actually paid or accrued as a result of employees who have terminated employment by June 30, 2016. The total accrued compensated absences are reported on the Statement of Net Position.

The Bureau's policy provides for payment of accrued vacation time upon termination of employment if employed for six months or more, and payment of one-third of sick leave upon termination of employment if employed ten years or more. Accrued vacation time is limited to a maximum of 300 hours. Accrued sick leave is limited to 240 hours.

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and the proportionate share of contributions as well as contributions made after the measurement period for pensions qualify for reporting in this category.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments qualify for reporting in this category.

Equity Classifications

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

- Net invested in capital assets – consists of capital assets, net of accumulated depreciation and any related debt
- Restricted net position – consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – net position that is neither classified as "invested in capital assets" nor as "restricted."

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. The Bureau includes fund balances that have been prepaid for expenses and inventory in this category.

Restricted – represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. Restricted funds include amounts legally restricted for expenditure in connection with the V & T project and capital improvement funds.

Committed – represents amounts which can be used only for specific purposes determined by the members of the governing Board's formal action through a resolution or action. Committed funds include amounts set aside for operating reserves under formal action.

Assigned - represents amounts that are intended by the Bureau for specific purposes but do not require action by the governing Board. The Bureau has amounts designated to eliminate a projected budgetary deficit in the subsequent year's budget.

Unassigned – represents all amounts not included in spendable classifications.

The Bureau's policy is to first apply expenditures against non-spendable fund balances and then unassigned balances. On an annual basis assigned fund balances are determined based upon available resources.

Pensions

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compliance with Laws and Regulations

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

Comparative Data

Comparative data shown for the prior year has been extracted from the 2014-2015 financial statements. It has been provided to add comparability, but is not considered a full disclosure of transactions for 2014-2015. Such information can only be obtained by referring to the audit report for that year.

Subsequent Events

Subsequent events have been evaluated through October 25, 2016, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2016, cash and cash equivalents were held in various institutions as follows:

Held by Carson City on behalf of the Bureau	$	1,125,971
Cash on hand		300
	$	1,126,271

NOTE 3 - TRANSIENT LODGING TAX REVENUE

Transient lodging tax revenues (room taxes) of 10% are collected by the Bureau; however, 3/16 of one percent that is included in the 10% is remitted to Carson City and 3/8 of one percent that is remitted to the State of Nevada. The following is a reconciliation of gross collections and remittances to the City and State:

Gross transient lodging tax	$	1,607,160
State remittance		(60,109)
Carson City remittance		(30,153)
	$	1,516,898

The amounts due at June 30, 2016 to Carson City and the State of Nevada are shown as due to other governments. Out of the total lodging tax retained by the Bureau, 4% is pledged to the servicing of bonds issued by Carson City and is accounted for in the two capital projects funds. The Bureau remits the amounts needed to service the debt when it is due to Carson City.

NOTE 4 - CAPITAL ASSETS

Capital asset activity consists of the following:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Governmental activities				
Capital assets, not being depreciated				
Web site	$ 41,028	$ -	$ -	$ 41,028
Capital assets, being depreciated				
Furniture and equipment	12,665	2,173	-	14,838
Marketing van	27,957	-	-	27,957
Tenant Improvements	8,388	-	-	8,388
	49,010	2,173	-	51,183
Less accumulated depreciation				
Furniture and equipment	1,365	1,904	-	3,269
Marketing van	2,663	3,613	-	6,276
Tenant Improvements	419	930	-	1,349
	4,447	6,447	-	10,894
Total assets being depreciated, net	44,563	(4,274)	-	40,289
Net capital assets	$ 85,591	$ (4,274)	$ -	$ 81,317

Current year depreciation expense of $6,447 was charged to general government.

NOTE 5 - LEASES, COMMITMENTS, AND CONTINGENCIES

Beginning in July 2003, the Bureau placed funds in the Park Bond Capital Project Fund and transferred 2% of the room tax revenue remitted to them to the fund to service the Carson City Park Bond. The final payment for this bond was made in February 2011. Commencing during the year ended June 30, 2012, the taxes deposited into this fund are being used to cover principal and interest payments on the bonds for the reconstruction of the V & T Railroad described below. In October 2011, a Capital Project Fund was established by resolution in order to receive the 2% room tax formerly deposited in the Park Bond Capital Project Fund.

In November 2003, Carson City issued $4,150,000 in General Obligation (Limited Tax) bonds for the reconstruction of the V & T Railroad. The Bureau transfers 2% of room tax revenues to this fund to service the debt on these bonds. Principal and interest is remitted to Carson City when the payments are due. In addition, the Bureau is committed to pay an additional $100,000 to Carson City for payments due to cover an extra portion of the $15,000,000 V&T Bond payments. If at such time there are not enough room tax collections designated for the bond payment, the Bureau is obligated to increase its allocation of room taxes by 1% to 3% of room tax revenue.

During the year ended June 30, 2014, the Bureau entered into a cooperative agreement with Carson City to pay ¾% of the annual tax revenue to support the sports tournament program, and for accounting, human resource and IT services. For the year ended June 30, 2016, the Bureau incurred expenditures to the City of $120,611 for administrative services and the cooperative agreement.

NOTE 5 - LEASES, COMMITMENTS, AND CONTINGENCIES (Continued)

The Bureau is self-insured under the reimbursement method for unemployment insurance. This requires that the Bureau pay any liability as unemployment insurance as it is incurred rather than at a set annual rate. The Bureau's policy regarding unemployment liability is to expense any liability incurred when the amount is received as a bill from the State of Nevada. The potential liability is not able to be determined as there are multiple factors, some of which would be unknown. The Bureau has not set aside any funds for any future potential liability. During the year ended June 30, 2016, the Bureau did not incur unemployment expenses.

During the year ended June 30, 2015, the Bureau entered into a leasing arrangement for downtown office space. The lease commenced on September 15, 2014 through September 14, 2019 and includes an initial monthly lease rate of $3,692 with annual increases.

The Bureau leases a copier through June 30, 2016 at a monthly rate of $1,151.

Future maturities due on the above leases are as follows for the years ended June 30:

2017	$	44,281
2018		45,660
2019		47,031
2020		9,560

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in the Bureau's long-term liabilities:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Accrued compensated absences	$ 54,985	$ 12,898	$ -	$ 67,883

The amount of compensated absences which will be due within one year has not been determined and is not considered material.

NOTE 7 - PENSIONS

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description

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

Benefits Provided

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

NOTE 7 - PENSIONS (Continued)

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

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

Vesting

a) Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

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

Contributions

a) The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions and the other plan provides for employer-pay only.

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

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

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

e) For the fiscal year ended June 30, 2014, 2015 and 2016 the Statutory Employer/employee matching rate was 13.25%, 13.25% and 14.5%, respectively, for Regular. The Employer-pay contribution (EPC) rate was 25.75%, 25.75% and 28.00%, respectively, for Regular.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2016, the Bureau reported a liability of $435,743 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Bureau's proportion of the net pension liability was based total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined

NOTE 7 - PENSIONS (Continued)

employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015. At June 30, 2015, the Bureau's proportion was .00386%.

For the year ended June 30, 2016, the Bureau recognized pension expense of $120,181. Amounts totaling $68,544 resulting from Bureau contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2017. At June 30, 2016, the Bureau reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 33,246
Changes of assumptions	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	23,942
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,933	233
Contributions subsequent to the measurement date	68,544	-
	$ 72,477	$ 57,421

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, without regard to the contributions subsequent to the measurement date, will be recognized in pension expense as follows:

Year ended June 30	
2017	$ 16,213
2018	16,214
2019	16,214
2020	(1,686)
2021	4,925
2022	1,608
	$ 53,488

The net difference between projected and actual investment earnings on pension plan investments will be recognized over five years, all the other above deferred outflow and deferred inflows will be recognized over the average expected remaining services lives, which was 6.70 year for the measurement period ending June 30, 2015.

Reconciliation of the net pension liability at June 30, 2016:

Beginning net pension liability	$ 340,878
Pension expense	120,181
Employer contributions	(59,537)
Current year net deferred inflows and outflows	34,221
Ending net pension liability	$ 435,743

NOTE 7 - PENSIONS (Continued)

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other assumptions	Same as those used in the June 30, 2015 funding actuarial valuation

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of the experience review completed in 2014. The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015 and June 30, 2014. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015 and June 30, 2014.

Investment Policy

The System's policies which determine the investment portfolio target asset allocation are established by the PERS Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the PERS Retirement Board adopted policy target asset allocation as of June 30, 2015:

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

*As of June 30, 2015, PERS' long-term inflation assumption was 3.5%.

Discount Rate and Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the PERS as of June 30, 2015, calculated using the discount rate of 8.00%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (7.00%) or 1 percentage-point higher (9.00%) than the current discount rate:

NOTE 7 - PENSIONS (Continued)

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	$ 625,602	$ 435,743	$ 216,658

Pension Plan Fiduciary Net Position

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PER's website at www.nvpers.org under Quick Links – Publications.

NOTE 8 - CONCENTRATIONS

The Bureau received approximately 65% of its transient lodging tax revenue from five properties in Carson City. Should these properties experience a significant decrease in occupancy, it could have a material effect on the Bureau.

NOTE 9 - RISK MANAGEMENT

The Bureau, like all government entities, is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 - SUBSEQUENT EVENT

On May 15, 2016, the Carson City Board of Supervisors adopted ordinance 2016-106 adding a one (1%) percent room tax rate to be used primarily for the implementation of the Carson City Arts & Cultural Master Plan, Cultural Tourism Campaign effective July 1, 2016. This additional tax expires on June 1, 2021.

REQUIRED SUPPLEMENTARY INFORMATION AND OTHER SUPPLEMENTARY INFORMATION

CARSON CITY VISITORS BUREAU
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2016)

	2016				2015
	Budgeted Amounts				
	Original	Final	Actual	Variance	Actual
REVENUE					
Room tax	$ 819,808	$ 862,626	$ 874,034	$ 11,408	$ 825,767
Sales	31,300	-	33,658	33,658	27,100
Intergovernmental	25,000	33,433	33,433	-	42,700
Miscellaneous	-	227,637	8,847	(218,790)	20,285
Interest	-	-	4,009	4,009	2,789
Total revenue	876,108	1,123,696	953,981	(169,715)	918,641
EXPENDITURES					
Current					
General government					
Salaries	190,213	196,896	198,853	(1,957)	234,444
Benefits	99,388	101,356	100,499	857	126,280
Services and supplies	93,395	99,269	94,324	4,945	103,460
	382,996	397,521	393,676	3,845	464,184
Culture and recreation					
Salaries	84,195	100,976	101,765	(789)	24,296
Benefits	29,414	29,572	29,316	256	730
Services and supplies	271,700	500,050	377,927	122,123	337,761
Capital outlay	-	-	2,173	(2,173)	-
	385,309	630,598	511,181	119,417	362,787
Intergovernmental	113,077	118,983	120,611	(1,628)	116,010
Total expenditures	881,382	1,147,102	1,025,468	121,634	942,981
Excess (deficiency) of revenue over (under) expenditures	(5,274)	(23,406)	(71,487)	(48,081)	(24,340)
OTHER FINANCING SOURCES (USES)					
Proceeds received from sale of assets	-	-	-	-	100,000
Contingency	(20,000)	-	-	-	-
Transfer in	-	-	105,195	105,195	-
	(20,000)	-	105,195	105,195	100,000
Change in fund balances	(25,274)	(23,406)	33,708	57,114	75,660
FUND BALANCE, July 1	455,332	540,716	540,716	-	465,056
FUND BALANCE, June 30	$ 430,058	$ 517,310	$ 574,424	$ 57,114	$ 540,716

See accompanying notes

CARSON CITY VISITORS BUREAU
SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2015	June 30, 2014
Bureau's portion of the net pension liability (asset)	0.00386%	0.00327%
Proportionate share of the net pension liability (asset)	$ 435,743	$ 340,878
Covered-employee payroll	$ 231,212	$ 192,392
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	188.46%	177.18%
Plan fiduciary net position as a percentage of the total pension liability	75.10%	76.30%

	2016	2015
Contractually required contribution	$ 68,544	$ 59,537
Contributions in relation to the contractually required contribution	(68,544)	(59,537)
	$ -	$ -

	2016	2015
Bureau's covered-employee payroll	$ 244,801	$ 231,212
Contributions as a percentage of covered-employee payroll	28.00%	25.75%

Note: Only two years of information is available due to the reporting changes with GASB 68 for fiscal year 2015.

See accompanying notes

CARSON CITY VISITORS BUREAU
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)

	2016				2015
	Budgeted Amounts				
	Original	Final	Actual	Variance	Actual
REVENUE					
Transient lodging tax	$ 301,539	$ 317,288	$ 321,432	$ 4,144	$ 301,855
Investment income	828	520	324	(196)	1,152
Total revenue	302,367	317,808	321,756	3,948	303,007
EXPENDITURES					
Intergovernmental	302,367	323,737	323,455	282	297,078
Excess (deficiency) of revenue over (under) expenditures	-	(5,929)	(1,699)	4,230	5,929
FUND BALANCE, July 1	100,000	105,929	105,929	-	100,000
FUND BALANCE, June 30	$ 100,000	$ 100,000	$ 104,230	$ 4,230	$ 105,929

See accompanying notes

CARSON CITY VISITORS BUREAU
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
V & T CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)

	2016				2015
	Budgeted Amounts				
	Original	Final	Actual	Variance	Actual
REVENUE					
Transient lodging tax	$ 301,539	$ 125,238	$ 321,432	$ 196,194	$ 301,855
Investment income	1,560	983	7,675	6,692	3,153
Total revenue	303,099	126,221	329,107	202,886	305,008
EXPENDITURES					
Intergovernmental	146,089	125,238	125,000	238	152,078
Excess (deficiency) of revenue over (under) expenditures	157,010	983	204,107	203,124	152,930
OTHER FINANCING USES					
Transfer out	-	-	(105,195)	(105,195)	-
Change in fund balance	157,010	983	98,912	97,929	152,930
FUND BALANCE, July 1	450,702	466,695	466,695	-	313,765
FUND BALANCE, June 30	$ 607,712	$ 467,678	$ 565,607	$ 97,929	$ 466,695

See accompanying notes

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

Kohn & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
Carson City Visitors Bureau

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the fund information of Carson City Visitors Bureau (Bureau), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Carson City Visitors Bureau's basic financial statements, and have issued our report thereon dated October 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carson City Visitors Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kohn & Company LLP

Reno, Nevada
October 25, 2016

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH NEVADA REVISED STATUTES BASED ON AN AUDIT OF FINANCIAL STATEMENTS

To the Board of Directors of
Carson City Visitors Bureau

We have audited the financial statements of the governmental activities and major funds of the Carson City Visitors Bureau (Bureau) as of and for the year ended June 30, 2016, and have issued our report thereon dated October 25, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance with Nevada Revised Statutes (NRS) and regulations applicable to Carson City Visitors Bureau is the responsibility of management. As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatements, we performed tests of its compliance with certain provision of NRS and the Nevada Administrative Code, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

In connection with our audit, except for actual expenditures exceeding appropriations for the general fund and capital project fund, nothing came to our attention that caused us to believe that the Bureau had not complied in all material respects with NRS 354, including:

(a) Use of funds established
(b) Use of generally accepted accounting principles
(c) Limitations on reserves
(d) Recording sources of revenue and transfers available
(e) Statutory and regulatory requirements applicable to the fund
(f) Ending retained earning amounts

This report is intended solely for the information and use of the Board of Directors, management, Carson City, Nevada, others within the Bureau and is not intended to be and should not be used by anyone other than these specified parties.

Kohn & Company LLP

Reno, Nevada
October 25, 2016

AUDITORS' COMMENTS

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STATUTE COMPLIANCE

The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 1 to the financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Bureau's expenditures did not exceed appropriations in the current fiscal year.

PROGRESS ON PRIOR YEAR RECOMMENDATIONS

Management addressed all the issues noted in prior year.

CURRENT YEAR RECOMMENDATIONS

We recommend that the Bureau continue to augment its budget before year end when revenue or circumstances change to ensure that expenditures do not exceed appropriation. No issues were noted relating to excess expenditures in the current year.