

**CARSON CITY VISITORS BUREAU**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**CARSON CITY VISITORS BUREAU**  
**TABLE OF CONTENTS**  
**JUNE 30, 2015**

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	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3-6
<b>BASIC FINANCIAL STATEMENTS</b>	7
Government-Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet - Governmental Funds and Reconciliation of the Balance Sheet to the Statement of Net Position	10
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds and Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances to the Statement of Activities	11
Notes to Financial Statements	12-23
<b>REQUIRED SUPPLEMENTARY INFORMATION AND OTHER SUPPLEMENTARY INFORMATION</b>	24
Required Supplementary Information	
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund - Department of Taxation Format	25
Supplementary Pension Information	26
Supplementary Information	
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	27
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - V&T Capital Projects Fund	28
<b>REPORTS ON INTERNAL CONTROL AND COMPLIANCE</b>	29
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 <i>Government Auditing Standards</i>	30
Independent Auditors' Report on Compliance with Nevada Revised Statutes Based on an Audit of Financial Statements	31
<b>AUDITORS' COMMENTS</b>	32
Statute Compliance	33
Progress on Prior Year Statute Compliance	33
Progress on Prior Year Recommendations	33
Current Year Recommendations	33

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Carson City Visitors Bureau

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the fund information of Carson City Visitors Bureau (the "Bureau") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fund information of the Bureau, as of June 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in the accompanying financial statements, the Bureau adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB No. 71, *Pension Transitions for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.



## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 3-6, 25, and 26, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required management discussion and analysis and pension information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bureau's basic financial statements. The capital project fund budget to actual statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital project fund budget to actual statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2015, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.

*Thomas J. Longenecker*

Reno, Nevada  
October 21, 2015



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Carson City Visitors Bureau  
Management's Discussion and Analysis  
June 30, 2015**

The Carson City Visitors Bureau (Bureau) provides this discussion and analysis of the Bureau's Component Unit Financial Report for readers of the Bureau's financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2015.

**Financial Highlights**

- ♦ The assets exceeded liabilities at the close of the current fiscal year by \$774,596. Of this amount \$116,381 is *unrestricted net position* that may be used to meet the Bureau's ongoing obligations to citizens and creditors.
- ♦ The Bureau's *total net position* increased by \$161,500 during the current year. Capital assets, a component of *total net position*, decreased by \$53,708.
- ♦ At the end of the current year, the Bureau's *governmental funds* reported combined total ending fund balances of \$1,113,340 an increase of \$234,519 in comparison with the prior year. Of this total amount, the entire amount is assigned for the subsequent year's expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Carson City Visitors Bureau's financial statements. The Bureau's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

*Government-wide financial statements.* The *government-wide financial statements* are designed to provide readers with a broad overview of the Bureau's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Bureau's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the Bureau is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

*Fund financial statements.* A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bureau, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Bureau has only governmental funds.

*Governmental funds.* *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. They focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirement.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Bureau's near-term financing decisions. Both the governmental fund *balance sheet* and the governmental fund *statement of revenue, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Bureau maintains three governmental funds. Information is presented separately in the governmental fund *balance sheet* and in the governmental fund *statement of revenue, expenditures, and changes in fund balances* for the general fund and the two capital project funds, both of which are restricted for capital projects or bond payments on the V&T Bonds issued by Carson City. 4% of the transient lodging tax that is collected goes into these funds.

**Carson City Visitors Bureau**  
**Management's Discussion and Analysis (Continued)**  
**June 30, 2015**

The Bureau adopts annual appropriated budgets for its funds. Budgetary comparison statements have been provided for this fund to demonstrate compliance with the budget.

*Notes to financial statements.* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Financial Analysis of the Bureau's Funds**

The Bureau's overall financial position and operations for the past are summarized as follows based on the information included in the government-wide financial statements:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>Assets</b>		
Current and other assets	\$ 1,205,759	\$ 991,567.0
Net capital assets	85,591	139,299
<b>Total assets</b>	<u>1,291,350</u>	<u>1,130,866</u>
<b>Deferred outflows</b>	202	-
<b>Liabilities</b>		
Current liabilities	92,419	106,258
Long-term liabilities	395,863	27,604
<b>Total liabilities</b>	<u>488,282</u>	<u>133,862</u>
<b>Deferred inflows</b>	<u>28,674</u>	<u>28,674</u>
<b>Net Position</b>		
Invested in capital assets	85,591	139,299
Restricted	572,624	413,765
Unrestricted	116,381	443,940
<b>Total net position</b>	<u>\$ 774,596</u>	<u>\$ 997,004</u>
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>Revenue</b>		
Sales	\$ 27,100	\$ 14,890
Operating grants and contributions	62,985	33,887
<b>General revenue</b>		
Transient lodging taxes	1,422,989	1,289,932
Interest income	7,094	1,237
Gain on sale of building	23,567	-
<b>Total revenue</b>	<u>1,543,735</u>	<u>1,339,946</u>
<b>Expenses</b>		
General government	454,282	373,568
Culture and recreation	362,787	349,809
Debt Service	-	38
General Fund - Park and Recreation	73,440	83,261
Administrative services	42,571	-
V&T Capital Project Fund	146,318	209,831
Capital Project Fund	302,837	310,118
<b>Total expenses</b>	<u>1,382,235</u>	<u>1,326,625</u>
<b>Changes in net position</b>	<u>\$ 161,500</u>	<u>\$ 13,321</u>



**Carson City Visitors Bureau  
Management's Discussion and Analysis (Continued)  
June 30, 2015**

**General Fund Budgetary Highlights**

Transient lodging taxes are the general fund's primary sources of revenue (92%). In the current year, room tax revenue in the general fund increased \$87,964 or 11.9%. Expenditures were within the augmented budget except for the new marketing van which was purchased but not included in the budget.

**Capital Asset and Debt Administration**

*Capital Assets.* At year-end, the Bureau's investment in capital assets from its governmental activities totaled \$85,591. Capital assets consisting of the building were sold for a gain of \$23,567. Remaining assets consist of the marketing van, revamped web site, tenant improvements, office equipment, a trailer, and signs.

*Long Term Debt.* Although the Bureau does not reflect any bond debt on its financial statements, it is committed to utilize 4% of the transient lodging taxes it collects to pay Carson City to service the debt that was incurred to build the Virginia & Truckee Railroad.

**Economic Factors and Next Year's Budget and Rates**

Special events and sports tourism continue to drive significant room nights. With the new interlocal agreement between Carson City and the Bureau providing the City owned Fuji Fairgrounds to the Bureau for programming, we anticipate event tourism to continue to increase. All indications show a positive outlook for the economic engine of tourism in Carson City for 2015-2016.

**Requests for Information**

This financial report is designed to provide a general overview of the Carson City Visitors Bureau finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Carson City Visitors Bureau, 716 North Carson Street, Carson City, Nevada 89701.



## **BASIC FINANCIAL STATEMENTS**

**CARSON CITY VISITORS BUREAU**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 987,651
Lodging tax receivable	168,303
Accounts receivable	28
Grants receivable	42,700
Prepaid expenses	250
Inventory	6,827
Capital assets, net of accumulated depreciation	85,591
Total assets	<u>1,291,350</u>
<b>DEFERRED OUTFLOWS OF RESOURCES - PENSION REQUIREMENT</b>	<u>202</u>
Total assets and deferred outflows of resources	<u>1,291,552</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	54,418
Accrued expenses	18,815
Due to other governments	19,186
Noncurrent liabilities:	
Accrued compensated absences	54,985
Net pension liability	340,878
Total liabilities	<u>488,282</u>
<b>DEFERRED INFLOWS OF RESOURCES - PENSION REQUIREMENT</b>	<u>28,674</u>
Total liabilities and deferred inflows of resources	<u>516,956</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	85,591
Restricted for:	
Bond payments	572,624
Unrestricted, undesignated	116,381
Total net position	<u>\$ 774,596</u>

See accompanying notes

**CARSON CITY VISITORS BUREAU**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Program Revenue			Total Governmental Activities
	Expenses	Sales	Operating Grants and Contributions	
<b>FUNCTIONS/PROGRAMS</b>				
Primary government				
Governmental activities				
General government	\$ 454,281	\$ -	\$ 42,700	\$ (411,581)
Culture and recreation	362,787	27,100	20,285	(315,402)
Intergovernmental	565,166	-	-	(565,166)
Total governmental activities	<u>\$ 1,382,234</u>	<u>27,100</u>	<u>62,985</u>	<u>(1,292,149)</u>
			General revenue	
			Room tax	1,422,989
			Interest income	7,094
			Gain on sale of building	23,566
			Total general revenue	<u>1,453,649</u>
			Change in net position	161,500
			Net position July 1, 2014, as originally reported	997,004
			Prior period adjustment - change in accounting principle	
			Net pension liability, measurement date June 30, 2013	(430,100)
			Deferred outflows of resources, plan contribution for June 30, 2014	<u>46,192</u>
			Net position July 1, 2014, as restated	<u>613,096</u>
			Net position June 30, 2015	<u>\$ 774,596</u>

See accompanying notes

**CARSON CITY VISITORS BUREAU**  
**BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION**  
**OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	General Fund	Capital Projects Fund	V & T Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 481,001	\$ 72,942	\$ 433,708	\$ 987,651
Lodging tax receivable	102,329	32,987	32,987	168,303
Accounts receivable	28	-	-	28
Grants receivable	42,700	-	-	42,700
Prepaid expenses	250	-	-	250
Inventory	6,827	-	-	6,827
Total assets	<u>\$ 633,135</u>	<u>\$ 105,929</u>	<u>\$ 466,695</u>	<u>\$ 1,205,759</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 54,418	\$ -	\$ -	\$ 54,418
Accrued expenses	18,815	-	-	18,815
Due to other governments	19,186	-	-	19,186
Total liabilities	<u>92,419</u>	<u>-</u>	<u>-</u>	<u>92,419</u>
<b>FUND BALANCE AND OTHER CREDITS</b>				
Nonspendable				
Inventory and prepaid expenses	7,077	-	-	7,077
Restricted				
V & T project	-	-	466,695	466,695
Capital project	-	105,929	-	105,929
Committed				
Operating reserve	150,000	-	-	150,000
Assigned				
Subsequent year opening fund balance, net of operating reserve	383,639	-	-	383,639
Total fund balance and other credits	<u>540,716</u>	<u>105,929</u>	<u>466,695</u>	<u>1,113,340</u>
Total liabilities, fund balance and other credits	<u>\$ 633,135</u>	<u>\$ 105,929</u>	<u>\$ 466,695</u>	<u>\$ 1,205,759</u>
<b>RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION</b>				
Fund balance and other credits - governmental funds				\$ 1,113,340
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not in the governmental funds.				
Governmental capital assets				90,038
Less accumulated depreciation				(4,447)
Deferred outflows of resources - pension requirement are not financial resources, and, therefore, are not in the governmental funds.				202
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.				
Noncurrent accrued compensated absences				(54,985)
Net pension liability				(340,878)
Deferred inflows of resources - pension requirement are not financial resources, and, therefore, are not in the governmental funds.				(28,674)
Net position of governmental activities				<u>\$ 774,596</u>

See accompanying notes



**CARSON CITY VISITORS BUREAU**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS AND RECONCILIATION**  
**OF THE STATEMENT OF REVENUE, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Capital Projects Fund	V&T Capital Projects Fund	Total Governmental Funds
<b>REVENUE</b>				
Room taxes	\$ 825,767	\$ 301,855	\$ 301,855	\$ 1,429,477
Intergovernmental revenue	42,700	-	-	42,700
Sales	27,100	-	-	27,100
Miscellaneous	20,285	-	-	20,285
Investment income	2,789	1,152	3,153	7,094
Total revenue	<u>918,641</u>	<u>303,007</u>	<u>305,008</u>	<u>1,526,656</u>
<b>EXPENDITURES</b>				
Current				
General government	464,184	-	-	464,184
Culture and recreation	362,787	-	-	362,787
Intergovernmental	116,010	297,078	152,078	565,166
Total expenditures	<u>942,981</u>	<u>297,078</u>	<u>152,078</u>	<u>1,392,137</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds received from sale of assets	100,000	-	-	100,000
Change in fund balances	75,660	5,929	152,930	234,519
<b>FUND BALANCE, July 1</b>	<u>465,056</u>	<u>100,000</u>	<u>313,765</u>	<u>878,821</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 540,716</u>	<u>\$ 105,929</u>	<u>\$ 466,695</u>	<u>\$ 1,113,340</u>
<b>RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF NET POSITION</b>				
Net change in fund balance and other credits - governmental funds				\$ 234,519
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:				
Plus capital assets purchased in the current year			27,173	
Less current year depreciation			(4,447)	22,726
Costs basis of assets sold during the year				(76,434)
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.				
Change in long-term accrued compensated absences				(27,381)
Timing in tax and grant receivables to when they are available to fund current expenditures and therefore are reported in the funds.				(6,488)
Pension expense - difference between actuarially determined liability and actual contributions made.				14,558
Change in net position of governmental activities				<u>\$ 161,500</u>

See accompanying notes

## **NOTES TO FINANCIAL STATEMENTS**

**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Carson City Visitors Bureau's (the "Bureau"), previously the Carson City Convention & Visitor's Bureau, financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

**Reporting Entity**

The financial statements present the financial position and results of operations of those funds under the direct jurisdiction of the Board of Directors of the Bureau. The Bureau is not considered to be financially accountable for any other governmental entity since no other entities are considered to be controlled by or dependent on the Bureau. Control or dependence is determined on the basis of budget adoption, funding and appointment of the respective governing board. The Bureau's financial statements are included in the general-purpose financial statements of Carson City. The Bureau is independent in its management and operations but significantly influenced by Carson City through its funding. Therefore, the Carson City Visitors Bureau is considered a component unit of Carson City for financial reporting purposes.

**Basic Financial Statements – Government-Wide Statements**

The basic financial statements include both government-wide and fund financial information. The government-wide financial statements are reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations.

**Basic Financial Statements - Fund Accounting**

The financial transactions of the Bureau are reported in the general fund, capital projects fund, and enterprise fund. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. The Bureau's funds are governmental funds. Governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. The recorded fund balance (net current assets) is considered a measure of "available spendable resources". Operating statements for governmental funds present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Bureau maintains its accounting records for its governmental fund types on the modified accrual basis of accounting. This method provides for recognizing expenditures at the time liabilities are incurred, while revenue is recorded when measurable and available to finance expenditures of the fiscal period. Available is defined as being due and collected within the current period or within 60 days after fiscal year end. When revenue is due, but will not be collected within 60 days, the receivable is recorded and an offsetting deferred revenue account is established.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires the Board to apply all applicable GASB pronouncements and, unless they conflict with or contradict GASB pronouncements all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and

**CARSON CITY VISITORS BUREAU**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Research Bulletins issued on or before November 30, 1989. Accordingly, the Bureau has not applied FASB pronouncements issued after that date.

**Budgets and Budgetary Accounting**

The Bureau adheres to the Local Government Act incorporated within the Statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data that is reflected in these financial statements:

1. On or before April 15, the members of the Board of the Carson City Visitors Bureau file a tentative budget with the Nevada Department of Taxation for all funds.
2. Public hearings on the tentative budget are held on the third Thursday in May.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board.
4. Formal budgetary integration in the financial records for all funds is employed to enhance management control during the year.
5. Budgets for all funds are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). Appropriations lapse at year end.
6. Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the amounts originally budgeted. Such transfers are to be approved by the Board, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without public notice and the prior approval of the Board.

In accordance with State Statute, actual expenditures may not exceed budgeted appropriations in the government function categories of the General Fund, except as specifically permitted in NRS 354.626.

An encumbrance system is not utilized by the Bureau.

**Cash**

Cash balances are invested as permitted by law. Investments are recorded at cost, which approximates fair value. Pursuant to NRS 355.170 and 355.167, the Bureau may only invest in the following types of securities:

- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association maturing within ten years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada.
- Certain securities issued by local governments of the State of Nevada.

**Grants and Lodging Taxes Receivable**

No allowances for doubtful accounts have been established since management does not anticipate any material collection loss with respect to the balances shown as receivables.



**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**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, 2015 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, 2015. 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.

**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**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 for subsequent year expenditures included in this category which represent the next year's budgeted opening fund balance, net of operating reserves.

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.

**CARSON CITY VISITORS BUREAU**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2015

**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 with the exception of actual expenditures exceeding appropriations for culture and recreation by \$29,247 in the general fund and \$1,412 in the capital projects fund. These are apparent violations of NRS 354.626.

**Comparative Data**

Comparative data shown for the prior year has been extracted from the 2013-2014 financial statements. It has been provided to add comparability, but is not considered a full disclosure of transactions for 2013-2014. Such information can only be obtained by referring to the audit report for that year.

**Subsequent Events**

Subsequent events have been evaluated through October 21, 2015, 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, 2015, cash and cash equivalents were held in various institutions as follows:

Held by Carson City on behalf	
of the Bureau	\$ 987,351
Cash on hand	300
	<u>\$ 987,651</u>

**NOTE 3 - TRANSIENT LODGING TAX REVENUE**

Transient lodging tax revenues of 10% are collected by the Bureau; however, 3/16 of one percent is remitted to Carson City and 3/8 of one percent 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	\$ 1,514,374
State remittance	(56,604)
Carson City remittance	(28,293)
	<u>\$ 1,429,477</u>

The amounts due at June 30, 2015 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.

**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity consists of the following:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>Governmental activities</b>				
<b>Capital assets, not being depreciated</b>				
Web site	\$ 41,028	\$ -	\$ -	\$ 41,028
Marketing van not yet placed in service	21,837	-	(21,837)	-
Total capital assets	62,865	-	(21,837)	41,028
<b>Capital assets, being depreciated</b>				
Building	161,388	-	(161,388)	-
Furniture and equipment	8,132	12,665	(8,132)	12,665
Parking lot	8,729	-	(8,729)	-
Marketing van	-	27,957	-	27,957
Tenant Improvements	-	8,388	-	8,388
Total capital assets	178,249	49,010	(178,249)	49,010
<b>Less accumulated depreciation</b>				
Building	84,954	-	(84,954)	-
Furniture and equipment	8,132	1,365	(8,132)	1,365
Parking lot	8,729	-	(8,729)	-
Marketing van	-	2,663	-	2,663
Tenant Improvements	-	419	-	419
Total accumulated depreciation	101,815	4,447	(101,815)	4,447
<b>Total assets being depreciated, net</b>	76,434	44,563	(76,434)	44,563
<b>Net capital assets</b>	\$ 139,299	\$ 44,563	\$ (98,271)	\$ 85,591

Current year depreciation expense of \$4,447 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 taxes 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 room taxes by 1%.



**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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

During the year ended June 30, 2014, the Bureau entered into a cooperative agreement with Carson City to pay ¾% of the 10% annual room tax revenue collected to support the sports tournament program, and for accounting, human resource and IT services. For the year ended June 30, 2015, the Bureau incurred expenditures to the City of \$73,439 for the cooperative agreement and \$42,571 for administrative services.

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, 2015, the Bureau incurred unemployment expenses of \$9,458.46.

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:

2016	\$	56,666
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, 2014	Additions	Deletions	Balance June 30, 2015
Accrued compensated absences	\$ 27,604	\$ 27,381	\$ -	\$ 54,985

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.

**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

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**NOTE 7 - PENSIONS (Continued)**

**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.
- 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.
- c) 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 and June 30, 2015 the Statutory Employer/employee matching rate was 13.25% for Regular. The Employer-pay contribution (EPC) rate was 25.75% for Regular.

**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**NOTE 7 - PENSIONS (Continued)**

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

At June 30, 2015, the Bureau reported a liability of \$340,878 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014. At June 30, 2014, the Bureau's proportion was .00327%.

For the year ended June 30, 2015, the Bureau recognized pension expense of \$44,644. Amounts totaling \$59,237 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, 2016. For the year ended June 30, 2015, the Bureau contributed \$59,237 under the statutes requirements based on covered payroll of \$192,392 which equates to 25.75% overall to the plan. At June 30, 2015, 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	\$ -	\$ 16,313
Changes of assumptions	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	71,598
Changes in proportion and differences between employer contributions and proportionate share of contributions	202	-
Contributions subsequent to the measurement date	59,237	-
	<u>\$ 59,439</u>	<u>\$ 87,911</u>

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	
2016	\$ 20,752
2017	20,752
2018	20,752
2019	20,752
2020	2,856
2021	1,845
	<u>\$ 87,709</u>

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, 2014.

**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**NOTE 7 - PENSIONS (Continued)**

Reconciliation of the net pension liability at June 30, 2015:

Beginning net pension liability	\$ 430,100
Pension expense	44,644
Employer contributions	(46,192)
Current year net deferred inflows/outflows	(87,674)
Ending net pensions liability	<u>\$ 340,878</u>

**Actuarial Assumptions**

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

Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%
Productivity pay increase	0.75%
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

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

**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, 2014:

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



**CARSON CITY VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2015**

**NOTE 7 - PENSIONS (Continued)**

\*As of June 30, 2014, 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, 2014, 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:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	\$ 529,979	\$ 340,878	\$ 183,542

**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](http://www.nvpers.org) under Quick Links - Publications

**NOTE 8 - CONCENTRATIONS**

The Bureau received approximately 20% of its transient lodging tax revenue from a single property in Carson City. Should this property 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 - NEW ACCOUNTING PRONOUNCEMENTS AND PRIOR PERIOD ADJUSTMENT**

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. In addition, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of these statements is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Management has implemented the statements during the year ended June 30, 2015.

As a result of the implementation of these statements, the accompanying financial statements have been adjusted to reflect a restatement of beginning net position to fully reflect the June 30, 2013 net pension liability. This prior period adjustment and the restatement represent an increase in non-current liabilities and an offsetting decrease to the beginning governmental activities net position on the government-wide statement of net position in the amount of \$430,100 and the deferred outflows of resources for the plan contribution for the year ended June 30, 2014 of \$46,192.

**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, 2014)

	2015				2014
	Budgeted Amounts		Actual	Variance	Actual
	Original	Final			
<b>REVENUE</b>					
Room tax	\$ 770,087	\$ 810,000	\$ 825,767	\$ 15,767	\$ 737,803
Sales	21,000	22,805	27,100	4,295	14,890
Intergovernmental	25,000	42,700	42,700	-	32,500
Miscellaneous	-	22,300	20,285	(2,015)	-
Interest	-	1,139	2,789	1,650	719
Total revenue	816,087	898,944	918,641	19,697	785,912
<b>EXPENDITURES</b>					
Current					
General government					
Salaries	174,647	183,659	234,444	(50,785)	198,358
Benefits	90,156	99,133	126,280	(27,147)	104,335
Services and supplies	43,850	236,542	103,460	133,082	65,822
	308,653	519,334	464,184	55,150	368,515
Culture and recreation					
Salaries	81,876	83,991	24,296	59,695	24,617
Benefits	29,469	29,533	730	28,803	739
Services and supplies	270,700	220,016	337,761	(117,745)	358,841
Capital outlay	-	-	-	-	21,837
	382,045	333,540	362,787	(29,247)	406,034
Intergovernmental	106,219	128,074	116,010	12,064	83,261
Total expenditures	796,917	980,948	942,981	37,967	857,810
Excess (deficiency) of revenue over (under) expenditures	19,170	(82,004)	(24,340)	57,664	(71,898)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds received from sale of assets	-	100,000	100,000	-	-
Contingency	(20,000)	-	-	-	-
	(20,000)	100,000	100,000	-	-
Change in fund balances	(830)	17,996	75,660	57,664	(71,898)
<b>FUND BALANCE, July 1</b>	486,103	465,056	465,056	-	536,954
<b>FUND BALANCE, June 30</b>	\$ 485,273	\$ 483,052	\$ 540,716	\$ 57,664	\$ 465,056

See accompanying notes

**CARSON CITY VISITORS BUREAU**  
**SUPPLEMENTARY PENSION INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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	<u>June 30, 2014</u>
Bureau's portion of the net pension liability (asset)	0.00327%
Proportionate share of the net pension liability (asset)	\$ 340,878
Covered-employee payroll	\$ 192,392
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	177.18%
Plan fiduciary net position as a percentage of the total pension liability	76.30%

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, 2015**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				2014
	Budgeted Amounts		Actual	Variance	Actual
	Original	Final			
<b>REVENUE</b>					
Transient lodging tax	\$ 283,250	\$ 294,864	\$ 301,855	\$ 6,991	\$ 273,514
Investment income	270	802	1,152	350	183
Total revenue	<u>283,520</u>	<u>295,666</u>	<u>303,007</u>	<u>7,341</u>	<u>273,697</u>
<b>EXPENDITURES</b>					
Intergovernmental	<u>283,520</u>	<u>295,666</u>	<u>297,078</u>	<u>(1,412)</u>	<u>310,118</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	5,929	5,929	(36,421)
<b>FUND BALANCE, July 1</b>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>136,421</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 105,929</u>	<u>\$ 5,929</u>	<u>\$ 100,000</u>

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, 2015**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)**

	2015				2014
	Budgeted Amounts		Actual	Variance	Actual
	Original	Final			
<b>REVENUE</b>					
Transient lodging tax	\$ 283,250	\$ 294,864	\$ 301,855	\$ 6,991	\$ 273,514
Investment income	310	1,515	3,153	1,638	335
Total revenue	<u>283,560</u>	<u>296,379</u>	<u>305,008</u>	<u>8,629</u>	<u>273,849</u>
<b>EXPENDITURES</b>					
Intergovernmental	<u>165,634</u>	<u>153,489</u>	<u>152,078</u>	<u>1,411</u>	<u>209,831</u>
Excess (deficiency) of revenue over (under) expenditures	117,926	142,890	152,930	7,218	64,018
<b>FUND BALANCE, July 1</b>	<u>315,370</u>	<u>313,765</u>	<u>313,765</u>	<u>-</u>	<u>249,747</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 433,296</u>	<u>\$ 456,655</u>	<u>\$ 466,695</u>	<u>\$ 7,218</u>	<u>\$ 313,765</u>

See accompanying notes



## REPORTS ON INTERNAL CONTROL AND COMPLIANCE

**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 (the "Bureau"), as of and for the year ended June 30, 2015, 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 21, 2015.

### **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.

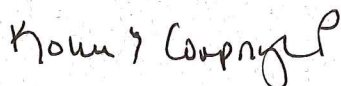
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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



Reno, Nevada  
October 21, 2015



**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

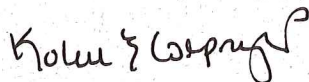
We have audited the financial statements of the governmental activities and major funds of the Carson City Visitors Bureau (the "Bureau") as of and for the year ended June 30, 2015, and have issued our report thereon dated October 21, 2015. We conducted our audit in accordance with auditing standards 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.



Reno, Nevada  
October 21, 2015

## AUDITORS' COMMENTS

## **AUDITORS' COMMENTS**

### **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 expenses continued to exceed appropriations but management is continually monitoring the issue.

### **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.