Financial Statements

June 30, 2022

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 Audit of the Financial Statements

Opinions
We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and the respective budgetary comparison 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.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 36, and the Schedule of Authority's Contributions on page 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 listed as supplementary information in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior-Year Comparative Information
The individual fund schedules related to the 2021 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 2021 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 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 statements and schedules referred to above 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 February 9, 2023 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
February 9, 2023

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 29% more than the budgeted amount.

- At the close of the fiscal year ECVA's total governmental funds combined ending balance was $6,790,481, a 17% increase ($998,245) from the prior year, with the General, Marketing and Tourism Promotion, Capital Projects, and Facility Expansion Funds recording higher than anticipated ending fund balances.

- The ECVA's total revenues exceeded total expenses by $997,945 in the total governmental funds.

- Overall revenues were up largely due to successfully holding the 2022 Elko Mining Expo, greater facility rental than initially budgeted, including the mines annual refresher training courses helped fill slower months. There was an increase in total assets of 4% due to greater revenues from lodging taxes, facilities rentals and events while keeping expenses at a minimum. ECVA ended the year with more cash on hand than in prior years. At the close of the fiscal year, ECVA's governmental activities reported a Total Net Position of $9,463,872; an increase of $1,027,179 (12%) from the previous fiscal year Net Position of $8,436,693.

Overview of the Financial Statements

The basic financial statements of 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 ECVA. 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 2022	Governmental Activities 2021	$ Change	% Change
Assets				
Current and other assets	$ 7,134,987	$ 5,929,175	$ 1,205,812	20%
Net capital assets	10,789,602	11,373,400	(583,798)	(5%)
Total assets	17,924,589	17,302,575	622,014	4%
Deferred Outflows of Resources				
Deferred outflows related to pensions	365,310	176,118	189,192	107%
Liabilities				
Current liabilities	586,745	482,809	103,936	22%
Non-current liabilities	7,396,776	8,392,969	(996,193)	(12%)
Total liabilities	7,983,521	8,875,778	(892,257)	(10%)
Deferred Inflows of Resources				
Deferred inflows related to pensions	840,306	164,022	676,284	412%
land lease	2,200	2,200	-	0%
Total deferred inflows of resources	842,506	166,222	676,284	407%
Net Position				
Net investment in capital assets	3,777,260	4,134,264	(357,004)	(9%)
Restricted	1,485,942	1,623,742	(137,800)	(8%)
Unrestricted	4,200,670	2,678,687	1,521,983	57%
Total Net Position	$ 9,463,872	$ 8,436,693	$ 1,027,179	12%

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 continued recovery from the Covid-19 pandemic, though governmental restrictions were easing for gatherings over the course of the fiscal year, some companies remained vigilant with Covid-19 guidelines on space requirements. The mines returned with 'new hire' training classes, there was a significant increase of bookings from Elko County Courts requiring space. Additionally, transient lodging tax (room tax) proceeds increased 12% from the prior year. Ad Valorem Taxes (property taxes) increased by 7%. The combined state tax apportionment, (Consolidated Tax/Sales Taxes) are a fixed rate and remained unchanged providing $391,396 annually.

Condensed Statement of Activities

	Governmental Activities 2022	Governmental Activities 2021	$ Change	% Change
Revenues				
Program Revenues:				
Charges for services	$ 982,546	$ 897,665	$ 84,881	9%
Operating grants and contributions	563,650	76,062	487,588	641%
Total program revenues	1,546,196	973,727	572,469	59%
General Revenues:				
Property taxes	627,570	588,389	39,181	7%
Room taxes	1,405,710	1,250,285	155,425	12%
Combined state tax apportionment	391,396	391,396	-	0%
Other local sources	2,140	-	2,140	100%
Unrestricted investment earnings	(4,053)	21,135	(25,188)	(119%)
Total general revenues	2,422,763	2,251,205	171,558	8%
Total revenues	3,968,959	3,224,932	744,027	23%
Expenses				
General government	2,788,265	2,422,117	366,148	15%
Interest on lease obligation	340,377	349,391	(9,014)	(3%)
Total expenses	3,128,642	2,771,508	357,134	13%
Special Item				
PPP loan forgiven	186,862	-	186,862	100%
Changes in Net Position	1,027,179	453,424	573,755	127%
Net Position, Beginning of year	8,436,693	7,983,269	453,424	6%
Net Position, End of year	$ 9,463,872	$ 8,436,693	$ 1,027,179	12%

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. 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 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.

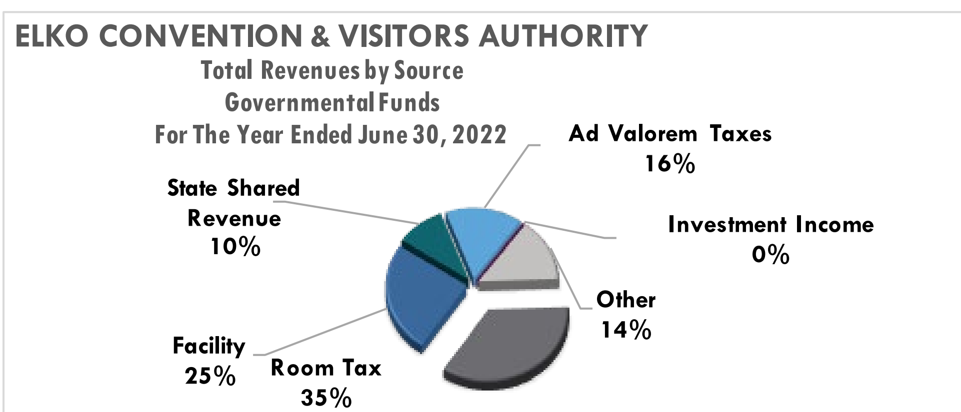
ECVA maintains four (4) separate funds within the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances for the four funds: General Fund, Marketing and Tourism Promotion 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.

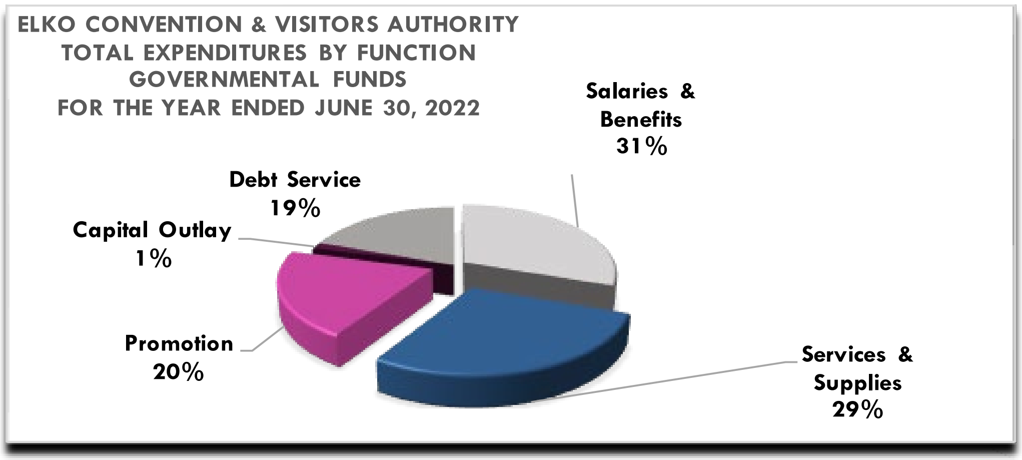
Financial Analysis of the Government's Funds

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 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 $3,938,107 for the 2021-2022 fiscal year. As illustrated on the following chart, room tax revenues are the largest revenue source, followed by Facility revenues.



Total General Fund expenditures were $2,278,386 for the 2021-2022 fiscal year, which included $7,415 in capital outlay for a deposit on a new front door and new radios. Additionally, $400,000 was transferred from the Capital Projects Fund and $364,655 was transferred from the Facility Expansion Fund into the General Fund in order to make the lease and loan payments for the year. 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 $6,790,481, an increase from the 2020-2021 combined ending fund balance of $5,792,236.

The General Fund is the primary operating fund of ECVA. At the end of the current fiscal year, the General Fund's total fund balance was $2,336,416 as compared to the prior fiscal year balance of $1,519,420. The General Fund balance increased due to increased revenues year-over-year while the organization kept expenditures to a minimum.

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 amount of $400,000 was transferred out of the Capital Projects Fund to the General Fund to help subsidize the lease and loan payment for the Conference Center. The Capital Projects Fund ending fund balance was $2,781,799 an increase of $186,003 from the prior fiscal year balance of $2,595,796.

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 $1,502,512, a decrease of $37,109 from the prior fiscal year balance of $1,539,621; due to general government expenditures including a new website, the production of the new visitors guide, (2-year run), and increased media buys.

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 2021-2022 fiscal year, $364,655 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 $169,754, compared to the prior fiscal year balance of $137,399.

Elko Convention & Visitors Authority's Capital Assets

ECVA's total capital assets as of June 30, 2022, are valued at $10,789,602 (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 2021-2022 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 restrictions and guidelines. Additions included curb and gutter improvements new radios, IT equipment, and a deposit on a new front door. Refer to financial statement Note 4 for additional details.

General Obligation Debt

The Elko Convention & Visitors Authority as of June 30, 2022 had a financed purchase in the amount of $7,012,342, a decrease of $226,794 from the previous year's obligation of $7,239,136. Other debts include compensated absences of $42,603 and the net pension liability of $622,236. The financed purchase monthly use fees and base fee for the Conference Center began in January 2016, for a period of approximately 25 years until March 4, 2041. The current monthly expense for the Conference Center is $52,268, which includes principal, interest, and the use fee. Refer to Note 5 – Long Term Liabilities.

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.

- The Elko Convention and Visitors Authority, at their regular scheduled meeting of May 24, 2022, approved the augmentation of the General, Marketing and Tourism Promotion, and Facility Expansion Funds, respectively in the amount of $668,011 for the 2021-2022 ECVA Budget. The amounts were distributed as follows: $360,183 (General Fund), $144,073 (Marketing and Tourism Promotion Fund), and $164,655 (Facility Expansion Fund), to appropriate previously unbudgeted expenses and the receipt of a grant from the City of Elko.
- General Fund's revenues show a 18% increase of actual to budget, resulting in $350,810 increase over budget which is attributed to an increase in grant revenue, booth space rentals and sponsorships for the mining expo.
- General Fund expenditures were 10% below budgeted amounts. Continued efforts were made to reduce costs where possible as the pandemic restrictions were lifting.
- Marketing and Tourism Promotion Fund revenues were down 10% due to actual grant revenue being less than expected. Expenditures for the Marketing and Tourism Promotion Fund were below budget by 37%.
- The Elko Mining Expo held June 6-10, 2022 realized 34% increase in revenue than budgeted. While expenses were 45% over budget, the event generated $231,836 for the General Fund. This success offered a tremendous buffer for other facilities revenue shortfalls. The success was due to increase booth space rentals, and increase in sponsorships.

Factors to impact the future

ECVA 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, 2022 present value of this capital lease debt service is $7,012,342. See Note 5 for additional information.

In September 2022, ECVA requested an increase in the transient lodging tax (TLT). On January 24, 2023, the City of Elko voted to implement a 1% increase in the TLT from 14% to 15% to go into effect February 1, 2023. The 1% additional tax must be placed into the Facility Expansion Fund for payment of the debt service in March of 2026 or earlier. Additionally, the revised city ordinance included allowing .5% of the TLT earmarked for the Marketing and Tourism Promotion Fund to be transferred to the Facility Expansion Fund. The Facility Expansion Fund will increase from .75% of the TLT to 2.25% of the TLT collected and the Marketing and Tourism Promotion Fund decrease from 1.75% to 1.25% of the TLT collected.

Transient lodging tax revenues were greater than anticipated and will continue to be higher than previous years. The City of Elko completed their obligation for the airport funding. As per the ordinance, once the obligation was competed the remaining funds from that allocation will now go to ECVA. This increase began in August 2022. 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. New events are in the process of research and planning.

The 2023 National Cowboy Poetry Gathering resumed with a tremendous turnout. Events and trade shows are returning to pre-Covid 19 bookings.

ECVA went out to bid in January 2023 for new lighting in the stage and house areas of the theater. Due to increases in costs, (inflation at 6.2% and higher), along with manufacturing and shipping shortages, this capital improvement is estimated to double in costs from budget as reflected in the CIP (Capital Improvement Plan).

ECVA added two positions back to its budget for the 2022-2023 fiscal year. Recruiting has been difficult, as many other entities are experiencing. ECVA is looking at comp and class studies of similarly situated positions to ensure retention of existing workforce and hopefully attract additional employees. In reviewing similarly situated positions in other governmental agencies, ECVA positions have been reviewed and are now comparable to other competing entities. ECVA added a "step" matrix for advancing wages appropriately.

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
Annette Kerr
700 Moren Way
Elko NV 89801
(775) 738-4091

	Governmental Activities
Assets	
Cash and investments	$ 6,505,193
Accounts receivable	119,553
Taxes receivable, delinquent	393,033
Due from other governments	93,789
Prepaid expenses	23,419
Capital assets, net of accumulated depreciation	10,747,396
Capital assets not being depreciated	42,206
Total assets	17,924,589
Deferred Outflows of Resources	
Deferred outflows related to pensions	365,310
Liabilities	
Accounts payable	244,605
Accrued salaries and benefits	48,864
Trust monies	4,296
Unearned revenue	8,575
Compensated absences due within one year	42,603
Financed purchase due within one year	237,802
Noncurrent liabilities	
Net pension liability	622,236
Financed purchase, due in more than one year	6,774,540
Total liabilities	7,983,521
Deferred Inflows of Resources	
Deferred inflows related to pensions	840,306
Deferred inflows related to the land lease	2,200
Total deferred inflows of resources	842,506
Net Position	
Net investment in capital assets	3,777,260
Restricted for	
Marketing	1,485,942
Unrestricted	4,200,670
Total net position	$ 9,463,872

	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	$ (2,788,265)	$ 982,546	$ 563,650	$ (1,242,069)
Interest on financed purchase	(340,377)	-	-	(340,377)
Total governmental activities	$ (3,128,642)	$ 982,546	$ 563,650	(1,582,446)
General Revenues				
Property taxes				627,570
Room taxes				1,405,710
Combined state sales tax apportionment				391,396
Other local sources				2,140
Unrestricted investment earnings				(4,053)
Total general revenues				2,422,763
Special item				
PPP loan forgiven				186,862
Change in Net Position				1,027,179
Net Position, Beginning of Year				8,436,693
Net Position, End of Year				$ 9,463,872

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
Assets					
Cash and investments	$ 2,218,739	$ 1,423,395	$ 2,809,896	$ 53,163	$ 6,505,193
Receivables					
Accounts receivable	119,553	-	-	-	119,553
Taxes receivable, delinquent	147,725	108,850	11,194	125,264	393,033
Due from other governments	65,233	27,000	1,556	-	93,789
Prepaid expenses	6,849	16,570	-	-	23,419
Total assets	$ 2,558,099	$ 1,575,815	$ 2,822,646	$ 178,427	$ 7,134,987
Liabilities					
Accounts payable	$ 162,784	$ 54,361	$ 27,460	$ -	$ 244,605
Accrued salaries and benefits	45,330	3,534	-	-	48,864
Trust monies	4,296	-	-	-	4,296
Unearned revenue	-	8,575	-	-	8,575
Total liabilities	212,410	66,470	27,460	-	306,340
Deferred Inflows of Resources					
Unavailable revenue - delinquent property taxes	-	-	11,187	-	11,187
Unavailable revenue - room taxes	9,273	6,833	-	8,673	24,779
Unavailable revenue - land lease	-	-	2,200	-	2,200
Total deferred inflows of resources	9,273	6,833	13,387	8,673	38,166
Fund Balances					
Nonspendable, prepaid items	6,849	16,570	-	-	23,419
Restricted for					
Marketing	-	1,485,942	-	-	1,485,942
Committed for					
Health insurance claims	52,000	-	-	-	52,000
Facility expansion	-	-	-	5,099	5,099
Assigned					
Subsequent year budget appropriations	-	-	255,625	-	255,625
Assigned for capital projects	-	-	2,526,174	164,655	2,690,829
Unassigned	2,277,567	-	-	-	2,277,567
Total fund balances	2,336,416	1,502,512	2,781,799	169,754	6,790,481
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,558,099	$ 1,575,815	$ 2,822,646	$ 178,427	$ 7,134,987

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

Total fund balances - total governmental funds		$ 6,790,481
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	$ 19,590,696	
Less accumulated depreciation	(8,843,300)	10,747,396
Capital assets, not being depreciated		42,206
Deferred inflows of resources for delinquent property taxes and room taxes represent amounts that are not available to fund current expenditures, and therefore, are not reported as revenues in the governmental funds.		35,966
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Financed purchase	(7,012,342)	
Compensated absences	(42,603)	
Net pension liability	(622,236)	(7,677,181)
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	365,310	
Deferred inflows of resources related to pensions	(840,306)	(474,996)
Total net position, governmental activities		$ 9,463,872

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
Revenues					
Taxes	$ 661,317	$ 487,286	$ 621,497	$ 232,328	$ 2,002,428
Intergovernmental revenues	687,813	102,578	-	164,655	955,046
Charges for services	982,546	-	-	-	982,546
Miscellaneous	(1,249)	(512)	(179)	27	(1,913)
Total revenues	2,330,427	589,352	621,318	397,010	3,938,107
Expenditures					
Current					
General government	1,703,800	626,461	1,864	-	2,332,125
Capital outlay	7,415	-	33,451	-	40,866
Debt service					
Principal	226,794	-	-	-	226,794
Interest	340,377	-	-	-	340,377
Total expenditures	2,278,386	626,461	35,315	-	2,940,162
Excess (Deficiency) of Revenues Over Expenditures	52,041	(37,109)	586,003	397,010	997,945
Other Financing Sources (Uses)					
Sale of capital assets	300	-	-	-	300
Transfers in	764,655	-	-	-	764,655
Transfers out	-	-	(400,000)	(364,655)	(764,655)
Total other financing sources (uses)	764,955	-	(400,000)	(364,655)	300
Net Change in Fund Balance	816,996	(37,109)	186,003	32,355	998,245
Fund Balances, Beginning of Year	1,519,420	1,539,621	2,595,796	137,399	5,792,236
Fund Balances, End of Year	$ 2,336,416	$ 1,502,512	$ 2,781,799	$ 169,754	$ 6,790,481

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

Net change in fund balances - total governmental funds		$ 998,245
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	$ 40,866	
Current depreciation expense	(624,500)	(583,634)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, disposals) is to decrease net position.		(164)
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	35,966	
Prior period	(5,115)	30,851
Long-term liabilities are not due and payable in the current period, therefore they are not reported in the fund statements:		
Financed purchase obligation - principal payments	226,794	
PPP loan forgiven	186,862	
Current year change in compensated absences	24,874	
		438,530
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	79,965	
Pension expense	63,386	143,351
Change in net position of governmental activities		$ 1,027,179

	Budgeted Amounts			
	Original	Final	Actual	Final Budget Variance
Revenues				
Room taxes	$ 620,737	$ 620,737	$ 661,317	$ 40,580
Intergovernmental revenues	391,396	586,924	687,813	100,889
Charges for services	761,656	761,656	982,546	220,890
Miscellaneous	10,300	10,300	(1,249)	(11,549)
Total revenues	1,784,089	1,979,617	2,330,427	350,810
Expenditures				
Current				
General government	1,577,429	1,937,612	1,703,800	233,812
Capital outlay	16,500	16,500	7,415	9,085
Debt service				
Principal	206,283	206,283	226,794	(20,511)
Interest	359,403	359,403	340,377	19,026
Total expenditures	2,159,615	2,519,798	2,278,386	241,412
Excess (Deficiency) of Revenues Over Expenditures	(375,526)	(540,181)	52,041	592,222
Other Financing Sources (Uses)				
Sale of capital assets	-	-	300	300
Contingency	(64,706)	(64,706)	-	64,706
Transfer in	600,000	764,655	764,655	-
Total other financing sources (uses)	535,294	699,949	764,955	65,006
Net Change in Fund Balance	159,768	159,768	816,996	657,228
Fund Balances, Beginning of Year	610,418	610,418	1,519,420	909,002
Fund Balances, End of Year	$ 770,186	$ 770,186	$ 2,336,416	$ 1,566,230

	Budgeted Amounts			Final Budget
	Original	Final	Actual	Variance
Revenues				
Room taxes	$ 457,385	$ 457,385	$ 487,286	$ 29,901
Intergovernmental revenues	55,000	199,073	102,578	(96,495)
Miscellaneous	-	-	(512)	(512)
Total revenues	512,385	656,458	589,352	(67,106)
Expenditures				
Current				
General government	848,781	992,854	626,461	366,393
Excess (Deficiency) of Revenues Over Expenditures	(336,396)	(336,396)	(37,109)	299,287
Other Financing Sources (Uses)				
Contingency	(25,463)	(25,463)	-	25,463
Net Change in Fund Balance	(361,859)	(361,859)	(37,109)	324,750
Fund Balances, Beginning of Year	1,406,246	1,406,246	1,539,621	133,375
Fund Balances, End of Year	$ 1,044,387	$ 1,044,387	$ 1,502,512	$ 458,125

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 Governors (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 Authority's funds. The emphasis of fund financial statements is on major individual governmental funds, each reported as separate columns in the fund financial statements.

Implementation of GASB Statement No. 87

As of July 1, 2021, the Authority adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement also requires that leases that transfer ownership of the underlying asset to the lessee be accounted for as financed purchases, as such the capital lease for the Conference Center was recorded as a financed purchase.

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 and local grants. Property taxes and room 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. For governmental fund types, outlays for capital assets are expensed during the current period. 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

The Authority reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at June 30, 2022.

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/expenditure) 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 and room 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 net 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 and receipt of a prepayment for a land lease by a tenant 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 $5,099 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.

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, 2022:

	Carrying Amount	Bank Balance
Cash Balances		
Deposits	$ 5,593,294	$ 5,726,913

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, 2022:

	Fair Value	(Level 1)
Investment Type		
Negotiable certificates of deposit	$ 911,899	$ 911,899

Note 4 - Capital Assets

The amounts recorded as capital assets are summarized as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, being depreciated				
Buildings	$ 17,294,133	$ 4,073	$ (1,511)	$ 17,296,695
Improvements other than buildings	809,543	27,460	-	837,003
Equipment	1,452,660	9,333	(4,995)	1,456,998
	19,556,336	40,866	(6,506)	19,590,696
Less accumulated depreciation for				
Buildings	(6,679,649)	(552,475)	1,347	(7,230,777)
Improvements other than buildings	(642,524)	(15,432)	-	(657,956)
Equipment	(902,969)	(56,593)	4,995	(954,567)
	(8,225,142)	(624,500)	6,342	(8,843,300)
Total capital assets being depreciated, net	11,331,194	(583,634)	(164)	10,747,396
Capital assets, not being depreciated				
Land	42,206	-	-	42,206
	$ 11,373,400	$ (583,634)	$ (164)	$ 10,789,602

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

Note 5 - Long-Term Liabilities

Long-term liabilities as of June 30, 2022 consisted of the following:

Governmental Activities:	
Direct Borrowing:	
$8,282,778 financed purchase with JMF-ECVA 2015, LLC, for the construction of the Conference Center and purchase of related equipment, $47,140 monthly payments including interest of 4.75%, maturing March 4, 2041.	$ 7,012,342

The maturity of the financed purchase for the years after June 30, 2022, based upon present arrangements, is as follows:

Year Ending June 30,	Principal	Interest
2023	$ 237,802	$ 327,884
2024	249,344	316,342
2025	261,447	304,240
2026	274,137	291,550
2027	287,443	278,244
2028-2032	1,660,535	1,167,896
2033-2037	2,104,591	723,840
2038-2041	1,937,043	181,155
	$ 7,012,342	$ 3,591,151

Changes in long-term liabilities:

	Balance July 1, 2021	Issued or Incurred	Retired or Paid	Balance June 30, 2022	Due Within One Year
Compensated absences	$ 67,477	$ 24,873	$ 49,747	$ 42,603	$ 42,603
Financed purchase	7,239,136	-	226,794	7,012,342	237,802
	$ 7,306,613	$ 24,873	$ 276,541	$ 7,054,945	$ 280,405

The Authority was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2022. At June 30, 2022, the Authority was in compliance with its debt covenants.

Note 6 - 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, 2022, the statutory Employer/Employee matching rate for Regular members was 15.50% and 15.25% for the fiscal year ended June 30, 2021. For the fiscal year ended June 30, 2022, the Employer – pay contribution (EPC) rate was 29.75% for Regular members and 29.25% for fiscal year ended June 30, 2021.

The Authority's contributions were $79,965 for the year ended June 30, 2022.

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, 2021:

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, 2021, PERS' long-term inflation assumption was 2.50%.

Net Pension Liability

At June 30, 2022, the Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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 ($622,236) 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 June 30, 2021, the Authority's proportion was 0.00682 percent, which is a decrease of 0.00217 percent from its proportion measured as of June 30, 2020 of 0.00899 percent.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the Authority as of June 30, 2022, calculated using the discount rate of 7.25%, 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 (6.25%) or 1 – percentage – point higher (8.25%) than the current discount rate:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Authority's proportionate share of net pension liability	$ 1,238,852	$ 622,236	$ 113,578

Pension Plan Fiduciary Net Position

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

Actuarial Assumptions

The Authority's net pension liability was measured as of June 30, 2021, 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	2.50%
Payroll Growth	3.50%
Investment Rate of Return/ Discount Rate	7.25%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.50%
Other Assumptions	Same as those used in the June 30, 2021 funding actuarial valuation

Mortality rates for healthy regular members and contingent beneficiaries were based on Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 30% for males and 15% for females. For ages before age 40, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables. For ages 40 through 50, the rates were smoothed between the above tables.

Mortality rates for disabled regular members were based on Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 20% for males and 15% for females.

Mortality rates for current beneficiaries were based on Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 15% for males and 30% for females. For ages before age 35, mortality rates are based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table. For ages 35 through 45, the rates were smoothed between the above tables.

Mortality rates for pre-retirement regular members were based on Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table.

The mortality tables were projected generationally with the two-dimensional mortality improvement scale MP-2020.

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

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2021, which decreased from 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan's current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except the projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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, 2021.

Change in Assumptions – The PERS plan reflects the following change in assumptions from June 30, 2020 to June 30, 2021:

- The inflation rate decreased from 2.75% to 2.50%.
- Payroll growth decreased from 5.00% to 3.50%.
- Investment rate/discount rate of return decreased from 7.50% to 7.25%.
- Projected salary increases declined from 4.25% to 9.15% to 4.20% to 9.10% for Regular members.
- The consumer price index decreased from 2.75% to 2.50%.
- Mortality rates were changed from Headcount-Weighted RP-2014 Tables to Pub-2010 Mortality Tables.
- Future mortality improvement was changed from 6 years to the Generational Projection Scale MP-2020.

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

For the year ended June 30, 2022 the Authority recognized pension income of $63,386. At June 30, 2022, 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	$ 68,925	$ 4,379
Net difference between projected and actual earnings on pension plan investments	-	507,726
Changes in assumptions or other inputs	206,593	-
Changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contributions	9,827	328,201
Authority contributions subsequent to the measurement date	79,965	-
	$ 365,310	$ 840,306

The $79,965 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, 2023.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 6.14 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,		
2023	$	(133,463)
2024		(141,040)
2025		(138,678)
2026		(137,746)
2027		(3,697)
Thereafter		(337)

Additional Information

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

Note 7 - 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, 2022, 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 8 - 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, 2022, 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, 2022, the Authority paid subsidies for qualified retirees ranging from $195 to $247 per month. For fiscal year 2022, the Authority contributed $5,305.

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 3.69%, 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, 2022, not all information required to be reported by GASB Statement No. 75 is available and therefore is not included in this report.

Note 9 - 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 in the year ended June 30, 2021. 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 initially recorded a note payable and subsequently recorded 100% forgiveness in the year ended June 30, 2022, when the loan and all accrued interest was legally released by the SBA. The Authority recognized $186,862 of loan forgiveness income for the year ended June 30, 2022 as a Special Item. In accordance with PPP loan requirements, the Board is required to maintain PPP loan files and certain underlying supporting documents for periods ranging from three to six years. The Board is also required to permit access to such files upon request by the SBA. Accordingly, there is potential the PPP loan could be subject to further review by the SBA and that previously recognized forgiveness could be reversed based on the outcome of this review.

Note 10 - Subsequent Events

On July 26, 2022, the Authority approved a master service agreement for work on ECVA’s website in the amount of $36,000.

On July 26, 2022, the Authority approved a digital marketing campaign agreement with an advertising company in the amount of $42,000.

On September 29, 2022, the Authority awarded a contract for the landscape project in the amount of $25,538.

	2021	2020	2019	2018	2017	2016	2015	2014
Authority's portion of the net pension liability	0.00682%	0.00899%	0.00947%	0.00973%	0.01006%	0.01000%	0.00917%	0.00891%
Authority's proportionate share of the net pension liability	$ 622,236	$ 1,252,678	$ 1,291,547	$ 1,327,259	$ 1,338,575	$ 1,345,209	$ 1,051,342	$ 928,237
Authority's covered payroll	$ 488,322	$ 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	127.42%	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	86.51%	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.

The following table presents significant assumptions changes:

	2021	2020 through 2017	2016 through 2014
Inflation rate	2.50%	2.75%	3.50%
Payroll growth	3.50%	5.00%	5.00%
Investment rate of return/discount rate	7.25%	7.50%	8.00%
Productivity pay increase	0.50%	0.50%	0.75%
Projected salary increases			
Regular**	4.20% to 9.10%	4.25% to 9.15%	4.60% to 9.75%
Consumer price index	2.50%	2.75%	3.50%
Mortality rates			
Healthy***	Pub-2010 General and Safety Healthy Retiree and Employee	Headcount-Weighted RP-2014 Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	Pub-2010 General and Safety Disabled Retiree Amount-Weighted	Headcount-Weighted RP-2014 Disabled	RP-2000 Disabled Retiree Mortality Table
Current beneficiaries***	Pub-2010 Contingent Survivor and General Employee	Headcount-Weighted RP-2014 Healthy	N/A
Pre-retirement***	Pub-2010 General and Safety Employee	Headcount-Weighted RP-2014 Employee	N/A
Future mortality improvement	Generational Projection Scale MP-2020	6 years	N/A

** Depending on service. Rates include inflation and productivity increases.
*** Amount-Weighted Above-Median.

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution**	$ 79,965	$ 71,417	$ 94,039	$ 91,180	$ 90,286	$ 90,344	$ 84,754	$ 70,806
Contributions in relation to the statutorily required contribution**	$ 79,965	$ 71,417	$ 94,039	$ 91,180	$ 90,286	$ 90,344	$ 84,754	$ 70,806
Contribution (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 539,222	$ 488,322	$ 643,007	$ 651,284	$ 644,901	$ 645,275	$ 610,691	$ 549,949
Contributions as a percentage of covered payroll	14.83%	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, 2022

Elko Convention & Visitors Authority

Elko Convention & Visitors Authority

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Final Budget Variance	2021
Revenues					
Taxes					
Room taxes	$ 620,737	$ 620,737	$ 661,317	$ 40,580	$ 614,629
Intergovernmental revenues					
Combined state apportionment	391,396	391,396	391,396	-	391,396
Local government grant	-	195,528	296,417	100,889	-
	391,396	586,924	687,813	100,889	391,396
Charges for services					
Facilities revenue	283,550	283,550	350,494	66,944	277,302
Community support	478,106	478,106	632,052	153,946	620,363
	761,656	761,656	982,546	220,890	897,665
Miscellaneous					
Interest income	10,000	10,000	3,267	(6,733)	6,119
Net change in fair value of investments	300	300	(6,656)	(6,956)	4,431
Other	-	-	2,140	2,140	-
	10,300	10,300	(1,249)	(11,549)	10,550
Total revenues	1,784,089	1,979,617	2,330,427	350,810	1,914,240
Expenditures					
Current					
General government					
Salaries	530,935	530,935	493,818	37,117	498,740
Employee benefits	315,969	315,969	264,469	51,500	292,767
Services and supplies	455,925	816,108	541,307	274,801	393,997
Advertising and promotion	77,250	77,250	110,007	(32,757)	77,622
Other-tourism and community events	197,350	197,350	294,199	(96,849)	251,299
Capital outlay	16,500	16,500	7,415	9,085	2,607
	1,593,929	1,954,112	1,711,215	242,897	1,517,032
Debt service					
Principal payments	206,283	206,283	226,794	(20,511)	216,295
Interest payments	359,403	359,403	340,377	19,026	349,391
	565,686	565,686	567,171	(1,485)	565,686
Total expenditures	2,159,615	2,519,798	2,278,386	241,412	2,082,718
Excess (Deficiency) of Revenues Over Expenditures	(375,526)	(540,181)	52,041	592,222	(168,478)
Other Financing Sources (Uses)					
Sale of capital assets	-	-	300	300	-
Proceeds from issuances of debt	-	-	-	-	186,862
Contingency	(64,706)	(64,706)	-	64,706	-
Transfers in	600,000	764,655	764,655	-	380,000
Total other financing sources (uses)	535,294	699,949	764,955	65,006	566,862
Net Change in Fund Balance	159,768	159,768	816,996	657,228	398,384
Fund Balances, Beginning of Year	610,418	610,418	1,519,420	909,002	1,121,036
Fund Balances, End of Year	$ 770,186	$ 770,186	$ 2,336,416	$ 1,566,230	$ 1,519,420

	Budgeted Amounts			Final Budget	
	Original	Final	Actual	Variance	2021
Revenues					
Taxes					
Room taxes	$ 457,385	$ 457,385	$ 487,286	$ 29,901	$ 452,885
Intergovernmental revenues					
State grant revenue	55,000	199,073	102,578	(96,495)	76,062
Miscellaneous					
Interest income	-	-	1,013	1,013	1,635
Net change in fair value of investment	-	-	(1,525)	(1,525)	-
	-	-	(512)	(512)	1,635
Total revenues	512,385	656,458	589,352	(67,106)	530,582
Expenditures					
Current					
General government					
Salaries	90,162	90,162	93,357	(3,195)	16,239
Employee benefits	42,644	42,644	44,219	(1,575)	1,099
Advertising and promotion	660,975	805,048	432,685	372,363	148,342
Grant expenses	55,000	55,000	56,200	(1,200)	76,841
Total expenditures	848,781	992,854	626,461	366,393	242,521
Excess (Deficiency) of Revenues Over Expenditures	(336,396)	(336,396)	(37,109)	299,287	288,061
Other Financing Sources (Uses)					
Contingency	(25,463)	(25,463)	-	25,463	-
Net Change in Fund Balance	(361,859)	(361,859)	(37,109)	324,750	288,061
Fund Balances, Beginning of Year	1,406,246	1,406,246	1,539,621	133,375	1,251,560
Fund Balances, End of Year	$ 1,044,387	$ 1,044,387	$ 1,502,512	$ 458,125	$ 1,539,621

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Budgeted Amounts				
	Original	Final	Actual	Final Budget Variance	2021
Revenues					
Taxes					
Ad valorem taxes	$ 542,533	$ 542,533	$ 621,497	$ 78,964	$ 593,386
Miscellaneous					
Interest income	1,200	1,200	4,189	2,989	7,587
Net change in fair value of investment	2,200	2,200	(4,368)	(6,568)	1,343
	3,400	3,400	(179)	(3,579)	8,930
Total revenues	545,933	545,933	621,318	75,385	602,316
Expenditures					
Current					
General government					
Services and supplies	600	600	1,864	(1,264)	9,994
Capital outlay	300,000	300,000	33,451	266,549	27,510
Total expenditures	300,600	300,600	35,315	265,285	37,504
Excess (Deficiency) of Revenues Over Expenditures	245,333	245,333	586,003	340,670	564,812
Other Financing Sources (Uses)					
Transfer out	(400,000)	(400,000)	(400,000)	-	(200,000)
Net Change in Fund Balance	(154,667)	(154,667)	186,003	340,670	364,812
Fund Balances, Beginning of Year	2,514,498	2,514,498	2,595,796	81,298	2,230,984
Fund Balances, End of Year	$ 2,359,831	$ 2,359,831	$ 2,781,799	$ 421,968	$ 2,595,796

	Budgeted Amounts			Final Budget	
	Original	Final	Actual	Variance	2021
Revenues					
Taxes					
Room taxes	$ 198,155	$ 198,155	$ 232,328	$ 34,173	$ 182,771
Intergovernmental revenues					
Local government grant	-	164,655	164,655	-	-
Miscellaneous					
Interest income	11	11	27	16	20
Total revenues	198,166	362,821	397,010	34,189	182,791
Other Financing Sources (Uses)					
Transfer out	(200,000)	(364,655)	(364,655)	-	(180,000)
Net Change in Fund Balance	(1,834)	(1,834)	32,355	34,189	2,791
Fund Balances, Beginning of Year	140,233	140,233	137,399	(2,834)	134,608
Fund Balances, End of Year	$ 138,399	$ 138,399	$ 169,754	$ 31,355	$ 137,399

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 Elko Convention & Visitors Authority (the Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated February 9, 2023.

Report on 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 was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control 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 and 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 deficiencies described in the accompanying Schedule of Findings and Responses as items 2022-001 and 2022-004 to be material weaknesses.

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 as items 2022-002 and 2022-003 to be significant deficiencies.

Report on 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

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Eide Bailly LLP

Elko, Nevada
February 9, 2023

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, 2022, 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. 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 audit findings were not fully implemented in the current year. Prior year finding 2021-001 is reported again this year as finding 2022-001.

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

Eide Bailly LLP

Elko, Nevada
February 9, 2023

2022-001 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, 2022, we proposed the following 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 overstated and accounts payable were overstated by $3,603 in the Marketing and Tourism Promotion Fund and in the Governmental Activities government-wide statements.
- Deferred inflow of resources – unavailable grant revenue was overstated and grant revenue was understated by $177,201 in the General Fund.
- Room tax revenue was overstated and deferred inflows of resources – unavailable room taxes was understated by $9,273 in the General Fund, $6,833 in the Marketing and Tourism Promotion Fund, and $8,673 in the Facility Expansion Fund.

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.

2022-002 Internal Controls over Census Data Provided to PERS
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 maintain accounting records necessary to prepare the financial statements in accordance with generally accepted accounting principles.

Condition: During the course of our engagement, we noted the for one of one terminated employee tested, the PERS termination form had not been completed and provided to PERS.

Cause: Internal controls in place were not sufficient to ensure that census data information provided to PERS was accurate.

Effect: Possible misstatements of the financial statements.

Recommendation: We recommend that management enhance controls to ensure the records include documentation that supports employee census data and enhance policies to ensure census data is correctly submitted to PERS.

Views of Responsible Officials: Management agrees with the finding.

2022-003 Internal Controls over Adjusting Journal Entries
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 maintain accounting records necessary to prepare the financial statements in accordance with generally accepted accounting principles.

Condition: During the course of our engagement, it was noted that of the ten journal entries selected for testing, the supporting documentation for one journal entry could not be provided.

Cause: Internal controls in place were not sufficient to ensure that adjusting journal entries documentation kept were in support of the journal entries. Documentation could be improved to support amounts calculated and reason for accounts used.

Effect: Possible misstatements of the financial statements.

Recommendation: We recommend that management enhance controls to ensure that documentation supports each adjusting journal entry.

Views of Responsible Officials: Management agrees with the finding.

2022-004 Internal Controls over Bank Reconciliations
Material Weakness

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 maintain accounting records necessary to prepare the financial statements in accordance with generally accepted accounting principles.

Condition: During the course of our engagement, it was noted in one of 25 bank reconciliations tested where it had been updated after the reviewer had signed off on the reconciliation. The updated reconciliation had not been given to the reviewer so that they could review and approve the changes.

Cause: Internal controls in place were not sufficient to ensure that any changes to cash reconciliation are reviewed by someone other than the preparer.

Effect: Possible misstatements of the financial statements.

Recommendation:	We recommend that management enhance controls to ensure that all changes to bank reconciliations are reviewed by someone other than the preparer.
Views of Responsible Officials:	Management agrees with the finding.