Financial Statements
June 30, 2021

Elko Convention & Visitors Authority

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Elko Convention & Visitors Authority
Elko, Nevada

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities and each major fund of the Elko Convention & Visitors Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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 each major fund of the Authority, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Marketing and Tourism Promotion Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10, the Schedule of Authority's Share of Net Pension Liability on page 35, and the Schedule of Authority's Contributions on page 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The major fund schedules of revenues, expenditures, and changes in fund balances – budget and actual listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Prior-Year Comparative Information
We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of the Authority as of and for the year ended June 30, 2020, and have issued a report thereon dated December 9, 2020, which expressed an unmodified opinion on the respective financial statements of the governmental activities and each major fund.

The major fund schedules of revenues, expenditures and changes in fund balances – budget and actual related to the 2020 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The major fund schedules of revenues, expenditures and changes in fund balances – budget and actual are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021 on our consideration of the Authority'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

Eide Bailly LLP

Elko, Nevada
December 10, 2021

The following discussion and analysis is presented to provide the reader with an overview of the financial activity and overall financial condition of the Elko Convention & Visitors Authority (referred to as the ECVA).

Financial Highlights

- Facilities revenues, which include revenue generated through the rental of the Convention & Conference Centers and associated catering & equipment rental fees, as well as ECVA presented event revenues, were 19% more than the budgeted amount.

- At the close of the fiscal year the Authority's total governmental funds combined ending balance was $5,792,236, a 22% increase ($1,054,048) from the prior year, with the General, Marketing & Tourism and Capital Projects Funds recording higher than anticipated ending fund balances.

- The ECVA's total revenues exceeded total expenses by $867,186 in the total governmental funds.

- Overall revenues were up largely due to successfully holding the 2021 Elko Mining Expo, greater facility rental than initially budgeted and CARES Act funding grant opportunities for marketing through Travel Nevada. There was an increase in total assets of 2% due to greater revenues from lodging taxes, facilities rentals and events while keeping expenses at a minimum. The ECVA ended the year with more cash on hand than in prior years. At the close of the fiscal year, the ECVA's governmental activities reported a Total Net Position of $8,436,693; an increase of $453,424 (6%) from the previous fiscal year Net Position of $7,983,269.

Overview of the Financial Statements

The basic financial statements of the ECVA are comprised of government-wide financial statements, fund financial statements, and notes to the financial statements. The supplemental information provides additional detail for each of the four ECVA funds.

Government-Wide Financial Statements

The government-wide financial statements are presented to provide readers with a broad overview of the ECVA in a manner similar to the private sector.

- The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Authority. The difference between the assets, deferred outflows of resources, liabilities and deferred inflows of resources is reported as "net position". Over time, increases and decreases in net position may serve as an indicator of improvements or deterioration of financial condition.

Condensed Statement of Net Position

	Governmental Activities			
	2021	2020	$ Change	% Change
Assets				
Current and other assets	$ 5,929,175	$ 4,968,541	$ 960,634	19%
Net capital assets	11,373,400	11,982,375	(608,975)	(5%)
Total assets	17,302,575	16,950,916	351,659	2%
Deferred Outflows of Resources				
Deferred outflows related to pensions	176,118	215,676	(39,558)	(18%)
Liabilities				
Current liabilities	482,809	218,042	264,767	121%
Non-current liabilities	8,392,969	8,802,992	(410,023)	(5%)
Total liabilities	8,875,778	9,021,034	(145,256)	(2%)
Deferred Inflows of Resources				
Deferred inflows related to pensions	164,022	160,089	3,933	2%
land lease	2,200	2,200	-	0%
Total deferred inflows of resources	166,222	162,289	3,933	2%
Net Position				
Net investment in capital assets	4,134,264	4,526,944	(392,680)	(9%)
Restricted	1,623,742	1,369,580	254,162	19%
Unrestricted	2,678,687	2,086,745	591,942	28%
Total Net Position	$ 8,436,693	$ 7,983,269	$ 453,424	6%

Government–wide Financial Statements

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The increase in governmental activities revenues is a result of recovery from the Covid-19 pandemic and governmental restrictions on gatherings easing over the course of the fiscal year. Additionally, transient lodging tax (room tax) proceeds increased 18% from the prior year.

Condensed Statement of Activities

	Governmental Activities 2021	Governmental Activities 2020	$ Change	% Change
Revenues				
Program Revenues:				
Charges for services	$ 897,665	$ 345,190	$ 552,475	160%
Operating grants and contributions	76,062	5,833	70,229	1204%
Total program revenues	973,727	351,023	622,704	177%
General Revenues:				
Property taxes	588,389	522,260	66,129	13%
Room taxes	1,250,285	1,058,265	192,020	18%
Combined state tax apportionment	391,396	391,396	-	0%
Other local sources	-	248	(248)	(100%)
Unrestricted investment earnings	21,135	49,387	(28,252)	(57%)
Total general revenues	2,251,205	2,021,556	229,649	11%
Total revenues	3,224,932	2,372,579	852,353	36%
Expenses				
General government	2,422,117	2,796,815	(374,698)	(13%)
Interest on lease obligation	349,391	359,403	(10,012)	(3%)
Total expenses	2,771,508	3,156,218	(384,710)	(12%)
Changes in Net Position	453,424	(783,639)	1,237,063	(158%)
Net Position, Beginning	7,983,269	8,766,908	(783,639)	(9%)
Net Position, Ending	$ 8,436,693	$ 7,983,269	$ 453,424	6%

Fund Financial Statements

A fund is a legal and accounting entity with a self – balancing set of accounts to track specific sources of funding and spending. The ECVA, as does other governmental agencies, uses fund accounting to ensure and demonstrate compliance with finance – related legal requirements.

Notes to the Financial Statements

The notes provide required disclosure and information necessary to understand the ECVA's activities. A summary of financial activity for the year follows.

Governmental Funds

Governmental funds focus on the current inflows and outflows of resources. This information is useful in determining current financial requirements.

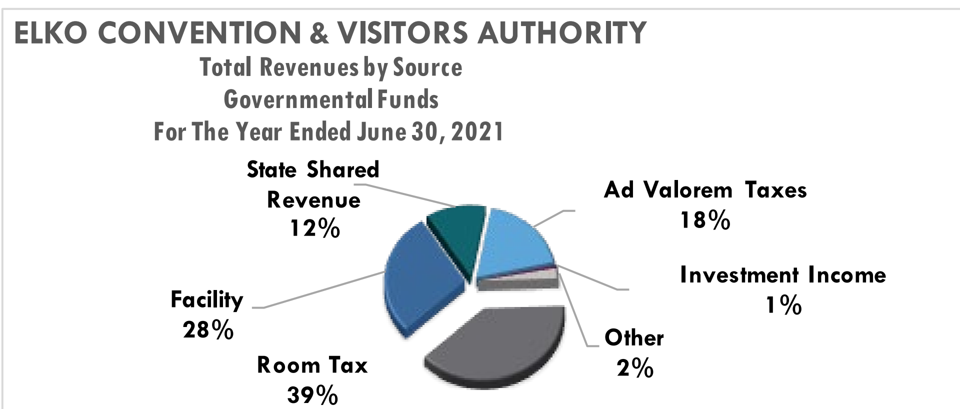
The ECVA maintains four separate funds within the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances for the four funds: General Fund, Marketing and Tourism Promotion Fund, Capital Projects Fund and the Facility Expansion Fund.

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

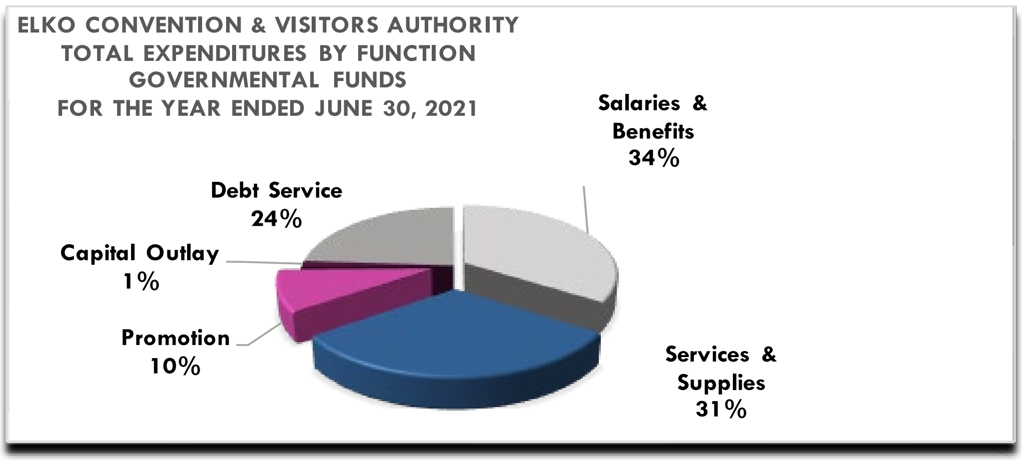
Financial Analysis of the Government's Funds

The focus of the ECVA's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the ECVA's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As noted earlier the ECVA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Total governmental fund revenues amounted to $3,229,929 for the 2020-2021 fiscal year. As illustrated on the following chart, room tax revenues are the largest revenue source, followed by Facility revenues which is a change from prior years.



Total General fund expenditures were $2,082,718 for the 2020-2021 fiscal year, which included $2,607 in capital outlay for sod to finish out the earthworks project outside of the Laurena Moren Theater. As illustrated on the following chart, salary and benefits represent the largest expenditure, followed by debt service.



As of the end of the current fiscal year, ECVA's governmental funds reported a combined ending fund balance of $5,792,236, an increase from the 2019-2020 combined ending fund balance of $4,738,188.

The General Fund is the primary operating fund of the ECVA. At the end of the current fiscal year, the General Fund's total fund balance was $1,519,420 as compared to the prior fiscal year balance of $1,121,036. The General Fund balance increased due to increased revenues year-over-year while the organization kept expenditures to a minimum pending the ongoing Covid-19 pandemic.

The Capital Projects Fund is used for ongoing facilities maintenance and improvement projects, as well as replacement of assets as they become obsolete or non-functional. The Capital Projects Fund ending fund balance was $2,595,796, an increase of $364,812 from the prior fiscal year balance of $2,230,984.

The Marketing and Tourism Promotion Fund accounts for restricted transient lodging tax monies remitted to the ECVA by the City of Elko as well as grant monies received specifically to market the Elko, Nevada area. The Marketing and Tourism Promotion Fund ending fund balance was $1,539,621, an increase of $288,061 from the prior fiscal year balance of $1,251,560.

The Facility Expansion Fund was established in fiscal year 2007-2008 to account for excess transient lodging tax receipts collected by the City of Elko allocated for Airport debt service once its obligation is met annually. This tax is scheduled to sunset in October 2026. In conjunction with the Capital Projects Fund, these funds are reserved for expenses related to expansion of ECVA facilities. During the 2020-2021 fiscal year, $180,000 was transferred to the General Fund for lease payments on the Conference Center located at 724 Moren Way. The Facility Expansion Fund ending balance was $137,399, compared to the prior fiscal year balance of $134,608.

Elko Convention & Visitors Authority's Capital Assets

The ECVA's total capital assets as of June 30, 2021, are valued at $11,373,400 (net of accumulated depreciation), of which $42,206 is not being depreciated. Capital assets includes buildings and grounds improvements as well as equipment required for the ongoing operations of the Convention & Conference Centers. During Fiscal Year 2020-2021 the ECVA made minimal capital improvements to preserve cash on hand for possible debt service due to uncertainty around other revenue sources as a result of the ongoing pandemic. Refer to financial statement Note 4 for additional details.

General Obligation Debt

The Elko Convention & Visitors Authority as of June 30, 2021 had a long-term lease obligation in the amount of $7,012,342 for the Conference Center building and $226,794 for Conference Center equipment. Other debts are compensated absences of $67,477, the net pension liability of $1,252,678, and the PPP Loan liability of $186,862. The long-term lease monthly use fees and base fee for the new building began in January 2016, for a period of approximately 25 years until March 4, 2041. The current monthly expense for the Conference Center is $52,285. At the time of this report, the PPP Loan of $186,862 had been forgiven and is no longer a debt obligation. Refer to Note 6 and Note 10 for additional details.

Trust Monies

Trust monies are collected in advance and held for organizations and individuals utilizing the Elko Convention & Visitors Authority's facilities. These funds are included in the cash balances and offset with a liability because the resources are not available to support ECVA's programs.

Budgetary Highlights

Detailed information can be found in the Supplementary Information section of the financial statements.

- Variations of the General Fund's actual results compared to the budget were noted mostly in the revenue areas of Room taxes and Facilities and Community Support (which includes events). Room tax revenues were 55% greater than budgeted, Community support (which includes the Elko Mining Expo) was 63% greater than budgeted and Facilities revenues exceeded budget by 10%.
- Budget augmentations occurring during the fiscal year included reallocation of one employee from the General Fund to the Marketing & Tourism Promotion Fund, addition of the CARES Act grants received through Travel Nevada for marketing and their associated expenses and the Paycheck Protection Program (PPP) loan.
- General Fund expenditures were 12.7% below budgeted amounts. While many expenses were largely out of the control of the ECVA, continued efforts were made to reduce costs where possible as the pandemic carried on through the year. Services and supplies expenditures came in 14.4% under budget and advertising & promotion closed at 79.0% under budget.
- The budget for facility rental and use revenues generated from the Convention & Conference Centers was set at 75% of the prior year revenues, anticipating continued negative impacts of the ongoing Covid-19 pandemic and federal and state issued mandates restricting gatherings and events. While facility

rental fees were at or above budget, catering revenues were -56% and -68% for the Convention and Conference Centers respectively due to the mandates prohibiting buffets for much of the year and significant requirements for food service which led to many events cancelling or modifying to not include catering services.

- The Elko Mining Expo held June 7-11, 2021 realized 37% greater revenue than budgeted. While expenses were 17% over budget, the event generated $294,015 for the General Fund, 67% over what was budgeted. This success offered a tremendous buffer for other facilities revenue shortfalls, contributing significantly to the +19% over budget for revenues related to charges for services.

Factors to impact the future

The Authority entered into a Facilities Use Agreement in March 2015 with JMF-ECVA 2015, LLC for the purpose of construction of the Conference Center, adjacent to the Convention Center. The long-term lease of this building and related equipment began on January 1, 2016. The June 30, 2021 present value of this capital lease debt service is $7,239,136. See Note 6 for additional information.

Transient lodging tax revenues were significantly greater than anticipated, demonstrating continued recovery from the Covid-19 pandemic, and continue to indicate a positive trend of recovery. The ECVA has implemented marketing campaigns in regional metropolitan areas, previously untargeted due to associated costs, and it appears this may be generating return on investment. These campaigns will continue utilizing grant funding opportunities as well as reallocation of Marketing funds as long as they appear to be generating a positive return.

The 2022 National Cowboy Poetry Gathering has been cancelled, leaving the economic benefits of this event on the table for a second consecutive year. The ECVA has worked to book other facility reservations to offset this loss of facility rental revenue and hopes marketing efforts will assist in generating lodging tax, and other tourism-related economic benefits, to lessen the negative economic impact of the loss of this large annual event once again.

The ECVA added two positions back to its budget for the 2021-2022 fiscal year. Recruiting has been difficult, as many other entities are experiencing. The ECVA is looking at augmenting the next fiscal year budget in response to compensation analysis of similarly situated positions to ensure retention of existing workforce and hopefully attract additional employees. In reviewing similarly situated positions in other governmental agencies, some ECVA positions are currently compensated 10-27% below competing entities.

Requests for Information

This report has been designed to provide an overview of the Elko Convention & Visitors Authority's financial position. Questions concerning any of the information contained in the document should be addressed to:

Elko Convention & Visitors Authority
Katie Neddenriep or Cheryl Garcia
700 Moren Way
Elko NV 89801
(775) 738-4091

	Governmental Activities
Assets	
Cash and investments	$ 5,359,786
Accounts receivable	134,115
Taxes receivable, delinquent	237,893
Due from other governments	159,196
Prepaid expenses	38,185
Capital assets, net of accumulated depreciation	11,331,194
Capital assets not being depreciated	42,206
Total assets	17,302,575
Deferred Outflows of Resources	
Deferred outflows related to pensions	176,118
Liabilities	
Accounts payable	66,132
Accrued salaries and benefits	43,987
Trust monies	10,443
Unearned revenue	9,063
Compensated absences due within one year	67,477
Capital lease obligation due within one year	226,794
PPP loan due within one year	58,913
Noncurrent liabilities	
Net pension liability	1,252,678
PPP loan, due in more than one year	127,949
Capital lease obligation, due in more than one year	7,012,342
Total liabilities	8,875,778
Deferred Inflows of Resources	
Deferred inflows related to pensions	164,022
Deferred inflows related to the land lease	2,200
Total deferred inflows of resources	166,222
Net Position	
Net investment in capital assets	4,134,264
Restricted for	
Facility expansion	120,811
Marketing	1,502,931
Unrestricted	2,678,687
Total net position	$ 8,436,693

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Total Governmental Activities
Governmental Activities				
General government	$ (2,422,117)	$ 897,665	$ 76,062	$ (1,448,390)
Interest on lease obligation	(349,391)	-	-	(349,391)
Total governmental activities	$ (2,771,508)	$ 897,665	$ 76,062	(1,797,781)
General Revenues				
Property taxes				588,389
Room taxes				1,250,285
Combined state sales tax apportionment				391,396
Unrestricted investment earnings				21,135
Total general revenues				2,251,205
Change in Net Position				453,424
Net Position, Beginning of Year				7,983,269
Net Position, End of Year				$ 8,436,693

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
Assets					
Cash and investments	$ 1,308,800	$ 1,465,868	$ 2,523,726	$ 61,392	$ 5,359,786
Receivables					
Accounts receivable	134,115	-	-	-	134,115
Taxes receivable, delinquent	90,259	66,506	5,121	76,007	237,893
Due from other governments	65,233	19,500	74,463	-	159,196
Prepaid expenses	1,495	36,690	-	-	38,185
Total assets	$ 1,599,902	$ 1,588,564	$ 2,603,310	$ 137,399	$ 5,929,175
Liabilities					
Accounts payable	$ 29,993	$ 35,939	$ 200	$ -	$ 66,132
Accrued salaries and benefits	40,046	3,941	-	-	43,987
Trust monies	10,443	-	-	-	10,443
Unearned revenue	-	9,063	-	-	9,063
Total liabilities	80,482	48,943	200	-	129,625
Deferred Inflows of Resources					
Unavailable revenue - delinquent property taxes	-	-	5,114	-	5,114
Unavailable revenue - land lease	-	-	2,200	-	2,200
Total deferred inflows of resources	-	-	7,314	-	7,314
Fund Balances					
Nonspendable, prepaid items	1,495	36,690	-	-	38,185
Restricted for					
Facility expansion	-	-	-	120,811	120,811
Marketing	-	1,502,931	-	-	1,502,931
Committed for					
Health insurance claims	52,000	-	-	-	52,000
Facility expansion	-	-	-	16,588	16,588
Assigned					
Subsequent year budget appropriations	-	-	154,667	-	154,667
Assigned for capital projects	-	-	2,441,129	-	2,441,129
Unassigned	1,465,925	-	-	-	1,465,925
Total fund balances	1,519,420	1,539,621	2,595,796	137,399	5,792,236
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,599,902	$ 1,588,564	$ 2,603,310	$ 137,399	$ 5,929,175

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds		$ 5,792,236
Capital assets net of the related depreciation are not reported in the governmental funds financial statements because they are not current financial resources, but they are reported in the statement of net position:		
Capital assets	$ 19,556,336	
Less accumulated depreciation	(8,225,142)	11,331,194
Capital assets, not being depreciated		42,206
Deferred inflows of resources for delinquent property taxes represent amounts that are not available to fund current expenditures, and therefore, are not reported as revenues in the governmental funds.		5,114
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Capital lease obligation	(7,239,136)	
PPP loan	(186,862)	
Compensated absences	(67,477)	
Net pension liability	(1,252,678)	(8,746,153)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	176,118	
Deferred inflows of resources related to pensions	(164,022)	12,096
Total net position, governmental activities		$ 8,436,693

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
Revenues					
Taxes	$ 614,629	$ 452,885	$ 593,386	$ 182,771	$ 1,843,671
Intergovernmental revenues	391,396	76,062	-	-	467,458
Charges for services	897,665	-	-	-	897,665
Miscellaneous	10,550	1,635	8,930	20	21,135
Total revenues	1,914,240	530,582	602,316	182,791	3,229,929
Expenditures					
Current					
General government	1,514,425	242,521	9,994	-	1,766,940
Capital outlay	2,607	-	27,510	-	30,117
Debt service					
Principal	216,295	-	-	-	216,295
Interest	349,391	-	-	-	349,391
Total expenditures	2,082,718	242,521	37,504	-	2,362,743
Excess (Deficiency) of Revenues Over Expenditures	(168,478)	288,061	564,812	182,791	867,186
Other Financing Sources (Uses)					
Proceeds from issuances of debt	186,862	-	-	-	186,862
Transfers in	380,000	-	-	-	380,000
Transfers out	-	-	(200,000)	(180,000)	(380,000)
Total other financing sources (uses)	566,862	-	(200,000)	(180,000)	186,862
Net Change in Fund Balance	398,384	288,061	364,812	2,791	1,054,048
Fund Balances, Beginning of Year	1,121,036	1,251,560	2,230,984	134,608	4,738,188
Fund Balances, End of Year	$ 1,519,420	$ 1,539,621	$ 2,595,796	$ 137,399	$ 5,792,236

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		$ 1,054,048
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:		
Capital outlay to purchase capital assets	$ 30,117	
Current depreciation expense	(638,984)	(608,867)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, disposals) is to decrease net position.		(108)
Property taxes and room taxes that are collected in time to pay obligations of the current period are reported as revenue in the fund statements. However, amounts that relate to prior periods that first become available in the current period should not be reported as revenue in the statement of activities:		
Current period	5,114	
Prior period	(10,111)	(4,997)
Long-term liabilities are not due and payable in the current period, therefore they are not reported in the fund statements:		
Capital lease obligation - principal payments	216,295	
PPP loan proceeds	(186,862)	
Current year change in compensated absences	(11,463)	
		17,970
Governmental funds report PERS contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense:		
PERS contributions	104,232	
Pension expense	(108,854)	
		(4,622)
Change in net position of governmental activities		$ 453,424

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Variance
Revenues				
Room taxes	$ 397,682	$ 397,682	$ 614,629	$ 216,947
Intergovernmental revenues	391,396	391,396	391,396	-
Charges for services	754,771	754,771	897,665	142,894
Miscellaneous	5,500	5,500	10,550	5,050
Total revenues	1,549,349	1,549,349	1,914,240	364,891
Expenditures				
Current				
General government	1,641,055	1,616,494	1,514,425	102,069
Capital outlay	16,500	16,500	2,607	13,893
Debt service				
Principal	206,283	393,145	216,295	176,850
Interest	359,403	359,403	349,391	10,012
Total expenditures	2,223,241	2,385,542	2,082,718	302,824
Excess (Deficiency) of Revenues Over Expenditures	(673,892)	(836,193)	(168,478)	667,715
Other Financing Sources (Uses)				
Proceeds from issuances of debt	-	186,862	186,862	-
Contingency	(66,727)	(66,727)	-	66,727
Transfer in	380,000	380,000	380,000	-
Total other financing sources (uses)	313,273	500,135	566,862	66,727
Net Change in Fund Balance	(360,619)	(336,058)	398,384	734,442
Fund Balances, Beginning of Year	1,346,855	1,346,855	1,121,036	(225,819)
Fund Balances, End of Year	$ 986,236	$ 1,010,797	$ 1,519,420	$ 508,623

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Variance
Revenues				
Room taxes	$ 293,307	$ 293,307	$ 452,885	$ 159,578
Intergovernmental revenues	-	65,625	76,062	10,437
Miscellaneous	7,400	7,400	1,635	(5,765)
Total revenues	300,707	366,332	530,582	164,250
Expenditures				
Current				
General government	761,275	851,461	242,521	608,940
Excess (Deficiency) of Revenues Over Expenditures	(460,568)	(485,129)	288,061	773,190
Other Financing Sources (Uses)				
Contingency	(22,473)	(22,473)	-	22,473
Net Change in Fund Balance	(483,041)	(507,602)	288,061	795,663
Fund Balances, Beginning of Year	1,226,186	1,226,186	1,251,560	25,374
Fund Balances, End of Year	$ 743,145	$ 718,584	$ 1,539,621	$ 821,037

Note 1 - Summary of Significant Accounting Policies

The Elko Convention & Visitors Authority, (the Authority), was originally created by Chapter 227, Statutes of Nevada in 1975, as Elko City – County Civic Auditorium Authority. The Authority is governed by a five-member Board of Directors (the Board) comprised of: one current member of the City of Elko Board of Supervisors, one current member of Elko County Board of County Commissioners, two members elected at large residing within the boundaries of the City of Elko and the Authority, and one member elected at large residing outside the City of Elko but within the boundaries of the Authority.

Reporting Entity

The accompanying financial statements include all the activities that comprise the financial reporting entity of the Authority. The Board is legally separate and fiscally independent of other governing bodies, therefore the Authority is a primary government and is not reported as a component unit by another governmental unit. The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial principles.

Government-wide and Fund Financial Statements

The basic financial statements consist of government–wide statements and the fund financial statements. The government–wide financial statements include a statement of net position and a statement of activities. The government–wide statements report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, would be reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Authority does not engage in any business-type activities.

The statement of net position presents the consolidated financial position of the Authority at year end. The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include charges to patrons who use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meet the operational or capital requirements of a particular function. Taxes and other revenues not properly included among program revenues are reported instead as general revenues. Those programs or functions with a net cost not supported by program revenues are generally dependent on general – purpose revenues, such as taxes, to remain operational.

The fund financial statements provide information about the City's funds. The emphasis of fund financial statements is on major individual governmental funds, each reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government–wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Grant revenues are reported as unearned liabilities if funds have been received prior to meeting such requirements.

When fund balance resources are available for a specific purpose in more than one classification, it is the Authority's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Gross receipts and taxes are considered "measurable" when in the hands of intermediary collecting agents or governments. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days after year-end. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and the payment seems certain. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Authority's financial records are organized on the basis of funds, which are independent fiscal and accounting entities with a separate set of self – balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance – related legal and contractual provisions.

The major revenue sources of the Authority include combined state apportionment revenues, room taxes, property taxes, facilities usage fees, interest income and various state grants. Property taxes are reported as deferred inflows of resources in the individual funds if they are not available to finance the activities of the current period.

The Authority reports the following major governmental funds:

- General Fund is the Authority's primary operating fund. It accounts for all financial resources and costs of operations, which are not accounted for in another fund.
- Marketing and Tourism Promotion Fund (Special Revenue) accounts for one and three – quarters percent room tax collected by the City of Elko to be used to market the City through various promotional methods per Elko City Ordinance 4 – 6 – 10(G).
- Capital Projects Fund accounts for property tax revenue earmarked for the construction, acquisition or maintenance of the convention facilities and the purchase of necessary furniture and equipment.
- Facility Expansion Fund (Capital Projects) accounts for revenue received from the City of Elko to be used for expansion of the convention facilities per Elko City Ordinance 4 – 6 – 10(H).

Budgets and Budgetary Accounting

Nevada Statutes require special districts to legally adopt budgets for all funds. The budgets are filed as matter of public record with the Elko County Clerk and State of Nevada Department of Taxation. The Authority staff uses the following procedures to establish, modify and control the budgetary data reflected in the financial statements:

1. On or before April 15, the Board submits a tentative budget for the fiscal year commencing the following July 1. The tentative budget includes proposed expenditures and the means of financing them. Budgets for governmental funds are prepared on the modified accrual basis of accounting.
2. Public hearings on the tentative budget are held prior to the adoption of the budget to obtain public comments.
3. On or before 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 a majority vote of the Board. The final budget must then be forwarded to the Nevada Department of Taxation for final approval. The above dates may be adjusted as necessary during legislative years.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year, however formal encumbrance accounting is not utilized. All appropriations lapse at the end of the fiscal year.
5. The appropriated budget amounts may be transferred between functions or contingency accounts if the transfer does not increase the total appropriations for the fiscal year subject to advisement of the Board at the next subsequent meeting and must be recorded in the minutes of the meeting. Budget augmentations and amendments in excess of original budgetary amounts require prior approval of the Board, following a scheduled and noticed public hearing.
6. In accordance with state statute, actual expenditures may not exceed budgetary appropriations of the various functions of the individual funds, except for bond repayments, short – term financing repayment and any other long-term contract expressly authorized by law, and certain other items specified in Nevada Revised Statute (NRS) 354.626.
7. The budgeted amounts reflected in the financial statements recognize any budget amendments made during the year in accordance with the above procedures.

Property Taxes

Taxes on real property are levied and the lien attached on July 1 (the levy date) of the year for which the taxes are levied. Taxes are due on the third Monday of August however, they may be paid in quarterly installments payable on the third Monday of August and the first Mondays in October, January and March. Any tax paid more than ten days late is assessed a penalty. In the event of nonpayment, a tax lien is taken on the first Monday in May, and the Elko County Treasurer is authorized to hold the property for two additional years, subject to redemption upon payment of taxes, penalties and costs, together with interest at the rate of 10% per year from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer, upon approval of the County Commissioners, obtains a tax deed to the property free of all encumbrances. Upon receipt of a deed, the County Treasurer may sell the property to satisfy the tax lien.

The State of Nevada limits the total taxes levied by all overlapping governmental units within the boundaries of Elko County (i.e., the county, the state, the school district, the Authority, and any other city, town, or special district) to an amount not to exceed $3.64 per $100 of assessed valuation of the property being taxed, except in cases of severe financial emergency as defined by NRS 354.705.

Property tax revenue and the related receivable have been recognized for property tax assessments in the fiscal year for which they were levied, provided that such taxes were collected within 60 days after the Authority's year-end. Taxes receivable not collected within such time period are recorded as deferred inflows of resources at the Authority's year-end. All property taxes are collected by Elko County and remitted to the Authority monthly.

Accounts Receivable

Accounts receivable as stated in the balance sheet are reported net of allowance for uncollectible accounts of $400.

Cash and Investments

Cash includes amounts in demand deposits as well as short – term investments with a maturity date within three months of the date of acquisition. Cash balances from all funds other than the petty cash account are combined, held and invested by the Authority. Investments are reported at fair value based on quoted market prices.

State statutes authorize deposits in any bank, credit union or savings and loan that are federally insured. The Authority may invest in the following securities:

- United States bonds and debentures, bills and notes of the United States Treasury, or obligations of the United States or a corporation sponsored by the government maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Negotiable certificates of deposit from commercial banks, insured credit unions, or insured savings and loan associations.
- State of Nevada Local Government Pooled Investment Fund.
- Certain securities issued by local governments of the State of Nevada.
- Certain "AAA" rated money market mutual funds that invest in federal securities.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain bankers' acceptances not to exceed 180 days maturities or 20% of the money available for investment.
- Obligations of state and local governments rated A or higher and exempt from gross income for federal income tax purposes.
- Certain corporate or depository institution commercial paper purchased from a registered broker dealer rated A – 1, P – 1, or better with maturity of no more than 270 days.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government–wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than $10,000 for buildings and $1,000 for all other assets and an estimated useful life in excess of one year. These assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value determined at the date of donation. The Authority has no public domain (infrastructure) capital assets.

Capital assets are being depreciated using the straight – line method over the following estimated useful lives:

Buildings	30 – 40 years
Improvements other than buildings	10 – 40 years
Equipment	3 – 25 years

Prepaid Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in both the government–wide and fund financial statements.

Compensated Absences

Employees may accumulate unused vacation, compensatory time and sick pay benefits within certain limits. Vacation, compensatory, and applicable sick pay time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Remaining amounts of unused vacation, compensatory time and sick pay benefits are not recorded in the fund financial statements but are included in the government–wide financial statements. These benefits are paid from the General Fund.

Trust Monies

Trust monies are those items collected in advance and held for organizations and individuals utilizing the Authority's facilities.

Long-Term Obligations

The Authority reports long-term debt and other long-term obligations as liabilities at face value in the government–wide financial statements.

Pensions

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

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position/governmental funds balance sheet may report a separate section for deferred outflows of resources. This separate statement element represents the consumption of net position/fund balance that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority reported deferred outflows of resources related to pensions resulting from the difference between expected and actual experience, changes in assumptions or other inputs, changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contribution, and the Authority's contributions subsequent to the measurement date of the net pension liability in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This separate statement element represents an acquisition of net position/fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reflects deferred inflows of resources which are unavailable revenue reported in the governmental fund balance sheet for delinquent property taxes and receipt of a prepayment for a land lease by a tenant under the modified accrual basis of accounting. The Authority reported deferred inflows of resources related to pensions resulting from the differences between expected and actual experience, the difference between projected and actual earnings on pension plan investments, and changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contributions in the Statement of Net Position.

Fund Equity or Net Position

In the fund financial statements, governmental funds report five classifications of fund balance. Nonspendable are amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted is the result of constraints placed on assets that are externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation. Committed are amounts set aside by formal action of the Board. Formal Board action is also required to modify or rescind an established commitment. Assigned is the result of constraints on amounts imposed by the government's intent to be used for specific purposes but are neither restricted nor committed. The Authority has given responsibility for assigning fund balance amounts to the Executive Director and Comptroller in accordance with the Board discussion and direction. Unassigned is the residual classification of fund balance for the General Fund. The Board has committed $16,588 of facility expansion fund balance for future expansion projects and $52,000 of general fund balance as a reserve for excess health insurance claims.

In the General Fund, the Authority approved a policy to maintain unassigned fund balance of no less than two months of the prior year expenses to ensure sufficient available resources.

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

Net Investment in Capital Assets – This is the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted – The component of net position that reports the constraints placed on the use of assets by either external parties and/or enabling legislation. The Marketing and Tourism Promotion Fund assets are restricted for promotion of the Elko area. The Facility Expansion Fund assets are restricted for facility improvements and acquisitions.

Unrestricted – The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not reported in Net Investment in Capital Assets and Restricted Net Position.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Nevada Revised Statutes and Administrative Code

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

Note 3 - Cash and Investments

Nevada Revised Statutes (NRS 355.170) sets forth acceptable investments for Nevada local governments. The Authority has adopted a formal investment policy; however, it does not further limit its exposure to certain risks.

Interest Rate Risk- Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. As noted above, the Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statute.

Credit Risk- Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. As noted above, the Authority does not have a formal investment policy that specifies minimum acceptable credit ratings further than those listed in state statutes. Negotiable certificates of deposit are unrated with a maturity less than a year.

Custodial Credit Risk- Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. All deposits were collateralized under the Nevada Pooled Collateral Program or insured by the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC). For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of outside parties.

The items classified as investments are negotiable certificates of deposit purchased in the open market and are reported at fair value at June 30, 2021:

	Carrying Amount	Bank Balance
Cash Balances		
Deposits	$ 5,092,284	$ 5,092,040

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority does not have any investments that are measured using Level 2 or Level 3 inputs. The Authority has the following fair value measurements as of June 30, 2021:

	Fair Value	(Level 1)
Investment Type		
Negotiable certificates of deposit	$ 267,502	$ 267,502

Note 4 - Capital Assets

The amounts recorded as capital assets are summarized as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, being depreciated				
Buildings	$ 17,269,853	$ 24,280	$ -	$ 17,294,133
Improvements other than buildings	807,027	2,516	-	809,543
Equipment	1,454,666	3,321	(5,327)	1,452,660
	19,531,546	30,117	(5,327)	19,556,336
Less accumulated depreciation for				
Buildings	(6,125,211)	(554,438)	-	(6,679,649)
Improvements other than buildings	(625,097)	(17,427)	-	(642,524)
Equipment	(841,069)	(67,119)	5,219	(902,969)
	(7,591,377)	(638,984)	5,219	(8,225,142)
Total capital assets being depreciated, net	11,940,169	(608,867)	(108)	11,331,194
Capital assets, not being depreciated				
Land	42,206	-	-	42,206
	$ 11,982,375	$ (608,867)	$ (108)	$ 11,373,400

Depreciation expense was charged to the general government function of the Authority.

Note 5 - Operating Leases

The Authority has entered into a number of operating leases for office equipment and billboard space. The total amount paid under these leases during the current fiscal year was $10,428. The following is a schedule of future minimum rental payments under operating leases as of June 30, 2021:

Year Ending June 30,	Amount
2022	$ 61,336
2023	10,063
	$ 71,399

Note 6 - Long-Term Liabilities

Long-term liabilities as of June 30, 2021 consisted of the following:

	Balance July 1, 2020	Issued or Incurred	Retired or Paid	Balance June 30, 2021	Due Within One Year
Compensated absences	$ 56,014	$ 23,651	$ 12,188	$ 67,477	$ 67,477
Capital lease obligation	7,455,431	-	216,295	7,239,136	226,794
	$ 7,511,445	$ 23,651	$ 228,483	$ 7,306,613	$ 294,271

The Authority was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2021. At June 30, 2021, the Authority was in compliance with its debt covenants.

Capital Lease

The Authority has entered into a capital lease agreement for the use of the Conference Center building and related equipment.

Leased building and equipment under the capital lease in capital assets at June 30, 2021, include the following:

Buildings	$ 11,000,000
Equipment	282,777
Less accumulated depreciation	(2,481,606)
	$ 8,801,171

Current year depreciation for leased building and equipment of $451,202 is included in depreciation expense.

As of June 30, 2021, capital lease debt service costs are as follows:

Year Ending June 30,	Amount
2022	$ 565,686
2023	565,686
2024	565,686
2025	565,686
2026	565,686
2027-2031	2,828,431
2032-2036	2,828,431
2037-2041	2,683,885
Total requirements	11,169,177
Less interest	(3,930,041)
Present value of remaining payments	$ 7,239,136

Note 7 - Defined Benefit Plan

Plan Description

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

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 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 PERS on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering PERS on or after July 1, 2015, there is a 2.25% multiplier of all years of service. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 – .579.

Vesting

Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with ten years of service, or any age with 30 years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or at 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

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

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer – Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in PERS are canceled upon withdrawal of contributions from the member's account. If EPC was selected, the member cannot covert to the Employee/Employer Contribution plan.

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

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

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

For the fiscal year ended June 30, 2021, the statutory Employer/Employee matching rate was 15.25% for Regular members. The Employer – pay contribution (EPC) rate for the fiscal year ended June 30, 2020 was 29.25% for Regular members.

The Authority's contributions were $71,417 for the year ended June 30, 2021.

PERS Investment Policy

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

The following was the PERS Board's adopted policy target asset allocation as of June 30, 2020:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
U.S. Stocks	42%	5.50%
International Stocks	18%	5.50%
U.S. Bonds	28%	0.75%
Private Markets	12%	6.65%

As of June 30, 2020, PERS' long-term inflation assumption was 2.75%.

Net Pension Liability

At June 30, 2021, the Authority reported a liability of $1,252,678 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions in the PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2020, the Authority's proportion was 0.00899 percent, which is a decrease of 0.00048 percent from its proportion measured as of June 30, 2019 of 0.00947 percent.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the Authority as of June 30, 2020, calculated using the discount rate of 7.50%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 – percentage – point lower (6.50%) or 1 – percentage – point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Authority's proportionate share of net pension liability	$ 1,953,694	$ 1,252,678	$ 669,836

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position and additional information is available in the PERS Comprehensive Annual Financial Report, available on the PERS website (www.nvpers.org).

Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2020, 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	2.75%
Investment Rate of Return	7.50%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2020 funding actuarial valuation

Mortality rates for healthy members were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of six years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of the experience study for the period of July 1, 2021 through June 30, 2016.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. 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, 2020, 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, 2020.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021 the Authority recognized pension expense of $108,854. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 38,921	$ 16,175
Net difference between projected and actual earnings on pension plan investments	-	47,321
Changes in assumptions or other inputs	35,186	-
Changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contributions	30,594	100,526
Authority contributions subsequent to the measurement date	71,417	-
	$ 176,118	$ 164,022

The $71,417 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 6.13 years.

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

Year Ending June 30,	
2022	$ (22,293)
2023	(4,116)
2024	(11,324)
2025	(9,787)
2026	(10,502)
2027	(1,299)
Thereafter	-

Additional Information

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

Note 8 - Healthcare Plan

The Authority participates in a healthcare plan for current employees sponsored by Elko County, Nevada, Elko County Employee Health Benefits Plan (ECEHBP). The Authority is responsible to pay all premiums required under the plan and also to establish a reserve to assist in payment of health claims, should they exceed the plan reserves, in the amount of $52,000. As of June 30, 2021, the Authority has committed $52,000 of General Fund ending fund balance for this purpose. Authority retirees do not participate in this plan. For more information regarding this plan, contact Elko County in writing at 569 Court Street, Elko, Nevada 89801 or by calling (775) 738-5398.

Note 9 - Postemployment Healthcare Plan

The Authority contributes to a single employer defined benefit postemployment healthcare plan, Public Employees’ Benefits Plan (PEBP). This plan provides medical and life insurance benefits to eligible retired Authority employees and beneficiaries.

Benefit provisions for PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine – member board of trustees. Authority employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 discontinued the option to join PEBP for Authority employees who retired after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in their plan. As of June 30, 2021, two Authority retirees were utilizing this benefit.

For PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired Authority employees. The contribution requirements of plan members and the Authority may be amended by the PEBP board. As a participating employer, the Authority is billed for the subsidy on a monthly basis and is legally required to provide for it. For the plan year ended June 30, 2021, the Authority paid subsidies for qualified retirees ranging from $195 to $248 per month. For fiscal year 2021, the Authority contributed $6,134.

The Authority was determined to be a Level 3 governmental entity for GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* reporting requirements. As part of GASB Statement No. 75 requirements, an actuarial study needs to be performed to determine the unfunded actuarial liability, the annual OPEB cost, net OPEB obligation, and other information. The Authority should also provide prior year information for comparison as to funding progress made. The Authority evaluated its potential liability using the Fidelity Municipal Government AA 20 years index rate of 1.92%, readily available actuarial life expectancy tables, and current PEBP premiums to estimate its future liability. The Authority determined the net OPEB obligation required to be recorded on its financial statements was immaterial. Based on this determination, the Authority did not have a formal actuarial study performed. The Authority will evaluate this estimate of liability in each future year and will have the actuarial study performed when it estimates the liability to be recorded would materially misstate the financial statements, if not included. At June 30, 2021, not all information required to be reported by GASB Statement No. 75 is available and therefore is not included in this report.

Note 10 - Paycheck Protection Program (PPP) Loan

The Authority was granted a $186,862 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The interest rate on the loan is 1.00% and the maturity date is January 2026. The loan is uncollateralized and is fully guaranteed by the Federal Government. The Authority is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Authority has recorded a note payable and will record the forgiveness upon being legally released from the loan obligation by the SBA. No forgiveness income has been recorded for the year ended June 30, 2021. The Authority applied for forgiveness of the PPP loan and obtained formal forgiveness on November 19, 2021.

Schedule of Authority's Share of Net Pension Liability
Public Employee's Retirement System of Nevada (PERS)
Last Ten Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
Authority's portion of the net pension liability	0.00899%	0.00947%	0.00973%	0.01006%	0.01000%	0.00917%	0.00891%
Authority's proportionate share of the net pension liability	$ 1,252,678	$ 1,291,547	$ 1,327,259	$ 1,338,575	$ 1,345,209	$ 1,051,342	$ 928,237
Authority's covered payroll	$ 643,007	$ 651,284	$ 644,901	$ 645,275	$ 610,691	$ 549,949	$ 525,631
Authority's proportional share of the net pension liability as a percentage of its covered payroll	194.82%	198.31%	205.81%	207.44%	220.28%	191.17%	176.59%
Plan fiduciary net position as a percentage of the total pension liability	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	76.30%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution**	$ 71,417	$ 94,039	$ 91,180	$ 90,286	$ 90,344	$ 84,754	$ 70,806
Contributions in relation to the statutorily required contribution**	$ 71,417	$ 94,039	$ 91,180	$ 90,286	$ 90,344	$ 84,754	$ 70,806
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 488,322	$ 643,007	$ 651,284	$ 644,901	$ 645,275	$ 610,691	$ 549,949
Contributions as a percentage of covered payroll	14.62%	14.62%	14.00%	14.00%	14.00%	13.88%	12.88%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

** All contributions shown reflect employer-paid contributions only. Member contributions are excluded.

Supplementary Information
June 30, 2021

Elko Convention & Visitors Authority

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Final Budget Variance	2020
Revenues					
Taxes					
Room taxes	$ 397,682	$ 397,682	$ 614,629	$ 216,947	$ 544,275
Intergovernmental revenues					
Combined state apportionment	391,396	391,396	391,396	-	391,396
Charges for services					
Facilities revenue	624,121	624,121	685,309	61,188	300,270
Community support	130,650	130,650	212,356	81,706	44,920
	754,771	754,771	897,665	142,894	345,190
Miscellaneous					
Interest income	5,000	5,000	6,119	1,119	15,274
Net change in fair value of investments	-	-	4,431	4,431	6,579
Other	500	500	-	(500)	185
	5,500	5,500	10,550	5,050	22,038
Total revenues	1,549,349	1,549,349	1,914,240	364,891	1,302,899
Expenditures					
Current					
General government					
Salaries	581,336	566,721	498,740	67,981	682,126
Employee benefits	300,714	290,768	292,767	(1,999)	396,890
Services and supplies	460,055	460,055	393,997	66,058	487,538
Advertising and promotion	13,550	13,550	2,839	10,711	13,815
Other-tourism and community events	285,400	285,400	326,082	(40,682)	46,610
Capital outlay	16,500	16,500	2,607	13,893	16,767
	1,657,555	1,632,994	1,517,032	115,962	1,643,746
Debt service					
Principal payments	206,283	393,145	216,295	176,850	206,283
Interest payments	359,403	359,403	349,391	10,012	359,403
	565,686	752,548	565,686	186,862	565,686
Total expenditures	2,223,241	2,385,542	2,082,718	302,824	2,209,432
Excess (Deficiency) of Revenues Over Expenditures	(673,892)	(836,193)	(168,478)	667,715	(906,533)
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	-	401
Proceeds from issuances of debt	-	186,862	186,862	-	-
Contingency	(66,727)	(66,727)	-	66,727	-
Transfers in	380,000	380,000	380,000	-	431,915
Total other financing sources (uses)	313,273	500,135	566,862	66,727	432,316
Net Change in Fund Balance	(360,619)	(336,058)	398,384	734,442	(474,217)
Fund Balances, Beginning of Year	1,346,855	1,346,855	1,121,036	(225,819)	1,595,253
Fund Balances, End of Year	$ 986,236	$ 1,010,797	$ 1,519,420	$ 508,623	$ 1,121,036

	Budgeted Amounts			Final Budget	
	Original	Final	Actual	Variance	2020
Revenues					
Taxes					
Room taxes	$ 293,307	$ 293,307	$ 452,885	$ 159,578	$ 401,157
Intergovernmental revenues					
State grant revenue	-	65,625	76,062	10,437	5,833
Miscellaneous					
Interest income	7,400	7,400	1,635	(5,765)	6,858
Other	-	-	-	-	63
Net change in fair value of investment	-	-	-	-	806
	7,400	7,400	1,635	(5,765)	7,727
Total revenues	300,707	366,332	530,582	164,250	414,717
Expenditures					
Current					
General government					
Salaries	-	14,615	16,239	(1,624)	-
Employee benefits	-	9,946	1,099	8,847	-
Advertising and promotion	761,275	761,275	148,342	612,933	338,123
Grant expenses	-	65,625	76,841	(11,216)	24,671
Total expenditures	761,275	851,461	242,521	608,940	362,794
Excess (Deficiency) of Revenues Over Expenditures	(460,568)	(485,129)	288,061	773,190	51,923
Other Financing Sources (Uses)					
Contingency	(22,473)	(22,473)	-	22,473	-
Net Change in Fund Balance	(483,041)	(507,602)	288,061	795,663	51,923
Fund Balances, Beginning of Year	1,226,186	1,226,186	1,251,560	25,374	1,199,637
Fund Balances, End of Year	$ 743,145	$ 718,584	$ 1,539,621	$ 821,037	$ 1,251,560

	Budgeted Amounts			Final Budget	
	Original	Final	Actual	Variance	2020
Revenues					
Taxes					
Ad valorem taxes	$ 531,431	$ 531,431	$ 593,386	$ 61,955	$ 514,651
Miscellaneous					
Interest income	12,000	12,000	7,587	(4,413)	12,041
Other	100	100	-	(100)	-
Net change in fair value of investment	-	-	1,343	1,343	7,770
	12,100	12,100	8,930	(3,170)	19,811
Total revenues	543,531	543,531	602,316	58,785	534,462
Expenditures					
Current					
General government					
Services and supplies	2,000	2,000	9,994	(7,994)	4,245
Capital outlay	267,000	267,000	27,510	239,490	76,672
Total expenditures	269,000	269,000	37,504	231,496	80,917
Excess (Deficiency) of Revenues Over Expenditures	274,531	274,531	564,812	290,281	453,545
Other Financing Sources (Uses)					
Contingency	(11,220)	(11,220)	-	11,220	-
Transfer out	(200,000)	(200,000)	(200,000)	-	(200,000)
Total other financing sources (uses)	(211,220)	(211,220)	(200,000)	11,220	(200,000)
Net Change in Fund Balance	63,311	63,311	364,812	301,501	253,545
Fund Balances, Beginning of Year	1,840,864	1,840,864	2,230,984	390,120	1,977,439
Fund Balances, End of Year	$ 1,904,175	$ 1,904,175	$ 2,595,796	$ 691,621	$ 2,230,984

	Budgeted Amounts			Final Budget	
	Original	Final	Actual	Variance	2020
Revenues					
Taxes					
Room taxes	$ 139,115	$ 139,115	$ 182,771	$ 43,656	$ 349,876
Miscellaneous					
Interest income	500	500	20	(480)	59
Total revenues	139,615	139,615	182,791	43,176	349,935
Other Financing Sources (Uses)					
Transfer out	(180,000)	(180,000)	(180,000)	-	(231,915)
Net Change in Fund Balance	(40,385)	(40,385)	2,791	43,176	118,020
Fund Balances, Beginning of Year	48,597	48,597	134,608	86,011	16,588
Fund Balances, End of Year	$ 8,212	$ 8,212	$ 137,399	$ 129,187	$ 134,608

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Elko Convention & Visitors Authority
Elko, Nevada

We have audited, 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, the financial statements of the governmental activities and each major fund of the Elko Convention & Visitors Authority, State of Nevada (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statement and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Finding and Responses to be a material weakness (2021-001).

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. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be significant deficiencies (2021-002 and 2021-003).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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.*

Elko Convention & Visitors Authority's Response to Findings

The Authority's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Elko, Nevada
December 10, 2021

CPAs & BUSINESS ADVISORS

Auditor's Comments

To the Board of Directors
Elko Convention & Visitors Authority
Elko, Nevada

In connection with our audit of the financial statements of the governmental activities and each major fund of the Elko Convention & Visitors Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, nothing came to our attention that caused us to believe that Elko Convention & Visitors Authority failed to comply with the specific requirements of Nevada Revised Statutes cited below other than the violations reported in Note 2 to the financial statements. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance
Compliance with Nevada Revised Statues and the Nevada Administrative Code is contained in Note 2 of the financial statements.

Disposition of Prior Year Statute Violations
There were no statute violations noted in the prior year audit.

Prior Year Recommendations
Prior year finding 2020-001 is reported again this year as finding 2021-001.

Current Year Recommendations
See items noted in the Schedule of Findings and Responses.

Eide Bailly LLP

Elko, Nevada
December 10, 2021

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2021-001 Report Preparation and Audit Adjustments
Material Weakness

Criteria: Management of the Elko Convention & Visitors Authority is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control is a finance staff with adequate resources available to prepare the financial statements in accordance with generally accepted accounting principles. Additionally, a good system of internal control contemplates an adequate system for recording and processing entries material to the financial statements.

Condition: Based on our audit procedures performed as of June 30, 2021, we proposed the following material audit adjustments to properly state various account balances in order to fairly present the financial statements in accordance with generally accepted accounting principles:

- Prepaid expenses were understated and expenditures were overstated by $16,571 in the Marketing and Tourism Fund and in the Governmental Activities government-wide statements.
- In-kind revenue and expenditures were understated by $48,413 in the General Fund and in the Governmental Activities government-wide statements.
- Grant revenue was overstated and unearned revenues was understated by $9,063 in the Marketing and Tourism Fund and in the Governmental Activities government-wide statements.
- Accounts payable and expenditures were understated by $6,704 in the General Fund and in the Governmental Activities government-wide statements.
- Account payable and expenditures were overstated by $10,000 in the Marketing and Tourism Fund and in the Governmental Activities government-wide statements.

Cause: Given the daily responsibilities of management, the resources of time and training necessary to prepare the Authority's financial statements in accordance with generally accepted accounting principles are not available. As a result, the Authority has chosen to contract with Eide Bailly LLP to prepare the financial statements. This circumstance is not unusual in an organization of this size, due to time constraints of management and costs associated with compliance of the standards. However, management has not implemented sufficient procedures to capture the necessary information needed for the financial statements and related disclosures to be prepared in all material respects.

Effect:	The Authority's financial records required audit adjustments in order for the financial statements to be in accordance with generally accepted accounting principles. Internally prepared financial information may not be accurate and full disclosure financial statements may not be available as timely as they would be if prepared by the Authority's personnel.
Recommendation:	We recommend Management perform a detailed review of all financial statements and fund trial balances throughout the year to ensure that all significant transactions have been appropriately reported. In addition, Management and Those Charged with Governance should annually make the decision to accept the degree of risk associated with this condition because of costs or other considerations.
Views of Responsible Officials:	Management will annually review whether to accept the degree of risk associated with the auditors preparing the Authority's financial statements. In addition, management will perform year end reconciling procedures to ensure accounts are properly stated.

2021-002 Internal Controls over Capital Assets
Significant Deficiency

Criteria:	Management is responsible for establishing and maintaining an effective system of internal controls over financial reporting. One of the key components of an effective system of internal control is the ability to ensure that accounting records accurately reflect activities and transactions.
Condition:	During the course of our engagement, we noted the Authority did not have a system of internal controls to ensure that all capital asset transactions are accurately recorded and reported in the financial statements. The capital asset schedules for June 30, 2021 had not been reconciled to ensure that the balances included all current year transactions, including additions and deletion, and that the beginning balances agreed with the prior year ending balances.
Cause:	Internal controls in place were not sufficient to ensure that all capital asset transactions were accounted for.
Effect:	Possible misstatements of the financial statements.
Recommendation:	We recommend that management enhance controls to ensure that capital assets are reconciled at least yearly.
Views of Responsible Officials:	The cause for this finding was there were two "companies" in the software program and the initial reports were pulled from the incorrect company. Once the error was identified, the operating company was updated and reports were pulled which were correct. The duplicate, "training" company has been deleted

to avoid future errors. Guidance notes have been entered into both the "Audit Prep Procedure & Reference Guide" and "PBC list with guidance notes" files which will be utilized as guiding documents for annual audit preparation going forward to ensure these issues are not recurring.

2021-003 Internal Controls over Compensated Absences
Significant Deficiency

Criteria: Management is responsible for establishing and maintaining an effective system of internal controls over financial reporting. One of the key components of an effective system of internal control is the ability to ensure that accounting records accurately reflect activities and transactions.

Condition: During the course of our engagement, we noted the Authority did not have a system of internal controls to ensure that all compensated absence liabilities were accurately calculated.

Cause: Internal controls in place were not sufficient to ensure that compensated absence liabilities were accurately calculated.

Effect: Possible misstatements of the financial statements.

Recommendation: We recommend that management enhance controls to ensure that the compensated absences lability is accurate calculated.

Views of Responsible Officials: Initial report incorrectly included other leave types which are not eligible for payout upon termination and therefore should not be accounted for as a liability. This was an internal oversight. Guidance notes have been entered into both the "Audit Prep Procedure & Reference Guide" and "PBC list with guidance notes" files which will be utilized as guiding documents for annual audit preparation going forward to ensure these issues are not recurring.