



Financial Statements
June 30, 2023

Elko Convention & Visitors Authority



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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, 2023, 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 Elko Convention & Visitors Authority, as of June 30, 2023, 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 5 through 11, the Schedule of Authority's Share of Net Pension Liability on page 37, and the Schedule of Authority's Contributions on page 38 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 Management’s Discussion and Analysis, the Schedule of Authority’s Share of Net Pension Liability, and the Schedule of Authority’s Contributions in accordance with GAAS, 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 funds 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 GAAS. In our opinion, the major funds 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Authority as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated February 9, 2023 which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The major funds schedules of revenues, expenditures, and changes in fund balances – budget and actual for the year ended June 30, 2022 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 related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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. In our opinion, the major funds schedules of revenues, expenditures, and changes in fund balances – budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 5, 2024, 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 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
January 5, 2024

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 and Conference Centers and associated catering and equipment rental fees, as well as ECVA presented event revenues are \$1,083,983 up \$101,437, a 10% increase over 2022 revenues, but under budget by \$5,497 or .6%.
- In 2021/2022 total program revenues included operating grants and contributions of \$563,650 (grants and grant/ARPA in which \$ 504,256 came from the City of Elko). In 2022/2023 these funds from the City of Elko were **not** available to the ECVA. The ECVA received a total of \$44,242 in grants which is a 92% change in available grant funds from the previous year. Additionally, the State of Nevada reduced grant funding to only one cycle per year versus two cycles per year. Thus, the ECVA made up the grant revenue differences through facility and event revenue.
- At the close of the fiscal year ECVA's total governmental funds combined ending balance was \$6,839,448, a .7% increase (\$43,967) from the prior year.
- The ECVA's total revenues exceeded total expenses by \$62,206 (1%) in the total government-wide financial statements.
- Overall revenues were up largely due to successfully holding the 2023 Elko Mining Expo, including increasing sponsorships from \$61,500 in 2022 to \$140,500 (128.5%) for Mining Expo in 2023. Facility rental is back to pre-covid-19 reservations, including the mines annual refresher training courses and new hire training helped fill slower months. There was an increase in total net position of 1%. This is due to the City of Elko airport debt being paid off by the City of Elko returning funds to the recipients, the 1% increase in lodging taxes, increase in facilities rentals and events while keeping expenses at a minimum. ECVA ended the year with more cash on hand than in the prior year, by 2%. At the close of the fiscal year, ECVA's governmental activities reported a Total Net Position of \$9,526,078; an increase of \$62,206 (1%) from the previous fiscal year Net Position of \$9,463,872. This was accomplished without the \$504,256 in grant funding from the City of Elko.

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				
	2023	2022	\$ Change	% Change
Assets				
Current and other assets	\$ 7,086,073	\$ 7,134,987	\$ (48,914)	(1%)
Net capital assets	10,592,392	10,789,602	(197,210)	(2%)
Total assets	17,678,465	17,924,589	(246,124)	(1%)
Deferred Outflows of Resources				
Deferred outflows related to pensions	488,671	365,310	123,361	34%
Liabilities				
Current liabilities	546,271	588,945	(42,674)	(7%)
Non-current liabilities	7,837,718	7,396,776	440,942	6%
Total liabilities	8,383,989	7,985,721	398,268	5%
Deferred Inflows of Resources				
Deferred inflows related to pensions	257,069	840,306	(583,237)	(69%)
Net Position				
Net investment in capital assets	3,817,852	3,777,260	40,592	1%
Restricted	1,770,174	1,485,942	284,232	19%
Unrestricted	3,938,052	4,200,670	(262,618)	(6%)
Total Net Position	\$ 9,526,078	\$ 9,463,872	\$ 62,206	1%

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 returning to pre-covid 19 reservations, and an increase in sponsorships for the Mining Expo. The mines returned with 'new hire' training classes, there was a significant increase in other organizations returning to utilize the facilities. Additionally, transient lodging tax (room tax) proceeds increased 8% from the prior year. Ad Valorem Taxes (property taxes) were down by 10%. The combined state tax apportionment, (Consolidated Tax/Sales Taxes) are a fixed rate and remained unchanged providing \$391,396 annually.

	Condensed Statement of Activities		\$ Change	% Change
	Governmental Activities			
	2023	2022		
Revenues				
Program Revenues:				
Charges for services	\$ 1,083,983	\$ 982,546	\$ 101,437	10%
Operating grants and contributions	50,575	563,650	(513,075)	(91%)
Total program revenues	<u>1,134,558</u>	<u>1,546,196</u>	<u>(411,638)</u>	<u>(27%)</u>
General Revenues:				
Property taxes	565,669	627,570	(61,901)	(10%)
Room taxes	1,519,581	1,405,710	113,871	8%
Combined state tax apportionment	391,396	391,396	-	0%
Other local sources	196	2,140	(1,944)	100%
Unrestricted investment earnings	52,998	(4,053)	57,051	(1408%)
Total general revenues	<u>2,529,840</u>	<u>2,422,763</u>	<u>107,077</u>	<u>4%</u>
Total revenues	<u>3,664,398</u>	<u>3,968,959</u>	<u>(304,561)</u>	<u>(8%)</u>
Expenses				
General government	3,274,308	2,788,265	486,043	17%
Interest on lease obligation	327,884	340,377	(12,493)	(4%)
Total expenses	<u>3,602,192</u>	<u>3,128,642</u>	<u>473,550</u>	<u>15%</u>
Special Item				
PPP loan forgiven	-	186,862	(186,862)	100%
Changes in Net Position	62,206	1,027,179	(964,973)	(94%)
Net Position, Beginning of year	<u>9,463,872</u>	<u>8,436,693</u>	<u>1,027,179</u>	<u>12%</u>
Net Position, End of year	<u>\$ 9,526,078</u>	<u>\$ 9,463,872</u>	<u>\$ 62,206</u>	<u>1%</u>

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.

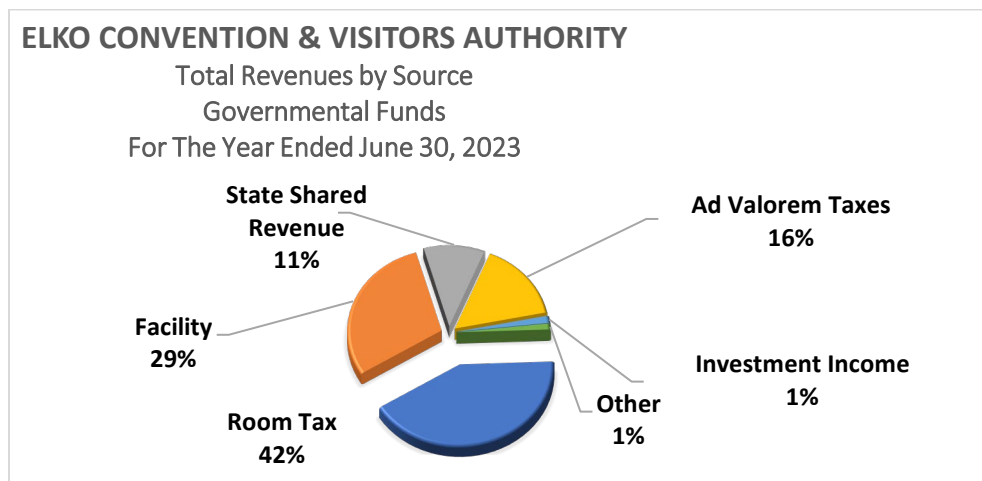
ECVA maintains four (4) separate funds within the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances for the four funds: General Fund, Marketing and Tourism Promotion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

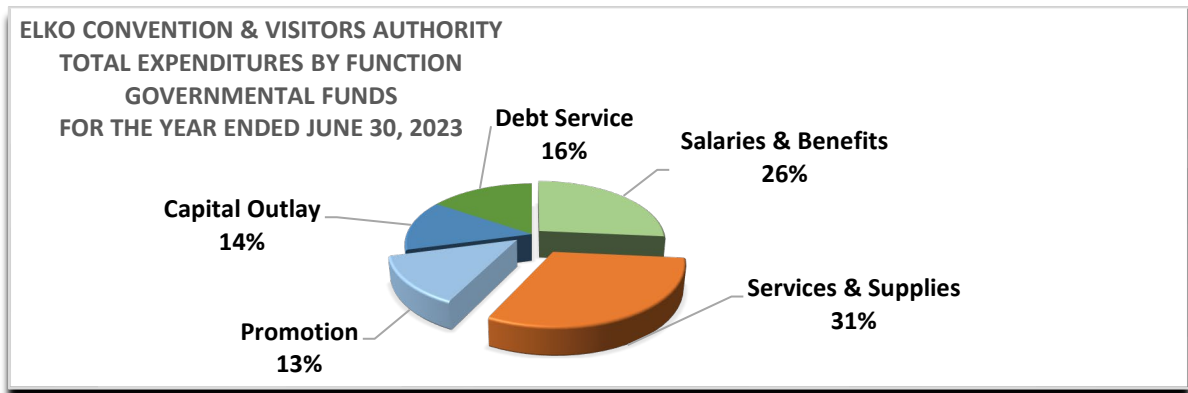
Financial Analysis of the Government’s Funds

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 \$3,696,448 for the 2022-2023 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 \$2,553,200 for the 2022-2023 fiscal year. There were no capital expenditures from the General Fund. No funds were transferred from the Capital Projects Fund, nor the Facility Expansion Fund into the General Fund despite being budgeted. The lease and loan payments for the year did come from the General Fund. As illustrated on the following chart, services, supplies, salaries and benefits represent the largest expenditure, followed by debt service.



At the end of the current fiscal year, ECVA's governmental funds reported a combined ending fund balance of \$6,839,448, an increase from the 2021-2022 combined ending fund balance of \$6,790,481.

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 \$2,005,117 as compared to the prior fiscal year balance of \$2,336,416. The General Fund balance increased due to increased revenues year-over-year while the organization kept expenditures to a minimum. The budget showed \$675,000 was to be transferred into the General Fund from the following: \$375,000 from the Facilities Fund and \$300,000 from the Capital Fund in order to cover the annual loan payment. These fund transfers did not take place in order to increase the available funds for the JMF-ECVA 2015, LLC balloon payment. The General Fund continued to make the loan payments based on revenue received.

The Capital Projects Fund is used for ongoing facilities maintenance and improvement projects, as well as replacement of assets as they become obsolete or non-functional. The Capital Projects Fund ended the year with an ending fund balance of \$2,863,357, an increase of \$677,253 (31%) over budget and \$81,558 (2.93%) over 2022. No transfers occurred from the Capital Projects Fund to the General Fund as was budgeted.

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 \$1,407,915 a decrease of \$94,597 from the prior fiscal year balance of \$1,502,512; due to general government expenditures including \$30,000 for a Rugby League Sponsorship and other community event sponsorships, and increased media buys. We continue to see an increase in room tax revenue. Additionally, The City of Elko passed a 1% increase in room tax, effective February 1, 2023 which the Marketing and Tourism Promotion Fund receives 1.750%. However, the ECVA agreed to .50% of the total room tax received and forward it to the Facility Expansion Fund.

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 the City of Elko Airport debt service once its obligation is met annually. This tax is scheduled to sunset in October 2026. The City of Elko Airport debt was paid off in January 2022. The Facility Expansion Fund ended at \$563,059 in fund balance, an increase of \$558,726 over budget and \$393,305 over 2022. Additionally, the City of Elko increased the room tax by 1%, relating the increase with a City Ordinance requiring the 1% from the room tax increase and the .5% from the Marketing Fund be placed into the Facility Expansion Fund, specifically for the JMF-ECVA 2015, LLC balloon payment. In conjunction with the Capital Projects Fund, these funds are reserved for expenses related to expansion of ECVA facilities.

Elko Convention & Visitors Authority's Capital Assets

ECVA's total capital assets as of June 30, 2023, are valued at \$10,592,392 (net of accumulated depreciation), of which \$107,851 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 2022-2023 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 installation of new divider walls, added a new roll-up door for the receiving dock, purchased a heater for water/heater area, new lighting in the theater, completed the installation of a new front door, and purchased needed equipment. Refer to financial statement Note 4 for additional details.

General Obligation Debt

The Elko Convention & Visitors Authority as of June 30, 2023 had a financed purchase in the amount of \$6,774,540, a decrease of \$237,802 from the previous year's obligation of \$7,012,342. Other debts include compensated absences of \$54,218 and the net pension liability of \$1,312,522. 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 June 27, 2023, approved the augmentation of the General in the amount of \$95,000 for the 2022-2023 ECVA Budget. The amounts were distributed as follows: \$95,000 to the General Fund to apply excess proceeds and appropriate previously unbudgeted expenses.
- The General Fund's revenues show a .8% decrease of actual to budget, resulting in \$19,973 decrease over budget which is attributed to a decrease in grant revenue.
- General Fund expenditures were 2.2% below budgeted amounts. Continued efforts were made to reduce costs and maintain unplanned expenditures.
- Marketing and Tourism Promotion Fund revenues were down 22.7% due to actual grant revenue being less than expected and .5% of lodging taxes being recorded from the Marketing and Tourism Promotion Fund to the Facility Expansion Fund for the balloon payment. Expenditures for the Marketing and Tourism Promotion Fund were below budget by 41.5% due to matching grant funds not expended.
- Successfully holding the 2023 Elko Mining Expo, including increasing general sponsorships from \$61,500 in 2022 to \$140,500 (128.5%) for Mining Expo in 2023 helped offset the increase, from United Rentals, Alley Isia, and C-Vent build hours (Website/App development.)

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, 2023 present value of this capital lease debt service is \$6,774,540. 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 completed 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 2024 National Cowboy Poetry Gathering will continue. Events and trade shows are returning to pre-Covid 19 bookings.

The ECVA will need to go out to bid on various capital projects, including sealing and repairing of the parking lots and driveway areas. The heating system on the Convention Center will need repairs. Additionally, a new electronic sign went into services in November 2023.

ECVA added two positions back to its budget for the 2023-2024 fiscal year. Recruiting has been difficult, as many other entities are experiencing. 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 (775) 738-4091

Elko Convention & Visitors Authority
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and investments	\$ 6,625,963
Accounts receivable, net	114,855
Taxes receivable, delinquent	314,256
Prepaid items	30,999
Capital assets, net of accumulated depreciation	10,484,541
Capital assets not being depreciated	107,851
Total assets	17,678,465
Deferred Outflows of Resources	
Deferred outflows related to pensions	488,671
Liabilities	
Accounts payable	164,303
Accrued salaries and benefits	51,537
Refundable deposits	14,669
Unearned revenue	12,200
Compensated absences due within one year	54,218
Financed purchase due within one year	249,344
Noncurrent liabilities	
Net pension liability	1,312,522
Financed purchase, due in more than one year	6,525,196
Total liabilities	8,383,989
Deferred Inflows of Resources	
Deferred inflows related to pensions	257,069
Net Position	
Net investment in capital assets	3,817,852
Restricted for	
Facility expansion	393,258
Marketing	1,376,916
Unrestricted	3,938,052
Total net position	\$ 9,526,078

Elko Convention & Visitors Authority
Statement of Activities
Year Ended June 30, 2023

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
General government	\$ (3,274,308)	\$ 1,083,983	\$ 50,575	\$ (2,139,750)
Interest on financed purchase	(327,884)	-	-	(327,884)
Total governmental activities	\$ (3,602,192)	\$ 1,083,983	\$ 50,575	(2,467,634)
General Revenues				
Property taxes				565,669
Room taxes				1,519,581
Combined state sales tax apportionment				391,396
Other local sources				196
Unrestricted investment earnings				52,998
Total general revenues				2,529,840
Change in Net Position				62,206
Net Position, Beginning of Year				9,463,872
Net Position, End of Year				\$ 9,526,078

Elko Convention & Visitors Authority

Balance Sheet – Governmental Funds

June 30, 2023

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
Assets					
Cash and investments	\$ 1,931,925	\$ 1,359,521	\$ 2,861,127	\$ 473,390	\$ 6,625,963
Receivables, net					
Accounts receivable, net	114,855	-	-	-	114,855
Taxes receivable	168,007	50,650	4,430	91,169	314,256
Prepaid items	-	30,999	-	-	30,999
	<u>2,214,787</u>	<u>1,441,170</u>	<u>2,865,557</u>	<u>564,559</u>	<u>7,086,073</u>
Total assets					
Liabilities					
Accounts payable	\$ 154,276	\$ 10,027	\$ -	\$ -	\$ 164,303
Accrued salaries and benefits	39,142	12,395	-	-	51,537
Refundable deposits	14,669	-	-	-	14,669
Unearned revenue	-	10,000	2,200	-	12,200
	<u>208,087</u>	<u>32,422</u>	<u>2,200</u>	<u>-</u>	<u>242,709</u>
Total liabilities					
Deferred Inflows of Resources					
Unavailable revenue - room taxes	1,583	833	-	1,500	3,916
Fund Balances					
Nonspendable, prepaid items	-	30,999	-	-	30,999
Restricted for					
Facility expansion	-	-	-	393,258	393,258
Marketing	-	1,376,916	-	-	1,376,916
Committed for					
Health insurance claims	52,000	-	-	-	52,000
Facility expansion	-	-	-	5,099	5,099
Assigned					
Subsequent year budget appropriations	-	-	99,572	-	99,572
Assigned for capital projects	-	-	2,763,785	164,702	2,928,487
Unassigned	1,953,117	-	-	-	1,953,117
	<u>2,005,117</u>	<u>1,407,915</u>	<u>2,863,357</u>	<u>563,059</u>	<u>6,839,448</u>
Total fund balances					
Total Liabilities, Deferred Inflows of Resources, and Fund Balances					
	<u>\$ 2,214,787</u>	<u>\$ 1,441,170</u>	<u>\$ 2,865,557</u>	<u>\$ 564,559</u>	<u>\$ 7,086,073</u>

Elko Convention & Visitors Authority
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2023

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

Total fund balances - total governmental funds	\$	6,839,448
<p>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:</p>		
Capital assets	\$	19,817,677
Less accumulated depreciation		<u>(9,333,136)</u>
		10,484,541
Capital assets, not being depreciated		107,851
<p>Deferred inflows of resources for room taxes represent amounts that are not available to fund current expenditures, and therefore, are not reported as revenues in the governmental funds.</p>		
		3,916
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>		
Financed purchase		(6,774,540)
Compensated absences		(54,218)
Net pension liability		<u>(1,312,522)</u>
		(8,141,280)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:</p>		
Deferred outflows of resources related to pensions		488,671
Deferred inflows of resources related to pensions		<u>(257,069)</u>
		<u>231,602</u>
Total net position, governmental activities	\$	<u><u>9,526,078</u></u>

Elko Convention & Visitors Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2023

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
Revenues					
Taxes	\$ 697,362	\$ 449,824	\$ 576,856	\$ 393,258	\$ 2,117,300
Intergovernmental revenues	391,396	50,575	-	-	441,971
Charges for services	1,083,983	-	-	-	1,083,983
Miscellaneous	49,160	716	3,271	47	53,194
Total revenues	<u>2,221,901</u>	<u>501,115</u>	<u>580,127</u>	<u>393,305</u>	<u>3,696,448</u>
Expenditures					
Current					
General government	1,987,514	595,712	474	-	2,583,700
Capital outlay	-	-	498,095	-	498,095
Debt service					
Principal	237,802	-	-	-	237,802
Interest	327,884	-	-	-	327,884
Total expenditures	<u>2,553,200</u>	<u>595,712</u>	<u>498,569</u>	<u>-</u>	<u>3,647,481</u>
Net Change in Fund Balance	(331,299)	(94,597)	81,558	393,305	48,967
Fund Balances, Beginning of Year	<u>2,336,416</u>	<u>1,502,512</u>	<u>2,781,799</u>	<u>169,754</u>	<u>6,790,481</u>
Fund Balances, End of Year	<u>\$ 2,005,117</u>	<u>\$ 1,407,915</u>	<u>\$ 2,863,357</u>	<u>\$ 563,059</u>	<u>\$ 6,839,448</u>

Elko Convention & Visitors Authority

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental
Funds to the Statement of Activities
Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	48,967
<p>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:</p>		
Capital outlay to purchase capital assets	\$	498,095
Current depreciation expense		<u>(683,869)</u>
		(185,774)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, disposals) is to decrease net position.</p>		
		(11,436)
<p>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:</p>		
Current period		3,916
Prior period		<u>(35,966)</u>
		(32,050)
<p>Long-term liabilities are not due and payable in the current period, therefore they are not reported in the fund statements:</p>		
Financed purchase obligation - principal payments		237,802
Current year change in compensated absences		<u>(11,615)</u>
		226,187
<p>Governmental funds report PERS contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense:</p>		
PERS contributions		87,238
Pension expense		<u>(70,926)</u>
		<u>16,312</u>
Change in net position of governmental activities	\$	<u><u>62,206</u></u>

Elko Convention & Visitors Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
General Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
Revenues				
Room taxes	\$ 665,770	\$ 665,770	\$ 697,362	\$ 31,592
Intergovernmental revenues	474,624	474,624	391,396	(83,228)
Charges for services	1,089,480	1,089,480	1,083,983	(5,497)
Miscellaneous	12,000	12,000	49,160	37,160
Total revenues	<u>2,241,874</u>	<u>2,241,874</u>	<u>2,221,901</u>	<u>(19,973)</u>
Expenditures				
Current				
General government	1,910,025	2,005,025	1,987,514	17,511
Capital outlay	41,000	41,000	-	41,000
Debt service				
Principal	237,802	237,802	237,802	-
Interest	327,884	327,884	327,884	-
Total expenditures	<u>2,516,711</u>	<u>2,611,711</u>	<u>2,553,200</u>	<u>58,511</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(274,837)</u>	<u>(369,837)</u>	<u>(331,299)</u>	<u>38,538</u>
Other Financing Sources (Uses)				
Contingency	(75,487)	(75,487)	-	75,487
Transfer in	675,000	675,000	-	(675,000)
Total other financing sources (uses)	<u>599,513</u>	<u>599,513</u>	<u>-</u>	<u>(599,513)</u>
Net Change in Fund Balance	324,676	229,676	(331,299)	(560,975)
Fund Balances, Beginning of Year	<u>1,679,188</u>	<u>2,413,469</u>	<u>2,336,416</u>	<u>(77,053)</u>
Fund Balances, End of Year	<u>\$ 2,003,864</u>	<u>\$ 2,643,145</u>	<u>\$ 2,005,117</u>	<u>\$ (638,028)</u>

Elko Convention & Visitors Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Marketing and Tourism Promotion Fund
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
Revenues				
Room taxes	\$ 490,567	\$ 490,567	\$ 449,824	\$ (40,743)
Intergovernmental revenues	147,973	147,973	50,575	(97,398)
Miscellaneous	1,500	1,500	716	(784)
Total revenues	640,040	640,040	501,115	(138,925)
Expenditures				
Current				
General government	1,017,612	1,017,612	595,712	421,900
Excess (Deficiency) of Revenues Over Expenditures	(377,572)	(377,572)	(94,597)	282,975
Other Financing Sources (Uses)				
Contingency	(30,531)	(30,531)	-	30,531
Net Change in Fund Balance	(408,103)	(408,103)	(94,597)	313,506
Fund Balances, Beginning of Year	1,199,025	1,199,025	1,502,512	303,487
Fund Balances, End of Year	<u>\$ 790,922</u>	<u>\$ 790,922</u>	<u>\$ 1,407,915</u>	<u>\$ 616,993</u>

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. 96

As of July 1, 2022, the Authority adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The Authority has evaluated this guidance and determined that it has no impact on the Authority's financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

When fund balance resources are available for a specific purpose in more than one classification, it is the Authority's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as needed. Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g. grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 for July 2022 to January 2023 and one and one quarter percent for February to June 2023 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.

Receivables

Accounts receivable as stated in the balance sheet are reported net of allowance for uncollectible accounts of \$400. Taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2021-2022 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

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 \$5,000 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, 2023.

Prepaid Assets

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

Refundable Deposits

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

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.

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 items 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 room taxes under the modified accrual basis of accounting. The Authority reported deferred inflows of resources related to pensions items 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 in accordance with the Board discussion and direction. Assigned fund balance consists of amounts assigned per subsequent year budget appropriations and amounts assigned for capital projects. 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 also adopted a formal investment policy that further limits its investment choices and further limits 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. The Authority has 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. The Authority's formal investment policy does not specify 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 Authority's formal investment policy relating to custodial credit risk follows NRS. The authority participates in the State of Nevada Collateral Pool which requires depositories to maintain as collateral acceptable securities having a fair market value of at least 102 percent of the amount of the uninsured balances of the public money held by the depository. Under NRS 356.360, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the pool. As of June 30, 2023, all deposits were collateralized under the Nevada Pooled Collateral Program or insured by the Federal Deposit Insurance Corporation (FDIC) except for \$743,433.

The items classified as investments are negotiable certificates of deposit purchased in the open market and are reported at fair value at June 30, 2023:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash Balances		
Deposits	<u>\$ 6,552,199</u>	<u>\$ 6,603,109</u>

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, 2023:

	<u>Fair Value</u>	<u>Level 1</u>
Investment Type		
Negotiable certificates of deposit	<u>\$ 73,764</u>	<u>\$ 73,764</u>

Note 4 - Capital Assets

The amounts recorded as capital assets are summarized as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, being depreciated				
Buildings	\$ 17,296,695	\$ 6,172	\$ 138,897	\$ 17,163,970
Improvements other than buildings	837,003	426,278	-	1,263,281
Equipment	1,456,998	-	66,572	1,390,426
	<u>19,590,696</u>	<u>432,450</u>	<u>205,469</u>	<u>19,817,677</u>
Less accumulated depreciation for				
Buildings	(7,230,777)	(554,781)	135,592	(7,649,966)
Improvements other than buildings	(657,956)	(78,709)	-	(736,665)
Equipment	(954,567)	(50,379)	58,441	(946,505)
	<u>(8,843,300)</u>	<u>(683,869)</u>	<u>194,033</u>	<u>(9,333,136)</u>
Total capital assets being depreciated, net	<u>10,747,396</u>	<u>(251,419)</u>	<u>11,436</u>	<u>10,484,541</u>
Capital assets, not being depreciated				
Land	42,206	-	-	42,206
Construction in progress	-	65,645	-	65,645
Total capital assets not being depreciated	<u>42,206</u>	<u>65,645</u>	<u>-</u>	<u>107,851</u>
	<u>\$ 10,789,602</u>	<u>\$ (185,774)</u>	<u>\$ 11,436</u>	<u>\$ 10,592,392</u>

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

Note 5 - Long-Term Liabilities

Long-term liabilities as of June 30, 2023 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 February, 2041.

\$ 6,774,540

Elko Convention & Visitors Authority

Notes to Financial Statements

June 30, 2023

The maturity of the financed purchase for the years after June 30, 2023, based upon present arrangements, is as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 249,344	\$ 316,342
2025	261,447	304,240
2026	274,137	291,550
2027	287,443	278,244
2028	301,394	264,292
2029-2033	1,741,133	1,087,298
2034-2038	2,206,742	621,689
2039-2041	1,452,900	99,613
	\$ 6,774,540	\$ 3,263,268

Changes in long-term liabilities:

	Balance July 1, 2022	Issued or Incurred	Retired or Paid	Balance June 30, 2023	Due Within One Year
Compensated absences	\$ 42,603	\$ 54,218	\$ 42,603	\$ 54,218	\$ 54,218
Financed purchase	7,012,342	-	237,802	6,774,540	249,344
	\$ 7,054,945	\$ 54,218	\$ 280,405	\$ 6,828,758	\$ 303,562

The Authority was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2023. At June 30, 2023, the Authority was in compliance with its debt covenants.

The financed purchase is from fiscal year ending June 30, 2015 when the Authority approved a Lease-Leaseback approach, utilizing the JMF-ECVA 2015, LLC, serving as both owner and borrower for the development of a 28,900 square-foot conference center on a parcel of land owned by the Authority. Upon completion of the building's construction in December 2015 the Authority entered into a 25-year "Facility Use Agreement" of said building with the first payment commencing on January 1, 2016 and ending in February, 2041. The financing agreement between JMF-ECVA 2015, LLC and their lender has the loan maturing after a 10-year term on March 05, 2026 with a balloon payment due totaling \$6,059,370. At that time it is expected that the Authority will pay off the loan, or exercise reasonable efforts to secure a binding written commitment for, and/or complete, a refinancing of the loan. Upon retirement of the loan, JMF-ECVA 2015, LLC will remit the building and equipment to the Authority and the Facility Use Agreement will be absolved.

Note 6 - Defined Benefit Pension 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% service time factor. 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, at 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, at 62 with ten years of service, or 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 the System are canceled upon withdrawal of contributions from the member's account. If EPC was selected, the member cannot convert 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, 2023 and 2022, the statutory Employer/Employee matching rate for Regular members was 15.50%. For the fiscal year ended June 30, 2023 and 2022, the Employer – pay contribution (EPC) rate was 29.75% for Regular members.

The Authority's contributions were \$87,238 for the year ended June 30, 2023.

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, 2022:

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, 2022, PERS' long-term inflation assumption was 2.50%.

Net Pension Liability

At June 30, 2023, the Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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 (\$1,312,522) 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, 2022, the Authority's proportion was 0.00727 percent, which is an increase of 0.00045 percent from its proportion measured as of June 30, 2021 of 0.00682 percent.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the Authority as of June 30, 2023, 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	\$ 2,015,151	\$ 1,312,522	\$ 732,748

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, 2022, 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, 2022 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, 2022 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, 2022. 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, 2022.

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

For the year ended June 30, 2023 the Authority recognized pension expense of \$70,926. At June 30, 2023, 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	\$ 169,950	\$ 938
Net difference between projected and actual earnings on pension plan investments	16,013	-
Changes in assumptions or other inputs	168,603	-
Changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contributions	46,867	256,131
Authority contributions subsequent to the measurement date	87,238	-
	\$ 488,671	\$ 257,069

The \$87,238 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, 2024.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 5.7 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,		
2024	\$	(7,423)
2025		(5,230)
2026		(4,636)
2027		137,509
2028		24,144
Thereafter		-

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, 2023, 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, 2023, 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, 2023, the Authority paid subsidies for qualified retirees ranging from \$195 to \$267 per month. For fiscal year 2023, the Authority contributed \$5,539.

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 3.65%, 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, 2023, not all information required to be reported by GASB Statement No. 75 is available and therefore is not included in this report.

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's portion of the net pension liability	0.00727%	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	\$ 1,312,522	\$ 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	\$ 539,222	\$ 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	243.41%	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	75.12%	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 through 2022	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 Healthy Retiree and Employee	Headcount-Weighted RP-2014 Healthy	RP-2000 Combined Healthy Mortality Table
Disabled	Pub-2010 General 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 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.

Elko Convention & Visitors Authority
 Schedule of Authority's Contributions
 Public Employee's Retirement System of Nevada (PERS)
 Last Ten Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution**	\$ 87,238	\$ 79,965	\$ 71,417	\$ 94,039	\$ 91,180	\$ 90,286	\$ 90,344	\$ 84,754	\$ 70,806
Contributions in relation to the statutorily required contribution**	\$ 87,238	\$ 79,965	\$ 71,417	\$ 94,039	\$ 91,180	\$ 90,286	\$ 90,344	\$ 84,754	\$ 70,806
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 586,471	\$ 539,222	\$ 488,322	\$ 643,007	\$ 651,284	\$ 644,901	\$ 645,275	\$ 610,691	\$ 549,949
Contributions as a percentage of covered payroll	14.88%	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, 2023

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, 2023

(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Revenues					
Taxes					
Room taxes	\$ 665,770	\$ 665,770	\$ 697,362	\$ 31,592	\$ 661,317
Intergovernmental revenues					
Combined state apportionment	391,396	391,396	391,396	-	391,396
Local government grant	83,228	83,228	-	(83,228)	296,417
	<u>474,624</u>	<u>474,624</u>	<u>391,396</u>	<u>(83,228)</u>	<u>687,813</u>
Charges for services					
Facilities revenue	325,000	325,000	375,136	50,136	350,494
Community support	764,480	764,480	708,847	(55,633)	632,052
	<u>1,089,480</u>	<u>1,089,480</u>	<u>1,083,983</u>	<u>(5,497)</u>	<u>982,546</u>
Miscellaneous					
Interest income	10,000	10,000	45,017	35,017	3,267
Net change in fair value of investments	2,000	2,000	3,947	1,947	(6,656)
Other	-	-	196	196	2,140
	<u>12,000</u>	<u>12,000</u>	<u>49,160</u>	<u>37,160</u>	<u>(1,249)</u>
Total revenues	<u>2,241,874</u>	<u>2,241,874</u>	<u>2,221,901</u>	<u>(19,973)</u>	<u>2,330,427</u>
Expenditures					
Current					
General government					
Salaries	697,959	697,959	515,191	182,768	493,818
Employee benefits	355,993	355,993	257,228	98,765	264,469
Services and supplies	561,810	656,810	788,734	(131,924)	541,307
Advertising and promotion	7,500	7,500	86,465	(78,965)	110,007
Other-tourism and community events	286,763	286,763	339,896	(53,133)	294,199
Capital outlay	41,000	41,000	-	41,000	7,415
	<u>1,951,025</u>	<u>2,046,025</u>	<u>1,987,514</u>	<u>58,511</u>	<u>1,711,215</u>
Debt service					
Principal payments	237,802	237,802	237,802	-	226,794
Interest payments	327,884	327,884	327,884	-	340,377
	<u>565,686</u>	<u>565,686</u>	<u>565,686</u>	<u>-</u>	<u>567,171</u>
Total expenditures	<u>2,516,711</u>	<u>2,611,711</u>	<u>2,553,200</u>	<u>58,511</u>	<u>2,278,386</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>(274,837)</u>	<u>(369,837)</u>	<u>(331,299)</u>	<u>38,538</u>	<u>52,041</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	-	-	300
Contingency	(75,487)	(75,487)	-	75,487	-
Transfers in	675,000	675,000	-	(675,000)	764,655
Total other financing sources	<u>599,513</u>	<u>599,513</u>	<u>-</u>	<u>(599,513)</u>	<u>764,955</u>
Net Change in Fund Balance	324,676	229,676	(331,299)	(560,975)	816,996
Fund Balances, Beginning of Year	<u>1,679,188</u>	<u>2,413,469</u>	<u>2,336,416</u>	<u>(77,053)</u>	<u>1,519,420</u>
Fund Balances, End of Year	<u>\$ 2,003,864</u>	<u>\$ 2,643,145</u>	<u>\$ 2,005,117</u>	<u>\$ (638,028)</u>	<u>\$ 2,336,416</u>

Elko Convention & Visitors Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Marketing and
Tourism Promotion Fund
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Revenues					
Taxes					
Room taxes	\$ 490,567	\$ 490,567	\$ 449,824	\$ (40,743)	\$ 487,286
Intergovernmental revenues					
State grant revenue	147,973	147,973	50,575	(97,398)	102,578
Miscellaneous					
Interest income	1,500	1,500	692	(808)	1,013
Net change in fair value of investment	-	-	24	24	(1,525)
	<u>1,500</u>	<u>1,500</u>	<u>716</u>	<u>(784)</u>	<u>(512)</u>
Total revenues	<u>640,040</u>	<u>640,040</u>	<u>501,115</u>	<u>(138,925)</u>	<u>589,352</u>
Expenditures					
Current					
General government					
Salaries	137,020	137,020	128,763	8,257	93,357
Employee benefits	69,592	69,592	63,835	5,757	44,219
Advertising and promotion	751,000	751,000	403,114	347,886	432,685
Grant expenses	60,000	60,000	-	60,000	56,200
Total expenditures	<u>1,017,612</u>	<u>1,017,612</u>	<u>595,712</u>	<u>421,900</u>	<u>626,461</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(377,572)</u>	<u>(377,572)</u>	<u>(94,597)</u>	<u>282,975</u>	<u>(37,109)</u>
Other Financing Sources (Uses)					
Contingency	<u>(30,531)</u>	<u>(30,531)</u>	<u>-</u>	<u>30,531</u>	<u>-</u>
Net Change in Fund Balance	<u>(408,103)</u>	<u>(408,103)</u>	<u>(94,597)</u>	<u>313,506</u>	<u>(37,109)</u>
Fund Balances, Beginning of Year	<u>1,199,025</u>	<u>1,199,025</u>	<u>1,502,512</u>	<u>303,487</u>	<u>1,539,621</u>
Fund Balances, End of Year	<u>\$ 790,922</u>	<u>\$ 790,922</u>	<u>\$ 1,407,915</u>	<u>\$ 616,993</u>	<u>\$ 1,502,512</u>

Elko Convention & Visitors Authority

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
 Year Ended June 30, 2023
 (With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Revenues					
Taxes					
Ad valorem taxes	\$ 565,243	\$ 565,243	\$ 576,856	\$ 11,613	\$ 621,497
Miscellaneous					
Interest income	3,000	3,000	3,376	376	4,189
Net change in fair value of investment	(3,000)	(3,000)	(105)	2,895	(4,368)
	-	-	3,271	3,271	(179)
Total revenues	565,243	565,243	580,127	14,884	621,318
Expenditures					
Current					
General government					
Services and supplies	2,000	2,000	474	1,526	1,864
Capital outlay	518,868	518,868	498,095	20,773	33,451
Total expenditures	520,868	520,868	498,569	22,299	35,315
Excess (Deficiency) of Revenues Over Expenditures	44,375	44,375	81,558	37,183	586,003
Other Financing Sources (Uses)					
Transfer out	(300,000)	(300,000)	-	300,000	(400,000)
Net Change in Fund Balance	(255,625)	(255,625)	81,558	337,183	186,003
Fund Balances, Beginning of Year	2,441,729	2,441,729	2,781,799	340,070	2,595,796
Fund Balances, End of Year	\$ 2,186,104	\$ 2,186,104	\$ 2,863,357	\$ 677,253	\$ 2,781,799

Elko Convention & Visitors Authority

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Facility Expansion

Fund

Year Ended June 30, 2023

(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Budgeted Amounts		Actual	Final Budget Variance	2022
	Original	Final			
Revenues					
Taxes					
Room taxes	\$ 243,668	\$ 243,668	\$ 393,258	\$ 149,590	\$ 232,328
Intergovernmental revenues					
Local government grant	-	-	-	-	164,655
Miscellaneous					
Interest income	100	100	47	(53)	27
Total revenues	243,768	243,768	393,305	149,537	397,010
Other Financing Sources (Uses)					
Transfer out	(375,000)	(375,000)	-	375,000	(364,655)
Net Change in Fund Balance	(131,232)	(131,232)	393,305	524,537	32,355
Fund Balances, Beginning of Year	135,565	135,565	169,754	34,189	137,399
Fund Balances, End of Year	<u>\$ 4,333</u>	<u>\$ 4,333</u>	<u>\$ 563,059</u>	<u>\$ 558,726</u>	<u>\$ 169,754</u>



**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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements and have issued our report thereon dated January 5, 2024.

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 the 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001 that we consider to be a material weakness.

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.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Elko, Nevada
January 5, 2024



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, 2023, 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 Statutes 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 2022-001 is reported again this year as finding 2023-001.

Current Year Recommendations

See items noted in the Schedule of Findings and Responses.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Elko, Nevada
January 5, 2024

**2023-001 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, 2023, 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:

- Accounts payable and expenditures were overstated by \$88,133 in the General Fund and the Governmental Activities government-wide statements.

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

Effect: The Authority's financial records required audit adjustments in order for the financial statements to be in accordance with generally accepted accounting principles. Internally prepared financial information may not be accurate and full disclosure financial statements may not be available as timely as they would be if prepared by the Authority's personnel.

Recommendation: We recommend Management perform a detailed review of all financial statements and fund trial balances throughout the year to ensure that all significant transactions have been appropriately reported. In addition, Management and Those Charged with Governance should annually make the decision to accept the degree of risk associated with this condition because of costs or other considerations.

Views of Responsible Officials: Management will annually review whether to accept the degree of risk associated with the auditors preparing the Authority's financial statements. In addition, management will perform year end reconciling procedures to ensure accounts are properly stated.