



Financial Statements  
June 30, 2024

# Elko Convention & Visitors Authority



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CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund of the Elko Convention & Visitors Authority (the "Authority") as of and for the year ended June 30, 2024, 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, 2024, 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, the schedule of Authority's share of net pension liability, and the schedule of authority's contributions 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, 2023 (not presented herein), and have issued our report thereon dated January 5, 2024, 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, 2023, 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 2023 financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 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, 2023.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 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.

*Edie Sully LLP*

Elko, Nevada  
December 4, 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 \$1,191,647 up \$107,664, a 10% increase over 2023 revenues, exceeding 2024 budget by \$177,297 or 17.5%. Meeting the strategic plan for an increase of 10% in revenues.
- The ECVA received a total of \$54,200 in grants, which is a 7% increase from the previous year. This reflects the State of Nevada's reduced grant funding to only one cycle per year versus two cycles per year.
- At the close of the fiscal year ECVA's total governmental funds combined ending balance was \$7,695,009, a 12.5% increase of \$855,561 from the prior year.
- The ECVA's total revenues exceeded total expenses by \$575,034 (6%) in the total government-wide financial statements.
- Overall revenues were up due to the transient lodging taxes collected increased by 19%. Hotel occupancy was relatively flat, hotels increased their Average Daily Rate (ADR) contributing to the increase in the Transient Lodging Tax (TLT) collections. Additionally, successfully holding the 2024 Elko Mining Expo, including increased participation, and increasing the sponsorship for the opening reception by \$5,000. Facility rental rates were increased by 15% to cover increased inflationary costs. New events, meetings and conferences were added. The mines annual refresher training courses and new hire training continue to help fill slower months. There was an increase in total net position of 6%. The increase in ECVA room rental charges and the increase in bookings contributed to the increases in revenue. ECVA ended the year with more cash on hand than in the prior year, \$7,417,152 for FY24 an increase of \$791,189 or 12%. At the close of the fiscal year, ECVA's governmental activities reported a Total Net Position of \$10,101,112; an increase of \$575,034 (6%) from the previous fiscal year Net Position of \$9,526,078.

### **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.

	<b>Condensed Statement of Net Position</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>Governmental Activities</b>			
	<u>2024</u>	<u>2023</u>		
<b>Assets</b>				
Current and other assets	\$ 7,964,471	\$ 7,086,073	\$ 878,398	12%
Net capital assets	<u>10,084,150</u>	<u>10,592,392</u>	<u>(508,242)</u>	<u>(5%)</u>
Total assets	<u>18,048,621</u>	<u>17,678,465</u>	<u>370,156</u>	<u>2%</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pensions	<u>486,410</u>	<u>488,671</u>	<u>(2,261)</u>	<u>(0%)</u>
<b>Liabilities</b>				
Current liabilities	595,546	546,271	49,275	9%
Non-current liabilities	<u>7,641,417</u>	<u>7,837,718</u>	<u>(196,301)</u>	<u>(3%)</u>
Total liabilities	<u>8,236,963</u>	<u>8,383,989</u>	<u>(147,026)</u>	<u>(2%)</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pensions	<u>196,956</u>	<u>257,069</u>	<u>(60,113)</u>	<u>(23%)</u>
<b>Net Position</b>				
Net investment in capital assets	3,558,954	3,817,852	(258,898)	(7%)
Restricted	1,865,435	1,770,174	95,261	5%
Unrestricted	<u>4,676,723</u>	<u>3,938,052</u>	<u>738,671</u>	<u>19%</u>
<b>Total Net Position</b>	<u>\$ 10,101,112</u>	<u>\$ 9,526,078</u>	<u>\$ 575,034</u>	<u>6%</u>

### 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 an increase TLT by 19%, and an increase in sponsorships for the Mining Expo, increasing the ECVA room rental charges by 15% and an increasing in booking and events for the year. Ad Valorem Taxes (property taxes) were up by 5%. The combined state tax apportionment, (Consolidated Tax/Sales Taxes) are a fixed rate and remained unchanged providing \$391,396 annually.

	<b>Condensed Statement of Activities</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>Governmental Activities</b>			
	<u>2024</u>	<u>2023</u>		
<b>Revenues</b>				
<b>Program Revenues:</b>				
Charges for services	\$ 1,191,647	\$ 1,083,983	\$ 107,664	10%
Operating grants and contributions	54,200	50,575	3,625	7%
<b>Total program revenues</b>	<u>1,245,847</u>	<u>1,134,558</u>	<u>111,289</u>	<u>10%</u>
<b>General Revenues:</b>				
Property taxes	595,996	565,669	30,327	5%
Room taxes	1,801,069	1,519,581	281,488	19%
Combined state tax apportionment	391,396	391,396	-	0%
Other local sources	322	196	126	100%
Unrestricted investment earnings	169,113	52,998	116,115	219%
<b>Total general revenues</b>	<u>2,957,896</u>	<u>2,529,840</u>	<u>428,056</u>	<u>17%</u>
<b>Total revenues</b>	<u>4,203,743</u>	<u>3,664,398</u>	<u>539,345</u>	<u>15%</u>
<b>Expenses</b>				
General government	3,312,367	3,274,308	38,059	1%
Interest on lease obligation	316,342	327,884	(11,542)	(4%)
<b>Total expenses</b>	<u>3,628,709</u>	<u>3,602,192</u>	<u>26,517</u>	<u>1%</u>
<b>Changes in Net Position</b>	575,034	62,206	512,828	824%
<b>Net Position, Beginning of year</b>	<u>9,526,078</u>	<u>9,463,872</u>	<u>62,206</u>	<u>1%</u>
<b>Net Position, End of year</b>	<u>\$ 10,101,112</u>	<u>\$ 9,526,078</u>	<u>\$ 575,034</u>	<u>6%</u>

**Fund Financial Statements**

A fund is a legal and accounting entity with a self – balanced 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.

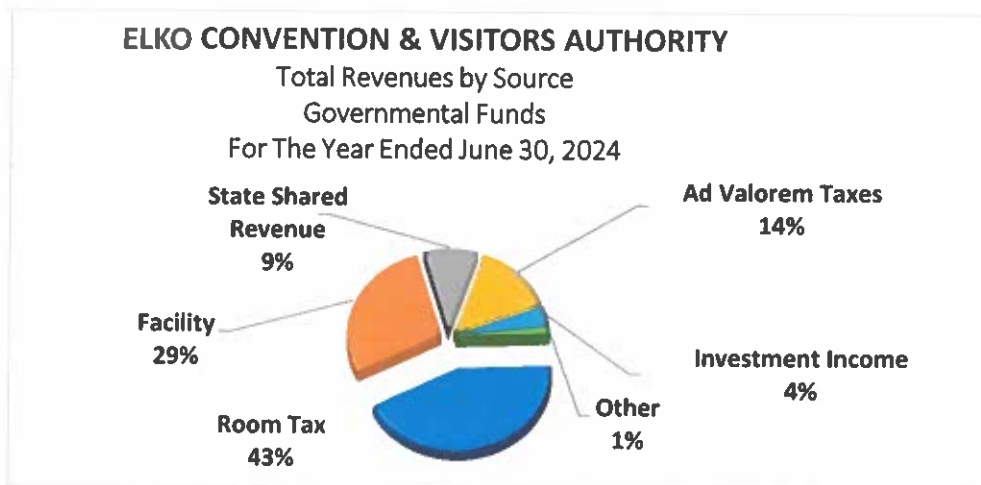
ECVA maintains four (4) separate funds within the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances for the four funds: General Fund, Marketing and Tourism Promotion 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 \$4,207,659 for the 2023-2024 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 \$2,518,319 for the 2023-2024 fiscal year; a reduction of 1.4%. Capital expenditures from the General Fund were \$3,804. The General Fund received \$300,000 from the Capital Projects Fund and \$375,000 from the Facility Expansion Fund for a total of \$675,000 of funds transferred in to help offset the debt services payments made 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 \$7,695,009, an increase of \$855,561 (12.5%) from the 2022-2023 combined ending fund balance of \$6,839,448.

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 \$2,640,421, 31.7% increase, as compared to the prior fiscal year balance of \$2,005,117. The General Fund balance increased due to the additional transfer of funds from the Capital Projects Fund and the Facility Expansion fund, as these funds were not transferred in the prior fiscal year. This transfer of funds helped offset the lease payments being paid out of the General Fund. Additionally, increased facility pricing for room rentals, increased TLT and increased bookings.

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 \$2,973,154, an increase of \$547,552 over budget (22.6%) and \$109,797 (3.8%) over 2023.

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 \$1,202,104, a decrease of \$205,811 from the prior fiscal year balance of \$1,407,915; due to an increase in marketing expenditures and notice of funding for grant opportunities for the community. We continue to see an increase in room tax revenue. ECVA continues to budget .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 \$879,330 in fund balance \$316,271 over 2023. 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 and Tourism and Promotion 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, 2024, are valued at \$10,084,154 (net of accumulated depreciation), of which \$42,206 is not being depreciated. Capital assets include buildings and grounds improvements as well as equipment required for the ongoing operations of the Convention & Conference Centers. During Fiscal Year 2023-2024 the ECVA made minimal capital improvements to preserve cash on hand for possible debt service payments. Additions included installation of new curb, gutter, and handicap sidewalk entrances, repaired a drainage vault, heating unit repairs, and purchased the necessary equipment. Refer to financial statement Note 4 for additional details.

### **General Obligation Debt**

The Elko Convention & Visitors Authority as of June 30, 2024 had a financed purchase in the amount of \$6,525,196, a decrease of \$249,344 from the previous year's obligation of \$6,774,540. Other debts include compensated absences of \$64,637 and the net pension liability of \$1,337,668. 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.

### **Budgetary Highlights**

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

- The General Fund's revenues show a 31.7% increase in the ending fund balance. This is attributed to an increase in TLT revenue, increases to facility charges by 15%, increased bookings, and the additional transfer of funds from the Capital Fund and the Facilities Expansion fund, of \$675,000, as these funds were not transferred in the prior fiscal year.
- Total General Fund expenditures were \$2,518,319 for the 2023-2024 fiscal year; a reduction of 1.4%. Capital expenditures from the General Fund were \$3,804. Continued efforts were made to reduce costs and maintain unplanned expenditure.
- The Marketing and Tourism Promotion Fund ending fund balance was \$1,202,104, a decrease of \$205,811 from the prior fiscal year balance of \$1,407,915; due to increase in marketing expenditures and notice of funding for grant opportunities for the community. Completing some long-term contracts which were a carryover from the prior year.
- The Facility Expansion Fund ended at \$879,330 in fund balance \$316,271 over 2023. 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.

### **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, 2024 present value of this capital lease debt service is \$6,525,196. The ECVA is attempting to pay of the note in December 2024. The ECVA is issuing a \$3,000,000 bond, payable in ten (10) years at 1% interest with Elko County and an additional bond with JP Morgan, Chase Bank for \$3,000,000 for ten (10) years at 4+%, pending closing. Additional fees will affect the final payoff amount, including consulting, legal and pre-payment penalties fees. Payments will commence on July 1, 2025 with an interest rate only, continuing with a principal and interest rate on December 2025 and thereafter annually. See Note 5, 9 and 10 for additional information.

As a result of the Conference Center Lease/Leaseback payoff of the loan, funds will have to be transferred from various accounts to assist in the payoff. Additionally, funds will be wired to Western Alliance Bank from the General Fund checking account. It is anticipated the budget for 2024/2025 will need to be augmented.

Transient lodging tax revenues were greater than anticipated and will continue to be higher than previous years. Though room occupancies seem to remain flat, room rates are increasing, thus the taxes (TLT) are coming in higher. 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.

With the payment of the JMF-ECVA 2015, LLC Loan, TLT funds dedicated to the March 2026 balloon payment, per City Ordinance, will continue into 2036 and used for facility upgrades and capital projects.

The ECVA will be issuing a contract in December 2024 for a rebranding campaign. This cost is estimated to be up to \$200,000. Until the rebranding to completed, ECVA will not be renewing innovative marketing contracts until the rebranding is completed. Data analysis contracts will stay in place.

The ECVA does have a five-year capital plan, 2024/2025 includes new roof over the receiving bay, rebuilding of coils on the RTU-2 heating unit on the Convention Center roof, complete exterior painting of the Convention Center, new screen in the theater, new house theater lighting, sewer/bathroom repair in the Convention Center kitchen. The ECVA will need to go out to bid on various other capital projects.

### **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, 2024

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 7,417,152
Accounts receivable, net	154,282
Taxes receivable, delinquent	322,574
Prepaid items	70,463
Capital assets, net of accumulated depreciation	10,041,944
Capital assets not being depreciated	42,206
Total assets	18,048,621
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	486,410
<b>Liabilities</b>	
Accounts payable	181,823
Accrued salaries and benefits	47,133
Refundable deposits	16,201
Unearned revenue	24,305
Compensated absences due within one year	64,637
Financed purchase due within one year	261,447
Noncurrent liabilities	
Net pension liability	1,377,668
Financed purchase, due in more than one year	6,263,749
Total liabilities	8,236,963
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	196,956
<b>Net Position</b>	
Net investment in capital assets	3,558,954
Restricted for	
Facility expansion	709,529
Marketing	1,155,906
Unrestricted	4,676,723
Total net position	\$ 10,101,112

Elko Convention & Visitors Authority  
Statement of Activities  
Year Ended June 30, 2024

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>				
General government	\$ (3,312,367)	\$ 1,191,647	\$ 54,200	\$ (2,066,520)
Interest on financed purchase	(316,342)	-	-	(316,342)
<b>Total governmental activities</b>	<b>\$ (3,628,709)</b>	<b>\$ 1,191,647</b>	<b>\$ 54,200</b>	<b>(2,382,862)</b>
<b>General Revenues</b>				
Property taxes				595,996
Room taxes				1,801,069
Combined state sales tax apportionment				391,396
Other local sources				322
Unrestricted investment earnings				169,113
<b>Total general revenues</b>				<b>2,957,896</b>
<b>Change in Net Position</b>				<b>575,034</b>
<b>Net Position, Beginning of Year</b>				<b>9,526,078</b>
<b>Net Position, End of Year</b>				<b>\$ 10,101,112</b>

**Elko Convention & Visitors Authority**  
**Balance Sheet – Governmental Funds**  
**June 30, 2024**

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 2,460,547	\$ 1,142,385	\$ 3,022,985	\$ 791,235	\$ 7,417,152
Receivables, net					
Accounts receivable, net	154,282	-	-	-	154,282
Taxes receivable	158,222	48,942	27,315	88,095	322,574
Prepaid items	24,265	46,198	-	-	70,463
<b>Total assets</b>	<b>\$ 2,797,316</b>	<b>\$ 1,237,525</b>	<b>\$ 3,050,300</b>	<b>\$ 879,330</b>	<b>\$ 7,964,471</b>
<b>Liabilities</b>					
Accounts payable	\$ 95,614	\$ 11,263	\$ 74,946	\$ -	\$ 181,823
Accrued salaries and benefits	39,775	7,358	-	-	47,133
Refundable deposits	16,201	-	-	-	16,201
Unearned revenue	5,305	16,800	2,200	-	24,305
<b>Total liabilities</b>	<b>156,895</b>	<b>35,421</b>	<b>77,146</b>	<b>-</b>	<b>269,462</b>
<b>Fund Balances</b>					
Nonspendable, prepaid items	24,265	46,198	-	-	70,463
Restricted for					
Facility expansion	-	-	-	709,529	709,529
Marketing	-	1,155,906	-	-	1,155,906
Committed for					
Health insurance claims	52,000	-	-	-	52,000
Facility expansion	-	-	-	5,099	5,099
Assigned					
Subsequent year budget appropriations	-	-	116,820	-	116,820
Assigned for capital projects	-	-	2,856,334	164,702	3,021,036
Unassigned	2,564,156	-	-	-	2,564,156
<b>Total fund balances</b>	<b>2,640,421</b>	<b>1,202,104</b>	<b>2,973,154</b>	<b>879,330</b>	<b>7,695,009</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,797,316</b>	<b>\$ 1,237,525</b>	<b>\$ 3,050,300</b>	<b>\$ 879,330</b>	<b>\$ 7,964,471</b>

Elko Convention & Visitors Authority  
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 June 30, 2024

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

Total fund balances - total governmental funds		\$ 7,695,009
<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	\$ 20,053,513	
Less accumulated depreciation	<u>(10,011,569)</u>	10,041,944
Capital assets, not being depreciated		42,206
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>		
Financed purchase	(6,525,196)	
Compensated absences	(64,637)	
Net pension liability	<u>(1,377,668)</u>	(7,967,501)
<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	486,410	
Deferred inflows of resources related to pensions	<u>(196,956)</u>	<u>289,454</u>
Total net position, governmental activities		<u>\$ 10,101,112</u>

**Elko Convention & Visitors Authority**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds**  
**Year Ended June 30, 2024**

	General	Marketing and Tourism Promotion	Capital Projects	Facility Expansion	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 729,675	\$ 384,039	\$ 595,996	\$ 691,271	\$ 2,400,981
Intergovernmental revenues	391,396	54,200	-	-	445,596
Charges for services	1,191,647	-	-	-	1,191,647
Miscellaneous	165,905	-	3,530	-	169,435
<b>Total revenues</b>	<b>2,478,623</b>	<b>438,239</b>	<b>599,526</b>	<b>691,271</b>	<b>4,207,659</b>
<b>Expenditures</b>					
Current					
General government	1,948,829	644,050	21,388	-	2,614,267
Capital outlay	3,804	-	168,341	-	172,145
Debt service					
Principal	249,344	-	-	-	249,344
Interest	316,342	-	-	-	316,342
<b>Total expenditures</b>	<b>2,518,319</b>	<b>644,050</b>	<b>189,729</b>	<b>-</b>	<b>3,352,098</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(39,696)</b>	<b>(205,811)</b>	<b>409,797</b>	<b>691,271</b>	<b>855,561</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	675,000	-	-	-	675,000
Transfers out	-	-	(300,000)	(375,000)	(675,000)
<b>Total other financing sources (uses)</b>	<b>675,000</b>	<b>-</b>	<b>(300,000)</b>	<b>(375,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>635,304</b>	<b>(205,811)</b>	<b>109,797</b>	<b>316,271</b>	<b>855,561</b>
<b>Fund Balances, Beginning of Year</b>	<b>2,005,117</b>	<b>1,407,915</b>	<b>2,863,357</b>	<b>563,059</b>	<b>6,839,448</b>
<b>Fund Balances, End of Year</b>	<b>\$ 2,640,421</b>	<b>\$ 1,202,104</b>	<b>\$ 2,973,154</b>	<b>\$ 879,330</b>	<b>\$ 7,695,009</b>

**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, 2024**

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

Net change in fund balances - total governmental funds	\$	855,561
<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	\$	170,191
Current depreciation expense		<u>(678,433)</u>
		(508,242)
<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>		
Prior period		<u>(3,916)</u>
		(3,916)
<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		249,344
Current year change in compensated absences		<u>(10,419)</u>
		238,925
<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		111,098
Pension expense		<u>(118,392)</u>
		<u>(7,294)</u>
Change in net position of governmental activities	\$	<u><u>575,034</u></u>

Elko Convention & Visitors Authority  
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –  
General Fund  
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
<b>Revenues</b>				
Room taxes	\$ 600,000	\$ 600,000	\$ 729,675	\$ 129,675
Intergovernmental revenues	391,396	391,396	391,396	-
Charges for services	980,000	1,014,350	1,191,647	177,297
Miscellaneous	-	-	165,905	165,905
Total revenues	<u>1,971,396</u>	<u>2,005,746</u>	<u>2,478,623</u>	<u>472,877</u>
<b>Expenditures</b>				
Current				
General government	1,772,013	1,920,563	1,948,829	(28,266)
Capital outlay	150,000	60,000	3,804	56,196
Debt service				
Principal	249,344	249,344	249,344	-
Interest	316,342	316,342	316,342	-
Total expenditures	<u>2,487,699</u>	<u>2,546,249</u>	<u>2,518,319</u>	<u>27,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(516,303)</u>	<u>(540,503)</u>	<u>(39,696)</u>	<u>500,807</u>
<b>Other Financing Sources (Uses)</b>				
Contingency	(68,352)	(44,152)	-	44,152
Transfer in	675,000	675,000	675,000	-
Total other financing sources (uses)	<u>606,648</u>	<u>630,848</u>	<u>675,000</u>	<u>44,152</u>
Net Change in Fund Balance	90,345	90,345	635,304	544,959
Fund Balances, Beginning of Year	<u>2,538,495</u>	<u>2,538,495</u>	<u>2,005,117</u>	<u>(533,378)</u>
Fund Balances, End of Year	<u>\$ 2,628,840</u>	<u>\$ 2,628,840</u>	<u>\$ 2,640,421</u>	<u>\$ 11,581</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, 2024

	Budgeted Amounts		Actual	Final Budget Variance
	Original	Final		
Revenues				
Room taxes	\$ 484,849	\$ 484,849	\$ 384,039	\$ (100,810)
Intergovernmental revenues	80,000	80,000	54,200	(25,800)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	565,849	565,849	438,239	(127,610)
Expenditures				
Current				
General government	718,295	718,295	644,050	74,245
Net Change in Fund Balance	(152,446)	(152,446)	(205,811)	(53,365)
Fund Balances, Beginning of Year	1,382,409	1,382,409	1,407,915	25,506
Fund Balances, End of Year	<u>\$ 1,229,963</u>	<u>\$ 1,229,963</u>	<u>\$ 1,202,104</u>	<u>\$ (27,859)</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.

### **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 one – quarter percent room tax collected by the City of Elko to be used to market the City through various promotional methods per Elko City Ordinance 4 – 6 – 10(G).
- Capital Projects Fund accounts for property tax revenue earmarked for the construction, acquisition or maintenance of the convention facilities and the purchase of necessary furniture and equipment.
- Facility Expansion Fund (Capital Projects) accounts for revenue received from the City of Elko to be used for expansion of the convention facilities per Elko City Ordinance 4 – 6 – 10(H).

### **Budgets and Budgetary Accounting**

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

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

### **Property Taxes**

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

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

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

### **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 2022-2023 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 Cash Equivalents**

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with a maturity date within three months of the date of acquisition that are both readily convertible to known amounts of cash and so near their maturity they present insignificant risk in changes in value. The Authority's funds are invested by management as permitted by law.

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, 2024.

**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 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 Cash Equivalents**

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, 2024, all deposits were collateralized under the Nevada Pooled Collateral Program or insured by the Federal Deposit Insurance Corporation (FDIC).

The following items are classified as cash and cash equivalents at June 30, 2024:

	Carrying Amount	Bank Balance
Cash Balances		
Deposits	\$ 7,417,152	\$ 7,588,547

**Note 4 - Capital Assets**

The amounts recorded as capital assets are summarized as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets, being depreciated					
Buildings	\$ 17,163,970	\$ -	\$ -	\$ -	\$ 17,163,970
Improvements other than buildings	1,263,281	122,297	-	-	1,385,578
Equipment	1,390,426	47,894	-	65,645	1,503,965
	<u>19,817,677</u>	<u>170,191</u>	<u>-</u>	<u>65,645</u>	<u>20,053,513</u>
Less accumulated depreciation for					
Buildings	(7,649,966)	(578,514)	-	-	(8,228,480)
Improvements other than buildings	(736,665)	(21,567)	-	-	(758,232)
Equipment	(946,505)	(78,352)	-	-	(1,024,857)
	<u>(9,333,136)</u>	<u>(678,433)</u>	<u>-</u>	<u>-</u>	<u>(10,011,569)</u>
Total capital assets being depreciated, net	<u>10,484,541</u>	<u>(508,242)</u>	<u>-</u>	<u>65,645</u>	<u>10,041,944</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>107,851</u>	<u>-</u>	<u>-</u>	<u>(65,645)</u>	<u>42,206</u>
	<u>\$ 10,592,392</u>	<u>\$ (508,242)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,084,150</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, 2024 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.

\$ 6,525,196

Elko Convention & Visitors Authority

Notes to Financial Statements

June 30, 2024

The maturity of the financed purchase for the years after June 30, 2024, based upon present arrangements, is as follows:

Year Ending June 30,	Principal	Interest
2025	\$ 261,447	\$ 304,240
2026	274,137	291,550
2027	287,443	278,244
2028	301,394	264,292
2029	316,023	249,663
2030-2034	1,825,643	1,002,788
2035-2039	2,313,852	514,579
2040-2041	945,257	41,569
	\$ 6,525,196	\$ 2,946,925

Changes in long-term liabilities:

	Balance July 1, 2023	Issued or Incurred	Retired or Paid	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 54,218	\$ 64,637	\$ 54,218	\$ 64,637	\$ 64,637
Financed purchase	6,774,540	-	249,344	6,525,196	261,447
	\$ 6,828,758	\$ 64,637	\$ 303,562	\$ 6,589,833	\$ 326,084

The Authority was, in accordance with Nevada Revised Statutes, within the legal debt limit at June 30, 2024. At June 30, 2024, the Authority was in compliance with its debt covenants.

The financed purchase is from fiscal year ended 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 5, 2026 with a balloon payment due totaling \$6,059,370. As discussed in Note 9 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, 2024 and 2023, the Statutory Employer/Employee matching rate was 17.50% and 15.50% for Regular members, respectively. The Employer-Pay Contribution (EPC) rate was 33.50% and 29.75% for Regular members for the fiscal year ended June 30, 2024 and 2023, respectively.

The Authority's contributions were \$111,098 for the year ended June 30, 2024.

### 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, 2023:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
U.S. Stocks	42%	6.65%
International Stocks	18%	7.18%
U.S. Bonds	28%	0.91%
Private Markets	12%	17.65%

As of June 30, 2023, PERS' long-term inflation assumption was 2.50%.

**Net Pension Liability**

At June 30, 2024, the Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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 (\$1,377,668) 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, 2023, the Authority's proportion was 0.00755 percent, which is an increase of 0.00028 percent from its proportion measured as of June 30, 2022 of 0.00727 percent.

**Pension Liability Discount Rate Sensitivity**

The following presents the net pension liability of the Authority as of June 30, 2024, 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	\$ 2,143,854	\$ 1,377,668	\$ 745,340

**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, 2023, 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, 2023 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, 2023 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, 2023. 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, 2023.

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

For the year ended June 30, 2024 the Authority recognized pension expense of \$118,392. At June 30, 2024, 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	\$ 179,571	\$ -
Net difference between projected and actual earnings on pension plan investments	-	12,895
Changes in assumptions or other inputs	129,114	-
Changes in the Authority's proportion and differences between the Authority's contributions and the Authority's proportionate contributions	66,627	184,061
Authority contributions subsequent to the measurement date	111,098	-
	\$ 486,410	\$ 196,956

The \$111,098 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, 2025.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined is 5.63 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,		
2025	\$	(2,138)
2026		(1,755)
2027		145,436
2028		26,188
2029		10,625
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](http://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, 2024, 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, 2024, 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, 2024, the Authority paid subsidies for qualified retirees ranging from \$195 to \$260 per month. For fiscal year 2024, the Authority contributed \$5,457.

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, 2024, not all information required to be reported by GASB Statement No. 75 is available and therefore is not included in this report.

#### **Note 9 - Subsequent Events**

On August 27, 2024, the Board approved the following upgrades:

- Convention Center exterior painting project totaling \$82,886.
- Theater lighting upgrades totaling \$28,248 and a projection screen totaling \$17,150.
- Convention Center roofing upgrades totaling \$44,150.
- Convention Center heating and air conditioning upgrades totaling \$50,690.

On November 18, 2024, the Board approved up to \$50,000 to replace the exterior signage on the Convention Center building relating to the new rebranding name and design.

On November 18, 2024, the Board approved Resolution 2024-03 for a 2024A Medium Term Bond for \$3,000,000 to Elko County in return for a loan in the same amount. The terms include 1% interest for 10 years, with the ability to pay the bond off early. The Authority will report to the Elko County Commission once each year regarding capital expenditure requirements. In addition, the Board approved Resolution 2024-04 for an Interlocal Agreement with Elko County relating to the medium-term obligation. These funds will be used to pay off the Direct Borrowing included in Note 5 with JMF-ECVA 2015, LLC by the end of 2024.

On November 18, 2024, the Board approved Resolution 2024-05 for a 2024B Medium Term Bond authorizing the Authority to issue a bond up to \$3,000,000. The Board chose JP Morgan/Chase for the financing at an interest rate of 4%, and a bank counsel charge of \$10,000, with the option to pay in whole on or after December 1, 2029. These funds will be used to pay off the Direct Borrowing included in Note 5 with JMF-ECVA 2015, LLC by the end of 2024.

#### **Note 10 - Contingencies**

As discussed in Note 9 the Board has approved financing for the payoff of the Direct Borrowing included in Note 5 with JMF-ECVA 2015 LLC (JMF) by the end of 2024. JMF has an associated note payable, secured by the Conference Center with Western Alliance Bank (Bank). During the process of determining the total payoff to JMF management learned that the principal balance remaining at the Bank was \$6,791,023, which is \$265,827 greater than the principal balance due under the approved Ground and Facility use agreements. The Facilities Use Agreement does note that any excess payments held by JMF shall be promptly refunded to the Authority. Depending on the funds remaining within JMF the Authority could be held responsible for the total difference owed, this amount will be determined upon closing. The Authority will also be responsible for a prepayment premium totaling \$67,910 and issuance costs totaling approximately \$133,000.



Required Supplementary Information  
June 30, 2024

## Elko Convention & Visitors Authority

**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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Authority's portion of the net pension liability	0.00755%	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	\$ 1,377,668	\$ 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	\$ 586,471	\$ 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	234.91%	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	76.16%	75.12%	86.51%	77.04%	76.46%	75.24%	74.42%	72.23%	75.13%	76.30%

The following table presents significant assumptions changes:

	2023 through 2021	2020 through 2017	2016 through 2014
Inflation rate	2.50%	2.75%	3.50%
Payroll growth	3.50%	5.00%	5.00%
Investment rate of return/discount rate	7.25%	7.50%	8.00%
Productivity pay increase	0.50%	0.50%	0.75%
Projected salary increases			
Regular**	4.20% to 9.10%	4.25% to 9.15%	4.60% to 9.75%
Consumer price index	2.50%	2.75%	3.50%
Mortality rates			
Healthy***	Pub-2010 General 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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution* Contributions in relation to the	\$ 111,098	\$ 87,238	\$ 79,965	\$ 71,417	\$ 94,039	\$ 91,180	\$ 90,286	\$ 90,344	\$ 84,754	\$ 70,806
statutorily required contribution*	111,098	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	\$ 663,273	\$ 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	16.75%	14.88%	14.83%	14.62%	14.62%	14.00%	14.00%	14.00%	13.88%	12.88%

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



Supplementary Information  
June 30, 2024

# 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, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Budgeted Amounts		Actual	Final Budget Variance	2023
	Original	Final			
<b>Revenues</b>					
<b>Taxes</b>					
Room taxes	\$ 600,000	\$ 600,000	\$ 729,675	\$ 129,675	\$ 697,362
<b>Intergovernmental revenues</b>					
Combined state apportionment	391,396	391,396	391,396	-	391,396
<b>Charges for services</b>					
Facilities revenue	350,000	350,000	476,153	126,153	375,136
Community support	630,000	664,350	715,494	51,144	708,847
	<u>980,000</u>	<u>1,014,350</u>	<u>1,191,647</u>	<u>177,297</u>	<u>1,083,983</u>
<b>Miscellaneous</b>					
Interest income	-	-	165,583	165,583	45,017
Net change in fair value of investments	-	-	-	-	3,947
Other	-	-	322	322	196
	<u>-</u>	<u>-</u>	<u>165,905</u>	<u>165,905</u>	<u>49,160</u>
<b>Total revenues</b>	<u>1,971,396</u>	<u>2,005,746</u>	<u>2,478,623</u>	<u>472,877</u>	<u>2,221,901</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>General government</b>					
Salaries	487,600	577,600	569,672	7,928	515,191
Employee benefits	261,841	286,041	314,453	(28,412)	257,228
Services and supplies	632,225	632,225	725,891	(93,666)	788,734
Advertising and promotion	125,741	125,741	68,085	57,656	86,465
Other-tourism and community events	264,606	298,956	270,728	28,228	339,896
Capital outlay	150,000	60,000	3,804	56,196	-
	<u>1,922,013</u>	<u>1,980,563</u>	<u>1,952,633</u>	<u>27,930</u>	<u>1,987,514</u>
<b>Debt service</b>					
Principal payments	249,344	249,344	249,344	-	237,802
Interest payments	316,342	316,342	316,342	-	327,884
	<u>565,686</u>	<u>565,686</u>	<u>565,686</u>	<u>-</u>	<u>565,686</u>
<b>Total expenditures</b>	<u>2,487,699</u>	<u>2,546,249</u>	<u>2,518,319</u>	<u>27,930</u>	<u>2,553,200</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(516,303)</u>	<u>(540,503)</u>	<u>(39,696)</u>	<u>500,807</u>	<u>(331,299)</u>
<b>Other Financing Sources (Uses)</b>					
Contingency	(68,352)	(44,152)	-	44,152	-
Transfers in	675,000	675,000	675,000	-	-
<b>Total other financing sources</b>	<u>606,648</u>	<u>630,848</u>	<u>675,000</u>	<u>44,152</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>90,345</u>	<u>90,345</u>	<u>635,304</u>	<u>544,959</u>	<u>(331,299)</u>
<b>Fund Balances, Beginning of Year</b>	<u>2,538,495</u>	<u>2,538,495</u>	<u>2,005,117</u>	<u>(533,378)</u>	<u>2,336,416</u>
<b>Fund Balances, End of Year</b>	<u>\$ 2,628,840</u>	<u>\$ 2,628,840</u>	<u>\$ 2,640,421</u>	<u>\$ 11,581</u>	<u>\$ 2,005,117</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, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Budgeted Amounts		Actual	Final Budget Variance	2023
	Original	Final			
<b>Revenues</b>					
<b>Taxes</b>					
Room taxes	\$ 484,849	\$ 484,849	\$ 384,039	\$ (100,810)	\$ 449,824
<b>Intergovernmental revenues</b>					
State grant revenue	80,000	80,000	54,200	(25,800)	50,575
<b>Miscellaneous</b>					
Interest income	1,000	1,000	-	(1,000)	692
Net change in fair value of investment	-	-	-	-	24
	1,000	1,000	-	(1,000)	716
<b>Total revenues</b>	<u>565,849</u>	<u>565,849</u>	<u>438,239</u>	<u>(127,610)</u>	<u>501,115</u>
<b>Expenditures</b>					
<b>Current</b>					
<b>General government</b>					
Salaries	144,498	144,498	128,541	15,957	128,763
Employee benefits	68,637	68,637	65,204	3,433	63,835
Advertising and promotion	465,160	465,160	450,305	14,855	403,114
Grant expenses	40,000	40,000	-	40,000	-
<b>Total expenditures</b>	<u>718,295</u>	<u>718,295</u>	<u>644,050</u>	<u>74,245</u>	<u>595,712</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(152,446)</u>	<u>(152,446)</u>	<u>(205,811)</u>	<u>(53,365)</u>	<u>(94,597)</u>
<b>Net Change in Fund Balance</b>	(152,446)	(152,446)	(205,811)	(53,365)	(94,597)
<b>Fund Balances, Beginning of Year</b>	<u>1,382,409</u>	<u>1,382,409</u>	<u>1,407,915</u>	<u>25,506</u>	<u>1,502,512</u>
<b>Fund Balances, End of Year</b>	<u>\$ 1,229,963</u>	<u>\$ 1,229,963</u>	<u>\$ 1,202,104</u>	<u>\$ (27,859)</u>	<u>\$ 1,407,915</u>

**Elko Convention & Visitors Authority**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund**  
**Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	Budgeted Amounts		Actual	Final Budget Variance	2023
	Original	Final			
<b>Revenues</b>					
<b>Taxes</b>					
Ad valorem taxes	\$ 555,428	\$ 555,428	\$ 595,996	\$ 40,568	\$ 576,856
<b>Miscellaneous</b>					
Interest income	-	-	3,530	3,530	3,376
Net change in fair value of investment	-	-	-	-	(105)
	-	-	3,530	3,530	3,271
<b>Total revenues</b>	<b>555,428</b>	<b>555,428</b>	<b>599,526</b>	<b>44,098</b>	<b>580,127</b>
<b>Expenditures</b>					
<b>Current</b>					
General government					
Services and supplies	5,000	5,000	21,388	(16,388)	474
Capital outlay	350,000	350,000	168,341	181,659	498,095
<b>Total expenditures</b>	<b>355,000</b>	<b>355,000</b>	<b>189,729</b>	<b>165,271</b>	<b>498,569</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>200,428</b>	<b>200,428</b>	<b>409,797</b>	<b>209,369</b>	<b>81,558</b>
<b>Other Financing Sources (Uses)</b>					
Transfer out	(300,000)	(300,000)	(300,000)	-	-
<b>Net Change in Fund Balance</b>	<b>(99,572)</b>	<b>(99,572)</b>	<b>109,797</b>	<b>209,369</b>	<b>81,558</b>
<b>Fund Balances, Beginning of Year</b>	<b>2,525,174</b>	<b>2,525,174</b>	<b>2,863,357</b>	<b>338,183</b>	<b>2,781,799</b>
<b>Fund Balances, End of Year</b>	<b>\$ 2,425,602</b>	<b>\$ 2,425,602</b>	<b>\$ 2,973,154</b>	<b>\$ 547,552</b>	<b>\$ 2,863,357</b>

**Elko Convention & Visitors Authority**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Facility Expansion**  
**Fund**  
**Year Ended June 30, 2024**  
**(With Comparative Actual Amounts for the Year Ended June 30, 2023)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final Budget Variance</u>	<u>2023</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes					
Room taxes	\$ 1,032,962	\$ 1,032,962	\$ 691,271	\$ (341,691)	\$ 393,258
Miscellaneous					
Interest income	50	50	-	(50)	47
Total revenues	1,033,012	1,033,012	691,271	(341,741)	393,305
Excess (Deficiency) of Revenues Over Expenditures	<u>1,033,012</u>	<u>1,033,012</u>	<u>691,271</u>	<u>(341,741)</u>	<u>393,305</u>
Other Financing Sources (Uses)					
Transfer out	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	658,012	658,012	316,271	(341,741)	393,305
Fund Balances, Beginning of Year	<u>311,285</u>	<u>311,285</u>	<u>563,059</u>	<u>251,774</u>	<u>169,754</u>
Fund Balances, End of Year	<u>\$ 969,297</u>	<u>\$ 969,297</u>	<u>\$ 879,330</u>	<u>\$ (89,967)</u>	<u>\$ 563,059</u>



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**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, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 4, 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 a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-001 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Elko, Nevada  
December 4, 2024



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### 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 (the "Authority") as of and for the year ended June 30, 2024, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the 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 2023-001 is reported again this year as finding 2024-001 in the Schedule of Findings and Responses.

#### 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  
December 4, 2024



*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.